



ACI Formulations Limited



Annual Report
2016-2017





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Corporate Information

Board of Directors



Mr. M. Anis Ud Dowla
Chairman



Ms. Shusmita Anis
Managing Director



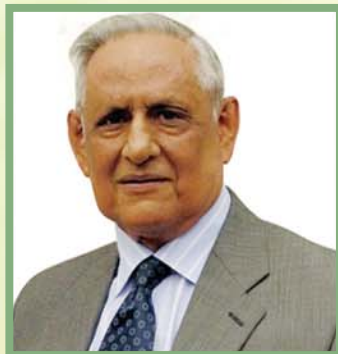
Mrs. Najma Dowla
Director



Dr. Arif Dowla
Director



Dr. F H Ansarey
Director



Mr. Juned Ahmed Choudhury
Independent Director



Mr. Kamran T. Rahman
Independent Director

Company Secretary
Ms. Sheema Abed Rahman

Chief Financial Officer
Mr. Pradip Kar Chowdhury

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

Auditors
Rahman Rahman Huq
Chartered Accountants

Governance Compliance Auditor
Al-Muqtadir Associates, Chartered Secretaries

Legal Advisor
Barrister Rafique-ul Huq
Huq and Company

Advisor, Regulatory Affairs
Mr. M. Sekander Ali

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



Notice of the 21st Annual General Meeting

Notice is hereby given that the 21st Annual General Meeting of ACI Formulations Limited will be held on Monday, 18 December 2017 at 9:00 am at Officers Club, 26 Baily Road, Dhaka to transact the following business:

AGENDA

- 1) To receive, consider and adopt the Audited Financial Statements for the year ended on 30 June 2017 together with Reports of the Auditors and the Directors thereon.
- 2) To declare dividend for the year ended 30 June 2017.
- 3) To elect/re-elect Directors as per terms of the Articles of Association of the Company.
- 4) To approve the re-appointment of Independent Director, Mr. Kamran T. Rahman.
- 5) To re-appoint the Managing Director, Ms. Shusmita Anis for a term of 5 years from 30/12/2017 to 29/12/2022.
- 6) To appoint Auditors for the year 2017-2018 and fix their remuneration.

By Order of the Board

Sheema Abed Rahman

Sheema Abed Rahman
Company Secretary

Dhaka
27 November 2017

Notes

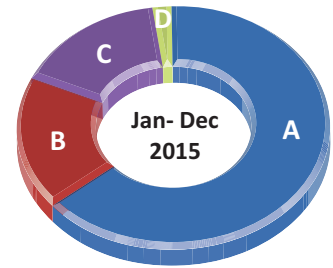
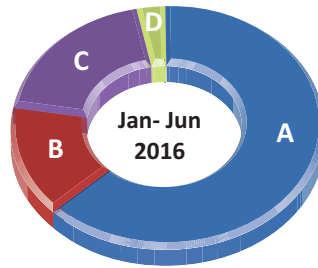
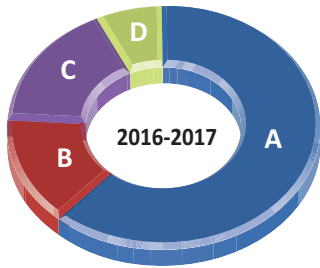
- a. The Shareholders, whose names appeared in the Members/Depository Register as on the Record Date, i.e. 13 November 2017 will be eligible to attend the AGM and receive the dividend.
- b. The Shareholders are requested to submit their written option to receive dividend to the Company's Share Office on or before 14 December 2017. In case of non-receipt of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Company. The Shareholders are also requested to update their mailing address before the Record Date to get the Annual Report in time.
- c. The Proxy Form, duly completed, must be deposited at the Share Office of the Company at 9 Motijheel Commercial Area, Dhaka-1000 not later than 48 hours before the time fixed for the Meeting.
- d. Admittance to the Meeting venue will be on production of the Attendance Slip and verification of signature of Member (s) and/or Proxy-holder (s).
- e. The Annual Report 2016-2017 is available in Company's website, www.aci-bd.com.

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



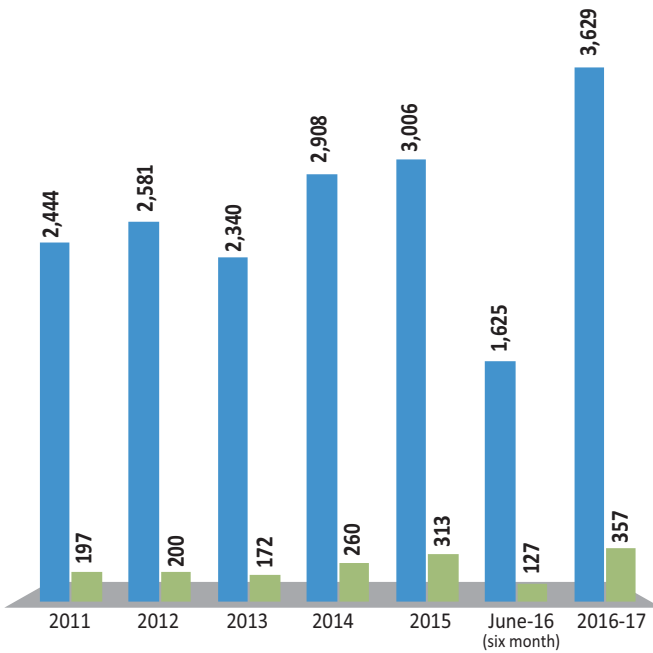
Financial Highlights and Analysis

Turnover Contribution by Business Unit



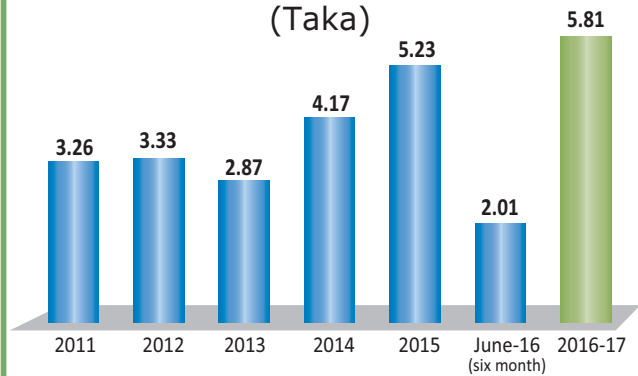
Business Unit	2016-2017	Jan - Jun 2016	Jan - Dec 2015
A ■ Corp Care & Public Health	61.91%	63.24%	64.30%
B ■ Mosquito Coil	14.44%	14.76%	17.76%
C ■ Aerosol	16.80%	19.04%	15.97%
D ■ Others	6.85%	2.96%	1.97%

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

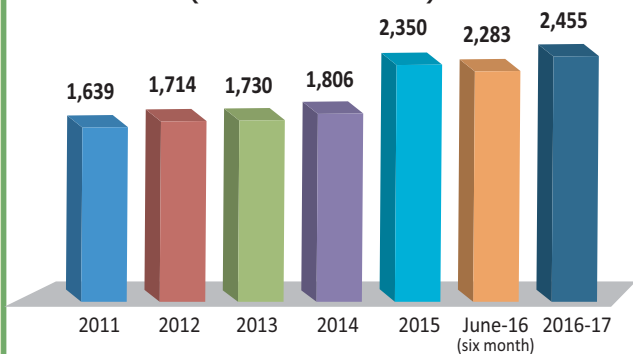


■ Net Sales Income
■ Profit Before Tax

Earnings Per Share (Taka)



Shareowners' Equity (Taka in Million)

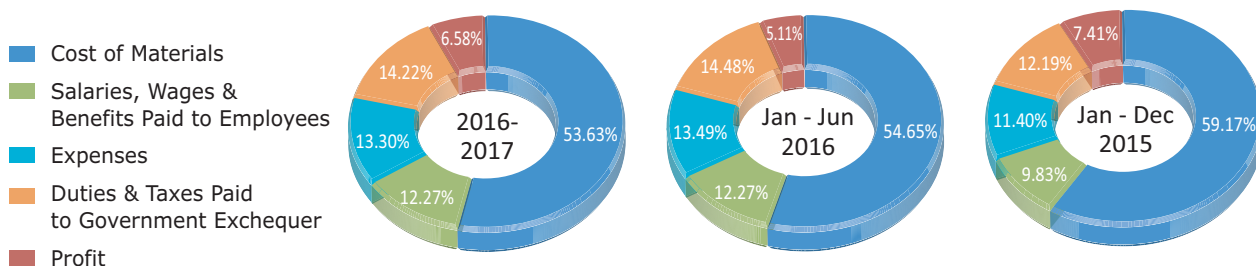


Comparative Statistics

Particulars	2011	2012	2013	2014	2015	June 2016 (Six Month)	July 16- June 17
Taka in million							
Authorized capital	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Issued & paid-up capital	300.00	450.00	450.00	450.00	450.00	450.00	450.00
Current assets	1,646.05	1,590.00	1,652.00	1,811.60	2,594.40	2,719.34	3,296.51
Tangible fixed assets (gross)	1,262.89	1,353.97	1,389.43	1,435.68	1,717.06	1,761.33	1,857.65
Shareowners' equity	1,638.78	1,713.74	1,730.47	1,805.59	2,350.46	2,283.36	2,454.80
Turnover (net)	2,443.66	2,581.04	2,340.43	2,908.11	3,006.49	1,625.48	3,629.43
Gross profit	571.86	609.86	584.56	738.58	800.14	476.94	1,107.81
Profit before tax	197.49	200.21	172.29	259.65	313.11	126.64	356.73
Profit after tax	146.85	149.96	129.23	187.62	235.14	90.40	261.44
Dividend	225.00	112.50	112.50	135.00	157.50	-	157.50
Current ratio (times)	1.46	1.50	1.49	1.50	1.35	1.29	1.29
Quick ratio (times)	0.84	0.87	0.98	0.94	0.88	0.82	0.75
Return on equity (%)	9.00	9.00	7.00	10.00	10.00	*7.92	10.65
Inventory turnover (times)	2.67	2.95	3.06	3.21	2.46	*2.31	1.82
Debtors turnover (times)	4.23	4.26	4.93	3.48	2.19	*2.56	2.51
Fixed assets turnover (times)	2.02	2.05	1.88	2.34	1.72	*1.87	2.02
Net asset per share (Taka)	36.42	38.08	38.45	40.12	52.23	50.74	54.55
Market price per share (Taka)	89.00	73.90	78.90	126.70	189.70	155.00	200.10
Earnings per share (Taka)	3.26	3.33	2.87	4.17	5.23	2.01	5.81
Dividend per share (Taka)	7.50	2.50	2.50	3.00	3.50	-	3.50
Dividend rate (%)	75.00	25.00	25.00	30.00	35.00	-	35.00
Dividend payout ratio (%)	230.06	75.08	87.11	71.94	66.92	-	60.24
Price earnings ratio (times)	27.30	22.19	27.49	30.38	36.27	*38.56	34.44
Dividend yield (%)	8.43	3.38	3.17	2.37	1.85	-	1.75
Number of employees	798	921	922	1,149	1,459	1,489	1,679

* Ratios are annualised.

Analysis of Turnover (%)



Comparison of Turnover & Costs

	Taka in Million					
	2016-17	%	Jan-June 2016 (six month)	%	Jan-Dec 2015	%
Turnover (Gross)	3,969.62	100	1,767.32	100	3,172.55	100
Cost of Materials	2,128.79	53.63	965.94	54.65	1,877.10	59.17
Salaries, Wages & Benefits paid to employees	487.26	12.27	216.79	12.27	312.04	9.83
Expenses	527.79	13.30	238.37	13.49	361.61	11.40
Duties & Taxes paid to Government Exchequer	564.34	14.22	255.82	14.48	386.64	12.19
Profit	261.44	6.58	90.40	5.11	235.16	7.41
Total	3,969.62	100.00	1,767.32	100.00	3,172.55	100.00



Message from the Chairman

চেয়ারম্যানের বাণী

M. Anis Ud Dowla
Chairman

*Dear Shareowners
and Friends of AEDFL,*

Assalamu Alaikum,

After a few years of merciful climate, nature last year was unkind. Excessive rainfall in the whole region caused flood on a large scale. For two successive seasons crops were affected due to floods. Our Crop Care business suffered as a result. Particularly affected was our Flora business, which, inspite of excellent branding, fell short of the projected level of sales. However, the Crop Care business tried hard to recover and did better than most of the competition.

We have renovated and overhauled our Gazipur factory operations with focus on saving cost, conserve energy and streamline systems and processes. Contract manufacturing of S.C. Johnson & Son products has also gone through their review satisfactorily.

The factory is fully green in terms of effluents and waste. Our incinerator completely decomposes solid waste and our Effluent Treatment Plant fully neutralizes the effluent and recycles the fluid for irrigation purposes.

Our employees are hard working and productive. The Crop Care field force and marketing people deserve special appreciation for doing a good job, helping the farmers cope with the floods. On your behalf I wish to thank all the employees for their performance and dedication.

We are seeking new areas of opportunity for expansion. Several factors including uncertainty of cost and availability of gas and electricity are hindering progress of project evaluation.

Allah Hafez.

Sincerely,

M. Anis Ud Dowla
Chairman

"The factory is fully green in terms of effluents and waste."

“আমাদের ফ্যাক্টরীর বর্জ্য পরিশোধন ব্যবস্থা পুরোপুরিভাবে পরিবেশবান্ধব।”

প্রিয় শেয়ারমালিক ও এসিআই
এফএল এর শুভাকাজক্ষীবন্দ,

আসসালামু-আলাইকুম,

কয়েক বছর ধরে আশীর্বাদপুষ্ট আবহাওয়ার ধারাবাহিকতা বজায় থাকলেও বিগত বছরটি ছিল অসহিষ্ণু। সমগ্র অঞ্চলজুড়ে অতিমাত্রায় বৃষ্টিপাতের ফলে দেশের একটি বৃহৎ এলাকা বণ্যা কবলিত ছিল। ফলশ্রুতিতে, পরপর দুই মৌসুমে শস্য উৎপাদন ব্যাহত হয়েছে এবং আমাদের ফ্রুপ কেয়ার ব্যবসা ক্ষতিগ্রস্ত হয়েছে। বিশেষকরে, ফ্লোরা'র চমৎকার ব্র্যান্ডিং সত্ত্বেও এ ব্যবসায় ইউনিটে নির্দিষ্ট বিক্রয় লক্ষ্যমাত্রা অর্জন সম্ভবপর হয়নি। তদুপরি, ফ্রুপ কেয়ার ব্যবসা এই ক্রান্তিকাল কাটিয়ে উঠতে সর্বাঙ্গিক চেষ্টা করেছে এবং বাজারের অন্যান্য প্রতিযোগীদের তুলনায় ভাল করেছে।

আমরা গাজীপুরের ফ্যাক্টরী অপারেশনকে পুঙ্খানুপুঙ্খরূপে পূর্ণবিন্যাস্ত করেছি তথা ব্যয় নিয়ন্ত্রণ, জ্বালানী সাশ্রয় এবং সিস্টেম ও প্রসেসগুলিকে আধুনিকীকরণ করার ওপরে জোর দিয়েছি। S.C. Johnson & Son এর সম্ভৃষ্টি অর্জন সাপেক্ষে তাঁদের চুক্তিভিত্তিক পণ্য উৎপাদন প্রক্রিয়া সফল ভাবেই অগ্রসর হচ্ছে।

আমাদের ফ্যাক্টরীর বর্জ্য পরিশোধন ব্যবস্থা পুরোপুরিভাবে পরিবেশবান্ধব। এখানে কঠিন বর্জ্যকে দাহন যন্ত্রে পুড়িয়ে সম্পূর্ণরূপে বিলীন করার মাধ্যমে ক্ষতিকর উপাদানকে নিষ্ক্রিয় করা হয় এবং পরিশোধিত ফ্লুয়িডকে পুনরায় সেচকার্বে ব্যবহার উপযোগী করা হয়।

আমাদের কর্মীরা কঠোর পরিশ্রমী এবং উৎপাদনক্ষম। বণ্যা পরিস্থিতি মোকাবেলা করতে কৃষকদেরকে সহায়তা করার জন্য আমাদের ফ্রুপ কেয়ারের মাঠকর্মী ও বাজারজাতকরণ কর্মীদের ভূমিকা বিশেষ প্রশংসা পাওয়ার যোগ্য। আমি আপনাদের পক্ষ থেকে সকল কর্মীবৃন্দকে তাদের স্ব স্ব অবদান ও কর্মনিষ্ঠার জন্য ধন্যবাদ জানাই।

আমরা আমাদের ব্যবসা ক্ষেত্রকে আরও প্রসারিত করার লক্ষ্যে নতুন প্রকল্প সন্ধানে নিয়োজিত। মূল্যের অনিশ্চয়তা, গ্যাস ও বিদ্যুতের দুঃপ্রাপ্যতাসহ আরও অনেক সংকট এই সমস্ত প্রকল্প বাস্তবায়নের পথে অন্যতম অন্তরায়।

আল্লাহ হাফেজ।

আপনাদের বিশ্বস্ত,



এম. আনিস উদ্ দৌলা
চেয়ারম্যান



Statement of Corporate Governance (CG)

In ACI Formulations Limited (ACI FL) corporate governance 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 shareowners, 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 guidelines. Further details about members of the Board are appended at the appropriate parts in this report.

Composition of the Board

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

Roles and Responsibilities of the Board

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

Functioning of the Board

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



Management through People

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

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

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

Empowerment of People

The Board has given clear guidelines to the Managing Director to ensure that there is appropriate delegation of authority and clear statement of accountability of the management staff all the way down to the supervisory level and that performance of the individual is judged on the basis 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 all corporate respects required under the law. Annual General Meeting (AGM) is the highest forum for interaction between shareowners and management of the Company. Accordingly, the Company holds the AGM regularly and in time. The shareowners are informed about the AGM well in advance and meeting materials are dispatched to them with priority abiding by laws and guidelines. The Directors attending the Annual General Meeting note the views, aspirations and suggestions of the shareowners and institutional stakeholders offered at the AGM and consider them with utmost attention. The Managing Director also brings to the notice of the Board any written communication received by her from the shareowners.





Internal Control and Risk Management

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

Independent Director

In compliance with the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC), the existing Board of Directors of the Company includes two Independent Directors, Mr. Juned Ahmed Choudhury and Mr. Kamran T. Rahman. Mr. Juned Ahmed Choudhury also acts as the Chairman of the Audit Committee. The Independent Directors of the Company have been elected amongst the senior corporate leaders and bureaucrats of the country who are elite members of the society having requisite qualifications as prescribed by BSEC.

Distinctive Role of Chairman and Managing Director

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

Chief Financial Officer, Head of Internal Audit and Company Secretary

Under requirements of the BSEC Governance Guidelines, the Company has in place the above three key positions held by three qualified professionals. Mr. Pradip Kar Chowdhury, a Fellow Chartered Accountant, acts as the Chief Financial Officer and Mr. Amitava Saha, acts as the Head of Risk Management & Internal Audit. While Ms. Sheema Abed 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 Shareowners. The roles, responsibilities and duties of these three key positions have clearly set forth in writing by the Board.

The Board Audit Committee

Following the Guidelines of Bangladesh Securities and Exchange Commission, 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, who are Mr. Juned Ahmed Choudhury, Mrs. Najma Dowla and Dr. F H Ansarey. 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. Being the Independent Director and having the requisite qualification in line with the BSEC guidelines, Mr. Juned Ahmed Choudhury has been appointed as the Chairman of the Audit Committee. The Company Secretary acts as the Secretary of the Committee, as required by the BSEC guidelines. The Chief Financial Officer and Head of Internal Audit attend all meetings of the Audit Committee regularly as special invitees.

The Audit Committee met five times during FY 2016-2017. The key responsibilities of the Audit Committee include:

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

Reviewing of Business and Financial operations

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





Audit Committee Report

We are pleased to present herewith the Report of the Audit Committee of ACI Formulations Limited (ACI FL) pursuant to the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC). The report includes an abstract of activities performed by the Audit Committee during FY 2016-2017.

Composition of the Board's Audit Committee:

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

All members of the Committee are appointed by the Board.

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

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

The key responsibilities of the Audit Committee includes:

Review

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

Monitor

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

Oversee

- The financial reporting process.
- Appointment of statutory auditors and their performance.

Meetings and attendance

The Audit Committee met five times during FY 2016-2017. The details of attendance of each member at the Audit Committee meetings are as follows:

Members Name	Position	Meeting Held	Meeting Attended
Mr. Juned Ahmed Choudhury	Chairman	5	5
Dr. F H Ansarey	Member	5	4
Mrs. Najma Dowla	Member	5	1
Ms. Sheema Abed Rahman	Secretary	5	4

In addition to the members of Committee, the Chief Financial Officer and Head of Risk Management & Internal Audit are permanent invitees to the meetings of the Audit Committee.

The Terms of Reference of the Audit Committee explicitly defines its purpose, authority, responsibilities and objectives. Role and functions of the Committee are further regulated by the rules governing the Audit Committee as specified by the 'Conditions on Corporate Governance' issued by the Bangladesh Securities and Exchange Commission. The Audit Committee is responsible to and reports to the Board of Directors.

The principal activities of the Audit Committee during the year were as follows:

1. Internal Control and Business Risk management

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

To further strengthen the controls, the company has adopted and been consistently complying with the following international standards and guidelines:

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

Business Risk Management is an ongoing process in ACI FL where risks are identified along with recognition of risk factors, review and evaluation of risks to the achievement of business objectives. The Managing Director has to assure the Board on the adequacy of assigned Business Risk Management and Internal Control Process. Internal Audit is dedicated in a pivotal role into Risk Management Process. As such, Risk Management and Internal Audit department conducts yearly review focusing on to the risk indicators, where a detailed risk map is prepared.



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



2. Internal Audit

The Internal Audit activity is established to provide independent, objective assurance and consulting services designed to add value and improve the Company's operation. It helps the Business units achieving its objective by bringing a systematic, disciplined approach to evaluate risk management, control and governance processes.

Audit activities play an essential and useful role in conducting successful operations. These activities serve to examine and evaluate financial, administrative and operational activities of the Company. Management is provided with information to assist in their control of the assets and operations for attainment of objectives for which they are responsible. Internal Audit mainly concentrates on risk-based audit approach, and that allows Internal Audit to provide assurance to the Board that risks are managed effectively and timely.

The Audit Committee reviews the internal audit plans to assure the consistency and coverage of the risk management framework of the Company. The Committee reviews the following activities:

- To assure, Internal Audit department has the competency and qualifications to maintain its mandates.
- Status report from the Internal Audit department and ensure that appropriate actions have been taken to implement its recommendations.
- Recommend any broader review deemed necessary as a consequence of any issues that may have been identified.
- Request and review any special audit when deemed necessary.

3. External Auditor

Rahman Rahman Huq, Chartered Accountants (KPMG in Bangladesh), a Member Firm of KPMG International, was appointed as statutory external auditors of the Company for the FY 2016-2017 at the 20th Annual General Meeting held on 7 December 2016. In this respect the Audit Committee has ensured that the statutory auditors are not engaged in any activity restricted in the BSEC Guidelines and that none of the Partners or employees of the Firm or members of the audit team are holders of any share in the Company. This is demonstrated in a declaration from the statutory auditors during the year.

After audit, the Committee reviewed the findings and recommendations made by the external auditor and advised the Board and management to take necessary actions.

General Summary of activities of the Audit Committee

The Committee met five times during the year under review to carry out the following major activities:

- Reviewed and recommended to the Board on approval of the Annual Financial Statements for the year ended on 30 June 2017.
- Reviewed the Management Letter from external auditors for the year under review along with management's responses on the findings.
- Reviewed the Auditors' Certificate on Corporate Governance compliance for the year ended 30 June 2017.

- Reviewed and ascertained that the internal control system including financial and operational controls, accounting system, and reporting structure are adequate and effective.
- Reviewed the periodical reports submitted by the Internal Auditors and recommended to the management regarding proper and prompt resolution of the irregularities/issues stated therein.
- Reviewed the actions taken by the management for implementation of Audit Committee observations on issues deliberated in Audit Committee reports.
- The Committee placed its reports regularly to the Board for reviewing and monitoring the activities recommended on internal control system, compliance with rules and regulation of the regulatory bodies.
- The Committee reviewed relevant quarterly Financial Statements during the year under review and recommended to the Board for their approval.
- Based on the above review and discussions, the Audit Committee is of the view that the internal control and compliance procedures are adequate to present a true and fair view of the activities and financial status of the Company.

Sheema Abed Rahman
Sheema Abed Rahman
Secretary, Audit Committee

Juned Ahmed Choudhury
Juned Ahmed Choudhury
Chairman of the Committee



Directors' Report to the Shareowners

For the Financial Year 2016-2017



It is a pleasure and privilege on the part of the Board of Directors to present herewith the Directors' Report and Auditors' Report together with the Audited Financial Statements of ACI Formulations Limited (ACI FL) for the first fiscal year (1 July 2016 to 30 June 2017) as the financial year of the Company ended on 30 June 2017 prepared based on the provisions of the Companies Act 1994, Finance Act 2015 and the Notifications issued from time to time by Bangladesh Securities & Exchange Commission (BSEC).

Despite all the challenges of excessive rainfall and flooding in large part of the country in two consecutive seasons, our business of Crop Care and Public Health (CC & PH) recorded a growth of 16% over the year 2015. This was possible because of the strategic leadership and untiring efforts of our sales and marketing team. They deserve to be acknowledged and appreciated for an excellent job done.

In the Crop Care business we have modernized our product range further with the addition of six more molecules, which are cost-effective and more environmentally friendly. The new molecules are being branded and will become winners in their respective categories. We continue to be the market leader in Herbicide category. We have retained a strong position in Fungicide range and overall gained market share.

We have introduced a Spraying Service called "Flow Master" which provides a spraying machine to a sprayer trained by us, who can be hired by farmers to spray their crop. This service is expected to take care of proper application and safety. This is an initiative under our Corporate Social Responsibility.

Flora is a bio-friendly plant energizer and yield booster. As we found good response from users we felt encouraged to setup a Strategic Business Unit to handle Flora and funded for vigorous branding campaign. We also created a separate field force for Flora in 2015. In the first two years, we got a robust growth in sales of Flora and therefore, planned the logistics in expectation for similar results. Unfortunately, the floods in successive seasons severely curtailed the demand for Flora. We are now taking several initiatives to address the situation and take corrective measures. The potential of Flora





is tremendous and our branding of the product has been very successful. We will put the required resources to harness full potential of this product in the coming seasons and reap the benefit of branding.

Both Crop Care and Flora team of Crop Care business are present in the field, educating the farmers to adopt modern agronomic practices for increased yield of their crop. We are also working with several NGOs & donor agencies to access the farmers in remote areas, teaching them modern cultivation technique. We are also working on A2i project with the Government at Upazilla level.

The factory of ACI Formulations Limited located in Gazipur is a fully compliant establishment and is certified under the ISO 14001 Environmental Management System. ACI FL is committed to maintain sustainable environment.

Our Quality Control labs have all the modern analytical equipments and our Standard Operating Procedures ensure that the products comply with the

set Standards without exception. We have Health Safety and Environment policies and we ensure factory is fully compliant of the highest standards. We ensure that our employees always wear personal protective gears while at work.

We toll-manufacture products for SC Johnson of the USA and AkzoNobel of the Netherlands. We are meeting their quality and volume of products to their satisfaction. They conduct technical audit from time to time and our operations score high in the audit rating.

During the year we have taken many production-related improvement measures like automation and process improvement. These initiatives have reduced cost and improved productivity.

Our Effluent Treatment Plant meets all the environment regulations and standards. We process all waste materials, both solid and liquid, to remove or breakdown the toxic chemicals. Our residue disposal protocol meets world-class standards.





Key Operating & Financial Information at a Glance

The key operating and financial information for the year 2016-17 along with the preceding five years are presented below:

Figures are in million (BDT)

Particulars	July 2016- June 2017	January 2016 -June 2016 (six month)	December 2015	December 2014	December 2013	December 2012	December 2011
Net Turnover	3,629.43	1,625.48	3,006.49	2,908.11	2,340.43	2,581.04	2,443.66
Gross profit	1,107.81	476.94	800.14	738.58	584.56	609.86	571.86
Profit before tax	356.73	126.64	313.11	259.65	172.29	200.21	197.49
Profit after tax	261.44	90.40	235.14	187.62	129.23	149.96	146.85
Earnings per share (Taka)	5.81	2.01	5.23	4.17	2.87	3.33	3.26
Issued & paid capital	450.00	450.00	450.00	450.00	450.00	450.00	300.00
Shareowners' equity	2,454.80	2,283.36	2,350.46	1,805.59	1,730.47	1,713.74	1,638.78
Net asset per share (Taka)	54.55	50.74	52.23	40.12	38.45	38.08	36.42
Number of employees	1,679	1,489	1,459	1,149	922	921	798
Total contribution to National Exchequer	564.34	255.82	386.64	246.47	165.58	170.00	172.47

Financial Results

For the year ended 30 June 2017, total revenue of ACI Formulations Limited was Taka 3,629.43 million which was Taka 4,631.97 million for 18 month comparative period. The gross profit margin has increased to 30.52% in the current year from 27.57% of last 18 month comparative period due to favorable material price variance and higher proportionate sale of high margin products. In the current year, operating profit was Taka 493.65 million and profit after tax (PAT) was Taka 261.44 million resulting into Earnings per Share Taka 5.81.

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:

	For the year ended 30 June 2017	For the eighteen- month period ended 30 June 2016	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
	Taka	Taka	Taka	Taka
Un-appropriated profit	696,967,963	527,627,496	606,569,899	527,627,496
Add: Net profit after tax for the period / year	261,436,927	325,540,469	90,398,064	235,142,405
Add: Realization of revaluation reserve	-	1,299,998	-	1,299,998
Total available for appropriation	<u>958,404,890</u>	<u>854,467,963</u>	<u>696,967,963</u>	<u>764,069,899</u>
Appropriation of profit:				
Interim dividend				
Cash dividend	90,000,000	-	-	-
Final dividend proposed:				
Cash dividend	<u>67,500,000</u>	<u>157,500,000</u>	-	<u>157,500,000</u>
Total dividend	<u>157,500,000</u>	<u>157,500,000</u>	-	<u>157,500,000</u>
Balance carried forward	<u>800,904,890</u>	<u>696,967,963</u>	<u>696,967,963</u>	<u>606,569,899</u>

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.

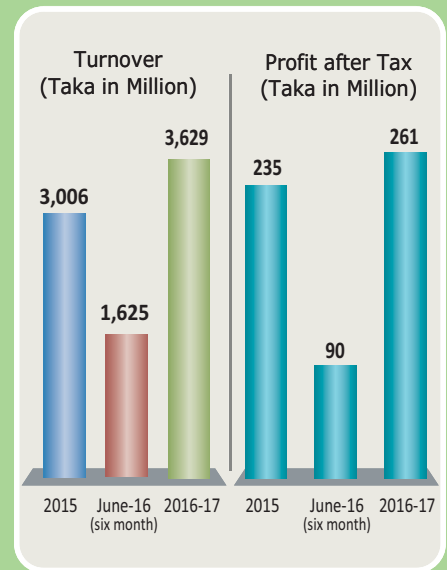
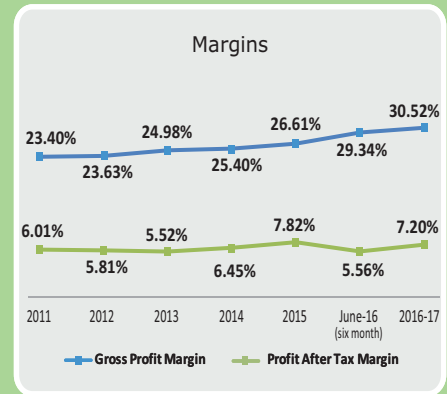
Dividend

The Board of Directors has already distributed interim cash dividend @ 20% i.e. Taka 2 per share.

In addition to the above interim dividend, the Board of Directors is pleased to recommend cash dividend @15 percent on face value of Tk. 10 per share (i.e. Taka 1.5 per share) for the year ended 30 June 2017 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 Monday, 13th November 2017.

Contribution to the National Exchequer

For the year ended 30 June 2017, the company contributed Taka 564.34 million to the National Exchequer in the form of corporate tax, custom duty and Value Added Tax (VAT). This is equivalent to 15.55 percent of the Company's net sales revenue for the year 2016-17.



Cost of Goods Sold and Profit Margins

For the year ended 30 June 2017, cost of goods sold was Taka 2,521.62 million (69.48% of net revenue) which was Taka 3,354.89 million (72.43% of net revenue) for 18 month comparative period. This has been achieved due to comparative lower material cost and high yielding product mixes. We have been able to generate gross profit margin of 30.52% (Taka 1,107.81 million) during the year ended 30 June 2017 as against 27.57% (Taka 1,277 million) during 18 month comparative period. Despite a large growth in gross profit margin, the PAT percentage was 7.2% due to increased administrative, selling and distribution expenses and higher financing costs.

Directors' Declaration as to Statutory Information

In connection with preparation and presentation of the Financial Statements for the year ended on 30 June 2017, the Directors also report that:

- Segment-wise performance has been shown in note - 7 (ii) of the Financial Statements.
- The Company is aware of the different risks associated with doing business and is prepared to counter those risks through systematic approach. Financial risks management has been disclosed in the Note - 32 of the Financial Statements.
- No extra-ordinary gain or loss exists during the year as prescribed by the Bangladesh Financial Reporting Standards (BFRSs).
- All transactions with related parties are made on a commercial basis and the basis was the principle of "Arms Length Transaction". Details of related party transaction are disclosed in the Note - 36 of the Financial Statements.
- No IPO or Right issue was made during the year.
- No significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.
- During Financial Year 2016-2017, the Company has paid a total of Taka 9,000.00 as Board meeting attendance fees. The remuneration of Directors has been mentioned in Note- 28 & Note- 36(b) of the Financial Statements.
- The Financial Statements prepared by the management of the Company presents a true and fair view of Company's state of affairs, result of its operation and changes in equity and cash flows.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently followed in formulating the Financial Statements and Accounting estimates are reasonable and accurate.
- Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) have been followed in preparation of the Financial Statements.
- The System of Internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt, whatsoever, upon the company's ability to continue as going concern.
- All significant variations in operating results from the previous year have been highlighted and reasons thereof have been explained.
- The key financial and operating data for preceding five years is disclosed in the Directors' Report.
- The Company has recommended dividend for the Financial Year 2016-2017.
- During Financial Year 2016-2017, 5 (five) Board meetings were held, which conform the regulatory requirements which are shown in Annexure - I.
- Shareholding pattern of the Company as on 30 June 2017 are shown in Annexure - II.
- The profiles of Directors who have sought for appointment/re-appointment are shown in Annexure - III.
- The CEO and CFO has certified to the Board that they have reviewed the Financial Statements and believe that these statements do not contain any material untrue statements or omit any material fact or certain statements that might be misleading.
- The CEO and CFO further confirm that Financial Statements together present a true and fair view of the Company's affairs and are in compliance with applicable laws.
- The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the period under review, which are fraudulent, illegal or violation of the Company's code of conduct.



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 organisation as a going concern and the Directors analyse the financial statements accordingly to ensure that. Hence, the Financial Statements are prepared on a going concern basis.

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.

Board of Directors

The Board of Directors of the Company consists of the following 7 (seven) members having a majority of non-executive Directors including two Independent Directors:

- **Mr. M. Anis Ud Dowla**
Chairman, Board of Directors
- **Ms. Shusmita Anis**
Managing Director
- **Dr. F H Ansarey**
Director
- **Dr. Arif Dowla**
Director
- **Mrs. Najma Dowla**
Director
- **Mr. Juned Ahmed Choudhury**
Independent Director
- **Mr. Kamran T. Rahman**
Independent Director

Election of Director

By operation of Article 47 of the Company's Articles of Association Mr. M. Anis Ud Dowla and Dr. F H Ansarey retire by rotation and being eligible, offer themselves for re-election. Their brief resume and other information are appended in the Annexure-III of this report as per BSEC notification.

Re-appointment of Independent Director

The first three-year tenure of the Independent Director, Mr. Kamran T. Rahman expires on 27 April 2017. Accordingly, the Board in its meeting held on 27 April 2017 has extended his tenure for another term of three-year with effect from 28 April 2017 as the Independent Director of the Company as per BSEC regulations and recommended to the shareholders for approval in the 21st Annual General Meeting.

Brief resume and other information of Mr. Kamran T. Rahman is appended in the Annexure-III of this report as per BSEC notification.

Re-appointment of Managing Director

The tenure of Ms. Shusmita Anis, Managing Director of the Company, will expire on 29 December 2017. The Board in its meeting held on 23 October 2017 decided to re-appoint her for a further term of five years w.e.f. 30 December 2017 and accordingly, recommended for approval by the shareowners in the ensuing Annual General meeting. Brief resume of Ms. Shusmita Anis is appended in Annexure-III of this report as per BSEC notification.

Appointment of Auditors

The existing Auditors of the Company, M/s. Rahman Huq, Chartered Accountants, retire at this Annual General Meeting on completion of their audit works for the year ended on 30 June 2017. They are not however eligible for reappointment as per BSEC order No. SEC/CMRRCD/2009-193/104/admin/61, Dated-July 08, 2015.



M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, expressed their interest to be appointed as auditors of the Company for the FY 2017-2018 at a fee of Tk. 630,000/- plus VAT. Accordingly, Board recommends the appointment to the shareholders of the Company.

Corporate Governance Compliance Status

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

In this connection, we are pleased to confirm that the Company has meanwhile complied with all the necessary guidelines under BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012. The compliance report along with the necessary remarks/disclosure is appended in Annexure-V of the Directors' Report for the year ended on 30 June 2017. In this respect, the Certificate of Compliance required under Condition # 7 of the Notification as provided by M/s. Al-Muqtadir Associates, Chartered Secretaries, is also enclosed in Annexure-VI of this report.

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

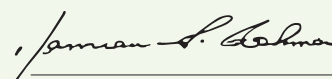
The Board of Directors firmly believes that ACI FL has the necessary strengths, resources and commitments to further propel the Company to newer heights. The performance of the Company during the period under review, even with so many challenges confronted, demonstrates the resolves and determination of the Board and the employees in the Company. At this occasion, the Board expresses on record their appreciation to the partners of ACI FL, 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 FL in factories, depots, offices and other locations across the country, for their untiring efforts. They have worked hard, against all odds, uncertainties and adversities and built a stronger organisation that can create a greater positive impact on the quality of life of the people.

On behalf of the Board



Shusmita Anis
Managing Director



Kamran T. Rahman
(Independent Director)

Dhaka, 23 October 2017



শেয়ার মালিকদের নিকট পরিচালনা পর্ষদের প্রতিবেদন

২০১৬-২০১৭ অর্থবছরের জন্য

আমরা অত্যন্ত আনন্দের সঙ্গে এ সি আই ফরমুলেশন্স লিমিটেডের পরিচালনা পর্ষদের পক্ষ থেকে কোম্পানী আইন ১৯৯৪, অর্থ আইন ২০১৫ এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) এর নির্দেশনা অনুসারে প্রস্তুতকৃত ৩০শে জুন ২০১৭ তারিখে সমাপ্ত বছরের (১ জুলাই ২০১৬ থেকে ৩০ জুন ২০১৭ পর্যন্ত) নিরীক্ষিত আর্থিক বিবরণী সমূহ ও নিরীক্ষা প্রতিবেদনসহ পরিচালক মণ্ডলীর প্রতিবেদন আপনাদের বিবেচনার জন্য উপস্থাপন করছি।

পরপর দুই মৌসুমে দেশের বৃহৎ একটি অংশে অতিবৃষ্টি ও বন্যার ফলে উদ্ভূত চ্যালেঞ্জ মোকাবেলা করেও এসিআই গ্রুপ কেয়ার ও পাবলিক হেলথ ব্যবসা খাতে উল্লেখিত বছরে ২০১৫ সালের তুলনায় ১৬% প্রবৃদ্ধি অর্জিত হয়েছে। কৌশলগত নেতৃত্ব এবং বিক্রয় ও বাজারজাতকরণ টিমের অক্লান্ত পরিশ্রমের কারণেই এই সফলতা এসেছে। তারা এই সফলতায় প্রশংসা ও স্বীকৃতির প্রকৃত দাবিদার।

আলোচ্য বছরে সাশ্রয়ী ও পরিবেশ বান্ধব আরও ৬টি নতুন মলিকিউলস সংযোজনের মাধ্যমে গ্রুপ কেয়ার খাতের পণ্য সম্ভারকে আরও আধুনিকায়ন করা হয়েছে। বাজারে দৃঢ় অবস্থান তৈরির লক্ষ্যে এই নতুন মলিকিউলসগুলো যথাযথভাবে ব্রান্ডিং করা হয়েছে। হার্বিসাইড ক্যাটাগরিতে আমরা বাজারে নেতৃত্বান্বিত অবস্থানে রয়েছি। ফাঙ্গিসাইড ক্যাটাগরিতেও দৃঢ় অবস্থান ধরে রাখার মধ্যদিয়ে আমরা সার্বিকভাবে মার্কেট শেয়ার অর্জনে সক্ষম হয়েছি।

আমরা ফ্লো মাস্টার নামক একটি স্প্রে সার্ভিস চালু করেছি। এই সার্ভিসের আওতায় এসিআই'র প্রশিক্ষিত স্প্রেয়ারগণ একটি স্প্রে মেশিনের সাহায্যে ফসলে স্প্রে করে থাকেন এবং কৃষকেরা তাদের প্রয়োজনমত এ সার্ভিসের সুবিধা নিতে পারেন। এর মাধ্যমে ফসলের সুরক্ষা ব্যবস্থাপনাকে আরও জোরদার করা সম্ভব হবে বলে আশা করা যায়। এই সেবা আমাদের কর্পোরেট সোস্যাল রেসপনসিবিলিটির একটি উদ্যোগ।

ফ্লোরা একটি পরিবেশ বান্ধব চারা গাছ ও ফসলের উৎপাদন বৃদ্ধি সহায়ক। কৃষকদের কাছ থেকে এর ব্যবহার সম্পর্কে আশাব্যঞ্জক সাড়া পাওয়ার পর আমরা ফ্লোরাকে ব্যাপকভাবে বাজারজাতকরণ করতে উৎসাহিত হই। এই লক্ষ্যে ২০১৫ সালে ফ্লোরাকে একটি স্বতন্ত্র কৌশলগত ব্যবসায়িক ইউনিট হিসেবে প্রতিষ্ঠা করা হয় এবং এর জন্য সম্পূর্ণ পৃথক একদল মাঠকর্মী তৈরি করা হয়। প্রথম দুই বছর ফ্লোরা খাতে অভূতপূর্ব বিক্রয় প্রবৃদ্ধি অর্জিত হওয়ায় একইরূপ ফলাফলের প্রত্যাশায় বিভিন্ন পদক্ষেপ নেয়া হয়। কিন্তু গত দুই মৌসুমে ধারাবাহিক বন্যার কারণে ফ্লোরার বিক্রয় অপ্রত্যাশিতভাবে হ্রাস পেয়েছে। উদ্ভূত পরিস্থিতি মোকাবেলায় ইতোমধ্যে বিভিন্ন ধরনের সংশোধনমূলক পদক্ষেপ গ্রহণ করা হয়েছে। ফ্লোরার ব্যবসায়িক সম্ভাবনা খুবই উজ্জ্বল এবং এলক্ষ্যে আমাদের প্রোডাক্ট ব্রান্ডিং ইতোমধ্যে সফল হয়েছে। আসন্ন দিনগুলোতে ফ্লোরার পূর্ণ সম্ভাবনা ও ব্রান্ডিং সুবিধাকে কাজে লাগাতে আমরা প্রয়োজনীয় রিসোর্স এর যোগান নিশ্চিত করব।

আধুনিক কৃষি ব্যবস্থা অবলম্বনের মাধ্যমে কিভাবে ফসলের উৎপাদন বৃদ্ধি করা যায় সে বিষয়ে কৃষকদেরকে শিক্ষা দিতে এসিআই'র গ্রুপ কেয়ার ও ফ্লোরা টিম মাঠে নিয়োজিত রয়েছে। পাশাপাশি আমরা বিভিন্ন ধরনের এন.জি.ও. ও দাতা সংস্থার সাথে প্রত্যন্ত অঞ্চলে কৃষকদেরকে আধুনিক চাষাবাদ ব্যবস্থার সুফল সম্পর্কে অবহিত করতে একযোগে কাজ করে যাচ্ছি। এছাড়াও আমরা উপজেলা লেভেলে সরকারের A2i প্রকল্প বাস্তবায়নে গুরুত্বপূর্ণ অবদান রেখে চলেছি।

গাজীপুরে অবস্থিত এসিআই ফরমুলেশন্স লিমিটেডের ফ্যাক্টরী ISO 14001 পরিবেশ ব্যবস্থাপনা পদ্ধতি কর্তৃক সার্টিফাইড একটি সম্পূর্ণ পরিবেশ সহায়ক কর্মক্ষেত্র। এসিআই ফরমুলেশন্স ফ্যাক্টরীর এই টেকসই পরিবেশ বজায় রাখতে প্রতিশ্রুতিবদ্ধ। পণ্যের গুণগত মান নিশ্চিত করতে আমাদের রয়েছে সর্বাধুনিক ও বিশেষায়িত যন্ত্রপাতি সম্বলিত কোয়ালিটি কন্ট্রোল ল্যাবস এবং স্ট্যান্ডার্ড অপারেটিং প্রসিডিউরস, যা পণ্যের মান রক্ষায় কোনরূপ ব্যত্যয় ছাড়াই পরিপালন করা হয়। কর্মী-স্বাস্থ্য নিরাপত্তা ব্যবস্থা এবং পরিবেশনীতি নিশ্চিত করার মাধ্যমে আমরা কারখানার পরিবেশের সর্বোচ্চ মান বজায় রেখেছি। কর্তব্যরত অবস্থায় কর্মীরা যাতে তাঁদের ব্যক্তিগত সুরক্ষামূলক গিয়ারগুলি পরিধান করেন আমরা তা নিশ্চিত করি।

আমরা যুক্তরাষ্ট্রের SC Johnson & Son ও নেদারল্যান্ডস এর AKZO NOBEL এর বিশ্বেশমানের পণ্য গুণগত মান বজায় রেখে এবং তাদের সম্ভ্রুতি অর্জনের মধ্য দিয়ে প্রস্তুত করে চলেছি। সময়ে সময়ে তাঁদের পরিচালিত বিভিন্ন কারিগরি নিরীক্ষায় আমরা সর্বোচ্চ রেটিং অর্জন করি।

আলোচ্য বছরে আমরা উৎপাদন ব্যবস্থার উন্নতিসাধনকল্পে অটোমেশন ও উৎপাদন প্রক্রিয়ার উন্নয়নসহ বিভিন্ন পদক্ষেপ গ্রহণ করেছি। গৃহীত এসকল পদক্ষেপসমূহ পণ্যের উৎপাদন ব্যয় কমাতে এবং সেইসাথে পণ্যের গুণগত মান বৃদ্ধির সহায়ক হয়েছে।

আমাদের বর্জ্য পরিশোধন প্লান্টটি পুরোপুরিভাবে পরিবেশ আইন মেনে পরিচালিত হয়। এই প্রক্রিয়ায় কঠিন ও তরল সব ধরনের বর্জ্য পরিশোধন করে তা থেকে বিষাক্ত উপাদান বের করে দেয়া হয়। আমাদের বর্জ্য পরিশোধন ব্যবস্থাপনা বিশ্বমান সম্পন্ন।

এক নজরে মূখ্য পরিচালনগত ও আর্থিক তথ্য

২০১৬-১৭ অর্থবছর সহ কোম্পানীর বিগত পাঁচ বছরের মূখ্য পরিচালনগত ও আর্থিক তথ্যাদি নিম্নে প্রদর্শন করা হলোঃ

মিলিয়ন টাকায়

বিবরণ	জুলাই ২০১৬ - জুন ২০১৭	জানুয়ারি ২০১৬ - জুন ২০১৬ (ছয় মাস)	ডিসেম্বর ২০১৫	ডিসেম্বর ২০১৪	ডিসেম্বর ২০১৩	ডিসেম্বর ২০১২	ডিসেম্বর ২০১১
নীট বিক্রয়	৩,৬২৯.৪৩	১,৬২৫.৪৮	৩,০০৬.৪৯	২,৯০৮.১১	২,৩৪০.৪৩	২,৫৮১.০৪	২,৪৪৩.৬৬
মোট গ্রস মুনাফা	১,১০৭.৮১	৪৭৬.৯৪	৮০০.১৪	৭৩৮.৫৮	৫৮৪.৫৬	৬০৯.৮৬	৫৭১.৮৬
কর পূর্ববর্তী মুনাফা	৩৫৬.৭৩	১২৬.৬৪	৩১৩.১১	২৫৯.৬৫	১৭২.২৯	২০০.২১	১৯৭.৪৯
কর পরবর্তী মুনাফা	২৬১.৪৪	৯০.৪০	২৩৫.১৪	১৮৭.৬২	১২৯.২৩	১৪৯.৯৬	১৪৬.৮৫
শেয়ার প্রতি আয় (টাকা)	৫.৮১	২.০১	৫.২৩	৪.১৭	২.৮৭	৩.৩৩	৩.২৬
ইস্যুকৃত ও পরিশোধিত মূলধন	৪৫০.০০	৪৫০.০০	৪৫০.০০	৪৫০.০০	৪৫০.০০	৪৫০.০০	৩০০.০০
শেয়ার মালিকদের ইকুইটি	২,৪৫৪.৮০	২,২৮৩.৩৬	২,৩৫০.৪৬	১,৮০৫.৫৯	১,৭৩০.৪৭	১,৭১৩.৭৪	১,৬৩৮.৭৮
শেয়ার প্রতি নীট সম্পদ (টাকা)	৫৪.৫৫	৫০.৭৪	৫২.২৩	৪০.১২	৩৮.৪৫	৩৮.০৮	৩৬.৪২
কর্মচারীদের সংখ্যা	১,৬৭৯	১,৪৮৯	১,৪৫৯	১,১৪৯	৯২২	৯২১	৭৯৮
জাতীয় রাজস্ব আয়ে অবদান	৫৬৪.৩৪	২৫৫.৮২	৩৮৬.৬৪	২৪৬.৪৭	১৬৫.৫৮	১৭০.০০	১৭২.৪৭

আর্থিক ফলাফল

৩০শে জুন ২০১৭ সালে সমাপ্ত অর্থবছরে এসিআই ফরমুলেশনস লিমিটেড এর নীট বিক্রয় ছিল ৩,৬২৯.৪৩ মিলিয়ন টাকা যা পূর্ববর্তী ১৮ মাসের সমাপ্ত রিপোর্টিং পিরিয়ডে ছিল ৪,৬৩১.৯৭ মিলিয়ন টাকা। অনুকূল কাঁচামালের মূল্য এবং অধিক লাভজনক পণ্য বিক্রয়ের কারণে ২০১৬-২০১৭ অর্থবছরে গ্রস মুনাফার হার বৃদ্ধি পেয়ে ৩০.৫২% হয়েছে যা পূর্ববর্তী ১৮ মাসের রিপোর্টিং পিরিয়ডে ছিল ২৭.৫৭%। আলোচ্য অর্থ-বছরে পরিচালন মুনাফা ৪৯৩.৬৫ মিলিয়ন টাকা এবং কর পরবর্তী মুনাফা ২৬১.৪৪ মিলিয়ন টাকা ছিল যার ফলশ্রুতিতে শেয়ার প্রতি আয় (ইপিএস) হয়েছে ৫.৮১ টাকা।

মুনাফা বন্টন

২০১৬-২০১৭ অর্থবছরের ফলাফল পর্যালোচনা, ফ্রি রিজার্ভ এবং ধারাবাহিক লভ্যাংশ নীতি অনুসরণের আলোকে পরিচালনা পর্ষদ নীট মুনাফার নিম্নলিখিত বন্টন সুপারিশ করেছেনঃ

	৩০শে জুন ২০১৭ তারিখে সমাপ্ত বছরের জন্য টাকা	৩০শে জুন ২০১৬ তারিখে সমাপ্ত ১৮ মাসের জন্য টাকা	৩০শে জুন ২০১৬ তারিখে সমাপ্ত ৬ মাসের জন্য টাকা	৩১শে ডিসেম্বর ২০১৫ তারিখে সমাপ্ত বছরের জন্য টাকা
অবন্টিত মুনাফা	৬৯৬,৯৬৭,৯৬৩	৫২৭,৬২৭,৪৯৬	৬০৬,৫৬৯,৮৯৯	৫২৭,৬২৭,৪৯৬
যোগ: কর-পরবর্তী মুনাফা	২৬১,৪৩৬,৯২৭	৩২৫,৫৪০,৪৬৯	৯০,৩৯৮,০৬৪	২৩৫,১৪২,৪০৫
যোগ: আদায়কৃত পুনঃমূল্যায়ণ সঞ্চিতি	-	১,২৯৯,৯৯৮	-	১,২৯৯,৯৯৮
সর্বমোট বন্টনযোগ্য মুনাফা	৯৫৮,৪০৪,৮৯০	৮৫৪,৪৬৭,৯৬৩	৬৯৬,৯৬৭,৯৬৩	৭৬৪,০৬৯,৮৯৯
মুনাফা বন্টন				
অন্তর্বর্তীকালীন লভ্যাংশঃ				
নগদ লভ্যাংশ	৯০,০০০,০০০	-	-	-
চূড়ান্ত প্রস্তাবিত লভ্যাংশঃ				
নগদ লভ্যাংশ	৬৭,৫০০,০০০	১৫৭,৫০০,০০০	-	১৫৭,৫০০,০০০
সর্বমোট লভ্যাংশ	১৫৭,৫০০,০০০	১৫৭,৫০০,০০০	-	১৫৭,৫০০,০০০
অবন্টিত মুনাফা স্থিতি	৮০০,৯০৪,৮৯০	৬৯৬,৯৬৭,৯৬৩	৬৯৬,৯৬৭,৯৬৩	৬০৬,৫৬৯,৮৯৯

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

লভ্যাংশ

পরিচালনা পর্ষদ ইতিমধ্যে ২০% অন্তঃবর্তীকালীন নগদ লভ্যাংশ (শেয়ার প্রতি ২.০ টাকা) প্রদান করেছে।

উপরোক্ত অন্তঃবর্তীকালীন নগদ লভ্যাংশ ছাড়াও, ৩০শে জুন ২০১৭ তারিখে সমাপ্ত বছরের জন্য পরিচালনা পর্ষদ আনন্দের সাথে চূড়ান্ত লভ্যাংশ হিসেবে ১৫% নগদ লভ্যাংশ (অর্থাৎ শেয়ার প্রতি ১.৫ টাকা) সুপারিশ করেছে। রেকর্ড ডেট, অর্থাৎ ১৩ নভেম্বর ২০১৭ সোমবার, যে সকল সম্মানিত শেয়ার মালিকগণের নাম কোম্পানীর সদস্যদের শেয়ার রেজিস্টার বা সিডিবিএল এর ডিপোজিটরিতে অন্তর্ভুক্ত ছিল, তারা এই চূড়ান্ত লভ্যাংশ পাওয়ার যোগ্য হিসেবে বিবেচিত।

জাতীয় রাজস্ব আয়ে অবদান

৩০শে জুন ২০১৭ তারিখে সমাপ্ত অর্থবছরে কোম্পানি আয়কর, আবগারি শুল্ক এবং মূল্য সংযোজন কর বাবদ মোট ৫৬৪.৩৪ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দান করেছে; যা উল্লেখিত সমাপ্ত বছরের নীট বিক্রয়লব্ধ আয়ের ১৫.৫৫%।

বিক্রিত পণ্যের খরচ এবং মুনাফার হার

৩০শে জুন ২০১৭ তারিখে সমাপ্ত অর্থবছরে বিক্রিত পণ্যের ব্যয় হয়েছে ২,৫২১.৬২ মিলিয়ন টাকা (নীট বিক্রয়ের ৬৯.৪৮%) যা পূর্ববর্তী ১৮ মাসের রিপোর্টিং পিরিয়ডে ছিল ৩,৩৫৪.৮৯ মিলিয়ন টাকা (নীট বিক্রয়ের ৭২.৪৩%)। কাঁচামালের মূল্য তুলনামূলকভাবে কম থাকায় এবং উচ্চ মার্জিন সম্বলিত পণ্য মিশ্রনের ফলে এ অর্জন সম্ভব হয়েছে। এর পাশাপাশি, প্রান্তিক মুনাফার হার বৃদ্ধি পেয়ে দাঁড়িয়েছে ৩০.৫২% (১,১০৭.৮১ মিলিয়ন টাকা) যা পূর্ববর্তী ১৮ মাসের রিপোর্টিং পিরিয়ডে ছিল ২৭.৫৭% (১,২৭৭ মিলিয়ন টাকা)। উল্লেখিত অর্থ বছরে গ্রস মুনাফার হার বৃদ্ধি পেলেও কর পরবর্তী মুনাফার হার ছিল ৭.২% যার কারণ মূলতঃ অধিক পরিচালন ব্যয়, বিক্রয় ও বিতরণ সংক্রান্ত খরচ এবং অর্থায়ন খরচ।

বিধিবদ্ধ তথ্য সম্বন্ধে পরিচালকমন্ডলীর ঘোষণা

৩০ শে জুন ২০১৭ তারিখে সমাপ্ত অর্থ বছরের আর্থিক বিবরণী প্রস্তুত ও উপস্থাপন সম্বন্ধে পরিচালকমন্ডলী আরো জানাচ্ছে যে :

- আর্থিক বিবরণীর নোট - ৭ (ii) এ সেগমেন্ট অনুযায়ী রিপোর্টিং ফলাফল পর্যালোচনা করা হয়েছে।
- কোম্পানি ব্যবসা সংশ্লিষ্ট-ঝুঁকি সম্পর্কে সচেতন এবং সেগুলোকে নিয়মানুগ পদ্ধতির মাধ্যমে মোকাবেলায় প্রস্তুত। আর্থিক বিবরণীর নোট-৩২ এ আর্থিক ঝুঁকি ব্যবস্থাপনা বর্ণিত হয়েছে।

- Bangladesh Financial Reporting Standards (BFRSs) অনুসারে কোন অস্বাভাবিক লাভ বা ক্ষতি রিপোর্টিং পিরিয়ডে বিদ্যমান নেই।
- সংশ্লিষ্ট পক্ষগুলোর সকল লেনদেন বাণিজ্যিক ভিত্তিতে করা হয়েছে যার মূলনীতি "Arm's Length Transaction". সংশ্লিষ্ট পক্ষ সমূহের লেনদেনের বিবরণ আর্থিক বিবরণী নোট-৩৬ এ প্রকাশিত হয়েছে।
- রিপোর্টিং পিরিয়ডে কোন আইপিও বা রাইট ইস্যু নেই।
- ত্রৈমাসিক আর্থিক ফলাফল এবং বার্ষিক আর্থিক বিবরণীর মধ্যে উল্লেখযোগ্য কোন পার্থক্য নেই।
- রিপোর্টিং পিরিয়ডে, কোম্পানির বোর্ড মিটিং এ উপস্থিতি ফি হিসাবে মোট ৯,০০০ টাকা প্রদান করা হয়েছে। পরিচালকমন্ডলীর সম্মানী ভাতা আর্থিক বিবরণীর নোট-২৮ এবং নোট- ৩৬ (বি) এ উল্লেখ করা হয়েছে।
- কোম্পানির ব্যবস্থাপনা পর্ষদ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে কোম্পানির স্থিতি, পরিচালন ফলাফল, অর্থ প্রবাহ এবং ইকুইটি পরিবর্তনের একটি সত্য ও যথার্থ চিত্র তুলে ধরা হয়েছে।
- কোম্পানির হিসাবের বই সঠিকভাবে রক্ষণাবেক্ষণ করা হয়েছে।
- আর্থিক বিবরণী প্রণয়নে যথাযথ হিসাব নীতি ধারাবাহিকভাবে অনুসরণ করা হয়েছে এবং হিসাবের ভিত্তি যুক্তিসঙ্গত ও সঠিক।
- আর্থিক বিবরণী প্রস্তুতকরনের ক্ষেত্রে Bangladesh Accounting Standards (BASs) ও Bangladesh Financial Reporting Standards (BFRSs) অনুসরণ করা হয়েছে।
- আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতির কার্যকর বাস্তবায়ন ও পর্যবেক্ষণ হয়েছে।
- নিঃসন্দেহে কোম্পানী একটি চলমান প্রতিষ্ঠান হিসাবে পরিচালিত।
- বিগত বছরের তুলনায় পরিচালন ফলাফলে পরিলক্ষিত সকল উল্লেখযোগ্য পার্থক্যসমূহ দৃষ্টিগোচর করা হয়েছে এবং উহার ব্যাখ্যা প্রদান করা হয়েছে।
- আলোচ্য বছর সহ পূর্ববর্তী পাঁচ বছরের গুরুত্বপূর্ণ আর্থিক ও পরিচালনগত তথ্য পরিচালকদের বিবরণীতে প্রকাশ করা হয়েছে।
- কোম্পানি রিপোর্টিং পিরিয়ডে লভ্যাংশ সুপারিশ করেছে।

- বিধিবদ্ধ নিয়মানুসারে রিপোর্টিং পিরিয়ডে পরিচালনা পর্ষদের মোট ৫ টি সভা অনুষ্ঠিত হয়েছে যার বিবরণ Annexure-I এ দেয়া হয়েছে।
- ৩০শে জুন ২০১৭ ইং তারিখে কোম্পানির শেষার হোল্ডিং প্যাটার্ন Annexure-II এ দেখানো হয়েছে।
- পুনর্নিয়োগের জন্য বিবেচিত সকল পরিচালকদের সংক্ষিপ্ত জীবন বৃত্তান্ত বার্ষিক প্রতিবেদনের Annexure-III এ অন্তর্ভুক্ত করা হয়েছে।
- CEO এবং CFO বোর্ডকে এই মর্মে প্রত্যাশন করেছে যে তারা রিপোর্টিং পিরিয়ডে আর্থিক বিবরণী মূল্যায়ন করেছে এবং তারা বিশ্বাস করে যে, এই প্রতিবেদনে অসত্য কিছু নেই অথবা কোন উপাদান বাদ দেওয়া হয়নি অথবা এমন কিছু নেই যা ভুল ব্যাখ্যা দিতে পারে।
- CEO এবং CFO আরো নিশ্চয়তা প্রদান করেছে যে, সত্য এবং যথার্থ উপস্থাপনা এবং প্রযোজ্য আইন মেনে আর্থিক বিবরণী প্রস্তুত করা হয়েছে।
- CEO এবং CFO বোর্ডকে এ ব্যাপারে আরো প্রত্যাশন করেছে যে, তাদের জ্ঞান ও বিশ্বাস মতে রিপোর্টিং পিরিয়ডে এমন কোন লেনদেন হয়নি যা প্রতারণামূলক, অনৈতিক অথবা কোম্পানীর স্বীকৃত আভ্যন্তরীণ আচরণ বিধি লঙ্ঘন করে।

চলমান প্রতিষ্ঠান

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

কর্পোরেট সামাজিক দায়বদ্ধতা (সিএসআর)

সামাজিক দায়বদ্ধতা এসিআই গ্রুপের 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।

পরিচালনা পর্ষদ

কোম্পানির পরিচালনা পর্ষদ দুই জন স্বতন্ত্র পরিচালক সহ নিম্নোক্ত ৭ জন সদস্যের সমন্বয়ে গঠিতঃ

- জনাব এম.আনিস উদ্ দৌলা
চেয়ারম্যান, বোর্ড অব ডিরেক্টরস

- মিস. সুস্মিতা আনিস
ব্যবস্থাপনা পরিচালক
- ড. এফ এইচ আনসারী
পরিচালক
- ড. আরিফ দৌলা
পরিচালক
- জনাবা নাজমা দৌলা
পরিচালক
- জনাব জুনেদ আহমেদ চৌধুরী
স্বতন্ত্র পরিচালক
- জনাব কামরান টি. রহমান
স্বতন্ত্র পরিচালক

পরিচালনা পর্ষদ নির্বাচন

কোম্পানির আর্টিক্যালস অব এসোসিয়েশন এর ৪৭ অনুচ্ছেদ অনুযায়ী জনাব এম. আনিস উদ্ দৌলা এবং জনাব এফ এইচ আনসারী পর্যায়ক্রমিকভাবে অবসর গ্রহণ ও পুনর্নির্বাচনের যোগ্য হিসাবে বিবেচিত। উল্লেখিত পরিচালকদের সংক্ষিপ্ত জীবনবৃত্তান্ত ও অন্যান্য তথ্যাদি সংযুক্তি-৩ এ বর্ণিত হয়েছে।

স্বতন্ত্র পরিচালক পুনর্নিয়োগ

স্বতন্ত্র পরিচালক জনাব কামরান টি. রহমানের প্রথম ৩ বছরের মেয়াদ ২৭ শে এপ্রিল ২০১৭ তারিখে সমাপ্ত হয়। পরিচালনা পর্ষদ তাঁদের ২৭ শে এপ্রিল ২০১৭ ইং তারিখে অনুষ্ঠিত সভায় বিএসইসি'র নীতিমালা অনুসরণ করে তার মেয়াদ উল্লেখিত তারিখ থেকে আরও তিন বছরের জন্য বর্ধিত করেন এবং এই পুনর্নিয়োগ শেষার হোল্ডারদের ২১ তম সাধারণ সভায় অনুমোদনের জন্য সুপারিশ করেন। তার সংক্ষিপ্ত জীবনবৃত্তান্ত ও অন্যান্য তথ্যাদি সংযুক্তি-৩ এ বর্ণিত হয়েছে।

ব্যবস্থাপনা পরিচালক পুনর্নিয়োগ

কোম্পানীর বর্তমান ব্যবস্থাপনা পরিচালক মিস. সুস্মিতা আনিসের মেয়াদ আগামী ২৯ ডিসেম্বর ২০১৭ সালে শেষ হবে। পরিচালনা পর্ষদ ২৩ শে অক্টোবর ২০১৭ ইং তারিখে অনুষ্ঠিত সভায় তাঁকে পরবর্তী ৫ বছরের জন্য ব্যবস্থাপনা পরিচালক হিসাবে নিয়োগ দেয়ার সিদ্ধান্ত গ্রহণ করেন এবং সেই অনুসারে ২১তম বার্ষিক সাধারণ সভায় শেষার হোল্ডারদের অনুমোদনের সুপারিশ করেন। তাঁর সংক্ষিপ্ত জীবনবৃত্তান্ত ও অন্যান্য তথ্যাদি সংযুক্তি-৩ এ বর্ণিত হয়েছে।



অডিটরদের নিয়োগ

কোম্পানির বর্তমান অডিটর মেসার্স রহমান রহমান হক, চার্টার্ড এ্যাকাউন্ট্যান্টস্, ২০১৭ সালের ৩০ শে জুন তারিখে সমাপ্ত আর্থিক বছরের নিরীক্ষা সম্পন্ন করার পর আসন্ন বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। বিএসইসি'র অদেশ নং SEC/CMRRCD/2009-193/104/ admin/61, Dated- July 08, 2015 মোতাবেক তারা পুনঃনিয়োগের যোগ্য হিসেবে বিবেচিত নয়। মেসার্স ছদা ভাসি চৌধুরী এন্ড কোং, চার্টার্ড এ্যাকাউন্ট্যান্টস্, ৬,৩০,০০০/- টাকা (মূল্য সংযোজন কর ব্যতিরেকে) সম্মানীর বিনিময়ে ২০১৭-১৮ আর্থিক বছরের নিরীক্ষা কার্যক্রম সম্পন্ন করার লক্ষ্যে নিয়োগ প্রাপ্ত হতে আগ্রহ প্রকাশ করেছে। কোম্পানীর পরিচালনা পর্ষদ শেয়ার হোল্ডারদের নিকট তাদের নিয়োগের জন্য সুপারিশ করেন।

কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট

এসিআই ফরমুলেশন্স লিমিটেড ভোক্তা সাধারণের জীবনযাত্রার গুণগতমান-উন্নয়ন, ভোক্তা অধিকার সংরক্ষণ, উদ্ভাবন, স্বচ্ছতা, জবাবদিহিতা ও ক্রমাগত উন্নতির মধ্য দিয়েই ব্যবসার প্রসার ঘটানোর সম্ভব বলে বিশ্বাস করে। পরিচালনাপর্ষদ ও ব্যবস্থাপকগণ কোম্পানিতে কর্পোরেট গভর্নেন্স অনুশীলনে সর্বোচ্চ নৈতিকতা ও মান বজায় রাখার মাধ্যমে শেয়ারহোল্ডার ও অংশীদারদের স্বার্থ রক্ষায় প্রতিশ্রুতিবদ্ধ।

আমরা অত্যন্ত আনন্দের সাথে আপনাদের এই মর্মে নিশ্চিত করছি যে, কোম্পানি বাংলাদেশ সিকিউরিটিজ এন্ড একচেঞ্জ কমিশন এর Notification No. SEC/CMRRCD/2006-158/134/ Admin/44 dated 7 August 2012, অনুযায়ী সমস্ত প্রয়োজনীয় দিকনির্দেশনা পালন করেছে। এই অনুসারে, ৩০ শে জুন ২০১৭ সালের সমাপ্ত অর্থবছরের জন্য মন্তব্য সহ কমপ্লায়েন্স রিপোর্ট কোম্পানীর পরিচালকমন্ডলীর প্রতিবেদনের সংযুক্তি-৫ এ অন্তর্ভুক্ত করা হয়েছে। এ ছাড়াও কর্পোরেট গভর্নেন্স গাইডলাইনের কন্ডিশন নং ৭ অনুযায়ী আল-মুক্তাদীর এ্যাসোসিয়েটস, চার্টার্ড সেক্রেটারীজ, কর্তৃক প্রত্যায়িত কমপ্লায়েন্স সার্টিফিকেট এই প্রতিবেদনের সংযুক্তি-৬ এ অন্তর্ভুক্ত করা হয়েছে।

বোর্ডের পক্ষে,

সুমিতা আনিস
ব্যবস্থাপনা পরিচালক

ঢাকা, ২৩ অক্টোবর ২০১৭

এসিআই ফরমুলেশন্স'র মানবসম্পদ

বহুব্যাপী বিভিন্ন ধরনের কাস্টমাইজড প্রশিক্ষণের মাধ্যমে আমাদের মানব সম্পদ বিভাগ কর্মীদের উন্নয়নে ধারাবাহিকভাবে কাজ করে যাচ্ছে। কতৃত্ব 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 অধাধিকার তালিকার শীর্ষে রয়েছে। আমরা ভাল কিছু করার প্রচেষ্টায় সর্বদা নিয়োজিত এবং সেই অনুযায়ী আমাদের সুনির্দিষ্ট লক্ষ্য নির্ধারণে সচেষ্ট।

কৃতজ্ঞতা জ্ঞাপন ও স্বীকৃতি

কোম্পানির পরিচালনা পর্ষদ দৃঢ়ভাবে বিশ্বাস করে যে, এ সি আই ফরমুলেশন্স এর রয়েছে পর্যাপ্ত শক্তি, সম্পদ ও প্রতিশ্রুতি যা কোম্পানিকে আরও উচ্চতায় পৌঁছে দিতে পারে। বহুবিধ চ্যালেঞ্জের মুখোমুখি হওয়া সত্ত্বেও কোম্পানির ব্যবসায়িক ফলাফল পরিচালনা পর্ষদ তথা সকল কর্মীবৃন্দের দৃঢ় মনোবল এবং সংকল্পেরই ফসল। এ সি আই ফরমুলেশন্সের সকল ব্যবসায়িক সহযোগী, শেয়ারমালিক, সরবরাহকারী, ক্রেতা, ব্যাংক ও মিডিয়া যাদের সহযোগীতা এবং অক্লান্ত পরিশ্রমের ফলে কোম্পানি আজকের এই পর্যায়ে এসেছে তাদের জন্য পরিচালনা পর্ষদের পক্ষ থেকে আন্তরিক অভিনন্দন। মানুষের জীবন-মান উন্নয়নে আমাদের লক্ষ্যের প্রতি তাদের এই অব্যাহত মূল্যবান সমর্থন ও সহযোগীতা আমাদের কাছে যথেষ্ট গুরুত্ব বহন করে।

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

কামরান টি. রহমান
স্বতন্ত্র পরিচালক

Annexure-I

Number of Board Meetings and Attendance of Directors

As per condition no. 1.5 (xx) of the Corporate Governance Guidelines 2012 of Bangladesh Securities and Exchange Commission, the number of Board Meetings held and the Attendance by each Director during the Financial Year 2016-2017 are as follows:

Name	Position	Meeting Held	Meeting Attended
Mr. M. Anis Ud Dowla	Chairman	5	5
Dr. F H Ansarey	Director	5	5
Mr. Juned Ahmed Choudhury	Independent Director	5	5
Dr. Arif Dowla	Director	5	5
Mrs. Najma Dowla	Director	5	2
Mr. Kamran T. Rahman	Independent Director	5	5
Ms. Shusmita Anis	Managing Director	5	5

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

Annexure-II

Pattern of Shareholding

As per condition no. 1.5 (xxi) of the Corporate Governance Guidelines 2012 of Bangladesh Securities and Exchange Commission, the pattern of shareholding along with name wise details as on 30 June 2017 are as follows:

Condition no.	Name of Shareholders	Position	No. of Shares held	% of Shares held
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties:			
	Advanced Chemical Industries Limited	Parent Company	24,066,105	53.48%
1.5 (xxi) (b)	Directors:			
	Mr. M. Anis Ud Dowla	Chairman	4,504,500	10.01%
	Dr. F H Ansarey	Director	1,129,500	2.51%
	ACI 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	Managing Director	1,800	0.004%
	Mr. Juned Ahmed Choudhury	Independent Director	-	-
	Mr. Kamran T. Rahman	Independent Director	-	-
	Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit:			
	Ms. Shusmita Anis	Chief Executive Officer	1,800	0.004%
	Mr. Pradip Kar Chowdhury	Chief Financial Officer	-	-
	Ms. Sheema Abed Rahman	Company Secretary	1,800	0.004%
	Mr. Amitava Saha	Head of Internal Audit	-	-
1.5 (xxi) (c)	Executives (Other than Directors, CEO, CS, CFO and Head of Internal Audit) :			
	-	-	-	-
1.5 (xxi) (d)	Shareholders holding 10% or more voting interest in the Company:			
	Advanced Chemical Industries Limited	Parent Company	24,066,105	53.48%
	Investment Corporation of Bangladesh (ICB)	Institution	5,020,452	11.16%
	Mr. M. Anis Ud Dowla	Chairman	4,504,500	10.01%



Annexure-III

Brief Resume of the Directors who Seek Re-appointment

In compliance with condition no. 1.5 (xxii) of the Corporate Governance Guidelines-2012 of Bangladesh Securities and Exchange Commission, brief resumes of the Directors who seek re-appointment are as follows:

Re-appointment of Directors

Mr. M. Anis Ud Dowla

Mr. M. Anis Ud Dowla, the Chairman of ACI Group, is one of the most successful personalities in Bangladesh business circle. He occupies Directorship position in all subsidiary and associated companies of ACI Limited. He has maintained a high profile, and has provided leadership to 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 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.

Mr. Dowla was the President of Narayangonj Chamber of Commerce and Industries in 1977. He has since been elected President of the successor trade body named Metropolitan Chamber of Commerce & Industries in 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' Association for four terms, the only national employers' organization, in 1975-1976, 1976-1977, 1991-1992, 1992-1993 and was also elected as President of Bangladesh Employers' Federation for two terms in 2003-2004 and 2004-2005.

He is the Chairman of Pioneer Insurance Company Limited and Director of Credit Rating Agency of Bangladesh. He has been re-elected as the President of the Bangladesh Seed Association (BSA) for the term of 2017-2019.

Dr. F H Ansarey

Dr. F H Ansarey a Ph.D holder in Ecology brings with him high profile management strength for a highly techno-dependent company. His wide experience working in MNCs like Ciba-Geigy and local corporate like Shetu Corporation 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 Chief Executive Officer of ACI Agribusinesses. He served ACI Limited in the capacity of Executive Director, Agribusiness and General Manager & Head of Business Operation, as well. Dr. Ansarey is also the Director of ACI Agrolink Limited, ACI Salt Limited, ACI Motors Limited, PremiaFlex Plastics Limited and ACI Godrej Agrovot Pvt. Ltd. In addition to his position in the Board of the above companies, he is the Managing Director of ACI Agrolink Limited, ACI Motors Limited, and PremiaFlex Plastics Limited.

Re-appointment of Independent Director

Mr. Kamran T. Rahman

Mr. Kamran T. Rahman was appointed as an Independent Director of the Company in 2014. He obtained his Bachelor of Science Degree in Mechanical Engineering from the Northeastern University, Boston, Massachusetts, USA in the year 1981. Mr. Rahman is the Chairman & Managing Director of Pubali Jute Mills Ltd. and the Kapna Tea Co. Ltd. (Kapnapahar Tea Estate). He is a former Vice-President (Asia-Pacific) of International Organization of Employers (IOE), Geneva, Switzerland as well as a former member of the Governing Body of the International Labour Organisation, Geneva, Switzerland. He was also the Vice-President of Metropolitan Chamber of Commerce and Industry, Dhaka, from January 2013 - December 2013. He was Director of the Federation of Bangladesh Chambers of Commerce and Industry. At present, he is the President of Bangladesh Employer's Federation.

Re-appointment of Managing Director

Ms. Shusmita Anis

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 ACI 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, ACI Foundation and Pioneer Insurance Company Ltd.

Annexure-IV

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

To the Board of Directors of
ACI Formulations Limited

In compliance with condition no. 6 of the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, we the undersigned, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of ACI Formulations Limited, do hereby certify before the Board that we have thoroughly reviewed the Financial Statements of the Company for the financial year ended on 30th June 2017, and state that :

- 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 together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws, and
- c) to the best of our knowledge and belief, the Company has not entered into any transaction during the year which are fraudulent, illegal or in violation of the Company's codes of conduct.



Chief Executive Officer



Chief Financial Officer

Dhaka,
October 23, 2017



Annexure-V

Status of Compliance with the Corporate Governance Guidelines (CGG)

Status of the compliance with the conditions imposed by the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 of the Bangladesh Securities and Exchange Commission (BSEC) is appended below:

(Report under Condition No. 7.00)

Condition No	Title	Compliance Status as on 30th June 2017	Remarks
1.0	Board of Directors		
1.1	Board's Size The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty).	Complied	The Board consists of 7 (seven) members
1.2	Independent Directors (IDs)		
1.2(i)	At least one fifth (1/5) of the total number of directors in the Company's Board shall be Independent Directors (IDs).	Complied	There are two Independent Directors (ID) in the Board
1.2(ii)(a)	ID either does not hold share in the company or holds less than one (1%) shares of the total paid up shares of the company;	Complied	Required declarations made by the Directors
1.2(ii)(b)	ID is not sponsor of the Company and is not connected with any sponsor or director or shareholder who holds one percent or more shares of the Company on the basis of family relationship;	Complied	Do
1.2(ii)(c)	ID does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	Complied	Do
1.2(ii)(d)	ID is not a member, director or officer of any stock exchange;	Complied	Do
1.2(ii)(e)	ID is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	Complied	Do
1.2(ii)(f)	ID is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	Complied	Do
1.2(ii)(g)	ID shall not be an independent director in more than 3 (three) listed companies;	Complied	Do
1.2(ii)(h)	ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	Complied	Do
1.2(ii)(i)	ID has not been convicted for a criminal offence involving moral turpitude.	Complied	Do
1.2(iii)	IDs shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM).	Complied	Appointments are approved in AGM
1.2(iv)	The post of IDs cannot remain vacant for more than 90 (ninety) days.	Complied	No such vacancy occurred
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	Complied	There are written codes of conduct to which the Board members are obliged to comply with
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	Complied	The Independent Directors are in their extended term of office.
1.3	Qualification of Independent Director (ID)		
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	Complied	The Independent Directors have requisite qualification and experience.
1.3(ii)	The person should be a Business Leader / Corporate Leader / Bureaucrat / University Teacher with Economics or Business Studies or Law background / Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management / professional experiences.	Complied	Do
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	N/A	Not applicable

Condition No	Title	Compliance Status as on 30th June 2017	Remarks
1.4	<p>Chairman of the Board and Chief Executive Officer:</p> <p>The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the Company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.</p>	Complied	Chairman and CEO of the Company are different individuals with clearly defined roles & responsibilities
1.5	Directors' Report to Shareholders:		
1.5(i)	Industry outlook and possible future developments in the industry.	Complied	The Directors' Report complies with the guideline
1.5(ii)	Segment-wise or product-wise performance.	Complied	Do
1.5(iii)	Risks and concerns.	Complied	Do
1.5(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied	Do
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Complied	Do
1.5(vi)	Statement of all related party transactions.	Complied	Do
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	Complied	No such issues in FY 2016-2017
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	Complied	Do
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	Complied	The Directors' Report complies with the guideline
1.5(x)	Remuneration to directors including independent directors.	Complied	Do
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	Complied	The financial statements are prepared following the guideline
1.5(xii)	Proper books of account of the issuer Company have been maintained.	Complied	In practice
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	Complied	The financial statements are prepared following the guideline
1.5(xiv)	International Accounting Standards (IAS) / Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.	Complied	The financial statements are prepared following the guidelines
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	Complied	In practice
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	Complied	The Directors' Report complies with the guideline
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Complied	Do
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied	Do

Contd.



Condition No	Title	Compliance Status as on 30th June 2017	Remarks
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	Complied	The Directors' Report complies with the guideline
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	Complied	Stated in Annexure-I of the Directors' Report
1.5(xxi)	Pattern of shareholding :		
1.5(xxi)(a)	Parent / Subsidiary / Associated Companies and other related parties (name wise details);	Complied	Annexure-II of the Directors' Report complies with the guideline.
1.5(xxi)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	Complied	Do
1.5(xxi)(c)	Executives;	Complied	Do
1.5(xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied	Do
1.5(xxii)	Appointment / reappointment of director :		
1.5(xxii)(a)	A brief resume of the director;	Complied	Annexure-III complies with the guideline
1.5(xxii)(b)	Nature of his / her expertise in specific functional areas;	Complied	Do
1.5(xxii)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	Do
2.0	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS):		
2.1	Appointment: The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	Complied	The CFO, HIA and CS are different individuals and their roles & responsibilities are separately defined.
2.2	Requirement to attend the Board Meetings The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	Complied	The CFO and CS attend the Board Meeting as required by the guideline.
3.0	Audit Committee		
3.(i)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors.	Complied	Details are given in the "Audit Committee Report".
3.(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	Complied	The Committee discharges duties as per BSEC guidelines.
3.(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	Complied	The Committee discharges duties as per ToR approved by the Board.
3.1	Constitution of the Audit Committee:		
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	Complied	The Committee comprises of 3 (three) members
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the Company and shall include at least 1 (one) Independent Director.	Complied	All members of the Committee are Directors and include one Independent Director.
3.1(iii)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	Complied	The Committee Members are selected by the Board as per guidelines.

Condition No	Title	Compliance Status as on 30th June 2017	Remarks
3.1(iv)	Filling of casual vacancy in the Audit Committee.	None	No such vacancy occurred
3.1(v)	The company secretary shall act as the secretary of the Committee.	Complied	In practice
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without Independent Director.	Complied	In practice
3.2	Chairman of the Audit Committee		
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	Complied	The Chairman of the Audit Committee is an Independent Director.
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied	In practice
3.3	Role of Audit Committee:		
3.3(i)	Oversee the financial reporting process.	Complied	Audit Committee's roles are clearly defined in its TOR.
3.3(ii)	Monitor choice of accounting policies and principles	Complied	Do
3.3(iii)	Monitor Internal Control Risk management process.	Complied	Do
3.3(iv)	Oversee hiring and performance of external auditors.	Complied	Do
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied	Do
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	Complied	Do
3.3(vii)	Review the adequacy of internal audit function.	Complied	Do
3.3(viii)	Review statement of significant related party transactions submitted by the management.	Complied	Do
3.3(ix)	Review Management Letters / Letter of Internal Control weakness issued by statutory auditors.	Complied	Do
3.3(x)	Disclosure of the company to the Committee about the uses/applications of funds raised through IPO/RPO/Right issue	Complied	There was no IPO/RPO/ Right Issue in FY 2016-2017
3.4	Reporting of the Audit Committee:		
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	Complied	In practice
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-		
3.4.1(ii)(a)	Report on conflicts of interests;	None	There has been no such reportable case in FY 2016-2017
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	None	Do
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;	None	Do
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.	None	Do
3.4.2	Reporting to the Authorities (BSEC): (if any material impact on the financial condition and results of operation, unreasonably ignored by the management).		
3.5	Reporting to the Shareholders and General Investors Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii).		
4.0	Non-engagement of External / Statutory Auditors:		
4.0(i)	Non-engagement in Appraisal or valuation services or fairness opinions;	Complied	Required declaration made by the Auditors
4.0(ii)	Non-engagement in Financial information systems design and implementation;	Complied	Do
4.0(iii)	Non-engagement in Book-keeping or other services related to the accounting records or financial statements;	Complied	Do

Contd.



Condition No	Title	Compliance Status as on 30th June 2017	Remarks
4.0(iv)	Non-engagement in Broker-dealer services;	Complied	Declared by the Auditors
4.0(v)	Non-engagement in Actuarial services;	Complied	Do
4.0(vi)	Non-engagement in Internal Audit service;	Complied	Do
4.0(vii)	Non-engagement in any other services that the Audit Committee determines;	Complied	Do
4.0(viii)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company;	Complied	Do
4.0(ix)	Non-engagement audit/certification services on compliance of corporate governance as required under Clause (i) of condition No.7;	Complied	Do
5.0	Subsidiary Company		
5.0(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Complied	In practice
5.0(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	Complied	Do
5.0(iii)	The minutes of the Board Meeting of the subsidiary company shall be placed for review at the following Board Meeting of the holding company.	Complied	Do
5.0(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Complied	Do
5.0(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Complied	Do
6.0	"Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):" The CEO and CFO certified to the Board that :-		
6.0(i)(a)	They have reviewed financial statements for the year and the financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	Required declaration is enclosed in Annexure- IV
6.0(i)(b)	The financial statements together present a true and fair view of the Company's affairs and are in compliance with affairs and are in compliance with applicable laws.	Complied	Do
6.0(ii)	There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.	Complied	Do
7.0	Reporting and Compliance of Corporate Governance		
7.0(i)	Obtaining certificate from a practicing Professional Accountant / Secretary (Chartered Accountant / Cost and Management Accountant / Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and inclusion of the same in the Annual Report.	Complied	Certificate is enclosed in Annexure - VI
7.0(ii)	Directors statement along with annexure as to the compliance with these conditions, in accordance with the Annexure prescribed by the Commission	Complied	Annexure-V complies with the guideline

Annexure-VI

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

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

We have examined compliance to the BSEC guidelines on Corporate Governance by **ACI Formulations Limited** for the year ended 30th June 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

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

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

We also state that such compliance is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company. This is also no endorsement about quality of contents in the Annual Report of the Company for FY 2016-2017.

Dhaka, October 25, 2017




Al-Muqtadir Associates
Chartered Secretaries & Consultants



ACI Formulations Limited

Auditors' Report & Audited Financial Statements as at and for the year ended 30 June 2017





Rahman Rahman Huq
Chartered Accountants
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Bangladesh

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Independent Auditor's Report to the Shareholders of ACI Formulations Limited

Report on the Financial Statements

We have audited the accompanying separate financial statements of ACI Formulations Limited ("the Company") as well as the consolidated financial statements of ACI Formulations Limited and its subsidiaries ("the Group"), which comprise the separate and the consolidated statements of financial position as at 30 June 2017, statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of three subsidiaries as disclosed in note 38 to these financial statements were not audited by us.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the separate financial statements of the Company and the consolidated financial statements of the Group give a true and fair view of the financial position of the Company as well as of the Group as at 30 June 2017, and of their financial performance and their cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

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

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

Dhaka, 23 October 2017

Rahman Rahman Huq
Chartered Accountants



ACI Formulations Limited

Statement of financial position

In Taka	Note	30 June 2017	30 June 2016	31 December 2015
Assets				
Property, plant and equipment	8	1,792,755,192	1,739,759,689	1,744,120,249
Investments	9	7,067,287	14,934,040	14,891,144
Non-current assets		1,799,822,479	1,754,693,729	1,759,011,393
Inventories	10	1,384,424,562	994,888,240	897,742,081
Trade receivables	11	1,326,720,349	1,187,990,035	1,263,209,784
Other receivables	12	7,096,188	10,085,588	9,738,191
Inter- company receivables	13	39,933,951	23,556,817	21,201,708
Advances, deposits and prepayments	14	399,976,801	390,304,295	309,727,015
Cash and cash equivalents	15	138,354,624	112,511,708	92,773,885
Current assets		3,296,506,475	2,719,336,683	2,594,392,664
Total assets		5,096,328,954	4,474,030,412	4,353,404,057
Equity				
Share capital	16	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		868,404,890	696,967,963	764,069,899
Total equity		2,454,797,821	2,283,360,894	2,350,462,830
Liabilities				
Employee benefits	17	30,560,130	29,271,614	15,864,476
Deferred tax liabilities	18	51,789,493	47,650,008	61,269,695
Non-current liabilities		82,349,623	76,921,622	77,134,171
Bank overdrafts	19	85,843,847	68,781,653	51,877,357
Loans and borrowings	20	1,875,875,406	944,237,189	787,827,659
Trade payables	21	56,095,428	28,305,846	64,893,640
Other payables	22	256,273,023	398,773,731	309,722,032
Inter-company payables	23	56,695,146	403,437,863	491,138,072
Provision for tax	24	228,398,660	270,211,614	220,348,296
Current liabilities		2,559,181,510	2,113,747,896	1,925,807,056
Total liabilities		2,641,531,133	2,190,669,518	2,002,941,227
Total equity and liabilities		5,096,328,954	4,474,030,412	4,353,404,057

The annexed notes 1 to 38 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

Dhaka, 23 October 2017

As per our report of same date.



Rahman Rahman Huq
Chartered Accountants



ACI Formulations Limited

Statement of profit or loss

<i>In Taka</i>	Note	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the Six-month period ended 30 June 2016	For the year ended 31 December 2015
Revenue	25	3,629,430,879	4,631,970,028	1,625,484,898	3,006,485,130
Cost of sales	26	(2,521,617,906)	(3,354,887,078)	(1,148,546,008)	(2,206,341,070)
Gross profit		1,107,812,973	1,277,082,950	476,938,890	800,144,060
Other income	27	4,380,330	8,318,428	2,765,826	5,552,602
Administrative, selling and distribution expenses	28	(618,540,895)	(739,363,582)	(317,506,138)	(421,857,444)
Operating profit		493,652,408	546,037,796	162,198,578	383,839,218
Finance costs, net	29	(118,151,966)	(83,142,140)	(28,891,531)	(54,250,609)
Profit before contribution to WPPF		375,500,442	462,895,656	133,307,047	329,588,609
Contribution to WPPF		(18,775,022)	(23,144,782)	(6,665,352)	(16,479,430)
Profit before tax		356,725,420	439,750,874	126,641,695	313,109,179
Income tax expense	30				
Current tax		(91,149,008)	(128,990,254)	(49,863,318)	(79,126,936)
Deferred tax income/(expense)		(4,139,485)	14,779,849	13,619,687	1,160,162
		(95,288,493)	(114,210,405)	(36,243,631)	(77,966,774)
Profit after tax		261,436,927	325,540,469	90,398,064	235,142,405
Earnings per share	31				
Basic earnings per share		5.81	7.23	2.01	5.23

The annexed notes 1 to 38 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

As per our report of same date.



Rahman Rahman Huq
Chartered Accountants

Dhaka, 23 October 2017



ACI Formulations Limited

Statement of profit or loss and other comprehensive income

<i>In Taka</i>	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the Six-month period ended 30 June 2016	For the year ended 31 December 2015
Profit after tax	261,436,927	325,540,469	90,398,064	235,142,405
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Revaluation of property, plant and equipment	-	459,408,825	-	459,408,825
Related tax on other comprehensive income	-	(14,676,207)	-	(14,676,207)
Other comprehensive income, net of tax	-	444,732,618	-	444,732,618
Total comprehensive income	261,436,927	770,273,087	90,398,064	679,875,023

The annexed notes 1 to 38 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

Dhaka, 23 October 2017

As per our report of same date.



Rahman Rahman Huq
Chartered Accountants



ACI Formulations Limited

Statement of changes in equity

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

<i>In Taka</i>	For the six-month period ended 30 June 2016			
	Share capital	Revaluation reserve	Retained earnings	Total
Balance at 1 January 2016	450,000,000	1,136,392,931	764,069,899	2,350,462,830
Total comprehensive income				
Profit after tax	-	-	90,398,064	90,398,064
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	90,398,064	90,398,064
Transactions with owners of the company				
Contributions and distributions				
Final dividends for 2015	-	-	(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 2016	450,000,000	1,136,392,931	696,967,963	2,283,360,894

<i>In Taka</i>	For the year ended 31 December 2015			
	Share capital	Revaluation reserve	Retained earnings	Total
Balance at 1 January 2015	450,000,000	692,960,311	662,627,496	1,805,587,807
Total comprehensive income				
Profit after tax	-	-	235,142,405	235,142,405
Other comprehensive income, net of tax	-	444,732,618	-	444,732,618
Total comprehensive income	-	444,732,618	235,142,405	679,875,023
Transactions with owners of the company				
Contributions and distributions				
Final dividends for 2014	-	-	(135,000,000)	(135,000,000)
Total transactions with owners of the company	-	-	(135,000,000)	(135,000,000)
Transactions recognised directly in equity				
Realisation of revaluation surplus	-	(1,299,998)	1,299,998	-
Total transactions recognised directly in equity	-	(1,299,998)	1,299,998	-
Balance at 31 December 2015	450,000,000	1,136,392,931	764,069,899	2,350,462,830

The annexed notes 1 to 38 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 2017	For the eighteen-month period ended 30 June 2016	For the Six-month period ended 30 June 2016	For the year ended 31 December 2015
Cash flows from operating activities					
Cash received from customers		3,490,700,565	4,208,799,155	1,678,127,325	2,530,671,830
Cash received from other income		4,380,330	8,234,409	2,757,828	5,476,581
		3,495,080,895	4,217,033,564	1,680,885,153	2,536,148,411
Cash received/(paid) from/for:					
Purchase of inventory		(2,839,139,692)	(3,502,554,378)	(1,245,771,802)	(2,256,782,576)
Other receivables		2,989,401	11,576,675	(347,397)	11,924,072
Operating expenses		(685,378,982)	(624,730,597)	(290,994,981)	(333,735,616)
Other payables		(26,099,599)	34,705,468	26,870,288	7,835,180
Payment for WPPF		(6,665,352)	(33,097,532)	(16,860,945)	(16,236,587)
Advances, deposits and prepayments		(7,690,076)	(42,550,688)	(11,382,387)	(31,168,301)
		(3,561,984,300)	(4,156,651,052)	(1,538,487,224)	(2,618,163,828)
Cash (used in)/generated from operating activities		(66,903,405)	60,382,512	142,397,929	(82,015,417)
Interest paid		(92,619,989)	(78,522,559)	(25,759,170)	(52,763,389)
Income tax paid		(134,944,391)	(166,621,116)	(69,194,893)	(97,426,223)
		(227,564,380)	(245,143,675)	(94,954,063)	(150,189,612)
Net cash (used in)/generated from operating activities		(294,467,785)	(184,761,163)	47,443,866	(232,205,029)
Cash flows from investing activities					
Acquisition of property, plant and equipment		(110,117,465)	(111,700,770)	(20,505,250)	(91,195,520)
Sale proceed from property, plant and equipment		-	1,696,010	169,130	1,526,880
Investment		(29,913)	(617,269)	(42,896)	(574,373)
Net cash (used in)/generated from investing activities		(110,147,378)	(110,622,029)	(20,379,016)	(90,243,013)
Cash flows from financing activities					
Inter-company debts received/(paid)		(363,119,851)	310,463,448	(90,055,318)	400,518,766
Proceeds from loans and borrowings		931,638,216	231,651,074	156,409,530	75,241,544
Dividends paid		(155,122,480)	(224,452,531)	(90,585,535)	(133,866,996)
Net cash (used in)/generated from financing activities		413,395,885	317,661,991	(24,231,323)	341,893,314
Net increase/(decrease) in cash and cash equivalents		8,780,722	22,278,799	2,833,527	19,445,272
Opening cash and cash equivalent		43,730,055	21,451,256	40,896,528	21,451,256
Closing cash and cash equivalents at reporting date		52,510,777	43,730,055	43,730,055	40,896,528
Closing cash and cash equivalents represent:					
Cash and cash equivalents	15	138,354,624	112,511,708	112,511,708	92,773,885
Bank overdraft	19	(85,843,847)	(68,781,653)	(68,781,653)	(51,877,357)
		52,510,777	43,730,055	43,730,055	40,896,528

The annexed notes 1 to 38 form an integral part of these financial statements.



ACI Formulations Limited

Consolidated statement of financial position

In Taka	Note	30 June 2017	30 June 2016	31 December 2015
Assets				
Property, plant and equipment	8(a)	1,795,620,835	1,743,007,087	1,747,967,897
Investments	9(a)	3,118,953	3,089,040	3,046,144
Intangible assets		5,147,792	12,382,918	12,382,918
Non-current assets		1,803,887,580	1,758,479,045	1,763,396,959
Inventories	10(a)	1,397,198,792	1,004,511,450	899,366,357
Trade receivables	11(a)	1,339,390,192	1,190,805,166	1,264,626,778
Other receivables	12	7,088,014	10,085,589	9,803,584
Inter- company receivable	13(a)	-	212,659	-
Advances, deposits and prepayments	14(a)	404,723,417	394,558,075	311,064,400
Cash and cash equivalents	15(a)	150,743,214	114,893,750	95,685,266
Current assets		3,299,143,629	2,715,066,689	2,580,546,385
Total assets		5,103,031,209	4,473,545,734	4,343,943,344
Equity				
Share capital	16	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		859,292,594	686,155,155	754,444,449
Equity attributable to the owners of the Company		2,445,685,525	2,272,548,086	2,340,837,380
Non controlling interest		(210,452)	(231,655)	(207,423)
Total equity		2,445,475,073	2,272,316,431	2,340,629,957
Liabilities				
Employee benefits	17	30,560,130	29,271,614	15,864,476
Deferred tax liabilities		51,201,931	47,075,010	60,991,894
Non-current liabilities		81,762,061	76,346,624	76,856,370
Bank overdrafts	19	85,843,847	68,781,653	51,877,357
Loans and borrowings	20(a)	1,881,364,554	948,550,813	787,827,659
Trade payables	21(a)	66,025,151	34,480,801	64,905,022
Other payables	22(a)	257,187,927	399,342,642	310,302,679
Inter-company payables	23	56,695,146	403,437,863	491,138,072
Provision for tax	24(a)	228,677,450	270,288,907	220,406,228
Current liabilities		2,575,794,075	2,124,882,679	1,926,457,017
Total liabilities		2,657,556,136	2,201,229,303	2,003,313,387
Total equity and liabilities		5,103,031,209	4,473,545,734	4,343,943,344

The annexed notes 1 to 38 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

As per our report of same date.



Rahman Rahman Huq
Chartered Accountants

Dhaka, 23 October 2017



ACI Formulations Limited

Consolidated statement of profit or loss

In Taka	Note	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the Six-month period ended 30 June 2016	For the year ended 31 December 2015
Revenue	25(a)	3,663,013,573	4,639,985,562	1,628,411,658	3,011,573,904
Cost of sales	26(a)	(2,552,157,279)	(3,362,685,096)	(1,151,382,264)	(2,211,302,832)
Gross profit		1,110,856,294	1,277,300,466	477,029,394	800,271,072
Other income	27	4,380,330	8,318,428	2,765,826	5,552,602
Administrative, selling and distribution expenses	28(a)	(619,196,713)	(748,688,489)	(319,071,567)	(429,616,922)
Operating profit		496,039,911	536,930,405	160,723,653	376,206,752
Finance costs, net	29(a)	(118,619,710)	(83,228,503)	(28,906,031)	(54,322,472)
Profit before contribution to WPPF		377,420,201	453,701,902	131,817,622	321,884,280
Contribution to WPPF		(18,775,022)	(23,144,782)	(6,665,352)	(16,479,430)
Profit before tax		358,645,179	430,557,120	125,152,270	305,404,850
Income tax expense	30(a)				
Current tax		(91,350,505)	(129,035,059)	(49,882,679)	(79,152,380)
Deferred tax income/(expense)		(4,126,921)	15,148,819	13,916,883	1,231,936
		(95,477,426)	(113,886,240)	(35,965,796)	(77,920,444)
Profit after tax		263,167,753	316,670,880	89,186,474	227,484,406
Profit attributable to:					
Owners of the Company		263,137,439	316,848,272	89,210,706	227,637,566
Non-controlling interest		30,314	(177,392)	(24,232)	(153,160)
		263,167,753	316,670,880	89,186,474	227,484,406
Earnings per share	31.1(a)				
Basic earnings per share		5.85	7.04	1.98	5.06

The annexed notes 1 to 38 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

Dhaka, 23 October 2017

As per our report of same date.



Rahman Rahman Hug
Chartered Accountants



ACI Formulations Limited

Consolidated statement of profit or loss and other comprehensive income

<i>In Taka</i>	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the Six-month period ended 30 June 2016	For the year ended 31 December 2015
Profit after tax	263,167,753	316,670,880	89,186,474	227,484,406
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Revaluation of property, plant and equipment	-	459,408,825	-	459,408,825
Related tax on other comprehensive income	-	(14,676,207)	-	(14,676,207)
Other comprehensive income, net of tax	-	444,732,618	-	444,732,618
Total comprehensive income	263,167,753	761,403,498	89,186,474	672,217,024
Total comprehensive income attributable to:				
Owners of the Company	263,137,439	761,580,890	89,210,706	672,370,184
Non-controlling interest	30,314	(177,392)	(24,232)	(153,160)
	263,167,753	761,403,498	89,186,474	672,217,024

The annexed notes 1 to 38 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

Dhaka, 23 October 2017

As per our report of same date.



Rahman Rahman Huq
Chartered Accountants



ACI Formulations Limited

Consolidated statement of changes in equity

For the year ended 30 June 2017

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

For the six-month period ended 30 June 2016

In Taka	Attributable to owners of the Company			Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Retained earnings		
Balance as at 1 January 2016	450,000,000	1,136,392,931	754,444,449	(207,423)	2,340,629,957
Total comprehensive income	-	-	89,210,706	(24,232)	89,186,474
Profit after tax	-	-	89,210,706	-	-
Other comprehensive income, net of tax	-	-	-	(24,232)	-
Total comprehensive income	-	-	89,210,706	(24,232)	89,186,474
Transactions with owners of the company					
Contributions and distributions	-	-	-	-	-
Realisation of revaluation surplus	-	-	-	-	-
Changes in ownership interests	-	-	-	-	-
Acquisition of subsidiary with NCI	-	-	-	-	-
Total transactions with owners of the company	-	-	-	-	-
Transactions recognised directly in equity	-	-	(157,500,000)	-	(157,500,000)
Final dividends for 2015	-	-	(157,500,000)	-	(157,500,000)
Total transactions recognised directly in equity	-	-	(157,500,000)	-	(157,500,000)
Balance as at 30 June 2016	450,000,000	1,136,392,931	686,155,155	(231,655)	2,272,316,431

For the year ended 31 December 2015

In Taka	Attributable to owners of the Company			Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Retained earnings		
Balance at 1 January 2015	450,000,000	692,960,311	661,475,821	(678,199)	1,804,436,132
Total comprehensive income	-	-	227,637,566	(153,160)	227,484,406
Profit after tax	-	-	227,637,566	-	-
Other comprehensive income, net of tax	-	-	-	(153,160)	-
Total comprehensive income	-	-	227,637,566	(153,160)	227,484,406
Transactions with owners of the company					
Contributions and distributions	-	-	-	-	-
Realisation of revaluation surplus	-	-	-	-	-
Changes in ownership interests	-	-	-	968,936	968,936
Adjustment for change in NCI	-	-	-	(345,000)	(345,000)
Acquisition of subsidiary with NCI	-	-	-	623,936	623,936
Total transactions with owners of the company	-	-	331,062	968,936	968,936
Transactions recognised directly in equity	-	-	(135,000,000)	-	(135,000,000)
Final dividends for 2014	-	-	(135,000,000)	-	(135,000,000)
Total transactions with owners of the company	-	-	(135,000,000)	-	(135,000,000)
Balance at 31 December 2015	450,000,000	1,136,392,931	754,444,449	(207,423)	2,340,629,957

The annexed notes 1 to 38 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 2017	For the eighteen-month period ended 30 June 2016	For the Six-month period ended 30 June 2016	For the year ended 31 December 2015
Cash flows from operating activities					
Cash received from customers		3,514,428,548	4,214,716,720	1,679,655,949	2,535,060,771
Cash received from other income		4,380,330	8,234,409	2,757,828	5,476,581
		3,518,808,878	4,222,951,129	1,682,413,777	2,540,537,352
Cash received/(paid) from/for:					
Purchase of inventory		(2,852,355,646)	(3,510,573,096)	(1,250,328,244)	(2,260,244,852)
Other receivables		2,989,401	11,576,675	(347,397)	11,924,072
Operating expenses		(685,312,792)	(624,902,222)	(289,828,423)	(335,073,799)
Other payables		(26,099,599)	34,705,469	26,870,289	7,835,180
Payment for WPPF		(6,665,352)	(33,097,532)	(16,860,945)	(16,236,587)
Advances, deposits and prepayments		(8,220,828)	(44,629,968)	(14,349,589)	(30,280,379)
		(3,575,664,816)	(4,166,920,674)	(1,544,844,309)	(2,622,076,365)
Cash (used in)/generated from operating activities		(56,855,938)	56,030,455	137,569,468	(81,539,013)
Interest paid		(93,087,733)	(78,608,922)	(25,773,670)	(52,835,252)
Income tax paid		(135,464,269)	(166,621,116)	(69,194,893)	(97,426,223)
		(228,552,002)	(245,230,038)	(94,968,563)	(150,261,475)
Net cash (used in)/generated from operating activities		(285,407,940)	(189,199,583)	42,600,905	(231,800,488)
Cash flows from investing activities					
Acquisition of property, plant and equipment		(110,346,288)	(111,790,770)	(20,505,250)	(91,285,520)
Sale proceed from property, plant and equipment		-	1,696,010	169,130	1,526,880
Investment		(29,913)	(617,269)	(42,896)	(574,373)
Net cash (used in)/generated from investing activities		(110,376,201)	(110,712,029)	(20,379,016)	(90,333,013)
Cash flows from financing activities					
Inter-company debts received/(paid)		(363,119,851)	310,463,447	(90,055,319)	400,518,766
Proceeds from loans and borrowings		932,813,742	235,964,698	160,723,154	75,241,544
Dividends paid		(155,122,480)	(224,452,532)	(90,585,536)	(133,866,996)
Net cash (used in)/generated from financing activities		414,571,411	321,975,613	(19,917,701)	341,893,314
Net increase/(decrease) in cash and cash equivalents		18,787,270	22,064,001	2,304,188	19,759,813
Opening cash and cash equivalents		46,112,097	24,048,096	43,807,909	24,048,096
Closing cash and cash equivalents as at reporting date		64,899,367	46,112,097	46,112,097	43,807,909
Closing balance represents					
Cash and cash equivalents	15(a)	150,743,214	114,893,750	114,893,750	95,685,266
Bank overdraft	19	(85,843,847)	(68,781,653)	(68,781,653)	(51,877,357)
		64,899,367	46,112,097	46,112,097	43,807,909

The annexed notes 1 to 38 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 2017

1 Reporting entity

1.1 Company profile

ACI Formulations Limited (the "Company") is a company incorporated in Bangladesh. It was incorporated as a private limited company on 29 October 1995, was converted to public limited company on 4 May 2005 and listed with both Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) on 30 October 2008. The registered office of the Company is at 245 Tejgaon Industrial Area, Dhaka-1208, Bangladesh. The Company went into commercial operations on 1 July 1998. Advanced Chemical Industries Limited (ACI Limited) incorporated in Bangladesh is the immediate as well as ultimate parent of the Company. The consolidated financial statements of the Company as at and for the year ended 30 June 2017 comprise the Company's and its subsidiaries (together referred to as the "Group" and individually as "Group entities") interest in controlled entities.

1.2 Nature of business

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

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

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

1.3 Description of subsidiaries

The Company has acquired 98% shares of Neem Laboratories (Pvt.) Ltd, Aloe Organics (Pvt.) Limited and Green Business & Marketing Company (BD) Limited. 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. On the other hand, the name of Aloe Organics (Pvt.) Ltd. and Green Business and Marketing Company (BD) Limited has been "Struck off" from the books of Registrars, of Joint Stock Companies & Firms as defunct company through publication of gazette notification dated 20 April 2017. Accordingly, outstanding balances in the books of accounts of ACI Formulations Limited has been written off during the year.

2 Basis of accounting

2.1 Statement of compliance

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

2.2 Date of authorisation

The separate financial statements as well as consolidated financial statements were authorised by the Company's Board of Directors on 23 October 2017 for publication.

2.3 Basis of measurement

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

3 Functional and presentation currency

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

4 Use of judgments and estimates

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2017 is included in the following notes:

Note - 8 & 8(a)	Property, plant and equipment
Note - 10 & 10(a)	Inventories
Note - 11 & 11(a)	Trade receivables
Note - 12	Other receivables
Note - 13 & 13(a)	Inter- company receivables
Note - 17	Employee benefits
Note - 18	Deferred tax liabilities
Note - 24 & 24(a)	Provision for tax
Note - 34	Commitment and contingencies

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

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

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

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



5 Reporting period

The current financial period of the Company covers one year from 1 July 2016 to 30 June 2017 and will be following consistently. However, pursuant to changes in the provision of section 2 (35) of the Income Tax Ordinance 1984 following the enactment of Finance Act 2015, the Company had changed its reporting period to 1 July to 30 June from 1 January to 31 December in prior period. Accordingly, these financial statements cover an eighteen month period from 1 January 2015 to 30 June 2016 for comparative figures. As a result, the comparative figures stated in the financial statements and the related notes are not entirely comparable.

Financial periods of subsidiaries are:

Neem Laboratories (Pvt.) limited	From 1 July to 30 June
Aloe Organics (Pvt.) Ltd.	From 1 July to 30 June
Green Business & Marketing Company (BD) Limited	From 1 July to 30 June

For the purpose of consolidation, additional financial information for the subsidiaries were prepared as of 31 December 2015 to enable the Company to consolidate the financial information of the subsidiaries. However, the figures involved in the aforesaid subsidiaries companies up to 31 December 2015 from the end of their accounting years were insignificant.

6 Significant accounting policies

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

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

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

(a) Current versus non-current classification

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

- i) expected to be settled in normal operating cycle, or
- ii) due to be 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.

All other assets are classified as non-current.

A liability is current when it is:

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

The Group classifies all other liabilities as non-current.

(b) Offsetting

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

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

(c) Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

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

(iii) Loss of control

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



(iv) Transactions eliminated on consolidation

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

(d) Revenue

i) Sale of goods

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

ii) Rendering of services

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

iii) Commissions

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

(e) Foreign currency transactions

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

(f) Employee benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plans (provident fund)

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

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

(iii) Defined benefit plans (gratuity)

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

Defined benefit plan is a post-employment benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and/or year of services.

The rate used to discount post employment benefit obligations is determined by reference to the rate stated in the actuarial report. Actuarial valuation of gratuity scheme has been made in 2015 to assess the adequacy of the liabilities provided for the schemes.

(iv) Workers' profit participation fund (WPPF)

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

(g) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;

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

(h) Income tax

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

(i) Current tax

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

(ii) Deferred tax

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- taxable temporary differences arising on the initial recognition of goodwill.
- temporary difference related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will.

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

(i) Investment

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

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

(j) Biological assets

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

(k) Inventories

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

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

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

(l) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost or revaluation less accumulated depreciation and any accumulated impairment losses. The items of property, plant and equipment were revalued in the year 2004, 2010 and 2015 by the firm of professional values on the basis of applicable methods including market value method, premise on the accompanying narrative information and valuation methodology. Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that were not ready for use at the end of 30 June 2017 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 at 50% of normal rates in the year of acquisition and no depreciation is charged in the year of disposal. Depreciation is charged at the rates varying from 2.5% to 20% depending on the estimated useful lives of assets. No depreciation is charged for land and capital work in progress, 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 2017	30 June 2016	31 December 2015
Building	40	40	40
Plant and machinery	10	10	10
Equipment and machinery	5-10	5-10	5-10
Electrical and other office appliances	5-10	5-10	5-10
Furniture and fixture	10	10	10
Motor vehicles	5	5	5

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

(iv) Capitalisation of borrowing costs

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

(v) Impairment

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

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

(vi) Retirement and disposals

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

(m) Intangible assets and goodwill

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

(n) Financial instruments

Non-derivative financial instruments comprise of investments in shares and term deposit, trade 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 are originated. All other financial assets are initially recognised on the trade date, when the entity becomes a party to the contractual provisions of the instrument.

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

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

Trade, inter-company and other receivables

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

Cash and cash equivalents

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

Investment in term deposit

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

(ii) Financial Liabilities

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

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

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

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

(iii) Offsetting a financial asset and a financial liability

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

(o) Share capital

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

(p) Impairment

(i) Financial assets

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

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

Financial assets measured at amortised cost

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

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

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



(ii) Non-financial assets

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

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

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

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

(q) Operating leases

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

(r) Provisions

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

(s) Going concern

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

(t) Contingencies

(i) Contingent liability

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

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

(ii) Contingent asset

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

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

(u) Statement of cash flows

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

(v) Earnings per share (EPS)

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

Diluted EPS is determined by adjusting profit or loss for the year attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares during the year ended 30 June 2017.

(w) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

(x) Dividends

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

(y) Materiality and aggregation

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



(z) Standards issued but not yet effective

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

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted. However, the Group has not early applied the following new standards in preparing these financial statements.

(i) BFRS 9 Financial Instruments

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

(ii) BFRS 15 Revenue from Contracts with Customers

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

(iii) BFRS 16 Leases

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

7 Operating segments

(i) Basis for segmentation

The Group has the following three 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

(ii) Information about reportable segments

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

30 June 2017

<i>In Taka</i>	Reportable segments			Total reportable segments	Unallocated	Total
	CC & PH	M Coil	Aerosol			
External revenue	2,246,950,903	524,068,918	609,912,662	3,380,932,483	282,081,090	3,663,013,573
Intra-segment revenue	-	-	-	-	-	-
Segment revenue	2,246,950,903	524,068,918	609,912,662	3,380,932,483	282,081,090	3,663,013,573
Cost of sales excluding depreciation	(1,232,312,497)	(479,846,611)	(569,059,507)	(2,281,218,615)	(226,713,714)	(2,507,932,329)
Depreciation	(28,888,650)	(19,572,336)	(4,464,268)	(52,925,254)	(4,807,286)	(57,732,540)
Other income	3,302,997	203,964	180,385	3,687,346	692,984	4,380,330
Operating expenses excluding depreciation	(509,500,476)	(9,235,459)	(9,564,962)	(528,300,897)	(77,388,231)	(605,689,128)
Finance costs	(108,720,621)	-	-	(108,720,621)	(9,899,089)	(118,619,710)
Segment profit/(loss) before tax	352,290,073	14,837,552	25,654,095	392,781,720	(34,136,543)	358,645,179
Segment assets	2,794,009,021	837,670,307	508,122,761	4,139,802,089	963,229,120	5,103,031,209
Segment liabilities	796,570,879	134,139,448	247,500,013	1,178,210,340	1,479,345,796	2,657,556,136

30 June 2016

<i>In Taka</i>	Reportable segments			Total reportable segments	Unallocated	Total
	CC & PH	M Coil	Aerosol			
External revenue	1,025,062,099	239,944,548	309,419,470	1,574,426,117	51,088,041	1,625,514,158
Intra-segment revenue	2,897,500	-	-	2,897,500	-	2,897,500
Segment revenue	1,027,959,599	239,944,548	309,419,470	1,577,323,617	51,088,041	1,628,411,658
Cost of sales excluding depreciation	(574,886,512)	(219,722,509)	(289,773,481)	(1,084,382,501)	(46,148,080)	(1,130,530,581)
Depreciation	(13,074,293)	(8,957,087)	(2,200,258)	(24,231,638)	(1,604,504)	(25,836,142)
Other income	2,611,166	-	154,660	2,765,826	-	2,765,826
Operating expenses excluding depreciation	(288,056,368)	(3,531,757)	(3,313,086)	(294,901,211)	(18,858,798)	(313,760,009)
Finance costs	(27,587,342)	-	-	(27,587,342)	(1,318,689)	(28,906,031)
Segment profit/(loss) before tax	120,617,938	7,346,536	13,572,940	141,537,414	(16,385,144)	125,152,270
Segment assets	2,544,784,225	734,462,772	469,706,541	3,748,953,538	724,592,196	4,473,545,734
Segment liabilities	1,216,883,004	127,823,785	203,929,876	1,548,636,665	652,592,638	2,201,229,303

31 December 2015

<i>In Taka</i>	Reportable segments			Total reportable segments	Unallocated	Total
	CC & PH	M Coil	Aerosol			
External revenue	1,919,092,766	328,119,416	320,065,042	2,567,277,224	39,756,419	2,607,033,643
Intra-segment revenue	13,936,000	205,872,583	160,114,883	379,923,466	24,616,795	404,540,261
Segment revenue	1,933,028,766	533,991,999	480,179,925	2,947,200,690	64,373,214	3,011,573,904
Cost of sales excluding depreciation	(1,180,864,885)	(480,917,277)	(446,962,412)	(2,108,744,574)	(59,092,564)	(2,167,837,138)
Depreciation	(24,909,526)	(20,324,224)	(5,027,797)	(50,261,547)	(593,999)	(50,855,546)
Other income	5,448,368	5,000	1,550,093	7,003,461	(1,450,859)	5,552,602
Operating expenses excluding depreciation	(372,235,879)	(8,605,658)	(9,037,170)	(389,878,707)	(32,348,363)	(422,227,070)
Finance costs	(46,467,568)	(1,156,429)	(541,403)	(48,165,400)	(6,157,072)	(54,322,472)
Segment profit/(loss) before tax	298,299,312	21,843,740	19,153,174	339,296,227	(33,891,377)	305,404,850
Segment assets	2,437,600,318	771,461,522	455,986,397	3,665,048,237	678,895,107	4,343,943,344
Segment liabilities	1,263,703,958	192,274,681	199,554,710	1,655,533,349	347,780,038	2,003,313,387

8 Property, plant and equipment

<i>In Taka</i>	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 January 2015	172,170,355	194,456,074	262,909,809	16,756,466	8,340,895	22,245,737	23,192,660	30,501,474	730,573,470
Additions	35,703,968	-	492,000	2,018,844	2,361,200	1,749,882	26,650,777	22,834,084	91,810,755
Transfers	-	1,782,981	24,496,931	-	-	-	-	(26,279,912)	-
Adjustments	-	(23,087,507)	(139,591,224)	(11,334,075)	(5,313,607)	(11,080,669)	(17,944,472)	-	(208,351,554)
Disposals	-	-	-	-	-	-	(4)	-	(4)
Balance at 31 December 2015	207,874,323	173,151,548	148,307,516	7,441,235	5,388,488	12,914,950	31,898,961	27,055,646	614,032,667
Balance at 1 January 2016	207,874,323	173,151,548	148,307,516	7,441,235	5,388,488	12,914,950	31,898,961	27,055,646	614,032,667
Additions	1,374,076	-	-	3,656,068	434,400	192,700	11,425,086	3,743,788	20,826,118
Transfers	-	9,667,274	16,846,038	-	797,329	28,571	-	(27,339,212)	-
Disposals	-	-	-	-	-	-	(161,132)	-	(161,132)
Balance at 30 June 2016	209,248,399	182,818,822	165,153,554	11,097,303	6,620,217	13,136,221	43,162,915	3,460,222	634,697,653
Balance at 1 July 2016	209,248,399	182,818,822	165,153,554	11,097,303	6,620,217	13,136,221	43,162,915	3,460,222	634,697,653
Additions	21,040,764	-	-	3,513,547	758,980	87,236	10,239,939	73,946,119	109,586,585
Transfers	-	2,979,317	57,707,076	-	-	-	-	(60,686,393)	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2017	230,289,163	185,798,139	222,860,630	14,610,850	7,379,197	13,223,457	53,402,854	16,719,948	744,284,238
Revaluation									
Balance at 1 January 2015	631,685,128	36,864,035	26,744,726	2,297,093	3,586,781	788,957	3,147,727	-	705,114,447
Additions	455,345,453	3,920,665	(785,258)	(78,481)	(432,276)	(12,138)	-	-	457,957,965
Adjustments	-	(4,476,876)	(21,064,238)	(1,769,765)	(1,862,884)	(663,348)	(1,847,721)	-	(31,684,832)
Disposals	-	-	-	-	-	-	(1,299,998)	-	(1,299,998)
Balance at 31 December 2015	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 January 2016	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	8	-	1,130,087,582
Additions	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2016	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 2016	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	8	-	1,130,087,582
Additions	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2017	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	8	-	1,130,087,582

<i>In Taka</i>	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 January 2015	-	18,136,958	110,471,652	8,649,793	4,145,018	8,560,759	11,602,816	-	161,566,996
Depreciation	-	4,950,549	29,119,572	2,684,282	1,168,589	2,519,910	6,341,656	-	46,784,558
Adjustments	-	(23,087,507)	(139,591,224)	(11,334,075)	(5,313,607)	(11,080,669)	(17,944,472)	-	(208,351,554)
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2015	-	-	-	-	-	-	-	-	-
Balance at 1 January 2016	-	2,907,095	13,847,850	1,006,136	482,032	1,283,904	4,389,259	-	23,916,276
Depreciation	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2016	-	2,907,095	13,847,850	1,006,136	482,032	1,283,904	4,389,259	-	23,916,276
Balance at 1 July 2016	-	2,907,095	13,847,850	1,006,136	482,032	1,283,904	4,389,259	-	23,916,276
Depreciation	-	5,965,909	31,078,282	2,661,183	1,044,220	2,733,759	10,840,848	-	54,324,201
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2017	-	8,873,004	44,926,132	3,667,319	1,526,252	4,017,663	15,230,107	-	78,240,477

<i>In Taka</i>	Land	Building	Plant and machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicle	Under construction	Total
Accumulated depreciation- Revaluation									
Balance at 1 January 2015	-	3,550,911	19,394,808	1,628,448	1,490,307	588,956	2,518,180	-	29,171,610
Depreciation	-	925,965	1,669,430	141,317	372,577	74,392	369,541	-	3,553,222
Adjustments	-	(4,476,876)	(21,064,238)	(1,769,765)	(1,862,884)	(663,348)	(1,847,721)	-	(31,684,832)
Disposals	-	-	-	-	-	-	(1,040,000)	-	(1,040,000)
Balance at 31 December 2015	-	-	-	-	-	-	-	-	-
Balance at 1 January 2016	-	603,020	373,039	59,773	69,269	4,171	(2)	-	1,109,270
Depreciation	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2016	-	603,020	373,039	59,773	69,269	4,171	(2)	-	1,109,270
Balance at 1 July 2016	-	603,020	373,039	59,773	69,269	4,171	(2)	-	1,109,270
Depreciation	-	1,171,367	823,630	118,952	138,540	14,392	-	-	2,266,881
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2017	-	1,774,387	1,196,669	178,725	207,809	18,563	(2)	-	3,376,151
Carrying amounts									
As at 1 January 2015	803,855,483	209,632,240	159,788,075	8,775,318	6,292,351	13,884,979	12,219,391	30,501,474	1,244,949,311
As at 31 December 2015	1,294,904,904	209,459,372	153,202,746	7,890,082	6,680,109	13,028,421	31,898,969	27,055,646	1,744,120,249
As at 30 June 2016	1,296,616,980	215,616,531	155,827,895	10,480,241	7,360,537	11,961,617	38,773,666	3,460,222	1,739,759,689
As at 30 June 2017	1,317,319,744	211,458,572	181,633,059	11,213,653	6,936,757	9,300,702	38,172,757	16,719,948	1,792,755,192

Notes * The Company capitalised the borrowing costs to the extent of Tk. 1,719,254, Tk. 327,315 and Tk. 1,016,487 on acquisition of qualifying assets during the year ended 31 December 2015, six-month period ended on 30 June 2016 and financial year ended 30 June 2017 respectively.

8(a) Consolidated property, plant and equipment

<i>In Taka</i>	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 January 2015	172,170,356	194,456,074	265,213,407	17,174,571	8,649,595	22,596,700	24,452,660	30,501,474	735,214,837
Additions	35,703,968	-	492,000	1,984,084	2,485,963	1,749,882	26,650,777	22,834,084	91,900,758
Transfer	-	1,782,981	24,496,931	-	-	-	-	(26,279,912)	-
Adjustment	-	(23,087,507)	(139,591,224)	(11,334,075)	(5,313,607)	(11,080,669)	(17,944,472)	-	(208,351,554)
Disposals	-	-	-	-	-	-	(4)	-	(4)
Balance at 31 December 2015	207,874,324	173,151,548	150,611,114	7,824,580	5,821,951	13,265,913	33,158,961	27,055,646	618,764,037
Balance at 1 January 2016	207,874,324	173,151,548	150,611,114	7,824,580	5,821,951	13,265,913	33,158,961	27,055,646	618,764,037
Additions	1,374,076	-	-	3,656,068	434,400	192,700	11,425,086	3,743,788	20,826,118
Transfer	-	9,667,274	16,846,038	-	797,329	28,571	-	(27,339,212)	-
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(161,132)	-	(161,132)
Balance at 30 June 2016	209,248,400	182,818,822	167,457,152	11,480,648	7,053,680	13,487,184	44,422,915	3,460,222	639,429,023
Balance at 1 July 2016	209,248,400	182,818,822	167,457,152	11,480,648	7,053,680	13,487,184	44,422,915	3,460,222	639,429,023
Additions	21,040,764	-	-	3,742,370	758,980	87,236	10,239,939	73,946,119	109,815,408
Transfer	-	2,979,317	57,707,076	-	-	-	-	(60,686,393)	-
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2017	230,289,164	185,798,139	225,164,228	15,223,018	7,812,660	13,574,420	54,662,854	16,719,948	749,244,431
Revaluation									
Balance at 1 January 2015	631,685,128	36,864,035	26,744,726	2,297,093	3,586,781	788,957	3,147,727	-	705,114,447
Additions	455,345,453	3,920,665	(785,258)	(78,481)	(432,276)	(12,138)	-	-	457,957,965
Adjustment	-	(4,476,876)	(21,064,238)	(1,769,765)	(1,862,884)	(663,348)	(1,847,721)	-	(31,684,832)
Disposals	-	-	-	-	-	-	(1,299,998)	-	(1,299,998)
Balance at 31 December 2015	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 January 2016	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	8	-	1,130,087,582
Addition	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2016	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 2016	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	8	-	1,130,087,582
Additions	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2017	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	8	-	1,130,087,582

<i>In Taka</i>	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 January 2015	-	18,136,958	110,702,012	8,690,213	4,175,888	8,595,763	11,854,816	-	162,155,650
Depreciation	-	4,950,549	29,234,752	2,705,187	1,184,024	2,537,458	6,467,656	-	47,079,626
Adjustment	-	(23,087,507)	(139,591,224)	(11,334,075)	(5,313,607)	(11,080,669)	(17,944,472)	-	(208,351,554)
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2015	-	-	345,540	61,325	46,305	52,552	378,000	-	883,722
Balance at 1 January 2016	-	-	345,540	61,325	46,305	52,552	378,000	-	883,722
Depreciation	-	2,907,095	14,078,210	1,058,338	512,902	1,318,722	4,641,259	-	24,516,526
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2016	-	2,907,095	14,423,750	1,119,663	559,207	1,371,274	5,019,259	-	25,400,248
Balance at 1 July 2016	-	2,907,095	14,423,750	1,119,663	559,207	1,371,274	5,019,259	-	25,400,248
Depreciation	-	5,965,909	31,308,642	2,723,435	1,075,090	2,768,855	11,092,848	-	54,934,779
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2017	-	8,873,004	45,732,392	3,843,098	1,634,297	4,140,129	16,112,107	-	80,335,027
<i>In Taka</i>									
Accumulated depreciation- Revaluation									
Balance at 1 January 2015	-	3,550,911	19,394,808	1,628,448	1,490,307	588,956	2,518,180	-	29,171,610
Depreciation	-	925,965	1,669,430	141,317	372,577	74,392	369,541	-	3,553,222
Adjustment	-	(4,476,876)	(21,064,238)	(1,769,765)	(1,862,884)	(663,348)	(1,847,721)	-	(31,684,832)
Disposals	-	-	-	-	-	-	(1,040,000)	-	(1,040,000)
Balance at 31 December 2015	-	-	-	-	-	-	-	-	-
Balance at 1 January 2016	-	-	-	-	-	-	-	-	-
Depreciation	-	603,020	373,039	59,773	69,269	4,171	(2)	-	1,109,270
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2016	-	603,020	373,039	59,773	69,269	4,171	(2)	-	1,109,270
Balance at 1 July 2016	-	603,020	373,039	59,773	69,269	4,171	(2)	-	1,109,270
Depreciation	-	1,171,367	823,630	118,952	138,540	14,392	-	-	2,266,881
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2017	-	1,774,387	1,196,669	178,725	207,809	18,563	(2)	-	3,376,151
Carrying amounts									
As at 1 January 2015	803,855,484	209,632,240	161,861,313	9,153,003	6,570,181	14,200,938	13,227,391	30,501,474	1,249,002,024
As at 31 December 2015	1,294,904,905	209,459,372	155,160,804	8,212,102	7,067,267	13,326,832	32,780,969	27,055,646	1,747,967,897
As at 30 June 2016	1,296,278,981	215,616,531	157,555,593	10,750,059	7,716,825	12,225,210	39,403,666	3,460,222	1,743,007,087
As at 30 June 2017	1,317,319,745	211,458,572	183,130,397	11,650,042	7,262,175	9,529,199	38,550,757	16,719,948	1,795,620,835



9 Investments

<i>In Taka</i>	Note	30 June 2017	30 June 2016	31 December 2015
Investment in subsidiaries	9.1	3,948,334	11,845,000	11,845,000
Investment in FDR	9.2	3,043,953	3,014,040	2,971,144
Investment in shares of ACI Motors Limited		75,000	75,000	75,000
		7,067,287	14,934,040	14,891,144

9.1 Investment in subsidiaries

	30 June 2017				30 June 2016	31 December 2015
	Number of shares	Face value per share	Called and paid up capital per share	Share-holding	Value	Value
		Taka	Taka	%		
Name of subsidiaries						
Neem Laboratories (Pvt.) Ltd	4,900	100	100	98	3,948,334	3,948,334
Aloe Organics (Pvt.) Limited	-	-	-	-	-	3,948,333
Green Business & Marketing-Company (BD) Limited	-	-	-	-	-	3,948,333
Total investment in subsidiaries					3,948,334	11,845,000

9.2 Investment in FDR includes amount of 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 such amount as long term investment.

9(a) Consolidated investments

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Investment in FDR	3,043,953	3,014,040	2,971,144
Investment in shares of ACI Motors Limited	75,000	75,000	75,000
	3,118,953	3,089,040	3,046,144

10 Inventories

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Raw and packing materials	647,622,210	499,008,577	454,030,691
Work in process	738,855	-	971,725
Finished goods	660,208,455	461,350,389	344,649,119
Goods in transit	63,020,190	23,719,921	86,163,250
Other inventories (engineering stores and diesel)	26,511,825	24,485,998	25,235,491
Allowance for slow-moving inventory	(13,676,972)	(13,676,645)	(13,308,195)
	1,384,424,562	994,888,240	897,742,081

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

10(a) Consolidated inventories

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Raw and packing materials	659,313,231	508,198,040	455,938,471
Work in process	738,855	-	971,725
Finished goods	661,199,925	461,723,831	345,090,614
Goods in transit	63,179,729	23,848,027	86,163,250
Other inventories (engineering stores and diesel)	26,511,825	24,485,998	25,235,491
Allowance for slow-moving inventory	(13,744,773)	(13,744,446)	(14,033,194)
	1,397,198,792	1,004,511,450	899,366,357

11 Trade receivables

<i>In Taka</i>	30 June 2017		30 June 2016	31 December 2015
	Dues over 6 months	Dues below 6 months	Total	Total
Other than related parties	440,608,044	1,023,083,530	1,463,691,574	1,340,347,038
			1,463,691,574	1,340,347,038
Less: Allowance for doubtful debts			(136,971,225)	(129,790,356)
			1,326,720,349	1,187,990,035
			1,187,990,035	1,263,209,784

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

11(a) Consolidated trade receivables

<i>In Taka</i>	30 June 2017		30 June 2016	31 December 2015
	Dues over 6 months	Dues below 6 months	Total	Total
Other than related parties	440,608,044	1,035,753,373	1,476,361,417	1,343,162,169
			1,476,361,417	1,343,162,169
Less: Allowance for doubtful debts			(136,971,225)	(129,790,356)
			1,339,390,192	1,190,805,166
			1,190,805,166	1,264,626,778

12 Other receivables

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

13 Inter-company receivables

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
ACI Pure Flour Limited	-	212,659	-
Neem Laboratories Pvt. Ltd	39,933,951	23,344,158	21,201,708
	39,933,951	23,556,817	21,201,708

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



13(a) Consolidated inter- company receivables

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
ACI Pure Flour Limited	-	212,659	-
	-	212,659	-

14 Advances, deposits and prepayments

<i>In Taka</i>	Note	30 June 2017	30 June 2016	31 December 2015
Advances:				
Staff		3,202,997	2,331,890	1,937,506
Suppliers & others		39,040,552	33,199,988	42,481,808
VAT current account		8,826,787	8,867,681	8,092,250
Advance income tax	14.1	283,434,505	281,452,076	212,257,183
		334,504,840	325,851,635	264,768,747
Deposits:				
Security deposits		12,407,921	8,191,810	7,489,810
Bank guarantee margin		50,777,412	51,728,412	35,659,041
		63,185,333	59,920,222	43,148,851
Prepayments:				
Prepaid expenses		2,286,628	4,532,438	1,809,417
		2,286,628	4,532,438	1,809,417
Balance at reporting date		399,976,801	390,304,295	309,727,015

14.1 Advance income tax

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Opening balance	281,452,076	212,257,183	114,830,960
Additions	134,944,391	69,194,893	97,426,223
Adjustments	(132,961,962)	-	-
Balance at reporting date	283,434,505	281,452,076	212,257,183

14(a) Consolidated advances, deposits and prepayments:

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Advances:			
Staff	3,202,997	2,331,890	2,075,146
Suppliers and others	39,738,445	33,633,488	42,969,888
VAT current account	10,400,654	8,867,681	8,092,250
Advance income tax	284,258,747	281,756,440	212,274,061
	337,600,842	326,589,499	265,411,345
Deposits:			
Security deposits	12,407,921	8,191,810	7,489,810
Bank guarantee margin	50,777,412	51,728,412	35,659,041
	63,185,333	59,920,222	43,148,851
Prepayments:			
Prepaid expenses	3,937,242	8,048,353	2,504,204
	3,937,242	8,048,353	2,504,204
Balance at reporting date	404,723,417	394,558,075	311,064,400

15 Cash and cash equivalents

<i>In Taka</i>	Note	30 June 2017	30 June 2016	31 December 2015
Cash in hand		4,046,750	2,470,000	2,350,000
Collection in hand	15.1	61,438,596	52,864,016	44,537,259
Bank balances	15.2	72,869,278	57,177,692	45,886,626
		138,354,624	112,511,708	92,773,885

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

15.2 Bank balances

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Standard Chartered Bank	12,096,940	1,856,451	6,872,968
The Hongkong and Shanghai Banking Corporation Limited (HSBC)	9,178,959	11,362,461	7,193,393
AB Bank Limited	32,122,887	18,546,255	13,362,934
Agrani Bank Limited	1,975,013	2,360,730	3,212,620
Janata Bank Limited	4,071,198	4,072,604	4,129,545
Sonali Bank Limited	5,848,169	3,902,958	186,545
Bank Asia Limited	3,365	4,090	22,375
BRAC Bank Limited	3,210,311	2,213,175	544,516
ONE Bank Limited	989,427	2,869,175	941,504
Commercial Bank of Ceylon PLC	3,255,319	9,910,534	8,584,464
The City Bank Limited	101,274	79,259	835,762
Pubali Bank Limited	16,416	-	-
	72,869,278	57,177,692	45,886,626

15(a) Consolidated cash and cash equivalents

<i>In Taka</i>	Note	30 June 2017	30 June 2016	31 December 2015
Cash in hand		4,132,655	2,566,774	2,446,774
Collection in hand		61,438,596	52,864,016	44,537,259
Bank balances	15.2(a)	85,171,963	59,462,960	48,701,233
		150,743,214	114,893,750	95,685,266

15.2(a) Consolidated bank balances

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Standard Chartered Bank	12,096,940	1,856,451	6,872,968
HSBC	9,178,959	11,362,461	7,193,393
AB Bank Limited	32,122,887	18,546,255	13,362,934
Agrani Bank Limited	1,975,013	2,360,730	3,212,620
Janata Bank Limited	4,071,198	4,072,604	4,129,545
Sonali Bank Limited	5,848,169	3,902,958	186,545
Bank Asia Limited	3,365	4,090	22,375
BRAC Bank Limited	3,210,311	2,213,175	544,516
ONE Bank Limited	989,427	2,869,175	941,504
Commercial Bank of Ceylon PLC	3,255,319	9,910,534	8,584,464
Dutch Bangla Bank Limited	12,302,685	2,285,268	2,814,607
The City Bank Limited	101,274	79,259	835,762
Pubali Bank Limited	16,416	-	-
	85,171,963	59,462,960	48,701,233



16 Share capital

In Taka	30 June 2017	30 June 2016	31 December 2015
Ordinary shares (6,600,000 shares of Tk 10 each)	66,000,000	66,000,000	66,000,000
Bonus shares (32,500,000 shares of Tk 10 each)	325,000,000	325,000,000	325,000,000
Right shares (5,900,000 shares of Tk 10 each)	59,000,000	59,000,000	59,000,000
In issue at reporting date - fully paid	450,000,000	450,000,000	450,000,000
Authorised - par value Tk 10	500,000,000	500,000,000	500,000,000

16.1 Shareholding position

30 June 2017

Nature of Shareholders	Number of share	Percentage of holding	Value (Taka)
Directors and sponsors	29,708,205	66.02%	297,082,050
Institutions	9,457,564	21.02%	94,575,640
General shareholders	5,834,231	12.96%	58,342,310
	45,000,000	100.00%	450,000,000.

30 June 2016

Nature of Shareholders	Number of share	Percentage of holding	Value (Taka)
Directors and sponsors	29,708,205	66.02%	297,082,050
Institutions	7,290,175	16.20%	72,901,750
General shareholders	8,001,620	17.78%	80,016,200
	45,000,000	100.00%	450,000,000

31 December 2015

Nature of Shareholders	Number of share	Percentage of holding	Value (Taka)
Directors and sponsors	29,708,205	66.02%	297,082,050
Institutions	8,277,083	18.39%	82,770,830
General shareholders	7,014,712	15.59%	70,147,120
	45,000,000	100.00%	450,000,000

16.2 Share owning schedule

30 June 2017

Shareholding	Number of shareholder	Number of share	Percentage of holding
Less than 500	3,523	435,285	0.97%
501 to 5000 shares	1,280	2,176,057	4.84%
5001 to 10,000 shares	121	884,196	1.96%
10,001 to 20,000 shares	68	981,204	2.18%
20,001 to 30,000 shares	26	641,638	1.43%
30,001 to 40,000 shares	8	267,156	0.59%
40,001 to 50,000 shares	10	449,718	1.00%
50,001 to 100,000 shares	17	1,287,086	2.86%
100,001 to 1,000,000 shares	9	1,535,959	3.41%
Over 1,000,000 shares	5	36,341,701	80.76%
	5,067	45,000,000	100.00%

Shareholding	30 June 2016			31 December 2015		
	Number of shareholder	Number of share	Percentage of holding	Number of shareholder	Number of share	Percentage of holding
Less than 500	3,695	634,579	1.41%	3,679	586,649	1.30%
501 to 5000 shares	1,753	2,741,543	6.09%	1,620	2,213,450	4.92%
5001 to 10,000 shares	139	1,009,529	2.24%	99	728,838	1.62%
10,001 to 20,000 shares	80	1,162,388	2.58%	70	1,041,801	2.32%
20,001 to 30,000 shares	33	828,138	1.84%	31	756,991	1.68%
30,001 to 40,000 shares	16	560,349	1.25%	10	344,761	0.77%
40,001 to 50,000 shares	9	421,162	0.94%	9	409,871	0.90%
50,001 to 100,000 shares	20	1,351,718	3.00%	15	997,783	2.22%
100,001 to 1,000,000 shares	15	3,697,783	8.22%	16	4,895,224	10.88%
Over 1,000,000 shares	5	32,592,811	72.43%	5	33,024,632	73.39%
	5,765	45,000,000	100.00%	5,554	45,000,000	100.00%

17 Employee benefits

<i>In Taka</i>	Note	30 June 2017	30 June 2016	31 December 2015
Net defined benefit obligation	17.1	25,100,219	23,811,703	11,304,565
Other employee benefits		5,459,911	5,459,911	4,559,911
		30,560,130	29,271,614	15,864,476

17.1 Net defined benefit obligation

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Opening balance	23,811,703	11,304,565	8,715,238
Service cost	1,830,259	15,243,042	5,261,413
Benefits paid	(541,743)	(2,735,904)	(2,672,086)
Closing balance	25,100,219	23,811,703	11,304,565

18 Deferred tax liabilities

<i>In Taka</i>	Note	30 June 2017	30 June 2016	31 December 2015
Opening balance		47,650,008	61,269,695	47,753,650
Deferred tax income/(expense) for the year	30	(4,139,485)	13,619,687	1,160,162
Deferred tax before revaluation at reporting date	18.1	51,789,493	47,650,008	46,593,488
Deferred tax on revaluation surplus		-	-	14,676,207
Closing balance		51,789,493	47,650,008	61,269,695

18.1 Deferred tax before revaluation at reporting date

<i>In Taka</i>	Carrying amount on reporting date	Tax base	Taxable/(deductible) temporary difference
At 30 June 2017			
Land	1,317,319,744	-	1,317,319,744
Property, plant and equipment (other than land)	458,715,500	233,887,481	224,828,020
Allowance for slow-moving inventory	13,676,972	-	(13,676,972)
Allowance for doubtful debts	136,971,225	-	(136,971,225)
Net defined benefit obligation	25,100,219	-	(25,100,219)
Taxable/(deductible) temporary differences	1,951,783,660	233,887,481	1,366,399,348
Applicable tax rate for land			3%
Applicable tax rate for other than land			25%
Deferred tax liabilities			51,789,493
At 30 June 2016			
Land	1,296,278,980	-	1,296,278,980
Property, plant and equipment (other than land)	440,020,487	215,128,581	224,891,906
Allowance for slow-moving inventory	13,676,646	-	(13,676,646)
Allowance for doubtful debts	152,357,003	-	(152,357,003)
Net defined benefit obligation	23,811,703	-	(23,811,703)
Taxable/(deductible) temporary differences	1,926,144,819	215,128,581	1,331,325,534
Applicable tax rate for land			3%
Applicable tax rate for other than land			25%
Deferred tax liabilities			47,650,008
At 31 December 2015			
Land	1,294,904,904	-	1,294,904,904
Property, plant and equipment (other than land)	422,159,699	178,007,297	244,152,402
Allowance for slow-moving inventory	13,308,195	-	(13,308,195)
Allowance for doubtful debts	129,790,356	-	(129,790,356)
Defined benefit liability	11,304,565	-	(11,304,565)
Taxable/(deductible) temporary differences	1,871,467,719	178,007,297	1,384,654,190
Applicable tax rate for land			3%
Applicable tax rate for other than land			25%
Deferred tax liabilities			61,269,695



19 Bank overdrafts

<i>In Taka</i>	Note	30 June 2017	30 June 2016	31 December 2015
Standard Chartered Bank	19.1	12,767,150	49,019,150	39,715,786
HSBC	19.1	523,112	7,624,239	4,895,802
Prime Bank Limited	19.1	67,430,144	-	-
BRAC Bank Limited	19.1	1,950,114	7,767,471	3,758,216
Commercial Bank of Ceylon PLC	19.1	3,173,327	4,370,793	3,507,553
		85,843,847	68,781,653	51,877,357

19.1 Terms and repayment schedule

The terms and conditions of outstanding overdraft are as follows:

<i>In Taka</i>	Year of Currency maturity	30 June 2017		30 June 2016	31 December 2015	
		Loan limit	Loan outstanding	Loan limit	Loan outstanding	Loan outstanding
Standard Chartered Bank	BDT 2017	10,000,000	12,767,150	10,000,000	49,019,150	39,715,786
HSBC	BDT 2017	10,000,000	523,112	10,000,000	7,624,239	4,895,802
Prime Bank Limited	BDT 2017	100,000,000	67,430,144	-	-	-
BRAC Bank Limited	BDT 2017	10,000,000	1,950,114	10,000,000	7,767,471	3,758,216
Commercial Bank of Ceylon PLC	BDT 2017	20,000,000	3,173,327	20,000,000	4,370,793	3,507,553
		150,000,000	85,843,847	50,000,000	68,781,653	51,877,357

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

20 Loans and borrowings

<i>In Taka</i>	Note	30 June 2017	30 June 2016	31 December 2015
Standard Chartered Bank	20.1	153,883,858	53,947,110	108,155,878
HSBC	20.1	163,869,350	110,754,504	254,466,469
BRAC Bank Limited	20.1	109,141,014	505,103,467	58,082,134
The City Bank Limited	20.1	500,000,000	-	-
Prime Bank Limited	20.1	554,523,595	-	-
Commercial Bank of Ceylon PLC	20.1	394,457,589	274,432,108	367,123,178
		1,875,875,406	944,237,189	787,827,659

20(a) Consolidated Loans and borrowings

<i>In Taka</i>	Note	30 June 2017	30 June 2016	31 December 2015
Standard Chartered Bank	20.1	153,883,858	53,947,110	108,155,878
HSBC	20.1	163,869,350	110,754,504	254,466,469
BRAC Bank Limited	20.1	109,141,014	505,103,467	58,082,134
The City Bank Limited	20.1	500,000,000	-	-
Prime Bank Limited	20.1	554,523,595	-	-
Commercial Bank of Ceylon PLC	20.1	394,457,589	274,432,108	367,123,178
Dutch Bangla Bank Limited		5,489,148	4,313,623	-
		1,881,364,554	948,550,813	787,827,659

20.1 Terms and repayment schedule

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

<i>In Taka</i>	Note	Year of Currency maturity	30 June 2017		30 June 2016	31 December 2015	
			Loan limit	Loan outstanding	Loan limit	Loan outstanding	Loan outstanding
Standard Chartered Bank	20.1.1	BDT 2017	510,000,000	153,883,858	510,000,000	53,947,110	108,155,878
HSBC	20.1.2	BDT 2017	250,000,000	163,869,350	250,000,000	110,754,504	254,466,469
BRAC Bank Limited	20.1.3	BDT 2017	750,000,000	109,141,014	290,000,000	505,103,467	58,082,134
The City Bank Limited	20.1.4	BDT 2017	500,000,000	500,000,000	-	-	-
Prime Bank Limited	20.1.5	BDT 2017	1,000,000,000	554,523,595	-	-	-
Commercial Bank of Ceylon PLC	20.1.6	BDT 2017	400,000,000	394,457,589	400,000,000	274,432,108	367,123,178
			3,410,000,000	1,875,875,406	1,450,000,000	944,237,189	787,827,659

20.1.1 Standard Chartered Bank

The Company is enjoying trade finance facility under general banking facilities from Standard Chartered Bank (SCB) under the following terms and conditions against the facility offer letter dated 19 October 2016 and subsequent updates:

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

Amount : Tk 510,000,000

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

Tenure : 360 days.

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

20.1.1.2 Acceptance

Amount : Tk 510,000,000 (Inner limit of limit 20.1.1.1 above).

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

Tenure : 360 days.

20.1.1.3 Import invoice financing

Amount : Tk 150,000,000 (Inner limit of limit 20.1.1.1 above).

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

Tenure : 120 days.

Payment : On maturity of such loan.

20.1.1.4 Import loan

Amount : Tk 50,000,000 (Inner limit of limit 20.1.1.1 above).

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

Tenure : 360 days.

Payment : 12 equal monthly instalments.

20.1.1.5 Short term loan

Amount : Tk 250,000,000 (Inner limit of limit 20.1.1.1 above).

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

Tenure : 120 days.

Payment : On maturity of such loan.

20.1.1.6 Bond & Guarantees

Amount : Tk 20,000,000 (Inner limit of limit 20.1.1.1 above).

Purpose : Issuance of guarantees on behalf of the company.

Tenure : 365 days.

20.1.1.7 Securities against the facilities

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

- Demand promissory note and letter of continuation for Tk 520,000,000 each.
- Registered hypothecation over stock and book debts of the Company on pari-pasu basis for Tk 520,000,000.
- First charge by way of registered mortgage over the tangible assets of the Company both existing and future where Standard Chartered Bank's share will not be less than Tk 140,000,000.
- Corporate guarantee from Advanced Chemical Industries Limited supported by board resolution.



20.1.2 The Hongkong and Shanghai Banking Corporation Limited

The Company is enjoying following facilities from HSBC under the following terms and conditions against the facility offer letter dated 25 April 2017 and subsequent updates:

20.1.2.1 Combined limit/ import line/ import cash limit

Amount : Tk 250,000,000

Purpose : To retire sight import documents and to make duty/VAT payments by creating import loan and usance import documents against the Company's acceptance and issue shipping guarantee. To finance imported raw materials/spares/small machinery on sight and/or deferred basis.

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

Payment : On maturity of such loan.

20.1.2.2 Guarantee

Amount : Tk 30,000,000

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

Tenure : 1 year/ 5 years for utility companies.

20.1.2.3 Securities against the facilities

Securities against the facilities mentioned under notes 19 and 20.1.2 are as follows:

- Demand promissory note of Tk 597,549,000 with letter of revival and continuity.
- Letter of Set Off to set off between different accounts maintained with the bank.
- Corporate guarantee to be executed by Advanced Chemical Industries Limited for Tk 430,000,000 supported by Advance Chemical Industries Limited Board Resolution for credit facilities granted to ACI Formulations Limited.
- First pari-pasu charge with other lenders over the Company'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 Company's book debts/receivables for Tk 430,000,000 registered with the Registrar of Joint Stock Companies (RJSC) on pari-pasu basis with Standard Chartered Bank, where HSBC's share is Tk 430,000,000.

20.1.3 BRAC Bank Limited

The Company is enjoying following facilities from BRAC Bank Limited under the following terms and conditions against the facility offer letter dated 6 September 2016:

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

Amount : Tk 500,000,000

Purpose : To retire import documents for raw materials.

Tenure : 120 - 180 days.

Payment : On maturity of such loan.

20.1.3.2 Revolving loan

Amount : Tk 250,000,000

Purpose : For payment of customs duty, VAT through pay order and local procurement of raw materials.

Tenure : 120 days.

Payment : On maturity of such loan.

20.1.3.3 Bank guarantee-one-off

Amount : Tk 10,529,000

Purpose : To meet various contractual obligations.

Tenure : Open ended.

20.1.3.4 **Securities against the facilities**

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

- First charge pari-passu (with SCB, CBC and HSBC) hypothecation registered with Registrar of Joint Stock Companies and Firms (RJSC) on stock, book debt and receivable of ACI Formulations Limited for Tk. 760,000,000.
- Corporate guarantee from Advanced Chemical Industries Limited supported by board resolution.

20.1.4 **The City Bank Limited**

The Company is enjoying following facilities from The City Bank Limited under the following terms and conditions against the facility offer letter dated 27 October 2016.

20.1.4.1 **Manarah Murabaha local purchase facility**

Amount : Tk 500,000,000

Purpose : To procure raw materials and finished goods from local source.

Tenure : 360 days from date of each disbursement.

20.1.5 **Prime Bank Limited**

The Company is enjoying following facilities from Prime Bank Limited under the following terms and conditions against the facility offer letter dated 6 December 2016.

20.1.5.1 **Letters of credit (LC) / Loan against trust receipt (LATR):**

Amount : Tk 1,000,000,000

Purpose : For payment of imported raw materials / chemicals / accessories / capital machinery / spare parts and others (import of capital machinery shall not exceed Tk 100,000,000).
Also for retirement of L/C documents or payment of accepted bills.

Tenure : 180 - 365 days.

Payment : On maturity of such loan.

20.1.5.2 **Time loan / Short term loan**

Amount : Tk 500,000,000 (Inner limit of limit 20.1.5.1 above).

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

Tenure : 365 days.

Payment : On maturity of such loan.

20.1.5.3 **Bank guarantee**

Amount : Tk 40,000,000

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

Tenure : 365 days.

20.1.5.4 **Securities against the facilities**

Securities against the facilities mentioned under notes 19 and 20.1.5 are as follows:

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

20.1.6 **Commercial Bank of Ceylon Plc**

The Company is enjoying following facilities from Commercial Bank of Ceylon Plc under the following terms and conditions against the facility offer letter dated 6 October 2015 and subsequent updates:



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

Amount : Tk 400,000,000

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

Tenure : 180 days.

Payment : On maturity of such loan.

20.1.6.2 Short term loan

Amount : Tk 100,000,000

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

Tenure : 180 days.

Payment : On maturity of such loan.

20.1.6.3 Securities against the facilities

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

- Registered first hypothecation charge over stocks and book debts on pari-pasu basis with other lenders, where CBC's share is Tk 420,000,000.

21 Trade payables

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Related party- Premiaflex Plastics Limited	7,604,717	3,706,335	4,288,379
Other than related parties	48,490,711	24,599,511	60,605,261
	56,095,428	28,305,846	64,893,640

21(a) Consolidated trade payables

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Related party- Premiaflex Plastics Limited	7,604,717	3,706,335	4,288,379
Other than related parties	58,420,434	30,774,466	60,616,643
	66,025,151	34,480,801	64,905,022

22 Other payables

<i>In Taka</i>	Note	30 June 2017	30 June 2016	31 December 2015
Creditors for expenses	22.1	178,575,406	267,495,682	265,165,504
Interest payable		34,728,738	9,196,761	6,064,400
Security money payable		11,299,410	10,957,274	8,118,674
Unpaid dividend		10,658,806	75,781,285	8,866,821
Withholding tax and VAT		2,235,641	28,677,377	4,645,688
Provision for workers' profit participation fund		18,775,022	6,665,352	16,860,945
		256,273,023	398,773,731	309,722,032

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

22(a) Consolidated other payables

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Creditors for expenses	179,402,321	268,037,651	265,616,546
Interest payable	34,728,738	9,196,761	6,064,400
Security money payable	11,299,410	10,957,274	8,118,674
Unpaid dividend	10,658,806	75,781,285	8,866,821
Withholding tax and VAT	2,323,630	28,704,319	4,775,293
Provision for workers' profit participation fund	18,775,022	6,665,352	16,860,945
	257,187,927	399,342,642	310,302,679

23 Inter-company payable

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
ACI Limited	56,695,146	403,437,863	491,138,072
	56,695,146	403,437,863	491,138,072

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

24 Provision for tax

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Opening balance	270,211,614	220,348,296	141,221,360
Provision made during the year/ period	91,149,008	49,863,318	79,126,936
Adjustment on completion of assessment for prior years	(132,961,962)	-	-
Balance at reporting date	228,398,660	270,211,614	220,348,296

24(a) Consolidated provision for tax

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Opening balance	270,288,907	220,406,228	141,253,848
Provision made during the year/ period	91,350,505	49,882,679	79,152,380
Adjustment on completion of assessment for prior years	(132,961,962)	-	-
Balance at reporting date	228,677,450	270,288,907	220,406,228

25 Revenue

<i>In Taka</i>	Note	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the Six-month period ended 30 June 2016	For the year ended 31 December 2015
Agrochemical products	25.1	2,246,950,903	2,960,988,365	1,027,959,599	1,933,028,766
Consumer products	25.2	1,382,479,976	1,670,981,663	597,525,299	1,073,456,364
		3,629,430,879	4,631,970,028	1,625,484,898	3,006,485,130

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

25.1 Agrochemical products

<i>In Taka</i>	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the Six-month period ended 30 June 2016	For the year ended 31 December 2015
Local	2,219,373,126	2,942,688,856	1,023,535,529	1,919,153,327
Export	27,577,777	18,299,509	4,424,070	13,875,439
	2,246,950,903	2,960,988,365	1,027,959,599	1,933,028,766

25.2 Consumer products

<i>In Taka</i>	Note	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the Six-month period ended 30 June 2016	For the year ended 31 December 2015
Coil	25.2.1	524,068,918	773,936,547	239,944,548	533,991,999
Aerosol	25.2.1	609,912,662	789,599,395	309,419,470	480,179,925
Vanish	25.2.1	52,213,471	50,310,312	25,693,517	24,616,795
Paint		196,284,925	57,135,409	22,467,764	34,667,645
		1,382,479,976	1,670,981,663	597,525,299	1,073,456,364



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

25(a) Consolidated revenue

<i>In Taka</i>	Note	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the Six-month period ended 30 June 2016	For the year ended 31 December 2015
Agrochemical products	25.1(a)	2,246,950,903	2,960,988,365	1,027,959,599	1,933,028,766
Consumer products	25.2(a)	1,416,062,670	1,678,997,197	600,452,059	1,078,545,138
		3,663,013,573	4,639,985,562	1,628,411,658	3,011,573,904

25.1(a) Agrochemical products

<i>In Taka</i>	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the Six-month period ended 30 June 2016	For the year ended 31 December 2015
Local	2,219,373,126	2,942,688,856	1,023,535,529	1,919,153,327
Export	27,577,777	18,299,509	4,424,070	13,875,439
	2,246,950,903	2,960,988,365	1,027,959,599	1,933,028,766

25.2(a) Consumer products

<i>In Taka</i>	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the Six-month period ended 30 June 2016	For the year ended 31 December 2015
Coil	524,068,918	773,936,547	239,944,548	533,991,999
Aerosol	609,912,662	789,599,395	309,419,470	480,179,925
Vanish	52,213,471	50,310,312	25,693,517	24,616,795
Paint	196,284,925	57,135,409	22,467,764	34,667,645
Herbal cosmetics	33,582,694	8,015,534	2,926,760	5,088,774
	1,416,062,670	1,678,997,197	600,452,059	1,078,545,138

26 Cost of sales

<i>In Taka</i>	Note	For the	For the eighteen-	For the six-	For the
		year ended	month period ended	month period ended	year ended
		30 June 2017	30 June 2016	30 June 2016	31 December 2015
Opening stock of finished goods		461,350,390	273,488,949	344,649,119	273,488,949
Cost of goods manufactured	26.1.1.1, 26.2.1 & 26.3.1	2,316,070,095	2,913,584,528	1,022,048,396	1,891,536,132
Finished goods purchased		404,294,638	629,160,131	243,198,883	385,961,248
Stock write off		111,238	3,860	-	3,860
Cost of finished goods available for sale		3,181,826,361	3,816,237,468	1,609,896,398	2,550,990,189
Closing stock of finished goods		(660,208,455)	(461,350,390)	(461,350,390)	(344,649,119)
		2,521,617,906	3,354,887,078	1,148,546,008	2,206,341,070

26.1 Cost of sales for the year ended 30 June 2017

<i>In Taka</i>	Note	30 June 2017					Total
		Crop Care & Public Health	Mosquito Coil	Aerosol	Vanish	Paint	
Stock of finished goods at 1 July		346,078,578	59,694,480	24,325,694	5,702,490	25,549,148	461,350,390
Cost of goods manufactured	26.1.1	1,099,532,670	515,453,715	533,437,730	49,947,586	117,698,394	2,316,070,095
Finished goods purchased		279,956,605	-	52,013,909	1,118,225	71,205,899	404,294,638
Stock write off		111,238	-	-	-	-	111,238
Cost of finished goods available for sale		1,725,679,091	575,148,195	609,777,333	56,768,301	214,453,441	3,181,826,361
Stock of finished goods at 30 June		(475,396,926)	(76,082,815)	(36,607,125)	(7,884,915)	(64,236,674)	(660,208,455)
		1,250,282,165	499,065,380	573,170,208	48,883,386	150,216,767	2,521,617,906

26.1.1 Cost of goods manufactured for the year ended 30 June 2017

<i>In Taka</i>	Note	30 June 2017					Total
		Crop Care & Public Health	Mosquito Coil	Aerosol	Vanish	Paint	
Cost of materials consumed	26.1.1.1	1,021,774,610	376,478,837	510,909,195	45,127,507	101,142,023	2,055,432,172
Manufacturing overhead	28	80,309,870	138,974,878	22,528,535	5,558,934	16,593,242	263,965,459
Stock write off		(2,551,810)	-	-	-	(36,871)	(2,588,681)
Cost of production		1,099,532,670	515,453,715	533,437,730	50,686,441	117,698,394	2,316,808,950
Difference in work in process		-	-	-	-	-	-
Work in process at 1 July		-	-	-	(738,855)	-	(738,855)
Work in process at 30 June		-	-	-	(738,855)	-	(738,855)
		1,099,532,670	515,453,715	533,437,730	49,947,586	117,698,394	2,316,070,095

26.1.1.1 Cost of materials consumed for the year ended 30 June 2017

<i>In Taka</i>	Note	30 June 2017					Total
		Crop Care & Public Health	Mosquito Coil	Aerosol	Vanish	Paint	
Raw and packing materials							
Opening stock		271,771,519	103,584,168	94,032,603	8,730,728	20,889,558	499,008,576
Purchase		1,013,266,446	450,001,327	546,560,332	56,989,737	137,227,964	2,204,045,806
Closing Stock		(263,263,355)	(177,106,658)	(129,683,740)	(20,592,958)	(56,975,499)	(647,622,210)
		1,021,774,610	376,478,837	510,909,195	45,127,507	101,142,023	2,055,432,172

26.2 Cost of sales for the six-month period ended 30 June 2016

30 June 2016							
<i>In Taka</i>	Note	Crop Care & Public Health	Mosquito Coil	Aerosol	Vanish	Paint	Total
Stock of finished goods at 1 January		255,842,509	37,896,995	26,501,841	4,825,796	19,581,978	344,649,119
Cost of goods manufactured	26.2.1	490,636,860	241,206,268	253,670,487	24,360,579	12,174,202	1,022,048,396
Finished goods purchased		183,115,422	9,270,813	36,127,105	561,482	14,124,061	243,198,883
Stock write off		-	-	-	-	-	-
Cost of finished goods available for sale		929,594,791	288,374,076	316,299,433	29,747,857	45,880,241	1,609,896,398
Stock of finished goods at 30 June		(346,078,578)	(59,694,480)	(24,325,694)	(5,702,490)	(25,549,148)	(461,350,390)
		583,516,213	228,679,596	291,973,739	24,045,367	20,331,093	1,148,546,008

26.2.1 Cost of goods manufactured for the six-month period ended 30 June 2016

30 June 2016							
<i>In Taka</i>	Note	Crop Care & Public Health	Mosquito Coil	Aerosol	Vanish	Paint	Total
Cost of materials consumed	26.2.1.1	454,760,970	188,838,996	243,147,363	22,194,957	8,672,841	917,615,127
Manufacturing overhead	28	37,256,694	52,367,272	10,523,124	2,165,622	2,529,636	104,842,348
Stock write off		(1,380,804)	-	-	-	-	(1,380,804)
Cost of production		490,636,860	241,206,268	253,670,487	24,360,579	11,202,477	1,021,076,671
Difference in work in process		-	-	-	-	-	-
Work in process at 1 January		-	-	-	-	971,725	971,725
Work in process at 30 June		-	-	-	-	-	-
		490,636,860	241,206,268	253,670,487	24,360,579	12,174,202	1,022,048,396

26.2.1.1 Cost of materials consumed for the six-month period ended 30 June 2016

30 June 2016							
<i>In Taka</i>	Crop Care & Public Health		Mosquito Coil	Aerosol	Vanish	Paint	Total
Raw and packing materials							
Opening stock		304,297,789	60,985,225	70,380,137	4,761,762	13,605,778	454,030,691
Purchase		422,234,700	231,437,939	266,799,829	26,163,923	15,956,621	962,593,012
Closing Stock		(271,771,519)	(103,584,168)	(94,032,603)	(8,730,728)	(20,889,558)	(499,008,577)
		454,760,970	188,838,996	243,147,363	22,194,957	8,672,841	917,615,127

26.3 Cost of sales for the year ended 31 December 2015

31 December 2015							
<i>In Taka</i>	Note	Crop Care & Public Health	Mosquito Coil	Aerosol	Vanish	Paint	Total
Stock of finished goods at 1 January		242,439,196	-	-	-	31,049,753	273,488,949
Cost of goods manufactured	26.3.1	890,501,093	534,214,799	444,152,657	22,121,152	546,431	1,891,536,132
Finished goods purchased		321,933,675	4,730,164	34,135,464	5,996,770	19,165,175	385,961,248
Stock write off		-	-	-	-	3,860	3,860
Cost of finished goods available for sale		1,454,873,964	538,944,963	478,288,121	28,117,922	50,765,219	2,550,990,189
Stock of finished goods at 31 December		(255,842,509)	(37,896,995)	(26,501,841)	(4,825,796)	(19,581,978)	(344,649,119)
		1,199,031,455	501,047,968	451,786,280	23,292,126	31,183,241	2,206,341,070

26.3.1.1 Cost of goods manufactured for the year ended 31 December 2015

In Taka	Note	31 December 2015					Total
		Crop Care & Public Health	Mosquito Coil	Aerosol	Vanish	Paint	
Cost of materials consumed	26.3.1.1	824,228,755	435,789,761	429,531,056	21,039,587	1,092,734	1,711,681,893
Manufacturing overhead	28	66,077,101	101,603,194	16,588,277	1,920,466	425,422	186,614,459
Stock write off		195,237	(3,178,156)	(1,966,676)	(838,901)	-	(5,788,495)
Cost of production		890,501,093	534,214,799	444,152,657	22,121,152	1,518,156	1,892,507,857
Difference in work in process		-	-	-	-	-	-
Work in process at 1 January		-	-	-	-	(971,725)	(971,725)
Work in process at 31 December		-	-	-	-	(971,725)	(971,725)
		890,501,093	534,214,799	444,152,657	22,121,152	546,431	1,891,536,132

26.3.1.1.1 Cost of materials consumed for the year ended 31 December 2015

In Taka	31 December 2015					Total
	Crop Care & Public Health	Mosquito Coil	Aerosol	Vanish	Paint	
Raw and packing materials						
Opening stock	207,430,410	82,682,144	40,266,732	-	-	330,379,286
Purchase	921,096,134	414,092,842	459,644,461	25,801,349	14,698,512	1,835,333,298
Closing Stock	(304,297,789)	(60,985,225)	(70,380,137)	(4,761,762)	(13,605,778)	(454,030,691)
	824,228,755	435,789,761	429,531,056	21,039,587	1,092,734	1,711,681,893

26(a) Consolidated cost of sales

In Taka	For the			For the	
	year ended 30 June 2017	eighteen-month period ended 30 June 2016	Six-month period ended 30 June 2016	For the year ended 31 December 2015	For the year ended 31 December 2015
Opening stock	969,921,871	606,992,004	802,000,810	606,992,004	606,992,004
Purchase	2,636,409,084	3,431,329,226	1,213,851,846	2,217,477,380	2,217,477,380
Manufacturing overhead	267,078,335	294,285,737	105,451,479	188,834,258	188,834,258
Closing stock	(1,321,252,011)	(969,921,871)	(969,921,871)	(802,000,810)	(802,000,810)
	2,552,157,279	3,362,685,096	1,151,382,264	2,211,302,832	2,211,302,832



27 Other income

<i>In Taka</i>	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
Crop Care & Public Health	3,302,997	8,059,534	2,611,166	5,448,368
Mosquito Coil	203,964	5,000	-	5,000
Aerosol	180,385	1,704,753	154,660	1,550,093
Paint	692,984	-	-	-
Loss on revaluation	-	(1,450,859)	-	(1,450,859)
	4,380,330	8,318,428	2,765,826	5,552,602

28 Administrative, selling and distribution expenses

<i>In Taka</i>	Note	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
Manufacturing expenses	28.1, 28.2 & 28.3	263,965,458	291,456,807	104,842,348	186,614,459
Administrative, selling & distribution expenses	28.1, 28.2 & 28.3	618,540,895	739,363,582	317,506,138	421,857,444
		882,506,353	1,030,820,389	422,348,486	608,471,903

28.1 Administrative, selling and distribution expenses for the year ended 30 June 2017

<i>In Taka</i>	30 June 2017				
	Manufacturing expenses	Administrative expenses	Distribution expenses	Selling expenses	Total
Salary and wages	139,451,191	103,400,874	21,137,518	223,269,879	487,259,462
Traveling and conveyance	94,878	1,980,365	14,763,486	80,070,411	96,909,140
Rent and rates	187,387	3,236,013	9,861,399	3,110,133	16,394,932
Repair and maintenance	22,790,225	5,527,541	1,214,687	1,503,211	31,035,664
Fuel and power	54,956,858	2,208,026	1,123,948	22,125	58,310,957
Postage, telephone, fax, etc.	710,725	83,377	-	6,124,114	6,918,216
Printing and stationery	757,637	636,905	3,570,587	1,159,991	6,125,120
Promotional expenses	3,783	50,000	-	54,495,610	54,549,393
Entertainment	610,452	1,182,284	903,185	2,462,931	5,158,852
Vehicle maintenance	1,809,084	3,239,938	8,393,576	9,021,440	22,464,038
Doubtful debts	-	-	-	(14,433,594)	(14,433,594)
Truck and handling	2,531,325	-	15,800,020	-	18,331,345
Legal and professional charge	-	492,745	-	18,941,059	19,433,804
Audit fees	-	618,000	-	-	618,000
Insurance	3,049,745	-	-	1,693,261	4,743,006
Directors' fees	-	9,000	-	-	9,000
Bank charges	-	1,406,909	-	1,120,289	2,527,198
Investment write off	-	7,896,666	-	-	7,896,666
Sundry expenses	168,726	-	-	-	168,726
Product development expenses	23,000	-	-	1,342,619	1,365,619
Training expenses	30,688	-	-	2,046,713	2,077,401
Depreciation	44,224,949	1,971,881	-	10,925,132	57,121,962
Lab chemical and apparatus	258,005	-	-	-	258,005
Meeting expenses	-	370,000	-	4,586,641	4,956,641
	271,658,658	134,310,524	76,768,406	407,461,965	890,199,553
Recovery of expenses for toll manufacturing service charges	(7,693,200)	-	-	-	(7,693,200)
	263,965,458	134,310,524	76,768,406	407,461,965	882,506,353

28.2 Administrative, selling and distribution expenses for the six month period ended 30 June 2016

<i>In Taka</i>	30 June 2016				
	Manufacturing expenses	Administrative expenses	Distribution expenses	Selling expenses	Total
Salary and wages	55,799,858	60,786,559	8,705,889	91,497,158	216,789,464
Traveling and conveyance	41,451	1,221,675	6,712,583	34,750,577	42,726,286
Rent and rates	195,229	194,806	3,488,044	1,019,660	4,897,739
Repair and maintenance	15,423,347	1,699,056	517,068	252,901	17,892,372
Fuel and power	12,330,627	579,021	452,746	-	13,362,394
Postage, telephone, fax, etc.	259,652	49,014	-	2,519,891	2,828,556
Printing and stationery	283,109	1,027,615	1,165,468	165,951	2,642,143
Promotional expenses	33,971	-	-	46,786,825	46,820,796
Entertainment	236,734	717,637	366,745	1,030,515	2,351,631
Vehicle maintenance	1,002,209	1,557,689	3,597,003	4,793,805	10,950,706
Doubtful debts	-	-	-	22,577,322	22,577,322
Truck and handling	1,179,286	-	5,578,628	-	6,757,914
Legal and professional charge	-	382,023	-	2,191,093	2,573,116
Audit fees	-	350,000	-	-	350,000
Insurance	899,934	-	-	237,007	1,136,941
Directors' fees	-	3,750	-	-	3,750
Bank charges	855	471,329	-	527,478	999,662
Sundry expenses	64,519	-	-	-	64,519
Product development expenses	-	-	-	849,353	849,353
Training expenses	59,897	-	-	1,446,456	1,506,353
Depreciation	20,438,787	984,361	-	3,867,542	25,290,690
Lab chemical and apparatus	361,161	-	-	-	361,161
Donation and subscription	180,412	-	-	10,000	190,412
Meeting expenses	-	120,001	-	2,253,895	2,373,896
	108,791,038	70,144,536	30,584,174	216,777,428	426,297,176
Recovery of expenses for toll manufacturing service charges	(3,948,690)	-	-	-	(3,948,690)
	104,842,348	70,144,536	30,584,174	216,777,428	422,348,486

28.3 Administrative, selling and distribution expenses for the year ended 31 December 2015

<i>In Taka</i>	31 December 2015				
	Manufacturing expenses	Administrative expenses	Distribution expenses	Selling expenses	Total
Salary and wages	96,897,253	80,815,988	11,258,440	123,068,407	312,040,088
Traveling and conveyance	109,399	1,781,240	9,986,438	45,559,544	57,436,621
Rent and rates	178,940	1,781,429	6,116,165	2,734,470	10,811,004
Repair and maintenance	26,979,367	3,001,328	1,022,281	517,402	31,520,378
Fuel and power	17,291,092	1,095,848	755,604	28,596	19,171,140
Postage, telephone, fax, etc.	517,100	44,919	-	4,148,689	4,710,708
Printing and stationery	747,700	1,071,067	1,592,341	645,140	4,056,248
Promotional expenses	-	-	-	76,489,527	76,489,527
Entertainment	326,488	2,150,183	508,563	1,840,011	4,825,245
Vehicle maintenance	1,417,904	2,174,404	5,431,347	5,347,335	14,370,990
Doubtful debts	-	-	-	2,002,939	2,002,939
Truck and handling	2,349,396	-	5,152,436	-	7,501,832
Legal and professional charge	-	439,509	-	3,078,539	3,518,048
Audit fees	-	480,000	-	-	480,000
Insurance	2,549,569	-	-	383,199	2,932,768
Directors' fees	-	12,750	-	-	12,750
Bank charges	-	1,496,870	-	809,801	2,306,671
Sundry expenses	139,746	-	-	-	139,746
Product development expenses	-	-	-	3,112,356	3,112,356
Training expenses	69,452	-	-	2,258,807	2,328,259
Depreciation	43,350,508	1,357,120	-	5,852,850	50,560,478
Lab chemical and apparatus	799,497	-	-	-	799,497
Donation and subscription	71,608	73,000	-	-	144,608
Meeting expenses	-	745,001	-	3,635,561	4,380,562
	193,795,019	98,520,656	41,823,615	281,513,173	615,652,463
Recovery of expenses for toll manufacturing service charges	(7,180,560)	-	-	-	(7,180,560)
	186,614,459	98,520,656	41,823,615	281,513,173	608,471,903



28(a) Consolidated administrative, selling and distribution expenses

	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
<i>In Taka</i>				
Administrative expenses	134,966,347	174,157,596	70,173,547	103,984,049
Distribution expenses	76,768,406	72,805,289	30,839,174	41,966,115
Selling expenses	407,461,961	501,725,604	218,058,846	283,666,758
	619,196,713	748,688,489	319,071,567	429,616,922

29 Finance costs, net

	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
<i>In Taka</i>				
Interest expenses				
Bank loan	96,105,166	60,177,716	12,920,779	47,256,937
Inter-company	22,434,030	30,388,927	16,135,523	14,253,404
	118,539,196	90,566,643	29,056,302	61,510,341
Interest income				
Bank	387,230	820,067	164,771	655,296
Inter-company	-	6,604,436	-	6,604,436
	387,230	7,424,503	164,771	7,259,732
	118,151,966	83,142,140	28,891,531	54,250,609

29(a) Consolidated finance costs, net

	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
<i>In Taka</i>				
Interest expenses				
Bank loan	96,572,910	60,192,216	12,935,279	47,256,937
Inter-company	22,434,030	30,460,790	16,135,523	14,325,267
	119,006,940	90,653,006	29,070,802	61,582,204
Interest income				
Bank	387,230	820,067	164,771	655,296
Inter-company	-	6,604,436	-	6,604,436
	387,230	7,424,503	164,771	7,259,732
	118,619,710	83,228,503	28,906,031	54,322,472

30 Income tax expense

	Note	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
<i>In Taka</i>					
Income tax expense					
Charged during the year/ period	24	91,149,008	128,990,254	49,863,318	79,126,936
		91,149,008	128,990,254	49,863,318	79,126,936
Deferred tax expense/(income)					
Change in deferred tax liabilities	18	4,139,485	(14,779,849)	(13,619,687)	(1,160,162)
		4,139,485	(14,779,849)	(13,619,687)	(1,160,162)
Tax expense/(income)		95,288,493	114,210,405	36,243,631	77,966,774

30(a) Consolidated income tax expense

	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
<i>In Taka</i>				
Current tax expense				
Current year	91,350,505	129,035,059	49,882,679	79,152,380
	91,350,505	129,035,059	49,882,679	79,152,380
Deferred tax expense/(income)				
Change in deferred tax liabilities	4,126,921	(15,148,819)	(13,916,883)	(1,231,936)
	4,126,921	(15,148,819)	(13,916,883)	(1,231,936)
Tax expense/(income)	95,477,426	113,886,240	35,965,796	77,920,444

31 Earnings per share

31.1 Basic earnings per share

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

	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
<i>In Taka</i>				
Profit attributable to the owners of the Company (Taka)	261,436,927	325,540,469	90,398,064	235,142,405
Weighted average number of ordinary shares (number)	45,000,000	45,000,000	45,000,000	45,000,000
Earning per share (Taka)	5.81	7.23	2.01	5.23

31.1(a) Consolidated basic earnings per share

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

	For the year ended 30 June 2017	For the eighteen-month period ended 30 June 2016	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
<i>In Taka</i>				
Profit/(loss) attributable to the owners of the Group (Taka)	263,137,439	316,848,272	89,210,706	227,637,566
Weighted average number of ordinary shares (number)	45,000,000	45,000,000	45,000,000	45,000,000
Earning per share (Taka)	5.85	7.04	1.98	5.06

31.2 Diluted earnings per share

No diluted EPS was required to be calculated for the year ended 30 June 2017 since there was no scope for dilution of shares.

32 Financial risk management

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

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

(i) Risk management framework

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



(ii) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Company's exposure to credit risk primarily relates to trade receivables and balances 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 2017	30 June 2016	31 December 2015
Trade receivables	11(a)	1,476,361,417	1,343,162,169	1,394,417,134
Other receivables	12	7,088,014	10,085,589	9,803,584
Inter-company receivables	13(a)	-	212,659	-
Deposits	14(a)	63,185,333	59,920,222	43,148,851
Bank balances	15(a)	85,171,963	59,462,960	48,701,233
		1,631,806,727	1,472,843,599	1,496,070,802

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 2017	30 June 2016	31 December 2015
Bangladesh	1,478,251,296	1,344,083,383	1,396,107,010
India	5,198,135	9,164,375	8,113,708
	1,483,449,431	1,353,247,758	1,404,220,718

(b) Aging of trade receivables

The aging of trade receivables as at 30 June 2017, 30 June 2016 and 31 December 2015 are as follows:

<i>In Taka</i>	Carrying amount		
	30 June 2017	30 June 2016	31 December 2015
Neither past due nor impaired	835,032,234	853,491,915	1,077,868,407
Past due 1 - 90 days	192,148,496	169,668,581	6,031,362
Past due 91 - 120 days	185,335,049	92,480,210	24,390,565
Past due 121 - 180 days	75,707,737	23,025,319	53,953,712
Past due 181 - 365 days	36,319,993	38,592,014	69,750,422
Past due 366 - 730 days	38,366,988	67,247,897	66,678,349
Past due 731 plus days	113,450,920	98,656,233	95,744,319
	1,476,361,417	1,343,162,169	1,394,417,134

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 2017	30 June 2016	31 December 2015
Opening balance	11(a)	152,357,003	129,790,356	128,270,151
Impairment loss recognised		17,510,854	22,590,453	2,002,939
Amounts written off/ write in		(32,896,632)	(23,806)	(482,734)
Closing balance		136,971,225	152,357,003	129,790,356

(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 2017

In Taka	Note	Carrying amount	Contractual cash flows						
			Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years	
Non-derivative financial liabilities									
Employee benefits	17	30,560,130	30,560,130	-	-	-	-	-	30,560,130
Bank overdrafts	19	85,843,847	85,843,847	85,843,847	-	-	-	-	-
Loans and borrowings	20(a)	1,881,364,554	1,881,364,554	-	1,881,364,554	-	-	-	-
Trade payables	21(a)	66,025,151	66,025,151	66,025,151	-	-	-	-	-
Other payables	22(a)	257,187,927	257,187,927	47,711,174	209,476,753	-	-	-	-
Inter-company payables	23	56,695,146	56,695,146	56,695,146	-	-	-	-	-
		2,377,676,755	2,377,676,755	199,580,172	2,147,536,453	-	-	-	30,560,130
Derivative financial liabilities		-	-	-	-	-	-	-	-
		2,377,676,755	2,377,676,755	199,580,172	2,147,536,453	-	-	-	30,560,130

30 June 2016

In Taka	Note	Carrying amount	Contractual cash flows						
			Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years	
Non-derivative financial liabilities									
Employee benefits	17	29,271,614	29,271,614	-	-	-	-	-	29,271,614
Bank overdrafts	19	68,781,653	68,781,653	68,781,653	-	-	-	-	-
Loans and borrowings	20(a)	948,550,813	948,550,813	-	948,550,813	-	-	-	-
Trade payables	21(a)	34,480,801	34,480,801	34,480,801	-	-	-	-	-
Other payables	22(a)	399,342,642	399,342,642	113,682,365	285,660,277	-	-	-	-
Inter-company payables	23	403,437,863	403,437,863	403,437,863	-	-	-	-	-
		1,883,865,386	1,883,865,386	216,944,819	1,637,648,953	-	-	-	29,271,614
Derivative financial liabilities		-	-	-	-	-	-	-	-
		1,883,865,386	1,883,865,386	216,944,819	1,637,648,953	-	-	-	29,271,614

31 December 2015

In Taka	Note	Carrying amount	Contractual cash flows						
			Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years	
Non-derivative financial liabilities									
Employee benefits	17	15,864,476	15,864,476	-	-	-	-	-	15,864,476
Bank overdrafts	19	51,877,357	51,877,357	51,877,357	-	-	-	-	-
Loans and borrowings	20(a)	787,827,659	787,827,659	157,200,132	630,627,527	-	-	-	-
Trade payables	21(a)	64,905,022	64,905,022	64,905,022	-	-	-	-	-
Other payables	22(a)	310,302,679	310,302,679	10,839,693	299,462,986	-	-	-	-
Inter-company payables	23	491,138,072	491,138,072	491,138,072	-	-	-	-	-
		1,721,915,265	1,721,915,265	284,822,204	1,421,228,585	-	-	-	15,864,476
Derivative financial liabilities		-	-	-	-	-	-	-	-
		1,721,915,265	1,721,915,265	284,822,204	1,421,228,585	-	-	-	15,864,476



(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 2017	30 June 2016	31 December 2015
Bank balances	180,712	126,088	108,732
Loans and borrowings	(6,665,819)	(6,506,184)	(7,169,667)
	(6,485,108)	(6,380,095)	(7,060,935)

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

<i>In Taka</i>	30 June 2017		30 June 2016		31 December 2015	
	Average rate	Year-end spot rate	Average rate	Year-end spot rate	Average rate	Year-end spot rate
USD	79.95	81.30	78.90	78.60	78.45	78.95

Sensitivity analysis

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

<i>Effect in Taka</i>	Profit/(loss)		Equity, net of tax increase/(decrease)	
	Strengthening	Weakening	Strengthening	Weakening
30 June 2017				
USD(5% movement)	26,361,962	(26,361,962)	26,361,962	(26,361,962)
30 June 2016				
USD (5% movement)	25,169,477	(25,169,477)	25,169,477	(25,169,477)
31 December 2015				
USD (5% movement)	27,696,518	(27,696,518)	27,696,518	(27,696,518)

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 2017	30 June 2016	31 December 2015
Fixed rate instruments				
Financial assets				
Investment in FDR	9(a)	3,043,953	3,014,040	2,971,144
Financial liabilities				
Bank overdrafts	19	(85,843,847)	(68,781,653)	(51,877,357)
Loans and borrowings	20(a)	(1,881,364,554)	(948,550,813)	(787,827,659)
		(1,964,164,448)	(1,014,318,426)	(836,733,872)
Variable rate instruments				
Financial assets				
Loans to Advance Chemical Industries Limited		-	-	-
Financial liabilities				
Offshore loan		(541,931,120)	(511,386,036)	(566,045,210)
Loans from Advance Chemical Industries Limited		(56,161,769)	(400,011,986)	(487,605,704)
		(598,092,889)	(911,398,022)	(1,053,650,914)

v) Financial instruments - Fair values and financial risk management

Accounting classifications and fair values

The following tables 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 2017

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

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

30 June 2016

<i>In Taka</i>	Note	Carrying amount					Fair value						
		Held-for-trading	Designated at fair value	Fair value -hedging instruments	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		-	-	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value													
Trade receivables	11(a)	-	-	-	-	1,343,162,169	-	-	1,343,162,169	-	-	-	-
Other receivables	12	-	-	-	-	10,085,589	-	-	10,085,589	-	-	-	-
Inter-company receivables	13(a)	-	-	-	-	212,659	-	-	212,659	-	-	-	-
Security deposits	14(a)	-	-	-	-	59,920,222	-	-	59,920,222	-	-	-	-
Bank balances	15.2(a)	-	-	-	-	59,462,960	-	-	59,462,960	-	-	-	-
		-	-	-	-	1,472,843,599	-	-	1,472,843,599	-	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value													
Employee benefits	17	-	-	-	-	-	-	29,271,614	29,271,614	-	-	-	-
Bank overdrafts	19	-	-	-	-	-	-	68,781,653	68,781,653	-	-	-	-
Loans and borrowings	20(a)	-	-	-	-	-	-	948,550,813	948,550,813	-	-	-	-
Trade payables	21(a)	-	-	-	-	-	-	34,480,801	34,480,801	-	-	-	-
Other payables	22(a)	-	-	-	-	-	-	399,342,642	399,342,642	-	-	-	-
Inter company payables	23	-	-	-	-	-	-	403,437,863	403,437,863	-	-	-	-
		-	-	-	-	-	-	1,883,865,386	1,883,865,386	-	-	-	-



31 December 2015

In Taka	Note	Carrying amount					Fair value					
		Held-for-trading	Designated at fair value	Fair value -hedging instruments	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value												
Financial assets not measured at fair value												
	11(a)	-	-	-	1,394,417,134	-	-	1,394,417,134	-	-	-	-
	12	-	-	-	9,803,584	-	-	9,803,584	-	-	-	-
	13(a)	-	-	-	-	-	-	-	-	-	-	-
	14(a)	-	-	-	43,148,851	-	-	43,148,851	-	-	-	-
	15.2(a)	-	-	-	48,701,233	-	-	48,701,233	-	-	-	-
		-	-	-	1,496,070,802	-	-	1,496,070,802	-	-	-	-
Financial liabilities measured at fair value												
Financial liabilities not measured at fair value												
	17	-	-	-	-	-	-	15,864,476	-	-	-	-
	19	-	-	-	-	-	-	51,877,357	-	-	-	-
	20(a)	-	-	-	-	-	-	787,827,659	-	-	-	-
	21(a)	-	-	-	-	-	-	64,905,022	-	-	-	-
	22(a)	-	-	-	-	-	-	310,302,679	-	-	-	-
	23	-	-	-	-	-	-	491,138,072	-	-	-	-
		-	-	-	-	-	-	1,721,915,265	-	-	-	-

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

33 Acquisition of subsidiary

The Company has acquired 75% shares of Neem Laboratories (Pvt.) Ltd, Aloe Organics (Pvt.) Limited and Green Business & Marketing Company (BD) Limited from the effective date of acquisition dated 28 February 2014. Accordingly, from then the Company through its voting rights controls the operating and financing activities of above three entities. Further 23% shares of each of these subsidiaries were acquired in 2015. Neem Laboratories (Pvt.) Ltd is engaged in manufacturing and marketing of herbal products in small scale. On the other hand, the name of Aloe Organics (Pvt.) Ltd. and Green Business and Marketing Company (BD) Limited has been "Stuck off" from the books of Registrars, of Joint Stock Companies & Firms as defunct company through publication of gazette notification dated 20 April 2017.

Consideration transferred

<i>In Taka</i>	Note	2015
Cash payment	9.1	
Neem Laboratories (Pvt.) Ltd		115,000
Aloe Organics (Pvt.) Limited		115,000
Green Business & Marketing Company (BD) Limited		115,000
Total consideration transferred		345,000

34 Commitments and contingencies

34.1 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 2017	30 June 2016	31 December 2015
a) Revenue expenditure (Letters of credit)			
Standard Chartered Bank	423,610	4,618,083	-
Commercial Bank of Ceylon PLC	104,133,024	3,878,989	53,161,211
The City Bank Limited	50,398,683	-	-
BRAC Bank Limited	27,340,387	74,033,624	96,634,920
Prime Bank Limited	31,745,576	-	-
HSBC	36,621,902	60,562,991	-
	250,663,181	143,093,687	149,796,131
b) Capital expenditure			
Approved and contracted for	51,467,395	22,102,728	2,311,972
	51,467,395	22,102,728	2,311,972

34.2 Contingent liabilities

<i>In Taka</i>	30 June 2017	30 June 2016	31 December 2015
Bank guarantee			
HSBC	1,581,679	6,605,679	6,605,679
Standard Chartered Bank	15,437,798	43,944	43,944
	17,019,477	6,649,623	6,649,623
Performance guarantee			
Standard Chartered Bank	147,600	147,600	147,600
	147,600	147,600	147,600
	17,167,077	6,797,223	6,797,223

35 Production capacity

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

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

The production status (business wise) for the six month period ended 30 June 2016 are as follows:

Business Segment	Capacity	Unit	Actual	% of utilisation
Crop Care and Public Health	10,785	M Ton	4,756	44.10
Mosquito Coil	549,000	Carton	280,130	51.03
Aerosol	3,982,500	Can	2,937,175	73.75

The production status (business wise) for the year ended 31 December 2015 are as follows:

Business Segment	Capacity	Unit	Actual	% of utilisation
Crop Care and Public Health	21,570	M Ton	8,872	41.13
Mosquito Coil	1,098,000	Carton	619,160	56.39
Aerosol	7,965,000	Can	4,940,424	62.03



36 Related parties

a) Parent and ultimate controlling party

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

b) Transactions with key management personnel

(i) Loans to directors

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

(ii) Key management personnel compensation

Key management personnel compensation comprised the followings:

<i>In Taka</i>	For the		For the eighteen-		For the six-		For the	
	year ended 30 June 2017	year ended 30 June 2016	month period ended 30 June 2016	month period ended 30 June 2015	month period ended 30 June 2016	month period ended 30 June 2016	month period ended 30 June 2016	year ended 31 December 2015
Salary	9,018,400	10,580,000	10,580,000	3,465,000	7,115,000			
Benefits	4,746,240	7,104,325	7,104,325	2,802,885	4,301,440			
Provident fund contribution	468,720	522,000	522,000	186,000	336,000			
	14,233,360	18,206,325	18,206,325	6,453,885	11,752,440			

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	
			For the year ended 30 June 2017	For the six- month period ended 30 June 2016	For the year ended 31 December 2015	For the year ended 30 June 2017	30 June 2016	31 December 2015
ACI Limited	Holding company	Sale of products	-	2,897,500	379,923,466	-	-	-
		Receipt against sales	-	(2,897,500)	(479,744,396)	-	-	-
		Working capital financing	346,742,717	87,700,209	(529,108,086)	(56,695,146)	(403,437,863)	(491,138,072)
ACI Pure Flour Limited	Sister concern	Working capital financing	-	212,659	-	-	212,659	-
		Receipt against working capital financing	(212,659)	-	-	-	-	-
Neem Laboratories (Pvt) Ltd	Subsidiary company	Working capital financing	16,377,134	2,355,109	2,342,378	39,933,951	23,556,817	21,201,708
		Receipt against working capital financing	-	-	(1,213,881)	-	-	-
Premiaflex Plastics Limited	Sister concern	Purchase of products	(62,522,081)	(16,428,781)	(34,179,877)	-	-	-
		Payment against purchase	54,917,364	17,010,825	38,160,217	7,604,717	(3,706,335)	(4,288,379)

37 Other disclosures

37.1 Number of employees

At 30 June 2017, number of regular employees receiving remuneration of Tk. 36,000 or above per annum was 1,679 (30 June 2016: 1,489, 31 December 2015: 1,459).

37.2 Subsequent events

The Board of Directors in their meeting held on 23 October 2017 have recommended final cash dividend @ 15% per share of Taka 10 each aggregating to Taka 67,500,000 for the year ended 30 June 2017 in addition to interim cash dividend @ 20% per share of Taka 10 each aggregating to Taka 90,000,000 subject to approval of the shareholders in the Annual General Meeting was scheduled to be held on 18 December 2017.

38 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.
Aloe Organics (Pvt.) Limited	Subsidiary	Shiraz Khan Basak & Co.
Green Business & Marketing Company (BD) Limited	Subsidiary	Shiraz Khan Basak & Co.





ACI Formulations Limited

Report of the Directors and Audited Financial Statements of the Subsidiary Company as at & for the year ended 30 June 2017





Neem Laboratories (PVT.) Limited Directors' Report

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

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

The Company follows fiscal year (July-June) as its financial year. The operating results as per audited accounts of the Company for the year ended on 30 June 2017 are as follows:

Key Financial Results	Value (BDT)
Revenue	33,582,694
Gross profit	3,043,322
Operating profit/ (loss)	2,185,420
Profit /(loss) before tax	1,717,677
Profit /(loss) after tax	1,528,745

On behalf of the Board


Shusmita Anis
Director


Syed Alamgir
Director

Dhaka: 07 September, 2017



SHIRAZ KHAN BASAK & CO.
C H A R T E R E D A C C O U N T A N T S
(An associate firm of D. N. Gupta & Associates)

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

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

We have audited the accompanying Financial Statements of NEEM LABORATORIES (Pvt.) Limited ("the company") which comprise the Statement of Financial Position as at June 30, 2017 and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information disclosed in note.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of NEEM LABORATORIES (Pvt.) Limited as at June 30, 2017 and its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the applicable section of the Companies Act, 1994 and other applicable laws and regulations.

We also report that:

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

Dhaka: 7 September, 2017


Shiraz Khan Basak & Co.
Chartered Accountants.

NEEM LABORATORIES (Pvt.) Limited



Statement of Financial Position

As at 30 June, 2017

Particulars	30 June-2017 Taka	30 June-2016 Taka
Assets		
Property, plant and equipment:		
At cost	4,960,191	4,731,368
Accumulated depreciation	(2,094,550)	(1,483,972)
Total non-current assets	2,865,641	3,247,396
Deferred tax asset	587,562	574,998
Inventories	12,774,230	9,623,211
Trade receivables	12,669,842	2,815,131
Advances, deposits and prepayments	4,746,616	3,695,986
Cash and cash equivalents	12,388,590	2,371,173
Total current assets	42,579,278	18,505,500
Total assets	46,032,482	22,327,894
Equity and liabilities		
Equity		
Share capital	500,000	500,000
Retained earnings	(11,022,207)	(12,550,952)
Total equity	(10,522,207)	(12,050,952)
Liability		
Loans and borrowings	5,489,148	4,313,623
Trade payables	9,929,724	6,174,955
Other payables	914,905	468,818
Inter-company liabilities	39,942,124	23,344,158
Current tax liability	278,788	77,292
Total current liabilities	56,554,689	34,378,846
Total liabilities	56,554,689	34,378,846
Total equity and liabilities	46,032,482	22,327,894



Director


Director


Company Secretary

As per our separate report of even date annexed.

Date: 7 September 2017
Place: Dhaka


Shiraz Khan Basak & Co.
Chartered Accountant

An associate firm of D.N. Gupta Associates



NEEM LABORATORIES (PVT.) LIMITED

Statement of Comprehensive Income

For the year ended 30 June, 2017

Particulars	30 June-2017 Taka	30 June-2016 Taka
Revenue	33,582,694	5,777,379
Cost of sales	(30,539,372)	(4,934,174)
Gross profit	3,043,322	843,205
Administration, selling and distribution expenses	(857,902)	(8,327,624)
	2,185,420	(7,484,419)
Other income	-	-
Result from operating activities	2,185,420	(7,484,419)
Finance cost	(467,744)	(47,165)
Profit / (loss) before income tax	1,717,677	(7,531,584)
Income tax expenses :		
Current tax expenses	(201,496)	(34,664)
Deferred tax income	12,564	236,038
	(188,932)	201,374
Net profit / (loss) after tax	1,528,745	(7,330,210)


Director


Director


Company Secretary

As per our separate report of even date annexed.

Date: 7 September 2017
Place: Dhaka


Shiraz Khan Basak & Co.
Chartered Accountant

An associate firm of D.N. Gupta Associates

NEEM LABORATORIES (PVT.) LIMITED

Statement of Changes In Equity

For the year ended 30 June, 2017

Particulars	Share capital Taka	Retained earnings Taka	Total Taka
Balance on 30 June 2015	500,000	(5,220,742)	(4,720,742)
Net loss for the year	-	(7,330,210)	(7,330,210)
Other comprehensive income/(Loss) for the year	-	-	-
Total comprehensive income for the year	-	(7,330,210)	(7,330,210)
Balance at 30 June 2016	500,000	(12,550,952)	(12,050,952)
Balance at 1st July 2016	500,000	(12,550,952)	(12,050,952)
Net profit for the year	-	1,528,745	1,528,745
Other comprehensive income/(loss) for the year	-	-	-
Total comprehensive income for the year	-	1,528,745	1,528,745
Balance at 30 June 2017	500,000	(11,022,207)	(10,522,207)





NEEM LABORATORIES (PVT.) LIMITED

Statement of Cash Flows

For the year ended 30 June, 2017

Particulars	30 June-2017 Taka	30 June-2016 Taka
A) Cash flows from operating activities		
Cash receipts/(paid) from /(to) customers	23,727,983	4,174,243
Cash receipts from other income	-	-
	23,727,983	4,174,243
Cash paid for:		
Purchase of inventory	(29,935,624)	(6,329,419)
Operating expenses	198,764	(2,371,357)
Advances, deposits and prepayments	(530,752)	(2,939,232)
	(30,267,612)	(11,640,008)
Cash generated from operations	(6,539,629)	(7,465,765)
Financing cost	(467,744)	(47,165)
Income tax	(519,878)	(287,486)
	(987,622)	(334,651)
Net cash used in operating activities	(7,527,251)	(7,800,416)
B) Cash flows from investing activities		
Purchase of property, plant and equipment	(228,823)	(90,000)
Net cash from (used in) investing activities	(228,823)	(90,000)
C) Cash flows from financing activities		
Inter-company debts (paid)/received	16,597,966	3,530,232
Short term loan received	1,175,525	4,313,623
Net cash flows from financing activities	17,773,491	7,843,855
D) Net cash flow from all activities (A+B+C)	10,017,417	(46,561)
E) Cash and cash equivalent at 01 July	2,371,173	2,417,733
F) Cash and cash equivalent at 30 June (D+E)	12,388,590	2,371,172
Closing balance represents:		
Cash in hand and at bank	12,388,590	2,371,173
	12,388,590	2,371,173

Corporate Directory

Registered Office

ACI Centre
245 Tejgaon Industrial Area
Dhaka-1208
Phone # (8802) 8878603
Fax # (8802) 8878619, 8878626
Email # info@aci-bd.com
Web # www.aci-bd.com

Share Office

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

Manufacturing Facility

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



ACI FORMULATIONS LIMITED

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

PROXY FORM

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

whose signature is appended below as my/our proxy to attend and vote for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on Monday, 18 December 2017 at 9:00 am and/or at any adjournment thereof.

As witness my hands this _____ day of _____ 2017.

Signature on
Tk.20
Revenue Stamp

(Signature of the Proxy)

(Signature of the Shareholder)

Registered Folio/ BO ID No. _____

No. of Shares held _____

Date _____

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

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



ACI FORMULATIONS LIMITED

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

ATTENDANCE SLIP

I hereby record my Attendance at the 21st Annual General Meeting being held on Monday, 18 December 2017 at 9:00 am at Officers Club, 26 Baily Road, Dhaka.

Name of member/proxy _____

Registered Folio/ BO ID No _____

No. of Shares held _____

Signature of Shareholder(s)







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