

ADVANCING
POSSIBILITIES



Annual Report 2018-2019

Advanced Chemical Industries Limited



Our Mission

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

Our Vision

To realise the Mission, ACI will :

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

Our Values

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



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



ACI Quality Policy

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

To attain the Vision ACI will:

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

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



ACI Environmental Policy

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

In pursuit of this Goal, ACI will:

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

UN Global Compact

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

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

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

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

World Economic Forum

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



For further information on the Compact, please visit www.unglobalcompact.org



About Cover

The cover depicts global aspiration for an organisation of many businesses with a strong emphasis on digital and network technologies, the sharp lines represent clarity and speed in a digital world and the lights represent the goals of different businesses.



Advanced Chemical Industries Limited



এডভান্সড কেমিক্যাল
ইন্ডাস্ট্রিজ লিমিটেড

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

**Advanced Chemical
Industries Limited**

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

Your ref

Our ref

Date

8 December 2019

Letter of Transmittal

To

All Shareholders of Advanced Chemical Industries Limited (ACI)
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies and Firms (RJSCF)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE) &
Other Stakeholders of Advanced Chemical Industries Limited (ACI)

Dear Sirs,

Re: Annual Report of Advanced Chemical Industries Limited (ACI) for the year ended 30 June 2019.

We are pleased to enclose a copy of ACI's Annual Report which includes amongst others, Directors' Report and the Audited Financial Statements comprising of statement of financial position, statement of Profit or Loss and other comprehensive income, statement of cash flows, statement of changes in equity for the year ended 30 June 2019 along with notes thereto of ACI for your kind information and record.

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

Thanking you,

Yours Sincerely,

Mohammad Mostafizur Rahman
Company Secretary



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Corporate Information

Company Profile

Basic Information

| | | | |
|----------------------|-----------------------------------|------------------------------|---------------|
| Full Name: | Advanced Chemical Industries Ltd. | Authorized Capital (BDT): | 150,00,00,000 |
| Incorporation Date: | 24 January 1973 | Issued & Paid Capital (BDT): | 498,895,260 |
| Registration No: | C-3885 | No of Shares: | 49,889,526 |
| Company Type: | Public Limited | Face Value (BDT): | 10 |
| Number of Employees: | 9,147 | Year End: | 30 June |

Board of Directors

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

Board Committees

Audit Committee

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

Nomination and Remuneration Committee

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

Executive Management

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

Statutory Position

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

Auditors

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

Advisors

| | |
|------------------------------|---|
| Legal Advisor: | Barrister Rafique-ul Huq, Huq and Company |
| Advisor, Regulatory Affairs: | Mr. M. Sekander Ali |
| Advisor, NRC: | Mr. Monower Ahmed |

Principal Bankers

- Bank Alfalah Limited
- BRAC Bank Limited
- Commercial Bank of Ceylon Plc
- National Credit and Commerce Bank Ltd
- Eastern Bank Limited
- One Bank Limited
- Pubali Bank Limited
- Standard Chartered Bank
- The City Bank Limited
- The Hongkong and Shanghai Banking Corporation Limited
- United Commercial Bank Limited
- Dutch-Bangla Bank Limited
- Prime Bank Limited
- Dhaka Bank Limited
- Mercantile Bank Limited
- Agrani Bank Limited



ACI in Brief

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

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

'ACI Consumer Brands' is adding value to the daily life of consumers through its Toiletries, Home care, Hygiene, Electrical, Electronics, Mobile, Salt, Flour, Foods, Rice, Tea, Edible Oil, Paints and International businesses. 'ACI Agribusinesses' is the largest integrator in Bangladesh in Agriculture, Livestock, Fisheries, Farm Mechanization, Infrastructure Development Services and Motorcycles. 'ACI Retail Chain' is the largest retail chain in the country operating through its 129 SHWAPNO outlets across the country by touching the lives of over 40,000 households each day. The company contributed Taka 3,770 million to the National Exchequer during FY 2018-2019 in the form of corporate tax, custom duty and value added tax.



Group of Companies

Subsidiaries

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

Joint Ventures and Associates

15. Tetley ACI (Bangladesh) Limited
16. Asian Consumer Care (Pvt.) Limited
17. ACI Godrej Agrovvet Private Limited
18. Stochastic Logic Limited

Board of Directors' Profile



Mr. M. Anis Ud Dowla
Chairman

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



Mr. Golam Mainuddin
Director

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



Mr. Waliur Rahman Bhuiyan, OBE
Director

Mr. Waliur Rahman Bhuiyan OBE, joined the Board of Advanced Chemical Industries Limited in November 2007. Born in 1952, Mr. Bhuiyan obtained a Masters in Economics and an MBA from Dhaka University and joined Linde Bangladesh Limited (former BOC Bangladesh Limited) in 1975, spent his entire professional life in the organisation and opted for early retirement in 2011 due to health reasons. He was the Managing Director and Adviser of BOC Bangladesh Limited and Linde Bangladesh Limited respectively. He was decorated with the Order of British Empire (OBE) by Her Majesty The Queen of Great Britain in the year 2007. He was the Honorary Consul General of Finland to Bangladesh. He was the Director of Biman Bangladesh Airlines and Chittagong Stock Exchange as well. He served as the President of Foreign Investors' Chamber of Commerce & Industry (FICCI) and Executive Committee Member of Metropolitan Chamber of Commerce & Industry (MCCI) as well as Bangladesh Employers' Federation (BEF). He was also the Member of Bangladesh Better Business Forum, Steering Committee Member of British Business Group and Academic Council Member of BRAC University.



Mrs. Najma Dowla
Director

Mrs. Najma Dowla joined the Board as Director in 1996. She is also a Director and Member of the Audit Committee of ACI Formulations Limited. Currently, she occupies the Directorship position in ACI Salt Limited, Premiaflex Plastics Limited, Consolidated Chemicals Limited, ACI Foods Limited, ACI Motors Limited, Stochastic Logic Limited, ACI HealthCare Limited, ACI Chemicals Limited, ACI Boitech Limited, ACI Agrolink Limited, ACI Logistics Limited, ACI Edible Oils Limited, Dowla Agricultural Development Company Limited and ACI Foundation (a non-profit organization). She completed her Bachelor degree in Arts.



Dr. Arif Dowla
Managing Director

Dr. Arif Dowla took over the charge of the Managing Director of Advanced Chemical Industries (ACI) Limited in June 2005. Prior to this position, he served the Company as Deputy Managing Director from September 2000. Dr. Dowla is the functional head of the Company who manages the affairs of ACI Group with appropriate delegation of authority and accountability while the chief executives of all strategic business units directly report to him. He has significant contribution in the advancement of Industrial as well as Agricultural sector of the country. His business strategy and various backward and forward linkages have diversified the Group business in manifold resulting ACI, a largest turnover based conglomerate in Bangladesh. Dr. Dowla obtained Ph.D in Mathematics from the University of California, USA. He is a member of the American Mathematical Society and the Society of Quantitative Analyst, New York. He has been included in the Forum of Young Global Leader Honorees 2009 by the World Economic Forum. He has been serving as the Honorary Consul of Belgium in Bangladesh since September 2013. Dr. Dowla is the Chairman of Tetley ACI (Bangladesh) Limited, a Joint-venture between India and Bangladesh. He is a Director of Mutual Trust Bank Limited and former Chairman of the Bank (2012-2014). He was also the Director of Pioneer Insurance Company Limited from 2002 to 2009. Besides, Dr. Dowla is the Managing Director of ACI Logistics Limited and Stochastic Logic Limited. He, however, occupies directorship in, ACI Salt Limited, ACI Pure Flour Limited, ACI Motors Limited, ACI Foods Limited, Premiaflex Plastics Limited, ACI Agrolink Limited, ACI HealthCare Limited, ACI Edible Oils Limited, Creative Communication Limited, Consolidated Chemicals Limited, ACI Chemicals Limited, ACI Boitech Limited, INFOLYTX Bangladesh Limited, Dowla Agricultural Development Company Limited, ACI Godrej Agrovvet Private Limited and ACI Foundation (a non-profit organization).



Mr. Abdul-Muyeed Chowdhury
Director

Mr. Abdul-Muyeed Chowdhury joined the Board as Director in 28 January 2019. He is serving as an Independent Director of ACI Formulations Limited from October 2018. Mr. Chowdhury obtained his Bachelor of Arts with Honors in History and Master of Arts (1st Class) from Dhaka University. He also attended Certificate of Participation in an acceptable program of special study in Political Science, Public Administration in the University of Tennessee, Knoxville. Mr. Chowdhury, a CSP, served as an Adviser to the Care Taker Government of Bangladesh in 2001 and was in charge of five Ministries. He was the Executive Director of BRAC from 2000 to 2006. Prior to that, he spent more than three decades in the civil service of Bangladesh and was the Secretary to the Government from 1994 to 2000 holding charge of various ministries. He served as the Chairman of NBR, Managing Director of Biman Bangladesh Airlines and Executive Director of Jamuna Multipurpose Bridge Authority, President of National Shooting Federation of Bangladesh, Chairman of SME Foundation and Vice President of Bangladesh Olympic Association. He was the Chairperson of BRACNet Limited. Currently, he is serving as the CEO of Tiger Tours Limited. Besides, he is a Director of MJL Bangladesh Limited, Omera Petroleum Limited, Omera Fuels Limited, Omera Cylinders Limited, Summit Alliance Port Limited, PEB Steel Alliance Limited and Tiger Tours Limited. He is also a Member of the Governing Body of BRAC University, Sajida Foundation and Bangladesh Youth Enterprise Advice and Help Center (B'Yeah).



Mr. Kamran Tanvirur Rahman
Independent Director

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



Ms. Shusmita Anis
Director

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



Mr. Adil Husain
Independent Director

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



Mr. Mohammad Mostafizur Rahman
Company Secretary

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



Notice of the 46th Annual General Meeting

Notice is hereby given that the 46th Annual General Meeting of Advanced Chemical Industries Limited will be held on Monday, 23 December 2019 at 11:00 am at Officers Club, 26 Baily Road, Dhaka to transact the following business:

AGENDA

- 1) To receive, consider and adopt the Audited Financial Statements for the year ended 30 June 2019 together with Reports of the Auditors and the Directors thereon.
- 2) To declare dividend for the year ended 30 June 2019.
- 3) To elect/re-elect Directors and to approve the appointment of Directors.
- 4) To appoint statutory and compliance Auditors for the year 2019-2020 and fix their remuneration.

Dhaka
5 December 2019

By Order of the Board

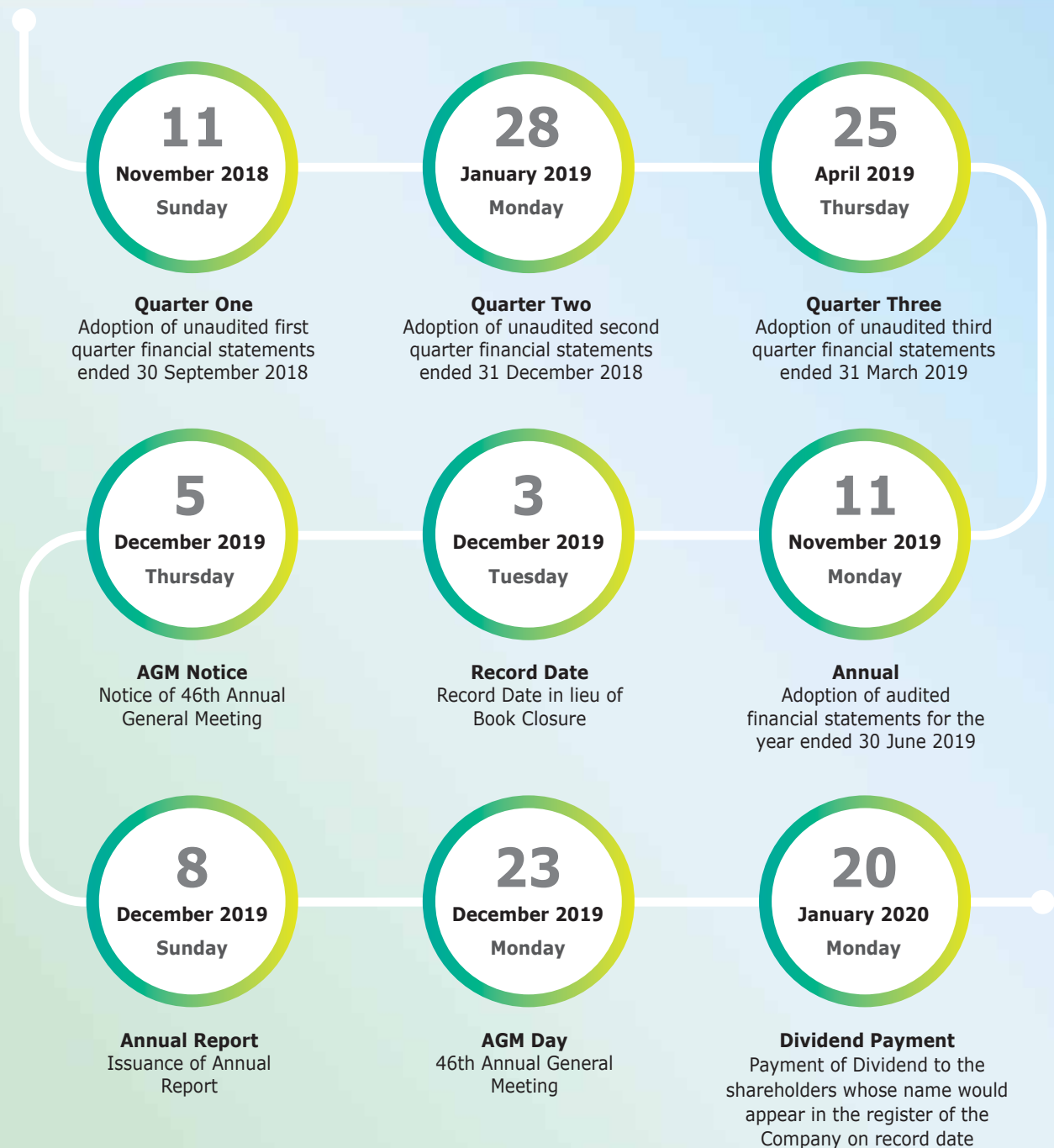
Mohammad Mostafizur Rahman
Company Secretary

Notes:

- a. The Shareholders, whose names appeared in the Members/Depository Register as on the Record Date i.e. 3 December 2019 will be eligible to attend the AGM and receive the dividend.
- b. The Shareholders are requested to submit their written option to receive dividend to the Company's Share Office on or before 15 December 2019. In case of non-receipt of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Company.
- c. The Proxy Form, duly completed, must be deposited at the Share Office of the Company at 9 Motijheel Commercial Area, Dhaka-1000 at least before 48 hours of the time fixed for the Meeting.
- d. Admittance to the Meeting venue will be on production of the Attendance Slip and verification of signature of Member (s) and/or Proxy-holder (s).
- e. The Annual Report 2018-2019 is available in Company's website, www.aci-bd.com

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

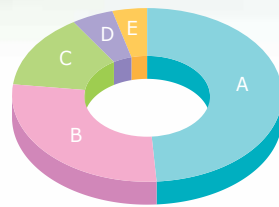
Financial Calendar



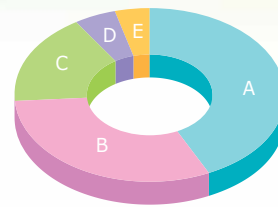


Financial Highlights and Analysis

ACI Limited's Turnover Contribution by Business Unit



2018-19

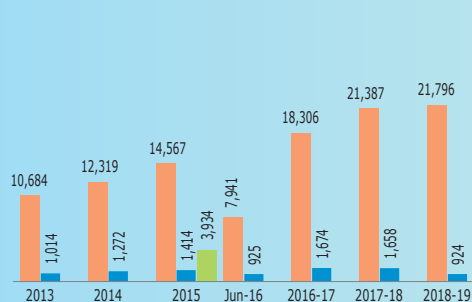


2017-18

| | 2018-19 | 2017-18 |
|-------------------|---------|---------|
| A Pharmaceuticals | 49% | 43% |
| B Consumer Brands | 28% | 31% |
| C Animal Health | 14% | 17% |

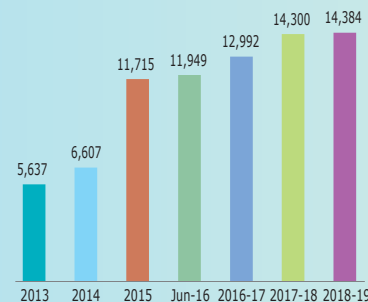
| | 2018-19 | 2017-18 |
|--------------|---------|---------|
| D Fertilizer | 5% | 5% |
| E Seeds | 4% | 4% |

Net Sales & Profit Before Tax (Taka in Million)

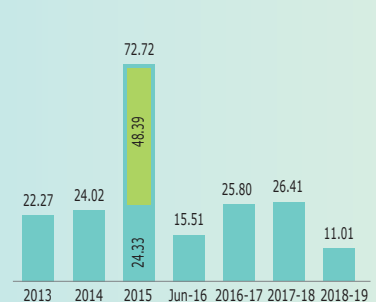


Net sales income (in Million) Profit Before Tax (in Million)
PBT With One-off gain (in Million)

Shareowners' Equity (Taka in Million)



Earnings Per Share (Taka)



EPS One-off Gain

ACI Group's Comparative Statistics

| Particulars | December 2011 | December 2012 | December 2013 | December 2014 | December 2015 | June 2016 (six month) | July 2016- June 2017 | July 2017- June 2018 | July 2018- June 2019 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|-----------------------|----------------------|----------------------|----------------------|
| Taka in million | | | | | | | | | |
| Authorized capital | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| Issued & paid capital | 197 | 238 | 286 | 344 | 398 | 398 | 438 | 482 | 499 |
| Current assets | 8,486 | 9,927 | 11,598 | 12,926 | 17,206 | 20,190 | 26,316 | 30,432 | 35,951 |
| Tangible fixed assets (gross) | 6,322 | 7,826 | 8,819 | 9,852 | 11,782 | 12,562 | 15,299 | 18,119 | 20,675 |
| Shareowners' equity | 4,195 | 3,797 | 3,792 | 4,138 | 9,772 | 9,709 | 10,574 | 11,080 | 9,808 |
| Turnover (net) | 17,460 | 21,976 | 22,167 | 25,822 | 31,383 | 17,853 | 47,668 | 56,123 | 63,144 |
| Gross profit | 4,835 | 5,640 | 6,598 | 8,051 | 9,840 | 5,663 | 14,104 | 15,866 | 18,318 |
| Profit before tax | 593 | 104 | 560 | 1,059 | 3,910 | 853 | 2,189 | 1,422 | 214 |
| Profit after tax | 238 | (166) | 204 | 573 | 2,878 | 382 | 1,065 | 517 | (742) |
| Current ratio (times) | 0.88 | 0.84 | 0.84 | 0.81 | 0.97 | 0.91 | 0.87 | 0.87 | 0.80 |
| Quick ratio (times) | 0.49 | 0.47 | 0.45 | 0.42 | 0.54 | 0.53 | 0.52 | 0.53 | 0.50 |
| Return on equity (%) | 5.67 | (4.37) | 5.37 | 13.85 | 29.45 | 7.88* | 10.07 | 4.67 | (7.57) |
| Inventory turnover (times) | 3.59 | 4.00 | 3.17 | 3.07 | 3.11 | 3.04* | 3.54 | 3.60 | 3.54 |
| Debtors turnover (times) | 6.02 | 6.66 | 6.20 | 6.85 | 6.99 | 6.46* | 6.61 | 5.76 | 5.09 |
| Fixed assets turnover (times) | 3.02 | 3.11 | 2.66 | 3.18 | 3.03 | 2.64* | 2.81 | 2.64 | 2.60 |
| Net asset per share (Taka) | 212.78 | 174.79 | 141.36 | 120.30 | 245.30 | 243.72 | 219.36 | 222.09 | 196.59 |
| Earnings per share (Taka) | 10.08 | (5.82) | 5.94 | 14.49 | 65.75 | 8.72 | 22.10 | 10.36 | (14.87) |

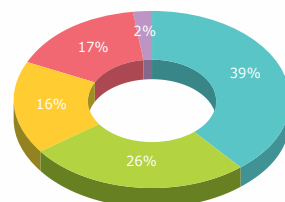
* Ratios are annualised

ACI Limited's Comparative Statistics

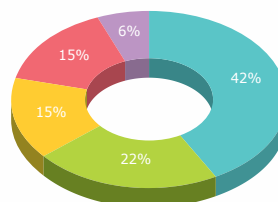
| Particulars | December 2011 | December 2012 | December 2013 | December 2014 | December 2015 | June 2016 (six month) | July 2016- June 2017 | July 2017- June 2018 | July 2018- June 2019 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|-----------------------|----------------------|----------------------|----------------------|
| Taka in million | | | | | | | | | |
| Authorized capital | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| Issued & paid capital | 197 | 238 | 286 | 344 | 398 | 398 | 438 | 482 | 499 |
| Current assets | 6,955 | 8,335 | 9,462 | 9,927 | 10,960 | 12,607 | 17,105 | 23,888 | 29,010 |
| Tangible fixed assets (gross) | 2,546 | 2,975 | 3,423 | 4,323 | 6,057 | 6,233 | 7,455 | 8,825 | 9,334 |
| Shareowners' equity | 4,767 | 5,081 | 5,637 | 6,607 | 11,715 | 11,949 | 12,992 | 14,300 | 14,384 |
| Turnover (net) | 8,514 | 9,680 | 10,684 | 12,319 | 14,567 | 7,941 | 18,306 | 21,387 | 21,796 |
| Gross profit | 3,161 | 3,590 | 4,258 | 5,171 | 6,262 | 3,561 | 8,196 | 9,242 | 9,886 |
| Profit before tax | 893 | 737 | 1,014 | 1,272 | 3,934 | 925 | 1,674 | 1,658 | 924 |
| Profit after tax | 681 | 545 | 764 | 951 | 3,184 | 680 | 1,244 | 1,317 | 549 |
| Dividend | 197 | 238 | 301 | 398 | 498 | - | 518 | 571 | 574 |
| Current ratio (times) | 1.31 | 1.17 | 1.17 | 1.19 | 1.67 | 1.57 | 1.29 | 1.18 | 1.13 |
| Quick ratio (times) | 0.98 | 0.87 | 0.85 | 0.83 | 1.07 | 1.08 | 0.92 | 0.92 | 0.92 |
| Return on equity (%) | 14.29 | 10.73 | 13.56 | 14.38 | 27.17 | 11.37* | 9.57 | 9.21 | 3.82 |
| Inventory turnover (times) | 3.05 | 3.12 | 2.74 | 2.59 | 2.40 | 2.22* | 2.31 | 2.45 | 2.25 |
| Debtors turnover (times) | 7.92 | 7.99 | 7.44 | 8.41 | 8.83 | 7.56* | 6.45 | 5.16 | 4.35 |
| Fixed assets turnover (times) | 3.91 | 3.51 | 3.34 | 3.18 | 2.82 | 2.42* | 2.45 | 2.43 | 2.28 |
| Net asset per share (Taka) | 241.98 | 213.73 | 97.23 | 192.09 | 294.08 | 299.96 | 269.54 | 286.62 | 288.32 |
| Market price per share (Taka) | 206.60 | 141.20 | 171.50 | 389.90 | 561.60 | 455.10 | 516.50 | 347.80 | 274.70 |
| Earnings per share (Taka) | 28.83 | 19.11 | 22.27 | 24.02 | 72.72 | 15.51 | 25.80 | 26.41 | 11.01 |
| Dividend per share (Taka) | 10.00 | 10.00 | 10.50 | 11.50 | 12.50 | - | 11.82 | 11.85 | 11.50 |
| Dividend rate (%) | 100.00 | 100.00 | 105.00 | 115.00 | 125.00 | - | 125.00 | 118.50 | 115.00 |
| Dividend payout ratio (%) | 34.69 | 52.33 | 47.15 | 47.88 | 17.19 | - | 45.81 | 44.87 | 104.42 |
| Price earnings ratio (times) | 7.17 | 7.39 | 7.70 | 16.23 | 7.72 | 14.67* | 20.02 | 13.17 | 24.94 |
| Dividend yield (%) | 4.84 | 7.08 | 6.12 | 2.95 | 2.23 | - | 2.29 | 3.41 | 4.19 |
| Number of employees | 4,014 | 4,560 | 4,955 | 6,930 | 7,090 | 7,275 | 8,364 | 9,053 | 9,147 |

* Ratios are annualised

Analysis of Turnover (%) of ACI Limited



2018-19



2017-18

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

Comparison of Turnover & Costs

| | Taka in million | | | |
|--|-----------------|------------|---------------|------------|
| | 2018-19 | % | 2017-18 | % |
| Turnover (Gross) | 24,263 | 100 | 23,841 | 100 |
| Cost of Materials | 9,557 | 39 | 10,034 | 42 |
| Expenses | 6,395 | 26 | 5,171 | 22 |
| Duties & Taxes paid to Government Exchequer | 3,770 | 16 | 3,625 | 15 |
| Salaries, Wages & Benefits paid to employees | 3,991 | 17 | 3,694 | 15 |
| Profit | 549 | 2 | 1,317 | 6 |
| | 24,263 | 100 | 23,841 | 100 |



Message from the Chairman

চেয়ারম্যানের বাণী

Dear Shareowners,

Assalamu Alaikum,

In 1997, 22 years ago, we collected from our shareowners Tk. 53 Crores through a Rights Issue. At that time we had a Turnover of Tk. 80 Crores, Net Asset Employed was Tk. 35 Crores and the total number of employees was 869.

Since then, we have expanded our businesses through bank borrowing. We have now grown to a turnover of Tk. 6314 Crores, Net Asset Employed to Tk. 951 Crore and the number of employees are 9147. The growth has been remarkable. At the same time profits generated could not only finance handsome dividend year after year over the last two decades but also could set aside funds to increase shareholders equity and when need be use the fund to support consistent dividend Payout Policy.

Over these years we have grown "Shwapno" as the largest Super Shop chain in the country serving several million customers a year and earned "Superbrand" recognition. We have also emerged as the largest integrator of Agribusinesses, capturing the value chain related to our agriculture and helped the farmers in their economic prosperity by making agriculture more productive through technology and knowledge sharing. Our Pharma businesses will shortly emerge as a player in the generic drug market in the USA. These should be good tidings for the investors.

Our shareowners have shown tremendous patience and understanding and we are happy to announce that the valuation of "Shwapno" is now considered to be much higher than the total investment plus cumulative losses combined. This is wealth creation primarily through bank borrowing and retained earnings.

Time has come to explore the funding option from private equity funds. We are getting favourable response from such fund managers.

Due to increased interest rate, coupled with currency devaluation our profits have been wiped out. This is just a temporary phenomenon and very soon alternative financing measures will kick in and the balance sheet will be robust again.

Dear Shareowners, you will notice that our US operations along with the near-completion of FDA approved factory at Sonargaon will bring about a major change in our profitability, deliver a robust cash flow and will enable us to expand our business further, this time through a combination of private funding and bank borrowing, albeit to a limited extend.

We are geared up to grow rapidly, in line with the economic advancement of our country and in that endeavour we shall participate in the development of our nation.

Your investment is in good hands and I have no doubt that you will be rewarded handsomely in the years ahead.

Sincerely,

M. Anis Ud Dowla
Chairman, ACI Group



Over these years we have grown "Shwapno" as the largest Super Shop chain in the country serving several million customers a year and earning "Superbrand" recognition





২২ বছর পূর্বে ১৯৯৭ সালে, আমরা শেয়ারমালিকগণের কাছ থেকে রাইটস শেয়ার ইস্যুর মাধ্যমে ৫৩ কোটি টাকা সংগ্রহ করেছিলাম। সে সময়ে আমাদের টার্নওভার ছিল ৮০ কোটি টাকা, মোট বিনিয়োগকৃত সম্পদ ছিল ৩৫ কোটি টাকা এবং কর্মকর্তা/কর্মচারীর সংখ্যা ছিল ৮৬৯ জন।

প্রিয় শেয়ারমালিকবৃন্দ,

আমাদের বর্তমান অবস্থা

২২ বছর পূর্বে ১৯৯৭ সালে, আমরা শেয়ারমালিকগণের কাছ থেকে রাইটস শেয়ার ইস্যুর মাধ্যমে ৫৩ কোটি টাকা সংগ্রহ করেছিলাম। সে সময়ে আমাদের টার্নওভার ছিল ৮০ কোটি টাকা, মোট বিনিয়োগকৃত সম্পদ ছিল ৩৫ কোটি টাকা এবং কর্মকর্তা/কর্মচারীর সংখ্যা ছিল ৮৬৯ জন।

আমরা ব্যাংক ঋণের মাধ্যমে আমাদের ব্যবসা সম্প্রসারণ করে আসছি। বর্তমানে আমাদের টার্নওভার বেড়ে দাঁড়িয়েছে ৬৩১৪ কোটি টাকা, নীট বিনিয়োগকৃত সম্পদ ৯৫১ কোটি টাকা এবং কর্মকর্তা/কর্মচারী কাজ করছে ৯১৪৭ জন। এই প্রবৃদ্ধি উল্লেখযোগ্য। বিগত দুই দশক ধরে প্রতিবছর আকর্ষণীয় লভ্যাংশ প্রদানের পাশাপাশি আলাদা ফান্ড সংরক্ষণ করা হয়েছে যা শেয়ারহোল্ডারদের ইকুইটি বৃদ্ধিতে সহায়তা করেছে এবং লভ্যাংশ প্রদানের ধারা অব্যাহত রাখতে সাহায্য করেছে।

বিগত বছরগুলোতে কয়েক মিলিয়ন গ্রাহককে সেবা প্রদানের মাধ্যমে দেশের বৃহত্তম চেইন সুপারশপ হিসেবে 'স্বপ্ন' সমৃদ্ধি লাভ করেছে এবং অর্জন করেছে "সুপারব্র্যান্ড" স্বীকৃতি। কৃষিক্ষেত্রে প্রযুক্তিগত জ্ঞানের সর্বোচ্চ ব্যবহার করে অধিক উৎপাদন নিশ্চিত করে আমরা কৃষকদের অর্থনৈতিক সমৃদ্ধিতে অবদান রেখেছি। কৃষিতে ভ্যালু চেইন নিশ্চিতকরণের মাধ্যমে আমরা দেশে কৃষি ব্যবসায়ের বৃহত্তম প্রতিষ্ঠান হিসেবে প্রতিষ্ঠা লাভ করতে সক্ষম হয়েছি। আমাদের ফার্মা ব্যবসা শীঘ্রই মার্কিন যুক্তরাষ্ট্রে জেনেরিক ড্রাগের বাজারে আত্মপ্রকাশ করবে। যা বিনিয়োগকারীদের জন্য সুসংবাদ।

আমাদের শেয়ারমালিকগণ অসামান্য আস্থা এবং ধৈর্যের পরিচয় দিয়েছেন। আমরা আনন্দের সাথে জানাচ্ছি যে, বর্তমানে স্বপ্ন'র ভ্যালুয়েশন মোট বিনিয়োগ এবং পুঞ্জীভূত লোকসানের চেয়েও অনেক বেশি। স্বপ্ন'র এই ভ্যালুয়েশন ব্যাংক ঋণ ও রিটেড আর্নিং এর মাধ্যমে সৃষ্টি হয়েছে।

সময় এসেছে প্রাইভেট ইকুইটি ফান্ডের মাধ্যমে বিকল্প ফান্ডের ব্যবস্থা করার। আশার কথা হলো যে, ফান্ড ব্যবস্থাপকদের কাছ থেকে আমরা যথেষ্ট সাড়া পাচ্ছি।

ধারণাতীত সুদের হার বৃদ্ধি এবং টাকার মান উল্লেখযোগ্যভাবে কমে যাওয়ায় সামগ্রিকভাবে এবছর আমাদের মুনাফা হ্রাস পেয়েছে। এটা সাময়িক এবং অচিরেই বিকল্প অর্থায়নের ব্যবস্থা গ্রহণে এর উত্তরণ ঘটবে।

সুপ্রিয় শেয়ারমালিকগণ, সোনারগাঁওয়ের এফডিএ অনুমোদিত কারখানার কাজের সমাপ্তির সাথে সাথে এবং এফডিএর অনুমোদন প্রাপ্তির পর যুক্তরাষ্ট্রের বাজারে কার্যক্রম শুরু করা যাবে যা আমাদের লাভের ক্ষেত্রে একটি বড় পরিবর্তন আনবে, একটি শক্তিশালী নগদ



প্রবাহ নিশ্চিতকরণ ও ব্যবসা সম্প্রসারণে সক্ষম করবে যা প্রাইভেট ফান্ডিং এবং ব্যাংক ঋণের সমন্বিত অর্থায়নের মাধ্যমে পরিচালিত হবে।

আমরা দেশের অর্থনৈতিক অগ্রগতির সাথে সামঞ্জস্য রেখে দ্রুত বিকাশের জন্য প্রস্তুত এবং সেই প্রয়াসে আমরা জাতীয় উন্নয়নের অংশীদার হব।

আপনাদের বিনিয়োগ দক্ষ হাতে পরিচালিত হচ্ছে এবং আমি নিশ্চিত যে সামনের বছরগুলিতে আপনারা অবশ্যই ভালো ফলাফল পাবেন।

আপনাদের বিশ্বস্ত,



Gg. Awbom D' & S' J' v

চেয়ারম্যান, এসিআই গ্রুপ



Statement of Corporate Governance

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

The Governing Board

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

Composition of the Board

The Board consists of nine members drawn from amongst the major shareowners and business professionals. Mr. M. Anis Ud Dowla is the Chairman of the Board and Dr. Arif Dowla is the Managing Director. Of the nine Directors, eight are non-executive Directors including two Independent Directors. The non-executive Directors are, however, available whenever business operations call for their attention and involvement.

Roles and Responsibilities of the Board

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

Functioning of the Board

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

Management through People

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

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

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

Empowerment of People

The Board has given clear guidelines to the Managing Director to ensure that there is appropriate delegation

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



of authority and clear statement of accountability of the management staff all the way down to the Supervisory level and that performance of the individual is judged on the basis of clearly set measurable goals and through objective assessment of their achievements.

Reporting and Communication

The Managing Director reviews and approves the strategic plans of each Business Unit every quarter. He also reviews monthly report and commentary on the sales and financial performance of business from the heads of businesses and the activities of the functional and service heads. An elaborate MIS system is in place.

Communication with Shareowners

The Board considers that good governance involves openness and trustful cooperation among all stakeholders concerned, including the shareowners of the Company. Shareowners, being the ultimate controllers of the Company, deserve to be informed in all corporate respects required under the law. Annual General Meeting (AGM) is the highest forum for

Internal Control and Risk Management

The Managing Director has to satisfy the Board that adequate internal check and controls are in place through appropriate MIS and employment of Internal Audit team to check and validate the expenses and the systems in operation. To further strengthen the controls, the Company has introduced ISO 9001:2008 Quality Management System, the first Company in Bangladesh to do so under which all activities are carried out on the basis of Standard Operating Procedures. These standard procedures are updated on a regular basis in line with ISO requirements. The Company has also introduced ISO 14001:2004 Environmental Management System, the first Company in Bangladesh to do so and as a result has undertaken a task of continuing improvement through annual goals. Internal Audit department has been strengthened with induction of qualified and experienced personnel, demonstrating the Board's commitment to ensure that adequate risk management and internal control systems are in place across the Company. In addition, the Company has adopted the Ten Principles of Global Compact, an initiative taken by the Secretary General of the United Nations and adopted world-wide by big and progressive companies.



Independent Director

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

Distinctive Role of Chairman and Managing Director

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

Chief Financial Officer and Head of Internal Audit and Company Secretary

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

The Board Audit Committee

Following the Guidelines of Bangladesh Securities and Exchange Commission (BSEC), the Board has

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

The Committee met four times during FY 2018-2019. The key responsibilities of the Audit Committee include:

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

Reviewing of Business and Financial operations

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



Report of the Audit Committee

For the year ended 30 June 2019

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

Audit Committee in Advanced Chemical Industries (ACI) Limited is a sub-committee of the Board of Directors, assists the board in fulfilling its oversight responsibilities. The Audit Committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee be and is responsible to the Board of Directors. The jurisdiction of the Audit Committee extends over the Company covering risk management with special emphasis on ensuring compliance with all applicable legislation and regulation.

Composition and Meetings

Chairman : Kamran Tanvirur Rahman,
Independent Director
Member : Mr. Golam Mainuddin, Director
Member : Ms. Shusmita Anis, Director
Secretary : Mr. Mohammad Mostafizur Rahman,
Company Secretary

A total of 4 (Four) meetings were held during the year. Company Secretary of the Company functioned as the Secretary to the Committee as per regulatory requirements. In addition to that the Chief Financial Officer, Head of Internal Audit and Compliance attended the meetings on invitation and other officials were invited to attend the meetings as and when the Committee required their presence.

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

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

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

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

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

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



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

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

Summary of activities during the year

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

- a) Reviewed and recommended the Annual Financial Statements for the year ended on 30 June 2019 to the Board for approval.
- b) Reviewed the Management Letter from external auditors for the year under review along with management's responses on the findings.
- c) Reviewed the Auditors' Certification on Corporate Governance compliance for the year ended 30 June 2019.
- d) Reviewed and ascertained that the internal control system including financial and operational controls, accounting system, and reporting structure are adequate and effective.
- e) Reviewed the periodical reports submitted by the Internal Auditors and recommended to the management regarding proper and prompt resolution of the irregularities/issues stated therein.
- f) Reviewed the actions taken by the management for implementation of Audit Committee observations on issues deliberated in Audit Committee reports.
- g) The Committee placed its reports regularly to the Board for reviewing and monitoring the activities recommended on internal control system, compliance with rules and regulation of the regulatory bodies.
- h) The Committee reviewed relevant quarterly Financial Statements during the year under review and recommended to the Board for their approval.
- i) Based on the above review and discussion, the Audit Committee is of the view that the internal control and compliance procedures are adequate to present a true and fair view of the activities and financial status of the Company.

Mohammad Mostafizur Rahman
Secretary of the Committee

Kamran Tanvirur Rahman
Chairman of the Committee

Dhaka, 11 November 2019

Directors' Report to the Shareowners

For the year ended 30 June 2019

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

It is a pleasure and privilege on the part of the Board of Directors to present herewith the Directors' and Auditors' Report together with the audited Financial Statements of Advanced Chemical Industries Limited for the financial year ended 30 June 2019.

Overview

ACI had challenging period during the financial year 2018-19. Bangladesh experienced the falling domestic rice prices due to excess production of rice, which lower the demand for agricultural inputs, which is one of our core businesses. The company has experienced the adverse interest rate and devaluation of local currency against foreign currency, both of which significantly affected our profitability. Another major factor affecting our performance was the operating cost of our newly built Pharmaceutical unit that is awaiting FDA approval. Despite these challenges, ACI as a Group managed to increase the business by 13% over the previous year. This performance was the outcome of a relentless effort of our sales and marketing team supported by well-balanced corporate services and factories.

Bangladesh economy continued to grow rapidly and achieved an exceptional growth of 8.13% in FY 2018-19. The growth momentum was supported by strong domestic and external demand. A surge in remittance inflows at 17.3%, along with strong private sector credit growth boosted consumption demand. At the same time, higher growth in investment-related imports reflected robust investment demand. Export growth also maintained its momentum during this period. On the supply side, the growth impulse largely came from the industry and agricultural sectors. Annual average inflation

based on Consumer Price Index went down to 5.48% in FY 2018-19, aided by the moderation of food inflation and a decline in rice prices.

The year was loaded with external challenges, but ACI continued to pave a new future for the company in many fundamental ways. ACI Healthcare USA expanded its sales and distribution with significant increase in revenue. ACI Motors started Yamaha Motorcycle assembly with considerable local value addition. Our Agribusiness had a newly approved hybrid rice seed that has been the output of several years of research with IRRI which should provide new avenues to improve agricultural efficiency in Bangladesh. Our new partner Yanmar will customize the best harvesters for our country, furthering agricultural mechanization. Our revolutionary agricultural App "Fosholi" has won the top ICT award, connecting farmers with macro and farming data through satellite imaging. Consumer Brands continues to grow in Food and Hygiene portfolio particularly, creating a deeper engagement with the consumers of Bangladesh. Shwapno has reached operating breakeven on some months of the year, and expanded its reach further through more than 50 franchise express outlets around the country. These are just a glimpse of the many ways ACI is enriching the lives of the people of Bangladesh through engagement with fundamental macroeconomic enablers.



Health Care Division

ACI has launched 33 promising new molecules in different therapeutic areas widening horizon for physicians to effectively treat and manage diseases



Bangladesh pharmaceutical industry continues to grow along with economic growth of the country. Pharmaceutical industry registered a significant growth of 10.70% in 2018-19, reached market size of BDT 223.53 billion, as per IMS data. This sector is expected to grow year-on-year driven by high investment of native firms as they seek a bigger share of the comprehensive global market. According to Export Promotion Bureau (EPB) data, Bangladesh's medicine exports registered a 25.60% rise to \$130 million in FY19, which was \$103.46 million in the previous year. ACI pharmaceuticals business has attained a higher than market growth of 15.4% during the financial year 2018-19. This outcome was the result of consistent growth of many brands across a variety of therapeutic classes.

ACI has launched 33 promising new molecules in different therapeutic areas widening horizon for physicians to effectively treat and manage diseases. ACI healthcare has completed expertise with specialized and advanced drug delivery systems such as Biotech, anti-cancer, metered dose inhalers, lyophilized products, tab in tab technology, sterile ophthalmic technology, effervescent tablets, sustained release pellets and suppositories. Many of ACI brands are consistent growth drivers in their respective therapeutic categories. The company continuously reviews and expands its product portfolio in order to ensure innovative treatment options at reasonable cost.

In this FY 2018-19, ACI healthcare export increased significantly and it continues to expand further with the addition of two new destinations (Papua New Guinea and Uzbekistan). ACI has received Marketing Authorizations of 56 products in different countries during this period. The International Marketing Team is putting extensive effort to strengthen its presence especially in Africa and Central America and





regulatory activities are under way in more than 15 countries spanning these two regions.

ACI HealthCare USA has grown in revenue by developing a strong sales and distribution arm in the US. Our ACI Healthcare Bangladesh is awaiting FDA approval for its brand new state-of-the-art facility. These capabilities will allow us to reach out to many new markets.

For the first time, ACI Healthcare started the journey of Pharmacovigilance (PV) awareness program in 2018 aligned with WHO guideline. The aim of PV awareness program is to enhance patient care and patient safety pertaining to the use of medicines; and to balance information for the effective assessment of the risk-benefit profile of medicines. As PV activity, our Medical Services Department (MSD) distributed various promotional collaterals in different Medical Colleges and Hospitals and Thana Health Complexes. PV awareness and CME programs were also arranged

nationwide where 725 physicians attended the program. MSD also trained 539 field colleagues as a part of PV awareness program.

Medical professionals play a central and critical role in improving access and quality of health care for the population. That is why they need to be regularly updated with modern information, techniques, methods and concepts to deal with issues and challenges they encounter in the course of their professional pursuits. To address the matter, ACI has organized 1,734 Continuous Medical Education (CME) programs with participation of 79,768 dedicated medical professionals. ACI and Bangladesh Society of Head Neck Surgeons jointly organized workshop titled "Best Evidence in ENT". ACI has also conducted "Hands on Training on Colposcopy" in collaboration with Obstetrical and Gynecological Society of Bangladesh (OGSB). Through these collaborative programs, ACI continues to improve the quality of healthcare in Bangladesh.





Consumer Brands Division

Toiletries

ACI Consumer Brands has a strong line of toiletry products that serve many household and personal hygiene needs. The Toiletries business includes the heritage brand Savlon with various sub-categories including Soap, Hand Wash, Antiseptics Liquid and Cream, Hand Sanitizer and Wipes. The business recently diversified into new categories like Fabric Care, Surface Care, Beauty soaps, Kitchen Care and Herbal products to widen its presence in the consumer goods sector. All the brands under the business ensured steady growth and the total business had a growth of 18%. The flagship brand Savlon closed the year with 83.7% market share in antiseptic category.

International Business

International business has experienced a growth of 16%. The market share of Colgate brand was approximately 13% which was 11% SPLY. This has ensured a strong presence in the market as one of the significant player in the oral care category. Low Calorie Sweetener Canderel and Equal have assured a steady presence in the market through the extended product line. Laser continues to serve the market through its blade and shaving product range.

Hygiene

This business has grown by 95%. Hygiene business consists of Female Hygiene, Baby Hygiene and Protective Care categories. Freedom, the flagship brand of Sanitary Napkin, grew by 33%. Freedom Pregnancy Test Kits grew by 26%. Two new product categories - Freedom Hair Removal Cream and Freedom Antibacterial Intimate Wash were launched under Protective Care in March 2019. Twinkle Baby Hygiene portfolio grew by 13% which includes Baby Diaper, Baby Wipes, Baby Feeder, Baby Soap and Baby Lotion. ACI Hygiene business is committed to a healthy Bangladesh by promoting hygienic lifestyle among the people.

Home Care Solutions

Home Care Solution comprises of products from both Pest & Non-Pest Category. In these products, we are operating as distributing and manufacturing partners

of the American consumer brands company SC Johnson. ACI Aerosol - the most effective insect killer, continues to be leading the Aerosol category with 94.4% market share (As per Nielsen Data). ACI Mosquito Coil has decreased in market share while competing with many non-branded coils. Angelic Air Freshener the pioneer in locally manufactured air fresheners upholds the leadership position in the market. The Angelic Air freshener category was enriched with 3 new exotic fragrances launched last year. Vanish Toilet Cleaner witnessed the development of the best formulation available in the market and was re-launched with new visual brand language and disease claim.

Electrical and Electronics

This business has grown by 13%. Electrical products in the market include the IPS LED Bulb, Gang Switch & Sockets and electrical accessories under its umbrella brand SPARKLE. Electrical business has been quick to respond to changing trends of the market. The business was engaged to expand its capacity so that it can pave the path for future growth.

ACI Electronics representing world-renowned brand "Panasonic" and homegrown brand "SPARKLE" maintain its current sales along with 34% growth. Affiliation with some new international brands, continuous improvement in the existing product lines and improved customer service were the key factors contributing to this growth. Special focus has been given on B2B businesses by emphasizing on large corporate clients who demand high quality after-sales services.

Paints

In the year 2018-19, the Paint Business had a growth of 42%. The business worked aggressively with the Performance Coatings portfolio which include marine, protective and powder coatings and achieved a 235% growth in the portfolio. Due to the high brand image and service quality, the business was able to build good professional rapport with many international and renowned corporate houses generating regular business.



Health benefits of all these special products are being promoted to doctors and health practitioners alongside creative media communications for people's awareness. With steady growth and prominent market share, ACI Pure Suji is working to develop the health of children – the future generation. Wheat-flour of varied specifications are satisfying differentiated baking needs. Through these products the business is finding new ways to promote a healthier Bangladesh.

For the Decorative Paints portfolio, some model dealers were developed in strategic clusters across the country to enhance the distribution network and brand visibility, including the semi-urban localities.

In the coming year, line extension for the Decorative Paints and setting up a production unit for some conventional Performance Coating products have been planned. This will help the business to gain a substantial market share.

Salt

Despite going through severe hurdles in market, ACI Pure Salt successfully maintained its leadership position in fiscal year 2018-19.

Based on top of mind awareness, brand heritage, consistent delivery of promise, trust and social perception on relevance and quality, ACI Pure Salt has been entitled as the Super brand 2018. It became No. 1 choice and won Best Brand Award in Salt category for the eighth time in a row. It was also recognized as the 14th Best Brand of the country across all categories.

Flour

The business grew by 11.3%. ACI Pure Flour Limited pioneered in introducing a range of innovative flour products for consumers to meet their diversified dietary needs. Oats Atta, first of its kind in Bangladesh, has been the recent addition to ACI Nutrilife brand to cater growing health-conscious consumers. Brown Atta and Multigrain Atta both are leaders in their respective categories.

Foods

ACI Foods Limited has attained a growth of 3.7% and has strengthened its brand presence through innovative products and consistent brand communication. ACI Pure has extended its range of mixed spices by introducing holistic solutions to culinary dishes.

The brand ACI Xtra Fun initiated the biggest reality show for the children aged 6-13 years titled "ACI Xtra Fun Cake Channel i Gaaner Raja" which helped our entire cake segment to grow by 40%. The export of our food products have extended to 33 countries.

Rice from the house of ACI has been pioneering to set a benchmark of quality and health for Bangladeshi consumers since its inception in 2016. Variants of rice has won the consumers' hearts with the brands ACI Pure, ACI Nutrilife and ACI Aroma. Premium quality Chinigura rice and recent inclusion of Basmati rice have added joy to the food platters in festivals and celebrations of Bangladeshi families.

Edible Oils

ACI Edible Oils grew by 4.1% despite price drop in the industry. The business is now engaged under two homegrown brands, 'ACI Nutrilife' and 'ACI Pure' and one imported brand, 'Le Blanc' with the product line of Rice Bran Oil, Soybean Oil and Sunflower Oil respectively. ACI Nutrilife Rice Bran Oil is recognized as the premium option to health-conscious consumers and maintained the leading position in the rice bran oil market. European brand 'Le Blanc' has secured a substantial share in growing premium sunflower oil category.



Agribusinesses Division

Crop Care and Public Health

Crop Care business, the industry grew by 5% whereas, business grew by 13%. This was due to the gain in market share in the Liquid and Powder insecticide category. Crop Care business is the market leader in the Herbicide category which grew by 7%. We have been able to establish the increase in yield of rice by using Flora. As a result, we achieved a phenomenal growth of 238% by volume this year. The Fungicide business suffered significantly because of the lack of infestation which resulted in stock carry over.

A gradual and systematic modernization of the product portfolio are under way with more cost effective and eco-friendly pest control solutions. The business has launched 4 new products in 2018 - 2019 which have been well accepted by the farmers. We are optimistic about the bright future of these products.

ACI Crop Care was awarded "Appreciation Crest" from reputed long standing development partner Swiss Contact with their M4C project. This project provides pioneering service to the people in the remote Northern Char area for the last five years. ACI Crop Care has been providing agricultural advice to farmers with high quality pesticide and PGRs.

Crop Care has taken marketing initiatives along with field force restructuring and planning to improve the quality of the business operations. As a result, the Crop Care and Public Health business is poised for growth through sustainable impact on the Crop output of Bangladesh.

Fertilizer

Fertilizer Industry has been severely affected due to lower crop prices. Industry has undergone a 10% de-growth over last year and our business has done slightly better at 7% de-growth. Reduced prices

therefore means, lower demand as farmers lose their interest for using of fertilizers as per recommendation. Considering the lower price of rice, farmers are reluctant to invest more in rice production. Therefore, business has diverted its focus on cash and profitable crops to meet financial objectives.

ACI Fertilizer is addressing technological change in the market and adding innovative and differentiated products. NPK combo, Silica Tab and crop specific customized, balanced fertilizers have been launched with many in the pipeline.

ACI Fertilizer led the commercial organic fertilizer. ACI fertilizer is maintaining the leading position with 16% market share. To address the basic fertilizer market ACI Fertilizer successfully launched NPKS balance fertilizer under the brand ROTNO.

Seed

ACI Seed has grown by 13% in FY2018-19. ACI hybrid rice seed portfolio has achieved a 39% growth with a 20% market share while vegetable seed portfolio experienced 11% growth with a 4% market share.

During the FY2018-19 Rabi dhan1, ACI Seed's own developed inbred rice variety, have obtained permission from National Seed Board (NSB) for release and another variety BAU dhan3 is in pipeline. To develop modern rice variety suitable for Bangladeshi climate, ACI Seed business has been persistently working with International Rice Research Institute (IRRI) and multinational companies to address the farmer's technological possibilities. ACI vegetable seed R&D has commercialized new varieties of vegetable seed and also established a R&D facility for rice seed research at Gazipur.

A group of reputed scientists have been working at ACI's Advanced Seed Research and Biotech Centre (ASRBC) to develop genetically pure and disease



resistant seeds to market. The business has produced 7,276 MT of seed through contract growers in Bangladesh and imported 1,112 MT exotic variety of seed from abroad in reported FY2018-19. These new seeds will be instrumental to our theme 'Creating Wealth for the Farmers'.

Motors

The business recorded a high growth of 19% over same period last year. They have been segmented into three major SBUs, namely Farm Mechanization, Motorcycles and Construction Equipment.

ACI Motors, the leading farm mechanization company in Bangladesh has maintained market leadership by tractor brand Sonalika through excellent product and superior service commitment. The farm mechanization industry had nominal growth due to macro-economic factors, but ACI Motors ensured 5%. ACI Motors has launched Yanmar Combine Harvester and Rice Transplanter. The Yanmar harvesters have been well received by the farmers.

Yamaha Motorcycles, on its third year of operation with ACI Motors, has continued its outstanding growth journey this year. The introduction of new models which include Anti-lock Braking System (ABS) feature is the latest braking technology available in the world. The overall motorcycle industry has grown by 25% and Yamaha has managed the same growth. In the strongest segment of Yamaha (150 CC and above segment) against industry growth of 28% Yamaha has grown by 33%. This segment is the highest growth segment of the industry as well. ACI Motors has started Completely Knocked Down (CKD) assembling of Yamaha Motorcycles from May 2019 and gradually upgrade to Original Equipment Manufacturer (OEM).

The construction equipment industry grew by 10% whereas, ACI Motors has grown by 13%. ACI Motors has launched Kobelco, the most prominent Japanese brand which will address the premium segment of the market, primarily targeting the many new large projects undertaken by government.





ACI Motors has also started a Commercial Vehicle business this year with the leading Chinese Light Commercial Vehicle manufacturer Foton International. The business is organizing the sales and service network throughout the country and getting a positive response from the customers. All these activities together makes ACI Motors one of the biggest businesses in ACI, ready to support many fundamental aspects of our country's development.

Animal Health

ACI Animal Health has de-growth of 14%. The business is divided into areas of Poultry, Cattle, Animal Biologics and Aqua.

ACI Animal Health has passed huge challenges in business growth. Its Vaccine and Aqua business have drastically decreased by 35% and 14%, respectively, de-growth in Vaccine portfolio caused due to the shortage supply from international sources, and de-growth in Aqua portfolio caused by government restriction on several products.

ACI Animal Health has restructured itself and improved their product availability so that they can restore the business back to rapid growth phase. New technologies are being brought to rejuvenate the business. In addition, ACI Animal Genetics will be launched as a new business under ACI Animal Health which will significantly contribute the cattle industry of the country.

Agrolink

In 2018-19 this business was essentially building capability, with an aim to create market linkage for shrimp farmers by establishing an export-oriented shrimp processing business with a state-of-the-art processing factory. With this venture the business will explore the opportunity in the blue economy. The

global business with international buyers will help ACI Agrolink represent Bangladesh in the global arena.

ACI Agrolink targets to serve premium market, which demands for organic and value-added cooked products. It is in the process of installing Individual Quick Freezing (IQF) technology with cooking facility which will build capability of the business to access into premium global market.

Premiaflex Plastics

Premiaflex Plastics grew by 7.5% over last year. The business is specialized in the manufacturing and marketing of Flexible Packaging, Laminated Tube and Label Stickers. We introduced a new technology called "Central Impression Flexographic" (CI Flexo) printing for the first time in Bangladesh.

The business is highly focused on customer satisfaction through continuous development of innovative solution for customers with strong emphasis on quality. The company is utilizing this strength to create a new market targeting quality sensitive premium customers and enhance the packaging industry of Bangladesh.

Premio Plastics

ACI Premio Plastics is a new business division of Premiaflex Plastics Limited. Its journey started last year in April, 2018. Since its launch, the business received an impressive response through its product design, product outlook and services. Despite huge competition it has gained a significant 5% of market share just within one year of business operation.

There were several marketing campaigns organized to create the brand awareness which helped in market and channel partner penetration and overcome the entry barriers. The business has a strong growth prospect due to a rapidly growing and large addressable market.





Retail Chain Division

Shwapno is the top retail brand in Bangladesh and is currently operating through its 129 outlets across the major urban areas of Bangladesh. With the expansion of 60 additional express outlets, Shwapno has strengthened its market leadership position and is now enjoying 48% market share of the modern trade industry. This has helped Shwapno become a household brand serving more than 40,000 customers every day with a wide assortment of raw and packed food products, household items, daily necessities and fashion products.

Shwapno focused on improving the operating efficiency during the year and as a result it is progressing towards positive EBITDA by achieving some significant milestones. The expansion of Shwapno Express has not only improved the footprint of Shwapno, it has also increased its popularity. ACI Logistics has continued venturing in additional backward integration projects to work closely with the manufacturers and farmers across the country.

Safety, authenticity and sustainability are top priorities and as such, ACI Logistics continues to work with Global G.A.P, the leading private sector body addressing the crucial objectives of ensuring safe, sustainable agriculture worldwide. In order to ensure safety in all stages of supply chain, ACI Logistics has

continued working closely with farmers to improve crop traceability with the assistance of development partners. Shwapno's sourcing, procurement and quality teams are working relentlessly to establish Shwapno as the destination for safe and authentic manufactured and imported products.

Shwapno has won the Best Brand award in the retail category three years in a row; Best Retail Brand award by Nielsen Bangladesh and Bangladesh Brand Forum in 2018 and the Best Retail Brand award by Kantar Millward Brown and Bangladesh Brand Forum in 2016 & 2017. Furthermore, Shwapno has won 2 GrandPrix and 2 Gold awards in the "Com Awards – 2018" along with 2 Silver and 1 Bronze award in the "Cannes Lions" International Festival of Creativity. It has also been awarded as "Superbrands" by Superbrands Bangladesh.

Through all these accomplishments and recognition, Shwapno continues on its course to establish itself as a powerful national brand capturing the hearts of millions of consumers. With more scale of operations, more large format and express outlets and franchise, backward linkage with suppliers, our agribusiness linkage to the farms, strong direct relationship with consumer, and a huge addressable market gives this business a very exciting future.



Joint Venture Companies

ACI Godrej Agrovet Private Limited

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

The Company's revenue grew by 7%, delivering consistent good quality of feed, new product and technical service to our end farmers.

Tetley ACI (Bangladesh) Limited

Tetley ACI (Bangladesh) Limited is a private company limited by shares and is a joint venture (50:50) between Advanced Chemical Industries (ACI) Limited and Tata Global Beverages Overseas Holdings Limited, UK. The principal activities of the Company are tea blending, packaging and selling in Bangladesh.

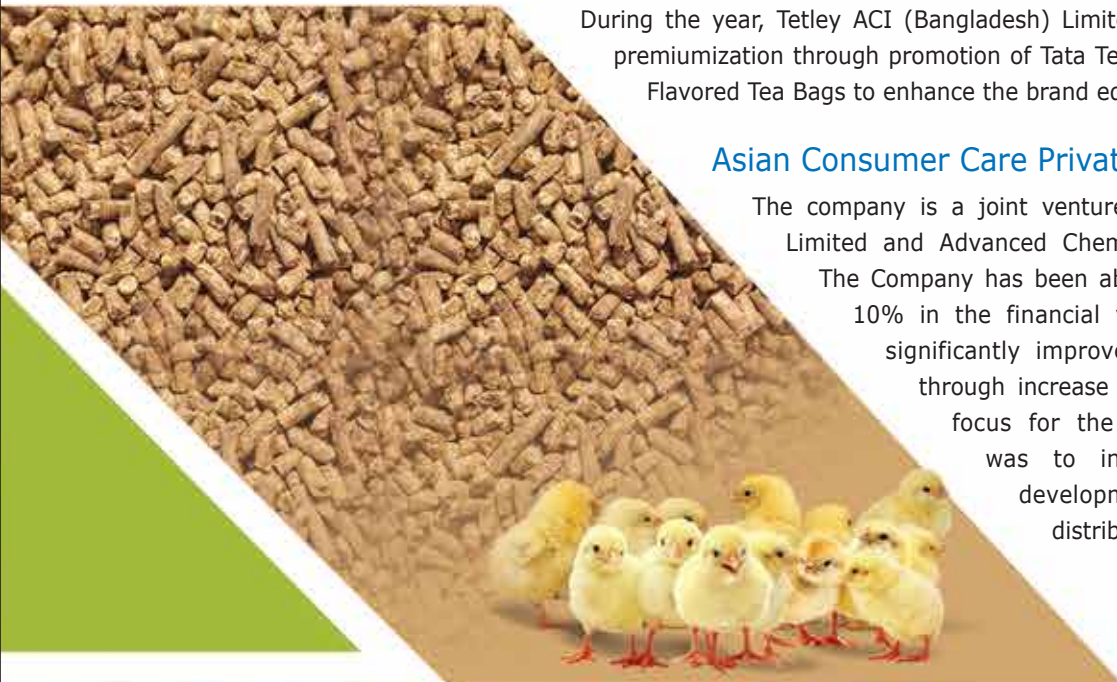
The Company continues to deliver a good growth in both revenue and margin over the past few years. For the year 2018-19 Tetley ACI (Bangladesh) Limited has grown in value by 21% CAGR over the last 4 years horizon and TABL continuous to grow aggressively over the previous year in value by 16% which is more than double the category growth.

During the year, Tetley ACI (Bangladesh) Limited has been focusing on premiumization through promotion of Tata Tea Gold, Tetley Green and Flavored Tea Bags to enhance the brand equity.

Asian Consumer Care Private Limited

The company is a joint venture of Dabur International Limited and Advanced Chemical Industries Limited.

The Company has been able to attain a growth of 10% in the financial year. The company has significantly improved its financial position through increase in gross margins. Major focus for the year under discussion was to invest in new product development, expansions and distribution network.



Financial Results - ACI Limited

For the year ended 30 June 2019, total revenue of ACI Limited was Taka 21,796 million which was Taka 21,387 million for comparative year. The gross profit margin has increased to 45.36% in the current year from 43.21% of last comparative year due to higher proportionate sale of high margin products. In the current year, operating profit was Taka 1,661 million and profit after tax (PAT) was Taka 549 million resulting into Earnings per Share Taka 11.01.

Key Operating & Financial Information at a Glance

The key operating and financial information for the year 2018-19 along with the preceding five and half years are presented below:

Figures are in million (BDT)

| Particulars | July 2018- June 2019 | July 2017- June 2018 | July 2016- June 2017 | June 2016 (six month) | December 2015 | December 2014 | December 2013 |
|--|-------------------------|-------------------------|-------------------------|--------------------------|------------------|------------------|------------------|
| Net Turnover | 21,796 | 21,387 | 18,306 | 7,941 | 14,567 | 12,319 | 10,684 |
| Gross profit | 9,886 | 9,242 | 8,196 | 3,561 | 6,262 | 5,171 | 4,258 |
| Profit before tax | 924 | 1,658 | 1,674 | 925 | 3,934 | 1,272 | 1,014 |
| Profit after tax | 549 | 1,317 | 1,244 | 680 | 3,184 | 951 | 764 |
| Earnings per share (Taka) | 11.01 | 26.41 | 25.80 | 15.51 | 72.72 | 24.02 | 22.27 |
| Issued & paid capital | 499 | 482 | 438 | 398 | 398 | 344 | 286 |
| Shareowners' equity | 14,384 | 14,300 | 12,992 | 11,949 | 11,715 | 6,607 | 5,637 |
| Net asset per share (Taka) | 288.32 | 286.62 | 269.54 | 299.96 | 294.08 | 192.09 | 197.23 |
| Number of employees | 9,147 | 9,053 | 8,364 | 7,275 | 7,090 | 6,930 | 4,955 |
| Total contribution to National Exchequer | 3,770 | 3,625 | 3,302 | 1,340 | 2,626 | 2,158 | 2,166 |

Appropriation of profit

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

| Particular | 2018-2019 | 2017-2018 |
|--|---------------|---------------|
| Un-appropriated profit | 9,300,299,825 | 8,554,066,771 |
| Add: Net profit after tax | 549,467,960 | 1,317,431,981 |
| Total profit available for appropriation | 9,849,767,785 | 9,871,498,752 |
| Appropriation of profit: | | |
| Interim dividend: | | |
| Cash Dividend | - | - |
| Final Dividend Proposed: | | |
| Cash Dividend | 498,895,265 | 554,328,073 |
| Stock Dividend | 74,834,290 | 16,870,854 |
| Less: Total Dividend | 573,729,555 | 571,198,927 |
| Balance carried forward | 9,276,038,230 | 9,300,299,825 |

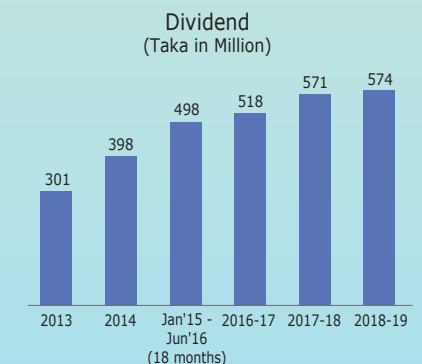
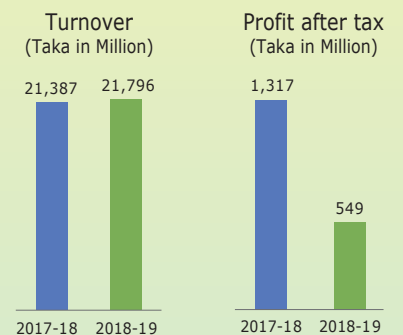
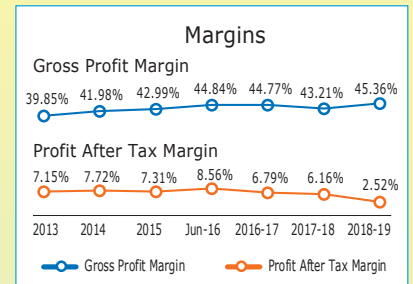
With the balance carried forward and with future ploughing back of the profit, Directors are confident that company will be able to maintain prudent dividend policy in coming years.

Dividend

The Board of Directors is pleased to recommend cash dividend @100% i.e. Taka 10.00 per share and 15% as stock dividend for the year ended 30 June 2019 to those shareowners whose names would appear in the Share Register of Members of the Company or in the Depository list of CDBL on the Record Date which is Tuesday, 3 December 2019.

Contribution to the National Exchequer

For the year ended 30 June 2019, the company contributed Tk. 3,770 million to the National Exchequer in the form of corporate tax, custom duty and Value Added Tax (VAT). This is equivalent to 17.30 Percent of the Company's net sales revenue for the year ended 30 June 2019.





Cost of Goods Sold and Profit Margins

For the year ended 30 June 2019, cost of goods sold was Taka 11,910 million which was Taka 12,145 million for comparative year. This has been due to higher proportionate sale of high margin products. Overall, we have been able to generate gross profit margin of 45.36% (Taka 9,886 million) during the year ended 30 June 2019 as against 43.21% (Taka 9,242 million) during comparative year. Despite a growth in gross profit, the PAT percentage was 2.52% due to increased administrative, selling and distribution expenses and higher finance costs.

Financial Results - ACI Group

For the year ended 30 June 2019, consolidated revenue was Taka 63,144 million which was Taka 56,123 million for comparative year. On the other hand, the consolidated gross profit margin has increased to 29.01% in the current year from 28.27% of last comparative year due to higher proportionate sale of high margin products

In the current year, the consolidated operating profit was Taka 3,335 million and group PAT was negative Taka 742 million resulting into consolidated Earnings per Share negative Taka 14.87 in the current year.

Related Party Transactions

All transactions with related parties are made on a commercial basis and the basis was the principle of "Arms Length Transaction". Details of related party transaction are disclosed in the Note - 40 of the Financial Statements.

Disclosure on Significant Variation in Annual Financial Statements

As a stand-alone Company, ACI has maintained the growth both in Revenue and Gross Profit which is self-clarifiable from the Separate Profit or Loss Account. However, as a Group the Company has registered a significant de-growth in Consolidated Profit during the reported financial year as reflected in the Consolidated Profit or Loss statement despite a consistent double-digit growth in Consolidated Revenue booking BDT 63,144 Mn in FY 2018-19 against BDT 56,123 Mn of FY 2017-18. During the reported financial year, the Consolidated Gross Margin has increased to 29.01% from 28.27% due to higher proportion sales of higher margin products. Several businesses of the Group are adversely affected by both external and internal events e.g. fall

of domestic rice prices due to good harvest of boro, start-up cost comprising of operating cost, charging of depreciation, finance cost charged to Profit or Loss Account of newly-launched businesses (HealthCare, Infolytx). Besides, significant increase of finance cost has been consistently acting as one of the major causes of lower profitability. Major reasons for hike in finance cost are incremental working capital requirement to support sales growth and planned expansion of capacity and new-lines of products. Furthermore, upward movement of interest rate during the reported financial year and continued devaluation of local currency against foreign currency also contributed much to drain away current year's consolidated profit.

Consolidation of Accounts

Advanced Chemical Industries Limited (ACI Limited) has 14 (fourteen) subsidiary Companies. The financial statements of the subsidiary companies have duly been consolidated with ACI Limited as per requirements of the Companies Act-1994, Bangladesh Securities and Exchange Commission's guidelines and in line with the International Accounting Standards (IAS)/IFRS adopted by Bangladesh. However, separate reports including the audited financial statements, auditors' and directors' report for all subsidiary companies are provided at the respective section of this report.

Segment-wise performance

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

Risk and Concern

The Company is aware of the different risks associated with doing business and is prepared to counter those risks through systematic approach. However, business may be affected by risks and uncertainties presently not known to us or that we currently believe to be immaterial. Financial risks management has been disclosed in the Note - 35 of the Financial Statements.

Extraordinary Gain/Loss

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

Utilization of Proceed (Public Issue)

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

Preparation and Fair Presentation of Financial Statements

The Financial statements prepared by the management of the Company present a true and fair view of Company's state of affairs, result of its operation and changes in equity and cash flows.

Books of Accounts

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

Accounting Policies

Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgment.

Application of IASs or IFRSs to the Financial Statements

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

Internal Control

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

Declaration/Certification of CEO & CFO

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

Management Discussion & Analysis

The discussion and analysis duly signed by the Managing Director of the Company presenting, among others, the detailed analysis of the company's operations, financial position, performance, risk and

concern, accounting policies & estimation to the financial statements any changes thereof have been disclosed in Annexure-III of this report.

Board of Directors

The Board of Directors of the Company consist of 9 (Nine) members including 2 (two) Independent Directors. The majority of members of the Board are non-executive. The list and details of Directors are available under the 'Directors Profile' of this report.

Re-election of Directors

By operation of Article 120 of the Company's Articles of Association, Mr. Anis Ud Dowla, and Ms. Shusmita Anis retire by rotation at the 46th AGM and being eligible, offer themselves for re-election. The brief resume along with required information of the re-elected directors are available under the 'Directors Profile' of this report. Mr. Abdul-Muyeed Chowdhury appointed as the Director on 28 January 2019 is hereby retired and offer himself for re-election being eligible.

Appointment of Director

Mr. Abdul-Muyeed Chowdhury has been appointed as Nominee Director of ACI Foundation in place of Ms. Sheema Abed Rahman on 28 January 2019. The Board requested the shareholders to confirm the appointments at their 46th Annual General Meeting.

Nomination and Remuneration Committee (NRC)

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

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

Mr. Monower Ahmed of 'Monower Associates', a reputed HR Specialist will act as the 'Advisor' to the NRC and Mr. Mohammad Mostafizur Rahman, the Company Secretary will act as the 'Secretary' of the NRC. A detailed Terms of Reference (ToR) of the NRC has also been approved by the Board. However, NRC policy, evaluation criteria and activities will be disclosed in the next annual report.

Board Meeting & Attendance

During the financial year 2018-2019, a total number of 5 (five) meetings of the Board of Directors were held to transact company's affairs. The Attendance record of the Directors are furnished in Annexure-I of this report.

Remuneration to Directors

During the year, the Company has paid a total of BDT 18,000 as Board meeting attendance fees. The remuneration of Directors has been mentioned in Note - 30 and 40 (a) of the Financial Statements.

Shareholding Pattern

The pattern of shareholding as on 30 June 2019 of the Company as prescribed by the code of corporate governance issued by the Bangladesh Securities and Exchange Commission (BSEC) is furnished in Annexure-II of this report.

Minority (Non-Controlling) Interest

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

Appointment of Auditors

The existing Auditors of the Company, Hoda Vasi Chowdhury & Co., Chartered Accountants, retire at this Annual General Meeting on completion of their audit works for the year ended 30 June 2019. They are, however, eligible for reappointment as per BSEC notification. Hoda Vasi Chowdhury & Co., Chartered Accountants, expressed their interest to be appointed as auditors of the Company for the FY 2019-2020 at a fee of Tk. 10,89,000 plus VAT. Accordingly, Board recommends the appointment to the shareholders of the Company.

Corporate Governance Compliance Status

ACI believes in sustainable business development through quality assurance, customer focus, innovation, fairness, transparency and compliance, and continuous improvement for enriching the quality of life of the people. It has been the largest conglomerate in Bangladesh having multinational

heritage and good corporate culture. Corporate Governance at its utmost has, therefore, long been practiced in ACI. However, the Board and management of the Company are committed to continuously strive for the highest standards and ethics in governance practices with a view to safeguarding the interest of its shareholders and innumerable stakeholders as well. In this connection, we are pleased to confirm that the Company has meanwhile complied with all the requirements under the Corporate Governance Code adopted by Bangladesh Securities and Exchange Commission. The compliance checklist for the year ended 30 June 2019 in this regard is appended in Annexure-V of the Directors' Report. However, the Corporate Governance Compliance Certificate as provided by Al-Muqtadir Associates, Chartered Secretaries, is also enclosed in Annexure-VI of this report.

Going Concern

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

Corporate Social Responsibility (CSR)

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



The People of ACI

People are the most important resource of the Company. ACI ensures that the employees have clarity of their role in the company as well as the contribution of the business to the society. Clarity of purpose and development of skills and capability form a large part of ACI people innovation.

The six values of ACI are Transparency, Fairness, Customer Focus, Quality, Continuous Improvement and Innovation. Values simplify our work and allow the organization to take better and swifter decisions with greater delegation and internal consistency. We try to communicate this in a way that allow people to internalize them and put them to practice.

Training and skills development are part of the yearly program. From on the job coaching to web-based programs, we have created a variety of formats for knowledge and skills upgradation. Internal gatherings within ACI Group on a variety of cross business and cross functional issues are also a rich source of exchange of ideas.

We have many events and celebrations that bring various teams together across the organizations. These includes, field force conferences, factory sports and cultural events day, just to name a few. These are moments, when we take the opportunity

to reaffirm our values and strengthen our organizational culture.

Acknowledgements

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

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

On behalf of the Board

Dr. Arif Dowla

Managing Director

Dhaka, 11 November 2019

Kamran Tanvirur Rahman

Independent Director

শেয়ার মালিকদের নিকট পরিচালনা পর্ষদের প্রতিবেদন

৩০ শে জুন ২০১৯ তারিখে সমাপ্ত অর্থবছরের জন্য

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

প্রিয় শেয়ারমালিকবৃন্দ,

আমরা অত্যন্ত আনন্দের সঙ্গে এডভান্সড কেমিক্যাল ইন্ডাস্ট্রিজ লিমিটেডের পরিচালনা পর্ষদের পক্ষ থেকে ৩০শে জুন ২০১৯ তারিখে সমাপ্ত অর্থবছরের নিরীক্ষিত আর্থিক বিবরণী সমূহ ও নিরীক্ষা প্রতিবেদনসহ পরিচালক মণ্ডলীর প্রতিবেদন আপনাদের বিবেচনার জন্য উপস্থাপন করছি।

সামগ্রিক পর্যালোচনা

২০১৮-২০১৯ অর্থবছরটি এসিআই'র জন্য একটি চ্যালেঞ্জিং বছর ছিল। বাংলাদেশের উৎপাদিত প্রধান ফসল ধান, চাহিদার তুলনায় অধিক উৎপাদনের ফলে ন্যায্য মূল্য পেতে ব্যর্থ হওয়ায় কৃষি সুরক্ষায় ব্যবহৃত পণ্যের চাহিদা কমে যায়। যা আমাদের অন্যতম ব্যবসা। ব্যাংক সুদের হার বৃদ্ধি ও বৈদেশিক মুদ্রার বিপরীতে দেশীয় মুদ্রার মানের অবমূল্যায়ন আমাদের মুনাফায় ঋনাত্মক প্রভাব ফেলেছে। ব্যবসায় এ ফলাফলের আরেকটি বড় কারণ আমাদের নবনির্মিত ফার্মাসিউটিক্যালস্ ইউনিটের পরিচালনা ব্যয় যা FDA অনুমোদনের অপেক্ষায় রয়েছে। বিভিন্ন চ্যালেঞ্জ সত্ত্বেও, এসিআই সমন্বিতভাবে গত বছরের তুলনায় ১৩% প্রবৃদ্ধি অর্জন করেছে। এ কৃতিত্ব আমাদের বিক্রয় ও বিপণনদলের নিরলস প্রচেষ্টার ফলে সম্ভব হয়েছে, যেখানে কর্পোরেট এবং ফ্যাক্টরীগুলোর কর্মীদের অবদানও অনস্বীকার্য।

বাংলাদেশের অর্থনীতি দ্রুত অগ্রগতির ধারা বজায় রেখেছে। ২০১৮-২০১৯ অর্থবছরে অসাধারণভাবে ৮.১৩% প্রবৃদ্ধি অর্জন করেছে। দেশীয় এবং আন্তর্জাতিক বাজারে দেশীয় পণ্যের উল্লেখযোগ্য চাহিদা এক্ষেত্রে নিয়ামক হিসেবে কাজ করেছে। সেইসাথে আমদানী সংশ্লিষ্ট বিনিয়োগ বৃদ্ধি বিনিয়োগ চাহিদাকে বলিষ্ঠভাবে প্রতিফলিত করেছে। এসময় রপ্তানিও একই গতিতে বৃদ্ধি পেয়েছে। যোগানের ক্ষেত্রে এ প্রবৃদ্ধি মূলত শিল্প এবং কৃষিক্ষেত্রে থেকেই এসেছে। ২০১৮-২০১৯ অর্থবছরে বার্ষিক গড় মূল্যস্ফীতির কারণে Consumer Price Index (CPI) ৫.৪৮% হ্রাস পেয়েছে।

গতবছরটি বিভিন্ন বাহ্যিক প্রতিকূলতার মধ্যে অতিবাহিত হলেও এসিআই মৌলিক পদক্ষেপ গ্রহণের মাধ্যমে ভবিষ্যতের পথকে সুগম করে চলেছে। ACI HealthCare, USA বিক্রয় এবং ক্ষেত্র সম্প্রসারণের মাধ্যমে বিক্রয় বৃদ্ধিতে গুরুত্বপূর্ণ ভূমিকা রেখেছে। দেশীয় ব্যবসায় গুণগতমান বৃদ্ধির কথা মাথায় রেখে এসিআই মটরস্ দেশেই Yamaha Motorcycle অ্যাসেম্বল শুরু করেছে। আমাদের এগ্রিবিজনেস IRRRI-এর সাথে যৌথভাবে কয়েক বছরের গবেষণার ফসল হিসেবে নতুন উন্নতজাতের হাইব্রিড ধান বীজের অনুমোদন পেয়েছে যা বাংলাদেশের কৃষিতে উৎকর্ষতা আনয়নের ক্ষেত্রে নতুন দ্বার উন্মোচন করবে। আমাদের ব্যবসায়িক পার্টনার Yanmar আমাদের কৃষিতে ব্যবহৃত যন্ত্রাদি বিবেচনাপূর্বক আমাদের কৃষি উপযোগী কৃষি মেশিনারী বাজারে নিয়ে আসছে। আমাদের যুগান্তকারী কৃষিভিত্তিক অ্যাপ 'ফসলি' সামগ্রিক কৃষিকাজ সংক্রান্ত তথ্য স্যাটেলাইটের মাধ্যমে কৃষকের সাথে সংযোগ স্থাপনে অবদান রাখায় সর্বোচ্চ ICT Award অর্জন করেছে। ভোক্তার সাথে নিবিড় সংযোগ স্থাপনের মাধ্যমে কনজুমার ব্র্যান্ড বিশেষ করে Foods এবং Hygeine পোর্টফোলিও তার প্রবৃদ্ধির ধারা অব্যাহত রেখেছে। 'স্বপ্ন' এবছর বেশ কয়েক মাস ব্যবসায় Operating Breakeven Point এ অবস্থান করেছে এবং আরো ৫০টি ফ্ল্যাগশ্বইজি এক্সপ্রেস আউটলেটের মাধ্যমে সারাদেশে ব্যবসা সম্প্রসারণ করেছে। এগুলো আসলে অসংখ্য প্রচেষ্টার মধ্যে উল্লেখযোগ্য যার মাধ্যমে এসিআই দেশের সামগ্রিক অর্থনীতির সাথে সামঞ্জস্য রেখে মানুষের জীবনমানে উৎকর্ষতা আনয়ন করেছে।

হেলথ কেয়ার ডিভিশন

বাংলাদেশের ঔষধ শিল্প দেশের অর্থনৈতিক প্রবৃদ্ধির সাথে ক্রমবর্ধমান। IMS এর তথ্য অনুসারে, ফার্মাসিউটিক্যাল শিল্পে ২০১৮-২০১৯ সালে উল্লেখযোগ্য ১০.৭০% প্রবৃদ্ধি অর্জিত হয়েছে, বাজারের আকার ২২৩ বিলিয়ন টাকায় পৌঁছেছে। বিশ্বব্যাপী বিস্তৃত বাজারের অংশীদারিত্ব লাভের জন্য দেশী ফার্মাগুলি প্রতিবছর উচ্চ বিনিয়োগ করে যাচ্ছে যার ফলশ্রুতিতে দেশীয় ঔষধ শিল্প প্রতিবছর সম্প্রসারিত হচ্ছে। এক্সপোর্ট প্রমোশন ব্যুরো (ইপিবি) এর তথ্য মতে, বাংলাদেশের ঔষধ রপ্তানিতে অর্থবছর'১৯ সালে ২৫.৬০% প্রবৃদ্ধির মাধ্যমে ১৩০ মিলিয়ন ডলারে দাঁড়িয়েছে, যা আগের বছরে ১০৩.৪৬ মিলিয়ন ডলার ছিল।

এসিআই হেলথকেয়ার ব্যবসা ২০১৮-২০১৯ অর্থবছরে বাজার প্রবৃদ্ধির তুলনায় ১৫.৪% বেশি প্রবৃদ্ধি দেখিয়েছে। এই ফলাফল বিভিন্ন Therapeutic ক্লাসের অসংখ্য ব্র্যান্ডের ধারাবাহিক সমন্বয়ের ফলে সম্ভব হয়েছে।

২০১৮-২০১৯ অর্থবছরে এসিআই চিকিৎসাক্ষেত্রে নতুন ও উন্নত ৩৩টি মলিকিউল নিয়ে এসেছে। ফলে কার্যকর চিকিৎসায় চিকিৎসকদের সামনে নতুন দিগন্ত উন্মোচিত হয়েছে। এসিআই হেলথকেয়ার বিশেষায়িত ও উন্নত ঔষধ যেমন - Biotech, Anti-Cancer, Metered Dose Inhalers, Tab In Tab Technology, Sterile Ophthalmic,

Suppositories ইত্যাদি Advanced Drug Delivery Systems এ দক্ষতা অর্জন করেছে। এসিআই ব্র্যান্ডের ঔষধগুলি তাদের নিজ নিজ চিকিৎসা বিভাগে ধারাবাহিক প্রবৃদ্ধি বজায় রেখে চলেছে। এছাড়াও যৌক্তিক ব্যয়ে নবতর চিকিৎসা ব্যবস্থা নিশ্চিত করার জন্য এসিআই নিজেদের পোর্টফোলিও পর্যালোচনাপূর্বক প্রসারিত করে যাচ্ছে।

২০১৮-২০১৯ অর্থবছরে এসিআই হেলথকেয়ারের রপ্তানি উল্লেখযোগ্য পরিমাণে বৃদ্ধি পেয়েছে এবং দুটি নতুন গন্তব্য - পাপুয়া নিউ গিনি এবং উজবেকিস্তানকে যুক্ত করে আরও প্রসারিত হয়েছে। এসিআই এই সময়ে বিভিন্ন দেশে ৫৬টি ঔষধ বিপণনের অনুমোদন পেয়েছে। আমাদের আন্তর্জাতিক বিপণন বিভাগ বিশেষ করে আফ্রিকা এবং মধ্য আমেরিকাতে এর উপস্থিতি জোরদার করার জন্য ব্যাপক প্রচেষ্টা চালাচ্ছে এবং এই দুটি অঞ্চলে ১৫টিরও বেশি দেশে ব্যবসা সম্প্রসারণের নিমিত্তে রেগুলেটরী কার্যক্রম চলছে।

এসিআই হেলথকেয়ার ইউএসএ শক্তিশালী বিক্রয়বাহিনী এবং বন্টন নেটওয়ার্কের মাধ্যমে যুক্তরাষ্ট্রের বাজারে বিক্রয় প্রবৃদ্ধি বাড়িয়ে চলেছে। সর্বাধুনিক প্রযুক্তিতে নির্মিত আমাদের নতুন ইউনিট, হেলথকেয়ার বাংলাদেশ FDA অনুমোদনের অপেক্ষায় রয়েছে। এ সক্ষমতা আমাদের নতুন বাজারে প্রবেশে সহায়তা করবে।

প্রথমবারের মত, এসিআই হেলথ কেয়ার WHO গাইডলাইন অনুসারে ২০১৮ সালে Pharmacovigilance (PV) awareness program - এর যাত্রা শুরু করে। এই সচেতনতামূলক কর্মসূচির লক্ষ্য হল ঔষধ ব্যবহারের সাথে সাথে রোগীদের যত্ন এবং রোগীর সুরক্ষা বাড়া।

এবং ঔষধগুলির সাথে সম্পর্কিত উপশম প্রোফাইলের কার্যকর মূল্যায়নের জন্য তথ্যের ভারসাম্য রক্ষা করা। PV কার্যক্রমের অংশ হিসাবে, আমাদের মেডিকেল সার্ভিসেস বিভাগ (এমএসডি) বিভিন্ন মেডিকেল কলেজ ও হাসপাতাল এবং থানা স্বাস্থ্য কমপ্লেক্সে লিফলেট এবং পোস্টার বিতরণ করেছে এবং সারাদেশে PV awareness CME program এর আয়োজন করেছে যেখানে ৭২৫ জন চিকিৎসক উপস্থিত ছিলেন। এমএসডি Pharmacovigilance (PV) awareness program-এর অংশ হিসাবে ৫৩৯ জন মাঠকর্মীকে প্রশিক্ষণ দিয়েছে।

চিকিৎসকরা জনগণের উন্নত স্বাস্থ্যসেবার সুযোগ এবং চিকিৎসার মান উন্নত করতে গুরুত্বপূর্ণ ভূমিকা পালন করে। তাদের পেশাগত উৎকর্ষতার পথে যেসব সমস্যা এবং প্রতিবন্ধকতার সম্মুখীন হতে হয় সেগুলি মোকাবেলার জন্য তাদেরকে প্রতিনিয়ত সর্বাধুনিক তথ্য, কৌশল, পদ্ধতি এবং ধারণা সম্পর্কে অবগত হওয়া প্রয়োজন। এ সমস্যা সমাধানের জন্য এসিআই ৭৯,৭৬৮ জন নিবেদিতপ্রাণ চিকিৎসকদের নিয়ে ১৭৩৪টি Continuous Medical Education (CME) programs - এর আয়োজন করেছে।

এসিআই এবং Bangladesh Society of Head Neck Surgeons যৌথভাবে “Best Evidence in ENT” শীর্ষক কর্মশালার আয়োজন করে। Obstetrical and Gynecological Society of Bangladesh (OGSB)-এর সহযোগিতা এসিআই “Hands on Training on Colposcopy” পরিচালনা করেছে। এইসব যৌথ কর্মসূচির মাধ্যমে, এসিআই বাংলাদেশের স্বাস্থ্যসেবার মান উন্নত করে চলেছে।

কনজুমার ব্র্যান্ডস ডিভিশন

টয়লেট্রিজ

এসিআই কনজুমার ব্র্যান্ডের নানাবিধ টয়লেট্রিজ পণ্য গৃহস্থালি এবং ব্যক্তিগত স্বাস্থ্যবিধির চাহিদা পূরণ করে। টয়লেট্রিজ ব্যবসায় ঐতিহ্যবাহী ব্র্যান্ড স্যান্ডালনের সাবান, হ্যান্ড ওয়াশ, অ্যান্টিসেপটিক লিকুইড এবং ক্রিম, হ্যান্ড স্যানিটাইজার এবং ওয়াইপস সহ বিভিন্ন পণ্য অন্তর্ভুক্ত। ভোক্তা পণ্য খাতে নিজেদের উপস্থিতি আরও সম্প্রসারিত করতে সম্প্রতি এ ব্যবসাটি বিভিন্ন নতুন বিভাগে যেমন ফ্যাব্রিক কেয়ার, সারফেস কেয়ার, বিউটি সোপ, কিচেন কেয়ার এবং ভেজ ফ্লেট্রে নিজেই বৈচিত্র্যময় করেছে। ক্রমবর্ধমান প্রতিযোগিতা সত্ত্বেও, এ ব্যবসায়ের আওতাধীন পণ্যগুলি স্থিতিশীল প্রবৃদ্ধি নিশ্চিত করেছে এবং ২০১৮-২০১৯ অর্থবছরে মোট ব্যবসায়ের প্রবৃদ্ধি ছিল ১৮%। ফ্ল্যাগশিপ ব্র্যান্ড স্যান্ডালন এন্টিসেপটিক বিভাগে ৮৩.৭% মার্কেট শেয়ার নিয়ে বছরটি শেষ করেছে।

আন্তর্জাতিক ব্যবসা

আন্তর্জাতিক ব্যবসা ২০১৮-২০১৯ সালে ১৬% বৃদ্ধি পেয়েছে। Colgate ব্র্যান্ড যা পূর্ববর্তী বছরে ছিল ১১% এ অর্থবছরে তা ১৩% বৃদ্ধি পেয়েছে। এটি ওরাল কেয়ার বিভাগের অন্যতম গুরুত্বপূর্ণ পণ্য হিসাবে বাজারে দৃঢ় অবস্থান নিশ্চিত করেছে। এছাড়াও লো ক্যালরি

সুইটনার ক্যান্ডেলরেল এবং ইকুয়াল বাজারে অবিচ্ছিন্ন উপস্থিতি বজায় রেখেছে। ‘লেজার ব্র্যান্ড’ ব্লেন্ড এবং শেভিং পণ্যের মাধ্যমে বাজারে দৃঢ় অবস্থান ধরে রেখেছে।

হাইজিন

এ ব্যবসা ৯৫% প্রবৃদ্ধি অর্জন করেছে। হাইজিন বিভাগে নারী স্বাস্থ্য, শিশু স্বাস্থ্য এবং প্রতিরক্ষামূলক যত্ন বিভাগ অন্তর্ভুক্ত। স্যানিটারি ন্যাপকিনের ফ্ল্যাগশিপ ব্র্যান্ড ফ্রিডম, হাইজিন বিভাগের অধীনে অন্যতম সফল এবং বিশ্বস্ত ব্র্যান্ড যার ব্যবহার বেড়েছে ৩৩%। ফ্রিডম প্রেগন্যান্সি টেস্ট কিটসের ব্যবহার ২৬% বৃদ্ধি পেয়েছে। দুটি নতুন পণ্য বিভাগ-ফ্রিডম হেয়ার রিমুভাল ক্রিম এবং ফ্রিডম অ্যান্টিব্যাক্টেরিয়াল ইনটিমেট ওয়াশ মার্চ ২০১৯ সালে প্রতিরক্ষামূলক যত্ন বিভাগের অধীনে চালু করা হয়। টুইংকেল বেবি হাইজিন পোর্টফোলিও ১৩% বৃদ্ধি পেয়েছে যার মধ্যে রয়েছে বেবি ডায়াপার, বেবি ওয়াইপস, বেবি ফিডার, বেবি সাবান এবং বেবি লোশন। জনগণের স্বাস্থ্যসম্মত জীবনযাত্রা নিশ্চিত করার মাধ্যমে এসিআই হাইজিন ব্যবসা একটি সুস্থ বাংলাদেশ গড়তে প্রতিশ্রুতিবদ্ধ।

হোম কেয়ার সলিউশন

হোম কেয়ার সলিউশন পেস্ট এবং নন-পেস্ট উভয় বিভাগের পণ্য নিয়ে গঠিত। আমেরিকান কনজিউমার ব্র্যান্ড, SC Johnson এর ডিস্ট্রিবিউশন ও ম্যানুফেকচারার পার্টনার হয়ে এই পণ্যগুলোর জন্য কাজ করছে। এসিআই এরোসোল-সর্বাধিক কার্যকরী কীটপতঙ্গ ঘাতক যা ৯৪.৪% মার্কেট শেয়ারের (Nielson-এর তথ্য অনুসারে) মাধ্যমে এরোসোল বিভাগে নেতৃত্ব অব্যাহত রেখেছে। এসিআই মশকুইটো কয়েল অন্যান্য নন-ব্র্যান্ডেড মশকুইটো কয়েলের সাথে প্রতিযোগিতার কারণে মার্কেট শেয়ার কমেছে। অ-কীটপতঙ্গ বিভাগে, অ্যাঞ্জেলিক এয়ার ফ্রেশনার, স্থানীয়ভাবে উৎপাদিত এয়ার ফ্রেশনারগুলির পথিকৃৎ। অ্যাঞ্জেলিক এয়ার ফ্রেশনার ক্যাটাগরিটিতে গত বছর ৩টি নতুন বিদেশী সুগন্ধ যুক্ত করা হয়েছে। ভ্যানিশ টয়লেট ক্লিনার বাজারে প্রাপ্ত সেরা ফর্মুলাগুলোর মধ্যে নিজের অবস্থানকে শক্তিশালী করেছে এবং এটিতে নতুন ভিজুয়াল ব্র্যান্ডের ভাষা ও রোগ প্রতিরোধক তথ্য সংযুক্ত করে পুনরায় চালু করা হয়েছে।

ইলেকট্রিক্যাল এন্ড ইলেকট্রনিকস

এ ব্যবসা ১৩% প্রবৃদ্ধি অর্জন করেছে। এসিআই লিমিটেড তার আমব্রেলা ব্র্যান্ড ‘স্পার্কল’ এর আওতায় আইপিএস এলইডি বাল্ব, গ্যাং সুইচ ও সকেটস এবং বৈদ্যুতিক আনুষঙ্গিক উপকরণসহ আলোড়ন সৃষ্টিকারী বৈদ্যুতিক পণ্য বাজারে এনেছে। ক্রমবর্ধমান বাজার চাহিদার সাথে তাল মিলিয়ে ভবিষ্যত প্রবৃদ্ধি নিশ্চিত করতে ব্যবসাটি তার কারখানার সক্ষমতা বাড়িয়েছে। চাহিদা অনুযায়ী এবং মানসম্পন্ন পণ্য বাজারে সরবরাহের জন্য ইলেকট্রিক্যাল ব্যবসা বাজারের পরিবর্তনশীল ধারার সাথে দ্রুত খাপ খাইয়ে নিয়েছে।

এসিআই ইলেকট্রনিক্স বিশ্বখ্যাত ব্র্যান্ড ‘প্যানাসনিক’ এবং দেশী ব্র্যান্ড ‘স্পার্কল’-এর প্রতিনিধিত্ব করে গত বছরের তুলনায় এই বছর ৩৪% প্রবৃদ্ধি অর্জন করেছে। কিছু নতুন আন্তর্জাতিক ব্র্যান্ডের সাথে সংশ্লিষ্টতা, বিদ্যমান পণ্যের ক্রমাগত উন্নতি এবং উন্নত গ্রাহকসেবা এই প্রবৃদ্ধির মূল কারণ। বড় কর্পোরেট ক্লায়েন্ট যারা উন্নত মানের বিক্রয় পরবর্তী পরিসেবা আকাঙ্ক্ষা করে তাদের বিশেষ গুরুত্ব দিতে বি টু বি ব্যবসায় দৃষ্টি নিবদ্ধ করা হয়েছে।

পেইন্টস

২০১৮-২০১৯ সালে পেইন্ট ব্যবসা ৪২% প্রবৃদ্ধি অর্জন করেছে। এ ব্যবসা পারফরম্যান্স কোটিংস পোর্টফোলিও যার মধ্যে মেরিন, প্রোটেকটিভ এবং পাউডার কোটিং অন্তর্ভুক্ত, ব্যাপক কার্যক্রমের মাধ্যমে ২৩.৫% প্রবৃদ্ধি অর্জন করেছে। উন্নত ব্র্যান্ড পরিচিতি এবং মানসম্পন্ন পরিসেবার কারণে পেইন্ট বিভাগটি স্বনামধন্য দেশীয় এবং আন্তর্জাতিক কর্পোরেট প্রতিষ্ঠানের সাথে ভাল ব্যবসায়িক সম্পর্ক তৈরির মাধ্যমে এবছর ব্যবসা সফল হয়েছে।

বিপণন এবং ব্র্যান্ড দৃশ্যমানতা বাড়াতে ডেকরেটিভ পেইন্টস বছরব্যাপী সারা দেশে এমনকি মফস্বল এলাকায়ও মডেল ডিলার নিয়োগ করে।

আসন্ন বছরে, ডেকরেটিভ পেইন্ট পণ্যের লাইন সম্প্রসারণ এবং কিছু প্রচলিত পারফরম্যান্স কোটিং পণ্যের উৎপাদন ইউনিট স্থাপনের পরিকল্পনা রয়েছে। যার মাধ্যমে এ ব্যবসা মার্কেট শেয়ার বাড়াতে সক্ষম হবে।

সল্ট

বাজারে নানাবিধ প্রতিকূলতা সত্ত্বেও, এসিআই পিওর সল্ট সফলভাবে ২০১৮-২০১৯ অর্থবছরে বাজারে নেতৃত্বস্থানীয় অবস্থান বজায় রেখেছে।

শীর্ষ সচেতনতা, ব্র্যান্ড ঐতিহ্য, প্রতিশ্রুতির সতত বাস্তবায়ন, বিশ্বাস এবং সামাজিক উপলব্ধির ধারাবাহিকতার উপর ভিত্তি করে এসিআই পিওর সল্টকে সুপার ব্র্যান্ড ২০১৮ উপাধিতে ভূষিত করা হয়েছে ও এটি নাম্বার ১ পছন্দ হয়ে উঠেছে এবং সল্ট বিভাগে সেরা ব্র্যান্ডের পুরস্কার জিতেছে টানা অষ্টমবারের মত। এটি সকল ক্যাটাগরীতে দেশের ১৪ তম সেরা ব্র্যান্ডের স্বীকৃতি পেয়েছে।

ফ্লাওয়ার

ব্যবসাটি ১১.৩% প্রবৃদ্ধি অর্জন করেছে। বাংলাদেশী ভোক্তাদের বৈচিত্র্যময় খাদ্য চাহিদা পূরণে নতুন ধরনের ময়দা পণ্য সংযোজনে এসিআই ফ্লাওয়ার অগ্রনী ভূমিকা পালন করে চলেছে। ওটস আটা, এই জাতীয় প্রথম আটা যা স্বাস্থ্য সচেতন গ্রাহকদের যত্ন নিতে এসিআই নিউট্রিলাইফ ব্র্যান্ডের সাম্প্রতিক সংযোজন। ব্রাউন আটা এবং মাল্টিগ্রেইন আটা উভয়ই তাদের পৃথক বিভাগে শীর্ষে রয়েছে। এই সমস্ত বিশেষ পণ্যগুলির স্বাস্থ্য সুবিধাসমূহ সম্পর্কে মানুষকে সচেতন করার জন্য চিকিৎসক এবং পুষ্টিবিদদের পাশাপাশি গণমাধ্যমে প্রচার করা হচ্ছে। এসিআই পিউর সুজি প্রবৃদ্ধি এবং বাজার অংশীদারিত্ব বজায় রাখার মাধ্যমে ভবিষ্যত প্রজন্মের স্বাস্থ্য বিকাশে কাজ করে যাচ্ছে। ভিন্ন ভিন্ন গম-ময়দা মিশ্রণ, বেকিং ব্যবসায়ীদের নানাবিধ চাহিদা পূরণে সচেষ্ট। উল্লেখিত পণ্যগুলোর মাধ্যমে ব্যবসা একটি স্বাস্থ্যবান বাংলাদেশ তৈরিতে কাজ করে যাচ্ছে।

ফুডস

এসিআই ফুডস লিমিটেড ৩.৭% প্রবৃদ্ধি অর্জন করেছে এবং পণ্য প্রদর্শনে নতুনত্ব এবং ধারাবাহিক ব্র্যান্ড যোগাযোগের মাধ্যমে বাজারে উপস্থিতি আরও জোরদার করেছে। এসিআই পিউর নতুন ধরণের মশলা প্রবর্তনের মাধ্যমে তার মিশ্রিত মশলার পরিসর বাড়িয়েছে এবং রান্না সহজতর করার একটি সামগ্রিক সমাধান এনেছে।

৬ থেকে ১৩ বছরের শিশু-কিশোরদের সংগীত প্রতিভা বিকাশের লক্ষ্যে “এসিআই একট্রো ফান কেক - চ্যানেল আই গানের রাজা” শীর্ষক রিয়েলিটি শোর আয়োজন করেছিল, যা কেক ব্যবসাকে ৪০% প্রবৃদ্ধি এনে দিয়েছে। রগুনি ব্যবসা ৩৩টি দেশে খাদ্যপণ্য রগুনির মাধ্যমে উল্লেখযোগ্যভাবে বৃদ্ধি পেয়েছে।

২০১৬ সালে প্রতিষ্ঠার পর থেকেই এসিআইয়ের চাল বাংলাদেশি গ্রাহকদের জন্য মানসম্পন্ন এবং স্বাস্থ্যকর চালের সরবরাহে বাংলাদেশে অগ্রণী ভূমিকা পালন করে আসছে। এসিআই পিওর, এসিআই নিউট্রিলাইফ এবং এসিআই অ্যারোমা ব্র্যান্ডের বিভিন্ন ধরণের চালের মাধ্যমে গ্রাহকদের মন জয় করেছে। প্রিমিয়াম মানের চিনিগুড়া চাল এবং বাসমতি চালের সাম্প্রতিক অন্তর্ভুক্তি বাংলাদেশি পরিবারে উৎসব উদযাপনের খাদ্য তালিকায় বৈচিত্র্য এনেছে।

এডিবল অয়েলস

এই শিল্পে মূল্যপতন সত্ত্বেও এসিআই এডিবল অয়েল ব্যবসা গত বছরের তুলনায় ২০১৮-২০১৯ সালে ৪.১% প্রবৃদ্ধি দেখিয়েছে। রাইস ব্রান অয়েল, সয়াবিন তেল এবং সূর্যমুখী তেলের পণ্যসম্ভার দুটি দেশীয় ব্র্যান্ড ‘এসিআই নিউট্রিলাইফ’ এবং ‘এসিআই পিওর’ এবং একটি আমদানি করা ব্র্যান্ড ‘লে ব্ল্যাক’ এর মাধ্যমে কাজ করে। এসিআই নিউট্রিলাইফ রাইস ব্রান অয়েল স্বাস্থ্য সচেতন গ্রাহকদের কাছে সেরা পছন্দ হিসাবে সমাদৃত এবং রাইস ব্রান অয়েল বাজারে শীর্ষ ব্র্যান্ড। ইউরোপীয় ব্র্যান্ড ‘লে ব্ল্যাক’ সূর্যমুখী তেল ব্যবসা উল্লেখযোগ্য বাজার অংশীদারিত্ব বজায় রেখেছে।

এগ্রিবিজনেসেস ডিভিশন

ক্রপকেয়ার এন্ড পাবলিক হেলথ

যেখানে ফসল সুরক্ষা শিল্পে প্রবৃদ্ধি ৫% বেড়েছে সেখানে ক্রপ কেয়ার ব্যবসা ১৩% প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছে। এটা সম্ভব হয়েছে লিকুইড এবং পাউডার ইনসেকটিসাইড ক্যাটাগরিতে আমাদের মার্কেট শেয়ার বাড়ার কারণে। আমরা হার্বিসাইড ব্যবসা মার্কেটে নেতৃত্বস্থানীয়, যা এ বছর ৭% প্রবৃদ্ধি অর্জন করতে সক্ষম হয়। ফ্লোরা ব্যবহারের মাধ্যমে ধানের ফলন বৃদ্ধিতে সক্ষম হয়েছি। ফলস্বরূপ এবছর আমাদের বিক্রয় ২৩৮% বৃদ্ধি পেয়েছে। আমাদের ফাংগিসাইড ব্যবসা ছত্রাকের সংক্রমণ কম হওয়ার কারণে উল্লেখযোগ্যভাবে ক্ষতিগ্রস্ত হয়েছে। ফলে পণ্য মজুদ করতে হয়েছে।

সামগ্রী এবং পরিবেশ বান্ধব কীটপতঙ্গ নিয়ন্ত্রক পণ্য দ্বারা নিয়মতান্ত্রিকভাবে ক্রমান্বয়ে আমাদের পোর্টফোলিও আধুনিকীকরণ করছি। এবছর ৪টি নতুন পণ্য সংযোজিত হয়েছে যা কৃষকদের মাঝে সমাদৃত হয়েছে। এ পণ্যগুলোর ভবিষ্যত সাফল্যের ব্যাপারে আমরা আশাবাদী।

এসিআই ক্রপ কেয়ার M4C প্রজেক্টের জন্য দীর্ঘদিনের উন্নয়ন অংশীদার স্নামাধন্য Swiss Contact কর্তৃক “Appreciation Crest” অর্জন করেছে। প্রজেক্টটি বিগত পাঁচ বছর যাবৎ উত্তরাঞ্চলের বিচ্ছিন্ন চর এলাকার জনগনকে অগ্রগী সেবা প্রদান করে আসছে। এসিআই ক্রপ কেয়ার উন্নত কীটনাশক ও PGR সরবরাহসহ বিভিন্ন কৃষি পরামর্শ প্রদান করে আসছে।

ক্রপকেয়ার মাঠকর্মী বাহিনীকে ঢেলে সাজানোর পাশাপাশি বিপণন কার্যক্রমের মাধ্যমে অপারেশনে উন্নতি করে চলেছে। ফলে বাংলাদেশের কৃষি ব্যবস্থায় টেকসই উন্নয়ন আনয়নের মাধ্যমে ক্রপকেয়ার এন্ড পাবলিক হেলথ উন্নতি করে চলেছে।

ফার্টিলাইজার

ফসলের কম দামের কারণে সার শিল্প মারাত্মকভাবে ক্ষতিগ্রস্ত হয়েছে। যেখানে সার শিল্পে গত বছর ১০% প্রবৃদ্ধি কমেছে, সেখানে আমাদের ব্যবসায় ৭% প্রবৃদ্ধি কমেছে। উৎপাদিত ফসলের ন্যায্য দাম না পাওয়ায় সুপারিশকৃত সার ব্যবহারে কৃষকের অনগ্রহ ছিল। চালের কম মূল্যের কারণে কৃষকরা ধান উৎপাদনে বেশি বিনিয়োগে আগ্রহ হারিয়েছে। সুতরাং, ব্যবসায়ের আর্থিক লক্ষ্য পূরণের জন্য নগদ এবং লাভজনক ফসলের উপর দৃষ্টি নিবদ্ধ করা হয়েছে।

এসিআই সার বাজারে প্রযুক্তিগত পরিবর্তন আনয়নসহ পোর্টফোলিওতে উদ্ভাবনী এবং স্বতন্ত্র পণ্য যুক্ত করছে। NPK combo, Silica Tab এবং শস্য অনুযায়ী কাস্টমাইজড, ভারসাম্যযুক্ত সার যুক্ত হওয়ার অপেক্ষায় রয়েছে। ইন্টিগ্রেট নিউট্রিশন ম্যানেজমেন্টের (আইএনএম) অংশ হিসাবে, এসিআই বায়ো-অর্গানিক এবং রাসায়নিক সার উৎপাদনে যাচ্ছে।

এসিআই সার ১৬% বাজার শেয়ার নিয়ন্ত্রণের মাধ্যমে সারের বাজারে নেতৃত্ব দিচ্ছে। মৌলিক সারের বাজার ধরতে এসিআই ফার্টিলাইজার ‘রত্ন’ ব্র্যান্ডের অধীনে সফলভাবে ভারসাম্যপূর্ণ সার বাজারজাত করেছে।

সীড

গত বছরের তুলনায় এসিআই বীজ ব্যবসা ১৩% বৃদ্ধি পেয়েছে। এসিআই হাইব্রিড ধানের বীজ পোর্টফোলিও গত বছরে ২০% মার্কেট শেয়ারের সাথে ৩৯% প্রবৃদ্ধি অর্জন করেছে এবং সবজি বীজ পোর্টফোলিও গত অর্থবছরের তুলনায় ১১% প্রবৃদ্ধি অর্জন করেছে যার ৪% মার্কেট শেয়ার রয়েছে।

২০১৮-১৯ অর্থবছরের রবি ধান-১, এসিআই সীড এর উদ্ভাবিত উন্নত জাতের ধান, সাফল্যের সাথে জাতীয় বীজ বোর্ডে (এনএসবি) অনুমতি পেয়েছে এবং এরকম বিএইউ ধান ৩ এনএসবির অনুমতি পাওয়ার অপেক্ষায় রয়েছে। বাংলাদেশী জলবায়ু উপযোগী আধুনিক ধানের বিকাশের জন্য, কৃষকের প্রযুক্তিগত উৎকর্ষতা আনয়নে এসিআই সীড আন্তর্জাতিক ধান গবেষণা ইনস্টিটিউট (আইআরআরআই) এবং বিভিন্ন বহুজাতিক কোম্পানীর সাথে যুক্ত হয়ে কাজ করে চলেছে। এসিআই সবজি বীজ গবেষণা ও উন্নয়ন বিভাগ নতুন জাতের সবজি বীজের বাণিজ্যিকীকরণ করেছে এবং এসিআই গাজীপুরে ধানের বীজ গবেষণার জন্য একটি গবেষণা ও উন্নয়ন প্রতিষ্ঠান প্রতিষ্ঠা করেছে।

জেনেটিক্যালি উন্নত এবং রোগমুক্ত বীজকে বাজারে আনার লক্ষ্যে দৃঢ় সংকল্পে একদল বিজ্ঞানী এসিআই এর উন্নত বীজ গবেষণা ও বায়োটেক সেন্টারে (এএসআরবিসি) কাজ করছেন। এসিআই বীজ ব্যবসায়ীকভাবে বাংলাদেশে চুক্তিবদ্ধ উৎপাদকদের মাধ্যমে ৭.২৬৬ মেট্রিক টন বীজ উৎপাদন করেছে এবং ২০১৮-১৯ সালে বিদেশ থেকে বিভিন্ন জাতের ১,১১২ মেট্রিক টন বীজ আমদানি করেছে। এই নতুন বীজ “কৃষকের জন্য সম্পদ তৈরী” থিমের উদ্দেশ্যে অর্জনে সহায়ক হবে।

মটরস্

গত বছরের তুলনায় মটরস্ ব্যবসায়টি এবছর ১৯% প্রবৃদ্ধি বেশী দেখিয়েছে। এ ব্যবসাটি তিনটি প্রধান এসবিইউ (SBU) তে বিভক্ত: ফার্ম মেকানিজেশন, মোটরসাইকেল, নির্মাণ সরঞ্জাম।

বাংলাদেশের শীর্ষস্থানীয় ফার্ম মেকানিজেশন কোম্পানী এসিআই মটরস্ মানসম্পন্ন পণ্য এবং উন্নত পরিসেবার প্রতিশ্রুতির মাধ্যমে এসিআই মটরস্ এর ট্রাস্টের ব্র্যান্ড ‘সোনালিকা’ বাজারে নেতৃত্ব বজায় রেখেছে। ২০১৮-১৯ অর্থবছরে সামষ্টিক অর্থনৈতিক কারণে ফার্ম মেকানিজেশন শিল্প নামমাত্র বৃদ্ধি পেয়েছিল, তবে এসিআই মটরস্

এর ফার্ম মেকানিজেশন ইউনিট গত বছরের তুলনায় ৫% প্রবৃদ্ধি নিশ্চিত করেছে। এসিআই মটরস Yanmar Combine Harvester এবং Rice Transplanter বাজারজাত করেছে। Yanmar Harvester চাষীরা ব্যাপকভাবে গ্রহণ করেছে।

ইয়ামাহা মোটরসাইকেল, এসিআই মটরস এর সাথে তৃতীয় বছরের মত কাজ করছে, এ বছর নতুন মডেলের এন্টি-লক ব্রেকিং সিস্টেম - যা বিশ্বের সর্বশেষ আবিষ্কৃত ব্রেকিং প্রযুক্তি “এবিএস” প্রবর্তনের মাধ্যমে দুর্দান্ত প্রবৃদ্ধি অব্যাহত রেখেছে। সামগ্রিকভাবে মোটরসাইকেল শিল্প ২৫% বৃদ্ধি পেয়েছে এবং ইয়ামাহাও সমানভাবে বৃদ্ধি পেয়েছে। ইয়ামাহার সবচেয়ে শক্তিশালী বিভাগে ১৫০ সিসি এবং ১৫০ সিসির চেয়ে বেশী; ২৮% শিল্প প্রবৃদ্ধির বিপরীতে ইয়ামাহা ৩৩% বৃদ্ধি পেয়েছে। এই বিভাগটি মোটরসাইকেল শিল্পের সর্বোচ্চ প্রবৃদ্ধিময় বিভাগ। এসিআই মটরস মে ২০১৯ থেকে ইয়ামাহা মোটরসাইকেলের Completely Knocked Down (CKD) সংযোজন শুরু করেছে এবং Original Equipment Manufacturer (OEM) মডেলের উৎপাদন শুরু হবে।

নির্মাণ সরঞ্জাম শিল্পের প্রবৃদ্ধি ১০% এবং এসিআই মটরস গত বছরের তুলনায় ১৩% বৃদ্ধি পেয়েছে। এসিআই মটরস জাপানের বিখ্যাত ব্র্যান্ড Kobelco এর সাথে নির্মাণ সামগ্রীর ব্যবসা শুরু করেছে এবং সরকারের বিভিন্ন বড়বড় নির্মাণ প্রজেক্টকে টার্গেট করে ব্যবসা সম্প্রসারণের কাজ করছে।

এনিমেল হেলথ

এসিআই এনিমেল হেলথ'র প্রবৃদ্ধি ১৪% হ্রাস পেয়েছে। এই ব্যবসাটি Poultry, Cattle, Animal Biology এবং Aqua প্রভৃতি বিভাগে বিভক্ত।

এসিআই এনিমেল হেলথ ব্যবসা ক্ষেত্রে প্রবৃদ্ধিতে এবছর ভীষণ চ্যালেঞ্জ মোকাবেলা করেছে। আন্তর্জাতিক উৎসে সরবরাহ ঘাটতি থাকায় Vaccine পোর্টফোলিওতে ৩৫% প্রবৃদ্ধি হ্রাস পেয়েছে এবং বিভিন্ন পণ্যের উপর সরকারের বিধি-নিষেধ আরোপের ফলে Aqua ব্যবসায় ১৪% প্রবৃদ্ধি হ্রাস পায়।

এসিআই এনিমেল হেলথ ব্যবসা পুনর্গঠিত করছে এবং পণ্যে সহজলভ্যতা আনয়নে কাজ করছে যা দ্রুত প্রবৃদ্ধিময় ব্যবসা হিসেবে পুনঃপ্রতিষ্ঠা পেতে পারে। এছাড়াও ACI Animal Genetics নামে এসিআই এনিমেল হেলথ এর অধীনে একটি নতুন ব্যবসা প্রবর্তিত হবে যা দেশের গবাদি পশুশিল্পে উল্লেখযোগ্য অবদান রাখবে।

এগ্রোলিংক

২০১৮-২০১৯ সালে চিংড়ি চাষীদের সাথে উন্নত বাজার ব্যবস্থার সম্পর্ক স্থাপনের উদ্দেশ্য নিয়ে সক্ষমতা বৃদ্ধির কাজ করেছে

এগ্রোলিংক। অত্যাধুনিক প্রক্রিয়াজাতকরণ কারখানা স্থাপনের মাধ্যমে রপ্তানিমুখী চিংড়ি প্রক্রিয়াকরণ ব্যবসাটি প্রতিষ্ঠায় সচেষ্ট এগ্রোলিংক। এর মাধ্যমে Blue Economy- তে ব্যবসা অগ্রগামী হিসেবে সুযোগ সৃষ্টিতে সমর্থ হবে। আন্তর্জাতিক ক্রেতাদের সাথে বৈশ্বিক ব্যবসা এসিআই এগ্রোলিংককে আন্তর্জাতিক অঙ্গনে বাংলাদেশের প্রতিনিধিত্ব করতে সহায়তা করবে।

এসিআই এগ্রোলিংক অধিক সচেতন ভোক্তাদের আকৃষ্ট করতে সম্পূর্ণ অর্গানিক এবং উন্নতমানসম্পন্ন রান্না করা খাবার বাজারজাত করতে যাচ্ছে। রান্নার সুবিধার্থে Individual Quick Freezing (IQF) প্রযুক্তি স্থাপন প্রক্রিয়াধীন রয়েছে যা বৈশ্বিক বাজারে প্রবেশের সক্ষমতা তৈরি করবে।

প্রিমিয়াফ্লেক্স প্লাস্টিকস

গত বছরের তুলনায় প্রিমিয়াফ্লেক্স প্লাস্টিকস'র বিক্রয় ৭.৫% বেড়েছে। Flexible Packaging, Lami Tube এবং Label Stickers উৎপাদন ও বিপণনে এই ব্যবসা বিশেষ ভূমিকা পালন করছে।

প্রিমিয়াফ্লেক্স প্লাস্টিকস নতুন প্রযুক্তির Central Impression Flexographic Printing (CI Flexo) চালু করেছে যা বাংলাদেশে এ ধরনের পণ্যের বাজারে প্রথম। এই ব্যবসা গুণগত মান নিশ্চিত করার পাশাপাশি পণ্যে নিয়মিত উদ্ভাবনী মানোন্নয়নের মাধ্যমে ভোক্তার সন্তুষ্টি অর্জনে সदा সচেষ্ট। কোম্পানী এই সুবিধা কাজে লাগিয়ে সংবেদনশীল গ্রাহকদের আকৃষ্ট করার মাধ্যমে একটি নতুন বাজার তৈরি করেছে যা বাংলাদেশের প্যাকেজিং শিল্পকে আরো সমৃদ্ধ করবে।

প্রিমিও প্লাস্টিকস

এসিআই প্রিমিও প্লাস্টিকস, প্রিমিয়াফ্লেক্স প্লাস্টিকস লিমিটেডের একটি নতুন ব্যবসায়িক বিভাগ। এর যাত্রা গত বছর ২০১৮ সালে শুরু হয়েছে। যাত্রার শুরু থেকেই প্রিমিও প্লাস্টিকসের পণ্যের নকশা, বাহ্যিক গড়ন এবং পরিসেবা ভোক্তাদের প্রশংসা অর্জন করেছে।

প্রচলিত পণ্যের মধ্যে প্রতিযোগিতা সত্ত্বেও, এসিআই প্রিমিও প্লাস্টিকস ব্যবসায়িক কার্যক্রম পরিচালনার মাত্র এক বছরের মধ্যে উল্লেখযোগ্যভাবে ৫% মার্কেট শেয়ার অর্জন করতে সক্ষম হয়েছে। ব্র্যান্ড সৃষ্টির জন্য বেশ কয়েকটি বিপণন প্রচারণা ছিল যা ব্যবসাকে বর্তমান ভোক্তার বাজারে অনুপ্রবেশ এবং নতুন বাজারে প্রবেশের বাঁধাগুলি অতিক্রম করতে সহায়তা করে।

দ্রুত ক্রমবর্ধমান এবং বর্ধনশীল বাজার তৈরির কারণে এ ব্যবসার উজ্জ্বল ভবিষ্যত রয়েছে।

রিটেইল চেইন ডিভিশন

‘স্বপ্ন’ বাংলাদেশের শীর্ষ রিটেইল ব্র্যান্ড এবং বর্তমানে এটি বাংলাদেশের প্রধান শহরগুলিতে ১২৯টি আউটলেটের মাধ্যমে ব্যবসা পরিচালনা করছে। ‘স্বপ্ন’ আরও ৬০টি এক্সপ্রেস আউটলেট সম্প্রসারণের মাধ্যমে বাজারে নেতৃত্বের অবস্থানকে আরও শক্তিশালী করেছে এবং এখন আধুনিক রিটেইল চেইন ব্যবসার ৪৮% মার্কেট শেয়ার অর্জন করেছে। প্রতিদিন ৪০,০০০ এরও বেশি গ্রাহককে কাঁচা এবং প্যাকেটজাত খাদ্যপণ্য, গৃহস্থালী সামগ্রী, নিত্য প্রয়োজনীয় সামগ্রী এবং ফ্যাশন পণ্য পরিবেশন করে যা ‘স্বপ্ন’কে একটি পারিবারিক ব্র্যান্ডে পরিণত করেছে।

‘স্বপ্ন’ গতবছর নিজেদের পরিচালন দক্ষতার উন্নতিতে মনোনিবেশ করেছিল এবং ফলস্বরূপ ২০১৮-১৯ অর্থবছরে বেশকিছু গুরুত্বপূর্ণ মাইলফলক অর্জনের মাধ্যমে ইতিবাচক EBITDA এর দিকে অগ্রসর হয়েছে। স্বপ্ন এক্সপ্রেসের সম্প্রসারণ কেবলমাত্র স্বপ্ন’র পদচিহ্নকে সমৃদ্ধ করেনি, বরং এটির জনপ্রিয়তাও বৃদ্ধি পেয়েছে। এসিআই লজিস্টিকস সারা দেশে উৎপাদক এবং কৃষকদের সাথে একাত্ম হয়ে কাজ করার জন্য নতুন কিছু প্রকল্প হাতে নিয়েছে।

সুরক্ষা, অকৃত্রিমতা এবং স্থায়িত্ব অধিকার প্রদানের পূর্বশর্তে এসিআই লজিস্টিকস Global G.A.P - এর সাথে কাজ করে চলেছে, G.A.P হল বিশ্বব্যাপী নিরাপদ, টেকসই কৃষিক্ষেত্র নিশ্চিতকরণে গুরুত্বপূর্ণ ভূমিকা পালনকারী শীর্ষস্থানীয় বেসরকারী সংস্থা। সাপ্লাই চেইনের সমস্ত পর্যায়ে সুরক্ষা নিশ্চিত করার জন্য, এসিআই

লজিস্টিকস কৃষকদের সাথে নিবিড়ভাবে জড়িত এবং উন্নয়নে অংশীদারদের সহায়তায় শস্য সনাক্তকরণ ব্যবস্থার উন্নতি করতে কাজ করে চলেছে। স্বপ্ন’র সরবরাহ, সংগ্রহ ও মাননিয়ন্ত্রণ টিম নিরাপদ ও খাঁটি, উৎপাদিত এবং আমদানিকৃত পণ্যের গন্তব্যস্থল হিসাবে ‘স্বপ্ন’কে প্রতিষ্ঠা করার জন্য নিরলসভাবে কাজ করে যাচ্ছে।

‘স্বপ্ন’ পর পর তিন বছর রিটেইল বিভাগে সেরা ব্র্যান্ডের পুরস্কার জিতেছে: Nielsen Bangladesh এবং বাংলাদেশ ব্র্যান্ড ফোরামের সেরা রিটেইল ব্র্যান্ডের পুরস্কার ২০১৮ এবং Kantar Millward Brown এবং বাংলাদেশ ব্র্যান্ড ফোরামের সেরা রিটেইল ব্র্যান্ডের পুরস্কার ২০১৬ এবং ২০১৭ জিতেছে। এছাড়াও, স্বপ্ন ‘Com Awards-২০১৮’ তে ২টি গ্র্যান্ডপ্রিক্স এবং ২টি স্বর্ণ পদক, ‘Cannes Lions’ International Festival of Creativity তে ২টি রৌপ্য এবং ১টি ব্রোঞ্জ পুরস্কার পেয়েছে। এটিকে সুপারব্র্যান্ডস বাংলাদেশ ‘Superbrands’ হিসাবেও ভূষিত করেছে। এই সমস্ত কৃতিত্ব এবং স্বীকৃতির মধ্য দিয়ে ‘স্বপ্ন’ লক্ষ লক্ষ ভোক্তাদের হৃদয় জয় করে নিজেকে একটি শক্তিশালী জাতীয় ব্র্যান্ড হিসাবে প্রতিষ্ঠিত করার পথে এগিয়ে চলেছে। ব্যবসা সম্প্রসারণ, বৃহৎ পরিসরে উন্নতিকরণ এক্সপ্রেস আউটলেট ও ফ্যাঞ্চাইজি, সরবরাহকারী কৃষক এবং ভোক্তার সাথে জোরালো সম্পর্ক এবং বৃহৎ সম্ভাবনাময় বাজার এ ব্যবসাকে উজ্জ্বল ভবিষ্যত উপহার দিবে।

JOINT VENTURE কোম্পানী সমূহ

এসিআই গোদরেজ এগ্রোভেট প্রাইভেট লিমিটেড

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

প্রান্তিক কৃষকের কাছে মানসম্পন্ন পশুখাদ্য, নিত্য নতুন পণ্য এবং প্রযুক্তিগত পরিসেবার মাধ্যমে কোম্পানী ৭% প্রবৃদ্ধি অর্জনে সক্ষম হয়।

টেটলি এসিআই (বাংলাদেশ) লিমিটেড

টেটলি এসিআই (বাংলাদেশ) লিমিটেড সম-অংশিদারীত্বের ভিত্তিতে এডভান্সড কেমিক্যাল ইন্ডাস্ট্রিজ লিমিটেড, বাংলাদেশ এবং টাটা গ্লোবাল বেভারেজ ও ভারসীজ হোল্ডিংস লিমিটেড, ইউকে এর যৌথ উদ্যোগে প্রতিষ্ঠিত একটি প্রাইভেট কোম্পানী। এই কোম্পানী চা উৎপাদন, মোড়কীকরণ ও বিক্রয় ব্যবসায় নিয়োজিত।

গত কয়েক বছর ধরে এই কোম্পানী রাজস্ব এবং মার্জিনে উভয়েই ভাল প্রবৃদ্ধি প্রদান অব্যাহত রেখেছে। ২০১৮-২০১৯ সালে টেটলি এসিআই (বাংলাদেশ) লিমিটেড গত চার বছরের তুলনায় CAGR ২১% এবং গত বছরের তুলনায় টেটলি এসিআই (বাংলাদেশ) লিমিটেড বৃদ্ধি পেয়ে ১৬% হয়েছে যা এই ক্যাটাগরির প্রবৃদ্ধির দ্বিগুণেরও বেশি।

গত বছর থেকে ব্র্যান্ডের স্বত্ব বাড়াতে টেটলি এসিআই (বাংলাদেশ) লিমিটেড টাটা টি গোন্ড, টেটলি গ্রীন এবং স্বাদযুক্ত টি-ব্যাগগুলির প্রচারের উপর বিশেষ জোর দিচ্ছে।

এশিয়ান কনজুমার কেয়ার প্রাইভেট লিমিটেড

ডাবর ইন্টারন্যাশনাল লিমিটেড, ভারত এবং এডভান্সড কেমিক্যাল ইন্ডাস্ট্রিজ লিমিটেড, বাংলাদেশ এর যৌথ উদ্যোগে এশিয়ান কনজুমার কেয়ার প্রাইভেট লিং পরিচালিত হচ্ছে। এ অর্থ বছরে কোম্পানীটি ১০% প্রবৃদ্ধি অর্জন করেছে। কোম্পানীটি গ্রস মার্জিন বৃদ্ধির মাধ্যমে তার আর্থিক অবস্থার উল্লেখযোগ্য উন্নতি করেছে। এ বছরের জন্য প্রধান লক্ষ্য ছিল নতুন পণ্য বিকাশ, সম্প্রসারণ এবং বিতরণ নেটওয়ার্কে বিনিয়োগ করা।



আর্থিক ফলাফল - এসিআই লিমিটেড

৩০শে জুন ২০১৯ সালে সমাপ্ত অর্থ বছরে এসিআই লিমিটেড এর নীট বিক্রয় ছিল ২১,৭৯৬ মিলিয়ন টাকা যা পূর্ববর্তী অর্থ বছরে ছিল ২১,৩৮৭ মিলিয়ন টাকা। উচ্চ মার্জিন সম্পন্ন পণ্য আনুপাতিক হারে অধিক বিক্রয়ের কারণে ২০১৮-২০১৯ অর্থ বছরে এস মুনফার হার বৃদ্ধি পেয়ে ৪৫.৩৬% হয়েছে যা পূর্ববর্তী অর্থ বছরে ছিল ৪৩.২১%। আলোচ্য অর্থ বছরে পরিচালনা মুনফা ১,৬৬১ মিলিয়ন টাকা এবং কর পরবর্তী মুনফা ৫৪৯ মিলিয়ন টাকা যার ফলশ্রুতিতে শেয়ার প্রতি আয় (ইপিএস) হয়েছে ১১.০১ টাকা।

এক নজরে মুখ্য পরিচালনগত ও আর্থিক তথ্য

২০১৮-১৯ অর্থ বছর সহ কোম্পানীর বিগত পাঁচ বছরের মুখ্য পরিচালনগত ও আর্থিক তথ্যাদি নিম্নে প্রদর্শন করা হলোঃ

মিলিয়ন টাকায়

| বিবরণ | জুলাই ২০১৮ - জুন ২০১৯ | জুলাই ২০১৭ - জুন ২০১৮ | জুলাই ২০১৬ - জুন ২০১৭ | জুন ২০১৬ (ছয় মাস) | ডিসেম্বর ২০১৫ | ডিসেম্বর ২০১৪ | ডিসেম্বর ২০১৩ |
|-------------------------------|--------------------------|--------------------------|--------------------------|-----------------------|------------------|------------------|------------------|
| নীট বিক্রয় | ২১,৭৯৬ | ২১,৩৮৭ | ১৮,৩০৬ | ৭,৯৪১ | ১৪,৫৬৭ | ১২,৩১৯ | ১০,৬৮৪ |
| মোট এস মুনফা | ৯,৮৮৬ | ৯,২৪২ | ৮,১৯৬ | ৩,৫৬১ | ৬,২৬২ | ৫,১৭১ | ৪,২৫৮ |
| কর পূর্ববর্তী মুনফা | ৯২৪ | ১,৬৫৮ | ১,৬৭৪ | ৯২৫ | ৩,৯৩৪ | ১,২৭২ | ১,০১৪ |
| কর পরবর্তী মুনফা | ৫৪৯ | ১,৩১৭ | ১,২৪৪ | ৬৮০ | ৩,১৮৪ | ৯৫১ | ৭৬৪ |
| শেয়ার প্রতি আয় (টাকা) | ১১.০১ | ২৬.৪১ | ২৫.৮০ | ১৫.৫১ | ৭২.৭২ | ২৪.০২ | ২২.২৭ |
| ইস্যাকৃত ও পরিশোধিত মূলধন | ৪৯৯ | ৪৮২ | ৪৩৮ | ৩৯৮ | ৩৯৮ | ৩৪৪ | ২৮৬ |
| শেয়ার মালিকদের ইকুইটি | ১৪,৩৮৪ | ১৪,৩০০ | ১২,৯৯২ | ১১,৯৪৯ | ১১,৭১৫ | ৬,৬০৭ | ৫,৬৩৭ |
| শেয়ার প্রতি নীট সম্পদ (টাকা) | ২৮৮.৩২ | ২৮৬.৬২ | ২৬৯.৫৪ | ২৯৯.৯৬ | ২৯৪.০৮ | ১৯২.০৯ | ১৯৭.২৩ |
| কর্মচারীদের সংখ্যা | ৯,১৪৭ | ৯,০৫৩ | ৮,৩৬৪ | ৭,২৭৫ | ৭,০৯০ | ৬,৯৩০ | ৪,৯৫৫ |
| জাতীয় রাজস্ব আয়ে অবদান | ৩,৭৭০ | ৩,৬২৫ | ৩,৩০২ | ১,৩৪০ | ২,৬২৬ | ২,১৫৮ | ২,১৬৬ |

মুনফা বটনঃ ২০১৮-২০১৯ অর্থ বছরের এর ফলাফল পর্যালোচনা, ফ্রি রিজার্ভ এবং ধারাবাহিক লভ্যাংশ নীতি অনুসরণের আলোকে পরিচালনা পর্ষদ নীট মুনফার নিম্নলিখিত বটন সুপারিশ করেছেনঃ

| বিষয় | ২০১৮-২০১৯ | ২০১৭-২০১৮ |
|------------------------------|---------------|---------------|
| অবন্টিত মুনফা | ৯,৩০০,২৯৯,৮২৫ | ৮,৫৫৪,০৬৬,৭৭১ |
| যোগ্য কর-পরবর্তী মুনফা | ৫৪৯,৪৬৭,৯৬০ | ১,৩১৭,৪৩১,৯৮১ |
| সর্বমোট বটনযোগ্য মুনফা | ৯,৮৪৯,৭৬৭,৭৮৫ | ৯,৮৭১,৪৯৮,৭৫২ |
| মুনফা বটনঃ | | |
| অন্তর্বর্তীকালীন লভ্যাংশঃ | | |
| নগদ লভ্যাংশ | - | - |
| চূড়ান্ত প্রস্তাবিত লভ্যাংশঃ | | |
| নগদ লভ্যাংশ | ৪৯৮,৮৯৫,২৬৫ | ৫৫৪,৩২৮,০৭৩ |
| স্টক লভ্যাংশ | ৭৪,৮৩৪,২৯০ | ১৬,৮৭০,৮৫৪ |
| বিয়োগঃ সর্বমোট লভ্যাংশ | ৫৭৩,৭২৯,৫৫৫ | ৫৭১,১৯৮,৯২৭ |
| অবন্টিত মুনফা স্থিতি | ৯,২৭৬,০৩৮,২৩০ | ৯,৩০০,২৯৯,৮২৫ |

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

লভ্যাংশঃ ৩০শে জুন ২০১৯ তারিখে সমাপ্ত বছরের জন্য পরিচালনা পর্ষদ আনন্দের সাথে লভ্যাংশ হিসেবে ১০০% নগদ লভ্যাংশ (অর্থাৎ শেয়ার প্রতি ১০ টাকা) এবং ১৫% স্টক লভ্যাংশ প্রদানের সুপারিশ করেছে। রেকর্ড ডেট, অর্থাৎ ৩রা ডিসেম্বর ২০১৯, যে সকল সম্মানিত শেয়ার মালিকগণের নাম কোম্পানীর সদস্যদের শেয়ার রেজিস্টার বা সিডিবিএল এর ডিপোজিটরিতে অন্তর্ভুক্ত ছিল, তারা এই চূড়ান্ত লভ্যাংশ পাওয়ার যোগ্য হিসেবে বিবেচিত। আলোচ্য অর্থ বছরে কোম্পানীর পরিচালনা পর্ষদ অন্তর্বর্তীকালীন লভ্যাংশ হিসেবে কোন বোনাস শেয়ার বা স্টক ডিভিডেন্ড সুপারিশ করেনি।

জাতীয় রাজস্ব আয়ে অবদানঃ ৩০শে জুন ২০১৯ তারিখে সমাপ্ত অর্থ বছরে কোম্পানী আয় কর, আবগারি শুল্ক এবং মূল্য সংযোজন কর বাবদ মোট ৩,৭৭৭ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দান করেছে ; যা উল্লেখিত সমাপ্ত বছরের নীট বিক্রয়লব্ধ আয়ের ১৭.৩০%।

বিক্রিত পণ্যের ব্যয় এবং মুনফার হার

৩০শে জুন ২০১৯ তারিখে সমাপ্ত অর্থ বছরে বিক্রিত পণ্যের ব্যয় হয়েছে ১১,৯১০ মিলিয়ন টাকা যা পূর্ববর্তী অর্থ বছরে ছিল ১২,১৪৫ মিলিয়ন টাকা। উচ্চ মার্জিন সম্বলিত পণ্যের আনুপাতিক হারে অধিক বিক্রয়ের ফলে এটা হয়েছে। এর কারণে, সামগ্রিকভাবে এস মুনফার হার বৃদ্ধি পেয়ে দাঁড়িয়েছে ৪৫.৩৬% (৯,৮৮৬ মিলিয়ন টাকা) যা পূর্ববর্তী অর্থ বছরে ছিল ৪৩.২১% (৯,২৪২ মিলিয়ন টাকা)। উল্লেখিত অর্থ বছরে এস মুনফার হার বৃদ্ধি পেলেও কর পরবর্তী মুনফার হার ছিল ২.৫২% যা মূলতঃ পরিচালনা ব্যয়, বিক্রয় ও বিতরণ সংক্রান্ত খরচ এবং অর্থায়ন খরচ বাড়ার কারণে হয়েছে।

আর্থিক ফলাফল - এসিআই গ্রুপ

৩০শে জুন ২০১৯ তারিখে সমাপ্ত অর্থ বছরে কনসলিডেটেড বিক্রয় ছিল ৬৩,১৪৪ মিলিয়ন টাকা যা পূর্ববর্তী অর্থ বছরে ছিল ৫৬,১২৩ মিলিয়ন টাকা। পক্ষান্তরে, কনসলিডেটেড এস মুনফার হার আলোচ্য আর্থিক বছরে বেড়ে দাঁড়ায় ২৯.০১% যা পূর্ববর্তী বছরে ছিল ২৮.২৭%। উচ্চ মার্জিন সম্পন্ন পণ্যের বিক্রয়ের আনুপাতিক হার বেশি হওয়াই এর মূল কারণ। আলোচ্য অর্থ বছরে কনসলিডেটেড অপারেটিং মুনফা ছিল ৩,৩৩৫ মিলিয়ন টাকা এবং কর পরবর্তী কনসলিডেটেড মুনফা ছিল ঋণাত্মক ৭৪২ মিলিয়ন টাকা যার ফলশ্রুতিতে কনসলিডেটেড শেয়ার প্রতি আয় (ইপিএস) হয়েছে ঋণাত্মক ১৪.৮৭ টাকা।

সংশ্লিষ্ট পক্ষগুলোর সকল লেনদেন

সংশ্লিষ্ট পক্ষগুলোর সাথে সব লেনদেন বাণিজ্যিক ভিত্তিতে করা হয়েছে এবং এর ভিত্তি ছিল "Arms Length Transaction"। সংশ্লিষ্ট পক্ষের লেনদেনের বিস্তারিত তথ্য আর্থিক বিবরণীর নোট-৪০-এ প্রকাশিত হয়েছে।

বার্ষিক আর্থিক বিবরণীর মধ্যে উল্লেখযোগ্য পার্থক্য

এসিআই লিমিটেড একক ব্যবসায় বিক্রয় এবং গ্রস মুনাফা উভয় ক্ষেত্রেই প্রবৃদ্ধি অর্জন করেছে যা আলাদা লাভ ক্ষতি হিসাব থেকে লক্ষণীয়। গ্রুপ হিসেবে এসিআই এর ২০১৭-২০১৮ অর্থবছরের ৫৬.১২৩ মিলিয়ন টাকার বিপরীতে ২০১৮-২০১৯ অর্থবছরে ৬৩.১৪৪ মিলিয়ন টাকা বিক্রয় হলেও কনসলিডেটেড মুনাফা হ্রাস পেয়েছে যা কনসলিডেটেড লাভ ক্ষতি বিবরণী থেকে প্রতীয়মান হয়। আলোচ্য বছরে উচ্চ মার্জিন সম্পন্ন পণ্য আনুপাতিক হারে বেশি বিক্রয় হওয়ায় কনসলিডেটেড গ্রস মার্জিন বেড়ে দাঁড়ায় ২৯.০১% যা গত অর্থ বছরে ২৮.২৭% ছিল। বিভিন্ন বাহ্যিক এবং আভ্যন্তরীণ কারণ যেমন: বোরো ধানের ভাঙে ফলনে চালের দাম কমে যাওয়া, নতুন ব্যবসায়ের প্রারম্ভিক পরিচালন ব্যয়, অবচয়, নতুন ব্যবসার (হেলথ কেয়ার, ইনফোলিটস) অর্থায়ণ ব্যয় এর জন্য কিছু ব্যবসা প্রতিকূলভাবে প্রভাবিত হয়। বিক্রয় প্রবৃদ্ধি এবং উৎপাদনের পরিকল্পিত সক্ষমতা বাড়তে প্রয়োজনীয় চলতি মূলধনের যোগান দিতে অর্থায়ণ ব্যয় বৃদ্ধি পেয়েছে। এছাড়াও সুদের উচ্চ হার এবং বৈদেশিক মুদ্রার বিপরীতে দেশীয় মুদ্রার অবমূল্যায়ন কনসলিডেটেড মুনাফা হ্রাসে বড় ভূমিকা রেখেছে।

আর্থিক বিবরণীর কনসলিডেশন

এডভান্সড কেমিক্যাল ইন্ডাস্ট্রিজ লিমিটেডের ১৪ টি সাবসিডিয়ারী কোম্পানী রয়েছে। কোম্পানী আইন-১৯৯৪, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন গাইডলাইনস ও বাংলাদেশে প্রবর্তিত ইন্টারন্যাশনাল গ্র্যান্ডউনিং স্ট্যান্ডার্ডস বা আইএফআরএস অনুসারে সকল সাবসিডিয়ারী কোম্পানীর আর্থিক বিবরণী সমূহ এসিআই লিমিটেড এর আর্থিক বিবরণীর সঙ্গে একত্রিকরণ করা হয়েছে। এছাড়াও সাবসিডিয়ারী কোম্পানীগুলোর নিরীক্ষিত আর্থিক বিবরণী সমূহ নিরীক্ষা প্রতিবেদন ও পরিচালক মন্ডলীর প্রতিবেদনসহ আলাদাভাবে বার্ষিক প্রতিবেদনের নির্ধারিত স্থানে উপস্থাপন করা হয়েছে।

সেগমেন্ট অনুযায়ী রিপোর্টিং

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

ব্যবসা সংশ্লিষ্ট ঝুঁকি

কোম্পানী নিজ ব্যবসা সংশ্লিষ্ট ঝুঁকি সম্পর্কে সচেতন এবং সেগুলোকে নিয়মানুগ পদ্ধতির মাধ্যমে মোকাবেলায় প্রস্তুত। যদিও ব্যবসা বিভিন্ন ঝুঁকি এবং অনিশ্চয়তার দ্বারা প্রভাবিত হতে পারে যার পূর্ব ধারণা করা কঠিন। আর্থিক বিবরণীর নোট-৩৫ এ আর্থিক ঝুঁকি ব্যবস্থাপনা বর্ণিত হয়েছে।

অস্বাভাবিক লাভ বা ক্ষতি

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

পাবলিক ইস্যু তহবিলের ব্যবহার

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

আর্থিক বিবরণী প্রস্তুতকরণ ও যথার্থ প্রদর্শন

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

হিসাবের বই রক্ষণাবেক্ষন

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

আর্থিক হিসাবনীতি

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

আর্থিক বিবরণী প্রস্তুতকরণে IAS ও IFRS এর প্রভাব

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

অভ্যন্তরীণ নিয়ন্ত্রণ

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

CEO এবং CFO এর প্রত্যায়নপত্র

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর কর্পোরেট গভর্নেন্স কোড অনুযায়ী Chief Executive Officer (CEO) এবং Chief Financial Officer (CFO) কর্তৃক বোর্ডকে প্রদত্ত প্রত্যায়নপত্র বার্ষিক প্রতিবেদনের Annexure - IV এ অন্তর্ভুক্ত করা হয়েছে।

পরিচালনগত আলোচনা ও বিশ্লেষণ

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

পরিচালনা পর্ষদ

কোম্পানীর পরিচালনা পর্ষদ দুইজন স্বতন্ত্র পরিচালকসহ নয়জন সদস্যের সমন্বয়ে গঠিত। বোর্ডের অধিকাংশ সদস্য অ-নির্বাহী। পরিচালকদের তালিকা এবং বিবরণ এই রিপোর্টের ‘পরিচালক প্রোফাইল’ এ অন্তর্ভুক্ত করা হয়েছে।

পরিচালক নির্বাচন

কোম্পানীর আর্টিক্যালস অব এসোসিয়েশন এর ১২০ অনুচ্ছেদ অনুযায়ী জনাব এম. আনিস উদ্ দৌলা ও মিস সুস্মিতা আনিস আসন্ন বার্ষিক সাধারণ সভায় পর্যায়ক্রমিক ভাবে অবসর গ্রহণ করবেন। পুনর্নির্বাচিত পরিচালকদের তালিকা এবং বিবরণ এই রিপোর্টের ‘পরিচালক প্রোফাইল’ এ অন্তর্ভুক্ত করা হয়েছে। আসন্ন ৪৬ তম বার্ষিক সাধারণ সভায় উল্লেখিত সকল পরিচালকগণ পুনর্নির্বাচনের যোগ্য হিসেবে বিবেচিত। এবং তারা পুনর্নির্বাচনের জন্য আগ্রহ প্রকাশ করেছেন। তাদের সংশ্লিষ্ট জীবন বৃত্তান্ত ও অন্যান্য তথ্যাদি এই রিপোর্টের ‘পরিচালক প্রোফাইল’ এ অন্তর্ভুক্ত করা হয়েছে। ২৮ শে মে ২০১৯ তারিখে জনাব আব্দুল-মুয়ীদ চৌধুরী পরিচালক হিসেবে নিয়োগপ্রাপ্ত হন। তিনি আসন্ন বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং পুনর্নির্বাচনের যোগ্য হওয়ায় পুনরায় নির্বাচিত হওয়ার জন্য আগ্রহ দেখিয়েছেন।

পরিচালক নিয়োগ

এসিআই ফাউন্ডেশনের নমিনী পরিচালক মিস সীমা আবেদ রহমানের পরিবর্তে জনাব আব্দুল-মুয়ীদ চৌধুরীকে ২৮শে মে ২০১৯ তারিখে পরিচালক হিসাবে নিয়োগ করা হয়। আসন্ন ৪৬তম বার্ষিক সাধারণ সভায় এই নিয়োগ নিশ্চিত করার জন্য শেয়ারহোল্ডারদের নিকট প্রস্তাব করেছেন।

নমিনেশন ও রেমনারেশন কমিটি

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

- জনাব কামরান তানভীরুর রহমান, স্বতন্ত্র পরিচালক, সভাপতি
- জনাব গোলাম মইনউদ্দিন, পরিচালক, সদস্য
- জনাব ওয়ালিউর রহমান ভূঁইয়া, OBE পরিচালক, সদস্য

‘মনোয়ার অ্যাসোসিয়েটস’ এর জনাব মনোয়ার আহমেদ, একজন বিশিষ্ট এইচআর বিশেষজ্ঞ এই কমিটির ‘উপদেষ্টা’ এবং মোহাম্মদ মোস্তাফিজুর রহমান, কোম্পানী সচিব, কমিটির সচিব হিসাবে দায়িত্ব পালন করবেন। কমিটির টার্মস অফ রেফারেন্স (টিওআর) পরিচালনা পর্ষদ কর্তৃক অনুমোদিত হয়েছে। উক্ত কমিটির কার্যক্রম পরবর্তী বার্ষিক প্রতিবেদনে প্রকাশ করা হবে।

পরিচালনা পর্ষদের সভা এবং উপস্থিতি

২০১৮-২০১৯ অর্থবছরে পরিচালনা পর্ষদের মোট ৫টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতি সারাংশ Annexure - I এ দেখানো হয়েছে।

পরিচালকদের সম্মানী ভাতা

২০১৮-২০১৯ অর্থবছরে কোম্পানীর বোর্ড মিটিং এ উপস্থিতি ফি হিসাবে মোট ১৮,০০০ টাকা প্রদান করা হয়েছে। পরিচালকমন্ডলীর সম্মানী ভাতা আর্থিক বিবরণীর নোট-৩০ এবং ৪০(a) তে উল্লেখ করা হয়েছে।



শেয়ার হোল্ডিং প্যাটার্ন

৩০শে জুন ২০১৯ ইং তারিখে কোম্পানীর শেয়ার হোল্ডিং প্যাটার্ন Annexure - II এ দেখানো হয়েছে।

ক্ষুদ্র বিনিয়োগকারীদের স্বার্থরক্ষা

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

অডিটরদের নিয়োগ

কোম্পানীর বর্তমান অডিটর হুদা ভাসি চৌধুরী এন্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, তাদের ২০১৯ সালের ৩০শে জুন তারিখের সমাপ্ত আর্থিক বছরের নিরীক্ষা সম্পন্ন করার পর আসন্ন বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। বিএসইসি'র প্রজ্ঞাপন মোতাবেক তারা পুনঃনিয়োগের যোগ্য হিসেবে বিবেচিত। হুদা ভাসি চৌধুরী এন্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস পূর্ববর্তী বছরের ন্যায় ১০,৮৯,০০০/- টাকা (মূল্য সংযোজন কর ব্যতিরেকে) সম্মানীর বিনিময়ে ২০১৯-২০২০ অর্থ বছরের নিরীক্ষা কার্যক্রম সম্পন্ন করার লক্ষ্যে নিয়োগ প্রাপ্ত হতে আগ্রহ প্রকাশ করেছে। এ লক্ষ্যে, কোম্পানীর পরিচালনা পর্ষদ শেয়ারহোল্ডারদের নিকট তাদের নিয়োগের জন্য সুপারিশ করেন।

কর্পোরেট গভার্নেন্স কমপ্লায়েন্স স্ট্যাটাস

এসিআই ভোক্তা সাধারণের জীবনযাত্রার গুণগতমান-উন্নয়ন, ভোক্তা অধিকার সংরক্ষণ, উদ্ভাবন, স্বচ্ছতা, জবাবদিহিতা ও ক্রমাগত উন্নতির মধ্য দিয়েই ব্যবসার প্রসার ঘটানোর সম্ভব বলে বিশ্বাস করে। এর রয়েছে দেশের সর্ববৃহৎ একীভূত বহুমাত্রিক প্রতিষ্ঠানসমূহ ব্যবসায়িক সংস্কৃতি। দীর্ঘদিন ধরে এসিআইতে কর্পোরেট গভার্নেন্স এর অনুশীলন বিরাজমান। পরিচালনা পর্ষদ ও ব্যবস্থাপকগণ কোম্পানীতে কর্পোরেট গভার্নেন্স অনুশীলনে সর্বোচ্চ নৈতিকতা ও মান বজায় রাখার মাধ্যমে শেয়ারহোল্ডার ও অংশীদারদের স্বার্থ রক্ষায় প্রতিশ্রুতিবদ্ধ। আমরা অত্যন্ত আনন্দের সাথে আপনাদের এই মর্মে নিশ্চিত করছি যে, কোম্পানী বাংলাদেশ সিকিউরিটিজ এন্ড একচেঞ্জ কমিশন এর নোটিফিকেশন অনুযায়ী সমস্ত প্রয়োজনীয় দিকনির্দেশনা পালন করেছে। এই অনুসারে, ৩০শে জুন ২০১৯ সালের সমাপ্ত অর্থবছরের জন্য মন্তব্য সহ কমপ্লায়েন্স রিপোর্ট কোম্পানীর পরিচালকমন্ডলীর প্রতিবেদনের Annexure - V এ অন্তর্ভুক্ত করা হয়েছে। এ ছাড়াও কর্পোরেট গভার্নেন্স কোড অনুযায়ী আল-মুক্তাদীর এ্যাসোসিয়েটস, চার্টার্ড সেক্রেটারীজ, কর্তৃক প্রত্যায়িত কমপ্লায়েন্স সার্টিফিকেট এই প্রতিবেদনের Annexure - VI এ অন্তর্ভুক্ত করা হয়েছে।

চলমান প্রতিষ্ঠান

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

কর্পোরেট সামাজিক দায়বদ্ধতা (CSR)

এসিআই মনে করে দায়বদ্ধতা ও বাণিজ্যিক স্বার্থের মধ্যে এক ধরনের আন্তঃসম্পর্ক ও পারস্পরিক নির্ভরতা বিরাজমান। তেমনি কোম্পানীর

পরিচালকমন্ডলীর পক্ষে

ড. আরিফ দৌলা
ব্যবস্থাপনা পরিচালক

ঢাকা, ১১ নভেম্বর ২০১৯

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

এসিআই'র মানবসম্পদ

কর্মীরা কোম্পানীর সবচেয়ে মূল্যবান সম্পদ। এসিআই'র কর্মীরা তাদের পেশাগত দায়িত্বের পাশাপাশি সমাজের প্রতি ব্যবসায়ের দায়বদ্ধতা নিশ্চিত করণে সচেতন। স্বচ্ছ উদ্দেশ্য ও দক্ষতা বিকাশের মাধ্যমে সক্ষমতা অর্জন এসিআই'র মানবসম্পদের উদ্ভাবনী বিশেষত্ব।

এসিআই'র ছয়টি মূল্যবোধ হল স্বচ্ছতা, ন্যায্যতা, গ্রাহক ফোকাস, গুণমান, ধারাবাহিক উন্নতি এবং উদ্ভাবন। এসব মূল্যবোধ কার্যধারা সহজতর করার পাশাপাশি প্রতিষ্ঠানে সঠিক সিদ্ধান্ত গ্রহণ এবং দায়িত্ব পালনের প্রক্রিয়াকে ত্বরান্বিত করে। এসব মূল্যবোধ আত্মস্থ করার সাথে সাথে চর্চার অভ্যাস গড়ে তুলতে উদ্বুদ্ধ করা হয়।

কোম্পানীতে বছরব্যাপী প্রশিক্ষণ এবং দক্ষতা বৃদ্ধির কার্যক্রম পরিচালিত হয়। জব কোচিং থেকে শুরু করে ওয়েব ভিত্তিক কার্যক্রম পরিচালনাসহ জ্ঞান বিকাশ ও দক্ষতা বৃদ্ধিতে ব্যবসা বিভাগ ও সার্ভিস বিভাগের সমন্বয়ে এসিআই গ্রুপের আভ্যন্তরীণ সভাগুলোও ধারণা বিনিময়ের সমৃদ্ধ মাধ্যম।

বিভিন্ন ইভেন্ট ও অনুষ্ঠান উৎসাহিত করে থাকি যার মাধ্যমে বিভিন্ন টিমের কর্মীরা একে অপরের সাথে সৌহার্দ্যপূর্ণ সম্পর্ক স্থাপনের সুযোগ পায়। ফিল্ড ফোর্স কনফারেন্স, ফ্যাক্টরী স্পোর্টস, কালচারাল ইভেন্ট ডে এগুলোর মধ্যে অন্যতম। এসব অনুষ্ঠানের মাধ্যমে মূল্যবোধের চর্চা ও প্রতিষ্ঠানের সংস্কৃতিকে লালন করার সুযোগ হয়।

কৃতজ্ঞতা জ্ঞাপন ও স্বীকৃতি

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

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

পরিশেষে, এবং অত্যন্ত গুরুত্বের সাথে আমরা পরিচালনা পর্ষদের পক্ষ থেকে ফ্যাক্টরী, ডিপো এবং অফিস সমূহের সকলের অক্লান্ত প্রচেষ্টার প্রতি আমাদের কৃতজ্ঞতা জানাতে চাই। নানাবিধ অনিশ্চয়তা ও প্রতিকূলতার মাঝেও তাদের কঠোর পরিশ্রম ও নিষ্ঠার ফলে এসিআই'কে একটি শক্তিশালী প্রতিষ্ঠান হিসেবে গড়ে তুলেছে যা জনগণের জীবন-মান উন্নয়নে নিরন্তর অবদান রেখে চলেছে।

কামরান তানজীর রহমান
স্বতন্ত্র পরিচালক

Annexure - I Number of Board Meetings and Attendance of Directors

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

| Name | Position in Board | Meeting Held | Meeting Attended | Remarks |
|--------------------------------|----------------------|--------------|------------------|-----------------------|
| Mr. M. Anis Ud Dowla | Chairman | 5 | 5 | - |
| Ms. Shusmita Anis | Director | 5 | 5 | - |
| Mr. Waliur Rahman Bhuiyan, OBE | Director | 5 | 3 | - |
| Mrs. Najma Dowla | Director | 5 | 4 | - |
| Mr. Golam Mainuddin | Director | 5 | 4 | - |
| Mr. Kazi Sanaul Hoq | Director (ICB) | 5 | 2 | - |
| Mr. Abdul-Muyeed Chowdhury | Director | 5 | 1 | Appointed on 28.01.19 |
| Ms. Sheema Abed Rahman | Director | | 1 | Withdrawn on 28.01.19 |
| Mr. Kamran Tanvirur Rahman | Independent Director | 5 | 4 | Appointed on 29.05.18 |
| Mr. Adil Husain | Independent Director | 5 | 4 | Appointed on 22.07.18 |
| Dr. Arif Dowla | Managing Director | 5 | 5 | - |

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

Annexure - II Pattern of Shareholding

As per condition no. 1 (5) (xxiii) of the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission, the pattern of shareholding along with name wise details as on 30 June 2019 are as follows:

| Condition no. | Name of Shareholders | Position | No. of Shares held | % of Shares held |
|------------------|--|-------------------------------------|--------------------|------------------|
| 1(5) (xxiii) (a) | Parent/Subsidiary/Associated Companies and other related parties: | | | |
| | ACI Foundation | N/A | 4,542,958 | 9.11% |
| 1(5) (xxiii) (b) | Directors: | | | |
| | Mr. M. Anis Ud Dowla | Chairman | 9,260,939 | 18.56% |
| | Dr. Arif Dowla | Managing Director | 1,797,270 | 3.60% |
| | Mrs. Najma Dowla | Director | 1,379,375 | 2.76% |
| | ACI Foundation, Represented By | N/A | 4,542,958 | 9.11% |
| | Ms. Shusmita Anis | Director | 621,084 | 1.00% |
| | Mr. Abdul-Muyeed Chowdhury | Director | - | - |
| | Mr. Waliur Rahman Bhuiyan, OBE | Director | - | - |
| | Mr. Golam Mainuddin | Director | - | - |
| | Investment Corporation of Bangladesh (ICB), Represented By | N/A | 5,339,310 | 10.70% |
| | Mr. Kazi Sanaul Hoq | Director | - | - |
| | Mr. Kamran Tanvirur Rahman | Independent Director | - | - |
| | Mr. Adil Husain | Independent Director | - | - |
| | Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit & Compliance: | | | |
| | Dr. Arif Dowla | Chief Executive Officer | 1,797,270 | 3.60% |
| | Mr. Pradip Kar Chowdhury | Chief Financial Officer | - | - |
| | Mr. Mohammad Mostafizur Rahman | Company Secretary | - | - |
| | Mr. Amitava Saha | Head of Internal Audit & Compliance | - | - |
| 1(5) (xxiii) (c) | Executives (Other than Directors, CEO, CS, CFO and Head of Internal Audit & Compliance): | | | |
| | - | - | - | - |
| 1(5) (xxiii) (d) | Shareholders holding 10% or more voting interest in the company: | | | |
| | Mr. M. Anis Ud Dowla | Chairman | 9,260,939 | 18.56% |
| | Investment Corporation of Bangladesh (ICB) | Institution | 5,339,310 | 10.70% |



Annexure-III

Management Discussion and Analysis

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

Accounting policies and estimation for preparation of financial statements

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

Changes in accounting policies and estimation

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

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

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

Figures in million except ratios and percentage

| Particulars | July 2018 - June 2019 | July 2017 - June 2018 | July 2016 - June 2017 | June 2016 (six month) | December 2015 | December 2014 | December 2013 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------|---------------|---------------|
| Net Turnover | 21,796 | 21,387 | 18,306 | 7,941 | 14,567 | 12,319 | 10,684 |
| Gross profit | 9,886 | 9,242 | 8,196 | 3,561 | 6,262 | 5,171 | 4,258 |
| Profit before tax | 924 | 1,658 | 1,674 | 925 | 3,934 | 1,272 | 1,014 |
| Profit after tax | 549 | 1,317 | 1,244 | 680 | 3,184 | 951 | 764 |
| Earnings per share (Taka) | 11.01 | 26.41 | 25.80 | 15.51 | 72.72 | 24.02 | 22.27 |
| Issued & paid capital | 499 | 482 | 438 | 398 | 398 | 344 | 286 |
| Shareowners' equity | 14,384 | 14,300 | 12,992 | 11,949 | 11,715 | 6,607 | 5,637 |
| Net asset per share (Taka) | 288.32 | 286.62 | 269.54 | 299.96 | 294.08 | 192.09 | 197.23 |
| Number of employees | 9,147 | 9,053 | 8,364 | 7,275 | 7,090 | 6,930 | 4,955 |
| Total contribution to National Exchequer | 3,770 | 3,625 | 3,302 | 1,340 | 2,626 | 2,158 | 2,166 |

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

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

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

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

In FY 2018-19, Bangladesh economy maintained a strong growth momentum with stable inflation, amidst subdued global growth emanated mainly from the escalating trade tension, rising geopolitical tension, and the Brexit related uncertainty. Bangladesh Bureau of Statistics (BBS)'s provisional estimate shows that real GDP grew by 8.13% in FY 2018-19 up from 7.86% in FY 2017-18, supported largely by the pick-up in the investment demand, particularly public investment and robust export growth. On the production side, the growth surge emerged mainly from the industry sector (13.02% growth) with 14.76% growth in manufacturing activities. At the same time, activities in the service and agriculture sectors remained firm (6.50% and 3.51% growth, respectively) in FY 2018-19.

At the end of Q4 of FY 2018-19, the 12-month average CPI inflation edged down to 5.48%, remaining comfortably below the ceiling of 5.6% for FY 2018-19, aided by the moderation of food inflation with a decline in rice prices. However, the 12-month average non-food inflation steadily increased to 5.42% in June 2019, warranting close attention as point-to-point non-food inflation continued rising.

Though the waning of import demand led to a sizeable reduction in the trade balance deficit, the current account balance deficit widened marginally in Q4 of FY 2018-19 (USD 1,008 million in Q4 FY 2018-19 compared to USD 948 million in Q3 FY 2018-19) because of a rise in the outflow of primary income of which remittance income is the major part. Nonetheless, the overall balance witnessed a surplus of USD 338 million due partly to the lowering of statistical discrepancies. During this period, BDT experienced modest depreciation and to avoid excessive volatilities of the exchange rate, Bangladesh Bank continued selling USD. However, in FY 2018-19, BoP recorded a small surplus (USD12 million) from a big deficit (USD 857 million) in FY 2017-18 due to improvement in CAB throughout the year.

Notwithstanding a strong growth in government borrowings from the banking system and the turnaround of the net foreign asset (NFA), broad money (M2) registered a modest growth of 9.9% at the end of FY 2018-19 against the programmed ceiling of 12%, due mainly to decelerated credit growth in the private sector. The modest growth in private credit helped reduce the stress on the liquidity condition in the banking system in Q4 FY 2018-19 in spite of subdued deposit growth. Nonetheless, interest rates in the interbank money market and yields on

various government securities went up during this quarter. Consequently, interest rates on both deposit and lending showed some upward nudge.

Given the downturn in equity markets throughout the world, Dhaka Stock Exchange witnessed some dip with volatility in Q4 FY 2018-19, as reflected in its price indices, market capitalization, and turnover.

On the fiscal side, a rise in the government expenditure against a moderate revenue collection led budget deficit to 4.5% of GDP in FY 2018-19. Though deficit financing mostly relied on non-bank borrowing, borrowing from the banking system by the government went up in Q4 FY 2018-19.

While looking in to the Global Economy, commodity prices were to some extent stable during the last couple of quarters due to softening energy prices with a slight increase in global food prices. The recent massive decline in the rice import in Bangladesh due to a good harvest of boro, reflected in the falling domestic rice prices though the global rice price index slightly went up. Regional inflation shows a mixed scenario as inflation in most of the South Asian economies except India declined in Q4 FY 2018-19. Inflation in Pakistan and Sri Lanka declined to 8.9% and 2.1% in June 2019, down from 9.4% and 2.9%, respectively, in March 2019. However, inflation in India edged up to 3.2% in June 2019 from 2.9% in March 2019. Looking ahead, stable global commodity prices with declining energy prices and favorable domestic production reduce the inflation risks over the short-term. However, inflation outlook has an upside risk due to creeping up non-food inflation in the domestic front may continue in the near future.

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

The Company has exposure to the Credit Risk, Liquidity Risk and Market Risk arising from its operations as outlined in the financial statements. The detail explanation of risk and concerns along with the Risk Management Framework are explained in the note 35 to the financial statements published in this annual report.

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

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

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

Dr. Arif Dowl
Managing Director

Annexure-IV

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

DECLARATION BY CEO AND CFO

Date: 11 November 2019

The Board of Directors
ACI Limited

Subject: **Declaration on Financial Statements for the year ended on 30 June 2019.**

Dear Sirs,

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

- (1) The Financial Statements of ACI Limited for the year ended on 30 June 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

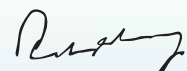
In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Dr. Arif Dowla
Managing Director



Pradip Kar Chowdhury
Chief Financial Officer



Annexure-V

Status of Compliance with the Corporate Governance Code (CGC)

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

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

(Report under Condition No. 9)

| Condition No. | Title | Status | | Remarks |
|---------------|--|----------|--------------|---------|
| | | Complied | Not Complied | |
| 1(1) | The number of Board members shall not be less than 5 (five) and more than 20 (twenty); | Complied | | |
| 1(2)(a) | At least one-fifth (1/5) of the total number of directors shall be Independent Directors (ID); | Complied | | |
| 1(2)(b)(i) | IDs do not hold any share or holds less than 1% shares of the total paid-up shares of the Company; | Complied | | |
| 1(2)(b)(ii) | ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares and his or her family members shall not hold above mentioned shares; | Complied | | |
| 1(2)(b)(iii) | ID has not been an executive of the company in immediately preceding two financial years; | Complied | | |
| 1(2)(b)(iv) | ID does not have any pecuniary or otherwise relationship with the company or its subsidiary/associated companies; | Complied | | |
| 1(2)(b)(v) | ID is not a member or TREC holder, director or officer of any stock exchange; | Complied | | |
| 1(2)(b)(vi) | ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market; | Complied | | |
| 1(2)(b)(vii) | ID is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during preceding three years; | Complied | | |
| 1(2)(b)(viii) | ID shall not be independent director in more than five listed companies; | Complied | | |
| 1(2)(b)(ix) | ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or NBFI; | Complied | | |
| 1(2)(b)(x) | ID has not been convicted for a criminal offence involving moral turpitude; | Complied | | |
| 1(2)(c) | Appointment of ID shall be done by Board and approved by shareholders in the AGM; | Complied | | |
| 1(2)(d) | The position of IDs cannot remain vacant for more than ninety days. | Complied | | |
| 1(2)(e) | The tenure of office of an ID shall be for Three years, which may be extended for One tenure only | Complied | | |
| 1(3)(a) | ID shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business; | Complied | | |
| 1(3)(b)(i) | ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association | Complied | | |

| Condition No. | Title | Status | | Remarks |
|---------------|---|----------|--------------|---------|
| | | Complied | Not Complied | |
| 1(3)(b)(ii) | ID is/was a Corporate Leader as top level executive as adopted by the code and a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; | Complied | | |
| 1(3)(b)(iii) | ID was Former official of government in the position not below 5th Grade of the national pay scale and educational background of bachelor degree in economics or commerce or business or law; | Complied | | |
| 1(3)(b)(iv) | ID is/was University Teacher who has educational background in Economics or Commerce or Business Studies or Law; | Complied | | |
| 1(3)(b)(v) | ID is/was a professional or an advocate practicing in the HCD of Bangladesh Supreme Court or a CA,CMA, CFA, CCA, CPA and CS or equivalent qualification; | Complied | | |
| 1(3)(c) | The ID shall have at least Ten years of experiences in any field mentioned in clause (b); | Complied | | |
| 1(3)(d) | Special cases for relaxing qualifications or experiences with prior approval of the Commission. | Complied | | |
| 1(4)(a) | Chairman of the Board and the Chief Executive Officer of the companies is different individuals having clearly defined their respective roles and responsibilities by Board. | Complied | | |
| 1(4)(b) | Chairperson of the Board and the MD and/or CEO of the company shall be different individuals; | Complied | | |
| 1(4)(c) | Chairperson elected from among the non-executive directors of the company; | Complied | | |
| 1(4)(d) | The Board clearly defined respective roles for Chairman and the Managing Director; | Complied | | |
| 1(4)(e) | In absence of Chairman, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting; | Complied | | |
| 1(5)(i) | An industry outlook and possible future developments; | Complied | | |
| 1(5)(ii) | Segment-wise or product-wise performance. | Complied | | |
| 1(5)(iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; | Complied | | |
| 1(5)(iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; | Complied | | |
| 1(5)(v) | A discussion on continuity of any extraordinary activities and their implications (gain or loss); | Complied | | |
| 1(5)(vi) | A detailed discussion and statement on related party transactions; | Complied | | |
| 1(5)(vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments; | Complied | | |
| 1(5)(viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.; | Complied | | |
| 1(5)(ix) | An explanation on any significant variance between Quarterly Financial performances and Annual Financial Statements; | Complied | | |
| 1(5)(x) | A statement of Directors remuneration; | Complied | | |

Contd.



| Condition No. | Title | Status | | Remarks |
|----------------|---|----------|--------------|---------|
| | | Complied | Not Complied | |
| 1(5)(xi) | A statement on fair preparation of the financial statements by the management of the issuer company; | Complied | | |
| 1(5)(xii) | A statement that proper books of account of the issuer company have been maintained; | Complied | | |
| 1(5)(xiii) | A statement that appropriate accounting policies have been consistently applied in the financial statements and that the accounting estimates are based on reasonable and prudent judgment; | Complied | | |
| 1(5)(xiv) | IAS / BAS / IFRS / BFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed. | Complied | | |
| 1(5)(xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored; | Complied | | |
| 1(5)(xvi) | A statement with regard to the protection of minority shareholders from abusive actions of controlling shareholders. | Complied | | |
| 1(5)(xvii) | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern; | Complied | | |
| 1(5)(xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained; | Complied | | |
| 1(5)(xix) | Key operating and financial data of at least preceding 5 (five) years shall be summarized; | Complied | | |
| 1(5)(xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year; | Complied | | |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; | Complied | | |
| 1(5)(xxii) | The total number of Board meetings held during the year and attendance by each director; | Complied | | |
| 1(5)(xxiii)(a) | Parent / Subsidiary / Associated Companies and other related parties (name wise details); | Complied | | |
| 1(5)(xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); | Complied | | |
| 1(5)(xxiii)(c) | Executives; | Complied | | |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details). | Complied | | |
| 1(5)(xxiv)(a) | A brief resume of the director; | Complied | | |
| 1(5)(xxiv)(b) | Nature of expertise in specific functional areas; | Complied | | |
| 1(5)(xxiv)(c) | Names of companies in which the person also holds the directorship and membership of board committees; | Complied | | |
| | A Management's Discussion and Analysis signed by CEO or MD | Complied | | |
| 1(5)(xxv)(a) | Presenting detailed analysis of accounting policies and estimation for preparation of financial statements; | Complied | | |
| 1(5)(xxv)(b) | Presenting detailed analysis of changes in accounting policies and estimation, if any; | Complied | | |

| Condition No. | Title | Status | | Remarks |
|---------------|---|----------|--------------|----------------------|
| | | Complied | Not Complied | |
| 1(5)(xxv)(c) | Presenting detailed analysis of comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | Complied | | |
| 1(5)(xxv)(d) | Presenting detailed analysis of compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | Complied | | |
| 1(5)(xxv)(e) | Presenting detailed analysis of briefly explain the financial and economic scenario of the country and the globe; | Complied | | |
| 1(5)(xxv)(f) | Presenting detailed analysis of risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; | Complied | | |
| 1(5)(xxv)(g) | Presenting detailed analysis of future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | Complied | | |
| 1(5)(xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed as per Annexure-A; | Complied | | |
| 1(5)(xxvii) | The report and compliance certificate disclosed as per Annexure-B and Annexure-C; | Complied | | |
| 1(6) | Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line BSS as adopted by the ICSB; | Complied | | |
| 1(7)(a) | Code of conduct, based on the recommendation of the NRC for the Chairman of the Board, other board members and Managing Director of the company; | Complied | | |
| 1(7)(b) | Code of conduct as determined by the NRC shall be posted on the website of the company; | | | To be posted soon |
| 2(a) | Composition of the Board of the subsidiary company; | Complied | | |
| 2(b) | Independent director of the holding company on the Board of the subsidiary company; | Complied | | |
| 2(c) | Review of minutes of the subsidiary company's Board meeting by the holding company's Board; | Complied | | |
| 2(d) | Statement as to the review of minutes of Subsidiary company by the holding company's Board. | Complied | | |
| 2(e) | Review of financial statements of Subsidiary company by the Audit Committee of the holding company; | Complied | | |
| 3(1)(a) | The Board shall appoint a MD or CEO, CS, CFO and HIAC; | Complied | | |
| 3(1)(b) | The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals; | Complied | | |
| 3(1)(c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; | | | Under implementation |
| 3(1)(d) | Respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | Complied | | |
| 3(1)(e) | Removal of the MD or CEO, CS, CFO and HIAC with approval of the Board and immediate dissemination to BSEC and stock exchange(s); | Complied | | |

Contd.



| Condition No. | Title | Status | | Remarks |
|---------------|--|----------|--------------|---------|
| | | Complied | Not Complied | |
| 3(2) | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board; | Complied | | |
| 3(3)(a)(i) | Certification of CEO and CFO as to the review of financial statements with declaration that there is no materially untrue and misleading statement; | Complied | | |
| 3(3)(a)(ii) | Certification of CEO and CFO as to the true and fair view of the financial statements and affairs of the Company's per applicable laws; | Complied | | |
| 3(3)(b) | Certification of CEO and CFO that to the best of their knowledge and belief there was no fraudulent, illegal transactions during the year; | Complied | | |
| 3(3)(c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report | Complied | | |
| 4(i) | Board Audit Committee (BAC) | Complied | | |
| 4(ii) | Nomination and Remuneration Committee | Complied | | |
| 5(1)(a) | BAC as a sub-committee of the Board; | Complied | | |
| 5(1)(b) | BAC shall assist the Board of Directors as to the the financial statements reflect true and fair view of the state of affairs of the company; | Complied | | |
| 5(1)(c) | BAC is responsible to the Board. The duties of the BAC is clearly set forth in writing. | Complied | | |
| 5(2)(a) | BAC is composed of 3 (three) members. | Complied | | |
| 5(2)(b) | The Board appointed members of BAC who are non-executive directors and Chairperson is an ID. | Complied | | |
| 5(2)(c) | All members of BAC are "financially literate" and 1 (one) member have accounting or related financial management background and 10 (ten) years of such experience; | Complied | | |
| 5(2)(d) | Filling of casual vacancy in the BAC. | Complied | | |
| 5(2)(e) | The CS shall act as the Secretary of the Committee. | Complied | | |
| 5(2)(f) | The quorum of the BAC meeting have not constitute without ID | Complied | | |
| 5(3)(a) | The Board of Directors select 1 (one) ID as the Chairman of BAC; | Complied | | |
| 5(3)(b) | Election of Chairman of the particular meeting in absence of regular Chairperson of BAC recording the reasons of such absence in the minutes. | Complied | | |
| 5(3)(c) | Chairman of the BAC shall remain present in the AGM. | Complied | | |
| 5(4)(a) | BAC conducted four meetings in the financial year: | Complied | | |
| 5(4)(b) | The quorum of the meeting of BAC constituted in presence of either two members including ID or two third of the members , whichever was higher; | Complied | | |
| 5(5)(a) | Oversee the financial reporting process. | Complied | | |
| 5(5)(b) | Monitor choice of accounting policies and principles. | Complied | | |
| 5(5)(c) | Monitor Internal Audit and Compliance process to ensure that it is adequately resourced; | Complied | | |
| 5(5)(d) | Oversee hiring and performance of external auditors; | Complied | | |
| 5(5)(e) | Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | Complied | | |

| Condition No. | Title | Status | | Remarks |
|----------------|---|----------|--------------|---------|
| | | Complied | Not Complied | |
| 5(5)(f) | Review with the management, the annual financial statements before submission to the Board for approval; | Complied | | |
| 5(5)(g) | Review with the management, the quarterly and half yearly financial statements before submission to the Board for approval | Complied | | |
| 5(5)(h) | Review the adequacy of internal audit function; | Complied | | |
| 5(5)(i) | Review the Management's Discussion and Analysis before disclosing in the Annual Report; | Complied | | |
| 5(5)(j) | Review statement of all related party transactions submitted by the management; | Complied | | |
| 5(5)(k) | Review Management Letters or Letter of Internal Control weakness issued by statutory auditors; | Complied | | |
| 5(5)(l) | Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; | Complied | | |
| 5(5)(m) | Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission; | Complied | | |
| 5(6)(a)(i) | The BAC shall report on its activities to the Board. | Complied | | |
| 5(6)(a)(ii)(a) | The BAC shall immediately report to the Board if any report on conflicts of interests | Complied | | |
| 5(6)(a)(ii)(b) | The BAC shall immediately report to the Board if any suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; | Complied | | |
| 5(6)(a)(ii)(c) | The BAC shall immediately report to the Board if any suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations | Complied | | |
| 5(6)(a)(ii)(d) | The BAC shall immediately report to the Board if any other matter which the Audit Committee deems necessary. | Complied | | |
| 5(6)(b) | If any material impact on the financial condition and results of operation, unreasonably ignored by the management | Complied | | |
| 5(7) | Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) | Complied | | |
| 6(1)(a) | Nomination and Remuneration Committee (NRC) as a sub-committee of the Board; | Complied | | |
| 6(1)(b) | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive; | Complied | | |
| 6(1)(c) | ToR of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b). | Complied | | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | Complied | | |
| 6(2)(b) | All members of the Committee shall be non-executive directors. | Complied | | |

Contd.



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

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

Contd.



Annexure-VI

Al-Muqtadir Associates
Chartered Secretaries & Consultants

Business Office :
House # 412, Apartment: 8
Road: 8, Block: D
Bashundhara R/A, Dhaka - 1229
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efforts umpteenth : প্রয়াস অস্তহীন

Report to the Shareholders of Advanced Chemical Industries Limited (ACI) on compliance with the Corporate Governance Code (As required under the BSEC Codes of Corporate Governance)

We have examined the compliance status to the Corporate Governance Code by **Advanced Chemicals Industries Limited** for the year ended on 30th June 2019. This Code relates to the gazette Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC).

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

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

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

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2018-19.

Al-Muqtadir Associates
Chartered Secretaries & Consultants



Dhaka, November 14, 2019

A.K.A Muqtadir FCS
CEO & Chief Consultant



Advanced Chemical Industries Limited

Auditor's Report & Audited Financial Statements for the year ended 30 June 2019



Hoda Vasi Chowdhury & Co

Chartered Accountants

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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Advanced Chemical Industries Limited and its subsidiaries (the "Group") as well as the separate financial statements of Advanced Chemical Industries Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at 30 June 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

| Key areas | Our responses |
|--|---|
| Carrying value (CV) of Property, plant and equipment (PPE) and its impairment | |
| <p>PPE includes the Group's and the Company's long term assets, which flow economic benefits to the entities more than one year. PPE is measured at cost or revaluation less accumulated depreciation. The items of PPE excluding leased assets & under-construction assets were revalued by the professional valuer in 2015 on the basis of applicable methods including market value based method. The carrying value of PPE represents significant portion of total assets, which is amounting to Tk. 989.2 crore and Tk. 2,557 crore respectively for the Company and the Group at the reporting date. In other words, for both the Company and the Group, approximately 24% and 40% of total assets are represented by PPE.</p> <p>The carrying value of PPE is the function of depreciation charges on cost/ revalued amount that involved estimation. Therefore, it has been considered as a significant area of auditor's judgment and requires special attention. It is a matter of consideration that the carrying value of PPE may be higher than the recoverable amount and the impairment charges thereon may not have been recognized.</p> | <p>We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others, considering the impairment risk of the assets.</p> <p>Followings are our audit procedures on the carrying value and impairment risk of PPE:</p> <ul style="list-style-type: none"> • Reviewing basis of recognition, measurement and valuation of assets; • Observing procedures of assets acquisition, depreciation and disposal; • Checking ownership of the major assets; • Checking the Capital-Work-in-Progress (CWIP) and its transfer to PPE as well as capital expenditure commitment; • Performing due physical asset verification on sample basis at the year-end; • Checking estimated rates of depreciation being used and assessing its fairness; • Discussing with the management about the fair value of the assets and assessing independently whether the CV approximates the fair value at the reporting date; |

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| | |
|---|---|
| | <ul style="list-style-type: none"> • Evaluating the Group's assumptions in relation to recoverable amounts of the major PPE to identify if there is any requirement of recognition of impairment; and • Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. <p>Our testing did not identify any issues with regard to CV of PPE and any indicators that would trigger impairment.</p> |
| <p>Refer to the note no. 8 and 8(a) to the financial statements</p> | |
| <p>Investments in subsidiaries, associates and JVs of the Company and its impairment</p> | |
| <p>The Company has investments amounting to Taka 264.4 crore on 30 June 2019 held at cost less impairment that represents 6.4% of the Company's total assets.</p> <p>Specifically subsidiaries namely, ACI Logistics Limited, ACI Foods Limited, Infolytx Bangladesh Limited and ACI Chemicals Limited, ACI Agrolink Limited have been incurring continuous operating losses, negative cash flows and few key ratios were also negative at the reporting date.</p> <p>The Company has completed a Strategic Review and as a result, has decided not to charge impairment on investment except ACI Logistics Limited. It is, therefore a matter of consideration whether the judgment of the management with regards to impairment is reasonable or not.</p> | <p>We have tested the design of control over the review of the investment impairment analysis. Our audit procedures included, among others, considering the impairment risk associated with of the investments.</p> <p>Followings are our audit procedures on the carrying value and impairment risk of investments:</p> <ul style="list-style-type: none"> • Comparing the carrying amount of investments with the relevant subsidiaries, associates and JVs' financial statements to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries, associates and JVs have historically been profit-making; • Reviewing the business projections, key ratios and operating cash flows for the loss making entities; • Reviewing the Management's analysis of impairment assessment; • Discussing with the Management and focusing on the appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation; • Reviewing the investment where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business based on a suitable multiple of the subsidiaries' earnings or discounted cash flow analysis; • Checking mathematical accuracy of the model, recalculating discount rate used within the model, reviewing inputs used in the determination of assumptions within the model and corroborating information obtained with reference to external market information, third-party sources where applicable; • Reviewing the audit reports issued by the components auditors; and • Finally, considering the adequacy of the Company's disclosures against relevant accounting standards. <p>Our testing did not identify any major issues with regard to investments and any indicators that would trigger impairment at the reporting date.</p> |
| <p>Refer to the note no. 9 and 9(a) to the financial statements</p> | |
| <p>Inter-company receivables</p> | |
| <p>The carrying value of the inter-company receivables of the Company was at Tk. 1,492.5 crore as at 30 June 2019 representing 36% of total assets of the Company.</p> | <p>We assessed the processes and controls put in place by the Company over inter-company receivable transactions. Our substantive procedures in relation to the inter-company receivables comprise the followings:</p> |

| | |
|--|--|
| <p>At the time of conducting our audit of the separate financial statements of the Company, we have identified the recoverable value of the Company's inter-company receivable stated at amortized cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of these inter-company receivables in accordance with IFRS 9: Financial Instruments. Therefore, it is a matter to consider whether those receivables have been misstated due to non-recognition of impairment.</p> | <ul style="list-style-type: none"> • Understanding and analyzing the nature and reasons for inter-company receivable transactions; • Studying board minutes for the approval of loans to the group entities; • Reviewing independently the financial capabilities of subsidiaries to meet the obligations and also, reviewing the financial statements of subsidiaries; • Checking the transactions between the Group entities on sample basis; • Obtaining confirmations from the group entities at the reporting date on the closing balances of inter-company receivable and its reconciliation whenever necessary; • Performing impairment test on the inter-company receivable balances and independent review on the key indicators including trend of profitability, operating cash flows, and history of inter-company transactions etc.; • Recalculating interest portion on the balances of inter-company receivables and recording thereof; and • Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. <p>Our testing did not identify any major issues with regard to inter-company receivables and any indicators that would trigger impairment at the reporting date.</p> |
| <p>Refer to the note no. 14 to the financial statements</p> | |
| <p>Short-term loan and Bank overdraft ("Loans")</p> | |
| <p>At reporting date, the position of loans remained amounting to Tk. 1,546 crore and 3,188.2 crore respectively for the Company and the Group. In other words, approximately 57% and 59% of total liabilities respectively for the Company and the Group are represented by loans.</p> <p>Evidently, the Company is using loans to operate the business and also, to acquire non-current assets. Therefore, it has been considered as key audit area.</p> | <p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the loans. Our audit procedures included, among others, the followings:</p> <ul style="list-style-type: none"> • Understanding and reviewing the nature and types of loans; • Reviewing the board minutes for arrangements of the loans; • Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans; • Reviewing the mortgages, major covenants, guarantees and interest rates etc. attached to the loans; • Recalculating the interest related to loans; • Checking the adjustments or repayments of loans through bank statements as per repayment schedule; • Checking whether there is any overdue payments and penal interests; and • Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. <p>Our procedures above did not identify any issues with regard to the loans.</p> |
| <p>Refer to the note no. 20, 22 & 23 and 20(a), 22(a) & 23(a) to the financial statements</p> | |
| <p>Revenue Recognition</p> | |
| <p>At year end the Company reported total revenue of Tk. 2,179 crore and the Group, as a whole, reported total revenue of Tk. 6,314 crore.</p> | <p>We have tested the design and operating effectiveness of key controls focusing on the followings:</p> <ul style="list-style-type: none"> • Segregation of duties in invoice creation and modification; • Approved price list and specified terms of trade in place; • Authorization of credit terms to customers; • Timing of revenue recognition; and • Calculation of discounts. |

| | |
|--|--|
| <p>Revenue is recognized when the performance obligation is satisfied by transferring goods or services to a customer, either at a point in time or over time. Goods or services are “transferred” when the customer obtains control of it. It is a matter of consideration whether revenue may be misstated due to recognition of sales transaction before performance obligation being satisfied.</p> <p>Furthermore, revenue is measured at net of trade discounts, returns and allowances. Within a number of the Group’s business categories, the estimation of discount recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, it is a matter of concern that revenue may be misstated as a result of faulty estimations over discounts.</p> | <p>Our substantive procedures in relation to the revenue recognition comprise the followings:</p> <ul style="list-style-type: none"> ● Observing and evaluating whether proper segregation of duties put in place; ● Examining samples of sales orders for evidence of proper credit approval by the appropriate personnel concerned and application controls for credit limits; ● Comparing prices and terms on samples of sales invoices to the authorized price list and terms of trade and also, examining application controls for authorized prices and terms; ● Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; ● Assessing the appropriateness of the Group’s revenue recognition accounting policies, including those relating to discounts by comparing with applicable accounting standard; ● Testing the effectiveness of the Group’s controls over the calculation of discounts and appropriate timing of revenue recognition; ● Critically assessing manual journals made to revenue to identify unusual or irregular items; and ● Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. <p>Our testing did not identify any issues with regard to revenue.</p> |
| <p>Refer to the note no. 28 and 28(a) to the financial statements</p> | |

Other Matter

The financial statements of twelve subsidiaries, two joint ventures and three associates as disclosed in the note 42 to these financial statements were audited by other auditors who expressed unmodified opinions on those financial statements on 30 June 2019. The Group has a wholly owned subsidiary namely, ACI HealthCare USA, Inc. in USA which were audited by Parks & Company, LLC (USA) and in addition, we being the Group auditor, reviewed independently and accepted those financial information.

Other Information

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

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

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

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

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

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

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

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

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

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

Hoda Vasi Chowdhury & Co

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

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

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

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

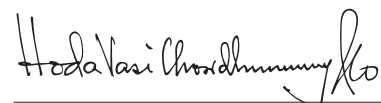
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report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

Report on other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of accounts as required by law have been kept by the Group and the Company so far as it appeared from our examination of these books;
- (c) the consolidated and the separate statements of financial position and statements of profit or loss and other comprehensive income along with the annexed notes 1 to 42 dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the Group's and the Company's business.

Dhaka, 11 November 2019



Hoda Vasi Chowdhury & Co.
Chartered Accountants

Advanced Chemical Industries Limited

Statement of Financial Position

| In Taka | Note | 30 June 2019 | 30 June 2018 |
|--|------|-----------------------|-----------------------|
| Assets | | | |
| Property, plant and equipment | 8 | 9,891,773,622 | 9,239,752,048 |
| Investments | 9 | 2,644,630,237 | 2,558,852,523 |
| Intangible assets | 10 | 267,889 | 420,961 |
| Deferred tax assets | 21 | 66,022,919 | - |
| Non-current assets | | 12,602,694,667 | 11,799,025,532 |
| Inventories | 11 | 5,476,073,385 | 5,112,920,562 |
| Trade receivables | 12 | 5,158,495,642 | 4,863,502,651 |
| Other receivables | 13 | 279,084,513 | 831,162,716 |
| Inter-company receivables | 14 | 14,925,700,916 | 10,316,025,950 |
| Advances, deposits and prepayments | 15 | 2,177,759,800 | 1,682,853,702 |
| Cash and cash equivalents | 16 | 992,956,408 | 1,081,128,975 |
| Current assets | | 29,010,070,664 | 23,887,594,556 |
| Total assets | | 41,612,765,331 | 35,686,620,088 |
| Equity | | | |
| Share capital | 17 | 498,895,265 | 482,024,411 |
| Share premium | | 402,310,367 | 402,310,367 |
| Reserves | 18 | 3,633,116,809 | 3,543,672,366 |
| Retained earnings | | 9,849,767,795 | 9,871,498,761 |
| Total equity | | 14,384,090,236 | 14,299,505,906 |
| Liabilities | | | |
| Employee benefits | 19 | 941,229,157 | 807,636,638 |
| Long term bank loan | 20 | 567,627,935 | 141,353,004 |
| Deferred tax liabilities | 21 | - | 120,722,017 |
| Non-current liabilities | | 1,508,857,092 | 1,069,711,660 |
| Bank overdraft | 22 | 2,633,244,019 | 2,374,634,769 |
| Loans and borrowings | 23 | 12,827,624,558 | 11,340,784,233 |
| Trade payables | 24 | 1,199,383,457 | 794,002,138 |
| Other payables | 25 | 2,755,802,022 | 2,352,363,174 |
| Inter-company payables | 26 | 4,549,730,210 | 2,272,416,036 |
| Current tax liabilities | 27 | 1,754,033,737 | 1,183,202,172 |
| Current liabilities | | 25,719,818,003 | 20,317,402,522 |
| Total liabilities | | 27,228,675,095 | 21,387,114,182 |
| Total equity and liabilities | | 41,612,765,331 | 35,686,620,088 |
| Net Asset Value (NAV) per share | | 288.32 | 286.62 |

The annexed notes 1 to 42 form an integral part of these financial statements.


Managing Director


Director


Company Secretary


Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 11 November 2019



Advanced Chemical Industries Limited

Statement of Profit or Loss

| In Taka | Note | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------|---------------------------------------|---------------------------------------|
| Revenue | 28 | 21,795,582,592 | 21,387,105,125 |
| Cost of sales | 29 | (11,909,984,608) | (12,144,878,812) |
| Gross profit | | 9,885,597,984 | 9,242,226,313 |
| Administrative, selling and distribution expenses | 30 | (8,155,678,020) | (7,659,725,997) |
| Other income/(loss) | 31 | (68,984,499) | 93,481,698 |
| Operating profit | | 1,660,935,465 | 1,675,982,014 |
| Gain from sale of brands | | - | 540,300,000 |
| Impairment loss on investment | 9 | (13,600,000) | (30,000,000) |
| Net finance costs | 32 | (665,601,925) | (440,966,676) |
| Profit before contribution to WPPF | | 981,733,540 | 1,745,315,338 |
| Contribution to WPPF | 25.1 | (58,117,222) | (87,265,767) |
| Profit before tax | | 923,616,318 | 1,658,049,571 |
| Income tax expense | 33 | | |
| Current tax | | (570,831,565) | (691,377,463) |
| Deferred tax income/(expense) | | 196,683,207 | 350,759,874 |
| | | (374,148,358) | (340,617,590) |
| Profit after tax | | 549,467,960 | 1,317,431,981 |
| Earnings per share | 34 | | |
| Basic earnings per share | | 11.01 | 26.41 |

The annexed notes 1 to 42 form an integral part of these financial statements.

Managing Director

Director

Company Secretary

As per our report of same date.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 11 November 2019

Advanced Chemical Industries Limited

Statement of Profit or Loss and other Comprehensive Income

| <i>In Taka</i> | Note | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------|---------------------------------------|---------------------------------------|
| Profit after tax | | 549,467,960 | 1,317,431,981 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Change in fair value of FVOCI financial assets | 18.1 | 99,382,714 | - |
| Related tax on FVOCI financial assets | | (9,938,271) | - |
| | | 89,444,443 | - |
| Items that may be reclassified subsequently to profit or loss | | | |
| Change in fair value of available-for-sale financial assets | 18.1 | - | 183,198,792 |
| Related tax on available-for-sale financial assets | | - | (18,319,879) |
| | | - | 164,878,913 |
| Other comprehensive income, net of tax | | 89,444,443 | 164,878,913 |
| Total comprehensive income | | 638,912,403 | 1,482,310,894 |

The annexed notes 1 to 42 form an integral part of these financial statements.



Managing Director

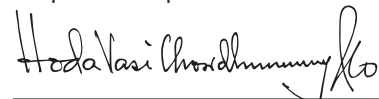


Director



Company Secretary

As per our report of same date.



Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 11 November 2019

Advanced Chemical Industries Limited

Statement of Changes in Equity



For the year ended 30 June 2019

| <i>In Taka</i> | Share capital | Share premium | Capital reserve | FVOCI reserve | Revaluation reserve | Retained earnings | Total equity |
|---|---------------|---------------|-----------------|---------------|---------------------|-------------------|----------------|
| Balance at 1 July 2018 | 482,024,411 | 402,310,367 | 1,671,386 | 466,460,032 | 3,075,540,948 | 9,871,498,761 | 14,299,505,906 |
| Total comprehensive income | | | | | | | |
| Profit after tax | - | - | - | - | - | 549,467,960 | 549,467,960 |
| Other comprehensive income - net of tax | - | - | - | 89,444,443 | - | - | 89,444,443 |
| Total comprehensive income | | | | 89,444,443 | | 549,467,960 | 638,912,403 |
| Transactions with owners of the Company | | | | | | | |
| Contributions and distributions | | | | | | | |
| Issuance of bonus shares for the year 2017-2018 | 16,870,854 | - | - | - | - | (16,870,854) | - |
| Cash dividend paid for the year 2017-2018 | - | - | - | - | - | (554,328,073) | (554,328,073) |
| Total contributions and distributions | 16,870,854 | - | - | - | - | (571,198,927) | (554,328,073) |
| Total transactions with owners of the Company | 16,870,854 | - | - | - | - | (571,198,927) | (554,328,073) |
| Transactions recognised directly in equity | | | | | | | |
| Realisation of revaluation reserve | - | - | - | - | - | - | - |
| Total transactions recognised directly in equity | - | - | - | - | - | - | - |
| Balance at 30 June 2019 | 498,895,265 | 402,310,367 | 1,671,386 | 555,904,475 | 3,075,540,948 | 9,849,767,795 | 14,384,090,236 |

For the year ended 30 June 2018

| <i>In Taka</i> | Share capital | Share premium | Capital reserve | Available for sale reserve | Revaluation reserve | Retained earnings | Total equity |
|---|---------------|---------------|-----------------|----------------------------|---------------------|-------------------|----------------|
| Balance at 1 July 2017 | 438,204,010 | 402,310,367 | 1,671,386 | 301,581,119 | 3,075,540,948 | 8,773,168,785 | 12,992,476,615 |
| Total comprehensive income | | | | | | | |
| Profit after tax | - | - | - | - | - | 1,317,431,981 | 1,317,431,981 |
| Other comprehensive income - net of tax | - | - | - | 164,878,913 | - | - | 164,878,913 |
| Total comprehensive income | | | | 164,878,913 | | 1,317,431,981 | 1,482,310,894 |
| Transactions with owners of the Company | | | | | | | |
| Contributions and distributions | | | | | | | |
| Issuance of bonus shares for the year 2016-2017 | 43,820,401 | - | - | - | - | (43,820,401) | - |
| Final dividend paid for the year 2016-2017 | - | - | - | - | - | (175,281,604) | (175,281,604) |
| Total contributions and distributions | 43,820,401 | - | - | - | - | (219,102,005) | (175,281,604) |
| Total transactions with owners of the Company | 43,820,401 | - | - | - | - | (219,102,005) | (175,281,604) |
| Transactions recognised directly in equity | | | | | | | |
| Realisation of revaluation reserve | - | - | - | - | - | - | - |
| Total transactions recognised directly in equity | - | - | - | - | - | - | - |
| Balance at 30 June 2018 | 482,024,411 | 402,310,367 | 1,671,386 | 466,460,032 | 3,075,540,948 | 9,871,498,761 | 14,299,505,906 |

The annexed notes 1 to 42 form an integral part of these financial statements.

Advanced Chemical Industries Limited

Statement of Cash Flows

| <i>In Taka</i> | Note | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------|---------------------------------------|---------------------------------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers and others | | 21,444,395,425 | 19,841,304,783 |
| Cash paid to suppliers and employees | | (18,845,384,568) | (18,900,393,531) |
| Cash generated from operating activities | | 2,599,010,857 | 940,911,252 |
| Paid to WPPF | | (64,992,971) | (61,041,869) |
| Interest paid | | (632,523,352) | (411,979,218) |
| Income tax paid | | (590,433,720) | (454,213,222) |
| | | (1,287,950,043) | (927,234,309) |
| Net cash (used in)/generated from operating activities* | 16.3 | 1,311,060,814 | 13,676,943 |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | | (166,616,160) | (988,449,558) |
| Payments for capital work in progress | | (1,278,367,956) | (341,941,897) |
| Sale proceeds from property, plant and equipment | | 121,023,887 | 2,813,894 |
| Sale proceeds from brands | | 540,300,000 | 403,900,000 |
| Dividend received | | 87,087,273 | 38,955,063 |
| Investment | | - | (336,995,000) |
| Net cash (used in)/generated from investing activities | | (696,572,956) | (1,221,717,498) |
| Cash flows from financing activities | | | |
| Inter-company debts received/(paid) | | (2,332,360,792) | (4,277,618,143) |
| Dividends paid | | (542,640,981) | (171,500,640) |
| Short-term bank loan received/(paid) | | 1,486,840,325 | 4,068,923,959 |
| Long-term bank loan and other liabilities received/(paid) | | 426,274,931 | 132,503,185 |
| Net cash (used in)/generated from financing activities | | (961,886,517) | (247,691,639) |
| Net increase/(decrease) in cash and cash equivalents | | (347,398,659) | (1,455,732,194) |
| Opening cash and cash equivalents | | (1,293,505,794) | 162,226,400 |
| Effect of movements in exchange rate on cash held | | 616,842 | - |
| Closing cash and cash equivalents at reporting date | | (1,640,287,611) | (1,293,505,794) |
| Closing cash and cash equivalents represent: | | | |
| Cash and cash equivalents | 16 | 992,956,408 | 1,081,128,975 |
| Bank overdraft | 22 | (2,633,244,019) | (2,374,634,769) |
| | | (1,640,287,611) | (1,293,505,794) |
| Net Operating Cash Flows Per Share (NOCFPS) | | 26.28 | 0.27 |

*See Note 16.3 for reconciliation of net operating cash flow.

The annexed notes 1 to 42 form an integral part of these financial statements.



Advanced Chemical Industries Limited

Consolidated Statement of Financial Position

| In Taka | Note | 30 June 2019 | 30 June 2018 |
|---|--------|-----------------------|-----------------------|
| Assets | | | |
| Property, plant and equipment | 8(a) | 25,570,747,581 | 23,017,048,759 |
| Equity-accounted investees | 9(a).1 | 1,304,391,166 | 1,143,314,786 |
| Other investments | 9(a).2 | 848,208,350 | 735,339,955 |
| Intangible assets | 10(a) | 103,177,750 | 118,237,964 |
| Non-current assets | | 27,826,524,847 | 25,013,941,464 |
| Inventories | 11(a) | 13,560,088,685 | 11,792,577,831 |
| Trade receivables | 12(a) | 13,827,165,973 | 10,963,329,914 |
| Other receivables | 13(a) | 509,581,982 | 1,099,973,493 |
| Inter-company receivables | 14(a) | 50,583,865 | 10,907,763 |
| Advances, deposits and prepayments | 15(a) | 5,683,574,787 | 4,433,434,344 |
| Cash and cash equivalents | 16(a) | 2,319,988,462 | 2,131,550,039 |
| Current assets | | 35,950,983,753 | 30,431,773,384 |
| Total assets | | 63,777,508,601 | 55,445,714,848 |
| Equity | | | |
| Share capital | | 498,895,266 | 482,024,411 |
| Share premium | | 402,310,367 | 402,310,367 |
| Reserves | 18(a) | 4,833,537,172 | 4,744,427,788 |
| Retained earnings | | 4,073,015,333 | 5,451,050,122 |
| Equity attributable to the owners of the company | | 9,807,758,138 | 11,079,812,688 |
| Non-controlling interest | | (298,384,844) | (59,418,942) |
| Total equity | | 9,509,373,294 | 11,020,393,747 |
| Liabilities | | | |
| Employee benefits | 19(a) | 1,178,872,434 | 994,107,783 |
| Long term bank loan | 20(a) | 8,079,177,445 | 7,972,367,343 |
| Deferred tax liabilities | 21(a) | 96,558,264 | 378,990,924 |
| Non-current liabilities | | 9,354,608,143 | 9,345,466,050 |
| Bank overdraft | 22(a) | 4,618,176,594 | 4,159,153,500 |
| Loans and borrowings | 23(a) | 27,263,916,795 | 21,933,605,080 |
| Trade payables | 24(a) | 4,338,090,506 | 2,252,947,112 |
| Other payables | 25(a) | 4,699,441,016 | 3,924,141,882 |
| Current tax liabilities | 27(a) | 3,993,902,253 | 2,810,007,478 |
| Current liabilities | | 44,913,527,164 | 35,079,855,051 |
| Total liabilities | | 54,268,135,307 | 44,425,321,101 |
| Total equity and liabilities | | 63,777,508,601 | 55,445,714,848 |
| Consolidated Net Asset Value (NAV) per share | | 196.59 | 222.09 |

The annexed notes 1 to 42 form an integral part of these financial statements.

Managing Director

Director

Company Secretary

As per our report of same date.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 11 November 2019

Advanced Chemical Industries Limited

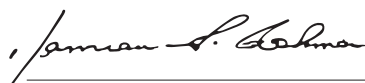
Consolidated Statement of Profit or Loss

| In Taka | Note | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|-------|---------------------------------------|---------------------------------------|
| Revenue | 28(a) | 63,143,695,243 | 56,123,321,109 |
| Cost of sales | 29(a) | (44,826,113,310) | (40,257,620,969) |
| Gross profit | | 18,317,581,933 | 15,865,700,139 |
| Administrative, selling and distribution expenses | 30(a) | (14,992,731,691) | (12,782,328,798) |
| Other income | 31(a) | 10,037,945 | 161,703,349 |
| Operating profit | | 3,334,888,187 | 3,245,074,690 |
| Gain from sale of Brands | | - | 540,300,000 |
| Share of profit of equity accounted investees | | 161,076,381 | 35,426,012 |
| Net Finance costs | 32(a) | (3,135,531,445) | (2,231,054,208) |
| Profit before contribution to WPPF | | 360,433,123 | 1,589,746,494 |
| Contribution to WPPF | | (146,239,765) | (168,083,901) |
| Profit before tax | | 214,193,358 | 1,421,662,593 |
| Income tax expense | 33(a) | | |
| Current tax | | (1,386,439,405) | (1,374,709,885) |
| Deferred tax income/(expense) | | 276,264,979 | 363,597,434 |
| | | (1,110,174,426) | (1,011,112,451) |
| Profit after tax | | (895,981,068) | 410,550,142 |
| Profit attributable to | | | |
| Equity holders of the company | | (742,037,534) | 517,014,325 |
| Non-controlling interests | | (153,943,534) | (106,464,183) |
| | | (895,981,068) | 410,550,142 |
| Earnings per share | 34(a) | | |
| Basic earnings per share | | (14.87) | 10.36 |

The annexed notes 1 to 42 form an integral part of these financial statements.



Managing Director

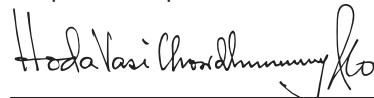


Director



Company Secretary

As per our report of same date.



Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 11 November 2019



Advanced Chemical Industries Limited

Consolidated Statement of Profit or Loss and other Comprehensive Income

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|---------------------------------------|---------------------------------------|
| Profit after tax | (895,981,068) | 410,550,142 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Change in fair value of FVOCI financial assets | 99,853,910 | - |
| Related tax on FVOCI financial assets | (9,918,600) | - |
| | 89,935,310 | - |
| Items that may be reclassified subsequently to profit or loss | | |
| Change in fair value of available-for-sale financial assets | - | 182,741,226 |
| Related tax on available-for-sale of financial assets | - | (18,274,123) |
| Foreign operations - foreign currency translation differences | (912,850) | - |
| Other comprehensive income, net of tax | (912,850) | 164,467,103 |
| Total comprehensive income | (806,958,608) | 575,017,245 |
| Total comprehensive income attributable to | | |
| Equity holders of the Company | | |
| Profit after tax | (742,037,534) | 517,014,325 |
| Other comprehensive income | 89,109,383 | 164,519,341 |
| | (652,928,151) | 681,533,666 |
| Non-controlling interests | | |
| Profit after tax | (153,943,534) | (106,464,183) |
| Other comprehensive income | (86,923) | (52,238) |
| | (154,030,457) | (106,516,421) |
| Total comprehensive income | 806,958,608 | 575,017,245 |

The annexed notes 1 to 42 form an integral part of these financial statements.

Managing Director

Director

Company Secretary

As per our report of same date.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 11 November 2019

Advanced Chemical Industries Limited

Consolidated Statement of Changes in Equity

For the year ended 30 June 2019

| In Taka | Attributable to owner of the Company | | | | | | | Non-controlling interests | Total equity | |
|---|--------------------------------------|---------------|-----------------|---------------------|---------------|---------------------|-------------------|---------------------------|---------------|----------------|
| | Share capital | Share premium | Capital reserve | Translation reserve | FVOCI reserve | Revaluation reserve | Retained earnings | | | |
| Balance at 1 July 2018 | 482,024,411 | 402,310,367 | 1,671,386 | - | 464,822,880 | 4,277,933,521 | 5,451,050,122 | 11,079,812,688 | (59,418,942) | 11,020,393,746 |
| Adjustment on initial application of IFRS 9 | - | - | - | - | - | (28,119,032) | - | (8,879,694) | - | (36,998,726) |
| Total comprehensive income | - | - | - | - | - | - | (742,037,534) | (153,943,534) | - | (895,981,068) |
| Profit after tax | - | - | - | (848,385) | 89,957,769 | - | - | 89,109,384 | (86,923) | 89,022,461 |
| Other comprehensive income - net of tax | - | - | - | (848,385) | 89,957,769 | - | (742,037,534) | (154,030,457) | - | (806,958,607) |
| Total comprehensive income | - | - | - | - | - | - | - | (652,928,150) | - | (806,958,607) |
| Transactions with owners of the Company | | | | | | | | | | |
| Contributions and distributions | | | | | | | | | | |
| Issuance of bonus shares for the year 2017-2018 | 16,870,855 | - | - | - | - | - | (16,870,855) | - | - | - |
| Cash dividend paid for the year 2017-2018 | - | - | - | - | - | (554,328,073) | (554,328,073) | (73,268,633) | - | (627,596,705) |
| Adjustment for first time consolidation by Subsidiary | - | - | - | - | - | (36,679,295) | (36,679,295) | (2,787,118) | - | (39,466,413) |
| Total contributions and distributions | 16,870,855 | - | - | - | - | (607,878,223) | (607,878,223) | (76,055,751) | - | (667,063,118) |
| Total transactions with owners of the Company | 16,870,855 | - | - | - | - | (607,878,223) | (607,878,223) | (76,055,751) | - | (667,063,118) |
| Transactions recognised directly in equity | | | | | | | | | | |
| Realisation of revaluation reserve | - | - | - | - | - | - | - | - | - | - |
| Total transactions recognised directly in equity | - | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2019 | 498,895,266 | 402,310,367 | 1,671,386 | (848,385) | 554,780,649 | 4,277,933,521 | 4,073,015,333 | 9,835,877,169 | (298,384,844) | 9,509,373,294 |

For the year ended 30 June 2018

| In Taka | Attributable to owner of the Company | | | | | | | Non-controlling interests | Total equity | |
|---|--------------------------------------|---------------|-----------------|----------------------------|---------------------|-------------------|----------------|---------------------------|----------------|---------------|
| | Share capital | Share premium | Capital reserve | Available for sale reserve | Revaluation reserve | Retained earnings | Total | | | |
| Balance at 1 July 2017 | 438,204,010 | 402,310,367 | 1,671,386 | 300,303,539 | 4,277,933,521 | 5,153,137,802 | 10,573,560,626 | 65,498,322 | 10,639,058,948 | |
| Total comprehensive income | - | - | - | - | - | 517,014,325 | 517,014,325 | (106,464,183) | - | 410,550,142 |
| Profit after tax | - | - | - | 164,519,341 | - | - | 164,519,341 | (52,238) | - | 164,467,103 |
| Other comprehensive income-net of tax | - | - | - | 164,519,341 | - | - | 164,519,341 | (106,516,421) | - | 57,992,920 |
| Total comprehensive income | - | - | - | - | - | 517,014,325 | 517,014,325 | (106,516,421) | - | 57,992,920 |
| Transactions with owners of the Company | | | | | | | | | | |
| Contributions and distributions | | | | | | | | | | |
| Issuance of bonus shares for the year 2016-2017 | 43,820,401 | - | - | - | - | (43,820,401) | - | (31,400,843) | - | (206,682,447) |
| Final dividend paid for the year 2016-2017 | - | - | - | - | - | (175,281,604) | (175,281,604) | (13,000,000) | - | (193,682,447) |
| Amount receivable from Non-controlling interest | - | - | - | - | - | (219,102,005) | (219,102,005) | (18,400,843) | - | (417,504,853) |
| Total contributions and distributions | 43,820,401 | - | - | - | - | (417,904,010) | (417,904,010) | (52,801,686) | - | (427,705,696) |
| Total transactions with owners of the Company | 43,820,401 | - | - | - | - | (417,904,010) | (417,904,010) | (52,801,686) | - | (427,705,696) |
| Transactions recognised directly in equity | | | | | | | | | | |
| Realisation of revaluation reserve | - | - | - | - | - | - | - | - | - | - |
| Total transactions recognised directly in equity | - | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2018 | 482,024,411 | 402,310,367 | 1,671,386 | 464,822,880 | 4,277,933,521 | 5,451,050,122 | 11,079,812,688 | (59,418,942) | 11,020,393,746 | |

The annexed notes 1 to 42 form an integral part of these financial statements.





Advanced Chemical Industries Limited

Consolidated Statement of Cash Flows

| In Taka | Note | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|----------|---------------------------------------|---------------------------------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers and others | | 60,290,616,521 | 53,319,667,971 |
| Cash paid to suppliers and employees | | (57,418,511,624) | (52,550,982,559) |
| Cash generated from operating activities | | 2,872,104,897 | 768,685,411 |
| Paid to WPPF | | (119,177,712) | (142,223,475) |
| Interest paid | | (3,182,135,372) | (2,187,434,771) |
| Income tax paid | | (1,461,640,101) | (1,130,994,203) |
| | | (4,762,953,185) | (3,460,652,449) |
| Net cash from/(used in) operating activities * | 16.1 (a) | (1,890,848,288) | (2,691,967,037) |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | | (1,813,056,543) | (1,372,072,856) |
| Payments for capital work in progress | | (1,843,882,728) | (2,995,905,918) |
| Sale proceeds from property, plant and equipment | | 121,379,762 | 11,584,139 |
| Sale proceeds from brands | | 540,300,000 | 403,900,000 |
| Dividend received | | 2,855,906 | 2,855,906 |
| Investment | | (3,459,956) | (70,609,433) |
| Net cash from/(used in) investing activities | | (2,995,863,561) | (4,020,248,162) |
| Cash flows from financing activities | | | |
| Payment as dividend to non-controlling interest | | (72,418,534) | (31,099,579) |
| Inter-company debts received/(paid) | | 39,676,102 | (2,369,794) |
| Dividend paid | | (542,640,981) | (171,500,640) |
| Short-term bank loan received/(paid) | | 5,078,273,277 | 2,253,336,694 |
| Long-term bank loan and other liabilities received/(paid) | | 101,208,375 | 2,820,919,598 |
| Net cash from/(used in) financing activities | | 4,604,098,239 | 4,869,286,278 |
| Net increase/(decrease) in cash and cash equivalents | | (282,613,612) | (1,842,928,924) |
| Opening cash and cash equivalents | | (2,027,603,461) | (184,982,856) |
| Effect of movements in exchange rate on cash held | | 443,374 | 308,319 |
| Adjustment for first time consolidation by Subsidiary | | 11,585,568 | - |
| Cash and cash equivalents at reporting date | | (2,298,188,131) | (2,027,603,461) |
| Closing balance represents | | | |
| Cash and cash equivalents | 16(a) | 2,319,988,462 | 2,131,550,039 |
| Bank overdraft | 22(a) | (4,618,176,594) | (4,159,153,500) |
| | | (2,298,188,132) | (2,027,603,461) |
| Consolidated Net Operating Cash Flows Per Share (NOCFPS) | | (37.90) | (53.96) |

*See Note 16.1 (a) for reconciliation of consolidated net operating cash flow.

The annexed notes 1 to 42 form an integral part of these financial statements.

Advanced Chemical Industries Limited

Notes to the Financial Statements

as at and for the year ended 30 June 2019

1 Reporting entity

1.1 Company profile

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

The consolidated financial statements of the Company as at and for the year ended 30 June 2019 comprise the Company's and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities."

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

1.2 Nature of business

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

1.3 Description of subsidiaries

1.3.1 ACI Formulations Limited

The company was incorporated on 29 October 1995 as a private limited company under the Companies Act 1994. It was converted to public limited company on 4 May 2005 and listed with both Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) on 30 October 2008. The principal activities of the company are manufacturing and marketing of a number of agrochemical and consumer products.

1.3.2 ACI Salt Limited

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

1.3.3 ACI Foods Limited

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

1.3.4 ACI Pure Flour Limited

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

1.3.5 ACI Agrolink Limited

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



1.3.6 ACI Motors Limited

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

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

1.3.7 Creative Communication Limited

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

1.3.8 Premiaflex Plastics Limited

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

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

1.3.9 ACI Logistics Limited

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

1.3.10 ACI Edible Oils Limited

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

1.3.11 ACI HealthCare Limited

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

1.3.12 ACI Chemicals Limited

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

1.3.13 ACI Biotech Limited

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

1.3.14 Infolytx Bangladesh Limited

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

2 Basis of accounting

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), (BFRSs & BASs for the year ended 30 June 2018), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.2 Date of authorisation

The audited consolidated financial statements as well as separate financial statements for the year ended 30 June 2019 were authorised by the Board of Directors on 11 November 2019 for publication.

2.3 Basis of measurement

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

3 Functional and presentational currency

These financial statements are presented in Bangladesh Taka (Taka/TK/BDT), which is both functional and presentation currency of the Company. The amounts in these financial statements have been rounded off to the nearest Taka, unless stated otherwise indicated. Because of these rounding off, in some instance the total may not match the sum of individual balance.

4 Use of judgments and estimates

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

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

4.1 Judgements

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

| | |
|---------|------------------------|
| Note 6C | Basis of consolidation |
| Note 6N | Leases |



4.2 Assumptions and estimation uncertainties

(i) Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2019 is included in the following notes:

| | |
|-----------------------|-------------------------------|
| Note 6L, 8 and 8(a) | Property, plant and equipment |
| Note 6K, 11 and 11(a) | Inventories |
| Note 6O, 12 and 12(a) | Trade receivables |
| Note 6O, 13 and 13(a) | Other receivables |
| Note 6O, 14 and 14(a) | Intercompany receivables |
| Note 6F, 19 and 19(a) | Employee benefits |
| Note 6H, 21 and 21(a) | Deferred tax liabilities |
| Note 6H, 27 and 27(a) | Provision for tax |
| Note 36 | Commitments |
| Note 6T and 38 | Contingencies |
| Note 6C and 9(a) | Acquisition of subsidiary |

(ii) *Measurement of fair values:*

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

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

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

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

5 Reporting period

The financial period of the Company covers one year from 1 July 2018 to 30 June 2019 and is being following consistently.

Financial period of one associate is:

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

For the purpose of consolidation, additional financial information of the associate was prepared as of 30 June 2019 to enable the Group to consolidate the financial result of the associates. However, the figures involved in the aforesaid associate company up to 30 June 2019 from the end of their accounting year was insignificant.

6 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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

- A Current versus non-current classification
- B Offsetting
- C Basis of consolidation
- D Revenue from contracts with customers
- E Foreign currency transactions
- F Employee benefits
- G Finance income and finance costs
- H Income tax
- I Biological assets
- J Investment
- K Inventories
- L Property, plant and equipment
- M Intangible assets and goodwill
- N Leases
- O Financial instruments
- P Share capital
- Q Provisions
- R Impairment
- S Going concern
- T Contingencies
- U Statement of cash flows
- V Earnings per share (EPS)
- W Events after the reporting period
- X Dividends
- Y Materiality and aggregation
- Z Application of new standards

A Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when it is:

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

The Group classifies all other liabilities as non-current.



B Offsetting

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

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

C Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

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

(iii) Interests in equity-accounted investees

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

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

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

(iv) Loss of control

When ACI Limited loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of the equity. Any resulting gain or loss is recognised in the profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of ACI Limited's interest in the investee. Unrealised losses, if any, are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

D Revenue from contracts with customers

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

| Type of product or service | Revenue recognition under IFRS 15 | Revenue recognition under IAS 18 |
|----------------------------|---|---|
| Sale of goods or services | <p>Revenue is recognized when or as a performance obligation is satisfied by transferring a good or service to a customer, either at a point in time or over time. A good or service is 'transferred' when or as the customer obtains control of it. Customers obtain control of goods at point of delivery or over time.</p> <p>The entity assesses whether it transfers control over time by following prescribed criteria for satisfying performance obligation. If none of the criteria is met then the entity recognizes revenue at point of time at which it transfers control of the goods to the customer.</p> <p>Revenue is measured net of value added tax, trade discount, returns and allowances (if any). In case of cash delivery, revenue is recognised when delivery is made and cash is received by the Group.</p> | <p>"Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customers, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of value added tax, trade discount, returns and allowances (if any). In case of cash delivery, revenue is recognised when delivery is made and cash is received by the Group.</p> <p>Revenue from rendering of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed. When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue is recognised in the net amount of commission earned by the Group.</p> |

E Foreign currency transactions

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

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

F Employee benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plan (provident fund)

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

(iii) Defined benefit plan (gratuity)

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

Defined benefit plan is a retirement benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and year of services. The rate used to discount post employment benefit obligations is determined by reference to the rate stated in the actuarial report. Actuarial valuation of gratuity scheme has been made as on 30 June 2018 by independent actuarial valuer to assess the adequacy of the liabilities provided for the schemes.



(iv) Workers' profit participation fund

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

Management has decided to consider profit calculated for the purposes of WPPF excluding "Loss on asset disposal" and accordingly WPPF provision has been calculated."

G Finance income and finance costs

The Group's finance income and finance costs include:

- interest income; and
- interest expense.

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

H Income tax

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

(i) Current tax

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

(ii) Deferred tax

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

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

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

I Biological assets

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

J Investment

In the separate financial statements of ACI Limited, investment in subsidiaries, associates and joint ventures has been carried at cost as per IAS 27: Separate Financial Statements. All other investments have been categorised in accordance with IFRS 9 (IAS 39 for the year ended 30 June 2018).

K Inventories

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

Allowance for inventory is periodically recognised mainly on the basis of failure in quality control testing, net realisable value, non compliance testing, near to expiry etc. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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

L Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost or revaluation less accumulated depreciation. The items of property, plant and equipment were revalued in the year 2004, 2007, 2010 and 2015 by the firm of professional valuers on the basis of applicable methods including market value based method, premised on the accompanying narrative information and valuation methodology. When revalued assets are disposed of, the amounts included in the revaluation surplus are transferred to retained earnings.

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

(ii) Subsequent costs

Subsequent to initial recognition, cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. All other repair and maintenance expenses are charged in statement of profit or loss as they are incurred.

(iii) Depreciation

All items of property, plant and equipment have been depreciated on straight line basis. Depreciation on additions are charged in full from the month of acquisition and no depreciation is charged in the month 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 Group follows this policy consistently from past years.

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

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

| <i>In years</i> | 30 June 2019 | 30 June 2018 |
|---------------------------------|--------------|--------------|
| Building | 20 - 40 | 20 - 40 |
| Plant and machinery | 2 - 10 | 2 - 10 |
| Furniture and fixture | 5 - 10 | 5 - 10 |
| Electrical and other appliances | 2 - 10 | 2 - 10 |
| Office machinery | 2 - 15 | 2 - 15 |
| Motor vehicles | 2 - 5 | 2 - 5 |



Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. No significant adjustment in respect of items of property, plant and equipment was done in the year ended 30 June 2019.

(iv) Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset as per IAS - 23, Borrowing cost. The capitalisation of such borrowing costs ceases when the asset is ready for intended use.

(v) Capital work in progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that were not ready for use at 30 June 2019 and these are stated at cost.

(vi) Impairment

The carrying amount of the entity's non-financial assets, other than inventories and deferred tax assets (considered as disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

(vii) Retirement and disposals

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

M Intangible assets and goodwill

(i) Recognition and measurement

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

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

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

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

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

(ii) Amortisation

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

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

| In years | 30 June 2019 | 30 June 2018 |
|----------|--------------|--------------|
| Software | 5 - 10 | 5 - 10 |

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

(iii) Retirement and disposals

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

(iv) Goodwill

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

(v) Software

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

N Leases

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset.

Depreciation

Depreciation is charged according to the policy applicable for the owned assets of the Group.

Lease payments

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Operating lease

All leases other than those which meet the definition of finance lease are treated as operating lease and are recognised in the statement of profit and loss. Payments made under operating leases are recognised in profit or loss. For non cancellable operating leases payments are recognised on a straight line basis over the term of the lease.

O Financial instruments

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

(i) Financial assets

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



The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

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

Trade, other and intercompany receivables

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

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

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

Investment in term deposit

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

Cash and cash equivalents

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

(ii) Financial Liabilities

The Group initially recognises financial liabilities on the transaction date at which the Group becomes a party to the contractual provisions of the liability. The Group recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

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

The Group's financial liabilities comprise trade and other payables and interest - bearing borrowings.

Trade payables

Trade payables are recognised at fair value.

Interest-bearing borrowings

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

(iii) Offsetting a financial asset and a financial liability

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

P Share capital

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

Q Provisions

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

R Impairment

(i) Financial assets

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

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

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

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

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

(ii) Non-financial assets

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

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

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

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



S Going concern

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

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

ACI Logistics Limited

| | As at/For the | As at/For the |
|--|----------------|---------------|
| | year ended | year ended |
| | 30 June | 30 June |
| <i>In Taka</i> | 2019 | 2018 |
| Loss after tax | 1,577,633,452 | 1,351,405,724 |
| Accumulated loss | 10,524,907,489 | 8,910,275,311 |
| Current liabilities exceeds current assets | 8,133,070,628 | 5,782,418,625 |
| Paid up capital | 360,000,000 | 360,000,000 |
| Dues to banks and financial lease company | 6,876,022,624 | 6,399,458,261 |

ACI Foods Limited

| | As at/For the | As at/For the |
|--|---------------|---------------|
| | year ended | year ended |
| | 30 June | 30 June |
| <i>In Taka</i> | 2019 | 2018 |
| Loss after tax | 301,355,680 | 286,710,509 |
| Accumulated loss | 2,015,496,234 | 1,714,140,554 |
| Current liabilities exceeds current assets | 2,575,829,485 | 2,217,300,767 |
| Paid up capital | 287,000,000 | 287,000,000 |
| Dues to banks and financial lease company | 432,535,331 | 507,202,444 |

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

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

T Contingencies

Contingent liability

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

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

Contingent asset

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

U Statement of cash flows

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

V Earnings per share (EPS)

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

This has been shown on the face of profit or loss and computation of EPS is stated in note 34.

W Events after the reporting period

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

X Dividends

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

Y Materiality and aggregation

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

Z Application of new standards

i) Initial application of new standards

The Group initially applied IFRS 15 and IFRS 9 from 1 July 2018.

a) IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services.

The Group has applied IFRS 15 from 1 July 2018. However, there was no material impact of adopting IFRS 15 on the Group's financial statements. Accordingly, comparative information is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. For additional information about the Group's accounting policies relating to revenue recognition, see Note 6D.

b) IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. Additional charge 36.9 million on adopting IFRS 9 has been adjusted in consolidated retained earnings.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. For additional information about the Group's accounting policies relating to financial instruments, see Note 6O.

ii) Standards issued but not yet effective

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

(a) IFRS 16 Leases

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



7 Operating segments

(i) Basis for segmentation

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

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

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

Other operations include the manufacture and distribution of edible oil, managing media solutions, the formulation and packaging of pesticide, fertilizer, seeds, livestock, fisheries and other plant nutrients, and the manufacture and distribution of paints and herbal products. None of these segments met the quantitative thresholds for reportable segments for the year ended on 30 June 2019. Inter-segment pricing is determined on an arm's length basis.

(ii) Information about reportable segments

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

For the year ended 30 June 2019

| In Taka | Reportable segments | | | | | | | | | | Total reportable segments | Unallocated | Total |
|---|-----------------------|----------------------|------------------------|-----------------------------|-----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|---------------------------|-----------------------|-----------------------|
| | Pharmaceuticals | Animal Health | Consumer Brands | Crop Care and Public Health | Motors | Pure Flour | Retail Chain | Salt | Foods | Premiaflex Plastics | | | |
| External revenue | 10,622,701,890 | 3,054,717,684 | 5,913,905,988 | 2,762,064,532 | 11,214,889,257 | 4,261,816,375 | 9,884,099,740 | 1,898,513,398 | 3,795,271,077 | 3,461,432,527 | 56,869,412,468 | 6,274,282,775 | 63,143,695,243 |
| Intra-segment revenue | - | - | 849,970,582 | - | 12,237,051 | 26,282,357 | 21,855,392 | 16,146,462 | 81,111,269 | 314,846,187 | 1,322,449,300 | 227,872,685 | 1,550,321,985 |
| Segment revenue | 10,622,701,890 | 3,054,717,684 | 6,763,876,570 | 2,762,064,532 | 11,227,126,308 | 4,288,098,732 | 9,905,955,132 | 1,914,659,860 | 3,876,382,346 | 3,776,278,713 | 58,191,861,768 | 6,502,155,460 | 64,694,017,227 |
| Depreciation and amortisation | 316,692,195 | 36,164,681 | 74,837,919 | 34,062,151 | 37,383,335 | 30,406,970 | 247,384,435 | 52,034,707 | 52,590,050 | 173,681,099 | 1,055,237,541 | 158,702,766 | 1,213,940,308 |
| Operating expenses | 4,910,454,500 | 806,941,342 | 2,247,414,394 | 658,673,883 | 1,482,526,792 | 256,886,509 | 2,193,131,072 | 238,936,199 | 505,943,311 | 364,819,374 | 13,665,717,376 | 1,327,014,315 | 14,992,731,691 |
| Finance costs / (income) | 120,640,000 | 196,870,000 | 298,190,000 | 190,944,323 | 354,863,324 | (34,522,891) | 1,212,622,098 | (23,105,210) | 356,687,350 | 289,808,098 | 2,962,997,093 | 172,534,353 | 3,135,531,445 |
| Segment profit/(loss) before tax | 1,876,981,408 | (33,624,793) | (1,002,309,220) | 157,493,563 | 1,231,599,843 | 92,576,764 | (1,507,695,000) | 153,456,731 | (298,376,068) | (161,266,177) | 508,837,051 | (294,643,693) | 214,193,358 |
| Segment assets | 8,657,395,263 | 3,032,941,773 | 7,505,815,483 | 3,395,284,952 | 11,084,826,000 | 1,717,546,627 | 2,780,115,825 | 2,006,585,295 | 2,105,367,222 | 6,258,936,974 | 48,544,815,414 | 15,232,693,187 | 63,777,508,601 |
| Segment liabilities | 4,006,837,039 | 1,151,045,183 | 1,531,673,465 | 2,347,992,286 | 8,791,365,631 | 740,796,051 | 12,945,023,315 | 955,501,839 | 3,806,545,331 | 5,178,550,296 | 41,455,330,436 | 12,812,804,871 | 54,268,135,307 |

For the year ended 30 June 2018

| In Taka | Reportable segments | | | | | | | | | | Total reportable segments | Unallocated | Total |
|---|----------------------|----------------------|----------------------|-----------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|---------------------------|-----------------------|-----------------------|
| | Pharmaceuticals | Animal Health | Consumer Brands | Crop Care and Public Health | Motors | Pure Flour | Retail Chain | Salt | Foods | Premiaflex Plastics | | | |
| External revenue | 9,203,808,652 | 3,551,650,939 | 6,471,649,417 | 2,443,423,693 | 9,230,611,693 | 3,781,833,662 | 9,067,766,356 | 2,221,832,535 | 3,666,899,605 | 2,578,165,663 | 52,217,642,216 | 3,905,678,892 | 56,123,321,108 |
| Intra-segment revenue | - | - | 1,406,276,227 | - | 167,652,833 | 70,922,218 | 31,574,321 | 59,221,253 | 72,683,519 | 287,884,906 | 2,096,215,276 | 187,234,517 | 2,283,449,794 |
| Segment revenue | 9,203,808,652 | 3,551,650,939 | 7,877,925,644 | 2,443,423,693 | 9,398,264,526 | 3,852,755,880 | 9,099,340,677 | 2,281,053,788 | 3,739,583,124 | 2,866,050,569 | 54,313,857,492 | 4,092,913,409 | 58,406,770,901 |
| Depreciation and amortisation | 277,887,550 | 35,493,497 | 64,271,181 | 31,527,801 | 23,737,964 | 27,348,273 | 236,656,523 | 51,958,499 | 48,739,069 | 126,357,800 | 923,978,158 | 124,552,555 | 1,048,530,712 |
| Operating expenses | 4,647,831,586 | 871,246,015 | 1,749,640,710 | 566,146,178 | 1,030,815,457 | 297,389,209 | 1,967,114,459 | 208,857,280 | 492,060,754 | 154,924,144 | 11,986,025,793 | 796,303,005 | 12,782,328,798 |
| Finance costs / (income) | 135,160,000 | 184,820,000 | (102,815,146) | 151,972,566 | 301,830,934 | (16,121,827) | 921,257,398 | (1,113,852) | 266,145,514 | 130,042,989 | 1,971,178,576 | 259,875,633 | 2,231,054,208 |
| Segment profit/(loss) before tax | 1,304,553,035 | 65,215,530 | 425,598,261 | 142,923,096 | 875,637,062 | 144,074,531 | (1,295,075,197) | 199,933,533 | (278,704,526) | 135,800,652 | 1,719,955,978 | (298,293,385) | 1,421,662,592 |
| Segment assets | 7,542,899,208 | 3,127,644,872 | 7,272,229,221 | 3,113,953,743 | 7,345,357,911 | 1,818,608,878 | 2,951,974,331 | 1,537,590,647 | 2,142,904,421 | 4,715,699,600 | 41,568,862,833 | 13,876,852,014 | 55,445,714,846 |
| Segment liabilities | 2,477,543,747 | 869,001,556 | 1,811,433,992 | 1,203,632,465 | 5,839,784,402 | 892,431,922 | 11,502,249,642 | 580,953,336 | 3,542,726,850 | 3,421,501,900 | 32,141,259,813 | 12,284,061,288 | 44,425,321,102 |

8. Property, plant and equipment

| <i>In Taka</i> | Land | Building | Plant and Machinery | Furniture and fixture | Electrical and other appliances | Office machinery | Motor Vehicles | Leased assets | Under construction | Total |
|--------------------------------|----------------------|--------------------|----------------------|-----------------------|---------------------------------|--------------------|--------------------|-------------------|----------------------|----------------------|
| Cost | | | | | | | | | | |
| Balance at 1 July 2017 | 1,637,493,896 | 509,532,682 | 1,268,536,253 | 202,955,784 | 180,533,293 | 70,371,925 | 528,945,842 | 10,642,993 | 1,417,219,696 | 5,826,232,364 |
| Additions | 561,363,716 | 1,279,039 | 8,447,356 | 16,726,188 | 46,175,423 | 17,591,673 | 336,866,163 | - | 341,941,897 | 1,330,391,455 |
| Transfers | 372,653 | 76,598,809 | 290,293,240 | 21,475,320 | 5,486,995 | - | - | - | (394,227,017) | - |
| Disposals | - | - | - | - | - | (388,070) | (6,770,552) | - | - | (7,158,622) |
| Balance at 30 June 2018 | 2,199,230,265 | 587,410,530 | 1,567,276,849 | 241,157,292 | 232,195,711 | 87,575,528 | 859,041,453 | 10,642,993 | 1,364,934,576 | 7,149,465,197 |
| Balance at 1 July 2018 | 2,199,230,265 | 587,410,530 | 1,567,276,849 | 241,157,292 | 232,195,711 | 87,575,528 | 859,041,453 | 10,642,993 | 1,364,934,576 | 7,149,465,197 |
| Additions | 92,582,929 | - | 11,089,872 | 7,443,771 | 20,069,341 | 21,922,558 | 13,507,688 | - | 1,308,367,956 | 1,474,984,115 |
| Transfers | - | 29,964,981 | 318,347,351 | 128,000 | - | - | - | - | (348,440,332) | - |
| Disposals | - | - | (239,784) | - | - | - | (802,855) | - | (330,610,903) | (331,653,542) |
| Balance at 30 June 2019 | 2,291,813,194 | 617,375,511 | 1,896,474,288 | 248,729,063 | 252,265,052 | 109,498,086 | 871,746,286 | 10,642,993 | 1,994,251,297 | 8,292,795,770 |
| Revaluation | | | | | | | | | | |
| Balance at 1 July 2017 | 2,990,460,043 | 41,585,353 | 27,081,028 | 533,003 | 260,473 | (34,846) | 679 | - | - | 3,059,885,733 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2018 | 2,990,460,043 | 41,585,353 | 27,081,028 | 533,003 | 260,473 | (34,846) | 679 | - | - | 3,059,885,733 |
| Balance at 1 July 2018 | 2,990,460,043 | 41,585,353 | 27,081,028 | 533,003 | 260,473 | (34,846) | 679 | - | - | 3,059,885,733 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2019 | 2,990,460,043 | 41,585,353 | 27,081,028 | 533,003 | 260,473 | (34,846) | 679 | - | - | 3,059,885,733 |

| <i>In Taka</i> | Land | Building | Plant and Machinery | Furniture and fixture | Electrical and other appliances | Office machinery | Motor Vehicles | Leased assets | Under construction | Total |
|--|---------------|-------------|---------------------|-----------------------|---------------------------------|------------------|----------------|---------------|--------------------|---------------|
| Accumulated depreciation- Cost | | | | | | | | | | |
| Balance at 1 July 2017 | - | 21,222,168 | 249,120,996 | 31,808,556 | 27,701,342 | 23,056,803 | 157,419,980 | 10,642,993 | - | 520,972,838 |
| Depreciation | - | 15,231,769 | 196,512,944 | 27,036,398 | 25,748,078 | 15,182,257 | 152,312,824 | - | - | 432,024,270 |
| Disposals | - | - | - | - | (120,689) | - | (3,186,243) | - | - | (3,306,932) |
| Adjustment | - | 459,600 | 13,530 | - | - | - | - | - | - | 473,130 |
| Balance at 30 June 2018 | - | 36,913,537 | 445,647,470 | 58,844,954 | 53,328,731 | 38,239,060 | 306,546,561 | 10,642,993 | - | 950,163,306 |
| Balance at 1 July 2018 | - | 36,913,537 | 445,647,470 | 58,844,954 | 53,328,731 | 38,239,060 | 306,546,561 | 10,642,993 | - | 950,163,306 |
| Depreciation | - | 16,042,156 | 222,608,113 | 26,136,424 | 28,385,156 | 17,761,530 | 175,463,458 | - | - | 486,396,837 |
| Disposals | - | - | (149,865) | - | - | - | (538,369) | - | - | (688,234) |
| Adjustment | - | 461,365 | 62,304 | - | - | - | 50,262 | - | - | 573,931 |
| Balance at 30 June 2019 | - | 53,417,058 | 668,168,022 | 84,981,378 | 81,713,886 | 56,000,590 | 481,521,912 | 10,642,993 | - | 1,436,445,839 |
| Accumulated depreciation- Revaluation | | | | | | | | | | |
| Balance at 1 July 2017 | - | 2,155,770 | 11,295,227 | 237,720 | 233,284 | (34,862) | 129 | - | - | 13,887,268 |
| Depreciation | - | 1,409,556 | 3,901,135 | 156,154 | 32,340 | 349 | - | - | - | 5,499,534 |
| Adjustment | - | - | 48,774 | - | - | - | - | - | - | 48,774 |
| Balance at 30 June 2018 | - | 3,565,326 | 15,245,136 | 393,874 | 265,624 | (34,513) | 129 | - | - | 19,435,576 |
| Balance at 1 July 2018 | - | 3,565,326 | 15,245,136 | 393,874 | 265,624 | (34,513) | 129 | - | - | 19,435,576 |
| Depreciation | - | 1,434,860 | 3,446,216 | 142,398 | 28,079 | 217 | - | - | - | 5,051,770 |
| Adjustment | - | (25,304) | - | - | - | - | - | - | - | (25,304) |
| Balance at 30 June 2019 | - | 4,974,882 | 18,691,352 | 536,272 | 293,704 | (34,296) | 129 | - | - | 24,462,043 |
| Carrying amounts | | | | | | | | | | |
| At 1 July 2017 | 4,627,953,939 | 527,740,097 | 1,035,201,058 | 171,442,511 | 152,859,140 | 47,315,138 | 371,526,412 | - | 1,417,219,696 | 8,351,257,991 |
| At 30 June 2018 | 5,189,690,308 | 588,517,020 | 1,133,465,271 | 182,451,467 | 178,861,829 | 49,336,135 | 552,495,442 | - | 1,364,934,576 | 9,239,752,048 |
| At 30 June 2019 | 5,282,273,237 | 600,568,924 | 1,236,695,942 | 163,744,416 | 170,517,935 | 53,496,946 | 390,224,924 | - | 1,994,251,297 | 9,891,773,622 |

8(a) Consolidated property, plant and equipment

| <i>In Taka</i> | Land | Building | Plant and Machinery | Furniture and fixture | Electrical and other appliances | Office machinery | Motor Vehicles | Leased assets | Under construction | Total |
|--------------------------------|----------------------|----------------------|----------------------|-----------------------|---------------------------------|--------------------|----------------------|-------------------|----------------------|-----------------------|
| Cost | | | | | | | | | | |
| Balance at 1 July 2017 | 2,576,899,664 | 1,454,654,570 | 3,231,227,393 | 987,644,996 | 513,931,098 | 649,400,622 | 792,003,742 | 55,089,077 | 5,935,702,706 | 16,196,553,867 |
| Additions | 588,144,722 | 33,035,254 | 419,614,184 | 60,507,798 | 88,217,169 | 46,671,945 | 421,529,017 | - | 3,005,636,905 | 4,663,356,994 |
| Transfers | 6,872,777 | 142,491,993 | 769,435,484 | 115,355,774 | 54,374,585 | 83,516,086 | 32,089,994 | - | (1,248,307,106) | (44,170,412) |
| Disposals | - | - | - | (5,569,387) | (8,172,749) | (8,246,304) | (12,261,802) | - | - | (34,250,242) |
| Balance at 30 June 2018 | 3,171,917,163 | 1,630,181,817 | 4,420,277,061 | 1,157,939,182 | 648,350,104 | 771,342,349 | 1,233,360,951 | 55,089,077 | 7,693,032,505 | 20,781,490,208 |
| Balance at 1 July 2018 | 3,171,917,163 | 1,630,181,817 | 4,420,277,061 | 1,157,939,182 | 648,350,104 | 771,342,349 | 1,233,360,951 | 55,089,077 | 7,693,032,505 | 20,781,490,208 |
| Additions | 74,082,117 | 8,972,766 | 75,653,953 | 25,002,753 | 33,936,705 | 42,146,787 | 69,029,556 | - | 3,765,978,522 | 4,094,803,158 |
| Transfers | 219,337,964 | 202,389,208 | 1,685,735,383 | 32,678,587 | 39,652,112 | 56,367,071 | 3,212,540 | - | (2,239,372,865) | - |
| Disposals | - | - | (239,784) | - | - | (439,853) | (2,391,997) | - | (330,610,903) | (333,682,537) |
| Balance at 30 June 2019 | 3,465,337,244 | 1,841,543,791 | 6,181,426,612 | 1,215,620,521 | 721,938,921 | 869,416,354 | 1,303,211,050 | 55,089,077 | 8,889,027,258 | 24,542,610,829 |

| <i>In Taka</i> | Land | Building | Plant and Machinery | Furniture and fixture | Electrical and other appliances | Office machinery | Motor Vehicles | Leased assets | Under construction | Total |
|--------------------------------|----------------------|-------------------|---------------------|-----------------------|---------------------------------|------------------|----------------|---------------|--------------------|----------------------|
| Revaluation | | | | | | | | | | |
| Balance at 1 July 2017 | 4,916,954,004 | 92,607,599 | 40,396,112 | 3,184,225 | 3,801,216 | 502,163 | 137 | - | - | 5,057,445,456 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| Adjustment | - | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2018 | 4,916,954,004 | 92,607,599 | 40,396,112 | 3,184,225 | 3,801,216 | 502,163 | 137 | - | - | 5,057,445,456 |
| Balance at 1 July 2018 | 4,916,954,004 | 92,607,599 | 40,396,112 | 3,184,225 | 3,801,216 | 502,163 | 137 | - | - | 5,057,445,456 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2019 | 4,916,954,004 | 92,607,599 | 40,396,112 | 3,184,225 | 3,801,216 | 502,163 | 137 | - | - | 5,057,445,456 |

| <i>In Taka</i> | Land | Building | Plant and Machinery | Furniture and fixture | Electrical and other appliances | Office machinery | Motor Vehicles | Leased assets | Under construction | Total |
|---------------------------------------|------|-------------|---------------------|-----------------------|---------------------------------|------------------|----------------|---------------|--------------------|---------------|
| Accumulated depreciation- Cost | | | | | | | | | | |
| Balance at 1 July 2017 | - | 57,858,323 | 536,424,062 | 455,446,744 | 164,997,492 | 278,365,680 | 244,426,889 | 43,718,516 | - | 1,781,237,706 |
| Depreciation | - | 43,895,195 | 463,638,761 | 141,761,934 | 69,756,913 | 106,376,473 | 212,457,325 | - | - | 1,037,886,602 |
| Disposals | - | - | - | (4,836,961) | (5,279,405) | (5,777,557) | (8,677,493) | - | - | (24,571,417) |
| Adjustment | - | 459,600 | 13,530 | - | - | - | - | - | - | 473,130 |
| Balance at 30 June 2018 | - | 102,213,119 | 1,000,076,353 | 592,371,717 | 229,475,000 | 378,964,596 | 448,206,720 | 43,718,516 | - | 2,795,026,021 |
| Balance at 1 July 2018 | - | 102,213,119 | 1,000,076,353 | 592,371,717 | 229,475,000 | 378,964,596 | 448,206,720 | 43,718,516 | - | 2,795,026,021 |
| Depreciation | - | 47,585,525 | 560,149,206 | 144,426,089 | 78,046,926 | 118,356,324 | 251,053,953 | - | - | 1,199,618,024 |
| Disposals | - | - | (149,865) | - | (100) | (105,439) | (1,291,393) | - | - | (1,546,797) |
| Adjustment | - | 461,365 | 62,304 | - | - | - | 50,262 | - | - | 573,931 |
| Balance at 30 June 2019 | - | 150,260,009 | 1,560,137,998 | 736,797,806 | 307,521,826 | 497,215,481 | 698,019,542 | 43,718,516 | - | 3,993,671,177 |

| <i>In Taka</i> | Land | Building | Plant and Machinery | Furniture and fixture | Electrical and other appliances | Office machinery | Motor Vehicles | Leased assets | Under construction | Total |
|--|------|-----------|---------------------|-----------------------|---------------------------------|------------------|----------------|---------------|--------------------|------------|
| Accumulated depreciation- Revaluation | | | | | | | | | | |
| Balance at 1 July 2018 | - | 3,993,291 | 13,869,470 | 316,315 | 528,424 | 125,893 | 127 | - | - | 18,833,520 |
| Depreciation | - | 2,595,388 | 4,938,762 | 166,659 | 160,171 | 117,610 | - | - | - | 7,978,591 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| Adjustment | - | - | 48,774 | - | - | - | - | - | - | 48,774 |
| Balance at 30 June 2019 | - | 6,588,680 | 18,857,006 | 482,974 | 688,595 | 243,503 | 127 | - | - | 26,860,885 |
| Balance at 1 July 2018 | - | 6,588,680 | 18,857,006 | 482,974 | 688,595 | 243,503 | 127 | - | - | 26,860,885 |
| Depreciation | - | 3,000,719 | 5,431,674 | 160,140 | 155,911 | 53,502 | - | - | - | 8,801,946 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| Adjustment | - | (25,304) | - | - | - | - | - | - | - | (25,304) |
| Balance at 30 June 2019 | - | 9,564,095 | 24,288,680 | 643,114 | 844,506 | 297,005 | 127 | - | - | 35,637,527 |

| | | | | | | | | | | |
|-------------------------|---------------|---------------|---------------|-------------|-------------|-------------|-------------|------------|---------------|----------------|
| Carrying amounts | | | | | | | | | | |
| At 1 July 2017 | 7,493,853,668 | 1,485,410,554 | 2,721,329,973 | 535,066,161 | 352,206,398 | 371,411,212 | 547,576,863 | 11,370,561 | 5,935,702,706 | 19,453,928,098 |
| At 30 June 2018 | 8,088,871,167 | 1,613,987,618 | 3,441,739,814 | 568,268,716 | 421,987,725 | 392,636,413 | 785,154,240 | 11,370,561 | 7,693,032,505 | 23,017,048,759 |
| At 30 June 2019 | 8,382,291,248 | 1,774,327,287 | 4,637,396,046 | 481,363,826 | 417,373,805 | 372,406,031 | 605,191,518 | 11,370,561 | 8,889,027,258 | 25,570,747,581 |

9.

Investments

i) Investment in shares

| | 30 June 2019 | | | 30 June 2018 | |
|---------------------------------------|------------------|------------------------------|--|-----------------|----------------------|
| | Number of shares | Face value per share Taka | Called and paid up capital per share Taka | Share-holding % | Value Taka |
| Investment in Subsidiaries | | | | | |
| ACI Formulations Limited | 24,066,105 | 10 | 10 | 53.48 | 66,872,823 |
| ACI Salt Limited | 233,000 | 1,000 | 1,000 | 77.67 | 155,000,000 |
| ACI Foods Limited | 2,850,000 | 100 | 100 | 95.00 | 285,000,000 |
| ACI Pure Flour Limited | 380,000 | 100 | 100 | 95.00 | 38,000,000 |
| ACI Agrolink Limited | 288,180 | 100 | 100 | 90.00 | 28,818,000 |
| Creative Communication Limited | 6,000 | 100 | 100 | 60.00 | 600,000 |
| ACI Motors Limited | 6,750 | 100 | 100 | 67.50 | 675,000 |
| Premiaflex Plastics Limited | 261,945 | 1,000 | 1,000 | 87.32 | 229,945,000 |
| ACI Logistics Limited | 273,600 | 1,000 | 1,000 | 76.00 | 273,600,000 |
| ACI Healthcare Limited | 46,469,000 | 10 | 10 | 92.94 | 464,690,000 |
| ACI Edible Oils Limited | 850,000 | 10 | 10 | 85.00 | 8,500,000 |
| ACI Chemicals Limited | 1,500,006 | 10 | 10 | 75.00 | 15,000,060 |
| Infolytx Bangladesh Limited | 600 | 100 | 100 | 60.00 | 100,060,000 |
| ACI Biotech Limited | 800,000 | 10 | 10 | 80.00 | 8,000,000 |
| | | | | | 1,674,760,883 |
| Investment in Joint Ventures | | | | | |
| ACI Godrej Agrovet (Pvt.) Limited | 1,850,000 | 100 | 100 | 50.00 | 185,000,000 |
| Tetley ACI (Bangladesh) Limited | 2,500,000 | 100 | 100 | 50.00 | 290,000,000 |
| | | | | | 475,000,000 |
| Investment in Associates | | | | | |
| Asian Consumer Care (Pvt.) Limited | 8,480,187 | 10 | 10 | 24.00 | 115,205,895 |
| Computer Technology Limited | 200 | 100 | 100 | 40.00 | 20,000 |
| Stochastic Logic Limited | 2,000 | 100 | 100 | 20.00 | 200,000 |
| | | | | | 115,425,895 |
| Investment in others | | | | | |
| Mutual Trust Bank Limited | 19,112,060 | 10 | 10 | 3.33 | 645,987,639 |
| Central Depository Bangladesh Limited | 1,142,362 | 10 | 10 | 0.58 | 3,138,890 |
| | | | | | 649,126,529 |
| ii) Other investment | | | | | |
| Term deposit and others | | | | | 3,916,930 |
| | | | | | 3,916,930 |
| Investment impairment provision | | | | | 2,918,230,237 |
| Total investment | | | | | (273,600,000) |
| | | | | | 2,644,630,237 |
| | | | | | 2,558,852,523 |

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

9(a) Consolidated investments

9(a).1 Equity-accounted investees

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--|----------------------|----------------------|
| Investment valued under equity method | | |
| ACI Godrej Agrovet (Pvt.) Limited | 1,075,236,349 | 922,677,556 |
| Tetley ACI (Bangladesh) Limited | (42,581,603) | (22,196,280) |
| Asian Consumer Care (Pvt.) Limited | 271,706,635 | 243,072,720 |
| Stochastic Logic Limited | 29,785 | (239,210) |
| | 1,304,391,166 | 1,143,314,786 |

9(a).2 Other investments

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---|--------------------|--------------------|
| Investment valued at fair value | | |
| Mutual Trust Bank Limited | 645,987,639 | 546,604,925 |
| Investment Corporation of Bangladesh | 671,675 | 671,675 |
| Titas Gas Transmission and Distribution Company Limited | 1,635,300 | 1,635,300 |
| | 648,294,614 | 548,911,900 |
| Investment not measured at fair value | | |
| Central Depository Bangladesh Limited | 3,138,890 | 3,138,890 |
| Computer Technology Limited | 20,000 | 20,000 |
| Term deposits and others | 196,754,846 | 183,269,165 |
| | 199,913,736 | 186,428,055 |
| | 848,208,350 | 735,339,955 |

10 Intangible assets represent softwares used for the operation of ACI Limited.

10(a) Consolidated intangible assets

| <i>In Taka</i> | Product Development | Software | Goodwill | Total |
|---------------------------------------|---------------------|-------------------|-------------------|--------------------|
| Cost | | | | |
| Balance at 1 July 2017 | 63,775,908 | 47,654,026 | 12,382,918 | 123,812,852 |
| Additions | - | 47,155,072 | - | 47,155,072 |
| Balance at 30 June 2018 | 63,775,908 | 94,809,098 | 12,382,918 | 170,967,924 |
| Balance at 1 July 2018 | 63,775,908 | 94,809,098 | 12,382,918 | 170,967,924 |
| Additions | - | 1,275,372 | - | 1,275,372 |
| Balance at 30 June 2019 | 63,775,908 | 96,084,470 | 12,382,918 | 172,243,296 |
| Accumulated amortisation- Cost | | | | |
| Balance at 1 July 2017 | 3,188,796 | 27,478,206 | 7,235,126 | 37,902,128 |
| Amortisation | 7,997,088 | 6,830,745 | - | 14,827,833 |
| Balance at 30 June 2018 | 11,185,883 | 34,308,951 | 7,235,126 | 52,729,960 |
| Balance at 1 July 2018 | 11,185,883 | 34,308,951 | 7,235,126 | 52,729,960 |
| Amortisation | 8,423,088 | 7,912,499 | - | 16,335,586 |
| Balance at 30 June 2019 | 19,608,971 | 42,221,450 | 7,235,126 | 69,065,546 |
| Carrying amounts | | | | |
| At 1 July 2017 | 60,587,113 | 20,175,820 | 5,147,792 | 85,910,725 |
| At 30 June 2018 | 52,590,025 | 60,500,147 | 5,147,792 | 118,237,964 |
| At 30 June 2019 | 44,166,938 | 53,863,020 | 5,147,792 | 103,177,750 |



11 Inventories

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---------------------------|---------------|---------------|
| Raw materials | 1,484,624,582 | 1,160,526,808 |
| Packing materials | 391,494,744 | 317,008,230 |
| Work in process | 239,376,846 | 193,078,979 |
| Finished goods | 3,393,364,172 | 3,377,709,254 |
| Goods in transit | 350,786,149 | 290,059,623 |
| Stores and spares | 52,889,789 | 54,758,031 |
| Allowance for inventories | (436,462,897) | (280,220,363) |
| | 5,476,073,385 | 5,112,920,562 |

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

11(a) Consolidated inventories

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---------------------------|----------------|----------------|
| Raw materials | 3,458,797,659 | 2,582,904,749 |
| Packing materials | 664,576,760 | 613,390,163 |
| Work in process | 376,935,365 | 321,631,898 |
| Finished goods | 8,641,540,393 | 7,748,705,236 |
| Goods in transit | 777,284,602 | 691,278,643 |
| Stores and spares | 146,636,626 | 145,510,723 |
| Allowance for inventories | (505,682,720) | (310,843,581) |
| | 13,560,088,685 | 11,792,577,831 |

12 Trade receivables

| <i>In Taka</i> | 30 June 2019 | | | 30 June 2018 |
|-------------------------------|--------------------|---------------------|---------------|---------------|
| | Dues over 6 months | Dues below 6 months | Total | Total |
| Pharmaceuticals | 58,392,254 | 363,446,280 | 421,838,534 | 385,973,654 |
| Animal health | 65,231,759 | 530,561,095 | 595,792,854 | 650,666,850 |
| Consumer brands | 3,138,799,311 | 585,457,300 | 3,724,256,611 | 3,256,239,388 |
| Seeds | 152,175,412 | 204,529,500 | 356,704,912 | 321,602,822 |
| Fertilizer | 130,324,974 | 289,527,070 | 419,852,044 | 454,843,840 |
| Cropex | 113,460,418 | - | 113,460,418 | 113,460,418 |
| | 3,658,384,128 | 1,973,521,245 | 5,631,905,373 | 5,182,786,972 |
| Allowance for impairment loss | | | (473,409,731) | (319,284,321) |
| | | | 5,158,495,642 | 4,863,502,651 |

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

12(a) Consolidated trade receivables

| <i>In Taka</i> | 30 June 2019 | | | 30 June 2018 |
|--------------------------------|--------------------|---------------------|----------------|----------------|
| | Dues over 6 months | Dues below 6 months | Total | Total |
| ACI Limited | 3,658,384,128 | 1,973,521,245 | 5,631,905,373 | 5,182,786,972 |
| ACI Formulations Limited | 454,479,806 | 1,406,783,850 | 1,861,263,656 | 1,471,631,280 |
| ACI Logistics Limited | 102,358,349 | - | 102,358,349 | 103,585,868 |
| ACI Salt Limited | 1,527,431 | 31,328,242 | 32,855,673 | 44,433,817 |
| ACI Foods Limited | - | 399,834,216 | 399,834,216 | 468,814,031 |
| ACI Pure Flour Limited | 31,446,437 | 131,263,557 | 162,709,994 | 192,442,945 |
| Premiaflex Plastics Limited | 138,629,873 | 975,035,543 | 1,113,665,416 | 823,947,935 |
| ACI Motors Limited | 236,845,448 | 3,596,220,397 | 3,833,065,845 | 3,133,196,592 |
| Creative Communication Limited | 106,896,446 | 56,788,517 | 163,684,963 | 112,121,000 |
| ACI Agrolink Limited | - | 133,279,995 | 133,279,995 | 140,833,742 |
| ACI Edible Oils Limited | 1,327,985 | 48,280,262 | 49,608,247 | 18,933,018 |
| ACI Chemicals Limited | - | 21,038,322 | 21,038,322 | 14,576,292 |
| ACI HealthCare Limited | - | 1,351,994,932 | 1,351,994,932 | - |
| Infolytx Bangladesh Limited | - | 9,210,000 | 9,210,000 | 1,667,500 |
| Consolidating elimination | - | (236,805,661) | (236,805,661) | (223,361,698) |
| | 4,731,895,903 | 9,897,773,418 | 14,629,669,321 | 11,485,609,293 |
| Allowance for impairment loss | | | (802,503,348) | (522,279,379) |
| | | | 13,827,165,973 | 10,963,329,914 |

13 Other receivables

| <i>In Taka</i> | 30 June 2019 | | | 30 June 2018 |
|---------------------------------|--------------------|---------------------|-------------|--------------|
| | Dues over 6 months | Dues below 6 months | Total | Total |
| Les Laboratories Servier | - | - | - | 29,331,780 |
| Transcom Distribution Limited | - | 26,078,152 | 26,078,152 | 74,784 |
| Receivables from other entities | 93,574,355 | 159,432,006 | 253,006,361 | 801,756,152 |
| | 93,574,355 | 185,510,158 | 279,084,513 | 831,162,716 |

13(a) Consolidated other receivables

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|----------------------------|--------------|---------------|
| Debts due over six months | 277,520,260 | 494,752,034 |
| Debts due below six months | 232,061,722 | 605,221,459 |
| | 509,581,982 | 1,099,973,493 |

14 Inter-company receivables

| <i>In Taka</i> | 30 June 2019 | | | 30 June 2018 |
|------------------------------------|--------------------|---------------------|----------------|----------------|
| | Dues over 6 months | Dues below 6 months | Total | Total |
| ACI Formulations Limited | - | 1,153,733,564 | 1,153,733,564 | - |
| Computer Technology Limited | 30,000 | - | 30,000 | 30,000 |
| Tetley ACI (Bangladesh) Limited | 35,730,637 | 4,199,267 | 39,929,904 | 906,193 |
| Asian Consumer Care (Pvt.) Limited | 7,893,516 | - | 7,893,516 | 7,893,516 |
| ACI Godrej Agrovet (Pvt.) Limited | 879,726 | - | 879,726 | 879,726 |
| ACI Foods Limited | 936,588,303 | 1,893,304,456 | 2,829,892,759 | 2,696,007,973 |
| ACI Agrolink Limited | 211,774,048 | 183,373,664 | 395,147,712 | 245,762,962 |
| Stochastic Logic Limited | - | 1,850,719 | 1,850,719 | 1,198,328 |
| Premiaflex Plastics Limited | - | 1,830,156,920 | 1,830,156,920 | 813,961,365 |
| Creative Communication Limited | - | 20,002,128 | 20,002,128 | - |
| ACI Chemicals Limited | 45,039,459 | 88,875,290 | 133,914,749 | 83,146,926 |
| Infolytx Bangladesh Limited | 157,739,873 | 53,350,248 | 211,090,121 | 111,360,535 |
| ACI Logistics Limited | 694,150,559 | 3,640,822,284 | 4,334,972,843 | 3,680,581,010 |
| ACI Healthcare Limited | 2,696,830,728 | 786,654,903 | 3,483,485,631 | 2,458,377,298 |
| ACI Biotech Limited | 310,196,213 | 172,524,411 | 482,720,624 | 215,920,118 |
| | 5,096,853,062 | 9,828,847,854 | 14,925,700,916 | 10,316,025,950 |

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

14(a) Consolidated Inter-company receivables

| <i>In Taka</i> | 30 June 2019 | | | 30 June 2018 |
|------------------------------------|--------------------|---------------------|------------|--------------|
| | Dues over 6 months | Dues below 6 months | Total | Total |
| Tetley ACI (Bangladesh) Limited | 35,730,637 | 4,199,267 | 39,929,904 | 906,193 |
| Asian Consumer Care (Pvt.) Limited | 7,893,516 | - | 7,893,516 | 7,893,516 |
| Computer Technology Limited | 30,000 | - | 30,000 | 30,000 |
| ACI Godrej Agrovet (Pvt.) Limited | 879,726 | - | 879,726 | 879,726 |
| Stochastic Logic Limited | - | 1,850,719 | 1,850,719 | 1,198,328 |
| | 44,533,879 | 6,049,986 | 50,583,865 | 10,907,763 |

15 Advances, deposits and prepayments

| <i>In Taka</i> | Note | 30 June 2019 | 30 June 2018 |
|----------------------------------|------|---------------|---------------|
| Advances | | | |
| Staff | | 28,432,029 | 68,414,133 |
| Suppliers, C&F agents and others | | 193,430,777 | 154,621,304 |
| Rent | | 114,130,972 | 144,600,719 |
| Bank guarantee margin | | 12,686,246 | 12,686,246 |
| VAT current account | | 232,543,691 | 294,701,764 |
| Advance income tax | 15.1 | 1,373,363,681 | 782,929,961 |
| | | 1,954,587,396 | 1,457,954,127 |
| Deposits | | | |
| Deposits for utilities | | 118,774,878 | 118,734,878 |
| Tender deposits | | 72,333,595 | 67,377,582 |
| | | 191,108,473 | 186,112,460 |
| Prepayments | | | |
| Prepaid expenses | | 32,063,931 | 38,787,115 |
| | | 2,177,759,800 | 1,682,853,702 |



15.1 Advance income tax

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---|---------------|---------------|
| Opening balance | 782,929,961 | 1,013,212,107 |
| Paid during the year | 590,433,720 | 454,213,213 |
| Adjustment against completion of tax assessment | - | (684,495,359) |
| Closing balance | 1,373,363,681 | 782,929,961 |

15(a) Consolidated advances, deposits and prepayments

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--------------------------------------|---------------|---------------|
| Advances | | |
| Staff | 71,066,954 | 110,620,487 |
| Suppliers and others | 397,599,570 | 324,797,893 |
| Rent | 370,260,688 | 459,831,437 |
| Bank guarantee margin and L/C margin | 53,390,303 | 55,291,236 |
| VAT current account | 553,944,004 | 550,427,114 |
| Advance for capital expenditure | 8,578,485 | 33,565,493 |
| Advance income tax | 3,710,743,473 | 2,451,742,509 |
| | 5,165,583,476 | 3,986,276,169 |
| Deposits | | |
| Deposits for utilities | 232,270,520 | 227,786,580 |
| Tender deposits | 94,691,117 | 97,138,983 |
| | 326,961,637 | 324,925,562 |
| Prepayments | | |
| Prepaid expenses | 191,029,674 | 122,232,612 |
| | 5,683,574,787 | 4,433,434,344 |

16 Cash and cash equivalents

| <i>In Taka</i> | Note | 30 June 2019 | 30 June 2018 |
|---|------|-----------------|-----------------|
| Cash in hand | | 36,832,430 | 64,671,315 |
| Collection in hand | 16.1 | 173,366,210 | 252,410,415 |
| Cash at banks | 16.2 | 782,757,768 | 764,047,245 |
| Cash and cash equivalents in the statement of financial position | | 992,956,408 | 1,081,128,975 |
| Bank overdrafts | 22 | (2,633,244,019) | (2,374,634,769) |
| Cash and cash equivalents in the statement of cash flows | | (1,640,287,611) | (1,293,505,794) |

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

16.2 Cash at banks

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--|--------------|--------------|
| AB Bank Limited | 119,128,369 | 159,505,032 |
| Agrani Bank Limited | 35,471,600 | 233,764 |
| Al-Arafah Islami Bank Limited | 1,920 | 2,755 |
| Bank Asia Limited | 1,261,777 | - |
| BRAC Bank Limited | 124,286,586 | 87,388,111 |
| Commercial Bank of Ceylon Plc. | 47,455,999 | 26,635,947 |
| Dhaka Bank Limited | 58,790 | 181,917 |
| Dutch-Bangla Bank Limited | 10,374,234 | 17,516,941 |
| Eastern Bank Limited | 9,318,911 | 13,014,265 |
| Jamuna Bank Limited | - | 1,394,297 |
| Janata Bank Limited | 12,941,993 | 57,246,090 |
| Mercantile Bank Limited | 5,446,177 | 4,328 |
| Midland Bank Limited | 1,654,750 | 425 |
| Mutual Trust Bank Limited | 229 | 172 |
| NRB Bank Limited | 192 | - |
| ONE Bank Limited | 8,781,800 | 18,072,678 |
| Prime Bank Limited | 74,237,915 | 24,668,647 |
| Pubali Bank Limited | 90,592,215 | 24,643,269 |
| Sonali Bank Limited | 57,468,938 | 115,162,821 |
| Standard Chartered Bank | 93,830,021 | 127,635,430 |
| The City Bank Limited | 10,869,110 | 11,221,897 |
| The Hongkong and Shanghai Banking Corporation Limited (HSBC) | 78,649,008 | 78,468,850 |
| Trust Bank Limited | 3,100 | 5,400 |
| United Commercial Bank Limited | 654,206 | - |
| Uttara Bank Limited | 269,928 | 1,044,209 |
| | 782,757,768 | 764,047,245 |

16.3 Reconciliation of net operating cash flow

| <i>In Taka</i> | Note | 30 June 2019 | 30 June 2018 |
|---|------|----------------------|--------------------|
| Profit after tax | | 549,467,960 | 1,317,431,981 |
| <i>Adjustment for:</i> | | | |
| - Depreciation and amortisation | | 491,601,679 | 437,805,876 |
| - Impairment provision | | 13,600,000 | 30,000,000 |
| - Loss on asset disposal | | 180,610,903 | - |
| - Bad debt loss and inventory provision | | 310,367,944 | 93,766,117 |
| - Net finance cost | | 665,601,925 | 440,966,676 |
| - Tax expense | | 374,148,358 | 340,617,590 |
| - Contribution to WPPF | | 58,117,222 | 87,265,767 |
| <i>Changes in:</i> | | | |
| - Inventories | | (519,395,357) | (352,577,080) |
| - Trade and other receivables | | (524,427,507) | (2,082,910,737) |
| - Advances, deposits and prepayments | | 95,527,622 | (129,784,289) |
| - Trade and other payables, Employment benefits | | 903,790,108 | 758,329,352 |
| Cash generated from operating activities | | 2,599,010,857 | 940,911,253 |
| Paid to WPPF | | (64,992,971) | (61,041,869) |
| Interest paid | | (632,523,352) | (411,979,218) |
| Income tax paid | | (590,433,720) | (454,213,222) |
| Net cash from operating activities | | 1,311,060,814 | 13,676,943 |

16(a) Consolidated cash and cash equivalents

| <i>In Taka</i> | Note | 30 June 2019 | 30 June 2018 |
|--|-------|------------------------|------------------------|
| Cash in hand | | 68,473,940 | 93,752,895 |
| Collection in hand | | 808,252,812 | 915,545,414 |
| Cash at banks | | 1,443,261,711 | 1,122,251,729 |
| Cash and cash equivalents in the consolidated statement of financial position | | 2,319,988,462 | 2,131,550,039 |
| Bank overdrafts | 22(a) | (4,618,176,594) | (4,159,153,500) |
| Cash and cash equivalents in the consolidated statement of cash flows | | (2,298,188,132) | (2,027,603,461) |

16.1 (a) Reconciliation of Consolidated net operating cash flow

| <i>In Taka</i> | | 30 June 2019 | 30 June 2018 |
|---|--|----------------------|--------------------|
| Profit after tax | | (895,981,068) | 410,550,142 |
| <i>Adjustment for:</i> | | | |
| - Depreciation and amortisation | | 1,213,940,308 | 1,048,530,712 |
| - Bad debt loss and inventory provision | | 475,063,108 | (74,447,623) |
| - Share of profit of equity accounted investees | | (161,076,381) | (35,426,012) |
| - Net finance cost | | 3,135,531,445 | 2,231,054,208 |
| - Tax expense | | 1,110,174,426 | 1,011,112,451 |
| - Contribution to WPPF | | 146,239,765 | 168,083,901 |
| - Loss on asset disposal | | 180,610,903 | - |
| <i>Changes in:</i> | | | |
| - Inventories | | (1,962,349,992) | (1,131,798,299) |
| - Trade and other receivables | | (3,093,968,516) | (3,060,007,980) |
| - Advances, deposits and prepayments | | 8,860,522 | (156,154,166) |
| - Trade and other payables, Employment benefits | | 2,715,060,379 | 357,188,078 |
| Cash generated from operating activities | | 2,872,104,898 | 768,685,412 |
| Paid to WPPF | | (119,177,712) | (142,223,475) |
| Interest paid | | (3,182,135,372) | (2,187,434,771) |
| Income tax paid | | (1,461,640,101) | (1,130,994,203) |
| Net cash from operating activities | | (1,890,848,288) | (2,691,967,037) |

17 Share capital

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---|--------------------|--------------------|
| In issue at the opening | 482,024,411 | 438,204,010 |
| Bonus share issued | 16,870,854 | 43,820,401 |
| In issue at reporting date- fully paid | 498,895,265 | 482,024,411 |
| Authorised - par value Tk. 10 | 500,000,000 | 500,000,000 |

Number and percentage of shareholdings:

| | Number of shares | | Percentage of shareholding | |
|----------------------|------------------|--------------|----------------------------|--------------|
| | 30 June 2019 | 30 June 2018 | 30 June 2019 | 30 June 2018 |
| Directors & sponsors | 22,940,936 | 21,924,213 | 45.98% | 45.48% |
| Institutions | 14,849,665 | 13,803,785 | 29.77% | 28.64% |
| General shareholders | 12,098,925 | 12,474,443 | 24.25% | 25.88% |
| | 49,889,526 | 48,202,441 | 100.00% | 100.00% |

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

| Number of shareholdings | Number of shareholders | | Number of shares | | Percentage of shareholdings of total number of shares | |
|-------------------------|------------------------|--------------|------------------|--------------|---|--------------|
| | 30 June 2019 | 30 June 2018 | 30 June 2019 | 30 June 2018 | 30 June 2019 | 30 June 2018 |
| Less than 500 | 11,515 | 11,589 | 1,439,706 | 1,472,962 | 2.89% | 3.06% |
| 501 - 5,000 | 2,705 | 2,703 | 3,707,280 | 3,787,189 | 7.43% | 7.86% |
| 5,001 - 10,000 | 182 | 187 | 1,254,333 | 1,340,307 | 2.51% | 2.78% |
| 10,001 - 20,000 | 100 | 98 | 1,347,204 | 1,381,737 | 2.70% | 2.87% |
| 20,001 - 30,000 | 38 | 39 | 933,937 | 957,316 | 1.87% | 1.99% |
| 30,001 - 40,000 | 16 | 25 | 559,161 | 565,309 | 1.12% | 1.17% |
| 40,001 - 50,000 | 11 | 9 | 506,858 | 412,207 | 1.02% | 0.86% |
| 50,001 - 100,000 | 23 | 23 | 1,626,587 | 1,722,293 | 3.26% | 3.57% |
| 100,001 - 1,000,000 | 25 | 24 | 7,965,468 | 7,195,988 | 15.97% | 14.93% |
| Over - 1,000,000 | 9 | 9 | 30,548,992 | 29,367,133 | 61.23% | 60.92% |
| | 14,624 | 14,706 | 49,889,526 | 48,202,441 | 100.00% | 100.00% |

18 Reserves

| <i>In Taka</i> | Note | 30 June 2019 | 30 June 2018 |
|--|------|---------------|---------------|
| Capital reserve | | 1,671,386 | 1,671,386 |
| Revaluation reserve | | 3,075,540,948 | 3,075,540,948 |
| FVOCI reserve (30 June 2018: Available-for-sale) | 18.1 | 555,904,475 | 466,460,032 |
| | | 3,633,116,809 | 3,543,672,366 |

18.1 FVOCI reserve (30 June 2018: Available-for-sale)

| | Number of shares held | Market value of shares | Cost of investment | Movement in fair value | Changes in fair value of financial assets | Fair value reserve as at reporting date |
|---------------------|-----------------------|------------------------|--------------------|------------------------|---|---|
| | | <i>In Taka</i> | <i>In Taka</i> | <i>In Taka</i> | <i>In Taka</i> | <i>In Taka</i> |
| 30 June 2018 | 19,112,060 | 546,604,925 | 28,316,000 | 518,288,925 | 183,198,792 | 466,460,032 |
| 30 June 2019 | 19,112,060 | 645,987,639 | 28,316,000 | 617,671,639 | 99,382,714 | 555,904,475 |

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

18(a) Consolidated reserves

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--|---------------|---------------|
| Capital reserve | 1,671,386 | 1,671,386 |
| Translation reserve | (848,385) | - |
| Revaluation reserve | 4,277,933,521 | 4,277,933,521 |
| FVOCI reserve (30 June 2018: Available-for-sale) | 554,780,650 | 464,822,881 |
| | 4,833,537,172 | 4,744,427,788 |

19 Employee benefits

| <i>In Taka</i> | Note | 30 June 2019 | 30 June 2018 |
|-----------------------------------|------|--------------|--------------|
| Staff gratuity provision | 19.1 | 798,775,062 | 681,164,977 |
| Other long term employee benefits | | 142,054,095 | 126,071,661 |
| Employees group insurance fund | | 400,000 | 400,000 |
| | | 941,229,157 | 807,636,638 |

19.1 Staff gratuity provision

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--------------------------------|--------------|--------------|
| Opening balance | 681,164,977 | 605,964,000 |
| Provision made during the year | 142,651,622 | 116,078,771 |
| Paid during the year | (25,041,537) | (40,877,794) |
| Closing balance | 798,775,062 | 681,164,977 |

19(a) Consolidated employee benefits

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|-----------------------------------|---------------|--------------|
| Staff gratuity provision | 1,025,318,428 | 857,976,211 |
| Other long term employee benefits | 153,154,006 | 135,731,572 |
| Employees group insurance fund | 400,000 | 400,000 |
| | 1,178,872,434 | 994,107,783 |



20 Long term bank loans

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---------------------------|--------------|--------------|
| Dhaka Bank Limited | 34,385,288 | - |
| Dutch-Bangla Bank Limited | 446,839,240 | - |
| Eastern Bank Limited | 567,627,935 | 141,353,004 |

20(a) Consolidated long term bank loans

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--------------------------------|---------------|---------------|
| Bank Asia Limited | 252,171,470 | 254,919,570 |
| Brac Bank Limited | 736,611,456 | 658,732,520 |
| Dhaka Bank Limited | 635,983,831 | 814,965,010 |
| Dutch-Bangla Bank Limited | 1,290,620,583 | 1,305,076,751 |
| Eastern Bank Limited | 342,946,976 | 397,153,066 |
| Jamuna Bank Limited | 193,675,472 | 300,894,715 |
| Marcentile Bank Limited | 1,093,232,433 | 1,093,001,734 |
| Midland Bank | 25,042,908 | 91,501,437 |
| National Bank Ltd. | 1,276,130,676 | 1,308,801,240 |
| Prime Bank Limited | 1,309,920,248 | 908,415,207 |
| Pubali Bank Limited | 353,622,469 | 56,300,710 |
| The City Bank Limited | 33,274,986 | - |
| Trust Bank Limited | 501,941,783 | 725,487,780 |
| United Commercial Bank Limited | 34,002,155 | 57,117,606 |
| | 8,079,177,445 | 7,972,367,343 |

21 Deferred tax liabilities/(assets)

| <i>In Taka</i> | Note | 30 June 2019 | 30 June 2018 |
|---|------|---------------------|--------------------|
| Opening balance | | 120,722,017 | 453,162,012 |
| Deferred tax (income)/expense recognised through profit or loss | 33 | (196,683,207) | (350,759,874) |
| Deferred tax expense recognised for FVOCI (available-for-sale) financial assets through OCI | 18.1 | 9,938,271 | 18,319,879 |
| Closing balance | | (66,022,919) | 120,722,017 |

Details of deferred tax liabilities/(assets)

| <i>In Taka</i> | Carrying amount on reporting date | Tax base | Taxable/(deductible) temporary difference | Deferred tax liabilities/(assets) |
|--|-----------------------------------|----------------------|---|-----------------------------------|
| At 30 June 2019 | | | | |
| Property, plant and equipment (other than land and under construction) | 2,615,249,088 | 1,684,947,601 | 930,301,487 | 232,575,372 |
| Land | 5,282,273,237 | - | 5,282,273,237 | 135,196,467 |
| Provision for inventories | (436,462,897) | - | (436,462,897) | (109,115,724) |
| Provision for trade receivables | (473,409,731) | - | (473,409,731) | (118,352,433) |
| Investment impairment provision | (273,600,000) | - | (273,600,000) | (68,400,000) |
| Provision for gratuity | (798,775,062) | - | (798,775,062) | (199,693,766) |
| FVOCI reserve | 617,671,639 | - | 617,671,639 | 61,767,164 |
| Taxable temporary differences | 6,532,946,274 | 1,684,947,601 | 4,847,998,673 | (66,022,919) |

During the year, Tax authority has not considered the Company's claim of investment in land Tk. 1,043,336,588, plant & machinery Tk. 395,345,506, Building Tk. 38,147,725 and in shares of subsidiaries Tk. 15,000,000 out of the proceeds of Gain from sale of brand against which it made deferred tax liability in earlier years.

| <i>In Taka</i> | Carrying amount on reporting date | Tax base | Taxable/ (deductible) temporary difference | Deferred tax liabilities/ (assets) |
|--|-----------------------------------|----------------------|--|------------------------------------|
| At 30 June 2018 | | | | |
| Property, plant and equipment (other than land and under construction) | 2,333,384,123 | 1,632,330,585 | 701,053,539 | 175,263,385 |
| Land | 4,146,353,720 | - | 4,146,353,720 | 135,196,467 |
| <i>Gain from sale of brands investment:</i> | | | | |
| - Land | 1,043,336,588 | - | 1,043,336,588 | 32,977,381 |
| - Investment in shares | 15,000,000 | - | 15,000,000 | 2,250,000 |
| - Building and Plant & Machineries | 433,493,231 | - | 433,493,231 | 108,373,308 |
| Provision for inventories | (280,220,363) | - | (280,220,363) | (70,055,091) |
| Provision for trade receivables | (319,284,321) | - | (319,284,321) | (79,821,080) |
| Investment impairment provision | (260,000,000) | - | (260,000,000) | (65,000,000) |
| Provision for gratuity | (681,164,977) | - | (681,164,977) | (170,291,244) |
| Available for sale reserve | 518,288,925 | - | 518,288,925 | 51,828,893 |
| Taxable temporary differences | 6,949,186,926 | 1,632,330,585 | 5,316,856,342 | 120,722,018 |

Applicable tax rate for:

| | |
|--|----------|
| Land | 3% - 4% |
| Gain from sale of brands | 3% - 25% |
| Investment in shares | 15% |
| FVOCI/Available for sale reserve | 10% |
| Other than land and available for sale reserve | 25% |

21(a) Consolidated deferred tax liabilities

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--|-------------------|--------------------|
| Opening balance | 378,990,924 | 724,314,235 |
| Deferred tax (income)/expense recognised through profit or loss | (276,264,979) | (363,597,434) |
| Deferred tax expense recognised for FVOCI financial assets through OCI | 9,918,600 | 18,274,123 |
| Adjustment for first time consolidation by Subsidiary | (16,086,281) | - |
| Balance at reporting date | 96,558,264 | 378,990,924 |

22 Bank overdraft

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---|----------------------|----------------------|
| AB Bank Limited | - | 36,919,853 |
| Agrani Bank Limited | 992,640,499 | 494,963,094 |
| Bank Alfalah Limited | 115,270,092 | 114,671,909 |
| BRAC Bank Limited | 32,441,014 | 38,085,940 |
| Commercial Bank of Ceylon Plc. | 18,138,330 | 13,046,099 |
| Dutch-Bangla Bank Limited | 60,881,568 | 92,235,545 |
| Eastern Bank Limited | 30,788,940 | 31,932,021 |
| Mercantile Bank Limited | 180,176,787 | 196,467,179 |
| National Credit and Commerce Bank Limited | 247,704,670 | 246,746,934 |
| NRB Bank Limited | 42,091,679 | - |
| ONE Bank Limited | 97,840,249 | - |
| Prime Bank Limited | 128,513,760 | 179,503,737 |
| Standard Chartered Bank | 29,382,809 | 362,486,408 |
| The City Bank Limited | 195,940,324 | 198,857,272 |
| HSBC | 37,215,998 | 67,934,047 |
| The Premier Bank Limited | 394,589,136 | 253,388,894 |
| United Commercial Bank Limited | 29,628,164 | 47,395,837 |
| | 2,633,244,019 | 2,374,634,769 |



22(a) Consolidated bank overdraft

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---|---------------|---------------|
| AB Bank Limited | - | 36,919,853 |
| Agrani Bank Limited | 992,640,499 | 494,963,094 |
| Bank Alfalah Limited | 115,270,092 | 114,671,909 |
| Bank Asia Limited | 107,686,879 | 133,692,554 |
| BRAC Bank Limited | 44,271,468 | 64,193,210 |
| Commercial Bank of Ceylon Plc. | 37,423,700 | 29,929,226 |
| Dutch-Bangla Bank Limited | 231,245,911 | 151,316,011 |
| Eastern Bank Limited | 61,278,396 | 47,686,707 |
| HSBC | 46,582,240 | 66,985,053 |
| Trust Bank Limited | 176,950,085 | 195,554,980 |
| Mercantile Bank Limited | 180,176,787 | 196,467,179 |
| Midland Bank Limited | 149,035,898 | 144,602,997 |
| National Bank Limited | 140,559,997 | 153,965,100 |
| National Credit and Commerce Bank Limited | 247,704,670 | 246,746,934 |
| NRB Bank Limited | 42,091,679 | - |
| ONE Bank Limited | 194,141,580 | 24,860,438 |
| Prime Bank Limited | 314,861,389 | 299,820,902 |
| Pubali Bank Limited | 450,839,867 | 443,995,316 |
| Standard Chartered Bank | 43,432,795 | 453,977,716 |
| The City Bank Limited | 215,595,019 | 202,526,220 |
| The Premier Bank Limited | 394,589,136 | 253,388,894 |
| United Commercial Bank Limited | 230,842,742 | 212,676,589 |
| Jamuna Bank Limited | 200,955,764 | 190,212,619 |
| | 4,618,176,594 | 4,159,153,500 |

23 Loans and borrowings - short term

| <i>In Taka</i> | Note | 30 June 2019 | 30 June 2018 |
|-----------------------------------|------|----------------|----------------|
| Short term loan | 23.1 | 12,629,691,755 | 10,707,340,532 |
| Current portion of long term loan | 23.2 | 197,932,803 | 633,443,701 |
| | | 12,827,624,558 | 11,340,784,233 |

23.1 Short term loan

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--------------------------------|----------------|----------------|
| Agrani Bank Limited | - | 12,377,070 |
| Bank Asia Limited | 994,731,460 | - |
| Bank Alfalah Limited | 217,627,148 | 114,826,260 |
| BRAC Bank Limited | 1,070,339,952 | 1,033,893,159 |
| Commercial Bank of Ceylon Plc. | 1,058,229,971 | 1,080,920,165 |
| Dhaka Bank Limited | 1,074,855,725 | 451,790,550 |
| Dutch Bangla Bank Limited | 557,048,784 | 763,712,059 |
| Eastern Bank Limited | 293,559,840 | 152,227,166 |
| HSBC | 429,666,662 | 508,296,081 |
| Jamuna Bank Limited | 1,240,688,854 | 1,393,762,298 |
| Mercantile Bank Limited | - | 500,000,000 |
| NRB Bank Limited | 238,956,515 | - |
| ONE Bank Limited | 200,000,000 | - |
| Prime Bank Limited | 752,581,769 | 961,005,795 |
| Pubali Bank Limited | 1,536,872,755 | 500,922,896 |
| Standard Chartered Bank | 217,867,886 | 425,929,976 |
| The City Bank Limited | 2,246,667,330 | 2,107,677,057 |
| Uttara Bank Limited | 499,997,104 | 700,000,000 |
| | 12,629,691,755 | 10,707,340,532 |

23.2 Current portion of long term loan

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---------------------------|--------------|--------------|
| Dhaka Bank Limited | 6,102,010 | - |
| Dutch Bangla Bank Limited | 147,130,068 | 600,000,000 |
| Eastern Bank Limited | 44,700,725 | 33,443,701 |
| | 197,932,803 | 633,443,701 |

ACI Limited has following facility arrangements with banks as at 30 June 2019:

| <i>In Taka</i> | Overdraft limits | Short-term facilities limits | Long-term loan limits | Revolving Trust Receipt Limit/ Letter of credit | Bank guarantee |
|--------------------------------|------------------|------------------------------|-----------------------|---|----------------|
| Agrani Bank Limited | 1,000,000,000 | - | - | 500,000,000 | 10,000,000 |
| Bank Alfalah Limited | 120,000,000 | 100,000,000 | - | 220,000,000 | - |
| Bank Asia Limited | - | - | - | 850,000,000 | 100,000,000 |
| BRAC Bank limited | 60,000,000 | 800,000,000 | - | 520,000,000 | 30,000,000 |
| Commercial Bank of Ceylon Plc. | 30,000,000 | 700,000,000 | - | 1,000,000,000 | - |
| Dhaka Bank Limited | - | 1,000,000,000 | 250,000,000 | 600,000,000 | 10,000,000 |
| Dutch Bangla Bank Limited | 150,000,000 | 750,000,000 | 600,000,000 | 800,000,000 | - |
| Eastern Bank Limited | 40,000,000 | 150,000,000 | 700,000,000 | 410,000,000 | - |
| HSBC | 80,000,000 | 400,000,000 | - | 340,000,000 | 5,000,000 |
| Jamuna Bank Limited | - | 750,000,000 | - | 750,000,000 | 10,000,000 |
| Mercantile Bank Limited | 200,000,000 | 500,000,000 | 500,000,000 | 1,000,000,000 | 10,000,000 |
| NCC Bank Limited | 250,000,000 | - | - | - | - |
| NRB Bank Limited | 50,000,000 | 200,000,000 | - | 200,000,000 | - |
| ONE Bank Limited | 100,000,000 | 200,000,000 | - | 100,000,000 | - |
| Premier Bank Limited | 400,000,000 | - | - | 750,000,000 | - |
| Prime Bank Limited | 260,000,000 | 400,000,000 | - | 1,550,000,000 | 50,000,000 |
| Pubali Bank Limited | 500,000,000 | 1,500,000,000 | - | 600,000,000 | 210,000,000 |
| Standard Chartered Bank | 100,000,000 | 400,000,000 | - | 280,000,000 | 520,000,000 |
| The City Bank Limited | 20,000,000 | 2,000,000,000 | - | 1,170,000,000 | 10,000,000 |
| Trust Bank Limited | - | - | - | 250,000,000 | - |
| United Commercial Bank Limited | 50,000,000 | - | - | 500,000,000 | 10,000,000 |
| Uttara Bank Limited | - | 500,000,000 | - | - | - |

Securities for the facilities mentioned above are as below:

- Demand promissory notes for Tk. 16,310.00 million.
- Registered hypothecation over inventories and trade receivables on pari-passu basis for Tk. 10,820.00 million.
- Registered hypothecation over plant and machinery on pari-passu basis for Tk. 2,885.00 million.
- Corporate guarantee issued to Agrani Bank Ltd. by ACI Formulations Ltd., ACI Pure Flour Ltd. and ACI Salt Ltd.
- Corporate guarantee issued to One Bank Ltd by ACI Salt Ltd. & ACI Motors Ltd.
- Corporate guarantee issued to Premier Bank Ltd. by ACI Salt Ltd.
- Corporate guarantee issued to Dutch Bangla Bank Ltd. by ACI Salt Ltd., ACI Foods Ltd., ACI Motors Ltd., Premiaflex Plastics Ltd. and Neem Laboratories Ltd.
- Corporate guarantee issued to Uttara Bank Ltd. by ACI Salt Ltd.
- Post dated Cheque Tk. 7,870.00 million to NCC Bank Ltd., Bank Asia Ltd., BRAC Bank Ltd., Dhaka Bank Ltd., Dutch Bangla Bank Ltd., Mercantile Bank Ltd. and Jamuna Bank Ltd.

23(a) Consolidated loans and borrowings - short term

| <i>In Taka</i> | Note | 30 June 2019 | 30 June 2018 |
|-----------------------------------|---------|----------------|----------------|
| Short term loan | 23(a).1 | 22,842,587,452 | 18,367,259,672 |
| Current portion of long term loan | 23(a).2 | 4,421,329,343 | 3,566,345,407 |
| | | 27,263,916,795 | 21,933,605,080 |



23(a).1 Consolidated short term loan

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--|----------------|----------------|
| Agrani Bank Limited | - | 12,377,070 |
| Bank Alfalah Limited | 217,627,148 | 114,826,260 |
| Bank Asia Limited | 2,604,384,154 | 530,684,511 |
| BRAC Bank Limited | 1,901,756,378 | 1,999,380,645 |
| Commercial Bank of Ceylon Plc. | 1,666,963,232 | 1,870,020,571 |
| Dhaka Bank Limited | 1,095,246,068 | 590,533,067 |
| Dutch Bangla Bank Limited | 1,075,594,221 | 795,219,172 |
| Eastern Bank Limited | 1,377,353,704 | 1,528,971,869 |
| HSBC | 462,178,384 | 621,344,655 |
| Jamuna Bank Limited | 1,240,942,428 | 1,396,048,971 |
| Mercantile Bank Limited | 1,541,605,915 | 848,051,549 |
| Midland Bank Limited | 318,812,602 | 352,201,575 |
| National Bank Limited | 159,189,966 | 150,000,920 |
| NRB Bank Limited | 238,956,515 | - |
| ONE Bank Limited | 301,254,853 | - |
| Prime Bank Limited | 2,228,117,972 | 2,868,350,654 |
| Pubali Bank Limited | 1,583,735,755 | 625,739,022 |
| Standard Chartered Bank | 219,851,974 | 425,929,976 |
| The City Bank Limited | 2,965,419,288 | 2,937,579,185 |
| Trust Bank Limited | 354,036,042 | - |
| Uttara Bank Limited | 499,997,104 | 700,000,000 |
| Loans and borrowings of foreign subsidiary | 789,563,748 | - |
| | 22,842,587,452 | 18,367,259,672 |

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

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--------------------------------|---------------|---------------|
| Brac Bank Limited | 423,638,412 | 71,226,972 |
| Bank Asia Limited | 684,298,232 | 863,719,264 |
| Dhaka Bank Limited | 281,257,855 | - |
| Dutch Bangla Bank Limited | 684,964,388 | 1,015,915,779 |
| Eastern Bank Limited | 720,165,314 | 548,011,981 |
| Jamuna Bank Limited | 94,340,821 | 81,923,444 |
| Marcentile Bank Limited | 427,763,583 | 331,092,522 |
| Midland Bank Limited | 70,295,252 | 67,350,866 |
| National Bank Limited | 198,780,691 | 132,329,211 |
| Prime Bank Limited | 497,756,840 | 5,873,955 |
| Pubali Bank Limited | 21,889,517 | 20,785,000 |
| The City Bank Limited | 26,063,026 | 23,971,081 |
| Trust Bank Limited | 264,292,731 | 380,910,080 |
| United Commercial Bank Limited | 25,822,681 | 23,235,251 |
| | 4,421,329,343 | 3,566,345,407 |

24 Trade payables

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|----------------------|---------------|--------------|
| Payable to suppliers | 1,199,383,457 | 794,002,138 |
| | 1,199,383,457 | 794,002,138 |

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

24(a) Consolidated trade payables

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|-----------------------------|---------------|---------------|
| ACI Limited | 1,199,383,457 | 794,002,138 |
| ACI Formulations Limited | 97,424,467 | 132,432,662 |
| ACI Logistics Limited | 1,323,982,892 | 1,133,801,584 |
| ACI Salt Limited | 15,729,991 | 35,550,332 |
| ACI Foods Limited | 336,070,769 | 161,563,231 |
| ACI Pure Flour Limited | 125,724,847 | 89,793,763 |
| Premiaflex Plastics Limited | 41,897,160 | 64,108,067 |
| ACI Motors Limited | 25,899,951 | 24,267,278 |
| ACI Agrolink Limited | 5,166,500 | 412,314 |
| ACI Edible Oils Limited | 28,312,580 | 40,377,442 |
| ACI Chemicals Limited | - | - |
| ACI HealthCare Ltd. | 1,375,303,553 | - |
| Consolidating elimination | (236,805,661) | (223,361,698) |
| | 4,338,090,506 | 2,252,947,112 |

25 Other payables

| <i>In Taka</i> | Note | 30 June 2019 | 30 June 2018 |
|--|------|---------------|---------------|
| Accruals | | 1,400,207,366 | 1,094,621,168 |
| Advance from customers | | 35,498,058 | 27,258,815 |
| Security money received from customers | | 139,694,521 | 179,439,634 |
| Workers' profit participation fund | 25.1 | 510,692,251 | 484,489,427 |
| Unclaimed dividend | | 101,452,684 | 89,765,592 |
| Tax and VAT deducted at source | | 53,685,882 | 34,588,999 |
| Employees welfare fund | | 274,233,779 | 270,763,687 |
| Les Laboratories Servier | | 24,157,849 | - |
| Rights share deposit to be refunded | | 563,723 | 563,723 |
| Family day fund | | 4,315,000 | 3,835,074 |
| Non-management staff provident fund | | 6,426,409 | 5,586,938 |
| Unclaimed refund warrant - Zero Coupon Bonds | | 3,647,450 | 3,647,450 |
| Payable for redemption of Zero Coupon Bonds | | 20,403,169 | 20,430,413 |
| Management staff provident fund | | 22,371,364 | 3,582,935 |
| Advertisement and promotional funds | | 17,735,713 | 17,735,713 |
| Development funds | | 140,716,804 | 116,053,606 |
| | | 2,755,802,022 | 2,352,363,174 |

25.1 Workers' profit participation fund

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|----------------------------------|--------------------|--------------------|
| Opening balance | 484,489,427 | 429,278,071 |
| Addition during the year | 58,117,222 | 87,265,767 |
| Interest accrued during the year | 33,078,573 | 28,987,458 |
| Paid during the year | (64,992,971) | (61,041,869) |
| Closing balance | 510,692,251 | 484,489,427 |



25(a) Consolidated other payables

| <i>In Taka</i> | Note | 30 June 2019 | 30 June 2018 |
|--|---------|---------------|---------------|
| Accruals | | 2,890,064,278 | 2,182,452,432 |
| Advance from customers | | 204,393,375 | 248,522,308 |
| Security money received from customers | | 202,426,782 | 235,444,057 |
| Workers' profit participation fund | 25(a).1 | 652,019,207 | 587,939,806 |
| Unclaimed dividend | | 113,262,851 | 100,725,661 |
| Management staff provident fund | | 22,371,364 | 3,582,935 |
| Tax and VAT deducted at source | | 106,079,995 | 73,857,878 |
| Employees welfare fund | | 290,522,693 | 316,598,111 |
| Les Laboratories Servier | | 24,157,849 | - |
| Rights share deposit to be refunded | | 563,723 | 563,723 |
| Family day fund | | 4,315,000 | 3,835,074 |
| Non-management staff provident fund | | 6,426,409 | 5,586,938 |
| Unclaimed refund warrant - Zero Coupon Bonds | | 3,647,450 | 3,647,450 |
| Payable for redemption of Zero Coupon Bonds | | 20,403,169 | 20,430,413 |
| Creditors for capital expenditure | | 334,355 | 7,165,777 |
| Advertisement and promotional funds | | 17,735,713 | 17,735,713 |
| Development funds | | 140,716,804 | 116,053,606 |
| | | 4,699,441,016 | 3,924,141,882 |

25(a).1 Workers' profit participation fund

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|----------------------------------|---------------|---------------|
| Balance at the opening | 587,939,806 | 535,347,608 |
| Addition during the year | 146,239,765 | 168,083,901 |
| Interest accrued during the year | 37,017,348 | 28,987,458 |
| Paid during the year | (119,177,712) | (144,479,161) |
| Balance at reporting date | 652,019,207 | 587,939,806 |

26 Inter-company payable

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--------------------------------|---------------|---------------|
| ACI Salt Limited | 692,844,122 | 260,103,847 |
| ACI Formulations Limited | - | 461,682,477 |
| Creative Communication Limited | - | 12,517,780 |
| ACI Edible Oils Limited | 10,286,264 | 215,601,375 |
| ACI Motors Limited | 3,313,311,509 | 1,039,964,362 |
| ACI Pure Flour Limited | 533,288,315 | 282,546,195 |
| | 4,549,730,210 | 2,272,416,036 |

27 Current tax liabilities

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---|----------------------|----------------------|
| Opening balance | 1,183,202,172 | 1,176,320,068 |
| Provision made during the year | 427,230,876 | 537,151,635 |
| Transfer from deferred tax expense | 143,600,688 | 154,225,828 |
| Adjustment against completion of tax assessment | - | (684,495,359) |
| Closing balance | 1,754,033,737 | 1,183,202,172 |

27(a) Consolidated current tax liabilities

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---|---------------|-----------------|
| Opening balance | 2,810,007,478 | 2,617,627,690 |
| Provision made during the year | 1,386,439,405 | 1,374,709,885 |
| Adjustment against completion of tax assessment | (202,544,630) | (1,182,330,097) |
| Closing balance | 3,993,902,253 | 2,810,007,478 |

28 Revenue

| <i>In Taka</i> | Note | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|-----------------|------|------------------------------------|------------------------------------|
| Pharmaceuticals | 28.1 | 10,622,701,890 | 9,203,808,652 |
| Animal Health | | 3,054,717,684 | 3,551,650,939 |
| Consumer brands | | 6,097,732,226 | 6,644,542,434 |
| Seeds (Local) | | 475,631,836 | 528,642,494 |
| Seeds (Import) | | 493,978,190 | 328,054,884 |
| Fertilizer | | 1,050,820,766 | 1,130,405,722 |
| | | 21,795,582,592 | 21,387,105,125 |

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|----------------|------------------------------------|------------------------------------|
| Local sales | 21,560,583,712 | 21,167,989,977 |
| Export sales | 234,998,880 | 219,115,148 |
| | 21,795,582,592 | 21,387,105,125 |

28.1 Pharmaceuticals

Pharmaceuticals turnover includes sales of the following in units:

| <i>In Taka</i> | Quantity | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|------------------|----------|------------------------------------|------------------------------------|
| Tablets | Pcs | 25,093,999 | 21,958,958 |
| Capsules | Pcs | 6,574,690 | 6,037,301 |
| Injection | Pcs | 4,307,440 | 5,354,505 |
| Bottled products | Pcs | 35,572,004 | 33,907,976 |
| Creams | Pcs | 9,876,762 | 8,565,234 |
| Inhaler | Pcs | 1,483,653 | 1,785,535 |
| Others | Pcs | 611,607 | 400,755 |

28(a) Consolidated revenue

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---------------------|------------------------------------|------------------------------------|
| Gross sales | 64,694,017,227 | 58,406,770,902 |
| Inter-company sales | (1,550,321,985) | (2,283,449,794) |
| | 63,143,695,243 | 56,123,321,109 |

29 Cost of sales

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------------------------------------|------------------------------------|
| Opening Stock of finished goods | 3,377,709,254 | 2,556,524,208 |
| Cost of goods manufactured | 7,008,275,262 | 6,176,293,319 |
| Finished goods purchased | 4,917,364,264 | 6,789,770,539 |
| Cost of finished goods available for sale | 15,303,348,780 | 15,522,588,066 |
| Stock of finished goods as at reporting date | (3,393,364,172) | (3,377,709,254) |
| | 11,909,984,608 | 12,144,878,812 |

Business wise breakup of cost of sales

| <i>In Taka</i> | Note | For the year ended 30 June 2019 | | | | | For the year ended 30 June 2018 | |
|---|------|---------------------------------|----------------------|----------------------|--------------------|--------------------|------------------------------------|-----------------------|
| | | Pharmaceuticals | Consumer brands | Animal Health | Seeds | Fertilizer | Total | |
| Opening stock of finished goods | | 512,749,035 | 909,222,525 | 1,404,967,674 | 493,406,889 | 57,363,131 | 3,377,709,254 | 2,556,524,208 |
| Cost of goods manufactured | 29.1 | 3,908,476,098 | 1,427,982,837 | 740,334,616 | 147,439,352 | 784,042,359 | 7,008,275,262 | 6,176,293,319 |
| Finished goods purchased | | 17,770,030 | 3,250,422,915 | 1,002,575,736 | 646,431,929 | 163,654 | 4,917,364,264 | 6,789,770,539 |
| Cost of finished goods available for sale | | 4,438,995,163 | 5,587,628,277 | 3,147,878,026 | 1,287,278,170 | 841,569,144 | 15,303,348,780 | 15,522,588,066 |
| Closing stock of finished goods | | (470,947,259) | (1,105,110,258) | (1,200,165,051) | (557,882,076) | (59,259,528) | (3,393,364,172) | (3,377,709,254) |
| Inter-business adjustment | | (330,424,536) | 191,628,738 | 138,795,798 | - | - | - | - |
| | | 3,637,623,368 | 4,674,146,757 | 2,086,508,773 | 729,396,094 | 782,309,616 | 11,909,984,608 | 12,144,878,812 |

29.1 Cost of goods manufactured

| <i>In Taka</i> | Note | For the year ended 30 June 2019 | | | | | For the year ended 30 June 2018 | |
|--|--------|---------------------------------|----------------------|--------------------|---------------------|--------------------|------------------------------------|----------------------|
| | | Pharmaceuticals | Consumer brands | Animal Health | Seeds | Fertilizer | Total | |
| Cost of materials consumed | 29.1.1 | 2,958,621,914 | 1,179,561,954 | 603,521,839 | 44,772,421 | 758,838,188 | 5,545,266,316 | 4,962,825,083 |
| Manufacturing expenses | 30 | 782,602,186 | 195,944,702 | 113,080,734 | 81,521,578 | 25,346,428 | 1,198,495,628 | 1,080,891,338 |
| Quality control and development expenses | 30 | 225,325,289 | 140,184 | - | - | - | 225,465,473 | 199,889,528 |
| Cost of samples, product bonus and stock write off | | (40,230,580) | 52,335,997 | 26,743,170 | 46,639,382 | (142,257) | 85,345,712 | 1,685,065 |
| Cost of production | | 3,926,318,809 | 1,427,982,837 | 743,345,743 | 172,883,381 | 784,042,359 | 7,054,573,129 | 6,245,291,014 |
| Opening work in process | | 100,745,431 | - | 10,857,599 | 81,475,949 | - | 193,078,979 | 124,081,284 |
| Closing work in process | | (118,588,142) | - | (13,868,726) | (106,919,978) | - | (239,376,846) | (193,078,979) |
| | | (17,842,711) | - | (3,011,127) | (25,444,029) | - | (46,297,867) | (68,997,695) |
| | | 3,908,476,098 | 1,427,982,837 | 740,334,616 | 147,439,352 | 784,042,359 | 7,008,275,262 | 6,176,293,319 |

29.1.1 Cost of materials consumed

| In Taka | For the year ended 30 June 2019 | | | | | Total |
|---------------------------|---------------------------------|-----------------|---------------|--------------|--------------|-----------------|
| | Pharmaceuticals | Consumer brands | Animal Health | Seeds | Fertilizer | |
| Raw and packing materials | | | | | | |
| Opening stock | 714,118,969 | 400,784,825 | 258,091,420 | 34,775,931 | 69,763,894 | 1,477,535,039 |
| Purchase | 3,256,785,358 | 1,246,069,998 | 617,661,060 | 44,608,579 | 778,725,608 | 5,943,850,603 |
| Closing stock | (1,012,282,413) | (467,292,869) | (272,230,641) | (34,662,089) | (89,651,314) | (1,876,119,326) |
| | 2,958,621,914 | 1,179,561,954 | 603,521,839 | 44,722,421 | 758,838,188 | 5,545,266,316 |

For the year ended
30 June 2018

29(a) Consolidated cost of sales

| In Taka | For the year ended | |
|------------------------|--------------------|------------------|
| | 30 June 2019 | 30 June 2018 |
| Opening stock | 11,272,403,859 | 9,752,120,294 |
| Purchase | 43,783,295,242 | 39,168,952,706 |
| Manufacturing expenses | 2,917,998,075 | 2,608,951,829 |
| Closing stock | (13,147,583,866) | (11,272,403,859) |
| | 44,826,113,310 | 40,257,620,969 |

For the year ended
30 June 2018



30 Administrative, selling and distribution expenses

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|-----------------------------|------------------------------------|------------------------------------|
| (a) Administrative expenses | 537,850,217 | 613,224,760 |
| (b) Distribution expenses | 870,060,274 | 831,801,787 |
| (c) Selling expenses | 6,747,767,529 | 6,214,699,450 |
| | 8,155,678,020 | 7,659,725,997 |

Allocation of expenses:

| <i>In Taka</i> | For the year ended 30 June 2019 | | | | | Total |
|--|---------------------------------|-----------------------|------------------------|-----------------------------|------------------|---------------|
| | Administrative expenses | Distribution expenses | Manufacturing expenses | QC and development expenses | Selling expenses | |
| Salary and wages | 384,680,265 | 259,668,516 | 476,340,265 | 138,667,104 | 2,731,722,312 | 3,694,031,323 |
| Travelling and conveyance | 10,477,340 | 147,797,039 | 7,943,219 | 378,882 | 505,437,569 | 693,592,734 |
| Rent and rates | 15,753,002 | 62,337,560 | 147,016,076 | - | 163,905,565 | 351,682,994 |
| Repair and maintenance | 12,497,320 | 9,405,522 | 109,953,516 | 12,849,230 | 22,614,080 | 149,739,111 |
| Fuel and power | 11,390,295 | 64,294,732 | 163,766,766 | 7,526,690 | 34,464,415 | 178,641,277 |
| Postage | 10,084,134 | 7,217,656 | 3,832,462 | 914,751 | 54,958,229 | 80,828,177 |
| Printing and stationery | 6,957,124 | 31,750,485 | 6,903,713 | 823,045 | 22,371,084 | 75,046,493 |
| Promotional expenses | 14,636,713 | - | 11,136,894 | - | 2,437,694,422 | 2,318,367,427 |
| Entertainment | 2,168,865 | 10,809,971 | 3,193,097 | 112,152 | 14,185,248 | 29,846,638 |
| Vehicle maintenance | 7,536,145 | 47,894,365 | 2,266,868 | 743,712 | 48,959,507 | 187,940,999 |
| Bad debts | - | - | - | - | 154,743,308 | 66,853,651 |
| Truck and handling | - | 167,351,161 | 15,549,209 | 4,840 | 206,996,465 | 401,980,101 |
| Legal and professional charges | 15,994,934 | 15,179 | - | - | 8,028,171 | 27,222,689 |
| Audit fees | 990,000 | - | - | - | - | 990,000 |
| Insurance | 2,129,668 | 13,771,746 | 11,612,199 | 502,581 | 15,721,567 | 42,865,070 |
| Directors' fees | 16,500 | - | - | - | - | 20,250 |
| Bank charges | 20,426 | 2,190,056 | - | - | 8,655,062 | 9,513,670 |
| Sundry expenses | - | 375,825 | 15,000 | - | - | 404,999 |
| Product development expenses | - | - | 87,113 | 5,902,037 | 47,387,872 | 39,785,666 |
| Training expenses | 2,016,433 | 228,645 | 69,860 | 108,592 | 17,079,317 | 19,916,988 |
| Depreciation | 25,925,846 | 44,916,417 | 232,692,479 | 28,107,340 | 159,806,525 | 437,523,804 |
| Amortisation | 153,072 | - | - | - | - | 282,072 |
| Lab chemical and apparatus | - | - | 5,886,330 | 26,480,286 | - | 30,370,817 |
| Meeting expenses | 7,701,931 | 35,400 | 10,505 | 4,790 | 50,589,878 | 66,567,075 |
| Export expenses | - | - | - | - | 15,184,331 | 13,152,421 |
| ISO/TQM related expenses | - | - | 103,057 | 2,339,440 | 2,904 | 822,281 |
| Market research | - | - | - | - | 26,322,198 | 19,273,801 |
| Corporate Social Responsibility expenses | 6,720,204 | - | 117,000 | - | 937,500 | 3,244,335 |
| | 537,850,217 | 870,060,274 | 1,198,495,627 | 225,465,473 | 6,747,767,529 | 8,940,506,863 |

30(a) Consolidated administrative, selling and distribution expenses

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|-------------------------|------------------------------------|------------------------------------|
| Administrative expenses | 2,580,476,655 | 1,874,561,454 |
| Distribution expenses | 1,632,085,550 | 1,416,709,653 |
| Selling expenses | 10,780,169,486 | 9,491,057,692 |
| | 14,992,731,691 | 12,782,328,798 |

31 Other income

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------------------------------------|------------------------------------|
| Service charges | 15,046,206 | 41,523,009 |
| Dividend received | 87,087,273 | 38,955,063 |
| Rental income | 1,500,301 | 1,500,300 |
| Gain/(loss) on sale of fixed assets | (179,946,422) | (1,037,796) |
| Gain/(loss) from foreign currency transactions | (737,186) | 4,177,893 |
| Proceeds from scrap sale | 7,150,380 | 6,091,437 |
| Miscellaneous income | 914,949 | 2,271,792 |
| | (68,984,499) | 93,481,698 |

31(a) Consolidated other income

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------------------------------------|------------------------------------|
| Service charges | 21,786,090 | 51,185,231 |
| Dividend received | 2,855,906 | 2,855,906 |
| Rental income | 42,048,769 | 31,717,640 |
| Gain/(loss) on sale of fixed assets | (179,643,305) | 1,628,073 |
| Gain/(loss) from foreign currency transactions | (2,189,807) | 380,183 |
| Proceeds from scrap sale | 36,324,584 | 32,650,467 |
| Commission income | 14,577,411 | 2,953,487 |
| Miscellaneous income | 74,278,298 | 38,332,362 |
| | 10,037,945 | 161,703,349 |

32 Net finance costs

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------------------------------------|------------------------------------|
| Bank loan interest (net of interest income) | 611,845,681 | 384,999,119 |
| Employee welfare fund | 9,016,191 | 16,531,109 |
| Security deposits | 11,067,311 | 10,030,825 |
| Workers' profit participation fund | 33,078,573 | 28,987,458 |
| Other funds/borrowings | 594,169 | 418,165 |
| | 665,601,925 | 440,966,676 |

32(a) Consolidated net finance costs

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|------------------------------------|------------------------------------|------------------------------------|
| Bank loan interest | 3,081,775,201 | 2,175,086,651 |
| Employee welfare fund | 9,016,191 | 16,531,109 |
| Security deposits | 11,067,311 | 10,030,825 |
| Workers' profit participation fund | 33,078,573 | 28,987,458 |
| Other funds/borrowings | 594,169 | 418,165 |
| | 3,135,531,445 | 2,231,054,208 |



33 Income tax expense

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--------------------------------------|------------------------------------|------------------------------------|
| Current tax expense | | |
| Provision made during the year | 427,230,876 | 537,151,635 |
| Transfer from deferred tax expense | 143,600,688 | 154,225,828 |
| | 570,831,565 | 691,377,463 |
| Deferred tax expense/(income) | | |
| Temporary differences | (53,082,520) | (196,534,046) |
| Transferred to current tax expense | (143,600,688) | (154,225,828) |
| | (196,683,207) | (350,759,874) |
| Income tax expense | 374,148,358 | 340,617,589 |

33(a) Consolidated income tax expense

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------------------------------------|------------------------------------|
| Current tax expense | | |
| Provision made during the year | 1,386,439,405 | 1,374,709,885 |
| Deferred tax expense/(income) | | |
| Change in deferred tax liabilities | (276,264,979) | (363,597,434) |
| Consolidated income tax expense | 1,110,174,426 | 1,011,112,451 |

34 Earnings per share

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

| <i>In Taka/Number</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------------------------------------|------------------------------------|
| Profit of the Company (Taka) | 549,467,960 | 1,317,431,981 |
| Opening ordinary shares (Number) | 48,202,441 | 43,820,401 |
| Impact of bonus share issue - 2016-2017 (Number) | - | 4,382,040 |
| Impact of bonus share issue - 2017 - 2018 (Number) | 1,687,085 | 1,687,085 |
| Weighted average number of ordinary shares at reporting date (Number) | 49,889,527 | 49,889,527 |
| Earnings per share (Taka) | 11.01 | 26.41 |

34.1 Diluted earnings per share

No diluted EPS was required to be calculated for the year ended 30 June 2019 since there was no scope for dilution of shares.

34(a) Consolidated earnings per share

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

| <i>In Taka/Number</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------------------------------------|------------------------------------|
| Profit attributable to equity holders of the Company (Taka) | (742,037,534) | 517,014,325 |
| Weighted average number of ordinary shares at reporting date (Number) | 49,889,527 | 49,889,527 |
| Earnings per share (Taka) | (14.87) | 10.36 |

35 Financial risk management

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

- Credit risk (see 35(ii))
- Liquidity risk (see 35(iii))
- Market risk (see 35(iv))

(i) Risk management framework

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

(ii) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

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

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

(a) Exposure to credit risk

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

| <i>In Taka</i> | Note | 30 June 2019 | 30 June 2018 |
|---------------------------|-------|----------------|----------------|
| Trade receivables* | 12(a) | 14,427,242,539 | 10,727,885,857 |
| Other receivables | 13(a) | 509,581,982 | 1,099,973,493 |
| Inter-company receivables | 14(a) | 50,583,865 | 10,907,763 |
| Deposits | 15(a) | 326,961,637 | 324,925,562 |
| Cash and cash equivalents | 16(a) | 2,319,988,462 | 2,131,550,039 |
| | | 17,634,358,485 | 14,295,242,714 |

* Trade receivables is net off of security money mentioned in Note 25(a)

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

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|----------------|----------------|----------------|
| Domestic | 14,343,591,339 | 11,230,913,842 |
| Foreign | 286,077,982 | 254,695,451 |
| | 14,629,669,321 | 11,485,609,293 |

(b) Impairment

The ageing of trade receivables was as follows:

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---------------------|----------------|----------------|
| Dues below 6 months | 9,897,773,418 | 8,750,510,659 |
| Dues over 6 months | 4,731,895,903 | 2,735,098,634 |
| | 14,629,669,321 | 11,485,609,293 |

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

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|----------------------------|--------------|--------------|
| Opening balance | 522,279,379 | 486,886,542 |
| Impairment loss recognised | 280,223,969 | 35,392,837 |
| Closing balance | 802,503,348 | 522,279,379 |

(iii) Liquidity risk

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

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

Exposure to liquidity risk

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

30 June 2019

| In Taka | Note | Carrying amount | Contractual cash flows | | | | |
|---|-------|-----------------|------------------------|------------------|----------------|---------------|-------------------|
| | | | Total | 2 months or less | 2-12 months | 1-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | | |
| Employee benefits | 19(a) | 1,178,872,434 | 1,178,872,434 | - | - | - | 1,178,872,434 |
| Long term bank loan | 20(a) | 8,079,177,445 | 8,079,177,445 | - | - | 8,079,177,445 | - |
| Bank overdraft | 22(a) | 4,618,176,594 | 4,618,176,594 | - | - | - | - |
| Loans and borrowings | 23(a) | 27,263,916,795 | 27,263,916,795 | - | 27,263,916,795 | - | - |
| Trade payable | 24(a) | 4,338,090,506 | 4,338,090,506 | - | - | - | - |
| Other payable | 25(a) | 4,699,441,016 | 4,699,441,016 | - | - | - | - |
| | | 50,177,674,790 | 50,177,674,790 | 13,655,708,116 | 27,263,916,795 | 8,079,177,445 | 1,178,872,434 |
| Derivative financial liabilities | | | | | | | |
| | | - | - | - | - | - | - |
| | | 50,177,674,790 | 50,177,674,790 | 13,655,708,116 | 27,263,916,795 | 8,079,177,445 | 1,178,872,434 |

30 June 2018

| In Taka | Note | Carrying amount | Contractual cash flows | | | | |
|---|-------|-----------------|------------------------|------------------|----------------|---------------|-------------------|
| | | | Total | 2 months or less | 2-12 months | 1-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | | |
| Employee benefits | 19(a) | 994,107,783 | 994,107,783 | - | - | - | 994,107,783 |
| Long term bank loan | 20(a) | 7,972,367,343 | 7,972,367,343 | - | - | 7,972,367,343 | - |
| Bank overdraft | 22(a) | 4,159,153,500 | 4,159,153,500 | 4,159,153,500 | - | - | - |
| Loans and borrowings | 23(a) | 21,933,605,080 | 21,933,605,080 | - | 21,933,605,080 | - | - |
| Trade payable | 24(a) | 2,252,947,112 | 2,252,947,112 | 2,252,947,112 | - | - | - |
| Other payable | 25(a) | 3,924,141,882 | 3,924,141,882 | 3,924,141,882 | - | - | - |
| | | 41,236,322,699 | 41,236,322,699 | 10,336,242,494 | 21,933,605,080 | 7,972,367,343 | 994,107,783 |
| Derivative financial liabilities | | | | | | | |
| | | - | - | - | - | - | - |
| | | 41,236,322,699 | 41,236,322,699 | 10,336,242,494 | 21,933,605,080 | 7,972,367,343 | 994,107,783 |



(iv) **Market risk**

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

a) **Currency risk**

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

Exposure to currency risk

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

| <i>In USD</i> | 30 June 2019 | 30 June 2018 |
|---------------------------|---------------------|---------------------|
| Trade receivables | 2,625,093 | 2,327,339 |
| Other receivables | 306,020 | 301,252 |
| Cash and cash equivalents | 2,283,809 | 1,323,289 |
| Trade payables | (1,213,749) | (383,795) |
| Loans and borrowings | (39,320,348) | (52,857,273) |
| Net exposure | (35,319,175) | (49,289,187) |
| <i>In EUR</i> | 30 June 2019 | 30 June 2018 |
| Trade receivables | - | - |
| Other receivables | 394,422 | 353,992 |
| Cash and cash equivalents | 2,210 | 2,212 |
| Trade payables | (246,138) | (827,862) |
| Loans and borrowings | (1,793,253) | (2,590,221) |
| Net exposure | (1,642,759) | (3,061,879) |
| <i>In GBP</i> | 30 June 2019 | 30 June 2018 |
| Trade receivables | - | - |
| Other receivables | - | - |
| Cash and cash equivalents | 1,431 | 1,433 |
| Trade payables | - | - |
| Loans and borrowings | (59,230) | (356,209) |
| Net exposure | (57,798) | (354,776) |
| <i>In CHF</i> | 30 June 2019 | 30 June 2018 |
| Trade receivables | - | - |
| Other receivables | - | - |
| Cash and cash equivalents | - | - |
| Trade payables | - | - |
| Loans and borrowings | (1,185,628) | (353,913) |
| Net exposure | (1,185,628) | (353,913) |
| <i>In JPY</i> | 30 June 2018 | 30 June 2017 |
| Trade receivables | - | - |
| Other receivables | - | - |
| Cash and cash equivalents | - | - |
| Trade payables | - | - |
| Loans and borrowings | (7,663,000) | (30,007,000) |
| Net exposure | (7,663,000) | (30,007,000) |

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

| In Taka | Average rate | | Year-end spot rate | |
|---------|--------------------|--------------------|--------------------|--------------|
| | For the year ended | For the year ended | As at | |
| | 30 June 2019 | 30 June 2018 | 30 June 2019 | 30 June 2018 |
| USD | 84.13 | 82.53 | 84.50 | 83.75 |
| EUR | 97.48 | 95.71 | 97.36 | 97.60 |
| GBP | 109.68 | 108.59 | 108.67 | 110.68 |
| CHF | 86.25 | 85.28 | 87.74 | 84.75 |
| JPY | 0.78 | 0.75 | 0.79 | 0.77 |

Sensitivity analysis

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

| In Taka | Profit/(loss) | | Equity, net of tax increase/(decrease) | |
|---------------------|---------------|---------------|--|---------------|
| | Strengthening | Weakening | Strengthening | Weakening |
| 30 June 2019 | | | | |
| USD (5% movement) | 148,561,282 | (148,561,282) | 148,561,282 | (148,561,282) |
| EUR (5% movement) | 8,006,754 | (8,006,754) | 8,006,754 | (8,006,754) |
| GBP (5% movement) | 316,953 | (316,953) | 316,953 | (316,953) |
| CHF (5% movement) | 5,112,847 | (5,112,847) | 5,112,847 | (5,112,847) |
| JPY (5% movement) | 298,052 | (298,052) | 298,052 | (298,052) |
| 30 June 2018 | | | | |
| USD (5% movement) | 203,391,830 | (203,391,830) | 203,391,830 | (203,391,830) |
| EUR (5% movement) | 14,652,621 | (14,652,621) | 14,652,621 | (14,652,621) |
| GBP (5% movement) | 1,926,258 | (1,926,258) | 1,926,258 | (1,926,258) |
| CHF (5% movement) | 1,509,085 | (1,509,085) | 1,509,085 | (1,509,085) |
| JPY (5% movement) | 1,125,263 | (1,125,263) | 1,125,263 | (1,125,263) |

b) Interest rate risk

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

Exposure to interest rate risk

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

| In Taka | Note | 30 June 2018 | 30 June 2017 |
|----------------------------------|--------|----------------|----------------|
| Fixed rate instruments | | | |
| Financial assets | | | |
| Term deposit | 9(a).2 | 196,754,846 | 183,269,165 |
| Financial liabilities | | | |
| Bank overdraft | 22(a) | 4,618,176,594 | 4,159,153,500 |
| Loans and borrowings | 23(a) | 23,708,008,343 | 17,657,903,483 |
| Variable rate instruments | | | |
| Financial liabilities | | | |
| Offshore loan | 23(a) | 3,555,908,451 | 4,275,701,597 |

v) **Financial instruments - Fair values and financial risk management**
Accounting classifications and fair values

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

30 June 2019

| In Taka | Note | Investment valued at cost | Fair value-hedging instruments | Carrying amount | | | Fair value | | | | | | | |
|---|----------------|---------------------------|--------------------------------|----------------------|------------------------------------|--------------------------|-----------------------------|-------|----------------|----------------|---------|-------|---|----------------|
| | | | | Mandatorily at FVTPL | Financial Assets at Amortised cost | FVOCI-equity instruments | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total | | |
| Financial assets measured at fair value | | | | | | | | | | | | | | |
| Investment valued at fair value | 9(a),2 | - | - | - | - | 648,294,614 | - | - | 648,294,614 | 648,294,614 | - | - | - | 648,294,614 |
| Financial assets not measured at fair value | | | | | | | | | | | | | | |
| Other Investments | 9(a),2 | 3,158,890 | - | - | - | 196,754,846 | - | - | 199,913,736 | - | - | - | - | 199,913,736 |
| Trade receivables | 12(a) | - | - | - | - | 13,827,165,973 | - | - | 13,827,165,973 | - | - | - | - | 13,827,165,973 |
| Other receivables | 13(a) | - | - | - | - | 509,581,982 | - | - | 509,581,982 | - | - | - | - | 509,581,982 |
| Inter-company receivables | 14(a) | - | - | - | - | 50,583,865 | - | - | 50,583,865 | - | - | - | - | 50,583,865 |
| Tender deposits | 15(a) | - | - | - | - | 94,691,117 | - | - | 94,691,117 | - | - | - | - | 94,691,117 |
| Cash at banks | 16(a) | - | - | - | - | 1,443,261,711 | - | - | 1,443,261,711 | - | - | - | - | 1,443,261,711 |
| | | - | - | - | - | 16,122,039,493 | - | - | 16,122,039,493 | - | - | - | - | 16,122,039,493 |
| Financial liabilities measured at fair value | | | | | | | | | | | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | | | | | | |
| Employee benefits | 19(a) | - | - | - | - | - | - | - | 1,178,872,434 | 1,178,872,434 | - | - | - | 1,178,872,434 |
| Short term interest bearing loans | 23(a),1 | - | - | - | - | - | - | - | 22,842,587,452 | 22,842,587,452 | - | - | - | 22,842,587,452 |
| Long term interest bearing loans | 20(a), 23(a),2 | - | - | - | - | - | - | - | 12,500,506,788 | 12,500,506,788 | - | - | - | 12,500,506,788 |
| Trade payables | 24(a) | - | - | - | - | - | - | - | 4,338,090,506 | 4,338,090,506 | - | - | - | 4,338,090,506 |
| Other payables | 25(a) | - | - | - | - | - | - | - | 4,699,441,016 | 4,699,441,016 | - | - | - | 4,699,441,016 |
| Bank overdraft | 22(a) | - | - | - | - | - | - | - | 4,618,176,594 | 4,618,176,594 | - | - | - | 4,618,176,594 |
| | | - | - | - | - | - | - | - | 50,177,674,790 | 50,177,674,790 | - | - | - | 50,177,674,790 |

30 June 2018

| In Taka | Note | Held-for-trading at fair value | Fair value- Designated at fair value | Carrying amount | | | Fair value | | | |
|---|----------------|--------------------------------|--------------------------------------|------------------|-----------------------|--------------------|------------|----------------|----------------|----------------|
| | | | | Held to maturity | Loans and receivables | Available for sale | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | | | | | | | |
| Investment valued at fair value | 9(a),2 | - | - | - | - | 548,911,900 | - | 548,911,900 | - | 548,911,900 |
| | | - | - | - | - | 548,911,900 | - | 548,911,900 | - | 548,911,900 |
| Financial assets not measured at fair value | | | | | | | | | | |
| Other Investments | 9(a),2 | - | - | 186,428,055 | - | - | - | - | 186,428,055 | - |
| Trade receivables | 12(a) | - | - | - | 10,963,329,914 | - | - | - | 10,963,329,914 | - |
| Other receivables | 13(a) | - | - | - | 1,099,973,493 | - | - | - | 1,099,973,493 | - |
| Inter-company receivables | 14(a) | - | - | - | 10,907,763 | - | - | - | 10,907,763 | - |
| Tender deposits | 15(a) | - | - | - | 97,138,983 | - | - | - | 97,138,983 | - |
| Cash at banks | 16(a) | - | - | - | 1,122,251,729 | - | - | - | 1,122,251,729 | - |
| | | - | - | 186,428,055 | 13,293,601,882 | - | - | - | 13,480,029,937 | - |
| Financial liabilities measured at fair value | | | | | | | | | | |
| | | - | - | - | - | - | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | | | |
| Employee benefits | 19(a) | - | - | - | - | - | - | 994,107,783 | - | 994,107,783 |
| Short term interest bearing loans | 23(a),1 | - | - | - | - | - | - | 18,367,259,672 | - | 18,367,259,672 |
| Long term interest bearing loans | 20(a), 23(a),2 | - | - | - | - | - | - | 11,538,712,750 | - | 11,538,712,750 |
| Trade payables | 24(a) | - | - | - | - | - | - | 2,252,947,112 | - | 2,252,947,112 |
| Other payables | 25(a) | - | - | - | - | - | - | 3,924,141,882 | - | 3,924,141,882 |
| Bank overdraft | 22(a) | - | - | - | - | - | - | 4,159,153,500 | - | 4,159,153,500 |
| | | - | - | - | - | - | - | 41,236,322,699 | - | 41,236,322,699 |



36 Commitments

36.1 Capital expenditure

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---------------------------------|--------------|--------------|
| Approved but not contracted for | 62,505,677 | 154,141,348 |

37 Contingencies

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--------------------------------|--------------|--------------|
| Shipping Guarantee | | |
| Standard Chartered Bank | 4,044,176 | 4,044,176 |
| Eastern Bank Limited | 43,934,138 | 43,251,590 |
| | 47,978,315 | 47,295,766 |
| Bank Guarantee | | |
| Brac Bank Limited | 3,888,878 | - |
| Prime Bank Limited | 14,829,789 | - |
| Bank Asia Limited | 4,785,270 | 2,382,466 |
| Pubali Bank Limited | 45,400,000 | 27,244,090 |
| United Commercial Bank Limited | - | 13,095,628 |
| | 68,903,936 | 42,722,184 |

38 Payments made in foreign currencies

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|-------------------------------------|------------------------------------|------------------------------------|
| Raw materials and packing materials | 2,970,638,349 | 2,047,118,884 |
| Finished goods | 2,012,219,693 | 2,201,274,613 |
| | 4,982,858,042 | 4,248,393,497 |

39 Production capacity

| | Capacity in units pack per 8hr/month | | Utilization | |
|-----------------|---|-----------------------|-----------------------|-----------------------|
| | For the year ended | For the year ended | For the year ended | For the year ended |
| | 30 June 2019 | 30 June 2018 | 30 June 2019 | 30 June 2018 |
| Pharmaceuticals | 5,500,000 | 5,500,000 | 125.32% | 124.65% |
| Consumer Brand | 600,000 | 600,000 | 151.43% | 140.50% |
| Animal Health | 300,000 | 300,000 | 123.53% | 87.47% |

40 Related parties

a) Transactions with key management personnel

(i) Loans to directors

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

(ii) Key management personnel compensation

Key management personnel compensation comprised the following:

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|----------------|---------------------------------------|---------------------------------------|
| Salary | 45,789,460 | 42,629,600 |
| Benefit | 12,589,924 | 12,080,200 |
| | 58,379,384 | 54,709,800 |

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

(b) Other related party transactions of ACI Limited:

| | Transactions during the period / year | | | | | Balance outstanding at reporting date | |
|------------------------------------|---------------------------------------|----------------------------------|----------------------|--------------------|--------------------|---------------------------------------|--------------|
| | For the year ended | For the year ended | For the year ended | For the year ended | For the year ended | 30 June 2019 | 30 June 2018 |
| | 30 June 2019 | 30 June 2018 | 30 June 2019 | 30 June 2018 | 30 June 2018 | 30 June 2019 | 30 June 2018 |
| <i>In Taka</i> | | | | | | | |
| | (Purchase)/Revenue | Working capital (paid)/collected | Receivable/(Payable) | | | | |
| Subsidiaries: | | | | | | | |
| ACI Formulations Limited | - | (1,615,416,041) | 520,534,345 | 1,153,733,564 | (461,682,477) | | |
| ACI Salt Limited | (10,672,170) | (37,798,760) | 413,837,125 | (692,844,122) | (260,103,847) | | |
| ACI Chemicals Limited | - | (50,767,823) | (44,573,978) | 133,914,749 | 83,146,926 | | |
| ACI Biotech Limited | - | (266,800,506) | (107,175,901) | 482,720,624 | 215,920,118 | | |
| ACI Pure Flour Limited | (130,000) | (6,190,900) | 56,049,995 | (533,288,315) | (282,546,195) | | |
| ACI Foods Limited | (1,622,600) | (41,259,237) | (135,507,386) | (99,453,340) | 2,696,007,973 | | |
| ACI Agrolink Limited | (980,000) | (5,048,509) | (150,364,750) | (160,205,551) | 395,147,712 | | |
| Creative Communication Limited | (32,599,928) | (44,919,465) | (65,119,836) | (69,620,245) | 20,002,128 | | |
| ACI Motors Limited | (972,304) | (135,027,389) | 2,272,374,842 | (98,593,498) | (3,313,311,509) | | |
| Premiaflex Plastics Limited | (85,523,958) | (70,962,288) | (1,101,719,513) | (668,876,017) | 1,830,156,920 | | |
| ACI Logistics Limited | (27,882,685) | (31,574,321) | (534,339,042) | (3,210,208,149) | 4,334,972,843 | | |
| | 147,935,476 | 123,809,743 | - | - | - | | |
| ACI Edible Oils Limited | (2,115,526) | (7,480,972) | (203,199,585) | 5,405,004 | (10,286,264) | | |
| Computer Technology Limited | - | - | - | - | 30,000 | | |
| ACI Healthcare Limited | - | - | (1,025,108,333) | (1,022,518,137) | 3,483,485,631 | | |
| Infolytx Bangladesh Limited | - | - | (99,729,586) | (36,079,744) | 211,090,121 | | |
| Joint Venturers: | | | | | | | |
| Tetley ACI (Bangladesh) Limited | - | (39,023,711) | (198,945) | 39,929,904 | 906,193 | | |
| ACI Godrej Agrovet (Pvt.) Limited | - | - | - | 879,726 | 879,726 | | |
| Associates: | | | | | | | |
| Stochastic Logic Limited | - | (652,391) | 2,568,739 | 1,850,719 | 1,198,328 | | |
| Asian Consumer Care (Pvt.) Limited | - | - | - | 7,893,516 | 7,893,516 | | |



41 Other disclosures

41.1 Number of employees

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

| | 30 June 2019 | 30 June 2018 |
|---------------------|--------------|--------------|
| Number of employees | 9,147 | 9,053 |

41.2 Comparatives

Previous year's figures have been rearranged, whenever considered necessary to conform to the current year's presentation. More specifically, comparative information for effect of movements in exchange rate has been rearranged in Consolidated Statement of Cash Flows. The effect of such rearrangements is immaterial.

41.3 Subsequent events

The Board of Directors in their meeting held on 11 November 2019 have recommended cash dividend @ 100% per share of Taka 10 each aggregating to Taka 498,895,265 and stock dividend @ 15% aggregating to Taka 74,834,290 for the year ended 30 June 2019 subject to approval of the shareholders in the Annual General Meeting scheduled to be held on 23 December 2019.

The financial statements for the year ended 30 June 2019 do not include the effect of these dividends which will be accounted for in the period when shareholders' right to receive payment is established.

There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

42 Name of auditors of the group companies

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



Advanced Chemical Industries Limited

Reports of the Directors and Audited Financial Statements of the Subsidiary Companies for the year ended 30 June 2019





ACI Formulations Limited

Directors' Report

ACI Formulations Limited has been segmented into three major areas namely ACI Crop Care, Paints and Home Care Solutions.

A country like Bangladesh relies dynamically on the uses of crop care products to increase the yield as there is a huge population to sustain whereas, the resources are limited. Pesticide companies are working together with farmers to achieve that common goal by providing agrochemical solutions.

During the year 2018-19, there was a low level of infestation that created less demand for insecticide. However, the farmers could not reap the benefit of a good harvest because the market price of the main crop rice was below the cost of production. It was disheartening and a setback for the farmers. Moreover, drought has caused a great deal of damage to Amon Rice affecting the Crop Care business. It has caused two types of problems for the business: firstly, the farmers being cash strapped had less inclination to use crop protection chemicals and secondly, the trade could not settle outstanding debt because they themselves failed to collect dues from farmers.

In Crop Care business, industry grew by 5% whereas, the business grew by 13%. This was due to business gain in market share in the Liquid and Powder insecticide category. ACI Crop Care business is the market leader in the Herbicide category which grew by 7% in 2018-19. The Fungicide business suffered significantly because of lack of infestation which resulted in stock carry over.

ACI Crop Care business identified and are working with renowned Technology Partners to systematically modernize its product portfolio with more cost effective and eco-friendly pest control solutions. In different categories, the business has launched four new molecules during 2018-19.

Flora is a bio-friendly plant energizer and yield booster having a strong brand image amongst the farmers. The business has been able to overcome the challenges faced earlier in marketing of this product and establish the increase in yield of rice by using Flora, gaining acceptance amongst farmers. As a result, a growth of 238% by volume has been achieved by the business. A bright future of this product is expected in the coming years.

The margins eroded because of intense competition compounded by Raw Material and Packaging Material price increase and devaluation of currency. Moreover, the business was also affected by the increase in the interest rate.

Marketing team has been working relentlessly to solve the farmers' crop care problems. Brown Plant Hopper (BPH) is an epidemic pest for rice. The attack of which results in massive crop loss. ACI Crop Care has come up with fourth generation molecule - Pyrazin. By using this solution, farmers are benefitting from crop loss. ACI Crop Care has been closely working with Department of Agricultural Extension (DAE) Officials in the field during infestation. Maize cultivation is growing manifold but Fall Armyworm Pest is a major threat for this crop. ACI Crop Care is already in the process for product

registration to address this problem. Farmers are presently cultivating oil and pulse crops after Amon Rice harvesting is completed in the same field. ACI Crop Care product named 'Reload' is the highly effective solutions for combating Pod Borer for oil and pulse crops.

ACI Crop Care business has expanded its Research and Development wing with a dedicated team for conducting a large number of field trials on various target crops to expand business opportunities on existing molecules as well as new molecules.

ACI Crop Care was awarded 'Appreciation Crest' from reputed long standing development partner Swiss Contact for the M4C project. This project provides pioneering services to the people in the remote Northern Char area for the last five years. ACI Crop Care has been providing agricultural advices to farmers with high quality pesticides and Plant Growth Regulators.

In order to strengthen the communication with different stakeholders ACI Crop Care has launched an official Customer Relationship Management Platform with dedicated helpline number to serve farmers better and bridge the gap. A team of experienced agriculturists could now give farmers instant solutions on crop pest problems. In addition, ACI Crop Care Facebook page and 'ACI Crop Care' YouTube channel are gaining popularity. Another initiative - 'acropcare.com' is fully farmer friendly website developed and published in Bengali language containing all vital crop and pest information with proper solutions. In addition, there is an E-commerce section to deliver products through online orders.

The business has strengthened its Sales team and taken steps to be more effective. Sales Promotional Officers are directly working with farmers providing crop care solutions in the field through "Scheduled Farmer Meetings" and "Spot Farmer Meetings". In addition, ACI Crop Care's Solution Advisors are working closely with the DAE Officers to better serve the farmers. Marketing and Field Forces are worthy to be appreciated for their hard work, dedication and drive.

ACI Formulations Factory located in Gazipur on a span of 42 acres of land remains fully compliant with the laws governing safety, health and environment. The factory has kept its technological advancement in alignment with global standards and has additional space to accommodate many new businesses. The factory continues to get high rating for its technical excellence from the foreign principals.

During the year 2018-19, Performance Coatings portfolio comprising of marine, protective and powder coatings have done well. In addition, Global Partner AkzoNobel has increased its portfolio range in Decorative Paints, with the enhanced distribution network and brand visibility, the sales growth of paints has increased by 41.7% over last year. In the coming year, there will be line extension for the Decorative Paints and ACI Crop Care business anticipate to have full production at the factory.



Home Care Solution comprises of products from both Pest & Non-Pest Category. ACI Aerosol - the most effective insect killer and the flagship brand of ACI Consumer Brands continues leading the Aerosol category with 94.4% market share (As per Nielsen Data). ACI Mosquito Coil maintains strong presence in the market amongst the branded coils with 5.1% market share. However, the presence of numerous strong non-branded and unauthorized coils which are not manufactured under the regulatory guidelines, putting pressure against the market share of ACI Mosquito Coils. In the non-pest category, three new exotic fragrances of Angelic Air Freshener and Vanish Toilet Cleaner have strong presence in the market.

ACI Formulations is focused on advising farmers to take care of their crops and creating value for its customers by providing high quality products by adhering to the concept of sustainable development. At the same time, improving efficiency in productivity will lead ACI Formulations Limited to become a contract manufacturing company of choice.

Key Operating & Financial Information at a Glance

The key operating and financial information for the year 2018-19 along with the preceding five years are presented below:

Figures are in million (BDT)

| Particulars | July 2018- June 2019 | July 2017- June 2018 | July 2016- June 2017 | January 2016- June 2016 (six month) | December 2015 | December 2014 | December 2013 |
|---|-------------------------|-------------------------|-------------------------|--|------------------|------------------|------------------|
| Net Turnover | 4,025 | 4,127 | 3,629 | 1,625 | 3,006 | 2,908 | 2,340 |
| Gross profit | 1,211 | 1,027 | 1,108 | 477 | 800 | 739 | 585 |
| Profit before tax | 182 | 163 | 357 | 127 | 313 | 260 | 172 |
| Profit after tax | 128 | 115 | 261 | 90 | 235 | 188 | 129 |
| Earnings per share (Taka) | 2.85 | 2.56 | 5.81 | 2.01 | 5.23 | 4.17 | 2.87 |
| Issued & paid capital | 450 | 450 | 450 | 450 | 450 | 450 | 450 |
| Shareowners' equity | 2,473 | 2,502 | 2,455 | 2,283 | 2,350 | 1,806 | 1,730 |
| Net asset per share (Taka) | 54.96 | 55.61 | 54.55 | 50.74 | 52.23 | 40.12 | 38.45 |
| Number of employees | 1,361 | 1,785 | 1,679 | 1,489 | 1,459 | 1,149 | 922 |
| Total contribution to National Exchequer | 522 | 669 | 564 | 256 | 387 | 246 | 166 |

Financial Results

For the year ended 30 June 2019, total revenue of ACI Formulations Limited was Taka 4,025 million, a decrease of Taka 102 million from financial year 2017-2018, resulting into 2.47% lower revenue over last year. The main reason was sharp drop in coil portfolio due to market disruption by unauthorized coil. Despite having lower revenue growth, gross profit margin has increased to 30.08% in the current year from 24.87% of financial year 2017-2018 due to higher revenue in Crop Care business over last year and changes of product mix. On the other hand, financing cost has increased by Taka 54 million, mainly due to higher interest rate and unfavorable exchange rate variance over last year. Despite higher interest rate and lower revenue, the Company registered higher EPS by Tk. 0.29 per share compared to last year. In the current year, profit before tax (PBT) was Taka 182 million and profit after tax (PAT) was Taka 128 million resulting into Earnings per Share (EPS) Taka 2.85 as opposed to Tk. 2.56 per share of last year.

Appropriation of Profit

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

| <i>Particular</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------------------------------------|------------------------------------|
| <i>Un-appropriated profit</i> | 758,439,875 | 800,904,890 |
| <i>Add: Net profit after tax</i> | 128,453,851 | 115,034,985 |
| <i>Add: Realization of revaluation reserve</i> | - | - |
| <i>Total profit available for appropriation</i> | 886,893,726 | 915,939,875 |
| <i>Appropriation of profit:</i> | | |
| <i>Final Dividend Proposed:</i> | | |
| <i>Cash Dividend</i> | 157,500,000 | 157,500,000 |
| <i>Total dividend</i> | 157,500,000 | 157,500,000 |
| <i>Balance carried forward</i> | 729,393,726 | 758,439,875 |

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



Dividend

The Board of Directors is pleased to recommend cash dividend @ 35% on face value of Tk. 10 per share (i.e. Taka 3.5 per share) for the year ended 30 June 2019 to those shareowners whose names were appeared in the Share Register of Members of the Company or in the Depository list of CDBL on the Record Date which is 03 December 2019. During the period under review no bonus share or stock dividend has been declared as interim dividend.

Contribution to the National Exchequer

For the year ended 30 June 2019, the company contributed Taka 522 million to the National Exchequer in the form of Corporate Tax, Custom Duty and Value Added Tax (VAT). This is equivalent to 12% of the Company's gross sales revenue for the year 2018-19.

Cost of Goods Sold and Profit Margins

For the year ended 30 June 2019, cost of goods sold was Taka 2,815 million (69.92% of net revenue) which was Taka 3,101 million (75.13% of net revenue) during the financial year 2017-18, resulting a decrease of 5.21% cost due to favorable material cost variance and changes of product mix over last year. This has resulted to increase gross profit margin of 30.08% (Taka 1,211 million) during the year ended 30 June 2019 as against 24.87% (Taka 1,026 million) of the financial year 2017-18. Higher gross profit margin, coupled with controlled operating cost led to register PAT 3.2% in financial year 2018-19.

On behalf of the Board

Shusmita Anis

Managing Director

Dhaka, 24 October 2019

Kamran Tanvirur Rahman

Director

Hoda Vasi Chowdhury & Co

Chartered Accountants

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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of ACI Formulations Limited and its subsidiaries (the "Group") as well as the separate financial statements of ACI Formulations Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at 30 June 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

| Key audit area | Our responses |
|--|--|
| Carrying value (CV) of Property, plant and equipment (PPE) and its impairment | |
| <p>PPE includes the Group's and the Company's long term assets, which flow economic benefits to the entities more than one year. PPE is measured at cost or revaluation less accumulated depreciation and accumulated impairment loss. The items of PPE excluding under construction assets were revalued by a professional valuer in 2015 on the basis of applicable methods including market value based method. The carrying value of PPE represents significant portion of total assets, which is amounting to Tk. 194.5 crore for the Company and Tk. 194.6 crore for the Group at the reporting date. In other words, for both the Company and the Group, approximately 31% of total assets are represented by PPE.</p> <p>The carrying value of PPE is the function of depreciation charges on cost/revaluated that involved estimation. Therefore, it has been considered as a significant area of auditor's judgment and requires special attention. It is a matter to consider that the carrying value of PPE may be higher than the recoverable amount and the impairment charges thereon may not have been recognised.</p> | <p>We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others, considering the impairment risk of the assets.</p> <p>Followings are our audit procedures on the carrying value and impairment risk of PPE:</p> <ul style="list-style-type: none"> • Reviewing basis of recognition, measurement and valuation of assets; • Observing procedures of assets acquisition, depreciation and disposal; • Checking ownership of the major assets; • Checking the Capital-Work-in-Progress (CWIP) and its transfer to PPE as well as capital expenditure commitment; • Performing due physical asset verification on sample basis at the year-end; • Checking estimated rates of depreciation being used and assessed its fairness; • Discussing with the management about the fair value of the assets and assessing independently whether the CV approximates the fair value at the reporting date; |

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

| | |
|---|---|
| | <ul style="list-style-type: none"> • Evaluating the Group's assumptions in relation to recoverable amounts of the major PPE to identify if there is any requirement of recognition of impairment; and • Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. <p>Our testing did not identify any issues with regard to CV of PPE and any indicators that would trigger impairment.</p> |
| <p>Refer to the note no. 8 and 8(a) to the financial statements.</p> | |
| <p>Inventory valuation</p> | |
| <p>At year end the Company reported inventory of Tk. 163 crore and the Group, as a whole, reported inventory of Tk. 164 crore held in depots, central warehouse and factories. Inventories are carried at the lower of cost and net realizable value.</p> <p>The Group provides provision for obsolescence or slow-moving based on age analysis of inventories. This methodology relies upon assumptions made in determining appropriate provisioning amount to inventory balances. Therefore, it has been considered as key area of auditor's judgment and, thereby requiring special attention.</p> | <p>We obtained a detailed understanding and evaluated the design and implementation of controls that the Group has established in relation to inventory valuation.</p> <p>We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory provisions.</p> <p>Our substantive procedures in relation to the inventory comprise the followings:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the Group including Distribution Centres, Warehouses and Branches on sample basis; • Attending inventory counts at the year-end and reconciling the results of counting to the inventory listings to test the completeness of data; • Critically assessing the Group's inventory provisioning policy, with specific consideration given to aged inventory as well as stock turnover calculations, including the impact of seasonality; • Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of inventories and comparing to the associated provision to assess whether inventory provisions are complete; and • Reviewing the historical accuracy of inventory provision and the level of inventory write-offs during the year. <p>Our procedures above did not identify any issues with regard to inventory.</p> |
| <p>Refer to the note no. 11 and 11(a) to the financial statements.</p> | |
| <p>Short-term loan and Bank overdraft ("Loan")</p> | |
| <p>At reporting date, the position of Loan outstanding was Tk. 195.1 and Tk. 195.3 crore for the Company and the Group respectively. In other words, approximately 51% and 50% of total liabilities are represented by loans for the Company and Group respectively.</p> <p>Evidently, the Company is using loan to operate the business and also, to acquire non-current assets. Loan, therefore, has been considered as key audit area.</p> | <p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the loans.</p> <p>Our audit procedures included, among others, the followings:</p> <ul style="list-style-type: none"> • Understanding and reviewing the nature or types of loans; • Reviewing the board meeting minutes on arrangements of the loans; • Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans; • Recalculating the interest related to loans; • Checking the adjustments or repayments of loans through bank statements as per repayment schedule; • Observing whether there is any overdue payment relevant to loans; and • Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. <p>Our procedures above did not identify any issues with regard to loans.</p> |
| <p>Refer to the note no. 20, 21 and 21(a) to the financial statements.</p> | |

| Revenue Recognition | |
|---|---|
| <p>At year end the Company reported total revenue of Tk. 402 crore and the Group, as a whole, reported total revenue of Tk. 405 crore.</p> <p>Revenue is recognised when the performance obligation is satisfied by transferring the goods or services to a customer, either at a point in time or over time. Goods or services are “transferred” when the customer obtains control of it. It is a matter of concern that revenue may be misstated due to recognition of sales transaction before performance obligation being satisfied.</p> <p>Furthermore, revenue is measured at net of trade discounts, returns and allowances. Within a number of the Group’s markets, the estimation of discount recognised based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a matter of consideration that revenue may be misstated as a result of faulty estimations over discounts.</p> | <p>We have tested the design and operating effectiveness of key controls focusing on the followings:</p> <ul style="list-style-type: none"> ● Segregation of duties in invoice creation and modification; ● Approved price list and specified terms of trade in place; ● Authorization of credit terms to customers; ● Timing of revenue recognition; and ● Calculation of discounts. <p>Our substantive procedures in relation to the revenue recognition comprises the followings:</p> <ul style="list-style-type: none"> ● Observing and evaluating whether proper segregation of duties put in place; ● Examining samples of sales orders for evidence of proper credit approval by the appropriate personnel concerned and application controls for credit limits; ● Comparing prices and terms on samples of sales invoices to the authorized price list and terms of trade and also, examining application controls for authorized prices and terms; ● Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognised in the correct period; ● Assessing the appropriateness of the Group’s revenue recognition accounting policies, including those relating to discounts by comparison with applicable accounting standard; ● Testing the effectiveness of the Group’s controls over the calculation of discounts and appropriate timing of revenue recognition; ● Critically assessing manual journals made to revenue to identify unusual or irregular items; and ● Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. <p>Our testing did not identify any issues with regard to revenue.</p> |
| <p>Refer to the note no. 26 and 26(a) to the financial statements.</p> | |
| Negative operating cash flows | |
| <p>At year end the Company reported negative operating cash flows amounting to Tk. 27.5 crore and the Group, as a whole, reported negative operating cash flows amounting to Tk. 26.9 crore.</p> <p>The Company has been continuously generating negative operating cash flows for last three years. Furthermore, negative operating cash flow has significantly increased by 123% and 95% at the Company and the Group level respectively, for the accounting year ended 30 June 2019 compared to the last accounting year ended 30 June 2018. Therefore, it has been considered as key audit area.</p> | <p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company’s key controls over the statement of cash flows.</p> <p>Our audit procedures included, among others, the followings:</p> <ul style="list-style-type: none"> ● Analyzing the cash operating cycle; ● Analyzing the operating profitability of the Company and the Group; ● Observing and evaluating whether proper segregation of duties put in place; ● Testing the effectiveness of the Group’s controls over the cash and bank receipts/payments process; ● Reviewing the delegated list of authority for cash payments; ● Observing the cheques authorization process and also, observing the procedure of postings to cash payments journal and payable accounts with approval; ● Inspecting relevant documentation for evidence of approval by authorized personnel; ● Reviewing reconciliation of funds transfers and cheques issued with postings to cash payments journal and payable accounts; |

| | |
|---|--|
| | <ul style="list-style-type: none"> • Observing supplier statements reconciled to payable accounts and monthly bank reconciliations of bank statements to ledger account; • Reviewing agreement of monthly cash payments journal to general ledger posting and payable accounts reconciled to general ledger control account; • Reviewing list of cash receipts reconciled with posting to customer accounts; and • Tracing cash receipts from listing to cash receipts journal for proper classification. <p>Our testing did not identify any issues with regard to negative operating cash flows.</p> |
| <p>Refer to the operating activities of the Statement of cash flows and note no. 16.3 and 16.3(a) of the financial statements.</p> | |

Other Matter

The Group comprises the parent, ACI Formulations Limited, and its subsidiary namely Neem Laboratories (Pvt.) Ltd. The financial statements of subsidiary have been audited by Shiraz Khan Basak & Co., Chartered Accountants. The auditor of subsidiary has expressed an unmodified opinion on the financial statements on 30 June 2019.

Other Information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Report on other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of accounts as required by law have been kept by the Group and the Company so far as it appeared from our examination of these books;
- (c) the consolidated and the separate statements of financial position and statements of profit or loss and other comprehensive income along with the annexed notes 1 to 38 dealt with by the report are in agreement with the books of account, and
- (d) the expenditure incurred was for the purposes of the Group's and the Company's business.

Dhaka, 24 October 2019


Hoda Vasi Chowdhury & Co
Chartered Accountants



ACI Formulations Limited

Statement of Financial Position

| In Taka | 30 June 2019 | 30 June 2018 |
|--|---------------|---------------|
| Assets | | |
| Property, plant and equipment | 1,944,656,528 | 1,793,502,725 |
| Investments | 39,742,772 | 37,096,077 |
| Non-current assets | 1,984,399,300 | 1,830,598,802 |
| Inventories | 1,625,582,683 | 1,610,648,618 |
| Trade receivables | 1,713,472,029 | 1,350,154,816 |
| Other receivables | 41,728,563 | 27,351,264 |
| Inter-company receivables | 22,983,074 | 516,615,689 |
| Advances, deposits and prepayments | 646,689,537 | 498,329,534 |
| Cash and cash equivalents | 297,708,034 | 262,039,838 |
| Current assets | 4,348,163,920 | 4,265,139,758 |
| Total assets | 6,332,563,220 | 6,095,738,560 |
| Equity | | |
| Share Capital | 450,000,000 | 450,000,000 |
| Revaluation reserve | 1,136,392,931 | 1,136,392,931 |
| Retained earnings | 886,893,726 | 915,939,875 |
| Total equity | 2,473,286,657 | 2,502,332,806 |
| Liabilities | | |
| Employee benefits | 43,494,776 | 39,179,275 |
| Deferred tax liabilities | 49,417,522 | 59,510,615 |
| Non-current liabilities | 92,912,298 | 98,689,890 |
| Bank overdrafts | 128,758,666 | 163,497,501 |
| Loans and borrowings | 1,822,161,341 | 2,738,695,818 |
| Trade payables | 89,050,954 | 126,995,956 |
| Other payables | 248,013,100 | 196,583,593 |
| Inter-company payables | 1,146,287,405 | - |
| Provision for tax | 332,092,799 | 268,942,996 |
| Current liabilities | 3,766,364,265 | 3,494,715,864 |
| Total liabilities | 3,859,276,563 | 3,593,405,754 |
| Total equity and liabilities | 6,332,563,220 | 6,095,738,560 |
| Net asset value (NAV) per share | 54.96 | 55.61 |

Managing Director

Director

Company Secretary

As per our report of same date.

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 24 October 2019

ACI Formulations Limited

Statement of Profit or Loss and other Comprehensive Income

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------------------------------------|------------------------------------|
| Revenue | 4,025,285,890 | 4,127,465,958 |
| Cost of sales | (2,814,616,591) | (3,100,967,609) |
| Gross profit | 1,210,669,299 | 1,026,498,349 |
| Other income | 5,109,758 | 6,594,472 |
| Administrative, selling and distribution expenses | (799,954,438) | (690,177,273) |
| Operating profit | 415,824,619 | 342,915,548 |
| Finance costs, net | (224,760,871) | (171,020,345) |
| Profit before contribution to WPPF | 191,063,748 | 171,895,203 |
| Contribution to WPPF | (9,553,187) | (8,594,760) |
| Profit before tax | 181,510,561 | 163,300,443 |
| Income tax expense | | |
| Current tax | (63,149,803) | (40,544,336) |
| Deferred tax income/(expense) | 10,093,093 | (7,721,122) |
| | (53,056,710) | (48,265,458) |
| Profit after tax | 128,453,851 | 115,034,985 |
| Other comprehensive income | - | - |
| Total comprehensive income | 128,453,851 | 115,034,985 |
| Earnings per share | | |
| Basic earnings per share | 2.85 | 2.56 |



Managing Director

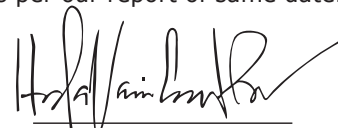


Director



Company Secretary

As per our report of same date.



Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 24 October 2019



ACI Formulations Limited

Statement of Changes in Equity

For the year ended 30 June 2019

| <i>In Taka</i> | Share capital | Revaluation reserve | Retained earnings | Total |
|---|---------------|---------------------|-------------------|---------------|
| Balance at 1 July 2018 | 450,000,000 | 1,136,392,931 | 915,939,875 | 2,502,332,806 |
| Total comprehensive income | | | | |
| Profit after tax | - | - | 128,453,851 | 128,453,851 |
| Other comprehensive income, net of tax | - | - | - | - |
| Total comprehensive income | - | - | 128,453,851 | 128,453,851 |
| Transactions with owners of the company | | | | |
| Contributions and distributions | | | | |
| Final dividend paid for the year 2017-18 | - | - | (157,500,000) | (157,500,000) |
| Total transactions with owners of the company | - | - | (157,500,000) | (157,500,000) |
| Transactions recognised directly in equity | | | | |
| Realisation of revaluation surplus | - | - | - | - |
| Total transactions recognised directly in equity | - | - | - | - |
| Balance at 30 June 2019 | 450,000,000 | 1,136,392,931 | 886,893,726 | 2,473,286,657 |

For the year ended 30 June 2018

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

ACI Formulations Limited

Statement of Cash Flows

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Cash receipts from customers and others | 3,634,301,498 | 4,092,179,386 |
| Cash paid to suppliers and employees | (3,488,739,647) | (3,916,293,729) |
| Cash (used in)/generated from operating activities | 145,561,851 | 175,885,657 |
| Paid to WPPF | (8,594,760) | (18,775,022) |
| Interest paid | (254,474,644) | (160,275,500) |
| Income tax paid | (157,369,784) | (120,057,281) |
| | (420,439,188) | (299,107,803) |
| Net cash (used in)/from operating activities* | (274,877,337) | (123,222,146) |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (218,972,841) | (63,755,936) |
| Sale proceed from property, plant and equipment | - | 432,800 |
| Investment | (2,646,695) | (30,028,790) |
| Net cash (used in)/from investing activities | (221,619,536) | (93,351,926) |
| Cash flows from financing activities | | |
| Inter-company debts received/(paid) | 1,639,920,020 | (533,376,884) |
| Proceeds from loans and borrowings | (916,534,477) | 862,820,412 |
| Dividends paid | (156,649,902) | (67,198,737) |
| Net cash (used in)/from financing activities | 566,735,641 | 262,244,791 |
| Net increase/(decrease) in cash and cash equivalents | 70,238,768 | 45,670,719 |
| Opening cash and cash equivalents | 98,542,337 | 52,510,777 |
| Effect of foreign exchange rate changes | 168,263 | 360,841 |
| Cash and cash equivalents at reporting date | 168,949,368 | 98,542,337 |
| Closing balance represents | | |
| Cash and cash equivalents | 297,708,034 | 262,039,838 |
| Bank overdraft | (128,758,666) | (163,497,501) |
| | 168,949,368 | 98,542,337 |
| Net operating cash flows per share (NOCFPS) | (6.11) | (2.74) |



ACI Formulations Limited

Consolidated Statement of financial position

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---|----------------------|----------------------|
| Assets | | |
| Property, plant and equipment | 1,946,404,129 | 1,795,746,344 |
| Investments | 35,794,438 | 33,147,743 |
| Intangible assets | 5,147,792 | 5,147,792 |
| Non-current assets | 1,987,346,359 | 1,834,041,879 |
| Inventories | 1,641,860,723 | 1,629,233,566 |
| Trade receivables | 1,718,346,712 | 1,360,567,380 |
| Other receivables | 41,673,512 | 26,004,265 |
| Inter-company receivable | 3,658,384 | 490,417,631 |
| Advances, deposits and prepayments | 649,979,459 | 500,830,409 |
| Cash and cash equivalents | 298,654,227 | 262,105,286 |
| Current assets | 4,354,173,017 | 4,269,158,537 |
| Total assets | 6,341,519,376 | 6,103,200,416 |
| Equity | | |
| Share Capital | 450,000,000 | 450,000,000 |
| Revaluation reserve | 1,136,392,931 | 1,136,392,931 |
| Retained earnings | 881,850,264 | 909,029,248 |
| Equity attributable to the owners of the Company | 2,468,243,195 | 2,495,422,179 |
| Non controlling interest | (127,415) | (165,520) |
| Total equity | 2,468,115,780 | 2,495,256,659 |
| Liabilities | | |
| Employee benefits | 43,494,776 | 39,179,275 |
| Deferred tax liabilities | 49,120,473 | 58,526,713 |
| Non-current liabilities | 92,615,249 | 97,705,988 |
| Bank overdrafts | 128,758,666 | 163,497,501 |
| Loans and borrowings | 1,825,021,499 | 2,746,378,692 |
| Trade payables | 97,424,470 | 132,432,664 |
| Other payables | 249,643,994 | 197,588,908 |
| Inter-company payables | 1,146,287,405 | - |
| Provision for tax | 333,652,313 | 270,340,004 |
| Current liabilities | 3,780,788,347 | 3,510,237,769 |
| Total liabilities | 3,873,403,596 | 3,607,943,757 |
| Total equity and liabilities | 6,341,519,376 | 6,103,200,416 |
| Net Asset Value (NAV) per share | 54.85 | 55.45 |

Managing Director

Director

Company Secretary

As per our report of same date.

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 24 October 2019

ACI Formulations Limited

Consolidated statement of profit or loss and other comprehensive income

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------------------------------------|------------------------------------|
| Revenue | 4,052,370,211 | 4,153,270,513 |
| Cost of sales | (2,837,236,215) | (3,122,157,333) |
| Gross profit | 1,215,133,996 | 1,031,113,180 |
| Other income | 5,109,758 | 6,594,472 |
| Administrative, selling and distribution expenses | (801,352,931) | (691,303,121) |
| Operating profit | 418,890,823 | 346,404,531 |
| Finance costs, net | (225,072,447) | (171,540,849) |
| Profit before contribution to WPPF | 193,818,376 | 174,863,682 |
| Contribution to WPPF | (9,553,187) | (8,594,760) |
| Profit before tax | 184,265,189 | 166,268,922 |
| Income tax expense: | | |
| Current tax | (63,312,309) | (41,662,554) |
| Deferred tax income/(expense) | 9,406,241 | (7,324,782) |
| | (53,906,068) | (48,987,336) |
| Profit after tax | 130,359,121 | 117,281,586 |
| Other comprehensive income | - | - |
| Total comprehensive income | 130,359,121 | 117,281,586 |
| Profit attributable to: | | |
| Owners of the Company | 130,321,016 | 117,236,654 |
| Non-controlling interest | 38,105 | 44,932 |
| | 130,359,121 | 117,281,586 |
| Earnings per share | | |
| Basic earnings per share | 2.90 | 2.61 |



Managing Director

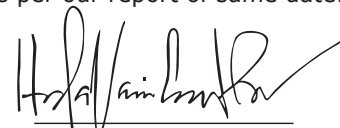


Director



Company Secretary

As per our report of same date.



Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 24 October 2019



ACI Formulations Limited

Consolidated Statement of Changes in Equity

For the year ended 30 June 2019

| In Taka | Attributable to owner of the Company | | | | Non-controlling interests | Total equity |
|---|--------------------------------------|---------------------|-------------------|---------------|---------------------------|---------------|
| | Share capital | Revaluation reserve | Retained earnings | Total | | |
| Balance as at 1 July 2018 | 450,000,000 | 1,136,392,931 | 909,029,248 | 2,495,422,179 | (165,520) | 2,495,256,659 |
| Total comprehensive income | | | | | | |
| Profit after tax | - | - | 130,321,016 | 130,321,016 | 8,105 | 130,359,121 |
| Other comprehensive income, net of tax | - | - | - | - | - | - |
| Total comprehensive income | - | - | 130,321,016 | 130,321,016 | 38,105 | 130,359,121 |
| Transactions with owners of the company | | | | | | |
| Contributions and distributions | | | | | | |
| Final dividend paid for the year 2017-18 | - | - | (157,500,000) | (157,500,000) | - | (157,500,000) |
| Changes in ownership interests | | | | | | |
| Adjustemnt of strike off of subsidiaries | - | - | - | - | - | - |
| Total transactions with owners of the company | - | - | (157,500,000) | (157,500,000) | - | (157,500,000) |
| Transactions recognised directly in equity | | | | | | |
| Realisation of revaluation surplus | - | - | - | - | - | - |
| Total transactions recognised directly in equity | - | - | - | - | - | - |
| Balance as at 30 June 2019 | 450,000,000 | 1,136,392,931 | 881,850,264 | 2,468,243,195 | (127,415) | 2,468,115,780 |

For the year ended 30 June 2018

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

ACI Formulations Limited

Consolidated Statement of Cash Flows

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Cash receipts from customers | 3,666,923,700 | 4,120,241,219 |
| Cash paid to suppliers and employees | (3,514,802,843) | (3,958,204,168) |
| Cash (used in)/generated from operating activities | 152,120,857 | 162,037,051 |
| Payment for WPPF | (8,594,760) | (18,775,022) |
| Interest paid | (254,786,221) | (160,796,004) |
| Income tax paid | (157,913,752) | (120,205,040) |
| | (421,294,733) | (299,776,066) |
| Net cash (used in)/from operating activities* | (269,173,876) | (137,739,015) |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (218,972,841) | (63,755,935) |
| Sale proceed from property, plant and equipment | - | 432,800 |
| Investment | (2,646,695) | (30,028,790) |
| Net cash (used in)/from investing activities | (221,619,536) | (93,351,925) |
| Cash flows from financing activities | | |
| Inter-company debts received/(paid) | 1,639,920,020 | (533,376,884) |
| Proceeds from loans and borrowings | (921,357,193) | 865,014,138 |
| Dividends paid | (156,649,902) | (67,198,737) |
| Net cash (used in)/from financing activities | 561,912,925 | 264,438,517 |
| Net increase/(decrease) in cash and cash equivalents | 71,119,513 | 33,347,577 |
| Opening Cash and cash equivalents | 98,607,785 | 64,899,367 |
| Effect of foreign exchange rate changes | 168,263 | 360,841 |
| Closing cash and cash equivalents at reporting date | 169,895,561 | 98,607,785 |
| Closing balance represents | | |
| Cash and cash equivalents | 298,654,227 | 262,105,286 |
| Bank overdraft | (128,758,666) | (163,497,501) |
| | 169,895,561 | 98,607,785 |
| Net Operating Cash Flows Per Share (NOCFPS) | (5.98) | (3.06) |



ACI Logistics Limited Directors' Report

ACI Logistics Limited (The Company), a private company limited by shares, was incorporated with the Registrar of Joint Stock Companies, Dhaka in 2008. Advanced Chemical Industries Limited (ACI) holds 76% shares in the Company. The company is best known for its brand of most popular retail superstores, "Shwapno", which is currently operating through its 129 outlets across the major urban areas of Bangladesh. With a steady annual growth, Shwapno has been serving 40,000 customers every day with a wide assortment of raw and packed food products, household items, daily necessities and fashion products. Shwapno focused on improving the operating efficiency during the year and as a result it is progressing towards positive EBITDA by achieving some significant milestones. Shwapno has also successfully increased its footprint, in the last financial year, through launching 60 additional Shwapno express outlets. Shwapno express will be the major growth driver in the financial year 2019 - 2020. With the expansion, Shwapno further strengthened its leadership position with 48% market share. The ecommerce platform (Shwapno.com) serves around 8000 customers per month and has coverage all around the Dhaka Metropolitan. ACI Logistics continues to work with Global G.A.P, the leading private sector body addressing the crucial objectives of ensuring safe, sustainable agriculture worldwide. Being the market leader of the retail sector, Shwapno has won the Best Brand award in the retail category three years in a row; Best Retail Brand award by Nielsen Bangladesh and Bangladesh Brand Forum in 2018 and the Best Retail Brand award by Kantar Millward brown and Bangladesh Brand Forum in 2016 & 2017. Furthermore, Shwapno has won 2 GrandPrix and 2 Gold awards in the "Com Awards - 2018" along with 2 Silver and 1 Bronze award in the "Cannes Lions" International Festival of Creativity. It has also been awarded as "Superbrands" by Superbrands Bangladesh. Through all these accomplishments and recognition, Shwapno continues on its course to establish itself as a powerful national brand capturing the hearts of millions of consumers.

The operating results of the Company for the year ended 30 June 2019 are as follows:

Key Financial Results

| | <u>Taka</u> |
|---------------------------|-----------------|
| Revenue | 9,905,955,132 |
| Gross Profit/(Loss) | 1,850,681,220 |
| Operating Profit/(Loss) | (295,072,901) |
| Profit/(Loss) Before Loss | (1,507,695,000) |
| Profit/(Loss) After Tax | (1,577,633,452) |

On behalf of the Board

Dr. Arif Dowla
Managing Director

Kamran Tanvirur Rahman
Director

Dhaka, 7 November 2019



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

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ACI Logistics Limited. ("the Company"), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 38N to the financial statements where management explains that in spite of having net current liabilities and overall net liabilities as at the reporting date, the Company will continue in operational existence for the foreseeable future by virtue of support from its bankers, the parent company Advanced Chemical Industries Limited and improved trading conditions. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Rahman Rahman Huq, a partnership firm registered in Bangladesh and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report (continued)

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 7 November 2019



Rahman Rahman Huq
Chartered Accountants



ACI Logistics Limited

Statement of Financial Position

| In Taka | 30 June 2019 | 30 June 2018 |
|-------------------------------------|-------------------------|------------------------|
| Assets | | |
| Property, plant and equipment | 694,498,789 | 821,727,922 |
| Intangible assets | 43,390,471 | 51,149,898 |
| Capital work in progress | 26,651,761 | 73,689,000 |
| Investments in FDR | 143,772,565 | 133,550,126 |
| Advances, deposits and prepayments | 181,612,717 | 267,008,853 |
| Non-current assets | 1,089,926,303 | 1,347,125,799 |
| Inventories | 1,330,711,065 | 1,297,218,750 |
| Trade and other receivables | 62,267,906 | 98,865,780 |
| Advances, deposits and prepayments | 130,171,277 | 84,497,860 |
| Cash and cash equivalents | 167,039,274 | 124,266,142 |
| Current assets | 1,690,189,522 | 1,604,848,532 |
| Total assets | 2,780,115,825 | 2,951,974,331 |
| Equity | | |
| Share capital | 360,000,000 | 360,000,000 |
| Accumulated loss | (10,524,907,489) | (8,910,275,311) |
| Total equity | (10,164,907,489) | (8,550,275,311) |
| Liabilities | | |
| Long term loan | 3,046,243,463 | 4,053,742,337 |
| Employee benefits | 75,519,701 | 61,240,148 |
| Non-current liabilities | 3,121,763,164 | 4,114,982,485 |
| Bank overdraft | 1,143,256,087 | 958,032,607 |
| Long term loan | 1,190,020,300 | 1,342,171,037 |
| Short term loan | 1,496,502,774 | 45,512,280 |
| Trade payables | 1,323,982,892 | 1,133,801,584 |
| Other payables | 148,682,321 | 110,594,649 |
| Inter-company liabilities | 4,334,972,843 | 3,680,581,010 |
| Current tax liability | 185,842,933 | 116,573,990 |
| Current liabilities | 9,823,260,150 | 7,387,267,157 |
| Total liabilities | 12,945,023,314 | 11,502,249,642 |
| Total equity and liabilities | 2,780,115,825 | 2,951,974,331 |

Managing Director

Director

Company Secretary

As per our report of same date.

Rahman Rahman Huq
Chartered Accountants

Dhaka, 7 November 2019

ACI Logistics Limited

Statement of Profit or Loss and other Comprehensive Income

| In Taka | For the year ended | |
|--|------------------------|------------------------|
| | 30 June 2019 | 30 June 2018 |
| Revenue | 9,905,955,132 | 9,099,340,677 |
| Cost of sales | (8,055,273,912) | (7,536,942,596) |
| Gross profit | 1,850,681,220 | 1,562,398,081 |
| Other income | 47,376,951 | 30,898,579 |
| Administrative expenses | (797,266,687) | (693,664,581) |
| Marketing, selling and distribution expenses | (1,395,864,385) | (1,273,449,878) |
| Operating loss | (295,072,901) | (373,817,799) |
| Finance income | 12,417,345 | 8,181,951 |
| Finance costs | (1,225,039,443) | (929,439,349) |
| Finance costs, net | (1,212,622,098) | (921,257,398) |
| Loss before tax | (1,507,695,000) | (1,295,075,197) |
| Income tax expenses | (69,938,452) | (56,330,527) |
| Loss after tax | (1,577,633,452) | (1,351,405,724) |
| Other comprehensive income | - | - |
| Total comprehensive loss | (1,577,633,452) | (1,351,405,724) |



Managing Director



Director



Company Secretary

As per our report of same date.



Rahman Rahman Huq
Chartered Accountants

Dhaka, 7 November 2019



ACI Logistics Limited

Statement of Changes in Equity

| <i>In Taka</i> | For the year ended 30 June 2019 | | |
|---|--|------------------|------------------|
| | Share capital | Accumulated loss | Total equity |
| Balance at 1 July 2018 | 360,000,000 | (8,910,275,311) | (8,550,275,311) |
| Adjustment on initial application of IFRS 9 | - | (36,998,726) | (36,998,726) |
| Adjusted balance at 1 July 2018 | 360,000,000 | (8,947,274,038) | (8,587,274,038) |
| Total comprehensive income/(loss) | | | |
| Loss after tax | - | (1,577,633,452) | (1,577,633,452) |
| Other comprehensive income | - | - | - |
| Total comprehensive loss | - | (1,577,633,452) | (1,577,633,452) |
| Balance at 30 June 2019 | 360,000,000 | (10,524,907,489) | (10,164,907,489) |

| <i>In Taka</i> | For the year ended 30 June 2018 | | |
|--|--|------------------|-----------------|
| | Share capital | Accumulated loss | Total equity |
| Balance at 1 July 2017 | 360,000,000 | (7,558,869,587) | (7,198,869,587) |
| Total comprehensive income/(loss) | | | |
| Loss after tax | - | (1,351,405,724) | (1,351,405,724) |
| Other comprehensive income | - | - | - |
| Total comprehensive loss | - | (1,351,405,724) | (1,351,405,724) |
| Balance at 30 June 2018 | 360,000,000 | (8,910,275,311) | (8,550,275,311) |

ACI Logistics Limited

Statement of Cash Flows

| <i>In Taka</i> | For the year ended | |
|---|--------------------|-----------------|
| | 30 June 2019 | 30 June 2018 |
| Cash flows from operating activities | | |
| Cash receipts from customers | 9,938,887,700 | 9,126,397,838 |
| Cash paid to suppliers and employees | (9,738,062,737) | (9,077,328,528) |
| Cash generated from operating activities | 200,824,963 | 49,069,310 |
| Interest paid | (1,324,914,268) | (928,858,649) |
| Income taxes paid | (13,919,117) | (12,720,849) |
| Net cash used in operating activities | (1,138,008,422) | (892,510,188) |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment including CWIP | (65,358,635) | (249,028,943) |
| Proceeds from disposal of property, plant and equipment | - | 8,225,136 |
| Net cash used in investing activities | (65,358,635) | (240,803,806) |
| Cash flows from financing activities | | |
| Proceeds from intercompany | 668,671,386 | 3,302,443,629 |
| Proceeds from/(repayment of) short term loans | 1,405,345,924 | (5,063,369,662) |
| Proceeds from/(repayment of) long term loans | (1,013,100,601) | 2,525,171,522 |
| Net cash generated from financing activities | 1,060,916,709 | 764,245,489 |
| Net increase/(decrease) in cash and cash equivalents | (142,450,348) | (369,068,505) |
| Cash and cash equivalents at 1 July 2018 | (833,766,465) | (464,697,960) |
| Cash and cash equivalents at 30 June 2019 | (976,216,813) | (833,766,465) |
| Closing cash and cash equivalents represent | | |
| Cash and cash equivalents | 167,039,274 | 124,266,142 |
| Bank overdraft | (1,143,256,087) | (958,032,607) |
| | (976,216,813) | (833,766,465) |



ACI Pure Flour Limited Directors' Report

ACI Pure Flour Limited (The Company), a subsidiary of ACI Limited having 95% shareholding in the Company, started its journey in 2006 with a mission to provide quality and innovative cereal based food products in Bangladesh. ACI Pure Flour Limited (APFL) has become one of the leading flour producing companies with prominent market share and trust of the consumers.

Utilizing full capacity of own factory in Narayanganj and leased facility in Chittagong, APFL is catering the market with a range of distinguished flour products. Apart from the basic Atta, Maida, Suji, the Company supplies specialized products like Multigrain Atta, Brown Atta, Parata Maida. In the quest of providing healthier and new solutions for countrymen, ACI Nutrilife Atta Oats Plus is recently introduced in the market place. This flour is the first of its kind in Bangladesh with a unique combination of Wheat & Oats. Moreover, this product is enriched with various Nutritious contents that serve as an agent to solve diabetes, obesity & colorectal problems. Lentils from last year's inclusion of Daal unit has already topped the market and compels to move for capacity expansion.

The operating results of the Company for the year ended 30 June 2019 are as follows:

Key Financial Results

| | <u>Taka</u> |
|--------------------------|---------------|
| Revenue | 4,288,098,732 |
| Gross Profit/(Loss) | 316,869,968 |
| Operating Profit/(Loss) | 62,926,334 |
| Profit/(Loss) before tax | 92,576,764 |
| Profit/(Loss) after tax | 50,573,620 |

On behalf of the Board

Syed Alamgir
Managing Director

Kamran Tanvirur Rahman
Director

Dhaka, 22 October 2019

Independent Auditors' Report to the Shareholders of ACI Pure Flour Limited

Opinion

We have audited the financial statements of ACI Pure Flour Limited, which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of cash flow and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 22 October 2019



M. J. Abedin & CO
Chartered Accountants



ACI Pure Flour Limited

Statement of Financial Position

as at 30 June 2019

| In Taka | 30 June 2019 | 30 June 2018 |
|-------------------------------------|----------------------|----------------------|
| Assets | | |
| Property, plant and equipment | 546,971,011 | 559,936,038 |
| Non-current assets | 546,971,011 | 559,936,038 |
| Inventories | 188,188,926 | 297,052,327 |
| Trade receivables | 150,990,117 | 183,491,977 |
| Other receivables | 4,307,517 | 1,870,959 |
| Inter-company receivables | 550,281,163 | 473,913,618 |
| Advances, deposits and prepayments | 94,294,814 | 259,198,655 |
| Cash and bank balances | 182,513,079 | 43,145,304 |
| Current assets | 1,170,575,616 | 1,258,672,840 |
| Total assets | 1,717,546,627 | 1,818,608,878 |
| Equity | | |
| Share capital | 40,000,000 | 40,000,000 |
| Revaluation Reserve | 218,270,676 | 218,270,676 |
| Retained earnings | 718,479,900 | 667,906,280 |
| Total equity | 976,750,576 | 926,176,956 |
| Liabilities | | |
| Employment benefits | 20,721,182 | 17,391,169 |
| Deferred tax liabilities | 55,728,401 | 60,060,085 |
| Non-current liabilities | 76,449,583 | 77,451,254 |
| Bank overdraft | 76,438,796 | 36,178,264 |
| Short term loan | 145,816,438 | 204,532,127 |
| Trade payables | 125,724,847 | 89,793,762 |
| Other payables | 189,037,178 | 201,607,011 |
| Current tax liability | 127,329,209 | 282,869,503 |
| Current liabilities | 664,346,468 | 814,980,668 |
| Total liabilities | 740,796,051 | 892,431,922 |
| Total equity and liabilities | 1,717,546,627 | 1,818,608,878 |

Managing Director

Director

Company Secretary

As per our separate report of even date annexed.

M. J. Abedin & CO
Chartered Accountants

Dhaka, 22 October 2019

ACI Pure Flour Limited
Statement of Profit or Loss and Other Comprehensive Income
 For the year ended 30 June 2019

| <i>In Taka</i> | For 01 July 2018 to 30 June 2019 | For 01 July 2017 to 30 June 2018 |
|---|-------------------------------------|-------------------------------------|
| Revenue | 4,288,098,732 | 3,852,755,880 |
| Cost of sales | (3,971,228,765) | (3,421,732,898) |
| Gross profit | 316,869,968 | 431,022,982 |
| Administrative, selling and distribution expenses | (256,886,509) | (297,389,209) |
| Other income/(loss) | 2,942,876 | 1,901,801 |
| Operating profit | 62,926,334 | 135,535,574 |
| Finance income/(expenses) | 34,522,891 | 16,121,827 |
| Profit before contribution to WPPF | 97,449,225 | 151,657,401 |
| Contribution to WPPF | (4,872,461) | (7,582,870) |
| Profit before tax | 92,576,764 | 144,074,531 |
| Income tax expenses: | | |
| Current tax | (46,334,827) | (63,072,872) |
| Deferred tax (expenses)/income | 4,331,683 | (3,045,289) |
| | (42,003,144) | (66,118,161) |
| Profit after tax | 50,573,620 | 77,956,370 |



Managing Director



Director



Company Secretary

As per our separate report of even date annexed.



M. J. Abedin & CO
Chartered Accountants

Dhaka, 22 October 2019



ACI Pure Flour Limited

Statement of Changes in Equity

For the year ended 30 June 2019

| | Share capital Taka | Retained Earnings Taka | Revaluation Surplus Taka | Total Taka |
|-----------------------------------|-----------------------|---------------------------|-----------------------------|--------------------|
| Balance as at 01 July 2018 | 40,000,000 | 667,906,280 | 218,270,676 | 926,176,956 |
| Net profit after tax for the year | - | 50,573,620 | - | 50,573,620 |
| Balance at 30 June 2019 | <u>40,000,000</u> | <u>718,479,900</u> | <u>218,270,676</u> | <u>976,750,576</u> |
| Balance as at 01 July 2017 | 40,000,000 | 589,949,910 | 218,270,676 | 848,220,586 |
| Profit after tax for the year | - | 77,956,370 | - | 77,956,370 |
| Balance at 30 June 2018 | <u>40,000,000</u> | <u>667,906,280</u> | <u>218,270,676</u> | <u>926,176,956</u> |

ACI Pure Flour Limited

Statement of Cash Flows

For the year ended 30 June 2019

| <i>In Taka</i> | For 01 July 2018 to 30 June 2019 | For 01 July 2017 to 30 June 2018 |
|--|-------------------------------------|-------------------------------------|
| A Cash flows from operating activities | | |
| Cash received from customers | 4,320,600,592 | 3,841,546,193 |
| Cash received from other income | 4,653,534 | 1,940,313 |
| | <u>4,325,254,126</u> | <u>3,843,486,506</u> |
| Cash received/(paid) from/(for) : | | |
| Purchase of inventories and for production | (3,798,634,117) | (3,550,660,518) |
| Operating expenses | (262,824,313) | (200,023,927) |
| Other receivables | (2,436,558) | 2,302,322 |
| Workers profit participation fund | (7,582,870) | (11,199,311) |
| Advance, deposits and prepayments | 25,137,156 | (741,218) |
| | <u>(4,046,340,702)</u> | <u>(3,760,322,652)</u> |
| Cash generated from operations | 278,913,424 | 83,163,854 |
| Finance income | 34,522,891 | 16,121,827 |
| Income tax paid | (62,108,437) | (43,242,812) |
| | <u>(27,585,546)</u> | <u>(27,120,985)</u> |
| Net cash from operating activities | <u>251,327,876</u> | <u>56,042,869</u> |
| B Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (17,475,451) | (98,824,767) |
| Sale proceeds from property, plant and equipment | 338,051 | - |
| Net cash used in investing activities | <u>(17,137,400)</u> | <u>(98,824,767)</u> |
| C Cash flows from financing activities | | |
| Short term bank loan received/(paid) | (58,715,689) | 204,532,127 |
| Intercompany debts(paid)/received | (76,367,545) | (119,801,003) |
| Net cash flows provided by financing activities | <u>(135,083,234)</u> | <u>84,731,124</u> |
| D Net cash flow from all activities (A+B+C) | 99,107,242 | 41,949,226 |
| E Cash and bank balances at the beginning of the year | 6,967,041 | (34,982,185) |
| F Cash and bank balances at reporting date | <u>106,074,283</u> | <u>6,967,041</u> |
| Closing Balance represents : | | |
| Cash in hand and at bank | 182,513,079 | 43,145,304 |
| Bank overdraft | (76,438,796) | (36,178,264) |
| | <u>106,074,283</u> | <u>6,967,041</u> |



ACI Foods Limited Directors' Report

ACI Foods Limited (The Company) was incorporated in 2006 with the Registrar of Joint Stock Companies of Bangladesh as a subsidiary of Advanced Chemical Industries Limited, having 95% holding in the Company. It is engaged in manufacturing, marketing and distribution of various branded products including spice, mustard oil, rice, noodles, bakery and beverage items.

ACI Foods Limited reaches out to its customers via its three brands: Pure, Fun and Xtra Fun. It has attained a growth of 3.66% and has strengthened its brand presence through innovative product exhibits and consistent brand communication. ACI Pure has extended its range of mixed spices via introducing Kabab Masala and Mezban Masala providing a holistic solution to cooking culinary dishes and making cooking simpler. The re-launch of the new packs of Lachcha Shemai attained a positive response among the consumers with Lachcha Shemai generating growth of more than 48.26%. Special packs of Chick pea and Chick pea Bason during Ramadhan served the consumers with quality products at efficient prices. The brand ACI Xtra Fun initiated the biggest reality show for the kids aged 6-13 years titled "ACI Xtra Fun Cake Channel i Gaaner Raja" powered by ACI Pure Spices with the objective to nurture the young musical talents and provide a platform utilizing which they can contribute to the musical landscape of the country. The programme has received great response with participation of more than 8,000 participants and became the #1 TV programme for 3 consecutive months. The programme brought about desirable results with the entire cake segment growing by 40.37%. Rice unit has kept its steady business progression through catering customers with quality and healthy rice. The wide range of product basket comprising Minicate, Zirashail, Atash, Paijam, Kataribhog, Low GI, Chinigura has won the consumers' hearts with the brands ACI Pure and ACI Nutrilife. To fulfill the increasing demand for ACI rice, leased facility is taken over in Bogra alongside full capacity utilization of own facility in Naogaon. To address niche requirement of rich-food lovers, ACI AROMA Basmati rice is introduced in the market ensuring finest quality of Himalayan foothills' basmati rice. The export market continues to grow significantly by exporting food products to 33 countries.

The operating results of the Company for the year ended June 2019 are as follows:

Key Financial Results

| | Taka |
|--------------------------|---------------|
| Revenue | 3,876,382,346 |
| Gross Profit/(Loss) | 540,972,926 |
| Operating Profit/(Loss) | 58,311,283 |
| Profit/(Loss) before tax | (298,376,067) |
| Profit/(Loss) after tax | (301,355,680) |

On behalf of the Board

Syed Alamgir

Managing Director

Kamran Tanvirur Rahman

Director

Dhaka, 22 October 2019

Independent Auditors' Report to the Shareholders of **ACI Foods Limited**

Opinion

We have audited the financial statements of ACI Foods Limited, which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of cash flow and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note- 1.4.11 to the financial statements which describe the uncertainty related to the company's ability to continue as a going concern and our report is not modified in respect of the matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 22 October 2019



M. J. Abedin & CO
Chartered Accountants



ACI Foods Limited

Statement of Financial Position

as at 30 June 2019

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|--------------------------------------|------------------------|------------------------|
| Assets | | |
| Property, plant and equipment | 810,042,115 | 658,381,818 |
| Capital work-in-progress | 30,246,272 | 195,488,398 |
| Deferred tax asset | 104,087,613 | 77,026,437 |
| Non-current assets | 944,376,000 | 930,896,653 |
| Inventories | 530,615,066 | 529,416,380 |
| Trade receivables | 366,889,487 | 441,265,963 |
| Other receivables | 67,468,889 | 55,436,156 |
| Advances, deposits and prepayments | 90,426,798 | 59,346,298 |
| Inter-company receivable | 2,229,838 | 1,541,723 |
| Advance income tax | 17,643,208 | 12,687,589 |
| Cash and cash equivalents | 85,717,937 | 96,486,792 |
| Current assets | 1,160,991,222 | 1,196,180,901 |
| Total assets | 2,105,367,222 | 2,127,077,554 |
| Equity | | |
| Share capital | 287,000,000 | 287,000,000 |
| Revaluation surplus | 27,318,125 | 27,318,125 |
| Retained earnings | (2,015,496,234) | (1,714,140,554) |
| Total equity | (1,701,178,109) | (1,399,822,429) |
| Liabilities | | |
| Long term bank loan | 69,724,624 | 113,418,316 |
| Non-current liabilities | 69,724,624 | 113,418,316 |
| Bank overdraft | 151,872,382 | 177,616,045 |
| Short term bank loan | 163,226,127 | 172,147,832 |
| Long term bank loan -current portion | 47,712,198 | 44,020,251 |
| Trade payables | 336,070,769 | 161,563,230 |
| Other payables | 122,408,967 | 106,296,595 |
| Inter-company liabilities | 2,829,643,574 | 2,695,991,814 |
| Current tax liability | 85,886,690 | 55,845,900 |
| Current liabilities | 3,736,820,707 | 3,413,481,667 |
| Total liabilities | 3,806,545,331 | 3,526,899,983 |
| Total equity and liabilities | 2,105,367,222 | 2,127,077,554 |

Managing Director

Director

Company Secretary

As per our separate report of even date annexed.

M. J. Abedin & CO
Chartered Accountants

Dhaka, 22 October 2019

ACI Foods Limited
Statement Profit or Loss and other Comprehensive Income
 For the year ended 30 June 2019

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|---|------------------------|------------------------|
| Revenue | 3,876,382,346 | 3,739,583,124 |
| Cost of sales | (3,335,409,420) | (3,296,150,148) |
| Gross profit | 540,972,926 | 443,432,976 |
| Administration, selling and distribution expenses | (505,943,311) | (492,060,754) |
| Other income | 23,281,668 | 36,068,767 |
| Operating profit | 58,311,283 | (12,559,011) |
| Finance cost | (356,687,350) | (266,145,514) |
| Profit/(loss) before tax | (298,376,067) | (278,704,525) |
| Income tax expenses | | |
| Current tax expenses | (30,040,790) | (23,219,092) |
| Deferred tax income | 27,061,176 | 15,213,107 |
| | (2,979,614) | (8,005,984) |
| Net Loss after tax | (301,355,680) | (286,710,509) |



Managing Director



Director



Company Secretary

As per our separate report of even date annexed.



M. J. Abedin & CO
Chartered Accountants

Dhaka, 22 October 2019



ACI Foods Limited

Statement of Changes in Equity

For the year ended 30 June 2019

For the year ended 30 June 2019

| <i>In Taka</i> | Share Capital | Revaluation reserve | Retained earnings | Total equity |
|--------------------------------|--------------------|------------------------|------------------------|------------------------|
| Balance on 01 July 2018 | 287,000,000 | 27,318,125 | (1,714,140,554) | (1,399,822,429) |
| Loss after tax | - | - | (301,355,680) | (301,355,680) |
| Balance at 30 June 2019 | 287,000,000 | 27,318,125 | (2,015,496,234) | (1,701,178,109) |

For the year ended 30 June 2018

| <i>In Taka</i> | Share Capital | Revaluation reserve | Retained earnings | Total equity |
|-------------------------|------------------|------------------------|----------------------|-----------------|
| Balance on 01 July 2017 | 40,000,000 | 27,318,125 | (1,427,430,045) | (1,360,111,920) |
| Issue of right shares | 247,000,000 | - | - | 247,000,000 |
| Loss after tax | - | - | (286,710,509) | (286,710,509) |
| Balance at 30 June 2018 | 287,000,000 | 27,318,125 | (1,714,140,554) | (1,399,822,429) |

ACI Foods Limited

Statement of Cash Flows

For the year ended 30 June 2019

| <i>In Taka</i> | For the year ended | |
|--|--------------------|-----------------|
| | 30 June 2019 | 30 June 2018 |
| Cash flows from operating activities | | |
| Cash received from customers | 3,950,758,822 | 3,678,905,696 |
| Cash receipts from other income | 15,350,317 | 4,756,945 |
| | 3,966,109,139 | 3,683,662,641 |
| Cash received/(paid) from/(for) : | | |
| Purchase of inventory | (3,112,954,354) | (3,189,537,461) |
| Other receivables | (5,194,380) | (3,479,860) |
| Operating expenses | (486,387,101) | (439,499,644) |
| Advances, deposits and prepayments | (46,064,390) | 1,949,305 |
| | (3,650,600,224) | (3,630,567,660) |
| Cash generated from operations | 315,508,917 | 53,094,981 |
| Financing cost | (356,687,350) | (266,145,514) |
| Income tax | (4,955,619) | (2,514,089) |
| | (361,642,969) | (268,659,603) |
| Net cash from/(used in) operating activities | (46,134,053) | (215,564,622) |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (18,205,138) | (18,773,324) |
| Payment for capital work-in-progress | (5,819,194) | (200,375,010) |
| Advance payment for capital expenditure | - | (10,564,052) |
| Net cash from/(used in) investing activities | (24,024,332) | (229,712,386) |
| Cash flows from financing activities | | |
| Inter-company debts (paid)/received | 132,963,645 | 57,075,386 |
| Issue of right shares | - | 247,000,000 |
| Short term loan (paid)/received | (5,229,758) | 28,842,045 |
| Long term loan (paid)/received | (43,693,692) | 33,253,750 |
| Net cash from/(used in) financing activities | 84,040,195 | 366,171,181 |
| Net cash increase/(decrease) in cash and cash equivalents | 13,881,810 | (79,105,827) |
| Opening Cash and cash equivalent | (81,129,253) | (1,970,904) |
| Effects of Exchanges Rate Changes on Cash and Cash Equivalents | 1,092,998 | (52,522) |
| Cash and cash equivalent at reporting date | (66,154,445) | (81,129,253) |
| Closing balance represents | | |
| Cash and cash equivalent | 85,717,937 | 96,486,792 |
| Bank overdraft | (151,872,382) | (177,616,045) |
| | (66,154,445) | (81,129,253) |



ACI Salt Limited Directors' Report

ACI Salt Limited was incorporated in 2004 with the Registrar of Joint Stock Companies, Dhaka, under the Companies Act 1994 as a private company limited by shares. Being the parent company, Advanced Chemical Industries Limited holds 77.67% shares of the Company.

ACI Pure Salt has been successful in redefining the salt market of Bangladesh. ACI has brought about a revolutionary change in the market by launching the finest quality iodized edible salt and by educating consumers to distinguish between ordinary salt and 100% pure salt. This has resulted in a behavioral change in consumers and the number of vacuum salt users is increasing day by day. In the market scenario, many other competitors are offering different brands of vacuum salt in Bangladesh. Being the market leader, ACI PURE Salt feels responsible to keep on contributing to the enrichment of quality of life. Consequently, the brand plans to bring in more innovation in the market and extend its line of products. ACI PURE Salt continues to bring in innovative practices in the salt market with its creative packaging and product development. ACI PURE Salt always gives priority to consumers' best interests. In recent years, ACI PURE Salt increased its product variants to provide customers wider options. Most of the customers buy poly pack salts and store it in a container. Considering this demand, a recent product development of this brand offers the salt in a plastic jar. ACI PURE Salt is certified by the ISO 9001:2015 for the quality management system. This is a testimony to ACI PURE Salt brand's commitment to product quality and regulatory requirements.

It became No. 1 choice and won Best Brand Award in Salt category for the eighth time in a row. It was also recognized as the 14th Best Brand of the country across all categories. Based on top of mind awareness, brand heritage, consistent delivery of promise, trust and social perception on relevance and quality, ACI Pure Salt has been entitled as the Superbrand 2018.

The operating results of the Company for year ended 30 June 2019 are as follows:

Key Financial Results

| | Taka |
|--------------------------|---------------|
| Revenue | 1,914,659,860 |
| Gross Profit/(Loss) | 369,392,422 |
| Operating Profit/(Loss) | 138,428,191 |
| Profit/(Loss) before tax | 153,456,730 |
| Profit/(Loss) after tax | 94,446,145 |

On behalf of the Board

Syed Alamgir

Managing Director

Kamran Tanvirur Rahman

Director

Dhaka, 22 October 2019

Hoda Vasi Chowdhury & Co

Chartered Accountants

Auditors' Report to the Shareholders of **ACI Salt Limited**

Opinion

We have audited the financial statements of ACI Salt Limited (the "Company"), which comprise the statements of financial position as at 30 June 2019, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statements of financial position and statements of profit or loss and other comprehensive income along with the annexed notes 1 to 32 dealt with by the report are in agreement with the books of account.

Dhaka, 22 October 2019



Hoda Vasi Chowdhury & Co
Chartered Accountants



ACI Salt Limited

Statement of Financial Position

| | 30 June 2019 Taka | 30 June 2018 Taka |
|-------------------------------------|----------------------|----------------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 801,162,458 | 853,080,969 |
| Capital work-in-progress | 33,630,666 | - |
| Investment | 13,438,262 | 12,620,001 |
| | 848,231,386 | 865,700,970 |
| Current assets | | |
| Inventories | 278,904,232 | 269,232,562 |
| Trade receivables | 31,557,871 | 43,136,015 |
| Advances, deposits and prepayments | 25,690,386 | 12,502,158 |
| Inter-company receivables | 692,844,122 | 260,103,847 |
| Advance income tax | 118,002,535 | 51,122,893 |
| Cash and cash equivalents | 11,354,763 | 35,792,203 |
| | 1,158,353,909 | 671,889,678 |
| Total assets | 2,006,585,295 | 1,537,590,648 |
| Equity and Liabilities | | |
| Shareholders' equity | | |
| Share capital | 300,000,000 | 300,000,000 |
| Revaluation surplus | 142,447,883 | 142,447,883 |
| Retained earnings | 608,635,573 | 514,189,428 |
| | 1,051,083,456 | 956,637,311 |
| Non-current liabilities | | |
| Employee benefit | 25,739,862 | 21,526,608 |
| Deferred tax liability | 136,777,710 | 155,036,539 |
| | 162,517,572 | 176,563,147 |
| Current liabilities | | |
| Bank overdrafts | 90,740,616 | 69,224,336 |
| Short-term loan | 358,767,550 | 103,287,355 |
| Trade payables | 15,729,991 | 35,550,332 |
| Other payables | 151,253,467 | 97,104,938 |
| Current tax liability | 176,492,642 | 99,223,229 |
| | 792,984,267 | 404,390,190 |
| Total current liabilities | 792,984,267 | 404,390,190 |
| Total liabilities | 955,501,839 | 580,953,337 |
| Total equity and liabilities | 2,006,585,295 | 1,537,590,648 |

Managing Director

Director

Company Secretary

Auditors' report to the shareholders
See annexed report of date

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 22 October 2019

ACI Salt Limited

Statement of Profit or Loss and other Comprehensive Income

| | For the year ended on | |
|---|-----------------------|-----------------|
| | 30 June 2019 | 30 June 2018 |
| | Taka | Taka |
| Revenue | 1,914,659,860 | 2,281,053,788 |
| Cost of sales | (1,545,267,438) | (1,867,962,505) |
| Gross profit | 369,392,422 | 413,091,283 |
| Administrative, selling and distribution expenses | (238,926,199) | (208,857,280) |
| Other (loss)/income | 7,961,968 | 5,108,496 |
| Operating profit | 138,428,191 | 209,342,499 |
| Financing income/(cost) | 23,105,210 | 1,113,852 |
| Profit before contribution to WPPF | 161,533,401 | 210,456,351 |
| Contribution to WPPF | (8,076,670) | (10,522,818) |
| Profit before tax | 153,456,730 | 199,933,532 |
| Income tax expenses | | |
| Current tax | (77,269,413) | (75,393,816) |
| Deferred tax income/(expenses) | 18,258,829 | 3,468,670 |
| | (59,010,584) | (71,925,146) |
| Profit after tax | 94,446,145 | 128,008,386 |



Managing Director

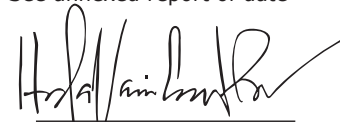


Director



Company Secretary

Auditors' report to the shareholders
See annexed report of date



Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 22 October 2019



ACI Salt Limited

Statement of Changes in Equity

| Particulars | Share capital | Revaluation reserve | Retained earnings | Total equity |
|-----------------------------------|---------------|---------------------|-------------------|---------------|
| | Taka | Taka | Taka | Taka |
| Balance as at 01 July 2017 | 300,000,000 | 142,447,883 | 386,181,042 | 828,628,925 |
| Profit after tax | - | - | 128,008,386 | 128,008,386 |
| Balance as at 30 June 2018 | 300,000,000 | 142,447,883 | 514,189,428 | 956,637,311 |
| Balance as at 01 July 2018 | 300,000,000 | 142,447,883 | 514,189,428 | 956,637,311 |
| Profit after tax | - | - | 94,446,145 | 94,446,145 |
| Balance as at 30 June 2019 | 300,000,000 | 142,447,883 | 608,635,573 | 1,051,083,457 |

ACI Salt Limited

Statement of Cash Flows

| | 30 June 2019 Taka | 30 June 2018 Taka |
|--|-------------------------|-------------------------|
| A Cash flows from operating activities | | |
| Cash received from customers | 1,926,238,004 | 2,277,736,738 |
| Cash received from other income | 213,040 | 5,108,496 |
| | <u>1,926,451,044</u> | <u>2,282,845,234</u> |
| Cash (paid)/received(for)/from: | | |
| Purchase of inventories | (1,522,819,812) | (1,687,864,672) |
| Operating expenses | (178,023,199) | (213,892,320) |
| Paid to WPPF | (10,522,818) | (14,144,869) |
| Advances, deposits and prepayments | (5,439,299) | 1,647,315 |
| | <u>(1,716,805,128)</u> | <u>(1,914,254,546)</u> |
| Cash generated from operating activities | 209,645,916 | 368,590,688 |
| | | |
| Financing income/(cost) | 23,105,210 | 1,113,852 |
| Income tax paid | (66,879,642) | (43,748,635) |
| | <u>(43,774,433)</u> | <u>(42,634,785)</u> |
| <i>Net cash from operating activities</i> | <u>165,871,483</u> | <u>325,955,903</u> |
| | | |
| B Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (116,195) | (723,398) |
| Investment | (818,262) | (585,643) |
| Cash paid for capital work-in-Progress | (33,630,666) | - |
| <i>Net cash (used) in investing activities</i> | <u>(34,565,122)</u> | <u>(1,309,041)</u> |
| | | |
| C Cash flows from financing activities | | |
| Received/(paid) of short term loan | 255,480,195 | 83,387,437 |
| Inter-company debt (Paid)/received | (432,740,275) | (456,260,326) |
| <i>Net cash (used) in financing activities</i> | <u>(177,260,080)</u> | <u>(372,872,888)</u> |
| | | |
| D Net cash flows (A+B+C) | (45,953,720) | (48,226,026) |
| E Opening Cash and cash equivalents | (33,432,133) | 14,793,893 |
| F Closing Cash and cash equivalents (D+E) | <u>(79,385,853)</u> | <u>(33,432,132)</u> |
| | | |
| Closing balance represents: | | |
| Cash and cash equivalents | 11,354,763 | 35,792,203 |
| Bank overdrafts | (90,740,616) | (69,224,335) |
| | <u>(79,385,853)</u> | <u>(33,432,132)</u> |



ACI Motors Limited Directors' Report

ACI Motors Limited (The Company) is a private Company limited by shares incorporated in 2007 with the Registrar of Joint Stock Companies, Dhaka, as a subsidiary of Advanced Chemical Industries (ACI) Limited. ACI holds 67.50% share in the Company. The business of the Company has been segmented into three major SBUs: 1) Farm Mechanization 2) Motorcycle 3) Construction Equipment, Commercial Vehicles and Others.

ACI Motors, the leading farm mechanization company in Bangladesh provides a complete farm mechanization solution with their wide range of products and services which covers all the farm mechanization requirements of a farmer starting from cultivation, transplanting, irrigation, harvesting and post-harvest preservation. In 2018-19, the farm mechanization industry had nominal growth due to macro-economic factors, but ACI Motors Farm mechanization unit ensured 5% growth over last year. ACI Motors' Tractor brand Sonalika has maintained market leadership through excellent product and superior service commitment. ACI Motors has launched Yanmar Combine Harvester and Rice Transplanter in June 2019. Yanmar is the leading Japanese manufacturer of agricultural machineries. The harvesting and transplanting landscape of Bangladesh will take a new shape with the introduction of Yanmar in Bangladesh. The Yanmar harvesters are widely accepted by the farmers as well as keen interest from the government through subsidy program.

Yamaha Motorcycles, on its third year of operation with ACI Motors, has continued its wonderful growth this year also through the introduction of new models which includes Anti-lock Braking System (ABS) feature; which is the latest braking technology available in the world. The overall motorcycle industry has grown by 25% and Yamaha has managed same growth as the industry. In the strongest segment of Yamaha (150 CC & above segment); against industry growth of 28% Yamaha has grown by 33%. This segment is the highest growth segment of the industry as well. Yamaha has become the top of the mind Motorcycle brand in Bangladesh through customer centric approach. Also, ACI Motors is promoting road safety through the arrangement of riding training in involvement of Japanese trainers from the Yamaha Riding Academy. ACI Motors has started Completely Knocked Down (CKD) assembling of Yamaha Motorcycles from May 2019 and gradually Original Equipment Manufacturer (OEM) manufacturing of one model will start from October 2019 and gradually other models by the end of 2019. This will enable Yamaha to match the pricing expectation of the customers; especially for the rural focused models.

In Construction Equipment business, ACI Motors has launched Kobelco; the most prominent Japanese brand which will address the premium segment of brand new construction equipment users in on-going large construction projects in the country. The construction equipment industry grew by 10% whereas ACI Motors has grown by 13% over last year. ACI Motors has also started Commercial Vehicle business this year with the Number one Chinese Light Commercial Vehicle manufacturer Foton International. Now the business is organizing the sales and service network throughout the country and getting a very positive response from the customers.

ACI Motors is approaching for sustainable growth with its quality products backed up with superior service commitment and customer centric activities.

The operating results of the Company for the year ended 30 June 2019 are as follows:

Key Financial Results

| | <u>Taka</u> |
|--------------------------|----------------|
| Revenue | 11,227,126,308 |
| Gross Profit/(Loss) | 3,077,001,268 |
| Operating Profit/(Loss) | 1,651,284,212 |
| Profit/(Loss) before tax | 1,231,599,843 |
| Profit/(Loss) after tax | 787,886,861 |

On behalf of the Board

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

Kamran Tanvirur Rahman
Director

Dhaka, 22 October 2019

আশরাফ্ উল হক নবী এন্ড কোঃ

ASHRAFUL HAQUE NABI & CO.
Chartered Accountants

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ashrafulnabi@yahoo.com

Independent Auditors' Report to the Shareholders of ACI Motors Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ACI Motors Limited ("The Company") which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of "ACI Motors Limited" as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

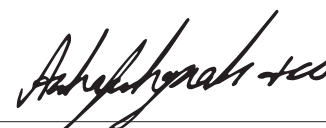
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the organization so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Dhaka, 22 October 2019



Ashraf Haque Nabi & Co.
Chartered Accountants



ACI Motors Limited

Statement of Financial Position

| In Taka | 30 June 2019 | 30 June 2018 |
|-------------------------------------|-----------------------|----------------------|
| Assets | | |
| Property, plant and equipment | 464,863,312 | 210,464,006 |
| Capital work in progress | 138,832,836 | 65,496,792 |
| Deferred tax assets | 12,570,485 | 16,678,387 |
| Non-current assets | 616,266,633 | 292,639,185 |
| Inventories | 2,019,858,110 | 1,823,245,204 |
| Trade receivables | 3,796,646,284 | 3,105,056,428 |
| Other receivables | 58,429,839 | 75,710,589 |
| Inter-company receivables | 3,313,311,509 | 1,039,964,362 |
| Advances, deposits and prepayments | 387,771,102 | 308,921,364 |
| Advance income tax | 624,707,931 | 237,224,875 |
| Cash and cash equivalents | 267,834,591 | 462,595,904 |
| Current assets | 10,468,559,366 | 7,052,718,726 |
| Total assets | 11,084,826,000 | 7,345,357,912 |
| Equity | | |
| Share capital | 1,000,000 | 1,000,000 |
| Retained earnings | 2,292,460,369 | 1,504,573,509 |
| Total equity | 2,293,460,369 | 1,505,573,509 |
| Liabilities | | |
| Long term loans | 1,474,228,205 | 584,838,737 |
| Employee benefit | 37,316,746 | 30,499,896 |
| Non-current liabilities | 1,511,544,951 | 615,338,633 |
| Bank overdraft | 197,706,688 | 240,892,290 |
| Loans and borrowings | 5,597,316,312 | 3,985,903,110 |
| Trade payables | 25,899,951 | 24,267,278 |
| Other payables | 629,609,613 | 583,700,056 |
| Current tax liability | 829,288,116 | 389,683,035 |
| Current liabilities | 7,279,820,680 | 5,224,445,770 |
| Total liabilities | 8,791,365,631 | 5,839,784,403 |
| Total equity and liabilities | 11,084,826,000 | 7,345,357,912 |

Managing Director

Director

Company Secretary

As per our report of same date.

Ashraf Haque Nabi & Co.
Chartered Accountants

Dhaka, 22 October 2019

ACI Motors Limited

Statement of Profit or Loss

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------------------------------------|------------------------------------|
| Revenue | 11,227,126,308 | 9,398,264,526 |
| Cost of sales | (8,150,125,040) | (7,159,035,595) |
| Gross profit | 3,077,001,268 | 2,239,228,931 |
| Administrative, selling and distribution expenses | (1,482,526,792) | (1,030,815,457) |
| Other income | 56,809,736 | 20,506,414 |
| Operating profit | 1,651,284,212 | 1,228,919,889 |
| Financing costs | (354,863,324) | (307,196,665) |
| Profit before contribution to WPPF | 1,296,420,888 | 921,723,223 |
| Contribution to WPPF | (64,821,044) | (46,086,161) |
| Profit before tax | 1,231,599,843 | 875,637,062 |
| Income tax expenses | | |
| Current tax | (439,605,081) | (338,679,274) |
| Deferred tax income /(expense) | (4,107,902) | 7,135,192 |
| | (443,712,983) | (331,544,082) |
| Profit after tax | 787,886,861 | 544,092,980 |



Managing Director



Director



Company Secretary

As per our report of same date.



Ashraful Haque Nabi & Co.
Chartered Accountants

Dhaka, 22 October 2019



ACI Motors Limited

Statement of Changes in Equity

For the year ended 30 June 2019

| <i>In Taka</i> | Share capital | Retained earnings | Total Equity |
|-----------------------------------|---------------|-------------------|---------------|
| Balance as at 01 July 2018 | 1,000,000 | 1,504,573,509 | 1,505,573,509 |
| Profit after tax | - | 787,886,861 | 787,886,861 |
| Balance as at 30 June 2019 | 1,000,000 | 2,292,460,369 | 2,293,460,369 |

For the year ended 30 June 2019

| <i>In Taka</i> | Share Capital | Retained Earnings | Total Equity |
|-----------------------------------|---------------|-------------------|---------------|
| Balance as at 01 July 2017 | 1,000,000 | 960,480,529 | 961,480,529 |
| Profit after tax | - | 544,092,980 | 544,092,980 |
| Balance as at 30 June 2018 | 1,000,000 | 1,504,573,509 | 1,505,573,509 |

ACI Motors Limited

Statement of Cash Flows

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Cash received from customers | 10,535,536,452 | 8,620,800,824 |
| Cash received from other income | 74,091,912 | 72,034,422 |
| Cash (used in)/generated from operating activities | 10,609,628,364 | 8,692,835,246 |
| Payment for purchase | (8,342,128,451) | (7,809,885,205) |
| Payment for operating expenses | (1,452,556,688) | (1,032,892,705) |
| Payment for WPPF | (20,103,430) | (20,005,859) |
| Payments for advances, deposits and prepayments | (78,849,738) | (100,415,787) |
| | (9,893,638,307) | (8,963,199,556) |
| Cash used in operation | 715,990,057 | (270,364,310) |
| Interest paid | (343,252,436) | (300,293,970) |
| Income tax paid | (387,483,056) | (279,938,617) |
| | (730,735,492) | (580,232,587) |
| Net cash (used in)/from operating activities | (14,745,435) | (850,596,896) |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (290,972,578) | (72,130,516) |
| Payment for capital work in progress | (73,336,044) | (17,196,062) |
| Sales proceed from property, plant and equipment | 22,825 | 112,308 |
| Net cash from (used in)/from investing activities | (364,285,798) | (89,214,270) |
| Cash flows from financing activities | | |
| Inter-company debts received/(paid) | (2,273,347,147) | (36,433,891) |
| Short term loan received/(paid) | 1,611,413,202 | 772,902,449 |
| Long term loan and other liability received/(paid) | 889,389,468 | 326,998,821 |
| Net cash (used in)/from financing activities | 227,455,524 | 1,063,467,379 |
| Net increase/(decrease) in cash and cash equivalents | (151,575,710) | 123,656,213 |
| Opening cash and cash equivalents | 221,703,614 | 98,047,401 |
| Cash and cash equivalents at reporting date | 70,127,904 | 221,703,614 |
| Closing balance represents | | |
| Cash and cash equivalents | 267,834,591 | 462,595,904 |
| Bank overdraft | (197,706,688) | (240,892,290) |
| | 70,127,904 | 221,703,614 |



Creative Communication Limited Directors' Report

Creative Communication Limited (The Company) is a private company limited by shares incorporated in 2007 with the Registrar of Joint Stock Companies, Dhaka. Being the parent company, Advanced Chemical Industries (ACI) Limited has 60% equity participation in the Company. It is an integrated communication house staffed by dedicated and pragmatic specialists working as a team. As a forward-thinking marketing and advertising firm, Creative Communication Limited is a solid partner at both strategic and tactical levels and has developed several partnerships with the most state-of-the-art players in numerous fields.

The principal business of the Company is to provide result-oriented advertisement, public relations and complete corporate communication solutions and has long experience in handling outdoors, events and project management along with strong rapport in the electronic and press media.

The operating results of the Company for the year ended 30 June 2019 are as follows:

| Key Financial Results | <u>Taka</u> |
|------------------------------|-------------|
| Revenue | 75,426,394 |
| Gross Profit/(Loss) | 23,426,104 |
| Operating Profit/(Loss) | 21,065,862 |
| Profit/(Loss) before tax | 21,261,468 |
| Profit/(Loss) after tax | 10,474,295 |

On behalf of the Board

Dr. Arif Dowla

Director

Kamran Tanvirur Rahman

Director

Dhaka, 22 October 2019

আশরাফ্ উল হক নবী এন্ড কোঃ

ASHRAFUL HAQUE NABI & CO.
Chartered Accountants

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ashrafulnabi@yahoo.com

Independent Auditors' Report to the Shareholders of Creative Communication Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Creative Communication Limited ("The Company") which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of "Creative Communication Limited" as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

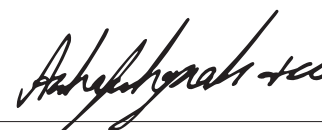
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the organization so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Dhaka, 22 October 2019



Ashraf Haque Nabi & Co.
Chartered Accountants



Creative Communication Limited

Statement of Financial Position

| In Taka | 30 June 2019 | 30 June 2018 |
|-------------------------------------|--------------------|--------------------|
| Assets | | |
| Property, plant and equipment | 833,170 | 1,020,284 |
| Deferred tax assets | 186,466 | 218,521 |
| Non-current assets | 1,019,636 | 1,238,805 |
| Trade receivables | 163,684,963 | 112,121,000 |
| Other receivables | 2,371,519 | 2,371,519 |
| Advance Income Tax | 25,006,573 | 18,239,437 |
| Advances, deposits and prepayments | 612,577 | 1,868,572 |
| Inter-company receivables | - | 12,517,780 |
| Cash and cash equivalents | 54,998 | 126,457 |
| Current assets | 191,730,630 | 147,244,765 |
| Total assets | 192,750,266 | 148,483,570 |
| Equity | | |
| Share capital | 1,000,000 | 1,000,000 |
| Retained earnings | 119,246,327 | 108,772,032 |
| Total equity | 120,246,327 | 109,772,032 |
| Bank overdraft | 3,040,828 | 5,859,949 |
| Employee benefit | 8,466,155 | - |
| Other payables | 4,672,649 | 7,284,528 |
| Inter-company paybles | 20,002,128 | - |
| Current tax liabilities | 36,322,179 | 25,567,061 |
| Liabilities | 72,503,939 | 38,711,538 |
| Total equity and liabilities | 192,750,266 | 148,483,570 |

Director

Director

Company Secretary

As per our report of same date.

Ashraful Haque Nabi & Co.
Chartered Accountants

Date, 22 October 2019

Creative Communication Limited

Statement of Profit or Loss

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|-------------------------------------|------------------------------------|------------------------------------|
| Revenue | 75,426,394 | 82,240,889 |
| Cost of service | (52,000,290) | (52,185,436) |
| Gross profit | 23,426,104 | 30,055,453 |
| Administrative and selling expenses | (2,360,242) | (1,687,870) |
| Financing income | 195,606 | 1,794,788 |
| Profit before tax | 21,261,468 | 30,162,371 |
| Income tax expense: | | |
| Current tax | (10,755,118) | (10,731,900) |
| Deferred tax income/(expense) | (32,055) | 40,316 |
| | (10,787,173) | (10,691,584) |
| Profit after tax | 10,474,295 | 19,470,787 |
| Total Comprehensive Income | 10,474,295 | 19,470,787 |



Director



Director



Company Secretary

As per our report of same date.



Ashraful Haque Nabi & Co.
Chartered Accountants

Date, 22 October 2019



Creative Communication Limited

Statement of Changes in Equity

For the year ended 30 June 2019

| <i>In Taka</i> | Share capital | Retained earnings | Total Equity |
|---|---------------|-------------------|--------------|
| Balance at 1 July 2018 | 1,000,000 | 108,772,032 | 109,772,032 |
| Total comprehensive income | - | - | - |
| Profit after tax | - | 10,474,295 | 10,474,295 |
| Other comprehensive income - net of tax | - | - | - |
| Total comprehensive income | - | 10,474,295 | 10,474,295 |
| Balance at 30 Jun 2019 | 1,000,000 | 119,246,327 | 120,246,327 |
| Balance at 1 July 2017 | 1,000,000 | 89,301,245 | 90,301,245 |
| Total comprehensive income | - | - | - |
| Profit after tax | - | 19,470,787 | 19,470,787 |
| Other comprehensive income - net of tax | - | - | - |
| Total comprehensive income | - | 19,470,787 | 19,470,787 |
| Balance at 30 June 2018 | 1,000,000 | 108,772,032 | 109,772,032 |

Creative Communication Limited

Statement of Cash Flows

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Cash received from customers | 23,862,431 | 38,179,703 |
| | 23,862,431 | 38,179,703 |
| Cash received/(paid) from/(for): | | |
| Operating expenses | (48,292,356) | (53,365,530) |
| Advances, deposits and prepayments | 1,255,995 | (303,693) |
| | (47,036,361) | (53,669,223) |
| Cash generated from operations | (23,173,930) | (15,489,520) |
| Finance income | 195,606 | 1,794,788 |
| Income tax paid | (6,767,136) | (11,265,882) |
| | (6,571,530) | (9,471,094) |
| Net cash from operating activities | (29,745,460) | (24,960,614) |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (26,786) | (430,500) |
| Net cash (used) in investing activities | (26,786) | (430,500) |
| Cash flows from financing activities | | |
| Inter-company debts received/(paid) | 32,519,908 | 24,700,780 |
| Net cash (used)/from financing activities | 32,519,908 | 24,700,780 |
| Net increase in cash and cash equivalents | 2,747,662 | (690,334) |
| Cash and cash equivalents at 1 July | (5,733,492) | (5,043,158) |
| Cash and cash equivalents at 30 June | (2,985,830) | (5,733,492) |
| Closing balance represents | | |
| Cash and cash equivalents | 54,998 | 126,457 |
| Bank overdraft | (3,040,828) | (5,859,949) |
| | (2,985,830) | (5,733,492) |



Premiaflex Plastics Limited

Directors' Report

Premiaflex Plastics Limited (The Company) is a private company limited by shares, incorporated in 2007 with the Registrar of Joint Stock Companies, Dhaka and governed by the Companies Act, 1994. Being the parent company, Advanced Chemical Industries (ACI) Limited holds 87.32% shares of the company. The company specialized in the manufacturing and marketing of Flexible Packaging, Lami Tube and Label Stickers.

Premiaflex Plastics has introduced new technology Central Impression Flexographic printing (Flexo CI) which is very first of its kind in Bangladesh. The company has also started Lamitube manufacturing and Label sticker printing to diversify its product range. However, we have utilized partial capacity of these investments during this year considering the challenges of adopting new technology which results in low profitability in the year under review.

Premiaflex Plastics is highly focused on customer satisfaction through usage of high quality raw material and continuous development of innovative solution for customers. It has well equipped state-of-the-art quality control facility. The company has planned to utilize this strength to create a new market targeting premium quality sensitive customers. Besides, the company is concentrating more on multinational customers and large reputed customers. This will enable the company to utilize its full capacity and will ensure improved profitability.

With these and many other initiatives during the year under review, Premiaflex Plastics Limited has been able to gain significant market share by enjoying a core competitive advantage in the flexible packaging market.

ACI Premio Plastics, another business division of Premiaflex Plastics Limited. Journey started last year in 2018. Since launching, ACI Premio Plastics has received an impressive response from the market it operates with premium category of consumer plastic products. The consumer has appreciated its product design, product outlook and services.

Apart from the competition among the trades ACI Premio Plastics has won the love of consumers and trust of the consumers. Despite huge competition, it has gained a significant 4.5% market share within just one year of its business operation. There were several marketing campaigns to create the brand awareness which helped the trade penetration and overcome the entry barriers. In the year of FY2018-19, 5 new product categories and 23 products have been added to the portfolio by own sourcing and third party tolling.

New investment of BDT 82 million has been sanctioned to develop new 9 product categories and 19 individual premium products where innovation and differentiation will be the competitive strength. ACI Premio Plastics has a plan to achieve 6.5% market share in FY2019-20.

The operating results of the Company for the year ended 30 June 2019 are as follows:

Key Financial Results

| | Taka |
|--------------------------|---------------|
| Revenue | 3,776,278,713 |
| Gross Profit/(Loss) | 474,197,923 |
| Operating Profit/(Loss) | 128,541,921 |
| Profit/(Loss) before tax | (161,266,177) |
| Profit/(Loss) after tax | (213,634,017) |

On behalf of the Board

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

Kamran Tanvirur Rahman
Director

Dhaka, 27 October 2019

Independent Auditors' Report to the Shareholders of **Premiaflex Plastics Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Premiaflex Plastics Limited ("the Company"), which comprise the statement of financial position as at June 30, 2019, and the profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Emphasis of Matter

1. We draw attention to Note- 3(A) (i) of the financial statements, which describes the recognition policy of sale of goods. Our opinion is not modified in respect of this matter.
2. We draw attention to Note- 3(H) (i) of the financial statements, which describes the recognition criteria of Property, Plant and Equipment. Our opinion is not modified in respect of this matter.

Other Matter

During the year, the company employed 4 foreign nationals without taking prior approval from appropriate authority. In this case prior approval from BIDA before such employment was required.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we have exercised professional judgment and maintained professional scepticism throughout the audit. We also have:

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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 1987, 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns;
- d) The expenditure incurred was for the purposes of the Company's business.



Masih Muhith Haque & Co.
Chartered Accountants

Dhaka, 27 October 2019



Premiaflex Plastics Limited

Statement of Financial Position

| In Taka | 30 June 2019 | 30 June 2018 |
|-------------------------------------|----------------------|----------------------|
| Assets | | |
| Property, plant and equipment | 2,812,569,921 | 2,304,998,988 |
| Investments | 2,139,778 | 2,336,340 |
| Non-current assets | 2,814,709,699 | 2,307,335,328 |
| Inventories | 1,187,959,517 | 779,737,605 |
| Trade receivables | 1,069,261,042 | 790,244,574 |
| Advances, deposits and prepayments | 178,477,291 | 139,163,818 |
| Advance income tax | 859,541,540 | 696,882,741 |
| Cash and cash equivalents | 149,033,853 | 2,335,533 |
| Current assets | 3,444,273,243 | 2,408,364,271 |
| Total assets | 6,258,982,942 | 4,715,699,599 |
| Equity | | |
| Share capital | 300,000,000 | 300,000,000 |
| Reserves | 285,577,642 | 285,754,548 |
| Retained earnings | 494,809,135 | 708,443,152 |
| Total equity | 1,080,386,777 | 1,294,197,700 |
| Liabilities | | |
| Long term bank loan | 687,487,182 | 147,428,456 |
| Deferred tax liabilities | 71,601,884 | 83,121,515 |
| Employee benefit | 14,829,688 | 8,634,049 |
| Non-current liabilities | 773,918,754 | 239,184,020 |
| Bank overdraft | 192,950,197 | 132,751,362 |
| Loans and borrowings | 1,873,572,962 | 1,784,094,864 |
| Trade payables | 41,942,975 | 64,108,067 |
| Other Payables | 52,100,226 | 37,315,904 |
| Inter-company payables | 1,830,156,920 | 813,961,365 |
| Current tax liabilities | 413,954,132 | 350,086,317 |
| Current liabilities | 4,404,677,411 | 3,182,317,879 |
| Total liabilities | 5,178,596,165 | 3,421,501,900 |
| Total equity and liabilities | 6,258,982,942 | 4,715,699,599 |

Managing Director

Director

Company Secretary

As per our report of same date.

Masih Muhith Haque & Co.
Chartered Accountants

Dhaka, 27 October 2019

Premiaflex Plastics Limited

Statement of Profit or Loss and other Comprehensive Income

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------------------------------------|------------------------------------|
| Revenue | 3,776,278,713 | 2,866,050,569 |
| Cost of sales | (3,302,080,790) | (2,445,089,457) |
| Gross profit | 474,197,923 | 420,961,113 |
| Administrative, selling and distribution expenses | (364,819,374) | (154,924,144) |
| Other income | 19,163,372 | 6,954,074 |
| Operating profit | 128,541,921 | 272,991,043 |
| Financing cost | (289,808,098) | (130,042,989) |
| Profit before contribution to WPPF | (161,266,177) | 142,948,054 |
| Contribution to WPPF | - | (7,147,403) |
| Profit before tax | (161,266,177) | 135,800,652 |
| Income tax expenses | (52,367,840) | (63,687,152) |
| Current tax | (63,867,814) | (63,687,152) |
| Deferred tax income/(expenses) | 11,499,975 | - |
| Profit after tax | (213,634,017) | 72,113,500 |
| Other comprehensive income | | |
| Change in fair value of financial assets | (196,562) | (457,566) |
| Related tax on FVOCI of financial assets | 19,656 | 45,757 |
| Basic earnings per share | (712.11) | 240.38 |



Managing Director



Director



Company Secretary

As per our report of same date.



Masih Muhith Haque & Co.
Chartered Accountants

Dhaka, 27 October 2019



Premiaflex Plastics Limited

Statement of Changes in Equity

For the year ended 30 June 2019

| <i>In Taka</i> | Share capital | FVOCI reserve | Revaluation reserve | Retained earnings | Total equity |
|---|---------------|---------------|---------------------|-------------------|---------------|
| Balance as at 1 July 2018 | 300,000,000 | (1,110,050) | 286,864,598 | 708,443,152 | 1,294,197,699 |
| Total comprehensive income | | | | | |
| Profit after tax | - | - | - | (213,634,017) | (213,634,017) |
| Other comprehensive income - net of tax | - | (176,906) | - | - | (176,906) |
| Total comprehensive income | - | (176,906) | - | (213,634,017) | (213,810,923) |
| Contributions by and distributions to owners of the Company: | | | | | |
| Total contribution by and distribution to owners of the company | - | - | - | - | - |
| Balance as at 30 June 2019 | 300,000,000 | (1,286,956) | 286,864,598 | 494,809,135 | 1,080,386,777 |

For the year ended 30 June 2018

| <i>In Taka</i> | Share capital | Available for sale reserve | Revaluation reserve | Retained earnings | Total equity |
|---|---------------|----------------------------|---------------------|-------------------|---------------|
| Balance as at 1 July 2017 | 300,000,000 | (698,241) | 286,864,598 | 636,329,652 | 1,222,496,009 |
| Total comprehensive income | | | | | |
| Profit after tax | - | - | - | 72,113,500 | 72,113,500 |
| Other comprehensive income - net of tax | - | (411,809) | - | - | (411,809) |
| Total comprehensive income | - | (411,809) | - | 72,113,500 | 71,701,690 |
| Total contribution by and distribution to owners of the company | - | - | - | - | - |
| Balance as at 30 June 2018 | 300,000,000 | (1,110,050) | 286,864,598 | 708,443,152 | 1,294,197,699 |

Premiaflex Plastics Limited

Statement of Cash Flows

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Cash received from customers | 3,486,561,233 | 2,725,899,192 |
| Cash received from other income | 19,163,372 | 6,954,074 |
| | 3,505,724,605 | 2,732,853,266 |
| Cash received/(paid) from/(for): | | |
| Purchase of inventory | (3,563,625,290) | (2,570,167,548) |
| Operating expenses | (343,084,127) | (140,042,841) |
| Other payables | 22,165,184 | (6,951,735) |
| Payment for WPPF | (7,380,863) | (17,056,545) |
| Advances, deposits and prepayments | (41,245,811) | (80,869,781) |
| | (3,933,170,907) | (2,815,088,450) |
| Cash generated from operations | (427,446,302) | (82,235,184) |
| Finance cost | (289,808,098) | (130,042,989) |
| Income tax paid | (162,658,799) | (154,172,403) |
| | (452,466,897) | (284,215,392) |
| Net cash from operating activities | (879,913,199) | (366,450,576) |
| Cash flows from investing activities | | |
| Acquisitions of property, plant and equipment | (962,905,444) | (58,345,514) |
| Payments for capital-work-in-progress | 283,585,751 | (994,037,666) |
| Net cash (used) in investing activities | (679,319,694) | (1,052,383,180) |
| Cash flows from financing activities | | |
| Inter-company debt received/(Paid) | 1,016,195,555 | 597,913,729 |
| Short term bank loan received/(paid) | 89,478,098 | 760,923,540 |
| Long term bank loan and others liabilities received/(Paid) | 540,058,726 | (43,102,321) |
| Net cash (used)/from financing activities | 1,645,732,379 | 1,315,734,948 |
| Net increase/(decrease) in cash and cash equivalents | 86,499,486 | (103,098,808) |
| Opening cash and cash equivalents | (130,415,829) | (27,317,020) |
| Closing cash and cash equivalents | (43,916,343) | (130,415,829) |
| Closing Balance represents: | | |
| Cash and cash equivalents | 149,033,853 | 2,335,533 |
| Bank overdraft | (192,950,196) | (132,751,362) |
| | (43,916,343) | (130,415,829) |



ACI Agrolink Limited Directors' Report

ACI Agrolink Limited (The Company) is a subsidiary of Advanced Chemical Industries (ACI) having 90% equity participation in the Company. The Company was incorporated in 2006 as ACI Agrochemical Limited and later renamed in September 2015 with an aim to establish forward and backward linkage for farmers and agro value addition industry.

ACI Agrolink Limited has embarked into a new agro-processing endeavor by establishing an export-oriented shrimp processing business with a state-of-the-art processing factory. With this venture the business will explore the ultimate opportunity in the blue economy.

The business has acquired all clearance and registration from the authority including European Union License, HACCP Certificate and BRC Certificate. Currently the business is working with orders from Netherlands, Belgium, France, Germany, Greece, Lithuania, UAE, and Portugal along with some other EU countries. The business is continuously thriving for acquiring new customers and accessing into new markets. It has engaged most of the prominent local buying agents to expand its business horizon.

ACI Agrolink targets to serve premium market, which demands for organic and value-added cooked products. It is in the process of installing Individual Quick Freezing (IQF) technology with cooking facility which will build capability of the business to access into premium global market. It will serve advanced products with uncompromising quality, commitment and compliance.

The operating results of the Company for the year ended 30 June 2019 are as follows:

| Key Financial Results | <u>Taka</u> |
|------------------------------|--------------|
| Revenue | 28,98,000 |
| Gross Profit/(Loss) | 225,080 |
| Operating Profit/(Loss) | (16,513,718) |
| Profit/(Loss) before tax | (32,796,001) |
| Profit/(Loss) after tax | (34,457,844) |

On behalf of the Board

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

Kamran Tanvirur Rahman
Director

Dhaka, 14 October 2019



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

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01922-117370, 01757-941837
E-mail : shirazkhanbasak@yahoo.com

Auditor's Report to the Shareholders of **ACI Agrolink Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ACI Agolink Limited. ("the Company"), which comprise the statement of financial position as at 30 June 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

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

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

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



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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



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

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof,
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books, and
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 14 October 2019

Shiraz Khan Basak & CO.
Chartered Accountant



ACI Agrolink Limited

Statement of Financial Position

| In Taka | 30 June 2019 | 30 June 2018 |
|-------------------------------------|---------------------|--------------------|
| Assets | | |
| Property, plant and equipment | 206,306,160 | 97,924,664 |
| Deferred tax assets | 718,739 | 2,456,776 |
| Non-current assets | 207,024,899 | 100,381,440 |
| Inventories | 10,882,897 | - |
| Trade receivable | 133,279,995 | 140,833,742 |
| Advances, deposits and prepayments | 10,620,474 | 8,351,787 |
| Advance income tax | 7,362,435 | 2,989,373 |
| Cash and cash equivalents | 16,205,814 | 11,811,518 |
| Current assets | 178,351,615 | 163,986,420 |
| Total assets | 385,376,514 | 264,367,859 |
| Equity | | |
| Share capital | 32,020,000 | 32,020,000 |
| Retained earnings | (58,437,457) | (23,883,819) |
| Total equity | (26,417,457) | 8,136,181 |
| Liabilities | | |
| Inter-company payables | 395,147,712 | 245,762,962 |
| Trade payables | 5,166,500 | 412,314 |
| Other Payables | 4,044,325 | 2,640,569 |
| Current tax liability | 7,435,434 | 7,415,834 |
| Current liabilities | 411,793,971 | 256,231,679 |
| Total liabilities | 411,793,971 | 256,231,679 |
| Total equity and liabilities | 385,376,514 | 264,367,859 |

Managing Director

Director

Company Secretary

As per our report of same date.

Shiraz Khan Basak & CO.
Chartered Accountants

Dhaka, 14 October 2019

ACI Agrolink Limited

Statement of Profit or Loss and other Comprehensive Income

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------------------------------------|------------------------------------|
| Revenue | 2,898,000 | 789,565,208 |
| Cost of sales | (2,672,920) | (759,245,253) |
| Gross profit | 225,080 | 30,319,955 |
| Administrative, selling and distribution expenses | (16,773,298) | (25,393,708) |
| Other income | 34,500 | 55,600 |
| Operating profit | (16,513,718) | 4,981,847 |
| Financing cost | (16,282,283) | (11,639,806) |
| Profit before income tax | (32,796,001) | (6,657,959) |
| Income tax expenses | | |
| Current tax expenses | (19,600) | (4,737,725) |
| Deferred tax income/(expenses) | (1,738,037) | (755,692) |
| | (1,757,637) | (5,493,417) |
| Profit after tax | (34,553,637) | (12,151,376) |



Managing Director



Director



Company Secretary

As per our report of same date.



Shiraz Khan Basak & CO.
Chartered Accountants

Dhaka, 14 October 2019



ACI Agrolink Limited

Statement of Changes in Equity

For the year ended 30 June 2019

| <i>In Taka</i> | Share capital | Retained earnings | Total equity |
|-----------------------------------|---------------|-------------------|--------------|
| Balance as at 01 July 2018 | 32,020,000 | (23,883,819) | 8,136,181 |
| Net profit after tax | - | (34,553,637) | (34,553,637) |
| Total other comprehensive income | - | - | - |
| Total comprehensive income | - | (34,553,637) | (34,553,637) |
| Balance as at 30 June 2019 | 32,020,000 | (58,437,457) | (26,417,457) |

For the year ended 30 June 2018

| <i>In Taka</i> | Share capital | Retained earnings | Total equity |
|-----------------------------------|---------------|-------------------|--------------|
| Balance as at 01 July 2017 | 32,020,000 | (11,732,444) | 20,287,556 |
| Net profit after tax | - | (12,151,376) | (12,151,376) |
| Total other comprehensive income | - | - | - |
| Total comprehensive income | - | (12,151,376) | (12,151,376) |
| Balance as at 30 June 2018 | 32,020,000 | (23,883,819) | 8,136,181 |

ACI Agrolink Limited

Statement of Cash Flows

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Cash receipts from customers | 10,451,747 | 757,194,470 |
| Cash receipts from other income | 34,500 | 55,600 |
| | 10,486,247 | 757,250,070 |
| Cash received/(paid) from/(for): | | |
| Purchase of inventory | (8,801,631) | (781,016,274) |
| Operating expenses | (16,089,298) | (24,726,761) |
| Receipts from/(payments to) other payables | 1,403,757 | 1,269,547 |
| Advances, deposits and prepayments | (2,268,687) | 8,661,333 |
| | (25,755,859) | (795,812,155) |
| Cash generated from operations | (15,269,613) | (38,562,085) |
| Financing cost | (16,282,283) | (11,639,806) |
| Income tax paid | (4,373,062) | (2,448,136) |
| | (20,655,345) | (14,087,942) |
| Net cash from/(used in) operating activities | (35,924,958) | (52,650,027) |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (6,166,695) | (2,538,326) |
| Payments for capital-work-in-progress | (102,898,801) | (90,067,815) |
| Net cash used in investing activities | (109,065,496) | (92,606,141) |
| Cash flows from financing activities | | |
| Inter-company received/(Paid) | 149,384,750 | 155,157,042 |
| Net cash flows provided by financing activities | 149,384,750 | 155,157,042 |
| Net increase/(decrease) in cash and cash equivalents | 4,394,296 | 9,900,875 |
| Opening cash and cash equivalents | 11,811,518 | 1,910,643 |
| Closing cash and cash equivalents | 16,205,814 | 11,811,518 |
| Closing Balance represents: | | |
| Cash and cash equivalents | 16,205,814 | 11,811,518 |



ACI Edible Oils Limited Directors' Report

ACI Edible Oils Limited (AEOL), a subsidiary of Advanced Chemical Industries (ACI) Limited, was established in 2010 and registered with the Registrar of Joint Stock Companies, Dhaka having 85% ownership in ACI. Since inception, the Company has been operating with a vision to lead the market by fulfilling country's daily edible fat needs.

The first refining and packaging plant of ACI Edible Oils Limited in Naogaon is supplying country's admiring brands ACI Nutrilife Rice Bran Oil and ACI Pure Soyabean Oil. Increasing demand of Consumer's for ACI oils aspired to expand backward integration facility in Narayanganj. ACI Nutrilife Rice Bran Oil has been promoting healthy diet and habits to the health conscious people of Bangladesh with its campaign 'Nutrition for Life'. ACI Pure Soybean Oil has kept its legacy of continuous sustainable growth by assuring the demand of mass market. Le Blanc, the European Sunflower brand marketed by AEOL, has already won the premium segment of the Market.

The operating results of the Company for the year ended 30 June 2019 are as follows:

Key Financial Results

| | <u>Taka</u> |
|--------------------------|-------------|
| Revenue | 768,776,387 |
| Gross Profit/(Loss) | 53,091,403 |
| Operating Profit/(Loss) | 15,025,299 |
| Profit/(Loss) before tax | 15,184,419 |
| Profit/(Loss) after tax | 12,525,469 |

On behalf of the Board

Dr. Arif Dowla

Director

Kamran Tanvirur Rahman

Director

Dhaka, 22 October 2019

আশরাফ্ উল হক নবী এন্ড কোঃ

ASHRAFUL HAQUE NABI & CO.
Chartered Accountants

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Independent Auditors' Report to the Shareholders of **ACI Edible Oils Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ACI Edible Oils Limited ("The Company") which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of "ACI Edible Oils Limited" as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statement, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the organization so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Dhaka, 22 October 2019



Ashraf Haque Nabi & Co.
Chartered Accountants



ACI Edible Oils Limited

Statement of Financial Position

| In Taka | 30 June 2019 | 30 June 2018 |
|-------------------------------------|--------------------|--------------------|
| Assets | | |
| Property, plant and equipment | 28,930,530 | 26,119,847 |
| CWIP | 43,306 | - |
| Non-current assets | 28,973,836 | 26,119,847 |
| Inventories | 47,842,953 | 48,129,419 |
| Trade receivables | 48,280,262 | 17,835,443 |
| Advances, deposits and prepayments | 12,848,490 | 2,109,888 |
| Advance income tax | 12,122,268 | 10,806,535 |
| Inter-company receivables | 10,286,263 | 215,601,373 |
| Cash and cash equivalents | 14,777,323 | 6,468,976 |
| Current assets | 146,157,559 | 300,951,634 |
| Total assets | 175,131,395 | 327,071,481 |
| Equity | | |
| Share capital | 10,000,000 | 10,000,000 |
| Retained earnings | 56,782,000 | 44,256,531 |
| Total Equity | 66,782,000 | 54,256,531 |
| Liabilities | | |
| Deferred tax liabilities | 1,146,722 | 1,391,122 |
| Non-current liabilities | 1,146,722 | 1,391,122 |
| Loan & borrowings | 5,147,556 | 2,457,964 |
| Trade payables | 28,312,580 | 40,377,442 |
| Other payables | 39,436,598 | 22,801,159 |
| Inter-company payables | 18,524,473 | 192,909,147 |
| Current tax liability | 15,781,466 | 12,878,116 |
| Current liabilities | 107,202,673 | 271,423,828 |
| Total equity and liabilities | 175,131,395 | 327,071,481 |

Director

Director

Company Secretary

As per our report of same date.

Ashraful Haque Nabi & Co.
Chartered Accountants

Dhaka, 22 October 2019

ACI Edible Oils Limited

Statement of Profit or Loss

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|---|------------------------------------|------------------------------------|
| Revenue | 768,776,387 | 738,359,801 |
| Cost of goods sold | (715,684,984) | (687,332,400) |
| Gross profit | 53,091,403 | 51,027,401 |
| Administrative, Selling and Distribution expenses | (38,076,507) | (32,563,961) |
| Other Income | 10,403 | 11,500 |
| Operating profit | 15,025,299 | 18,474,940 |
| Finance Income/(expenses) | 958,300 | (792,477) |
| Profit before contribution to WPPF | 15,983,599 | 17,682,463 |
| Contribution to WPPF | (799,180) | (884,123) |
| Profit before tax | 15,184,419 | 16,798,340 |
| Income tax expenses: | | |
| Current tax expenses | (2,903,350) | (4,542,159) |
| Deferred tax expenses | 244,400 | (1,893,962) |
| | (2,658,950) | (6,436,121) |
| Profit after tax | 12,525,469 | 10,362,219 |
| Other comprehensive income | - | - |
| Total comprehensive income | 12,525,469 | 10,362,219 |



Director



Director



Company Secretary

As per our report of same date.



Ashraf Haque Nabi & Co.
Chartered Accountants

Dhaka, 22 October 2019



ACI Edible Oils Limited

Statement of Changes in Equity

| <i>In Taka</i> | Share capital | Retained earnings | Total equity |
|--|---------------|-------------------|--------------|
| Balance at 01 July 2018 | 10,000,000 | 44,256,531 | 54,256,531 |
| Total comprehensive income | | | |
| Profit after tax | - | 12,525,469 | 12,525,469 |
| Total other comprehensive income | - | - | - |
| Total comprehensive income for the year | - | 12,525,469 | 12,525,469 |
| Balance at 30 June 2019 | 10,000,000 | 56,782,000 | 66,782,000 |

| <i>In Taka</i> | Share capital | Retained earnings | Total equity |
|--|---------------|-------------------|--------------|
| Balance at 01 July 2017 | 10,000,000 | 33,894,312 | 43,894,312 |
| Total comprehensive income | | | |
| Profit after tax | - | 10,362,219 | 10,362,219 |
| Total other comprehensive income | - | - | - |
| Total comprehensive income for the year | - | 10,362,219 | 10,362,219 |
| Balance at 30 June 2018 | 10,000,000 | 44,256,531 | 54,256,531 |

ACI Edible Oils Limited

Statement of Cash Flows

| <i>In Taka</i> | From 01 July 2018 to 30 June 2019 | From 01 July 2017 to 30 June 2018 |
|---|--------------------------------------|--------------------------------------|
| A. Cash flows from operating activities | | |
| Cash received from customers | 738,341,971 | 730,528,488 |
| Cash received/(paid) from/(for): | | |
| Purchase of Inventories | (725,742,305) | (713,863,796) |
| Operating expenses | (22,240,248) | (30,590,539) |
| Advance, deposits and prepayments | (10,738,602) | 5,469,174 |
| | (758,721,155) | (738,985,161) |
| Cash generated from/(used in) operations | (20,379,184) | (8,456,673) |
| Contribution to WPPF | | |
| Finance income | 958,300 | (792,477) |
| Income tax paid | (1,315,733) | (5,181,535) |
| | (357,433) | (5,974,012) |
| Net Cash generated from/(used in) operations | (20,736,617) | (14,430,685) |
| B. Cash flows from investing activities | | |
| Payment for capital work in progress | (43,306) | - |
| Acquisition of Property, Plant & equipment | (4,531,758) | (26,119,847) |
| Net Cash used in investing activities | (4,575,064) | (26,119,847) |
| C. Cash flows from financing activities | | |
| Inter-company debts(paid) received | 30,930,436 | 65,777,077 |
| Short term loan received/(paid) | 2,689,592 | (22,542,037) |
| Net cash (used)/from financing activities | 33,620,028 | 43,235,040 |
| D. Net increase in cash and cash equivalents (A+B+C) | 8,308,347 | 2,684,508 |
| Opening cash and cash equivalents | 6,468,976 | 3,784,468 |
| Cash and cash equivalents at reporting date | 14,777,323 | 6,468,976 |
| Closing balance represents : | | |
| Cash and cash equivalents | 14,777,323 | 6,468,976 |
| | 14,777,323 | 6,468,976 |



ACI HealthCare Limited Directors' Report

ACI HealthCare Limited (The Company) was incorporated with the Registrar of Joint Stock Companies, Dhaka in 2013 as a public Company limited by shares and is governed by the Companies Act 1994. Being the parent company, Advanced Chemical Industries (ACI) Limited has 92.94% ownership in the Company.

ACI HealthCare Limited, was initiated with an objective to manufacturing and marketing pharmaceutical products for regulated markets, especially for USA. The Company may withal manufacture for local market. With this aim, a state-of-the-art pharmaceutical factory of the company is being built in full compliance with US FDA designation at its own land at mouza- Tripurdi, Sonargaon, Narayanganj.

The operating results of the Company for the year ended 30 June 2019 are as follows:

Key Financial Results

| | <u>Taka</u> |
|--------------------------|---------------|
| Revenue | 2,975,336,935 |
| Gross Profit/(Loss) | 532,735,057 |
| Operating Profit/(Loss) | (306,755,538) |
| Profit/(Loss) before tax | (356,874,369) |
| Profit/(Loss) after tax | (348,574,104) |

On behalf of the Board

M Mohibuz Zaman
Managing Director

Kamran Tanvirur Rahman
Director

Dhaka, 7 November 2019



Rahman Rahman Huq
Chartered Accountants
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Independent Auditor's Report to the Shareholders of **ACI HealthCare Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ACI HealthCare Limited and its subsidiary (together referred to as the "Group") as well as the separate financial statements of ACI HealthCare Limited ("the Company"), which comprise the consolidated and separate statement of financial position as at 30 June 2019, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 5R to the financial statements where management explains the Company will continue in operational existence for the foreseeable future in spite of having net current liabilities and overall net liabilities as at the reporting date by virtue of support from its bankers, the parent company Advanced Chemical Industries Limited and improved trading conditions. Our opinion is not modified in respect of this matter.

Rahman Rahman Huq, a partnership firm registered in Bangladesh and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

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Internet www.kpmg.com/bd

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

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Group so far as it appeared from our examination of these books; and
- c) the consolidated and separate statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Dhaka, 7 November 2019



Rahman Rahman Huq
Chartered Accountants



ACI HealthCare Limited

Consolidated and Separate Statement of Financial Position

| <i>In BDT</i> | Group | | Company | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30 June 2019 | 30 June 2019 | 30 June 2019 | 30 June 2018 |
| Assets | | | | |
| Property, plant and equipment | 924,968,800 | 922,848,458 | 968,037,009 | 968,037,009 |
| Intangible assets | 54,371,598 | 54,371,598 | 61,519,314 | 61,519,314 |
| Capital work-in-progress | 5,733,264,089 | 5,733,264,089 | 4,966,590,949 | 4,966,590,949 |
| Investment in subsidiary | - | 8,450 | - | - |
| Deferred tax assets | 33,953,072 | 33,953,072 | 3,074,610 | 3,074,610 |
| Non-current assets | 6,746,557,559 | 6,744,445,667 | 5,999,221,882 | 5,999,221,882 |
| Inventory | 844,172,666 | - | - | - |
| Accounts receivable | 1,351,994,932 | - | - | - |
| Other receivable | 4,834,343 | - | 1,734,780 | 1,734,780 |
| Inter company receivable | - | 55,871,096 | 61,519,093 | 61,519,093 |
| Advances, deposits and prepayments | 82,340,487 | 68,965,067 | 44,414,726 | 44,414,726 |
| Cash and cash equivalents | 133,134,292 | 6,879,716 | 3,425,405 | 3,425,405 |
| Current assets | 2,416,476,720 | 131,715,879 | 111,094,004 | 111,094,004 |
| Total assets | 9,163,034,279 | 6,876,161,546 | 6,110,315,886 | 6,110,315,886 |
| Equity | | | | |
| Share capital | 500,000,000 | 500,000,000 | 500,000,000 | 500,000,000 |
| Retained earnings | (512,368,942) | (526,448,356) | (124,328,425) | (124,328,425) |
| Currency translation reserve | (912,849) | - | - | - |
| Total equity | (13,281,791) | (26,448,356) | 375,671,575 | 375,671,575 |
| Liabilities | | | | |
| Long term bank loan (non-current portion) | 2,347,614,518 | 2,347,614,518 | 2,931,586,494 | 2,931,586,494 |
| Employment benefits | 11,555,167 | 11,555,167 | 8,000,000 | 8,000,000 |
| Non-current liabilities | 2,359,169,685 | 2,359,169,685 | 2,939,586,494 | 2,939,586,494 |
| Long term bank loan (current portion) | 806,847,805 | 806,847,805 | 118,292,620 | 118,292,620 |
| Short term loan | 812,338,659 | 22,774,911 | 41,736,041 | 41,736,041 |
| Accounts payable | 1,375,303,552 | - | - | - |
| Other payables and accruals | 317,803,596 | 213,609,946 | 161,641,872 | 161,641,872 |
| Inter company payables | 3,483,485,631 | 3,483,494,081 | 2,458,377,298 | 2,458,377,298 |
| Current tax liability | 21,367,142 | 16,713,473 | 15,009,986 | 15,009,986 |
| Current liabilities | 6,817,146,385 | 4,543,440,217 | 2,795,057,817 | 2,795,057,817 |
| Total liabilities | 9,176,316,070 | 6,902,609,902 | 5,734,644,311 | 5,734,644,311 |
| Total equity and liabilities | 9,163,034,279 | 6,876,161,546 | 6,110,315,886 | 6,110,315,886 |

Managing Director

Director

Company Secretary

As per our report of same date.

Rahman Rahman Huq
Chartered Accountants

Dhaka, 7 November 2019

ACI HealthCare Limited
**Consolidated and Separate Statement of Profit
 or Loss and other Comprehensive Income**

| <i>In BDT</i> | For the year ended | | |
|--|--------------------|---------------|---------------|
| | Group | Company | |
| | 30 June 2019 | 30 June 2019 | 30 June 2018 |
| Revenue | 2,975,336,935 | - | - |
| Cost of sales | (2,442,601,878) | - | - |
| Gross profit | 532,735,057 | - | - |
| Selling and distribution expenses | (123,941,670) | - | - |
| General and administrative expenses | (715,548,925) | (434,338,918) | (140,660,113) |
| Operating loss | (306,755,538) | (434,338,918) | (140,660,113) |
| Foreign exchange gain/(loss) | 562,580 | 562,580 | 1,606,534 |
| Net finance (costs)/income | (50,681,411) | 2,481,432 | (4,224,208) |
| Loss before tax | (356,874,369) | (431,294,906) | (143,277,787) |
| Income tax expense/(income) | 8,300,265 | 29,174,975 | (9,639) |
| Loss after tax | (348,574,104) | (402,119,931) | (143,287,426) |
| Other comprehensive income/(loss) | (912,849) | - | - |
| Total comprehensive income/(loss) | (349,486,953) | (402,119,931) | (143,287,426) |



Managing Director



Director



Company Secretary

As per our report of same date.



Rahman Rahman Huq
Chartered Accountants

Dhaka, 7 November 2019



ACI HealthCare Limited

Consolidated Statement of Changes in Equity

| | For the year ended 30 June 2019 | | | |
|--|---------------------------------|----------------------|-------------------|---------------|
| <i>In BDT</i> | Share capital | Translation reserve* | Retained earnings | Total equity |
| Balance at 1 July 2018 | 500,000,000 | (819,479) | (163,794,838) | 335,385,683 |
| Profit/(loss) for the year | - | - | (348,574,104) | (348,574,104) |
| Other comprehensive income/(loss) | - | (93,370) | - | (93,370) |
| Total comprehensive income/(loss) | - | (93,370) | (348,574,104) | (348,667,474) |
| Balance at 30 June 2019 | 500,000,000 | (912,849) | (512,368,942) | (13,281,791) |

Separate Statement of Changes in Equity

| | For the year ended 30 June 2019 | | | |
|--|---------------------------------|----------------------|-------------------|---------------|
| <i>In BDT</i> | Share capital | Translation reserve* | Retained earnings | Total equity |
| Balance at 1 July 2018 | 500,000,000 | - | (124,328,425) | 375,671,575 |
| Profit/(loss) for the year | - | - | (402,119,931) | (402,119,931) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income/(loss) | - | - | (402,119,931) | (402,119,931) |
| Balance at 30 June 2019 | 500,000,000 | - | (526,448,356) | (26,448,356) |

| | For the year ended 30 June 2018 | | | |
|--|---------------------------------|----------------------|-------------------|---------------|
| <i>In BDT</i> | Share capital | Translation reserve* | Retained earnings | Total equity |
| Balance at 1 July 2017 | 500,000,000 | - | 18,959,001 | 518,959,001 |
| Profit/(loss) for the year | - | - | (143,287,426) | (143,287,426) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income/(loss) | - | - | (143,287,426) | (143,287,426) |
| Balance at 30 June 2018 | 500,000,000 | - | (124,328,425) | 375,671,575 |

ACI HealthCare Limited

Consolidated and Separate Statement of Cash Flows

| <i>In BDT</i> | For the year ended | | |
|---|----------------------|----------------------|------------------------|
| | Group | Company | |
| | 30 June 2019 | 30 June 2019 | 30 June 2018 |
| Cash flows from operating activities | | | |
| Receipts from customers | 2,075,864,137 | - | - |
| Receipts from other sources | 7,382,776 | 7,382,776 | (6,050,252) |
| Payment to employees, suppliers and service providers | (2,726,293,972) | (342,534,904) | (177,728,424) |
| Income tax paid | (1,831,781) | (1,737,275) | (727,683) |
| Net cash used in operating activities | (644,878,840) | (336,889,403) | (184,506,359) |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | (14,200,175) | (12,600,871) | (59,156,521) |
| Cash paid for capital work-in-progress | (429,579,428) | (429,579,428) | (962,843,046) |
| Net cash used in investing activities | (443,779,603) | (442,180,299) | (1,021,999,567) |
| Cash flows from financing activities | | | |
| Proceeds from inter company borrowings | 691,575,270 | 696,901,934 | 805,089,141 |
| Proceeds from short term bank loan | 1,100,613,197 | 669,594,054 | 50,028,661 |
| Proceeds from long term bank loan | - | - | 2,931,586,494 |
| Repayment of long term bank loan | (583,971,975) | (583,971,975) | (2,578,976,156) |
| Net cash generated from financing activities | 1,208,216,492 | 782,524,013 | 1,207,728,140 |
| Net increase in cash and cash equivalents | 119,558,049 | 3,454,311 | 1,222,214 |
| Adjustment for foreign exchange translation | (1,434,731) | - | - |
| Opening cash and cash equivalents | 15,010,973 | 3,425,405 | 2,203,191 |
| Cash and cash equivalents at reporting date | 133,134,291 | 6,879,716 | 3,425,405 |



ACI Chemicals Limited Directors' Report

ACI Chemicals Limited was incorporated in 2013 with the Registrar of Joint Stock Companies, Dhaka and is governed by the Companies Act 1994. Being the parent Company, Advanced Chemical Industries (ACI) Limited holds 75% ownership of the Company.

The Company started its operation from June 2014 with the aim to becoming a leading value added supply chain solution provider in industrial and specialty chemical sectors in Bangladesh having major focus in textile, leather, paint, food, plastic and personal care industries. It has developed partnerships with reputed global companies. It has moved into new sectors like pharmaceuticals, commodities and water treatment. The Company has also opened up an export wing in order to create a forward linkage support for the existing trade customers especially in textile, leather& jute made product sectors.

The operating results of the Company for the year ended 30 June 2019 are as follows:

Key Financial Results

| | <u>Taka</u> |
|--------------------------|--------------|
| Revenue | 27,583,117 |
| Gross Profit/(Loss) | (29,324,043) |
| Operating Profit/(Loss) | (33,582,942) |
| Profit/(Loss) before tax | (45,649,561) |
| Profit/(Loss) after tax | (46,753,491) |

On behalf of the Board

M. Anis Ud Dowla
Managing Director

Kamran Tanvirur Rahman
Director

Dhaka, 22 October 2019

আশরাফ্ উল হক নবী এন্ড কোঃ

ASHRAFUL HAQUE NABI & CO.
Chartered Accountants

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77 Bir Uttam CR Data Road
Hatirpul, Dhaka-1205
Tel: 44611751
Email: minhaz@ashrafulhaquenabi.com
ashrafulnabi@yahoo.com

Independent Auditors' Report to the Shareholders of **ACI Chemicals Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ACI Chemicals Limited ("The Company") which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of "ACI Chemicals Limited" as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

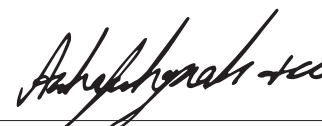
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the organization so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Dhaka, 22 October 2019



Ashraf Haque Nabi & Co.
Chartered Accountants



ACI Chemicals Limited

Statement of Financial Position

| In Taka | 30 June 2019 | 30 June 2018 |
|-------------------------------------|---------------|--------------|
| Assets | | |
| Property, plant and equipment | 1,011,871 | 1,199,170 |
| Non-current assets | 1,011,871 | 1,199,170 |
| Inventories | 8,752,835 | 12,163,269 |
| Trade receivables | 21,038,322 | 14,576,292 |
| Advance Income Tax | 2,216,759 | 1,216,512 |
| Advances, deposits and prepayments | 1,267,301 | 361,841 |
| Cash and cash equivalents | 50,143 | 1,637,350 |
| Current assets | 33,325,360 | 29,955,263 |
| Total assets | 34,337,231 | 31,154,433 |
| Equity | | |
| Share capital | 20,000,100 | 20,000,100 |
| Retained earnings | (123,742,929) | (76,989,439) |
| Total equity | (103,742,829) | (56,989,339) |
| Bank Overdraft | 168,314 | 466,377 |
| Trade payables | - | - |
| Other payables | 1,326,222 | 930,528 |
| Short term bank loan | 253,574 | 2,286,673 |
| Inter-company payables | 133,914,751 | 83,146,925 |
| Provision for tax | 2,417,199 | 1,313,269 |
| Liabilities | 138,080,060 | 88,143,772 |
| Total equity and liabilities | 34,337,231 | 31,154,433 |

Managing Director

Director

Company Secretary

As per our report of same date.

Ashraf Haque Nabi & Co.
Chartered Accountants

Dhaka, 22 October 2019



ACI Chemicals Limited

Statement of Profit or Loss

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|-----------------------------------|------------------------------------|------------------------------------|
| Revenue | 27,583,117 | 17,513,302 |
| Cost of sales | (56,907,160) | (44,728,494) |
| Gross profit | (29,324,043) | (27,215,192) |
| Administrative & selling expenses | (4,258,899) | (1,354,095) |
| Operating Profit (loss) | (33,582,942) | (28,569,287) |
| Other income/(loss) | - | (594) |
| Finance cost | (12,066,619) | (236,071) |
| Profit/(loss) before tax | (45,649,561) | (28,805,952) |
| Income tax expense: | | |
| Current tax | (1,103,930) | (1,265,711) |
| | (1,103,930) | (1,265,711) |
| Profit after tax | (46,753,491) | (30,071,663) |
| Total Comprehensive Income | (46,753,491) | (30,071,663) |

Managing Director

Director

Company Secretary

As per our report of same date.

Ashraf Haque Nabi & Co.
Chartered Accountants

Dhaka, 22 October 2019



ACI Chemicals Limited Statement of Changes in Equity

| <i>In Taka</i> | Share capital | Retained earnings | Total equity |
|--------------------------------|---------------|-------------------|---------------|
| Balance at 1 July 2018 | 20,000,100 | (76,989,439) | (56,989,339) |
| Profit after tax | - | (46,753,491) | (46,753,491) |
| Balance at 30 June 2019 | 20,000,100 | (123,742,929) | (103,742,829) |
| Balance at 1 July 2017 | 20,000,100 | (46,917,776) | (26,917,676) |
| Profit after tax | - | (30,071,663) | (30,071,663) |
| Balance at 30 June 2018 | 20,000,100 | (76,989,439) | (56,989,339) |

ACI Chemicals Limited

Statement of Cash Flows

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Cash received from customers | 21,121,086 | 8,442,472 |
| | 21,121,086 | 8,442,472 |
| Cash received/(paid) from/(for): | | |
| Operating expenses | (45,283,295) | (41,483,673) |
| Purchase of inventory | (11,713,126) | (7,782,046) |
| Advances, deposits and prepayments | (905,460) | 66,554 |
| | (57,901,881) | (49,199,165) |
| Cash generated from operations | (36,780,795) | (40,756,693) |
| Financing costs | (12,066,619) | (236,071) |
| Income Tax | (1,000,247) | (600,300) |
| | (13,066,866) | (836,371) |
| Net cash from operating activities | (49,847,661) | (41,593,064) |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (176,211) | (711,929) |
| Net cash (used) in investing activities | (176,211) | (711,929) |
| Cash flows from financing activities | | |
| Inter-company debts received/(paid) | 50,767,826 | 44,573,977 |
| Short term bank loan (paid)/received | (2,033,098) | (1,821,659) |
| Net cash (used)/from financing activities | 48,734,728 | 42,752,318 |
| Net increase in cash and cash equivalents | (1,289,144) | 447,325 |
| Cash and cash equivalents at 1 July | 1,170,973 | 723,648 |
| Cash and cash equivalents at 30 June | (118,171) | 1,170,973 |
| Closing balance represents | | |
| Cash and cash equivalents | 50,143 | 1,637,350 |
| Bank overdraft | (168,314) | (466,377) |
| | (118,171) | 1,170,973 |



INFOLYTX Bangladesh Limited

Directors' Report

INFOLYTX Bangladesh Limited (The Company) was incorporated with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh in 2015 as a private Company limited by shares and governed by the Companies Act 1994. The Company has been formed under a joint venture effort of Advanced Chemical Industries (ACI) Limited and Odysseus Global, LLC, Delaware, USA, with a view to establish an IT Company of international standards. ACI Limited holds 60% ownership in the Company. The principal activities of the Company are to promote the advancement of software development and to work closely with international clients in the ICT area with a view to enabling the Bangladesh software and information technology industry to reach global pre-eminence.

The Company has grown its talent base further to include a full complement of staff covering all key areas at all levels. Our advanced technologies focus, rigorous methodologies, highly-trained senior staff, continuous learning approach, merit-based corporate culture, high-tech open offices and, above all, international accolades all combine to make INFOLYTX a very desirable company to build a career for the most talented engineers in the marketplace. Very strong foundations have been laid to grow and scale our capabilities to meet anticipated demand.

Our Artificial Intelligence and Machine Learning focus combined with a greater presence in our primary commercial markets are starting to build pipelines for financial results that are more in line with expectations. Partnerships and alliances with complementary firms, relevant subject matter experts and senior industry luminaries will be a key focus this year. We are looking forward to an exciting year for INFOLYTX in the new fiscal year.

The operating results of the Company for the year ended 30 June 2019 are as follows:

Key Financial Results

| | <u>Taka</u> |
|--------------------------|--------------|
| Revenue | 7,542,500 |
| Gross Profit/(Loss) | 7,542,500 |
| Operating Profit/(Loss) | (84,423,063) |
| Profit/(Loss) before tax | (95,019,815) |
| Profit/(Loss) after tax | (99,119,815) |

On behalf of the Board

Badrul Husain
Managing Director

Kamran Tanvirur Rahman
Director

Dhaka, 22 October 2019

আশরাফ্ উল হক নবী এন্ড কোঃ

ASHRAFUL HAQUE NABI & CO.
Chartered Accountants

Dilara Tower (3rd Floor), 4F.
77 Bir Uttam CR Data Road
Hatirpul, Dhaka-1205
Tel: 44611751
Email: minhaz@ashrafulhaquenabi.com
ashrafulnabi@yahoo.com

Independent Auditors' Report to the Shareholders of **INFOLYTX Bangladesh Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of INFOLYTX Bangladesh Ltd. ("The Company") which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of "INFOLYTX Bangladesh Ltd." as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

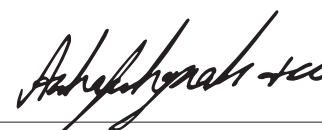
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the organization so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Dhaka, 22 October 2019



Ashraf Haque Nabi & Co.
Chartered Accountants



INFOLYTX Bangladesh Limited

Statement of Financial Position

| In Taka | 30 June 2019 | 30 June 2018 |
|-------------------------------------|---------------|---------------|
| Assets | | |
| Property, plant and equipment | 11,556,206 | 14,672,323 |
| Non-current assets | 11,556,206 | 14,672,323 |
| Advances, deposits and prepayments | 887,009 | 1,030,662 |
| Advance Income Tax | 30,000 | 30,000 |
| Trade receivables | 9,210,000 | 1,667,500 |
| Cash and cash equivalents | 465,197 | 78,885 |
| Current assets | 10,592,207 | 2,807,047 |
| Total assets | 22,148,413 | 17,479,370 |
| Equity | | |
| Share capital | 100,000 | 100,000 |
| Preference share | 20,000,000 | 20,000,000 |
| Share premium | 80,000,000 | 80,000,000 |
| Share money deposit | 4,602 | 4,602 |
| Accumulated loss | (296,009,129) | (196,889,314) |
| Total equity | (195,904,527) | (96,784,712) |
| Inter-company payables | 211,090,121 | 111,360,535 |
| Other payables | 2,862,819 | 2,903,547 |
| Current tax liabilities | 4,100,000 | - |
| Liabilities | 218,052,940 | 114,264,082 |
| Total equity and liabilities | 22,148,413 | 17,479,370 |

Managing Director

Director

Company Secretary

Auditors' report to the shareholders
See annexed report of date


Ashraf Haque & Co.
Chartered Accountants

Dhaka, 22 October 2019

INFOLYTX Bangladesh Limited

Statement of Profit or Loss

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|-------------------------------------|------------------------------------|------------------------------------|
| Revenue | 7,542,500 | 1,667,500 |
| Cost of sales | - | - |
| Gross profit/(loss) | 7,542,500 | 1,667,500 |
| General and administrative expenses | (91,965,563) | (78,424,745) |
| Operating loss | (84,423,063) | (76,757,245) |
| Other income(Loss) | - | (19,103) |
| Financing Cost | (10,596,752) | (1,407,113) |
| Loss before income tax | (95,019,815) | (78,183,461) |
| Income tax expense | (4,100,000) | - |
| Loss for the period | (99,119,815) | (78,183,461) |



Managing Director

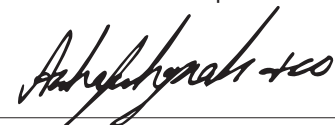


Director



Company Secretary

Auditors' report to the shareholders
See annexed report of date



Ashrafal Haque Nabi & Co.
Chartered Accountants

Dhaka, 22 October 2019



INFOLYTX Bangladesh Limited

Statement of Changes in Equity

| <i>In Taka</i> | Share capital | Preference shares | Share Premium | Share money deposit | Loss for the period | Total equity |
|-----------------------------------|---------------|-------------------|---------------|---------------------|---------------------|---------------|
| Balance at 01 July 2018 | 100,000 | 20,000,000 | 80,000,000 | 4,602 | (196,889,314) | (96,784,712) |
| Share Capital | - | - | - | - | - | - |
| Share premium | - | - | - | - | - | - |
| Share money deposit | - | - | - | - | - | - |
| Loss for the period | - | - | - | - | (99,119,815) | (99,119,815) |
| Balance as at 30 June 2019 | 100,000 | 20,000,000 | 80,000,000 | 4,602 | (296,009,129) | (195,904,527) |
| Balance as at 01 July 2017 | 100,000 | 10,000,000 | 40,000,000 | 4,602 | (118,705,853) | (68,601,251) |
| Share Capital | - | 10,000,000 | - | - | - | 10,000,000 |
| Share premium | - | - | 40,000,000 | - | - | 40,000,000 |
| Share money deposit | - | - | - | - | - | - |
| Loss for the period | - | - | - | - | (78,183,461) | (78,183,461) |
| Balance as at 30 June 2018 | 100,000 | 20,000,000 | 80,000,000 | 4,602 | (196,889,314) | (96,784,712) |

INFOLYTX Bangladesh Limited

Statement of Cash Flows

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------------------------------------|------------------------------------|
| A. Cash flows from operating activities | | |
| Cash received from customers | - | - |
| | - | - |
| Cash received/(Paid) from (for): | | |
| Operating expenses | (88,656,937) | (75,518,679) |
| Net cash from operating activities | (88,656,937) | (75,518,679) |
| Cash generated from operations | (88,656,937) | (75,518,679) |
| Advances, deposits and prepayments | 143,653 | (930,662) |
| Net cash generated from/(used in) operating activities | (88,513,284) | (76,449,341) |
| Finance costs paid | (10,596,752) | (1,407,113) |
| Income Tax Paid | - | (15,000) |
| Net cash from operating activities | (99,110,036) | (76,464,341) |
| B. Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (233,238) | (8,232,567) |
| Net cash generated from/(used in) investing activities | (233,238) | (8,232,567) |
| C. Cash flows from financing activities | | |
| Inter-company debts received/(paid) | 99,729,586 | 36,079,744 |
| Proceeds from share premium on Preference share | - | 40,000,000 |
| Proceeds from issue of Preference share | - | 10,000,000 |
| Net cash from financing activities | 99,729,586 | 86,079,744 |
| D. Net increase in cash and cash equivalents for the period (A+B+C) | 386,312 | (24,277) |
| E. Cash and cash equivalents at the beginning of the period | 78,885 | 103,162 |
| F. Cash and cash equivalents at the reporting date | 465,197 | 78,885 |



ACI Biotech Limited Directors' Report

ACI Biotech Limited (The Company) was incorporated in November 2016 with the Registrar of Joint Stock Companies, Dhaka, as a private company limited by shares and is governed by the Companies Act 1994. It is a subsidiary of Advanced Chemical Industries (ACI) Limited having 80% holding in the Company.

The Company has been established with an objective to manufacture and market biotech products, biotech specialty, monoclonal antibody, cell culture, anticancer, hormones, steroids, small molecule and large molecule pharmaceuticals, genome, gene therapy, medicinal substances, biological and other alike products in the country and abroad, as well. With this aim, a plant having state of the art manufacturing facilities is planned to be established in line with the standards of USFDA, MHRA, WHO, cGMP and other relevant agencies of that nature.

The Company has already engaged in research and development activities for the targeted products as per the plan.

In FY 2018-19, a remarkable progress has been achieved to complete the state of the art manufacturing plant. Some of the parts of the plant has already been physically visible.

The operating results of the Company for the year ended 30 June 2019 are as follows:

Key Financial Results

| | <u>Taka</u> |
|--------------------------|-------------|
| Revenue | Nil |
| Gross Profit/(Loss) | Nil |
| Operating Profit/(Loss) | (542,321) |
| Profit/(Loss) before tax | (573,525) |
| Profit/(Loss) after tax | (573,525) |

On behalf of the Board

M Mohibuz Zaman
Managing Director

Kamran Tanvirur Rahman
Director

Dhaka, 22 October 2019

আশরাফ্ উল হক নবী এন্ড কোঃ

ASHRAFUL HAQUE NABI & CO.
Chartered Accountants

Dilara Tower (3rd Floor), 4F.
77 Bir Uttam CR Data Road
Hatirpul, Dhaka-1205
Tel: 44611751
Email: minhaz@ashrafulhaquenabi.com
ashrafulnabi@yahoo.com

Independent Auditors' Report to the Shareholders of **ACI Biotech Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ACI Biotech Limited ("The Company") which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of "ACI Biotech Limited" as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

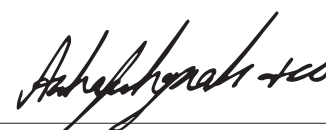
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the organization so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Dhaka, 22 October 2019



Ashraf Haque Nabi & Co.
Chartered Accountants



ACI Biotech Limited

Statement of Financial Position

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|-------------------------------------|--------------|--------------|
| Assets | | |
| Property, plant & equipment | 57,867 | - |
| Capital work-in-progress | 521,238,405 | 217,772,820 |
| Non-current assets | 521,296,272 | 217,772,820 |
| Advances, deposits and prepayments | 200,000 | 30,378,100 |
| Cash and cash equivalents | 242,378 | 145,308 |
| Current assets | 442,378 | 30,523,408 |
| Total assets | 521,738,650 | 248,296,227 |
| Equity | | |
| Share capital | 10,000,000 | 10,000,000 |
| Retained earnings | (1,738,992) | (1,165,467) |
| Total equity | 8,261,008 | 8,834,533 |
| Liabilities | | |
| Inter company payables | 482,720,624 | 215,920,118 |
| Other payables and accruals | 30,757,019 | 23,541,576 |
| Current liabilities | 513,477,642 | 239,461,694 |
| Total equity and liabilities | 521,738,650 | 248,296,227 |

Managing Director

Director

Company Secretary

As per our report of same date.

Ashraf Haque Nabi & Co.
Chartered Accountants

Dhaka, 22 October 2019

ACI Biotech Limited

Statement of Profit or Loss

| <i>In Taka</i> | 30 June 2019 | 30 June 2018 |
|-------------------------------------|--------------|--------------|
| Revenue | - | - |
| Cost of sales | - | - |
| Gross profit | - | - |
| General and administrative expenses | (542,381) | (53,885) |
| Loss from operation | (542,381) | (53,885) |
| Financing cost | (31,144) | (641) |
| Loss before tax | (573,525) | (54,526) |
| Income tax expenses | - | - |
| Net loss after tax | (573,525) | (54,526) |



Managing Director



Director



Company Secretary

As per our report of same date.



Ashraf Haque Nabi & Co.
Chartered Accountants

Dhaka, 22 October 2019



ACI Biotech Limited

Statement of Changes in Equity

| <i>In Taka</i> | Share capital | Retained earnings | Total equity |
|--------------------------------|---------------|-------------------|--------------|
| Balance at 1 July 2018 | 10,000,000 | (1,165,467) | 8,834,533 |
| Loss for the period | - | (573,525) | (573,525) |
| Balance at 30 June 2019 | 10,000,000 | (1,738,992) | 8,261,008 |

| <i>In Taka</i> | Share capital | Retained earnings | Total equity |
|--------------------------------|---------------|-------------------|--------------|
| Balance at 1 July 2017 | 10,000,000 | (1,110,941) | 8,889,059 |
| Loss for the period | - | (54,526) | (54,526) |
| Balance at 30 June 2018 | 10,000,000 | (1,165,467) | 8,834,533 |

ACI Biotech Limited

Statement of Cash Flows

| <i>In Taka</i> | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
|--|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Payment for operating expenses | (527,381) | (54,526) |
| Payment to other creditors | 7,200,442 | 5,279,187 |
| Finance costs paid | (31,144) | - |
| Net cash from operating activities | 6,641,917 | 5,224,661 |
| Cash flows from investing activities | | |
| Acquisition of Property, plant and equipment | (62,000) | - |
| Expenditure incurred for capital work-in-progress | (250,830,323) | (103,931,581) |
| Net cash used in investing activities | (250,892,323) | (103,931,581) |
| Cash flows from financing activities | | |
| Proceeds from inter company borrowings | 244,347,476 | 98,516,030 |
| Proceeds from share issue | - | - |
| Net cash from financing activities | 244,347,476 | 98,516,030 |
| Net increase/decrease in cash and cash equivalents | 97,070 | (190,890) |
| Opening cash and cash equivalents | 145,308 | 336,198 |
| Closing cash and cash equivalents | 242,378 | 145,308 |



Advanced Chemical Industries Limited Corporate Directory

Registered Office

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

Share Office

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

Manufacturing Facilities

Advanced Chemical Industries Ltd

- 1. Pharmaceuticals Unit**
7 Hajiganj Road, Godnail, Narayanganj
Phone : (8802) 7630493, 7630496, 7630525
Fax : (8802) 7630524
- 2. Electrical Products Unit**
Plot - 208-209, Block-D, BSCIC Industrial Estate, Tongi, Gazipur 1700
Phone : 01730028419
- 3. Sanitary Napkin & Diaper Unit**
Nil Nagar, Konabari, Gazipur
Phone : 01730007780

ACI Formulations Limited

- 4. Formulations Unit**
Rajabari, Sreepur, Gazipur
Phone : 01766668863

ACI Pure Flour Limited

- 5. Flour Unit-1**
6/3 Dewli Chowrapara,
Bondor, Narayanganj
Phone : 01713 069714
- 6. Flour Unit-2**
52/A, Faizderhat Industrial Area,
Sagorika Road, Chittagong.
Phone : 01708130207

ACI Salt Limited

- 7. Salt Unit**
Murapara, Rupganj, Narayanganj
Phone : 01713142857

ACI Foods Limited

- 8. Foods Unit**
Kutirchar, Bhadrachhat Kamarkhand, Sirajgonj
Phone : 01755607412
- 9. Rice Unit**
Swarashatipur, Mohadevpur, Naogaon
Mobile : 01709650770

Premiaflex Plastics Limited

- 10. Premiaflex Unit**
Kewa Poschim Khondo, Mouna, Sreepur, Gazipur
Phone : 01711136494
- 11. Premio Plastics Unit**
Dharmagonj, Fatullah, Narayanganj
Phone : 01700767910

ACI HealthCare Limited

- 12. HealthCare Unit**
Treepordi, Sonargaon,
Narayanganj- 1440
Phone : 01713238832



Advanced Chemical Industries Limited

Registered Office

ACI Centre, 245 Tejgaon Industrial Area, Dhaka 1208

PROXY FORM

I/We _____
of _____
being a Member of Advanced Chemical Industries Limited, hereby appoint _____
_____ of _____
whose signature is appended below as my/our proxy to attend and vote for me/us and on my/our behalf at the 46th Annual General Meeting of the Company to be held on Monday, 23 December 2019 at 11:00 a.m. and/or at any adjournment thereof.

As witness my hands this _____ day of _____ 2019.

| |
|--|
| Signature on Tk.20 Revenue Stamp |
|--|

(Signature of the Proxy)

(Signature of the Shareholder)
Registered Folio/BO ID No. _____
No. of Shares held _____
Date: _____

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

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



ADVANCED CHEMICAL INDUSTRIES LIMITED

Registered Office

ACI Centre, 245 Tejgaon Industrial Area, Dhaka 1208

ATTENDANCE SLIP

I hereby record my Attendance at the 46th Annual General Meeting being held on Monday, 23 December 2019 at 11:00 a.m. at Officers Club, 26 Baily Road, Dhaka.

Name of member/proxy _____

Registered Folio/ BO ID No. _____

No. of Shares held: _____

Signature of Shareholder(s)



Safety, Health and Environment (SHE) Policy

ACI is committed to conduct all its operations in a manner that is protective of the environment, health and safety of employees, customers and the community. To this end, the company has already obtained ISO 14001 Certification for Environmental Management System. ACI will provide the resources to educate and involve every individual in the Company in achieving this objective. In fulfillment of this commitment, we shall maintain a continuing effort to adhere to the following principles.

Principles

- 1 We believe that all accidents, incidents and work- related ill health are preventable and with this aim in mind we will manage our businesses. We will deploy adequate resources for the prevention and control of accident.
- 2 We will investigate all workplace accidents and illnesses in order to promptly correct any unsafe conditions or practices, and to prevent repetition of these occurrences.
- 3 We will fully comply with all the national regulations but in addition will set our own stringent internal corporate standards on matters relating to safety, health and the environment, and endeavour to strictly adhere to them.
- 4 We will continue to improve communication and exchange views with employees, employee representatives, customers, contractors, suppliers, neighbours and any other individual or organisation affected by our business.
- 5 We will integrate SHE considerations into business planning and decision-making.
- 6 We will continue to innovate in order to improve our products and processes so that their effects on safety, health and the environment are reduced.
- 7 We will increase shareowners' value through SHE excellence.



Advanced Chemical Industries Limited
ACI Centre, 245 Tejgaon Industrial Area, Dhaka 1208

