

Annual Report 2010



ACI Formulations Limited



Contents

Corporate Management

Board of Directors	2
Notice of the 15th Annual General Meeting	3
Sales Contribution by Business Unit 2009-2010	4
Year 2010 - at a Glance	4
Six Years' Comparative Statistics, from 2005-2010	5
Message from the Chairman	6
Corporate Governance	7

Directors' Report

Report of the Directors to the Shareowners	8
Bangla Version of Message from the Chairman	16
Bangla Version of Report of the Directors to the Shareowners	17

Financial Statements of ACI Formulations Limited

Auditors' Report to the Shareowners	20
Statement of Financial Position	21
Income Statement	22
Statement of Comprehensive Income	23
Statement of Changes in Equity	24
Statement of Cash Flows	25
Notes to the Financial Statements	26

Additional Information

Proxy Form	51
Corporate Directory	53
Attendance Slip (enclosed)	

Corporate Management

Board of Directors



Mr. M Anis Ud Dowla
Chairman & Managing Director



Mrs. Najma Dowla
Director



Dr. F H Ansarey
Director



Dr. Arif Dowla
Director



Ms. Shusmita Anis Salam
Director



Mr. C. M. Murshed
Director



Mr. Wajed Salam
Director

Company Secretary
Ms. Sheema Abed Rahman

Auditors
Rahman Rahman Huq
Chartered Accountants

Financial Consultant
Mr. M. Sekander Ali

Principal Bankers
Standard Chartered Bank
The Hongkong and Shanghai
Banking Corporation Limited
Commercial Bank of Ceylon Plc
Citibank N. A.
The City Bank Limited

Legal Advisor
Barrister Rafique-ul Huq
Huq and Company



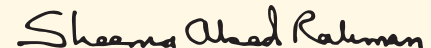
Notice of the 15th Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting of ACI Formulations Limited will be held on Wednesday, 15 June 2011 at 12:00 noon at Bangabandhu International Conference Centre, Agargaon, Sher-E-Bangla Nagar, Dhaka to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31 December 2010 together with Reports of the Auditors and the Directors.
2. To declare dividend for the year ended 31 December 2010.
3. To elect Directors of the Company.
4. To appoint Auditors for the year 2011 and to fix their remuneration.

By Order of the Board



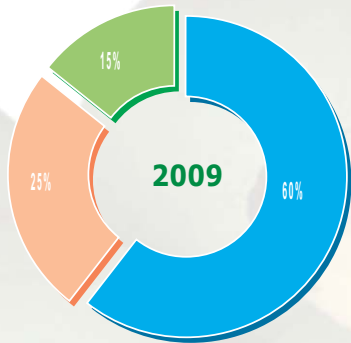
Sheema Abed Rahman
Company Secretary

Dhaka
19 April 2011

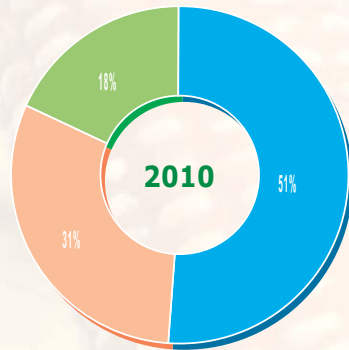
Notes

- a. The Record Date in lieu of Book-Closure shall be on Wednesday, 4 May 2011.
- b. The Shareholders' names appearing in the Register of Members of the Company or in the Depository on the Record Date will be eligible to receive the dividend.
- c. The Directors have recommended cash dividend @ 30% i.e. Taka 3 per share of Taka 10 each
- d. A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly completed, must be deposited at the Share Office of the Company at 9 Motijheel Commercial Area, Dhaka-1000 not later than 48 hours before the time fixed for the Meeting.
- e. Members are requested to notify the changes of address, if any, well in time. For BO A/C holders, the same to be rectified through their respective Depository Participants.
- f. Admittance to the Meeting venue will be on production of the Attendance Slip that will be sent with the Notice.

Sales Contribution by Business Unit 2009-2010

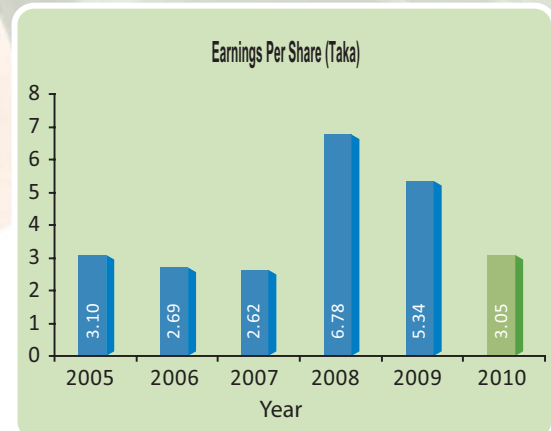
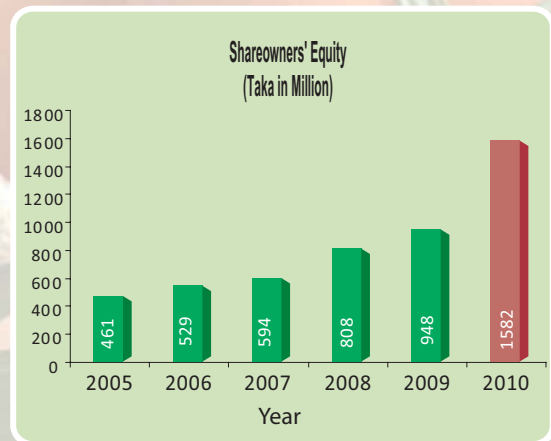
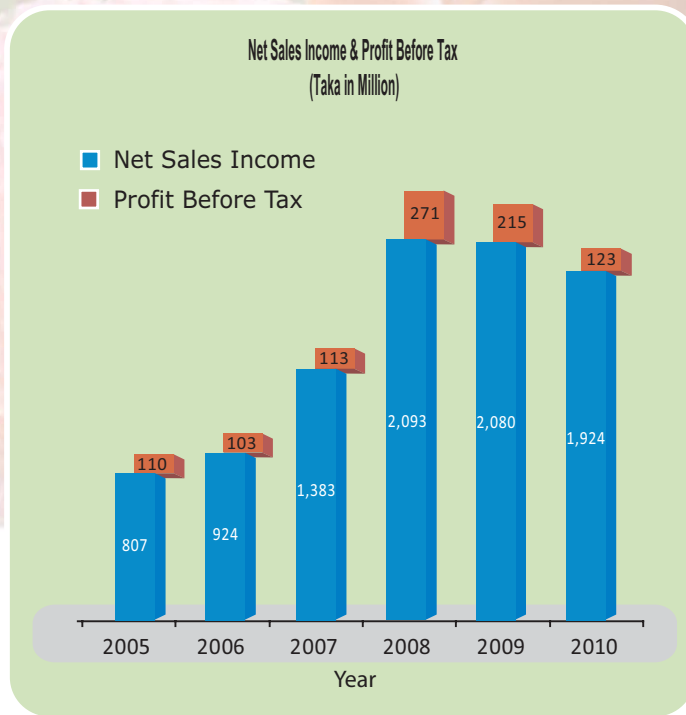


- Crop Care & Public Health 60%
- Mosquito Coil 25%
- Aerosol & Air Freshener 15%



- Crop Care & Public Health 51%
- Mosquito Coil 31%
- Aerosol & Air Freshener 18%

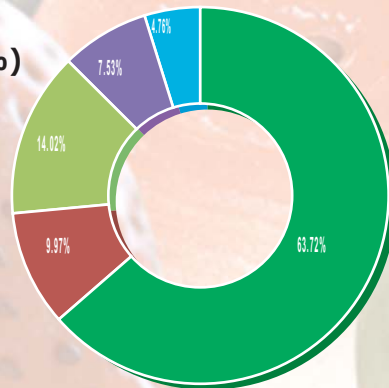
Year 2010 - at a Glance



Six Years Comparative Statistics, from 2005-2010

Particulars	2005	2006	2007	2008	2009	2010
Taka in million						
Authorized Capital	500.00	500.00	500.00	500.00	500.00	500.00
Issued & Paid Capital	250.00	250.00	250.00	250.00	300.00	300.00
Current Assets	552.61	763.11	1,190.59	1,494.80	1,570.93	1,506.60
Tangible Fixed Assets (Gross)	357.18	377.83	442.50	555.63	685.91	1,137.70
Shareowners' Equity	461.48	528.74	594.27	808.04	948.28	1,581.93
Turnover (Net)	807.10	923.86	1,383.12	2,093.47	2,079.94	1,924.40
Gross Profit	175.14	180.56	212.19	405.46	488.47	458.14
Profit Before Tax	109.97	102.96	112.91	271.36	214.83	122.73
Profit After Tax	77.62	67.27	65.53	203.29	160.33	91.61
Dividend	-	-	-	75.00	75.00	90.00
Current Ratio (Times)	1.82	1.72	1.40	1.51	1.54	1.61
Quick Ratio (Times)	1.00	0.95	0.93	0.78	0.95	0.86
Return on Equity (%)	17.00	13.00	11.00	25.00	17.00	6.00
Inventory Turnover (Times)	2.89	2.52	3.16	3.02	2.41	2.25
Debtors Turnover (Times)	4.25	2.97	2.52	2.91	2.82	2.82
Fixed Assets Turnover (Times)	2.82	3.22	4.20	5.01	4.05	1.70
Net Asset Per Share (Taka)	18.45	21.14	23.77	26.93	31.61	52.73
Market Price Per Share (Taka)	n/a	n/a	n/a	194.60	171.40	139.80
Earnings Per Share (Taka)	3.10	2.69	2.62	6.78	5.30	3.05
Dividend Per Share (Taka)	-	-	-	3.00	2.50	3.00
Dividend Rate (%)	-	-	-	30.00	25.00	30.00
Dividend Payout Ratio (%)	-	-	-	44.25	46.82	98.36
Price Earnings Ratio (Times)	n/a	n/a	n/a	28.70	32.10	45.84
Dividend Yield (%)	n/a	n/a	n/a	1.54	1.46	2.15
Number of Employees	134.00	139.00	163.00	271.00	533.00	674.00

Analysis of Turnover (%)



Cost of Materials	63.72%
Salaries, Wages & Benefits paid to employees	9.97%
Expenses	14.02%
Duties & Taxes paid to Government Exchequer	7.53%
Profit	4.76%

Comparison of Turnover & Costs over last year

	2010	%	2009	%
Turnover (Gross)	1,924.40	100	2,079.94	100
Cost of Materials	1,226.15	63.72	1,368.83	65.81
Salaries, Wages & Benefits paid to employees	191.84	9.97	181.48	8.73
Expenses	269.87	14.02	261.39	12.57
Duties & Taxes paid to Government Exchequer	144.93	7.53	109.09	5.24
Profit	91.61	4.76	159.15	7.65
Total	1,924.40	100.00	2,079.94	100.00



we are there to serve the farming community and we take pride in being by their side when they need us for advice or for products.

M Anis Ud Dowla
Chairman

Message from the Chairman

*Dear Share owners
and friends of AEI FL,*

Assalamu-Alaikum,

I welcome you to this third AGM after we have been listed as a Public Limited Company. It is the 15th AGM since the inception of the Company.

The last two years had been good for agriculture because the weather was favorable and infestation of pests was less than normal. As a result our optimistic projections, product placements and extension of credit to distributors did not produce the desired results. This is the nature of the Agribusiness and while we should be ready to serve our customers by making the products available as those may be required, it is not always that the products will be needed. We have to take

our chances and we know that we will not succeed all the time. However, we are there to serve the farming community and we take pride in being by their side when they need us for advice or for products.

You should feel happy that your investment is helping the country in attaining food security.

Allah Hafez.

M Anis Ud Dowla
Chairman

Corporate Governance

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

Composition of the Board

The Board presently consists of 7 members drawn from amongst the major shareowners, business professionals. Mr. M Anis Ud Dowla currently occupies the position of the Chairman and Managing Director of the Board.

Role of the Board

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

Responsibility of the Board

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

Functioning of the Board

The Board is required under the law to meet at least once in three months. The number of Board Meetings held in 2010 was Four. The Directors are kept informed of the results and the major activities through distribution of monthly statements and quarterly reporting by the Managing Director. The Board agenda includes financial results, consideration of major investments, new business initiatives, borrowings, liquidity etc. in addition to statutory approvals.

Audit Committee

The Board has set Audit Committee which is a sub-committee of the Board of Directors and is appointed and authorized by the Board to review the activities of the Company. The Audit Committee comprises of 3-members with Mr. C. M. Murshed - the Independent Director as its Chairman. The Committee met four times during the year and reported its findings and submitted its recommendations for consideration of the Board.



Management through People

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

Empowerment of People

The Board has given clear guidelines to the Managing Director to ensure that there is 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 achievement.

Internal Control

The Managing Director has to satisfy the Board that adequate internal checks 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.

Reporting and Communication

The Managing Director reviews and approves the strategic plans every quarter through discussions with the departmental heads and other senior officials. He also reviews monthly report and commentary on the sales and financial performance of the business from the heads of businesses and the activities of the functional and service heads. An elaborate MIS system is in place.



Report of the Directors' to the Shareowners



ACIFL products contribute to the stable and predictable supply of high quality, affordable food for 150 million people of Bangladesh by increasing the yield of crops directly

Sales

Agriculture has always served a vital role in Bangladesh economy in terms of GDP contribution, employment generation, rural development, food security and export earnings. Bangladesh has a dense and large population, and agriculture is their mainstay. Alternative options for livelihood improvement are also limited. Thus agricultural development is the top of the agenda for government and all other development concerns to bring prosperity in Bangladesh.

Now the growth in agriculture depends on escalation of current production trend. In order to

ensure this yield of crops need to be intensified and crop losses need to be minimized. ACIFL products contribute to the stable and predictable supply of high quality, affordable food for 150 million people of Bangladesh by increasing the yield of crops directly. These also help ACIFL to secure maximum outputs from the land we have to meet the challenges of food security.

In 2009, although ACIFL had placed sufficient products to their sales channel the product off-take was very low due to less infestation round the year. This caused a significant volume of product return in beginning 2010 which reduced the sales volume after adjustment. It is to be noted that the product return also helped business to reduce credit outstanding.

Moreover, in 2010 again less infestation of pest coupled with fear of recovering return on investment had induced farmers to use less crop care products. This has impacted the entire crop





protection industry with a decline of 25% sales volume than previous year.

The management decision of tightened credit control and careful customer selection for disciplined business in the same period also limited the sales volume significantly. Despite all good effort, due to the above mentioned situation in 2010, ACIFL has achieved a turnover of BDT 1,924 million compared to BDT 2,080 million in previous year. From now and onward ACIFL will focus to generate demand for crop care products among the farmers through massive promotional activities in root level.

With the trend in socio economic and ecological changes, farmers are becoming more conscious about selection and yield of different crops. Farmers are choosing hybrid and HYV variety for

rice and hybrid varieties for vegetables to get higher yield, more shelf life and good price. Progressive farmers are very careful about crop-specific solution. ACI as a leader company trained up their sales team to provide new technology crop based solution to the farmers through different field programs. These programs include field demonstration, audio-visual presentation, individual farmer counseling, uthan campaign, rally etc. Keeping farmers' safety in mind ACIFL also conducts awareness programs on safe use of pesticide and spray techniques among farmers.

New products: Agriculture

In order to build a competitive edge through a wide range of products, ACIFL has registered 10 new products under different product category in 2010. Among the products four insecticides, and one miticide product have launched in 2010 and two fungicides, two insecticides, and one herbicide is in the pipeline to launch.

Company's newly established Sulphur plant is already in operation. Now ACIFL is being able to produce and market its own formulated products under three different brands of Sulphur 80%. In 2010 the plant has produced 2,196 MT of Sulphur. Additionally ACIFL has registered one more brand which will be available in the market by June 2011.





Sulphur 90% and other new technology products are under registration process to meet the market need and grab higher market share.

New Project: Public Health

ACIFL's corporate goal is the improvement of health and quality of life. ACIFL Vector Control delivers this commitment by playing a leading role in the prevention of vector borne disease including malaria, kala-azar, dengue and filariasis through its portfolio of mosquito control products across the major vector control interventions - Indoor Residual Spraying (IRS), Space Spraying, and Larviciding and Insecticide-Treated Nets (ITNs).

ACIFL collaborates closely with a variety of partners, including health organizations, humanitarian aid agencies and academic institutions, to ensure the availability of mosquito control products in affected areas and to provide education as to their safe and effective use. ACIFL is also conducting seminars, symposiums and community based field trials with local and international agencies to support vector control programs.

Partnering with Directorate General of Health department ACIFL has concluded few broad-based field trials to find out the efficacy of Deltamethrin in different formulations. The result shows that progressive average mortality of sand fly is 99% with Deltamethrin 5% WP in different media and mosquito is 87% with Deltamethrin 1% SC on Insecticide-Treated Nets (ITNs) after 24 hours observation. In addition trial is on going for Deltamethrin 25% T on Insecticide-Treated Nets (ITNs).

New Project: Bio Pesticide

Bangladesh produces wide range of fruits and vegetables round the year. Annual yield loss due to pest is 22-25% for vegetables and 25-30% for fruits. Farmers of our country are mostly dependent on the conventional pesticide. Biopesticides are effective in very small quantities and decompose quickly, thereby resulting in lower exposures and largely avoiding the pollution problems caused by improper application of conventional pesticides. With a view to create a safe and eco friendly sustainable pest management ACIFL is going to start bio pesticide development in Bangladesh.

Manufacturing

In addition to formulation and repacking of Crop Care products, ACIFL is also manufacturing domestic hygiene and domestic pest control products for Consumer



Brand Division. The factory is maintaining very high level of quality control & efficiency in production. The requirement of the products has been increasing significantly and ACIFL has sufficient machine capacity to meet the additional requirement.

In 2010 there is a substantial growth in the production of Mosquito Coil and Aerosol Insect Spray due to high mosquito infestation. New products like Air Freshener, Cockroach Spray, and Vanish Toilet Cleaner is also showing good progress. Considering the nature of the product and their potential hazards to the workforce, safety is the prime issue of ACIFL in respect to production and quality. Keeping this view in mind, the company regularly conducts safety training and medical checkup of the employees and gives nutritional support. The Factory provides sufficient Personnel Protective Equipment (PPE) and monitor of its proper use. The Factory also ensures all accidental & incidental reporting and its proper auditing.

The Factory has established a modern Effluent Treatment Plant (ETP) for treatment of industrial waste and it is running well. Treated water is being reused in the production process and gardening. Additionally all flammable wastes are being burnet through incinerator.

People

Crop protection is a technology oriented industry which requires continuous update and upgrade of knowledge and skill. The company is providing technology oriented training and on the job coaching to its people to remain ahead of the competition. This knowledge is also being transferred to farmers through the sales people so that farmers can take better care of their crops resulting good harvest.

Corporate Social Responsibility

The CSR activity of ACIFL is objectively aligned with their business operation. ACIFL is continuously transferring technological knowledge and promote best cultivation practices to bring prosperity among farmer. The cumulative results of such activity directly benefit the farmers for crop protection and getting higher yield. The promotion spreads vertically and horizontally to the farmers' community resulting in improvement of their life in food, cloth, shelter, treatment, education and social status, their family members, society, stockholders and the nation as a whole.

Prospects

Bangladesh is predominantly an agricultural country where the sector contributes 18.4% of national GDP employing highest 45% of the labor force. Nearly two-third of country's population directly or indirectly engaged with agricultural sector. The prosperity of the country depends largely on agriculture. With such a big opportunity, the company has many options for expansion of the existing products in new market and diversification in related fields. The company is critically assessing all the new opportunities to explore the possibilities in line with ROI of the business. The management believes that the investors will be benefited significantly from the company's momentum of business growth.





Financial Results

In 2010, total turnover had declined to Tk. 1,924.40 million from Tk. 2,079.94 million of 2009, a reduction of Tk. 155.54 million or 7.48% over last year. The cost of sales to turnover has also reduced by 7.87% due to lower sales volume in Crop Care & Public Health business. Despite improved GP margin in toll manufacturing business, overall GP has reduced by 6.21% due to lower sale of CCPH products. Profit after tax was Tk. 91.61 million against Tk. 160.33 million of 2009, lower by 42.86% mainly due to lower sales of Crop Care & Public Health's products. Earning Per Share (EPS) has also reduced by 42.87% to Tk. 3.05 from Tk. 5.34 (2009).

Appropriation of profit

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

	<u>2010</u> Taka	<u>2009</u> Taka
Un-appropriated profit from previous year	496,949,034	407,061,059
Add: Net profit after tax for the year	91,605,336	160,330,814
Add: Realization of revaluation reserve	-	4,557,161
Total available for appropriation	<u>588,554,370</u>	<u>571,949,034</u>

Appropriation proposed:

Proposed dividend:

Cash dividend	<u>90,000,000</u>	<u>75,000,000</u>
Balance carried forward	<u>498,554,370</u>	<u>496,949,034</u>

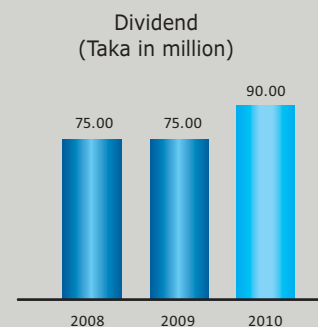
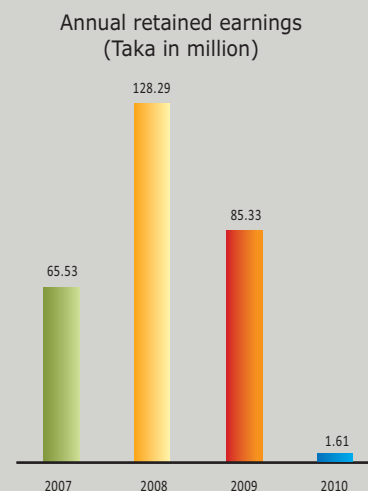
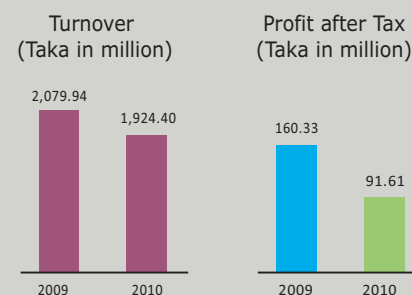
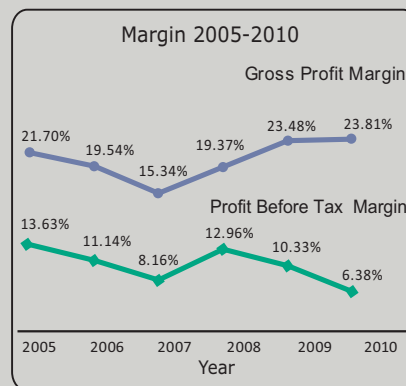
With the balance carried forward in this year and with future ploughing back of part of the profit, directors are confident that company will be able to maintain sensible dividend policy in years to come.

Dividend

The Board of Directors is pleased to recommend declaration of dividend @30% as cash dividend for the year 2010 to those shareowners whose names will be appeared in the Share Register of Members of the Company or in the Depository on the Record Date which is Thursday, 4th May 2011.

Contribution to the National Exchequer

During 2010, the company contributed Tk. 144.93 million to the National Exchequer in the form of corporate tax, custom duty, VAT etc. This is equivalent to 7.53 percent of our net sales revenue for the year 2010.



A. Statutory Information

In compliance with the SEC guidelines' condition no.- 1.4 the Directors confirm that:

- (a) The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- (b) Proper books of account of the Company have been maintained.
- (c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement.
- (d) International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored.
- (f) There are no significant doubts upon the Company's ability to continue as a going concern.
- (g) Significant deviations from last year in operating results of the Company have been highlighted in the Report and reasons thereof have been explained.
- (h) Key operating and financial data of preceding six years has been provided.
- (i) The company is declaring the dividend regularly
- (j) The number of Board meetings held during the year and attendance by each Director is given in annexure-I
- (k) The pattern of share holding is given in annexure-II

B. Status of Compliance

The status of the compliance as per SEC guidelines' condition no.-5.0 is given in annexure- III

Election of Director

By operation of Article 47 of the Company's Articles of Association Dr. Arif Dowla and Ms. Shusmita Anis Salam retire by rotation and being eligible, offer themselves for re-election.

Auditors

Our Auditor Messrs Rahman Rahman Huq, Chartered Accountants has sought re-appointment for the year 2011 and the Directors recommend their re-appointment.

On behalf of the Board



M Anis Ud Dowla

Managing Director



Dr. Arif Dowla

Director

Attendance of Board meetings

During the year four Board meetings were held and the attendance by each Director was as follow:

<u>Name</u>	<u>No. of Meeting Attended</u>
Mr. M Anis Ud Dowla	4
Mrs. Najma Dowla	4
Mr. F H Ansarey	4
Dr. Arif Dowla	4
Ms. Shusmita Anis Salam	4
Mr. Wajed Salam	0
Mr. C. M. Morshed	4

Annexure-II
Pattern of Shareholding

As per SEC guideline condition no-1.4(k), the pattern of share holding status as on 31 December 2010 is given below:

1.4 (K) (i) Held by Parent/ Subsidiary/ Associates and other related parties:

1.4. (K) (ii) Held by Directors, Chief Executive Officer, Company Secretary, and Chief Financial Officer etc.:

<u>Name</u>	<u>Position</u>	<u>No of shares</u>
Mr. M Anis Ud Dowla	Chairman & Managing Director	3,003,000
Dr. Arif Dowla	Director	1,200
Dr. F H Ansarey	Director	753,000
Mrs. Najma Dowla	Director	3,000
Ms. Shusmita Anis Salam	Director	1,200
Mr. Wajed Salam	Director	1,200
Mr. C. M. Morshed	Independent Director	-
ACI Limited		16,044,070

1.4 (K) (iii) Held by Executive - No shares held by such executive

1.4 (K) (iv) Held by Shareholders holding ten percent or more voting right:

<u>Name</u>	<u>Position</u>	<u>% of shares</u>
Mr. M Anis Ud Dowla	Chairman & MD	10

Status of Compliance
Annexure-III

Status of compliance with the condition imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/Admin/ dated 20th February, 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969

Condition No	Title	Compliance Status		Explanation for non-compliance with the condition
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
1.1	Number of the Board members of the company should not be less than 5 and more than 20.	✓		
1.2(i)	Number of Independent Directors should be at least 1/10 of the total number of Company's Board of Directors.	✓		
1.2(ii)	Independent Directors should be appointed by the elected directors.	✓		

1.3	Chairman of the Board and Chief Executive Officer should preferably be filled by different individuals.		✓	
1.4(a)	Fair presentation of Financial Statements	✓		
1.4(b)	Maintenance of Proper books of accounts	✓		
1.4(c)	Appropriate Accounting Policies applied consistently	✓		
1.4(d)	International Accounting Standards , as applicable in Bangladesh have been followed in preparing the Financial Statements	✓		
1.4(e)	Sound and Effective Internal Control System	✓		
1.4(f)	Ability to continue as going concern	✓		
1.4(g)	Significant deviations from last year in operating results	✓		
1.4(h)	Summary of Key operating and financial data	✓		
1.4(i)	If dividend has not been declared, the reasons thereof.	✓		
1.4(j)	Number of Board Meetings held during the year and attendance by each director	✓		
1.4(k)	Pattern of share holding	✓		
2.1	Appointment of a CFO, a Head of Internal Audit and a Company secretary	✓		
2.2	Attend the Board meeting by CFO and Company Secretary	✓		
3	Constitution of Audit Committee	✓		
3.1(i)	The Audit Committee should be composed of at least 3 members.	✓		
3.1(ii)	Members of Audit Committee should be appointed by the Board who are directors and one should be Independent Director.	✓		
3.1(iii)	Board of Directors should fill up the vacancy within one month of the vacancy in the Audit Committee.	✓		
3.2(i)	Board of Directors should select one member of the Audit Committee as Chairman of the Audit Committee.	✓		
3.2(ii)	Chairman of the Audit Committee should have a professional qualification or knowledge, understanding and experience in accounting or finance.	✓		
3.3.1(i)	Activities of the audit committee to the Board of Directors	✓		
3.3.1(ii)(a)	Report on conflict of interest.	✓		
3.3.1(ii)(b)	Report on Fraud or irregularity or material defect in internal control system	✓		
3.3.1(ii)(c)	Report on infringement of laws, including security related laws, rules and regulations	✓		
3.3.1(ii)(d)	Report on any other matter which should be disclosed to the Board of Directors' immediately.	✓		
3.3.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has impact on the financial condition and results of operation and being ignored by the Board of Directors, the Audit Committee should report such findings to the Commission.	✓		
3.4	Reporting to the Shareholders: Report on activities carried by the Audit Committee including any report made to the Board of Directors under condition 3.3.1 (ii) and the disclosure of which should be made in the annual report.	✓		
4.00(i)	Appraisal or valuation services or fairness opinions	✓		
4.00(ii)	Financial information system design and implementation.	✓		
4.00(iii)	Book-keeping or other services related to the accounting records or financial statements	✓		
4.00(iv)	Broker-dealer services	✓		
4.00(v)	Actuarial services	✓		
4.00(vi)	Internal audit services	✓		
4.00(vii)	Any other service that the Audit Committee determines	✓		

On behalf of the Board



M Anis Ud Dowla
Managing Director



Dr. Arif Dowla
Director



কৃষি সম্প্রদায়ের সেবায় নিয়োজিত থাকতে পারায় এবং প্রয়োজনের সময় তাদের পাশে থেকে উপদেশ এবং পণ্য দিয়ে সাহায্য করতে পারায় আমরা গর্ব বোধ করি ।

এম আনিস উদ্ দৌলা
চেয়ারম্যান

চেয়ারম্যানের বাণী

প্রিয় শেয়ারমালিক ও এসিআইএফএল এর
শুভাকাজক্ষীবৃন্দ,

আসসালামু আলাইকুম ।

নথিভুক্ত পাবলিক লিমিটেড কোম্পানী হিসেবে কোম্পানীর তৃতীয় বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাচ্ছি । এটি কোম্পানীর প্রারম্ভের পর ১৫ তম বার্ষিক সাধারণ সভা ।

গত দু'বছর কৃষিকাজের জন্য ভাল ছিল কারণ আবহাওয়া কৃষি উপযোগী ছিল এবং পোকামাকড়ের আক্রমণ স্বাভাবিকের তুলনায় কম ছিল । একারণে আমাদের উচ্চ লক্ষ্য নির্ধারণ, পণ্যের প্রসার ও বিস্তার এবং ডিস্ট্রিবিউটরদের ঋণ সুবিধা বৃদ্ধি সত্ত্বেও ব্যবসা আশানুরূপ ফলাফল লাভ করতে পারিনি । আমাদেরকে প্রয়োজনীয় পণ্যের সরবরাহ নিয়ে ক্রেতাদের জন্য প্রস্তুত থাকতে হয় কিন্তু সব সময় এটা তাদের দরকার নাও হতে পারে- এটাই কৃষি বাণিজ্যের প্রকৃতি । আমাদেরকে সুযোগ নিতে হবে এবং আমরা জানি যে, সবসময় আমরা সফল নাও হতে পারি । তারপরেও, কৃষি সম্প্রদায়ের সেবায় নিয়োজিত থাকতে পারায়

এবং প্রয়োজনের সময় তাদের পাশে থেকে উপদেশ এবং পণ্য দিয়ে সাহায্য করতে পারায় আমরা গর্ব বোধ করি ।

আপনাদের এজন্য আনন্দিত হওয়া উচিত যে আপনাদের বিনিয়োগ খাদ্যের নিরাপত্তা অর্জনে সাহায্য করেছে ।

আল্লাহ হাফেজ ।

এম আনিস উদ্ দৌলা
চেয়ারম্যান

শেয়ার মালিকবৃন্দের প্রতি পরিচালকমন্ডলীর প্রতিবেদন

বিক্রয়

কৃষিখাত আমাদের দেশের জিডিপিতে প্রবৃদ্ধি অর্জনে, কর্মসংস্থানে, গ্রামীণ উন্নয়নে, খাদ্য নিরাপত্তায় এবং রপ্তানী আয়ের মাধ্যমে অর্থনীতিতে অত্যন্ত গুরুত্বপূর্ণ ভূমিকা পালন করেছে। এই ঘনবসতিপূর্ণ বাংলাদেশে কৃষি হচ্ছে প্রধান অবলম্বন। জীবনযাত্রার মান উন্নয়নে বিকল্প আয়ের রাস্তাও খুব সীমিত। এই কারণে বাংলাদেশের সমৃদ্ধির জন্য সরকার এবং বিভিন্ন উন্নয়ন সংস্থা কৃষিকে আলোচ্যসূচির শীর্ষে নিয়ে এসেছে। বর্তমানে কৃষি উন্নয়ন উপপাদন ধারার উন্নতির উপর নির্ভরশীল। এটা নিশ্চিত করতে ফসলের উৎপাদনশীলতা বৃদ্ধি করতে হবে এবং ক্ষতির পরিমাণ কমিয়ে আনতে হবে। এসিআই ফরমুলেশনস্ তার পণ্যগুলো সরাসরি শস্যের উৎপাদনশীলতা বৃদ্ধির মাধ্যমে বাংলাদেশের ১৫০ মিলিয়ন মানুষের নিকট নিয়মিত মানসম্পন্ন এবং সুবিধাজনক দামে খাদ্য নিশ্চিত করেছে। এর পাশাপাশি এসব পণ্য খাদ্য নিরাপত্তার চ্যালেঞ্জ মোকাবেলায় এসিআইএফএলকে সীমিত কৃষিজমি থেকে সর্বাধিক উৎপাদন করতে সাহায্য করেছে।

২০০৯ সালে এসিআই ফরমুলেশনস্ পর্যাপ্ত পরিমাণ পণ্য বাজারে ছাড়লেও পোকা-মাকড়ের উপদ্রব কম থাকায় পণ্য বিক্রয়ের পরিমাণ তুলনামূলকভাবে হ্রাস পেয়েছিল। এই কারণে ২০১০ সালের শুরুতে বিপুল সংখ্যক পণ্য ফেরত আসে এবং এগুলো সমন্বয়ের কারণে বিক্রয়ের পরিমাণ অনেকাংশে কমে যায়। উল্লেখ্য যে পণ্য ফেরত আসার কারণে পাওনা অর্ধের পরিমাণ অনেকাংশে কমে যায়।

উপরন্তু, ২০১০ সালেও পোকা-মাকড়ের কম উপদ্রব দেখা যায় এবং এর সাথে যোগ হয় বিনিয়োগ থেকে যথাযথ মুনাফা না পাওয়ার আশংকা যার দরুন কৃষকরা রূপ কেয়ারের পণ্যগুলো কম ব্যবহার করে। এই সমস্যাটি সমগ্র রূপ কেয়ার ইন্ডাস্ট্রির উপর বিরূপ প্রভাব বিস্তার করে যার ফলে গত বছরের তুলনায় বিক্রয়ের পরিমাণ ২৫% কমে যায়।

আবার একই সময়ে কোম্পানির কঠোর ক্রেডিট নিয়ন্ত্রণ সিদ্ধান্ত এবং সুশৃঙ্খল ব্যবসা পরিচালনার লক্ষ্যে সতর্কতার সাথে ক্রেতা নির্বাচনের কারণে বিক্রয় পরিমাণ অনেকাংশে কমে যায়। ভাল প্রচেষ্টা থাকা সত্ত্বেও উপরোক্ত কারণে এসিআই ফরমুলেশনস্ ২০১০-এ ১,৯২৪ মিলিয়ন টাকার পণ্য বিক্রয় করে যেখানে ২০০৯ সালে ২,০৮০ মিলিয়ন টাকার পণ্য বিক্রয় করেছে।

পরিবেশ এবং আর্থ-সামাজিক পরিবর্তনের সাথে সাথে কৃষকরাও শস্য নির্বাচনে সচেতন হচ্ছে। অধিকতর উৎপাদন, দীর্ঘ সময় খাদ্যোপযোগী এবং ভাল দাম পাওয়ার জন্য কৃষকরা হাইব্রিড এবং HYV ক্যাটাগরির চাল এবং হাইব্রিড ক্যাটাগরির শাক-সবজি পছন্দ করছে। অগ্রগামী কৃষকরা শস্য সংক্রান্ত সমস্যা সমাধানে খুবই সচেতন। একটি অগ্রগামী কোম্পানি হিসেবে এসিআই প্রশিক্ষিত বিক্রয় প্রতিনিধিদের দ্বারা মাঠ পর্যায়ে বিভিন্ন কার্যক্রমের মাধ্যমে কৃষকদের নতুন প্রযুক্তির শস্যভিত্তিক সমাধান দিয়ে থাকে। এই প্রোগ্রামগুলোর মধ্যে রয়েছে ফিস্ট ডেমনস্ট্রেশন, অডিও-ভিজুয়াল প্রেজেন্টেশন, এককভাবে কৃষকদের উপদেশ প্রদান, বাড়ির উঠানে প্রচারবিভান, র্যালি প্রভৃতি। কৃষকদের নিরাপত্তার কথা উপলব্ধি করে এসিআইএফএল নিরাপদে কীটনাশক ব্যবহার এবং ছিটানোর উপর সচেতনতা বৃদ্ধির প্রোগ্রামও পরিচালনা করে থাকে।

নতুন পণ্য : কৃষি

পণ্যের এই বিশাল পরিসীমার মাধ্যমে প্রতিযোগিতায় এগিয়ে থাকার লক্ষ্যে ২০১০ সালে এসিআইএফএল বিভিন্ন ক্যাটাগরিতে ১০ টি নতুন পণ্য নিবন্ধন করে। তাদের মধ্যে ২০১০ সালে চারটি কীটনাশক এবং একটি মাকড়নাশক পণ্য বাজারে এসেছে এবং দুটি ছত্রাকনাশক, দুটি কীটনাশক এবং

একটি আগছানাশক খুব শীঘ্রই বাজারে আসবে।

কিছুদিন আগে স্থাপিত সালফার প্লাস্টিক ইতিমধ্যে চালু হয়েছে। এখন এসিআইএফএল নিজস্ব প্রক্রিয়ায় সালফার ৮০% এর অধীনে তিনটি ব্র্যান্ডের পণ্য উৎপাদন করতে সমর্থ হয়েছে। ২০১০ সালে প্লাস্টিক ২,১৯৬ মেট্রিক টন সালফার উৎপাদন করেছে। এরই সাথে এসিআইএফএল আরও একটি ব্র্যান্ড নিবন্ধন করেছে যা ২০১১ সালের জুনের মধ্যে বাজারে পাওয়া যাবে। বাজার চাহিদা মিটাতে এবং মার্কেট শেয়ার বৃদ্ধির লক্ষ্যে সালফার ৯০% এবং অন্যান্য নতুন প্রযুক্তির পণ্যগুলো নিবন্ধন প্রক্রিয়াধীন রয়েছে।

নতুন প্রকল্প : গণস্বাস্থ্য

এসিআইএফএল এর কর্পোরেট লক্ষ্য হচ্ছে জনজীবনের স্বাস্থ্যগত এবং গুণগত মান উন্নয়ন। এই প্রতিশ্রুতির প্রতি লক্ষ্য রেখে এসিআইএফএল ম্যালেরিয়া, কালাজ্বর, ডেঙ্গু এবং ফাইলেরিয়া সহ বিভিন্ন প্রাণীবাহিত রোগ সংক্রমন প্রতিরোধে বিশেষ ভূমিকা পালন করেছে, প্রাণীবাহিত প্রধান রোগের বাহক নিয়ন্ত্রণ কার্যক্রমের মধ্যে উল্লেখযোগ্য হচ্ছে মশা নিয়ন্ত্রণকারি পণ্য যেমন :- Indoor Residual Spraying (IRS), Space Spraying, and Larviciding and Insecticide-Treated Nets (ITNs).

এসিআইএফএল ক্ষতিগ্রস্ত এলাকাতে মশা নিয়ন্ত্রক পণ্য নিশ্চিত করতে এবং এদের নিরাপদ ও দক্ষ ব্যবহার শিক্ষা দেয়ার জন্য বিভিন্ন পার্টনার যেমন: স্বাস্থ্য সংস্থা, মানবাধিকার সাহায্য সংস্থা এবং শিক্ষামূলক সংস্থার সাথে একযোগে কাজ করে থাকে। পাবলিক হেলথ সেক্টরের সাথে সমন্বয় সাধনের জন্য রোগের বাহক নিয়ন্ত্রণ প্রোগ্রাম চালু করতে স্থানীয় এবং আন্তর্জাতিক সংগঠনের সাথে এসিআইএফএল বিভিন্ন সেমিনার, সিম্পোজিয়াম এবং কর্মশালায় ভিত্তিক পরীক্ষামূলক কার্যক্রম পরিচালনা করেছে।

স্বাস্থ্য বিভাগের ডিরেক্টর জেনারেল-এর সাথে একত্রিত হয়ে এসিআইএফএল বিভিন্ন ফরমুলেশনস্ এর অন্তর্গত ডেন্টামেথ্রিন এর ফলপ্রসূতা পরীক্ষা করার জন্য মাঠ পর্যায়ে বড় পরিসরের পরীক্ষামূলক কার্যক্রমের ফলাফল পর্যালোচনা করেছে। ফলাফল থেকে দেখা গেছে যে বিভিন্ন ধরনের মাধ্যমে ডেন্টামেথ্রিন ৫% WP ব্যবহারে স্যাডফাই'র ক্রমবর্ধমান গড় মৃত্যুহার হচ্ছে ৯৯% এবং কীটনাশক ব্যবহৃত জালে ডেন্টামেথ্রিন ১% SC ব্যবহারে ২৪ ঘন্টার মধ্যে মশার মৃত্যুহার হচ্ছে ৮৭%। উল্লেখ্য যে, কীটনাশক ব্যবহৃত জালে ডেন্টামেথ্রিন ২৫% T ব্যবহারের জন্য পরীক্ষা নিরীক্ষা চলছে।

নতুন প্রজেক্ট : জৈব কীটনাশক

বাংলাদেশ সারা বছর প্রচুর পরিমাণে শাক-সবজি এবং ফল-মূল উৎপাদন করে। যার মধ্যে শাক-সবজির মোট উৎপাদনের ২২-২৫% ক্ষতিকর কীটপতঙ্গের জন্য নষ্ট হয়ে থাকে এবং ফল-মূলের ক্ষেত্রে এর পরিমাণ ২৫-৩০%। আমাদের দেশের কৃষকরা বেশিরভাগ সময়ই সনাতন কীটনাশকের উপর নির্ভরশীল। জৈব কীটনাশক সামান্য পরিমাণ প্রয়োগে অধিকতর কার্যকর ভূমিকা পালন করে এবং এই জৈব কীটনাশক খুব তাড়াতাড়ি মাটির সাথে মিশে যাওয়ায় মানুষের সংস্পর্শে আসে না, সর্বোপরি সনাতন কীটনাশকের তুলনায় ব্যাপক আকারে দূষণ কমানো যায়। পরিবেশ বান্ধব ও টেকসই পোকামাকড় নিয়ন্ত্রণ পদ্ধতির কথা মাথায় রেখে এসিআইএফএল জৈব কীটনাশক ব্যবস্থার উন্নয়ন শুরু করতে যাচ্ছে।

উৎপাদন

রূপ কেয়ারের পণ্যগুলো ফরমুলেশন এবং পুনঃপ্যাকিং এর পাশাপাশি এসিআইএফএল কনজুমার ব্র্যান্ড বিভাগের জন্য গৃহ পরিষ্কার পরিচ্ছন্নতার পণ্য এবং গৃহ কীটপতঙ্গ নিয়ন্ত্রক পণ্য

উৎপাদন করছে। উৎপাদনের ক্ষেত্রে ফ্যাক্টরিতে উচ্চ পর্যায়ের মান নিয়ন্ত্রণ এবং দক্ষতা বজায় রাখা হচ্ছে। পণ্যের চাহিদা উল্লেখযোগ্য ভাবে বেড়েছে এবং অতিরিক্ত চাহিদা মেটানোর জন্য আমাদের পর্যাপ্ত পরিমাণ মেশিন আছে।

মশার উপদ্রব বৃদ্ধির কারণে ২০১০ সালে মশার কয়েল এবং এরোসল ইনসেক্ট স্প্রে এর উৎপাদন উল্লেখযোগ্যভাবে বৃদ্ধি পেয়েছে। এছাড়া নতুন পণ্য যেমন এয়ার ফ্রেশনার, ককরোচ স্প্রে এবং ভ্যানিশ টয়লেট কিনার ভালো প্রবৃদ্ধি অর্জন করেছে। পণ্যের প্রকৃতি এবং জনবলের প্রতি সম্ভাব্য ঝুঁকির কথা বিবেচনা করে উৎপাদন এবং গুণগত মানের ক্ষেত্রে নিরাপত্তা হচ্ছে এসিআইএফএল-এর জন্য অত্যন্ত গুরুত্বপূর্ণ বিষয়। এই কথা উপলব্ধি করে কোম্পানি কর্মকর্তা ও কর্মচারীদের নিয়মিত নিরাপত্তা প্রশিক্ষণ এবং মেডিক্যাল চেকআপ-এর আয়োজন করে এবং পুষ্টিবিষয়ক পরামর্শ দেয়। ফ্যাক্টরি পর্যাপ্ত ব্যক্তিগত নিরাপত্তা জনিত যন্ত্রপাতি (পিপিই) সরবরাহ করে এবং এর যথাযথ ব্যবহার নিশ্চিত করে। এছাড়াও ফ্যাক্টরিতে সকল দুর্ঘটনা এবং সংঘর্ষ জনিত প্রতিবেদন এবং এর যথাযথ নিরীক্ষণ নিশ্চিত করে।

ফ্যাক্টরি ইন্সট্রিয়াল বর্জ্য নিঃসরণের জন্য একটি আধুনিক এফয়েন্ট ট্রিটমেন্ট প্লান্ট (ইটিপি) স্থাপন করেছে এবং এটা সফলভাবে কাজ করেছে। এই নিঃসৃত পানি উৎপাদন প্রক্রিয়ায় এবং বাগানে পুনঃব্যবহৃত হচ্ছে। এছাড়াও দাহ্য বর্জ্যগুলো চুল্লির মাধ্যমে পুড়িয়ে ফেলা হচ্ছে।

মানব সম্পদ

শস্য নিরাপত্তা রক্ষা পদ্ধতি একটি প্রযুক্তিকেন্দ্রিক শিল্প এবং এই শিল্পে প্রয়োজন হয় জ্ঞান এবং দক্ষতার সার্বজনীন আধুনিকায়ন। প্রতিযোগিতায় এগিয়ে থাকার জন্য কোম্পানি বিভিন্ন ধরনের প্রযুক্তিকেন্দ্রিক এবং কর্মস্থলে প্রশিক্ষণ দিয়ে থাকে। পরবর্তীতে এই জ্ঞান কৃষকদের মাঝে ছড়িয়ে দেয়া হচ্ছে যাতে তারা শস্যের যত্ন নিয়ে ভাল ফসল উৎপাদন করতে পারে।

কর্পোরেট সামাজিক দায়িত্ব

এসিআই ফরমুলেশনস্'র সামাজিক কর্মকাণ্ড তার ব্যবসায়িক কর্মকাণ্ডের সাথে সমন্বিত। এসিআই ফরমুলেশনস্ কৃষকদের উন্নতির জন্য প্রতিনিয়ত জ্ঞান বিস্তার করে থাকে এবং সর্বোত্তম চাষ পদ্ধতির প্রচার করে থাকে। এই কর্মকাণ্ডের ক্রমবর্ধমান ফলাফল কৃষকদের শস্য সুরক্ষা এবং উন্নত মানের ফলন পেতে সরাসরি সাহায্য করে। সবদিক থেকে ছড়িয়ে পড়া এই প্রচার কৃষকদের সচেতন করে তোলে এবং এর মাধ্যমে তাদের খাদ্য, পোষ্যক, আশ্রয়ে, চিকিৎসায়, শিক্ষায় ও সামাজিক অবস্থানে, তাদের পরিবারে, সমাজে এবং এভাবে গোটা জাতিতে উন্নতি বয়ে আনে।

সম্ভাবনা

বাংলাদেশ একটি কৃষি প্রধান দেশ যেখানে দেশের রাষ্ট্রীয় আয়ের ১৮.৪% আসে এই খাত থেকে এবং এই খাতে দেশের ৪৫ ভাগ শ্রম শক্তি নিয়োজিত। দেশের প্রায় দুই-তৃতীয়াংশ জনসংখ্যা প্রত্যক্ষ কিংবা পরোক্ষভাবে কৃষি খাতের সাথে জড়িত এবং আমাদের দেশের উন্নয়ন অনেকাংশে কৃষি খাতের উপর নির্ভরশীল। এই বিশাল সম্ভাবনাকে কাজে লাগিয়ে কোম্পানির বর্তমান পণ্যের নতুন বাজারে প্রসারণ করার এবং সম্পূর্ণ খাত বহুমুখী করার প্রচুর সুযোগ রয়েছে। কোম্পানি ব্যবসায়িক বিনিয়োগ ও মুনাফার সাথে সঙ্গতি রেখে সম্ভাবনার অনুসন্ধান সর্বদা নতুন সুযোগগুলো বিশ্লেষণ করে দেখছে। ব্যবস্থাপকরা বিশ্বাস করেন বিনিয়োগকারীরা কোম্পানির উন্নতির ধারা থেকে বিশেষভাবে লাভবান হবেন।

আর্থিক ফলাফল :

২০১০ সালে কোম্পানীর বিক্রয়লব্ধ অর্থ দাঁড়িয়েছে ১,৯২৪.৪০ মিলিয়ন টাকায়, যা ২০০৯ সালে ছিল ২,০৭৯.৯৪ টাকা। ফলশ্রুতিতে বিক্রয়লব্ধ অর্থ হ্রাস পেয়েছে ১৫৫.৫৪ মিলিয়ন টাকা, যা বিগত বছরের তুলনায় ৭.৪৮% কম। ক্রপ কেয়ার ও পাবলিক হেলথ ব্যবসার বিক্রয় কমে যাওয়ায় বিক্রিত পণ্যের ব্যয় ৭.৮৭% কমে গিয়েছে। চুক্তিভিত্তিক উৎপাদন ব্যবসায় মোট লাভ বৃদ্ধি পাওয়া সত্ত্বেও ক্রপ কেয়ার ও পাবলিক হেলথ পণ্যের বিক্রয় কমে যাওয়ায় সামগ্রিক লাভ ৬.২১% কমে গিয়েছে যার ফলে কর পরবর্তী মুনাফা ২০০৯ সালে ১৬০.৩৩ মিলিয়ন টাকা হতে ৪২.৮৬% কমে ৯১.৬১ মিলিয়ন টাকা হয়েছে। শেয়ার প্রতি আয়ও ২০০৯ সালে ৫.৩৪ টাকা হতে ৪২.৮৭% কমে ৩.০৫ টাকায় এসে দাঁড়িয়েছে।

মুনাফা বন্টন :

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

	২০১০ টাকা	২০০৯ টাকা
বিগত বছরের অবনতিত মুনাফা	৪৯৬,৯৪৯,০৩৪	৪০৭,০৬১,০৫৯
যোগ: কর পরবর্তী মুনাফা	৯১,৬০৫,৩৩৬	১৬০,৩৩০,৮১৪
যোগ: পুনর্মূল্যায়িত সঞ্চিতি স্থানান্তর	-	৪,৫৫৭,১৬১
সর্বমোট বন্টনযোগ্য তহবিল	৫৮৮,৫৫৪,৩৭০	৫৭১,৯৪৯,০৩৪

প্রস্তাবিত লভ্যাংশ :

নগদ লভ্যাংশ	৯০,০০০,০০০	৭৫,০০০,০০০
অবনতিত স্থিতি	৪৯৮,৫৫৪,৩৭০	৪৯৬,৯৪৯,০৩৪

এ বছরের স্থিতি এবং আগামীতে লভ্যাংশের অংশবিশেষ বিনিয়োগের মাধ্যমে কোম্পানী তার ধারাবাহিক ডিভিডেন্ট পলিসি বজায় রাখতে পারবে বলে পরিচালকমন্ডলী আশ্বাসীল।

লভ্যাংশ :

পরিচালকমন্ডলী আনন্দের সাথে ২০১০ সালের জন্য ৩০% নগদ লভ্যাংশ প্রদানের সুপারিশ করছে। ৪ঠা মে ২০১১, বৃহস্পতিবার এর বুক ক্লোজারের সময় যে সকল শেয়ার মালিকগণের নাম কোম্পানী সদস্যদের শেয়ার রেজিস্ট্রারে বা ডিপোজিটরীতে অন্তর্ভুক্ত থাকবে, তারা এই লভ্যাংশ পাবেন।

জাতীয় রাজস্ব আয়ে অবদান :

কোম্পানী ২০১০ সালে কর্পোরেট কর, কাস্টম শুল্ক ও মূল্য সংযোজন কর বাবদ ১৪৪.৯৩ মিলিয়ন টাকা জাতীয় রাজস্ব খাতে প্রদান করেছে। এটি ২০১০ সালের নীট বিক্রয়লব্ধ আয়ের ৭.৫৩%।

পরিচালকমন্ডলীর নির্বাচন

কোম্পানীর আর্টিকেলস্ অফ এসোসিয়েশন এর ৪৭ অনুচ্ছেদ অনুসারে জনাব ডঃ আরিফ দৌলা এবং মিজ সুখিতা আনিস সালাম পর্যায়ক্রমে অবসর গ্রহণ করেছেন এবং যোগ্যতার ভিত্তিতে তাঁদের পুনর্নির্বাচনে প্রস্তাব রাখছেন।

পরিচালকমন্ডলীর পক্ষে



এম আনিস উদ দৌলা
ব্যবস্থাপনা পরিচালক

অডিটর

আমাদের অডিটর মেসার্স রহমান রহমান হক, চার্টার্ড একাউন্টেন্টস ২০১১ সালের জন্য তাদের পুনর্নিয়োগ চেয়েছেন এবং পরিচালকমন্ডলী তাদের পুনর্নিয়োগ প্রস্তাব রাখছেন।



ডঃ আরিফ দৌলা
পরিচালক

ACI Formulations Limited

**Report and Audited Financial Statements
for the year ended 31 December 2010**





Rahman Rahman Huq
Chartered Accountants
9 Mohakhali C/A (11th & 12th Floors)
Dhaka 1212
Bangladesh

Telephone +880 (2) 988 6450-2
Fax +880 (2) 988 6449
Email kpmg-rrh@citech-bd.com
Internet www.kpmg.com/bd

Auditors' Report to the Shareholder of ACI Formulations Limited

We have audited the accompanying financial statements of ACI Formulations Limited ("the Company") which comprise the statement of financial position as at 31 December 2010, and the related income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other relevant explanatory notes thereon.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), 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 the 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 of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 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 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 prepared in accordance with the Bangladesh Accounting Standards (BASs) and the Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of ACI Formulations Limited as at 31 December 2010 and the results of its financial performance and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 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 law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and income statement dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred were for the purpose of the Company's business.

Dhaka, 19 April 2011


Rahman Rahman Huq
Chartered Accountants



ACI Formulations Limited

Statement of Financial Position

as at 31 December 2010

	Note	2010 Taka	2009 Taka
Assets			
Non-current assets			
Property, plant and equipment	4	1,124,225,291	553,568,716
At cost/revaluation		6,568,832	172,440,389
Less: Accumulated depreciation and impairment loss		1,117,656,459	381,128,327
Capital work-in-progress	5	13,475,657	132,343,330
Investment	6	3,599,050	1,627,108
Total non-current assets		1,134,731,166	515,098,765
Current assets			
Inventories	7	699,819,589	602,249,737
Trade receivables	8	577,768,167	758,121,806
Advances, deposits and prepayments	9	109,561,096	110,175,865
Inter-company receivables	10	68,426,208	47,088,314
Cash and cash equivalents	11	51,027,175	53,221,622
Total current assets		1,506,602,235	1,570,857,344
Total assets		2,641,333,401	2,085,956,109
Equity and liabilities			
Shareholders' equity			
Share capital	12	300,000,000	300,000,000
Revaluation surplus		693,376,055	76,329,119
Retained earnings		588,554,370	571,949,034
Total equity		1,581,930,425	948,278,153
Liabilities			
Long term liabilities	13	125,691,288	120,037,045
Current liabilities			
Bank overdraft	11	26,212,136	48,766,928
Short term bank loan	14	634,784,684	636,784,579
Long term bank loan- current portion		21,242,847	21,355,408
Trade payables		61,363,824	85,269,838
Other payables	15	85,768,879	81,077,744
Inter company payables	16	7,928,466	8,623,510
Current tax liability	17	96,410,852	135,762,904
Total current liabilities		933,711,688	1,017,640,911
Total equity and liabilities		2,641,333,401	2,085,956,109

The annexed notes 1 to 30 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, 19 April 2011



ACI Formulations Limited Income Statement

for the year ended 31 December 2010

	Note	2010 Taka	2009 Taka
Revenue	18	1,924,403,783	2,079,944,243
Cost of sales	19	(1,466,262,071)	(1,591,474,136)
Gross profit		458,141,712	488,470,107
Administrative, selling and distribution expenses	20	(270,483,649)	(197,211,475)
Results from operating activities		187,658,063	291,258,632
Other income	21	7,082,997	8,989,690
Finance costs	22	(65,548,912)	(74,114,019)
		129,192,148	226,134,303
Provision for contribution to WPPF		(6,459,607)	(11,306,715)
<i>Profit before taxation</i>		122,732,541	214,827,588
Income tax:			
Current tax expense	17	(26,302,190)	(52,282,232)
Deferred tax income/(expense)	23	(4,825,015)	(2,214,542)
		(31,127,205)	(54,496,774)
<i>Profit for the year</i>		91,605,336	160,330,814
Earnings per share (EPS)			
Basic earnings per share (par value Tk. 10)	24	3.05	5.34

The annexed notes 1 to 30 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, 19 April 2011



ACI Formulations Limited Statement of Comprehensive Income

for the year ended 31 December 2010

	<u>2010</u> <u>Taka</u>	<u>2009</u> <u>Taka</u>
<i>Profit for the year</i>	91,605,336	160,330,814
Other Comprehensive Income		
Revaluation surplus of property, plant and equipment	629,215,532	488,441
Income tax on other comprehensive income	(27,391,237)	(134,321)
Total other comprehensive income net of tax	<u>601,824,295</u>	<u>354,120</u>
Total comprehensive income	<u>693,429,631</u>	<u>160,684,934</u>

The annexed notes 1 to 30 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, 19 April 2011

ACI Formulations Limited

Statement of Changes in Equity

for the year ended 31 December 2010

Particulars

Balance on 1 January 2009, as reported previously
Adjustment for deferred tax on revaluation surplus upto 2008
Re-stated Balance on 1 January 2009

Comprehensive income for the year
Profit for the year 2009
Total other comprehensive income net of tax
Total Comprehensive income for the year 2009

Contributions by and distributions to owners of the Company

Issue of bonus shares
Dividends to owners of the Company
Total contributions by and distributions to owners of the company

Balance at 31 December 2009

Comprehensive income for the year
Profit for the year 2010
Total other comprehensive income net of tax
Total Comprehensive income for the year 2010

Contributions by and distributions to owners of the Company

Issue of bonus shares
Dividends to owners of the Company
Total contributions by and distributions to owners of the company
Transaction directly recognised in equity
Adjustment of deferred tax on land due to changes in tax rate
Total contributions by and distributions to owners of the company
Balance at 31 December 2010

	Paid up capital	Revaluation surplus	Retained earnings	Total
	Taka	Taka	Taka	Taka
Balance on 1 January 2009, as reported previously	250,000,000	75,974,999	482,061,059	808,036,058
Adjustment for deferred tax on revaluation surplus upto 2008	-	-	4,557,161	4,557,161
Re-stated Balance on 1 January 2009	250,000,000	75,974,999	486,618,220	812,593,219
Comprehensive income for the year	-	-	160,330,814	160,330,814
Profit for the year 2009	-	-	160,330,814	160,330,814
Total other comprehensive income net of tax	-	354,120	-	354,120
Total Comprehensive income for the year 2009	-	354,120	160,330,814	160,684,934
Contributions by and distributions to owners of the Company				
Issue of bonus shares	50,000,000	-	(50,000,000)	-
Dividends to owners of the Company	-	-	(25,000,000)	(25,000,000)
Total contributions by and distributions to owners of the company	50,000,000	-	(75,000,000)	(25,000,000)
Balance at 31 December 2009	300,000,000	76,329,119	571,949,034	948,278,153
Comprehensive income for the year				
Profit for the year 2010	-	-	91,605,336	91,605,336
Total other comprehensive income net of tax	-	601,824,295	-	601,824,295
Total Comprehensive income for the year 2010	-	601,824,295	91,605,336	693,429,631
Contributions by and distributions to owners of the Company				
Issue of bonus shares	-	-	-	-
Dividends to owners of the Company	-	-	(75,000,000)	(75,000,000)
Total contributions by and distributions to owners of the company	-	-	(75,000,000)	(75,000,000)
Transaction directly recognised in equity				
Adjustment of deferred tax on land due to changes in tax rate	-	15,222,641	-	15,222,641
Total contributions by and distributions to owners of the company	-	15,222,641	-	15,222,641
Balance at 31 December 2010	300,000,000	693,376,055	588,554,370	1,581,930,425



ACI Formulations Limited Statement of Cash Flows

for the year ended 31 December 2010



	Note	2010 Taka	2009 Taka
A) Cash flows from operating activities			
Cash received from customers		2,093,342,518	2,008,990,186
Cash received from other income		7,701,118	8,989,689
Cash received/(paid) from/(for) other receivables		-	1,533,039
Cash paid for purchase of inventory		(1,552,616,205)	(1,397,683,704)
Cash paid for operating expenses		(261,957,354)	(146,515,139)
Cash received/(paid) for other payables		592,305	1,864,248
Cash paid for workers from WPPF		(11,306,715)	(50,434,002)
Cash received/(paid) from/(for) advances, deposits and prepayments		(1,905,025)	4,016,932
Cash generated from operating activities		273,850,642	430,761,249
Finance expenses		(65,548,912)	(74,114,019)
Income tax		(63,134,449)	(47,857,264)
		(128,683,361)	(121,971,283)
<i>Net cash inflows/(outflows) from operating activities</i>		<u>145,167,281</u>	<u>308,789,966</u>
B) Cash flows from investing activities			
Acquisition of property, plant and equipment		(14,279,814)	(17,439,169)
Investment		(1,971,942)	(1,557,000)
Sale proceeds from property, plant and equipment		6,129,600	-
Payments for capital work-in-progress		(18,431,050)	(109,882,678)
Net cash used in investing activities		(28,553,206)	(128,878,847)
C) Cash flows from financing activities			
Inter-company debts received/(paid)		(10,618,036)	(31,352,865)
Dividend paid		(72,297,532)	(24,452,925)
Short term bank loan received/(paid)		(1,999,894)	(60,182,755)
Long term bank loan received/(paid)		(11,338,268)	20,063,138
Net cash used in financing activities		(96,253,730)	(95,925,407)
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)		20,360,345	83,985,712
E) Opening Cash and cash equivalents		4,454,694	(79,531,018)
F) Closing Cash and cash equivalents (D+E)	11	24,815,039	4,454,694



ACI Formulations Limited

Notes to the Financial Statements

for the year ended 31 December 2010



1. Reporting entity

1.1 Company profile

ACI Formulations Limited (the "Company") is a company domiciled in Bangladesh. It was incorporated as a private limited company on 29 October 1995. The address of the Company's registered office is 245 Tejgaon Industrial Area, Dhaka-1208. The Company went into commercial operations on 1 July 1998. The Company was converted from private limited to public limited company on 4 May 2005 and listed with both Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) on 30 October 2008. Advanced Chemical Industries Limited incorporated in Bangladesh is the immediate as well as ultimate parent of the Company.

1.2 Nature of business

The principal activities of the Company are manufacturing and marketing of a number of agrochemical and consumer products. All the consumer products were sold to Advanced Chemical Industries Limited, which acted as the sales and marketing agent of the Company.

The entire agro chemical products (Crop Care) are however, directly marketed by the Company without using Advanced Chemical Industries Limited as selling and marketing agent with effect from 1 January 2009.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Other regulatory compliances

In addition to the aforesaid, the Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- The Income Tax Ordinance 1984
- The Income Tax Rules 1984
- The Value Added Tax Act 1991
- The Value Added Tax Rules 1991

2.3 Date of authorisation

The Board of Directors has authorised the financial statements on 19 April 2011 for public issue.



2.4 Basis of measurement

The financial statements have been prepared on historical cost basis except for certain assets which are stated at revalued amount.

2.5 Functional and presentation currency and level of precision

These financial statements are presented in Bangladesh Taka (Taka/Tk), currency, which is the Company's functional currency. All financial information presented in Taka have been rounded to the nearest Taka.

2.6 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards (BFRSs) and Bangladesh Accounting Standards (BASs) require management to make judgments, estimates and assumptions that affects the reported amounts of the assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the year reported. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Note-7	Inventories
Note-8	Trade receivables
Note-13.1	Deferred tax liability
Note-17	Current tax liability
Note-25	Off balance sheet items

2.7 Reporting period

The financial period of the Company encompasses the period from 1 January to 31 December each year. These financial statements cover one year from 1 January to 31 December 2010.

2.8 Adoption of new accounting standards

The company has adopted the following new accounting standards with effective from 1 January 2010:

BAS-32: *Financial Instruments: Presentation*
 BAS-39: *Financial Instruments: Recognition and Measurement*
 BFRS-7: *Financial Instruments: Disclosures*
 BFRS-8: *Operating Segments*

3. Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.



3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Items of property, plant and equipment are measured at cost or revaluation less accumulated depreciation and impairment loss, if any. The items of property, plant and equipment were revalued in the years ended 2004 and 2010 by a firm of professional valuers on the basis of open market value.

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 2010 and these are stated at cost.

Cost includes expenditure that is directly attributable to the acquisition of an asset. The cost of self constructed asset includes the cost of material and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

3.1.3 Depreciation

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

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

The estimated useful lives for the current and comparative periods are as follows:

	<u>2010</u>	<u>2009</u>
Building	40 years	40 years
Plant and machinery	10 years	10 years
Furniture and fixture	10 years	10 years
Electrical and other office appliances	5-10 years	5-10 years
Equipment and machinery	5-10 years	5-10 years
Vehicles	5 years	5 years
Deep tube well	10 years	10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. No revision in respect of items of property, plant and equipment was done in 2010.

3.1.4 Impairment

The carrying amount of the entity's non financial assets, other than inventories and deferred tax assets, 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.

3.2 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to income statement.

3.3 Provision

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

3.4 Contingencies

Contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

3.5 Income tax expenses

Income tax expenses comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

3.5.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The applicable tax rate for the Company is 27.5% for the year. Provision for current tax expenses has been made on the basis of Finance Ordinance 2010.

3.5.2 Deferred tax

Deferred tax is recognised using the balance sheet method. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognised in the income statement. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the balance sheet. Deferred tax asset or liability is the amount of income tax recoverable or payable in future period(s) recognised in the current period. The deferred tax asset/income or liability/expense does not create a legal liability/recoverability to and from the income tax authority. Deferred tax also arises due to revaluation of property, plant and equipment. The resulting impact of deferred tax assets/liabilities on revaluation surplus is included in the statement of changes in equity.

3.6 Foreign currency transactions

Foreign currency transactions are converted at the rates ruling on the dates bank advices are received. Monetary assets and liabilities denominated in foreign currencies, if any, at the reporting date are reconverted at rates ruling at the balance sheet date. All exchange differences are charged/credited to income statement after being absorbed in the respective head of income or expenditure.



3.7 Financial instruments

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

3.7.1 Trade and other receivables

Trade and other receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses.

3.7.2 Investment in FDR (Fixed Deposit Receipt)

If the company has the positive intent and ability to hold FDR to maturity, then such financial assets are classified as held to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transactions cost. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

3.7.3 Cash and cash equivalents

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

3.7.4 Share capital

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

3.7.5 Borrowings

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

3.8 Financial risk management

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's management policies are established to identify and analyse the risk faced by the Company to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has provided in separate notes the information about the company's exposure to each of the following risks, the Company's objectives, policies and processes for measuring and managing risks and the Company's management of capital. The Company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

3.9 Revenue recognition

3.9.1 Goods sold

Revenue comprises sale of goods and service provided (if any) by the Company and excludes VAT.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, and net of returns, allowances and trade discounts.

Revenue is recognised when

- Significant risk and reward of ownership is transferred to the buyer. Transfers of risk and reward vary depending on the individual items of the contract of sale. Sale of products and trading items of the Company usually occurs at the time of delivery of goods along with invoices.
- The Company has no managerial involvement of the ownership of the goods, the amounts of revenue and the cost of the transaction can be measured reliably, and it is probable that the economic benefit associated with the transaction will flow to the Company.

3.10 Inventories

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

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

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

3.11 Finance costs

Finance costs comprise interest expense on bank loan, finance lease and other borrowings and are recognised in the income statement using effective interest method.

3.12 Finance income

Finance income comprises of interest income of fund invested. Interest income is recognised on accrual basis.

3.13 Statement of cash flows

Statement of cash flows has been prepared under direct method.

3.14 Workers' Profit Participation Fund

The Company has created a 'Workers' Profit Participation Fund' and 5% of profit before charging such expense is transferred to this fund.

3.15 Employees benefit

The Company operates an unfunded gratuity scheme, provision in respect of which is made annually covering all its permanent eligible employees. This scheme is qualified as defined benefit plan.



There is also a recognised provident fund for all permanent employees of the Company. This qualifies as defined contribution plan. The Company also has a group insurance policy for all its management staff. Actuarial valuation of gratuity scheme was last made in 2006 to assess the adequacy of the liabilities provided for the schemes as per BAS 19: *Employee Benefits*.

3.15.1 Defined contribution plans (provident fund)

Defined contribution plan is a post employment benefit plan under which the Company provides benefits to one or more employees. The recognised Employees Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution.

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered services in exchange for those contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

3.15.2 Defined benefit plans (gratuity)

Defined benefit plan is a retirement benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and/or year of services. The recognised Employees' Gratuity Fund is being considered as defined benefit plan as it meets the recognition criteria. The Company's obligation is to provide the agreed benefits to current employees as per condition of the fund.

Present value of defined benefit obligation and the fair value of the plan assets were determined by professional actuary. Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost and mutually compatible actuarial assumptions about demographic and financial variables were used. The difference between fair value of the plan assets and present value of obligation is recognised as a liability or an asset in the balance sheet.

The rate used to discount post employment benefit obligations is determined by reference to the rate stated in actuarial report. The expected return on plan assets is based on market expectation and is one of the component of expenses recognised in the income statement. Total expenses recognised in the income statement comprise of current service cost, interest cost, expected return on plan assets.

3.15.3 Leave encashment

The Company makes provision for annual leave encashment based on last basic salary as allowed by the Company policy.

3.15.4 Short-term benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.16 Earning per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company 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. This has been shown on the face of income statement and computation of EPS is stated in note 24.

3.17 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. However, a segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment is based on business segments.

All operating segment's operating results are reviewed regularly by the Company's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.



4. Property, plant and equipment-2010 At cost

Name of assets	Cost						Depreciation						Written down value as at 31 December 2010	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka		Taka
Land	20,606,625	5,068,249	3,288,434	-	-	28,963,308	-	-	-	-	-	-	-	28,963,308
Building	147,868,246	-	33,999,823	-	(25,812,394)	156,055,675	22,086,236	4,121,704	-	(25,812,394)	395,546	-	-	155,660,129
Plant	221,295,154	-	92,851,545	-	(117,278,426)	196,868,273	100,548,711	21,257,382	-	(117,278,426)	4,527,667	-	-	192,340,606
Equipment and machinery	19,098,976	291,320	4,189,245	-	(11,479,178)	12,100,363	9,596,674	1,719,888	-	(11,285,578)	30,984	-	-	12,069,379
Electric and other appliance	14,646,464	60,200	708,752	-	(8,514,087)	6,901,329	7,571,430	1,289,878	-	(8,510,076)	351,232	-	-	6,550,097
Furniture and fixture	12,486,157	607,859	817,708	-	(6,312,942)	7,598,782	5,290,356	1,310,372	-	(6,312,942)	287,786	-	-	7,310,996
Vehicles	12,270,500	8,516,189	1,379,941	(6,100,000)	(6,080,232)	9,986,398	6,448,732	1,210,788	(610,000)	(6,080,232)	969,288	-	-	9,017,110
Deep tube well	140,000	-	63,275	-	(139,999)	63,276	140,000	6,328	-	(139,999)	6,329	-	-	56,947
	448,412,122	14,543,817	137,298,723	(6,100,000)	(175,617,258)	418,537,404	151,682,139	30,916,340	(610,000)	(175,419,647)	6,568,832	-	-	411,968,572

Revaluation

Name of assets	Cost						Depreciation						Written down value as at 31 December 2010	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka		Taka
Land	61,312,837	570,372,291	-	-	-	631,685,128	-	-	-	-	-	-	-	631,685,128
Building	9,955,323	28,526,452	-	-	(1,617,740)	36,864,035	1,368,857	248,883	-	(1,617,740)	-	-	-	36,864,035
Plant	31,565,634	19,056,051	-	-	(23,389,315)	27,232,370	17,361,098	6,028,217	-	(23,389,315)	-	-	-	27,232,370
Equipment and machinery	435,267	2,356,565	-	-	(423,218)	2,368,614	239,396	183,822	-	(423,218)	-	-	-	2,368,614
Electric and other appliance	328,656	3,600,641	-	-	(328,656)	3,600,641	180,763	151,904	-	(332,667)	-	-	-	3,600,641
Furniture and fixture	(109,470)	827,685	-	-	71,156	789,371	(60,209)	(10,947)	-	71,156	-	-	-	789,371
Vehicles	1,634,347	3,147,726	-	-	(1,634,346)	3,147,727	1,634,346	-	-	(1,634,346)	-	-	-	3,147,727
Deep tube well	34,000	-	-	-	(33,999)	1	33,999	-	-	(33,999)	-	-	-	1
	105,156,594	627,887,411	-	-	(27,356,118)	705,687,887	20,758,250	6,601,879	-	(27,360,129)	-	-	-	705,687,887
Total	553,568,716	642,431,228	137,298,723	(6,100,000)	(202,973,376)	1,124,225,291	172,440,389	37,518,219	(610,000)	(202,779,776)	6,568,832	-	-	1,117,656,459

4.1 Property, plant and equipment: comparative-2009 At cost

Name of assets	Cost						Depreciation						Written down value as at 31 December 2009
	Balance as at 1 January 2009	Addition during the year	Transferred from CWIP	Disposal during the year	Adjustment during the year	Balance as at 31 December 2009	Balance as at 1 January 2009	Addition during the year	Disposal during the year	Adjustment during the year	Balance as at 31 December 2009	Written down value as at 31 December 2009	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
Land	16,445,851	4,160,774	-	-	-	20,606,625	-	-	-	-	-	20,606,625	
Building	119,337,305	-	28,530,941	-	-	147,868,246	18,746,166	3,340,070	-	-	22,086,236	125,782,010	
Plant	167,448,675	-	53,846,479	-	-	221,295,154	81,111,520	19,437,191	-	-	100,548,711	120,746,443	
Equipment and machinery	12,040,572	1,444,200	3,386,096	-	2,228,108	19,098,976	7,035,432	1,621,020	-	940,222	9,596,674	9,502,302	
Electric and other appliance	11,602,568	1,451,859	333,118	-	1,258,919	14,646,464	5,060,865	1,652,573	-	857,992	7,571,430	7,075,034	
Furniture and fixture	9,372,659	2,005,522	447,992	-	659,984	12,486,157	4,091,624	1,060,606	-	138,126	5,290,356	7,195,801	
Vehicles	5,568,500	6,100,000	-	-	602,000	12,270,500	5,252,428	594,305	-	601,999	6,448,732	5,821,768	
Deep tube well	140,000	-	-	-	-	140,000	140,000	-	-	-	140,000	-	
	341,956,130	15,162,355	86,544,626	-	4,749,011	448,412,122	121,438,035	27,705,765	-	2,538,339	151,682,139	296,729,983	

Revaluation

Name of assets	Cost						Depreciation						Written down value as at 31 December 2009
	Balance as at 1 January 2009	Addition during the year	Transferred from CWIP	Disposal during the year	Adjustment during the year	Balance as at 31 December 2009	Balance as at 1 January 2009	Addition during the year	Disposal during the year	Adjustment during the year	Balance as at 31 December 2009	Written down value as at 31 December 2009	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
Land	61,312,837	-	-	-	-	61,312,837	-	-	-	-	-	61,312,837	
Building	9,955,323	-	-	-	-	9,955,323	1,119,974	248,883	-	-	1,368,857	8,586,466	
Plant	31,565,634	-	-	-	-	31,565,634	14,204,535	3,156,563	-	-	17,361,098	14,204,536	
Equipment and machinery	400,842	-	-	-	34,425	435,267	180,378	43,527	-	15,491	239,396	195,871	
Electric and other appliance	340,118	-	-	-	(11,462)	328,656	153,055	32,865	-	(5,157)	180,763	147,893	
Furniture and fixture	(124,950)	-	-	-	15,480	(109,470)	(56,228)	(10,947)	-	6,966	(60,209)	(49,261)	
Vehicles	1,184,348	-	-	-	449,999	1,634,347	947,479	281,868	-	404,999	1,634,346	1	
Deep tube well	34,000	-	-	-	-	34,000	22,300	11,699	-	-	33,999	1	
	104,668,152	-	-	-	488,442	105,156,594	16,571,493	3,764,458	-	422,299	20,758,250	84,398,344	
Total	446,624,282	15,162,355	86,544,626	-	5,237,453	553,568,716	138,009,528	31,470,223	-	2,960,638	172,440,389	381,128,327	



5. Capital work-in-progress

	2010			2009
	Building and furniture Taka	Plant and machinery Taka	Total Taka	Total Taka
Opening balance as on 1 January	36,952,989	95,390,341	132,343,330	109,005,278
Addition during the year	2,053,878	16,377,172	18,431,050	109,882,678
Transferred to fixed asset	(38,105,965)	(99,192,758)	(137,298,723)	(86,544,626)
Closing balance as on 31 December	900,902	12,574,755	13,475,657	132,343,330

6. Investment

	2010 Taka	2009 Taka
Investment in FDR	3,524,050	1,627,108
Investment in Shares	75,000	-
	<u>3,599,050</u>	<u>1,627,108</u>

7. Inventories

Raw materials	211,189,385	171,892,143
Packing materials	82,266,752	78,625,233
Finished goods	280,420,565	278,149,505
Stock in transit	119,445,059	78,923,637
Work-in-process	29,286	-
Other inventories	14,512,623	8,407,481
	<u>707,863,670</u>	<u>615,997,999</u>
Provision for slow moving inventory	(8,044,081)	(13,748,262)
	<u>699,819,589</u>	<u>602,249,737</u>

In view of innumerable items of inventories and diversified quantities it is not feasible to disclose quantities against each item of inventory.

8. Trade receivables

	2010			2009
	Dues over 6 months Taka	Dues below 6 months Taka	Total Taka	Total Taka
Crop Care & Public Health	167,832,024	446,153,519	613,985,543	765,740,183
			<u>613,985,543</u>	<u>765,740,183</u>
Provision for doubtful debts			(36,217,376)	(7,618,377)
			<u>577,768,167</u>	<u>758,121,806</u>

9. Advances, deposits and prepayments

	Note	2010 Taka	2009 Taka
Advance tax	9.1	82,012,870	84,532,664
Advances to suppliers		14,268,809	7,624,415
Staff advances		7,828,617	9,871,926
Security money and tender deposits		5,052,410	8,143,985
Prepayments		398,390	2,875
		<u>109,561,096</u>	<u>110,175,865</u>

9.1 Advance tax

Balance as at 1 January	84,532,664	36,675,400
Paid during the year	63,134,448	47,857,264
	<u>147,667,112</u>	<u>84,532,664</u>
Adjustment during the year	(65,654,242)	-
Balance as at 31 December	<u>82,012,870</u>	<u>84,532,664</u>



	Note	2010 Taka	2009 Taka
10. Inter-company receivables			
Advanced Chemical Industries Limited		57,338,444	45,923,541
ACI Motors Limited		1,772,314	1,164,773
ACI Logistics Limited		9,315,450	-
		<u>68,426,208</u>	<u>47,088,314</u>
11 Cash and cash equivalents			
Cash in hand		150,000	150,000
Cash at banks		50,877,175	53,071,622
		<u>51,027,175</u>	<u>53,221,622</u>
Bank overdraft used for cash management purpose	11.1	(26,212,136)	(48,766,928)
Cash and cash equivalents in the cash flow statement		<u>24,815,039</u>	<u>4,454,694</u>
11.1 Bank overdraft			
Standard Chartered Bank	14.1	21,652,424	26,261,894
The Hongkong and Shanghai Banking Corporation Ltd.	14.2	1,607,230	11,383,826
City Bank N.A	14.3	5,000	37,763
Commercial Bank of Ceylon plc	14.4	2,947,482	11,083,445
		<u>26,212,136</u>	<u>48,766,928</u>
12. Share capital			
Authorised			
<u>50,000,000</u>	Ordinary shares of Tk. 10 each	<u>50,000,000</u>	<u>50,000,000</u>
Issued and paid up			
6,600,000	Ordinary shares of Tk. 10 each	66,000,000	66,000,000
17,500,000	Bonus shares of Tk. 10 each	175,000,000	175,000,000
5,900,000	Right shares of Tk. 10 each	59,000,000	59,000,000
<u>30,000,000</u>		<u>300,000,000</u>	<u>300,000,000</u>
The aforesaid share capital is subscribed as under:			
		Number of shares	Percentage
Directors/sponsors		19,806,670	66.02%
Institutions		5,277,330	17.59%
General shareholders		4,916,000	16.39%
		<u>30,000,000</u>	<u>100.00%</u>

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

Number of shareowners	Share owning	Number of shares	Percentage of total shareholdings
7,212	Less than 500	1,418,916	4.73%
1,970	501- 5,000	2,822,156	9.41%
71	5,001- 10,000	500,666	1.67%
57	10,001- 20,000	798,407	2.66%
14	20,001- 30,000	348,020	1.16%
6	30,001- 40,000	229,720	0.77%
12	40,001- 50,000	557,180	1.86%
12	50,001- 100,000	801,815	2.67%
8	1,00,001- 1,000,000	2,413,040	8.04%
3	Over- 10,000,000	20,110,080	67.03%
<u>9,365</u>		<u>30,000,000</u>	<u>100.00%</u>



	<u>Note</u>	<u>2010</u> <u>Taka</u>	<u>2009</u> <u>Taka</u>
13. Long term liabilities			
Staff gratuity provision		4,829,516	4,943,177
Deferred tax liabilities	13.1	72,295,436	55,301,825
Long term bank loan	13.2	48,566,336	59,792,043
		<u>125,691,288</u>	<u>120,037,045</u>

13.1 Deferred tax liability

Deferred tax on temporary differences

(i) Taxable temporary differences			
Fixed assets		895,621,433	227,407,359
(ii) Deductible temporary differences			
Stock		(8,044,081)	(13,748,262)
Debtors		(36,217,376)	(7,618,378)
Gratuity		(4,829,516)	(4,943,176)
Net taxable temporary differences as at 31 December		<u>846,530,460</u>	<u>201,097,543</u>
Deferred tax liability before adjustment of deferred tax on land		232,795,877	55,301,825
Adjustment of deferred tax on land due to changes in tax rate		(160,500,441)	-
Deferred tax liability as of 31 December		<u>72,295,436</u>	<u>55,301,825</u>

13.2 Long term bank loan

The City Bank Limited		<u>48,566,336</u>	<u>59,792,043</u>
-----------------------	--	-------------------	-------------------

13.2.1 Term Loan

Amount : Tk 100,000,000

Purpose : To retire documents of imported machineries and to procure machineries from local sources and to meet up the cost of civil constructions.

Tenure : 05 years

Securities for the aforesaid facilities are as follows:

- i) Hypothecation on specific plant, machinery and pre-fabricated structure financed by bank.
- ii) Corporate guarantee of Advanced Chemical Industries Limited.

14. Short term bank loan

Standard Chartered Bank	14.1	126,226,615	68,990,037
The Hongkong and Shanghai Banking Corporation Ltd.	14.2	265,380,148	363,382,216
Citi Bank NA	14.3	98,196,921	25,033,326
Commercial Bank of Ceylon plc	14.4	144,981,000	179,379,000
		<u>634,784,684</u>	<u>636,784,579</u>

14.1 Standard Chartered Bank

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



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

14.3 Citibank, N.A.

The company is enjoying following facilities from Citibank, N.A. under the following terms and conditions:

14.3.1 Letters of Credit/Loan Against Trust Receipts/ Short term loan

Amount : Tk 300,000,000

Purpose : For import of raw materials, spares and finished goods required for normal course of business.

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

Securities for the facilities mentioned under notes 14.3.1 is as follows:

Cross corporate guarantee from Advanced Chemical Industries Limited and ACI Formulations Limited.

The agreement permits the use of funds by both Advanced Chemical Industries Limited and ACI Formulations limited. However the joint utilisation limit is capped to Tk 400,000,000.

14.4 Commercial Bank of Ceylon plc

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

14.4.1 Overdraft

Limit : Tk 20,000,000

Purpose : Working capital

Tenure : On demand

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

Amount : Tk 100,000,000

Purpose : To retire import documents for raw materials and chemicals.

Tenure : 180 days

14.4.3 Short term loan

Amount : Tk 100,000,000

Purpose : Working capital finance

Tenure : 180 days



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

14.3 Citibank, N.A.

The company is enjoying following facilities from Citibank, N.A. under the following terms and conditions:

14.3.1 Letters of Credit/Loan Against Trust Receipts/ Short term loan

Amount : Tk 300,000,000
Purpose : For import of raw materials, spares and finished goods required for normal course of business.
Tenure : 180 days for imports (loan) and deferred payment bills and 30 days for shipping guarantee.

Securities for the facilities mentioned under notes 14.3.1 is as follows:

Cross corporate guarantee from Advanced Chemical Industries Limited and ACI Formulations Limited.

The agreement permits the use of funds by both Advanced Chemical Industries Limited and ACI Formulations limited. However the joint utilisation limit is capped to Tk 400,000,000.

14.4 Commercial Bank of Ceylon plc

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

14.4.1 Overdraft

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

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

Amount : Tk 100,000,000
Purpose : To retire import documents for raw materials and chemicals.
Tenure : 180 days

14.4.3 Short term loan

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

Securities for the facilities mentioned under notes 14.4.1, 14.4.2 and 14.4.3 are as follows:

Registered first hypothecation charge over stocks and book debts on pari-pasu basis with SCB and HSBC, CBC's share being Tk 220,000,000.

15. Other payables

	<u>2010</u> <u>Taka</u>	<u>2009</u> <u>Taka</u>
Creditors for expenses	68,084,942	60,580,523
Interest payable	5,019,541	6,280,489
Security money payable	1,510,464	1,483,129
Unpaid dividend	3,249,542	547,075
Withholding tax and VAT	1,444,783	879,813
Provision for Workers' Profit Participation Fund (WPPF)	6,459,607	11,306,715
	<u>85,768,879</u>	<u>81,077,744</u>

16. Inter-company payables

Premiaflex Plastics Limited	7,761,000	8,623,510
ACI Foods Limited	25,493	-
ACI Salt Limited	141,973	-
	<u>7,928,466</u>	<u>8,623,510</u>

17. Current tax liability

Opening balance	135,762,904	83,480,672
Provision made during the year	26,302,190	52,282,232
Adjustment against advance tax	(65,654,242)	-
Closing balance	<u>96,410,852</u>	<u>135,762,904</u>

18. Revenue

Agrochemical products	986,215,727	1,256,925,063
Consumer products	938,188,056	823,019,180
	<u>1,924,403,783</u>	<u>2,079,944,243</u>

100% revenue of consumer products were received from Advanced Chemical Industries Limited which acts as the sales agent of the company. In view of innumerable items of sales and diversified quantities, it is not feasible to disclose the quantities against each items of sale.



19. Cost of sales



Particulars	2010			Total	2009 Total
	Crop Care & Public Health	Mosquito Coil	Aerosol		
	Taka	Taka	Taka	Taka	Taka
Raw and packing materials:					
Opening stock	136,185,977	53,164,771	61,166,627	250,517,375	521,962,430
Purchase	545,247,939	458,136,367	304,614,196	1,307,998,502	1,027,360,699
Closing stock	681,433,916 (169,599,494)	511,301,138 (64,252,640)	365,780,823 (59,604,003)	1,558,515,877 (293,456,137)	1,549,323,129 (250,517,375)
Manufacturing expenses (Ref: Note-20)	511,834,422	447,048,498	306,176,820	1,265,059,740	1,298,805,754
Stock write off	46,378,952 (9,867,618)	95,527,145 610,280	16,404,353 249,336	158,310,450 (9,008,002)	161,400,029 8,473,112
Opening work-in-process	-	-	-	-	-
Closing work-in-process	-	-	(29,286)	(29,286)	-
Cost of goods manufactured	548,345,756	543,185,923	322,801,223	1,414,332,902	1,468,678,895
Finished goods:					
Opening stock	278,149,505	-	-	278,149,505	120,831,554
Purchase	54,200,229	-	-	54,200,229	280,113,192
Closing stock	(280,420,565)	-	-	(280,420,565)	(278,149,505)
	51,929,169	-	-	51,929,169	122,795,241
	600,274,925	543,185,923	322,801,223	1,466,262,071	1,591,474,136

As per Part II of Schedule XI of the Companies Act 1994, the quantities of raw materials, purchases and stocks should be expressed in quantitative denomination, however this could not be provided as the company deals with large number of products both locally made and imported.

Raw and packing materials have been procured from local sources and also imported from the following countries:

India
Malaysia
Italy
Japan
China

Raw and packing materials consumed are 63% (approximately) imported.

20. Allocation of expenses

Particulars	2010					2009
	Administrative expenses	Distribution expenses	Manufacturing expenses	Selling expenses	Total	Total
	Taka (A)	Taka (A)	Taka (B)	Taka (A)	Taka	Taka
Salary and wages	57,821,668	6,765,427	74,495,795	52,755,812	191,838,702	181,482,771
Traveling and conveyance	1,359,241	4,026,058	862,547	27,044,252	33,292,098	25,672,730
Rent and rates	2,829,524	1,818,338	748,741	897,179	6,293,782	6,765,084
Repair and maintenance	4,223,036	132,939	16,713,624	190,024	21,259,623	22,892,338
Fuel and power	-	262,177	20,041,679	-	20,303,856	33,157,809
Postage, Telephone, Fax etc.	105,249	272,742	466,520	1,733,750	2,578,261	2,026,974
Printing and stationery	368,465	407,829	815,931	888,307	2,480,532	2,176,296
Promotional expenses	394,500	-	828,338	43,675,990	44,898,828	20,475,407
Entertainment	648,078	-	672,458	716,285	2,036,821	3,717,943
Vehicle maintenance	2,220,761	3,739,520	2,743,371	5,638,443	14,342,095	9,891,683
Bad and doubtful debts	-	-	-	29,712,219	29,712,219	89,560
Truck and handling	14,800	9,412,520	2,406,791	-	11,834,111	11,186,614
Legal and professional charge	420,700	-	67,332	270,980	759,012	528,090
Audit fees	300,000	-	-	-	300,000	300,000
Insurance	-	-	3,582,260	414,668	3,996,928	3,333,535
Directors' fees	8,326	-	-	-	8,326	5,725
Bank charges	644,330	-	37,256	183,063	864,649	732,076
Sundry expenses	-	-	214,727	-	214,727	186,053
Product development expenses	-	-	22,093	1,303,841	1,325,934	1,057,153
Training expenses	4,867	-	134,529	699,907	839,303	750,425
Depreciation	353,245	-	35,621,733	1,543,241	37,518,219	31,470,222
Lab chemical and apparatus	-	-	619,277	-	619,277	230,534
Donation and subscription	-	-	543,000	-	543,000	31,122
Meeting expenses	222,500	-	-	1,720,650	1,943,150	1,423,315
Share department expenses	2,041,486	-	-	-	2,041,486	1,676,036
License and renewals	166,433	-	-	110,279	276,712	1,391,349
Corporate social responsibility	-	-	124,200	-	124,200	-
	<u>74,147,209</u>	<u>26,837,550</u>	<u>161,762,202</u>	<u>169,498,890</u>	<u>432,245,851</u>	<u>362,650,844</u>

Recovery of expenses for toll manufacturing service charges:

Advanced Chemical Industries Limited	-	-	3,151,752	-	3,151,752	3,739,340
ACI Motors Limited	-	-	300,000	-	300,000	300,000
	-	-	<u>3,451,752</u>	-	<u>3,451,752</u>	<u>4,039,340</u>
	<u>74,147,209</u>	<u>26,837,550</u>	<u>158,310,450</u>	<u>169,498,890</u>	<u>428,794,099</u>	<u>358,611,504</u>

(A) Administrative, selling and distribution expenses

270,483,649 197,211,475

(B) Manufacturing expenses

158,310,450 161,400,029

428,794,099 358,611,504

21. Other income

Crop Care & Public Health
Mosquito Coil
Aerosol
Loss on Revaluation

2010 Taka	2009 Taka
5,156,966	6,311,439
439,824	378,990
2,814,328	2,299,261
(1,328,121)	-
<u>7,082,997</u>	<u>8,989,690</u>

22. Finance costs

Interest expenses

Interest on bank loan
Inter-company

64,877,314	66,222,418
5,786,851	8,122,290
<u>70,664,165</u>	<u>74,344,708</u>

Interest income

Inter-company
Supplier/others
Bank

(4,805,169)	-
-	(160,581)
(310,084)	(70,108)
<u>(5,115,253)</u>	<u>(230,689)</u>
<u>65,548,912</u>	<u>74,114,019</u>

23. Deferred tax income/(expense)

Net taxable temporary differences (Note-13.1)
Deferred tax liability as of 31 December
Less: Opening balance as of 1 January

Less: Deferred tax from other comprehensive income
Add: Adjustment for deferred tax on land due to changes in tax rate

846,530,460	201,097,543
72,295,436	55,301,825
55,301,825	52,952,962
<u>(16,993,611)</u>	<u>(2,348,863)</u>
(27,391,237)	(134,321)
(15,222,641)	-
<u>(4,825,015)</u>	<u>(2,214,542)</u>

24. Earnings per share

24.1 Basic earnings per share

The calculation of basic earnings per share at 31 December 2010 was based on the profit attributable to ordinary shareholders as follows:

Profit for the year	91,605,337	159,145,096
Add: Adjustment of deferred tax expense in income statement	-	1,185,718
Adjusted profit for the year	<u>91,605,337</u>	<u>160,330,814</u>
Weighted average number of shares outstanding during the year	<u>30,000,000</u>	<u>30,000,000</u>
Basic earnings per share	<u>3.05</u>	<u>5.34</u>

EPS for the year 2009 has been restated (from Tk 5.30 to Tk 5.34) due to adjustment of deferred tax on revaluation surplus for the year 2009. Since the total impact in Income Statement (Tk 1,185,718) as well as in EPS (Tk 0.04) is immaterial, comparatives of the earliest prior period in Statement of Financial Position has not been considered.

24.2 Diluted earnings per share

No diluted EPS was required to be calculated for the year since there was no scope for dilution of shares for the year 2010.

25. Off balance sheet items

25.1 Commitments

On the balance sheet date, the company is enjoying unfunded credit facilities from the following banks:

	<u>2010</u> <u>Taka</u>	<u>2009</u> <u>Taka</u>
Letters of credit		
Standard Chartered Bank	10,359,387	26,792,401
Commercial Bank of Ceylon plc	12,676,780	14,576,361
The Hongkong and Shanghai Banking Corporation Limited	56,805,612	52,463,841
Citibank, N.A.	13,479,100	11,794,821
	<u>93,320,879</u>	<u>105,627,424</u>
Bank guarantee		
The Hongkong and Shanghai Banking Corporation Limited	24,679	24,679
	<u>24,679</u>	<u>24,679</u>

25.2 Contingent liabilities

Bank guarantee

The Hongkong and Shanghai Banking Corporation Limited

24,679

24,679

24,679

24,679

26. Related party transaction

During the year, the company carried out a number of transactions with related parties in the normal course of business. The names of the related parties and nature of these transactions have been set out in accordance with the provisions of BAS 24: *Related Party Disclosures*:

a)	<u>Name of the party</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Transaction value Year ended 31 December</u>		<u>Outstanding balance as at 31 December</u>	
				<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
				<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
	Advanced Chemical Industries Limited	Holding company	Sale of products	938,188,056	823,019,180	57,338,444	45,923,541
	ACI Motors Limited	Subsidiary of holding company	Service rendering	607,541	359,470	1,772,314	1,164,773
	Premiaflex Plastics Limited	Subsidiary of holding company	Working capital financing	14,451,889	17,836,869	(7,761,000)	(8,623,510)
	ACI Foods Limited	Subsidiary of holding company	Working capital financing	25,493	5,766,446	(25,493)	-
	ACI Logistics Limited	Subsidiary of holding company	Working capital financing	9,315,450	-	9,315,450	-
	ACI Salt Limited	Subsidiary of holding company	Working capital financing	141,973	25,124,725	(141,973)	-

	<u>Note</u>	<u>2010</u> <u>Taka</u>	<u>2009</u> <u>Taka</u>
b) Directors' emoluments			
Salary		2,158,825	4,041,990
Benefits		633,600	797,568
Provident fund contribution		91,800	173,784
		<u>2,884,225</u>	<u>5,013,342</u>

27. Financial risk management

27.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations, and arises principally from the Company's receivables from customers and investment securities.

		<u>2010</u> <u>Taka</u>	<u>2009</u> <u>Taka</u>
Exposure to credit risk			
Trade receivables	8	577,768,168	758,121,806
Inter company receivables	10	68,426,208	47,088,314
Cash at bank	11	50,877,175	53,071,622
		<u>697,071,551</u>	<u>858,281,742</u>

The maximum exposure to credit risk for trade debtors at the reporting date by geographic region was:

Bangladesh	<u>577,768,168</u>	<u>758,121,806</u>
------------	--------------------	--------------------

The aging of trade receivables at the reporting date was:

Dues below 6 months (Gross amount)	446,153,519	645,440,938
Dues over 6 months (Gross amount)	167,832,024	120,299,245
Total	<u>613,985,543</u>	<u>765,740,183</u>

Provision for doubtful debts	<u>36,217,376</u>	<u>7,618,377</u>
------------------------------	-------------------	------------------

The movement in the provision for doubtful trade debtors during the period was as follows:

Balance at 1 January	7,618,377	469,650
Impairment loss recognised	29,712,220	7,238,287
	<u>37,330,597</u>	<u>7,707,937</u>
Adjustment made during the year	(1,113,221)	(89,560)
Balance at 31 December	<u>36,217,376</u>	<u>7,618,377</u>

27.2 Liquidity risk

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

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

As at 31 December 2010

Non derivative financial liabilities

Particulars	Carrying	Contractual	Less than 1 year	01-05 years
Trade payables	61,363,824	61,363,824	61,363,824	-
Other payables	85,768,879	85,768,879	84,258,415	1,510,464
Inter-company payables	7,928,466	7,928,466	7,928,466	-
Bank overdraft	26,212,136	26,212,136	26,212,136	-
Short term bank loan	634,784,685	634,784,685	634,784,685	-
Long term bank loan	69,809,183	69,809,183	21,242,847	48,566,336
At 31 December 2010	885,867,173	885,867,173	835,790,373	50,076,800

27.3 Market risk

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

Exposure to foreign currency risk

The Company's exposure to foreign currency risk was as follows based on the notional amount:

Description	as at 31 December	
	2010	2009
	USD	USD
Short term interest bearing loan	3,685,019	1,988,668
At 31 December 2010	3,685,019	1,988,668

The following exchange rate was applied during the period:

	Reporting date Spot Rate	
	2010	2009
USD	71.4	69.6

Market risk-interest rate risk

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments.

Fixed rate instrument	Carrying amount	
	2010	2009
	Taka	Taka
Financial assets	-	-
Financial liabilities	477,242,152	636,911,198
Total	477,242,152	636,911,198

**Carrying amount**

<u>2010</u>	<u>2009</u>
Taka	Taka

Variable rate instrument

Financial assets	-	-
Financial liabilities	261,492,317	138,411,270
Total	<u>261,492,317</u>	<u>138,411,270</u>

28. General

28.1 Previous year's figures have been rearranged where necessary to conform to current year's presentation.

28.2 The number of employees drawing Tk 3,000 or more per month was 674 in 2010 (as against 533 in 2009).

28.3 Production capacity

The production status (business wise) for the year ended 31 December 2010 are as follows:

<u>Business segment</u>	<u>Capacity</u>	<u>Unit</u>	<u>Actual</u>	<u>% of utilization</u>
Crop Care and Public Health	21,570	M ton	7,241	34%
Mosquito Coil	1,290,000	Carton	763,160	59%
Aerosol	7,960,000	Pcs	3,674,453	46%

28.4 Capital expenditure commitment

There is a capital expenditure commitment of Tk. 16.27 million in respect of import of plant and machinery, quality control development and procurement of equipment.

28.5 Foreign currency transaction

<u>2010</u>	<u>2009</u>
Taka	Taka

During the year under review following payments were made in foreign currencies:

Raw and packing materials	768,243,209	490,169,459
Capital machinery	<u>7,273,976</u>	<u>31,099,680</u>
	<u>775,517,185</u>	<u>521,269,139</u>

29. Subsequent events

The Board of Directors of ACI Formulations Limited has recommended cash dividend @ 30%, i.e. Tk 3 per share of Tk. 10 each for the year 2010 in its 72nd meeting held on Tuesday, 19 April 2011 subject to approval of the shareholders in the Annual General Meeting scheduled to be held on 15 June 2011.

There are no other events identified after the balance sheet date that might be material.



30.1 Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other material items:

	<u>2010</u> <u>Taka</u>	<u>2009</u> <u>Taka</u>
Revenues		
Total revenue from reportable segments	1,924,403,783	2,079,944,243
Other revenue	-	-
Elimination of inter-segment revenue	-	-
Total revenues	<u>1,924,403,783</u>	<u>2,079,944,243</u>
Profit or loss		
Total profit or loss for reportable segments	122,732,541	214,827,588
Other profit or loss	-	-
	<u>122,732,541</u>	<u>214,827,588</u>
Elimination of inter-segments profit	-	-
Unallocated amounts:		
Gain on distribution to owners of the Company	-	-
Other expenses	-	-
Total continuing profit from operations before tax	<u>122,732,541</u>	<u>214,827,588</u>
Assets		
Total assets for reportable segments	2,581,850,637	2,034,365,002
Other assets	-	-
Other unallocated amounts	59,482,764	51,591,107
Total assets	<u>2,641,333,401</u>	<u>2,085,956,109</u>
Liabilities		
Total liabilities for reportable segments	572,025,863	317,593,035
Other liabilities	-	-
Other unallocated liabilities	487,377,113	820,084,921
Total liabilities	<u>1,059,402,976</u>	<u>1,137,677,956</u>

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Revenue		
Bangladesh	<u>1,924,403,783</u>	<u>2,079,944,243</u>
	<u>1,924,403,783</u>	<u>2,079,944,243</u>
Non-current assets		
Bangladesh	<u>1,123,963,922</u>	<u>500,593,194</u>
	<u>1,123,963,922</u>	<u>500,593,194</u>

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 15th Annual General Meeting of the Company to be held on Wednesday, 15 June 2011 at 12:00 noon and/or at any adjournment thereof.

As witness my hands this _____ day of _____ 2011.

Signature on
Tk. 10
Revenue Stamp

(Signature of the Proxy)

(Signature of the Shareowner)

Registered Folio / BO ID No. _____

No. of Shares held _____

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



Corporate Directory

Registered Office

ACI Centre
245 Tejgaon Industrial Area
Dhaka 1208
Phone # (8802) 9885694
Phone # (8802) 9884784 & 9886029

Share Office

9 Motijheel C/A
Dhaka 1000
Phone # (8802) 9556254
Fax # (8802) 9565257

Manufacturing Facilities

ACI Formulations Plant
Rajabari, Sreepur, Gazipur
Phone # (8802) 9201071, 9201072
Fax # (8802) 9201070



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