

***Thesis Report
On
Measurement of Financial
Performance of***



Submitted by:

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Submitted for the partial fulfillment of the degree of
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Sonargaon University (SU)
Dhaka- 1215

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*Thesis
On
Measurement of Financial
Performance of*



Prepared for:

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Date of Submission: 20th April 2021

Letter of Transmittal

20 April 2021

Assistant Professor

Department of Business Administration

Sonargaon University (SU)

Subject: Submission of Thesis Report on Measurement of Financial Performance of ACI Limited

Dear Sir,

With humble honor and respect, I am submitting my thesis report on “Measurement of Financial Performance of ACI Limited”. As per partial accomplishment of the requirements for the EMBA degree, I have completed thesis from “Advanced chemical industries limited “As per partial accomplishment of the requirements for the EMBA degree, this thesis report has been carried out under the supervision of you.

This report is an integral part of our academic courses in completion of the EMBA program which has given me the opportunity to have an insight into the Measurement of Financial Performance I hope this report reflects on the contemporary issues on the financial that are being practiced by organizations in our country.

In completing the report I tried my best to blend all my knowledge and imparted every available detail and also attempted to avoid unnecessary amplification of the report.

I humbly request you to accept this report for your kind evaluation.

Sincerely,

Mohammed Abdus Salam

ID: EMBA 2001019007

Department of Business Administration

Sonargaon University (SU)

Certificate of Supervisor

This is to certify that the **Thesis Report on “Measurement of Financial Performance of ACI Limited”** has been prepared as a part of completion of the EMBA program from Department of Business Administration, Sonargaon University (SU), carried out by Mohammed Abdus Salam, bearing ID: EMBA 2001019007 under my supervision. The report or the information will not be used for any other purposes.

.....

Md. Masud Rana
Assistant Professor
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Student Declaration

I am Mohammed Abdus Salam, a student of EMBA, ID: EMBA 2001019007 from Sonargaon University (SU) would like to solemnly declare here that this report on “**Measurement of Financial Performance of ACI Limited**” has been authentically prepared by me. While preparing this report, I didn’t breach any copyright act internationally. I am further declaring that, I did not submit this report anywhere for awarding any degree, diploma or certificate.

Sincerely Yours

Mohammed Abdus Salam

ID: EMBA 2001019007

Program: EMBA

Major: Accounting

Sem: Spring’

Letter of Authorization

This is to certify that **Mohammed Abdus Salam**, ID: EMBA 2001019007, EMBA (Major Accounting), is a regular student of Department of Business Administration, Sonargaon University (SU). He has successfully completed his report on “**Measurement of Financial Performance of ACI Limited**” and has prepared this research under my direct supervision. I think that this research paper is worthy of fulfilling the partial requirements of EMBA program. I also declare that the study has been prepared for academic purpose only and this paper may not be used in actual market scenario.

I have gone through the report and found it a well written. He has completed the report by himself. I wish him every success in life.

.....

Md. Masud Rana
Assistant Professor
Department of Business Administration
Sonargaon University (SU)

ACKNOWLEDGEMENT

First of all I would like to categorical my gratitude to the Almighty Allah. This is my pleasure that I could successfully complete my thesis report by the grace of almighty Allah.

I want to convey my heartfelt respect and cordial thanks **Md. Masud Rana**, Assistant Professor, Department of Business Administration, Sonargaon University, Encouragement, Guidance, advices and valuable supervision. I am very lucky for getting the opportunity to prepare this report under his supervision and guidance. Without her instruction it was impossible for me to complete this report successfully.

I am also really responsible to my honorable teacher **Abul Kalam**, Associate Professor and Dean of Department of Business Administration, Sonargaon University for this countless support and guidance. It is not my own credit in this effort. I would like to extend my-sincere regards and gratitude to my honorable teachers whose kind's guidance and assistance enable me to complete my EMBA program and to develop my career through their invaluable teaching.

Finally, I want to thanks **Md. Kishlur Rahman**, FCA, FCMA, Senior Corporate Finance Manager, Finance and Planning of ACI limited, for his regular support, coaching and supervision for getting ready. And last but not the least, I would like to thank all the personnel working at ACI Limited, Finance and Planning. They made the environment congenial and favorable for me to recognize the tasks. Without their help and co- operation, this record would possibly no put together remaining report. I hope that it will help me in my future expert work.

Moreover, I like to thanks all people who used to be helped me for preparing this report.

Executive Summary

This report is prepared on the basis of my research experience at ACI (Bangladesh) Limited. This thesis report helped me to learn about the scenario of measurement of financial performance analysis of the company and how it expands its financial circumstances in our country.

ACI has been a partner in the development journey of this nation for more than 29 years now. Its business success has been complemented by its commitment to the environment, society and community. There are many different categories of institutions, which play a vital role for changing the social structure and for the economic development of our country. ACI is one of the most important institutions of them. ACI is playing an important role to build, nurture & to enhance of a Capital Market for the economic growth of Bangladesh. ACI has proved itself a caring organization to the existing employees. As a development financial institution it provides term loan to finance equity gap, provides working capital. As a market maker it has unit certificate, underwriting securities.

It also deals and manages Mutual Funds. The report emphasizes with the analysis of the footwear industry, company in focus, presenting the mission & vision, the values & product, description of 8 associates companies, finance related issues are discussed in detail along with their results and possibilities. That is why it is very much important for us to know about practical functions of ACI which are playing significant roles for the economic development of Bangladesh.

I was assigned for the accomplishment of my thesis on financial performance analysis and I have tried to present my report on the basis of my research and survey which I gained during the thesis period. The basis of my report is financial analysis of ACI's performance through ratios and plotting in the chart. I try to focus on ACI's financial performance by evaluating its liquidity, solvency and profitability position. I also try to evaluate its portfolio performance of different funds. At the last phase of my report, I present my major findings, problems that have faced the company during investment period and give recommendation which I thought important

LIST OF ACRONYMS

Abbreviation	Definition
ISO	International Organization for Standardization
ACI	ACI Advanced Chemical Industries
BBA	Bachelor of Business Administration
cGMP	current Good Manufacturing Practice
PGM	Product group Manager
BM	Brands Manager
R&D	Research and development
ICI plc	Imperial Chemical Industries PLC
CC&PH	Crop Care & Public Health

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• *Introduction* •

CHAPTER- ONE

INTRODUCTION



1.1 Origin of the Report:

The report was done as a part of the internship program of EMBA. The report focuses on measurement of financial performance analysis of ACI and I was assigned on a documentation making program. So I grab this topic as my thesis topic and started to work on it as it relates with my academic major background. The thesis started on 10th March 2020 and ended on 20th April 2021.

1.2 Objectives of the Report

To analyze the activities of the company.

To evaluate the measurement of financial performance of the company from 2016-2020.

To find out the problems of the company.

To provide some recommendations about the problems of the company.

1.3 Scope of the Report

The basic area for the report is analyzing the activities and performance of management operation of ACI Limited. In this work, the general view of the economic overall performance in line with the industry, records, and Mechanism, guidelines of ACI Limited and other sports are drastically analyzed and the locating s are clarified at the side of intensity observe

1.4 Background of the Report

ACI has been a partner in the development journey of this nation for more than sixty years now. It has set itself the highest standards in responsible corporate behavior and its passion for success is aligned with the development of the country. It is committed to playing a leading role in driving growth, prosperity, ethical values and social responsibility. ACI continues to serve its customers through unparalleled quality excellence and service superiority. In corporate investment it plays an important role. Its business success has been complemented by its

commitment to the environment, society and community. Over the decades, ACI has grown in size, scale, and diversity. The Group today has fourteen operating companies, three other business ventures, and a not for profit social enterprise. ACI operates in different broad segments like Formulations, Food, chemicals, Automobiles and Engine, motors, agro, healthcare and Biotech.

1.5 Methodology

This report has been prepared based on experience gathered during the period of project paper. For preparing this report, I studied different circulars and files of the organization. As well as, I have searched about other organizations in this industry and collect financial data. I hope these criteria will be enough to find out different picture of industry as well as and financial Performance of the selected organization (ACI Limited.)

Primary Data:

Primary Data was derived from the practical deskwork. Moreover, the survey also helped me to get information directly from the employees.

Secondary Data:


- ✓ Annual reports of ACI Limited
- ✓ Annual report of other companies in this industry
- ✓ Different books, training papers, manuals etc. related to the topic
- ✓ Official Website of the Organization and others.
- ✓ Product details given by the organization

1.6 Limitations of the Report:

From the beginning to end, the study has been conducted with the intention of making it as a complete and truthful one. However, many problems appeared in the way of conducting the study. The sources of the information are collected from different company's website and annual report and also from ACI Limited Website. Every task has some limitations. I faced some usual constraints during preparation of this Thesis report. These are as follows:

- Collecting Information
- Inadequacy and lack of availability of required Current data
- Confidential data of the ACI Limited
- Communication
- Busy working Environment of the offices
- Different Format Data
- Technological Problem
- Financial Data Complexity
- Lack of in-depth knowledge and analytical ability for writing such report

Chapter Two: Overview Of The Organization




ACI Enabling Bangladesh through Quality and Technology

Advanced Chemical Industries Limited (ACI) is one of the largest conglomerates in Bangladesh. Originally, it was established as the subsidiary of Imperial Chemical Industries (ICI) in 1968. ACI's Mission is to enrich the quality of life through responsible application of knowledge, skills and technology. 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.


ACI is the first company in Bangladesh to obtain ISO 9001 and ISO 14001 certifications and also the only company in Bangladesh to be inducted as founding member of the Community of Global Growth Companies (GCC) by the World Economic Forum.

ACI Limited
Advancing Possibilities


Signatory to Global Compact Initiative of UN




Health Care




Consumer Brands




Crop Care




Foods




Retail




Agri Machinery




Livestock and Fisheries



Seeds



Fertiliser



Plastics

www.aci-bd.com

Introduction

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. ACI follows International Standards on Quality Management System to ensure consistent quality of products and services to achieve customer satisfaction. ACI also meets all national regulatory requirements relating to its current businesses and ensures that current Good Manufacturing Practices as recommended by World Health Organization is followed properly. 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 organization. Advanced Chemical Industries (ACI) Limited, being one of the largest conglomerates in Bangladesh with a multinational heritage operates across the country through its four diversified strategic business units. ‘ACI Pharmaceuticals’ is dedicated to improve the health of the people of Bangladesh through introduction of innovative and reliable Pharmaceuticals products.

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

2.2 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.

2.3 Vision

To realize 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 utilization 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, utilizing our core competencies.

2.4 STRATEGY

To build long-term partnership with the customers and with their support, we aim to maximize the potential of our business through a combination of enhanced quality of product, service, creative marketing, competitive pricing and cost efficiency.

2.5 VALUES



Quality



Customer Focus



Fairness



Transparency



Continuous Improvement



Innovation

2.6 Financial Year

Financial Year (July 2019- June 2020)

Authorized Capital (BDT)	1500 Million
Paid Up Capital (BDT)	574 Million
Sales (BDT)	23,202 Million
Number of Employees	8,364 (Eight Thousand Three Hundred Sixty Four)

2.7 Board Of Directors

The list of Board of Directors of the company is given below:

CHAIRMAN :

Mr. M. Anis Ud Dowla

MANAGING DIRECTOR :

Dr. Arif Dowla

DIRECTORS:

Mr. Golam Mainuddin

Ms. Shusmita Anis

Mr. Waliur Rahman Bhuiyan

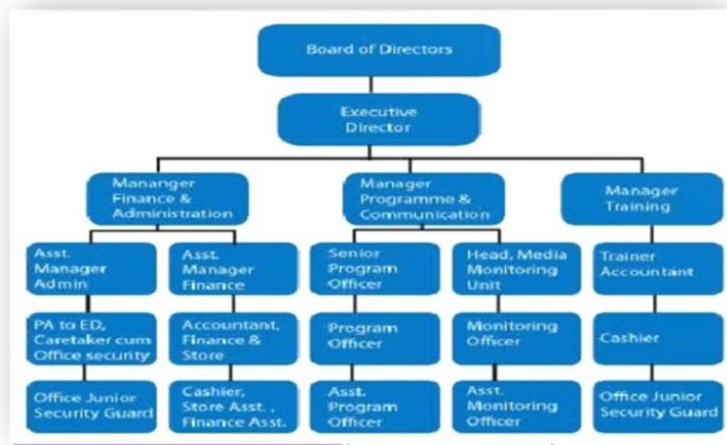
Mrs. Najma Dowla

INDEPENDENT DIRECTORS:

Mr. Abdul Mueyed Chowdhury

Mr. Junaed Ahmed Choudhury

2.8 COMPANY ORGANOGRAM



2.9 Product Portfolio

Since the beginning of the journey in 1992, the product quality image of ACI is impressive and it is increasing day by day. There are some important drivers of ACI's growth. They are:

Quality products manufactured in world class manufacturing plants

Diversified product portfolio

Fast new product development capability

Own R&D facilities to develop formulations

Innovative and market focused marketing

Professional management and

Experience in international market

2.10 Major Departments

Like every other corporation ACI has different departments for carrying out several activities. The major departments of ACI are:

2.11 Human Resource Department:

The Human Resource Department is responsible for the management of the employee in order to achieve organizational goals and coordinates with other departments for the effective utilization of resources. This department works for recruiting, training and evaluating employees who collect raw materials from the specific vendors at suitable quantity. In addition to that this department also purchases required machineries and stationery products for the organization. This department received the bills from the third party and sends them to Finance and Treasury.

2.12 Financial Department

ACI has accomplished a brand image of financially sustainable in both money and capital markets of Bangladesh. Some of the prominent features of being financial sustainable are as follows:

1. This prepares both short and long term financial plans following bottom up approach. This has given two edges-management and effective implementation.
2. All directors of the Board are actively involved in financial plans and financing both capital structures and working capital at least cost for value generation of the stakeholders.
3. All in the ACI are well informed about financial plans and programs well ahead of implementation. This has increased the degree of employee participation;
4. The financial and operating risk is very low;
5. Credit Rating –Long term Liquidity AA-3 indicates the long term financial soundness of ACI.

2.13 Marketing Department

ACI has been able to maintain its growth through its innovative marketing strategies. In Bangladesh, ACI introduced the concept of quality management system by being the first company to achieve ISO 9001 certification that reflects its commitment to quality in every aspect of business.

ACI covers the health care community of whole Bangladesh based in both urban and rural markets, through its 18 strategically located depots. Also started exploring international markets. The quality of ACI products, strengthened by its ISO 9001 certification, has brought immediate success in Sri Lanka, Yemen, Myanmar and Vietnam.

2.14 Information Technology Department

The Information Technology (IT) Department develops and maintains an internal network of workstations equipment, operating systems and servers to tie the departments together. This department uses the software programs to manage the information electronically.

2.15 Research & Development

ACI's research and development department plays an integral role. They find out whether the existing products need any change and upgrades according to the requirements. New product research and development, quality check etc. are the main activities of this department.

2.16 ACI Quality Policy



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

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

2.17 ACI Environmental Policy



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 is committed to formulate and conduct all its operations in an environmentally friendly manner, ensuring continual improvement in the utilization 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 up gradation of technology.

Chapter-3

Activities of ACI Limited



Services of ACI Ltd

There are many services provided by ACI Limited. They have many activities and related business units to provide those services. Mr. M. Anis Ud Dowla founded the company and paved the way for making of one of today's leading Bangladeshi business. Businesses of ACI ltd. are-

ACI Pharmaceuticals Limited

ACI HealthCare Limited

ACI Salt Limited

ACI Formulations Limited

Creative Communication Ltd

ACI Logistics Limited

Consumer Brands Division

Toiletries

International Brands

ACI Hygiene

ACI Home Care Solutions

ACI Electrical and Electronics

ACI Paints

ACI Salt Limited

ACI Flour Limited

ACI Foods Limited

ACI Rice

ACI Edible Oils Limited

Agribusinesses Division

ACI Foods Limited

ACI Fertilizer

ACI Animal Health and Genetics

ACI Motors

ACI Agrolink

Premiaflex Plastics Limited

ACI Premio Plastics

Retail Chain Division

Joint Venture Companies

ACI Godrej Agrovvet Private Limited

Tetley ACI (Bangladesh) Limited

Asian Consumer Care Private Limited

ACI CO-RO Bangladesh Ltd.

3.1 ACI Pharmaceuticals Limited

In 1973, the UK based multinational pharmaceutical company, ICI plc, established a subsidiary in Dhaka, known as ICI Bangladesh Manufacturers Limited. In 1992, ICI plc divested its share to local management, and the company was renamed Advanced Chemical Industries (ACI) Limited. ACI formulates and markets a comprehensive range of more than 387 products covering all major therapeutic areas, which come in tablet, capsule, powder, liquid, cream, ointment, gel ,ophthalmic and injection forms. ACI also markets world-renowned branded pharmaceutical products like Arimidex, Casodex, Zoladex, Atarax etc. from world-class multinational companies like ASTRAZENECA, UK and UCB, BELGIUM in Bangladesh.

ACI is actively engaged in introducing newer molecules and Novel Drug Delivery Systems (NDDS) to meet the needs of the future.

ACI introduced the concept of quality management system by being the first company in Bangladesh to achieve ISO 9001 certification in 1995 and follows the policy of continuous improvement in all its operations.

Aligned with the concept that a pharmaceutical must ensure effective management of environment, ACI complies with standard environment management policy, thus adorned with EMS 14001 in 2000.

3.2 ACI HealthCare Limited

A public limited company, is a subsidiary of Advanced Chemical Industries (ACI) Limited was incorporated in 18 February 2013 under the Companies Act 1994.

The principal activities of the Company are to be manufacturing and marketing of pharmaceutical products for regulated markets, especially for USA. With this aim, the company has planned to establish a state-of-the-art pharmaceutical factory in Sonargaon, Narayanganj, Bangladesh. The Company has already acquired 1,241.71 decimal land valued at BDT 434,600,000 located at mouza- Tripurdi, Sonargaon, Narayanganj. The plant will manufacture products for domestic and international market.

3.3 ACI Formulations Limited

ACI formulation Limited (ACI FL) is a subsidiary of ACI limited, located at Gazipur in the out skirt of Dhaka. ACI FL manufactures majority of the products of ACI Strategic Business Limited except for the Pharmaceutical Division. The factory is equipped with the state of the art facilities for product formulations and process innovation. These include modern computerized equipment like HPLC and GLC.

The product range manufactured at ACI FL include Crop Protection Chemicals like Insecticides, herbicides and fungicides in granular, powder and liquid, mosquito pesticides in the forms of aerosols, vaporizers and coils house hold chemicals like toilet cleaners and hand wash.

3.4 Creative Communication Ltd

Creative Communication Ltd. Is an integrated marketing and advertising agency. Focused on providing with result-oriented advertisement, public relation and complete corporate communication solutions

Creative Communication Ltd. was founded in April 2000. Our core competencies are as follows:

- Unfiltered quality and commitment.

- A unique combination of both creative and business sense.

- A team of professional, dedicated and pragmatic experts geared to use updated technology in various areas of work.

- Long-term partnership with customers.

3.5 ACI Logistics Limited

Operated by ACI Logistics Limited, Shwapno is the top retail brand in Bangladesh. As the largest retail chain in the country, Shwapno touches the lives of over 35,000 households each day. ACI Logistics made its entry into retail in 2008 as “Fresh and near” in order to fulfill the company’s “Seed to Shelf” vision of connecting farmers directly with consumers. Shwapno was initially focused on the price sensitive customer base, but after years of steady growth of its conventional retail and other channels, the company now serves a diverse market covering many segments. The Shwapno brand itself has evolved over this journey, and today is shifting its focus from value to

nurturing aspiration. By delivering excellent service and through award winning communication campaigns, Shwapno has become the most recognized and trusted retail name in the country, an achievement that was reflected with the awarding of the Best Retail Brand award by Bangladesh Brand Forum in 2016

Consumer Brands Division

3.6 Toiletries

ACI Consumer Brands' Toiletries business has been serving the country with a number of well-known products. Toiletries business includes the heritage brand Savlon with various sub-categories including Soap, Hand Wash, Antiseptics Liquid and Cream, Hand Sanitizer, Disinfectant Spray and Wipes. Recently, a new addition to Savlon family, 'Savlon Hand Rub', was launched that received great response from consumers. A new category of health soap 'Septex' has also been launched to meet the rising demand in the antiseptic category. Other categories like Fabric Care, Surface Care, Beauty Soap, Kitchen Care and Herbal products have achieved significant growth as well. With the breakout of COVID-19 pandemic in Bangladesh, demand for hygiene products rose sharply. We have been successful to tackle the sudden demand surge amidst this situation by properly managing the supply chain disruption, transportation crisis and many other obstacles. We have worked to raise awareness among the mass population and promoted healthy and safe lifestyle during the pandemic. This has resulted in exponential growth in revenue as well as brand equity of Toiletries brands. At the end of FY 2019-2020, Toiletries business of ACI Consumer Brands achieved an outstanding growth of 62%. The flagship brand Savlon closed the year with 79.8% market share in antiseptic category.

3.7 International Brands

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

3.8 ACI Hygiene.

3.8.1 Savlon Freedom sanitary napkin:

To ensure good female hygiene practice among the Bangladeshi women, ACI launched Savlon Freedom sanitary napkin in 2008 under the Female Hygiene Category. ACI is always trusted by the consumers for its excellent product superiority. The product superiority of Freedom sanitary napkin has further increased the trust of the consumers Savlon Freedom is the international standard Sanitary Napkin manufactured through World's latest technology. It provides the highest absorbent capacity and best dry feel advantage to make the user feel comfort and protected, so that she can move ahead equally in the 30 days of the month.

3.8.2 Savlon Twinkle Baby Diaper:

Savlon Twinkle Baby Diaper is as tender and soft as mother's touch and as cautious and vigilant as mother's instincts. It relieves mother's tension by ensuring zero leakage and its wetness indicator tells her when diaper needs to be changed.

3.8.3 Twinkle Baby Wipes:

Twinkle Baby Wipes carefully cleans baby's sensitive skin. It has pre-moisturized cleansing sheets that help to protect baby's skin from dryness. Its antibacterial formula helps to keep baby's skin germ-free. Twinkle Baby Wipes is Alcohol-free and tested for pH 5.5.

3.8.4 Twinkle Baby Feeding Solution:

Twinkle Baby Feeders and Nipples are made with high quality food graded silicone materials with transparent designs. It ensures highest safety for baby and convenience for mother. Cute prints on feeder bottles with bright colors stimulate baby's visual sense and are completely safe for babies.

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

3.9 ACI Home Care Solutions

Home Care Solution comprises products from both Pest and Non-Pest Category. ACI Aerosol delivers the benefits of the most effective insect protection to the consumers. ACI Aerosol continues to lead the Aerosol category with 90.6% market share. In the non-pest category, Angelic Air Freshener is the pioneer in locally manufactured air fresheners upholding the leading position in the market. Angelic is now enriched with 11 refreshing fragrances satisfying the needs of different occasions. On the contrary, Vanish Toilet Cleaner has witnessed a positive growth in the market after introducing the first Citrus variant and our share has moved to 4.5% from 4%

3.10 ACI Electrical and Electronics

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

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

3.11 ACI Paints

The business had a negative growth of 30% over last year. It did well until 2nd quarter of 2019-2020 but due to the sudden outbreak of the pandemic from late 3rd quarter there was a sharp de-growth. The paint industry was massively affected globally as well. Despite the situation, the business has developed a few technology-driven brands to be made available next year. New software for color visualization has been introduced during this year for client's project preview to give the feel of augmented reality. Factory tinting system for performance coating has been established recently, which will enable us to support the customers.

3.12 ACI Salt Limited

Next to water, salt is the most essential item in human diet, the salt industry of Bangladesh has always been in a primitive position offering the consumers low quality edible salt that they use in everyday use. And the consumers were not differentiating much among the brands available to choose this essential nutrient of everyday life. This all started to change in 2005 as ACI Limited, one of the leading conglomerates of the country, decided to offer the consumers a finest quality edible salt equivalent to any international brand. ACI Limited launched ACI PURE Salt as this would contribute to enrich the quality of life of people which is an integral part of ACI's corporate mission.

ACI Pure Salt successfully maintained its leadership position in the fiscal year 2019-2020 achieving 10% growth over last year despite facing a lot of obstacles. While leading the market it faced rivalry from counterfeit salt which are substandard in quality. ACI Pure Salt is manufactured using Switzerland's true cutting-edge technology, the most advanced vacuum evaporation method that guarantees 100% pure, crystal-white, and accurately iodized and free flowing edible salt. Since the latent demand of consuming vacuum salt has already been initiated and demand is increasing gradually.

3.13 ACI Flour Limited

ACI Pure Flour Limited is one of the largest flour producing companies in Bangladesh delivering healthiest, purest and most hygienic flour by adopting State of the art technology. ACI Pure Flour Limited is a Subsidiary of ACI Limited, established in 2008. The mission of ACI Pure Flour Limited (APFL) is to capture the demand and supply of wheat based product in Bangladesh. Within a very short span of time 'ACI PURE' has become consumers' morning bell and the most familiar brand in the day to day life of the consumers and snatched a unique position overtaking all other players in the market.

ACI Pure Flour has grown by 19% over last year. The business continues to maintain a strong market share in the retail market and provides a range of innovative products.

3.14 ACI Foods Limited

The necessity of pure food in the minds of Bangladesh consumers especially in the commodity food business has pushed ACI to fill up the market demand by producing food products such as spice, edible oil, snacks, confectionary etc. ACI is engaged in manufacturing, marketing, and distribution of various branded food products and condiment. Now the customers of Bangladesh are ensured with 100% pure food products under the brand name of 'Pure'. Within the very short period of its entrance this brand has been enjoying second leading position in the market. Fun Candy and Fun Chanachur produced from high quality imported raw materials with state of the art technology have attained enormous popularity among the consumers. ACI Foods Ltd. is focusing on improving the food habit of Bangladeshi Consumers through providing more ready to cook products and ready to eat as well. ACI is also exporting its Pure Brand products to Australia, UAE, Kuwait, Saudi Arabia, Bahrain, Qatar and many other countries to come into the list. ACI Foods grew by 43% over last year.

3.15 ACI Rice

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

3.16 ACI Edible Oils Limited

ACI Nutrilife believes in the betterment of people's health and life. Apart from maintaining its uncompromising quality, under ACI Nutrilife, newsletter named Dr.Nutrilife is regularly published and distributed where expert advices on health are communicated. Through this newsletter we help our target group to fight against diseases like diabetes, cardiovascular diseases and colon cancer.

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

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

Agribusinesses Division

3.17 Crop Care and Public Health

ACI Crop Care is one of the most renowned names and leading agro chemical manufacturer and supplier of Bangladesh. It has been about two decades since CC&PH (Crop Care & Public Health) has started the journey at 1996; and since then contributing to the growth of country's agriculture sector and marked a huge footprint in the industry by showing quality and innovation. ACI Crop Care helps farmers protecting their crops from diseases, insects and weeds and thereby increases farm production through appropriate use of pesticides. CC&PH is providing a complete range of cost effective solution for the farmers through formulating and marketing insecticides, herbicides, fungicides and matricides etc.

ACI CC&PH is having strong partnership with national and international R & D companies, universities and research institutions. Before introducing any product, it is elaborately tested in the laboratory and farmers field.

The industry registered a negative growth of 8%. Crop Care business had de-growth of 5% over last year. Granular Insecticide segment grew by 6%, Herbicides by 8% and Fungicides by 30%. Sulphur portfolio suffered significantly due to 30% subsidy by the Government on Sulphur containing fertilizer. Crop Care introduced five new generation molecules this year. Last year Bangladesh witnessed one of the worst periods of adverse climatic condition. Repeated flooding and incessant rains affected almost one third of cropland. In addition, COVID-19 restricted movement of farmers, our Field Force and Dealers due to lockdown restrictions. Flora, which is a yield booster and a plant energizer for rice, has established a strong brand image among the farmers. However, this portfolio also suffered due to natural calamity condition. ACI Crop Care

has expanded its Research and Development wing with a dedicated team for conducting a large number of field trials on various target crops to expand business opportunities. During the COVID-19 pandemic our employees visited the fields with proper precautions to provide service to the farmers.

3.18 ACI Fertilizer

ACI Fertilizer has come up with a wide range of organic fertilizer, macro & micronutrient and foliar fertilizers while incorporating modern methods and technology in the soil management practices in Bangladesh to ensure high yields of crops

ACI Fertilizer had a negative growth of 25%. The business was adversely affected by the pandemic, leading to serious shift in demand and prices. Fertilizer business has focus on enriched humus base organic and hormonal product lines. Market is expanding due to its impact on yield and soil health management.

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

3.19 ACI Animal Health and Genetics

“Bangladesh experiences short supply of protein for its people that we see from per capita Meat, Milk and Egg intake. ACI Animal Health envisions to reduce the protein gap through a substantial growth of the animal health industry. To facilitate this growth, ACI Animal Health has launched the entire range of products for Cattle, Poultry and Fisheries. It markets premium quality nutrient vet, preventives, anthelmintic, analgesics, anti-histaminic, anti-pyretic, vaccines etc. It also helps farm-owners with useful information of technologies, and helps in identifying problems related to domestic animals and fisheries. ACI Animal Health is moving ahead in a great pace with its wide range of innovations and is committed to ensure protein availability to every individual of the country”

In order to provide world class innovative products to customers, ACI Animal Health has already made collaboration with some international suppliers. Some of them are:

- ✓ Ceva Sante Animal, France
- ✓ Ayurved Limited, India
- ✓ INVESA, Spain
- ✓ Kilko international Ltd, UK
- ✓ Tanin, Slovenia
- ✓ Biovac Limite, Thailand
- ✓ CID Lines International, Belgium
- ✓ Kenzy Medi, Canada
- ✓ Kum Yang, Korea

Despite the ongoing COVID-19 pandemic and countrywide flood, ACI Animal Health has ensured 19.3% growth with 14% market share. The business is divided into areas of Poultry, Cattle, animal Biologics, Aqua, Animal Nutrition and Feed Additives. Vaccine, Cattle and Animal Nutrition business have contributed 35%, 23% and 27% growth respectively. Availability of high selling products by ensuring alternative suppliers, timely delivery, product order and undisrupted production facility have helped to restructure the business back to a rapid growth phase.

However, protein consumption has reduced due to the news published on social media about the virus spread through chicken and egg which restricted Poultry business growth only to 11%. New technologies are being brought to rejuvenate the business. ACI is the first company to introduce Cevac New Flu H9K vaccine against H9N2 Bird Flu in Asia, which minimize the loss of farmers.

3.20 ACI Motors

ACI Motors has set the industry benchmark of providing the best After Sales Service in only 6 hours anywhere in Bangladesh. We have established a large network with our own sales and service center at 8 locations and hundreds of Authorized Parts Dealers all across the country. We also provide flexible credit facilities to make high quality agricultural machineries available to the farmers; and thus ACI Motors has propelled farm mechanization in Bangladesh. We have a Customer Care Helpline (16509) that operates 9:00 am to 6:00 pm every day.

ACI Motors had organized marketing activities throughout the year, among them were Yamaha Riding Training Academy and Yamaha Riders Club. In Construction Equipment business, ACI Motors is dealing with world renowned construction equipment brands like Case, Kobelco and Lovol. ACI Motors has introduced Indopower Cranes during this year, which is one of the leading crane brands from India. ACI Motors is prepared to play a bigger role in the infrastructure development of the country.

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

3.21 ACI Agrolink

ACI Agrolink Limited, a subsidiary of ACI Limited, aims to establish forward and backward linkage for farmers and agro value addition industry. ACI Agrolink Limited is positioning the business through penetrating into integrated safe food category and tapping into global trade operation that would promote an efficient distribution channel for safe and healthy food for the consumers of Bangladesh.

ACI Agrolink exports shrimp to France, Germany, Belgium, Netherlands, Denmark and Japan. Several buyers from these countries have visited ACI Agrolink Shrimp Processing Plant in Satkhira and appreciated the location and facilities of the factory. The business had completed construction of the factory as per international food safety compliances. They received Organic Agriculture and Forestry Certification by the Control Union of Germany, EU Export License and British Retail Consortium (BRC) Certificate. The business has also obtained Hazard Analysis Critical Control Point (HACCP) Certificate for shrimp processing and export. This new business is poised for growth.

3.22 Premiaflex Plastics Limited

Premiaflex Plastics Limited is a private Limited company incorporated in 2008. The factory of the company is located at Sreepur, Gazipur. Premiaflex Plastics Limited is a growth oriented company of flexible packaging manufacturer in Bangladesh, supplying quality printed flexible packaging

material using fully automated Flexo CI and Roto Gravure Printing technologies for various forms of laminates with foil, film and paper. Our operations expanded rapidly to meet the ever growing needs of local market. Our constant upgrading and investment in machineries and manpower have placed us in the front position of flexible packaging technology. Quality, together with consistency and reliability are adding more and more sophisticated printing and packaging machinery and equipment to deal with the increasing demands of quality packaging products in our country.

Premiaflex Plastics grew by 7.0% over last year. Premiaflex Plastics is specialized in manufacturing and selling Flexible Packaging products. The business enriched its portfolio by adding Lamitube and Label Stickers in its manufacturing plant. The business placed emphasis on customer satisfaction by innovating new products for customers. It plans to use the integrated quality control system in order to develop a premium market. It allows Premiaflex to maintain a critical strategic lead in the flexible packaging industry.

3.23 ACI Premio Plastics

ACI PREMIO PLASTICS is a value driven company and focused on customer orientation. We concentrate on improving the quality of life of our consumer through uniqueness and innovation in our product design and utility. We have incorporated the latest technology and best human resources to ensure the quality of products and services. Our major product categories are plastic household & furniture. We believe our continuous investment on our ideas and technology will enable us to offer premium solutions to the local as well as global consumer market.

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

3.24 Retail Chain Division

ACI Logistics has been strengthening its leadership position in the retail industry with a growth of 17%. Currently operating through its 144 outlets including 34 newly opened express outlets, Shwapno has been able to increase its footprint outside Dhaka and serves in 14 districts. This has led to 49% market share of the modern trade industry. As the market leader of the retail sector, Shwapno has retained its Best Brand award status in the super store category from Kantar Millward Brown and Bangladesh Brand Forum for four consecutive years (2016, 2017, 2018 & 2019). Shwapno has been recognized Number Eighth overall brand in the country for 2019 as well as the title of “Superbrands” by Superbrands Bangladesh. Shwapno continues on its course to establish itself not only as a powerful national brand capturing the hearts of millions of consumers, but also the destination for safe and authentic products. Shwapno has been emphasizing heavily on safety and operational efficiency during this pandemic. Employee and customer safety have been of utmost priority and proper measures have been strictly ensured in all stores and work environment. Numerous challenges arose from supply chain management to ensure availability during the pandemic, but Shwapno was able to overcome them. Shwapno was able to elevate consumer confidence which was primarily due to the unrelenting efforts of store employees and the safety protocols they were provided. Shwapno express outlets have continued its growth and with an additional 34 new outlets. Shwapno’s e-commerce platform has grown significantly.

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

Joint Venture Companies

3.25 ACI Godrej Agrovet Private Limited

ACI Godrej Agrovet Private Limited (ACI-GAPL) is a 50:50 joint venture company of Advanced Chemical Industries Limited, Bangladesh and Godrej Agrovet Limited, India. ACI-GAPL is in the business of manufacturing and selling a variety of Animal feeds (Poultry, Aqua and Cattle feed) as well as Day Old Chicks (DOC). ACI-GAPL's innovative products are developed at "Nadir Godrej Centre for Animal Research and Development" and tested through many scientific field trials to deliver improved livestock yields in the areas of Poultry, Fishery and Cattle farming in a sustainable manner. The Company's revenue grew by 45%. We have renovated our breeding farm sheds into environmental controlled sheds and consequently Parents birds' rearing capacity increased by 40%.

3.26 Tetley ACI (Bangladesh) Limited

Tetley ACI Bangladesh Limited. (TABL) is a joint venture initiative of Tata Global Beverages and ACI Limited. It has been serving the Bangladeshi consumers since 2003 with its' uniquely blended tea. Tata Global Beverages is one of the most admired natural beverages companies in the world. It is a business with rich traditions and big ambitions. As a consolidated group, it is the 2nd largest tea company in the world, and is on a journey to become the global leader in branded natural beverages. The Company continues to provide consistently high quality blend through its global tea sourcing and blending expertise

Tetley ACI (Bangladesh) Limited has had a good year in 2019-2020 with a better market reputation and a volume growth of 8.4% over last year

3.27 Asian Consumer Care Private Limited

ACI Limited has Joint Venture with one of the leading companies of India, Dabur India as Asian Consumer Care Ltd. Dabur has a long range of food items which is distributed through the channels of ACI Consumer Brands. These products are very popular in Bangladesh Market. The food items are:

Dabur Honey.

Dabur Chawanprush.

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

3.28 ACI CO-RO Bangladesh Ltd.

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

CHAPTER 4
FINANCIAL PERFORMANCE EVALUATION
OF ACI LIMITED
(2016-2020)



4.1 Assessment of Financial Performance:

Assessment of Financial Performance is essential for an association. All the overall revenue, gain or misfortune, planning, future results, future advantages, current monetary condition etc. can be known through money related execution investigation.

The Bookkeeping technique or budgetary uncovering system, which produces financial information for outside customers, consolidates five primary cash related clarifications:

Articulation of Monetary Position

Income Articulation

Statement of Money streams

Statement of Changes in Value

Fiscal summaries give information about the benefits, liabilities, Salary and cash money streams, and speculators' estimation of the firm. The effects of trades and diverse events are recorded in the best possible fiscal summaries.

The pay explanation reports livelihoods, expenses and gains and misfortunes.

The monetary record indicates resources, liabilities, & stockholders' esteem; the declaration of speculators' esteem reports capital trade with proprietors.

The explanation of money streams incorporates working contributing, and monetary inflows and outpourings. Various trades are reflected more than one declaration with the objective that the entire set is required to survey the firm.

Footnotes give information about the accounting methodology, assumptions, and appraisals used by organization to develop the data reported in the budget summaries. They are expected to empower customers to improve assessments of the aggregates, timing, and powerlessness of the evaluations uncovered in the cash related clarifications. Analyses give additional disclosure related to such ranges as:

Fixed resources

Income charges

Inventories

Pension, Tip and other post advantage standards

Debt

Interest rates, development and foreordained terms

Lawsuits

Marketable securities and different ventures

Hedging and other peril organization works out

Business segments

Significant customers, arrangements to related social affairs and passage bargains.

The cash related uncovering structure isn't incredible. Examination of these declarations helps both the association and its theorists to fathom the general cash related condition of the association.

Here a couple of reasons of the prerequisite for fiscal reports examination are given underneath:

In an ideal world, the customer of fiscal reports could focus just on the principle worries of cash related declaring: net pay and financial specialists' esteem.

The financial events and bookkeeping areas don't look at accurately, they separate over the estimations of timing, affirmation and estimation.

Economic events and bookkeeping affirmation of those events frequently occur at different conditions.

Long - lived assets are made down, as a general rule, in the Financial Time of organization's choice.

Generally GAAP permit fiscal events that do persuade accounting affirmation to be seen in different courses by different cash related enunciation prepare.

Financial reports much of the time contain strengthening data that, notwithstanding the way that prohibited in the declarations themselves, help the cash related verbalization customers to make an interpretation of the declarations or to change proportions of corporate execution to make them increasingly comparative.

Information from outside the budgetary detailing strategy can be used to make cash related data progressively important.

4.2 RATIO ANALYSIS:

Ratio analysis are used to take a gander at the danger and return of different firms to help esteem theorists and advance supervisors settle on keen endeavor and credit decisions. Proportions can similarly give a profile of a firm, its money related characteristics and centered procedures and its unique working, budgetary and theory trademark. By doing extent examination it is possible to understand an association's past, present and future conceivable money related situation.

Four proportion classes measure the risk and return relations. These characterizations are:

4.3 Liquidity Analysis:

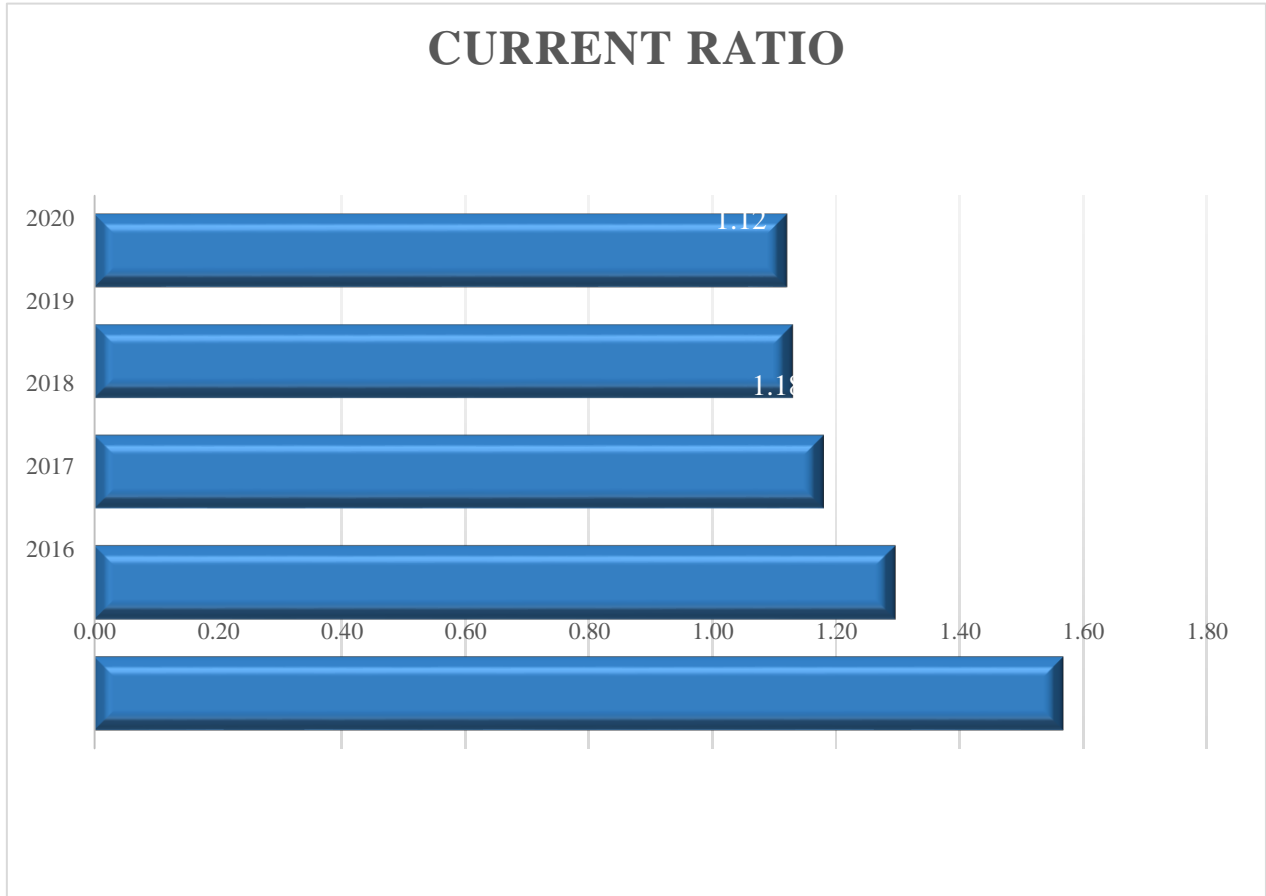
Momentary moneylenders and credit managers must assess the limit of a firm to meet its present responsibilities. The limit depends upon the cash resources available as of the bookkeeping report date and the cash to be made through the working cycle of the firm. The shorter the cycle, the more profitable the affiliation's assignments and cash organization is. The more drawn out cycles may be decisive of cash lack sand extended financing costs. Liquidity Examinations is made to fathom the liquidity position of an association. Liquidity position of run with infers the limit of an association to pay its transient duty, by using its momentary assets. Three extents are used to coordinate the liquidity examination. They are the current ratio, quick ratio and cash ratio. In the midst of these three proportions Current and Quick ratio are considered in here

Current Ratio

Quick Ratio

4.3.1. Current Ratio

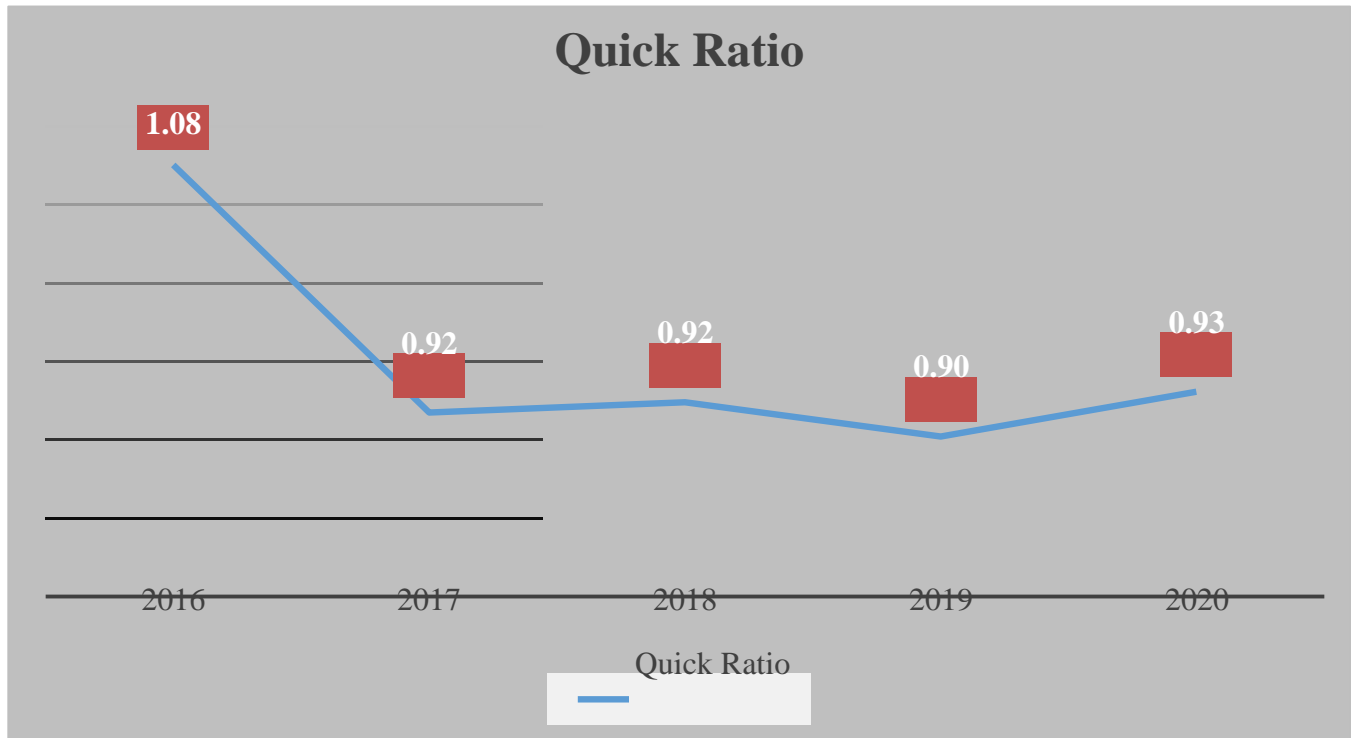
2016	2017	2018	2019	2020
1.57	1.29	1.18	1.13	1.12



Interpretation: The Graphical Presentation shows the company's current ratio. In 2016, there are 1.57 Taka current assets against 1 Taka liability. It has decreased in 2016 which means it is not better for the company liquidity. Farther we can analysis its ability to pay the liability with industry average which identifies that it is doing better. So, from the comparison of industry average and competitors' average, it can be said that company is doing better in the consecutive years which indicates that ACI Ltd. has more current assets against the current liabilities.

4.3.2. Quick Ratio

2016	2017	2018	2019	2020
1.08	0.92	0.92	0.90	0.93



Interpretation: The Graphical Presentation shows the company's Quick ratio. In 2016, there are 0.1.08 Taka current assets except inventories against 1 Taka liability. IF we compare within the company, it is better because it is increasing in consecutive years. The company has increased its liquid assets to pay its liability in 2020 and it is above the industry average which indicates the liquidity position of ACI is better than its competitors but in other years it was below the industry average which indicates that the liquidity position of ACI is not better than its competitors.

4.4 PROFITABILITY RATIO:

Profitability Ratio is an investigation of the benefit of an association's yield. Yield of an association can be gathered into items, clients, areas, channels as well as exchanges.

Gross margin

Operating margin

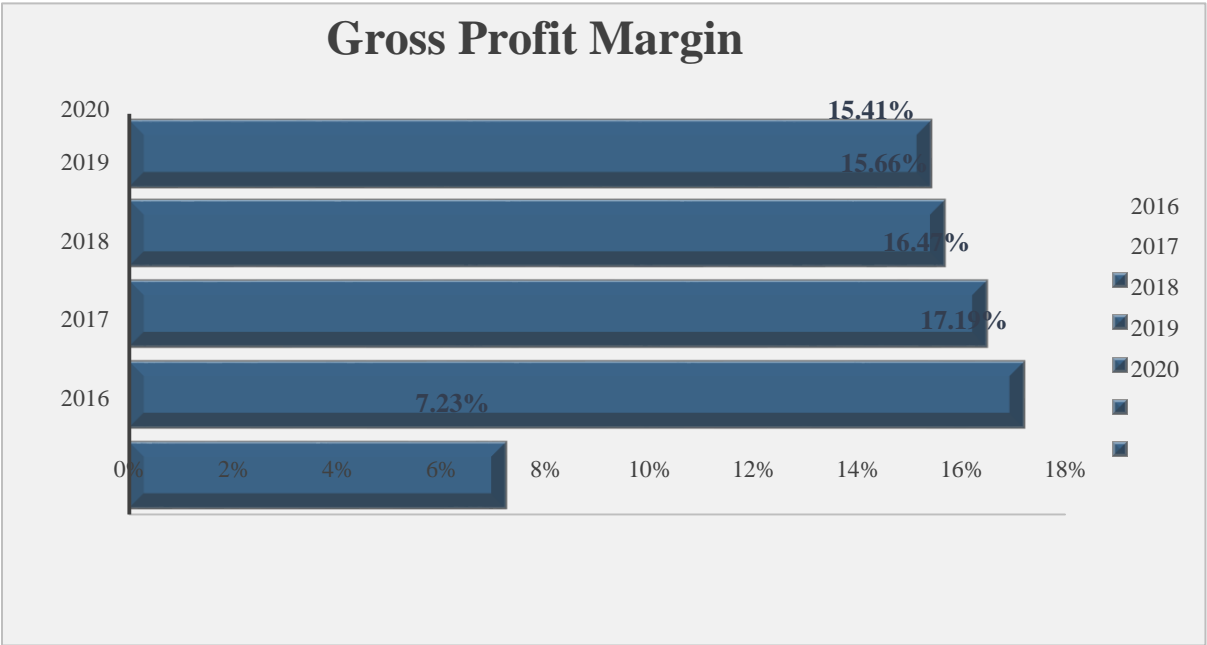
Net Profit Margin

ROA'

ROE'

4.4.1 Gross Profit Margin

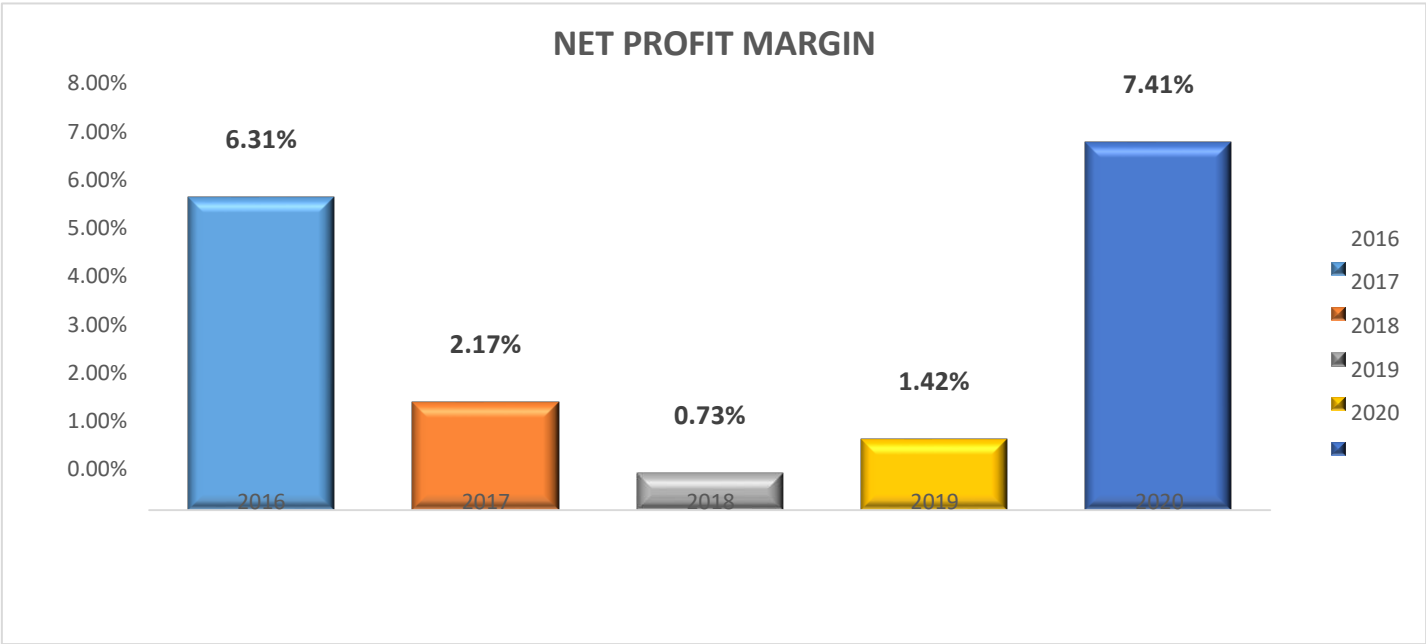
2016	2017	2018	2019	2020
7.23%	17.19%	16.47%	15.66%	15.41%



Interpretation: Gross margin ratio is a profitability ratio that compares the gross margin of a business to the net sales. This ratio measures how profitable a company sells its inventory or merchandise. From the Graphical Presentation, gross profit is in an average rate and deviation is not too much within years which indicate that company moderately performs to generate the revenue but in according to industry average and competitors company is doing better. It shows that only in 2017 and 2018 the Gross Profit Margin is good according to the comparison.

4.4.2 NET PROFIT MARGIN:

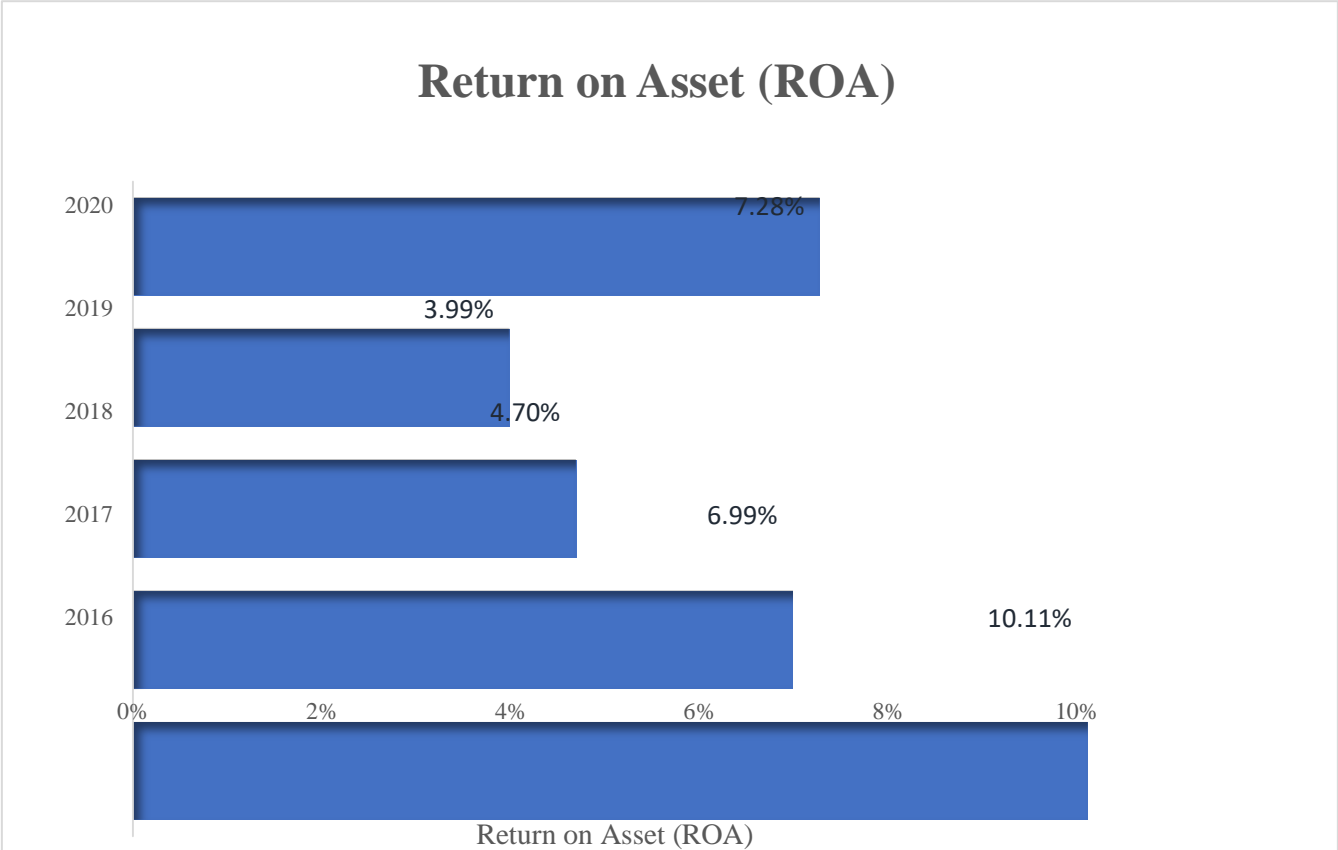
2016	2017	2018	2019	2020
6.31%	2.17%	0.73%	1.42%	7.41%



Interpretation: From the Graphical Presentation, Net profit is in an average rate and deviation is not too much within years which indicate that company moderately performs to generate the revenue but in according to industry average and competitors, company is not doing better and operating cost is Very much high. In 2019, it was -1.42% and in 2020 it shows 7.41% Net Profit Margin.

4.4.3 Return on Asset (ROA)

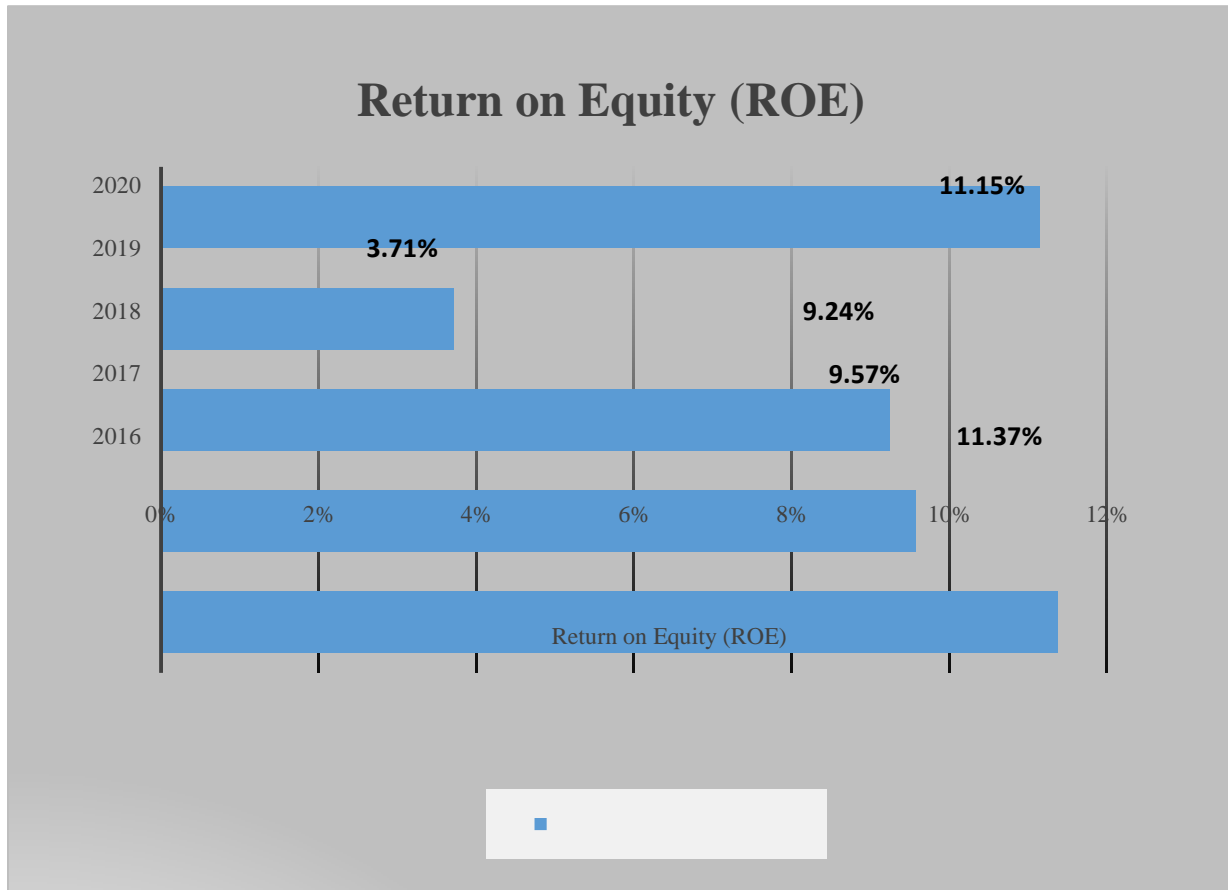
2016	2017	2018	2019	2020
10.11%	6.99%	4.70%	3.99%	7.28%



Interpretation: From the Graphical Presentation, return on assets is in an average rate and deviation is not too much within years which indicate that company moderately performs to generate the revenue but in according to industry average company is not doing better and operating cost is high. From 2016 to 2020 it remained same on average.

4.4.4 Return on Equity (ROE)

2016	2017	2018	2019	2020
11.37%	9.57%	9.24%	3.71%	11.15%



Interpretation: From the Graphical Presentation, in 2016 it was 11.37% and decreased in following years 2017-2019. Return on common equity is going down and deviation is more between years which indicate that company not performs so well to generate the revenue against the common equity but 2020 showing 11.15% in according to industry average and competitors, company is not doing better and operating cost is high.

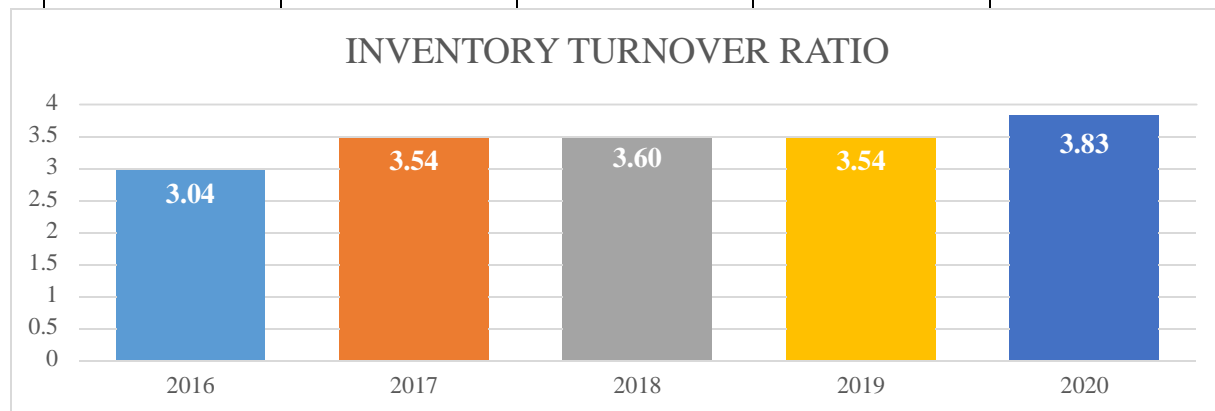
4.5 Asset Management Analysis:

Asset management ratios indicate how effectively an organization is using its advantages for create incomes. Examination of benefit the executive's proportions tells how productively and successfully an organization is utilizing its advantages in the age of incomes. They show the capacity of an organization to make an interpretation of its advantages into the deals.

Inventory Turnover Ratio
Total Assets Turnover
Receivable Turnover Ratio
Average Collection Period
Fixed Asset Turnover

4.5.1 INVENTORY TURNOVER RATIO

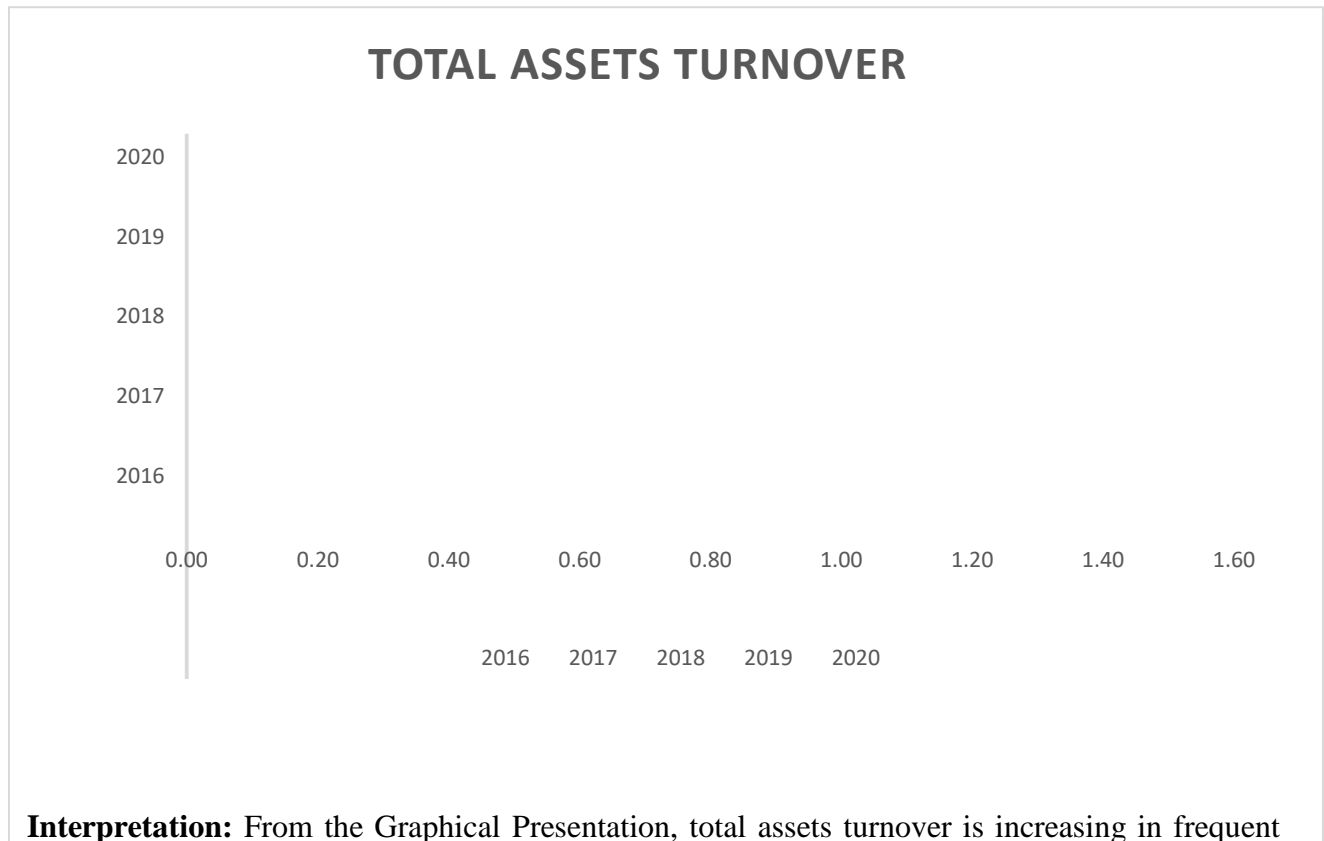
2016	2017	2018	2019	2020
3.04	3.54	3.60	3.54	3.83



Interpretation: The Graphical Presentation shows the company's inventories turnover ratio. In 2016, the company can collect 3.04 times the inventories through the year. 2017 to 2020 increase sales slowly. Also in comparing with industry and competitors, it is not better because ACI is selling its inventory

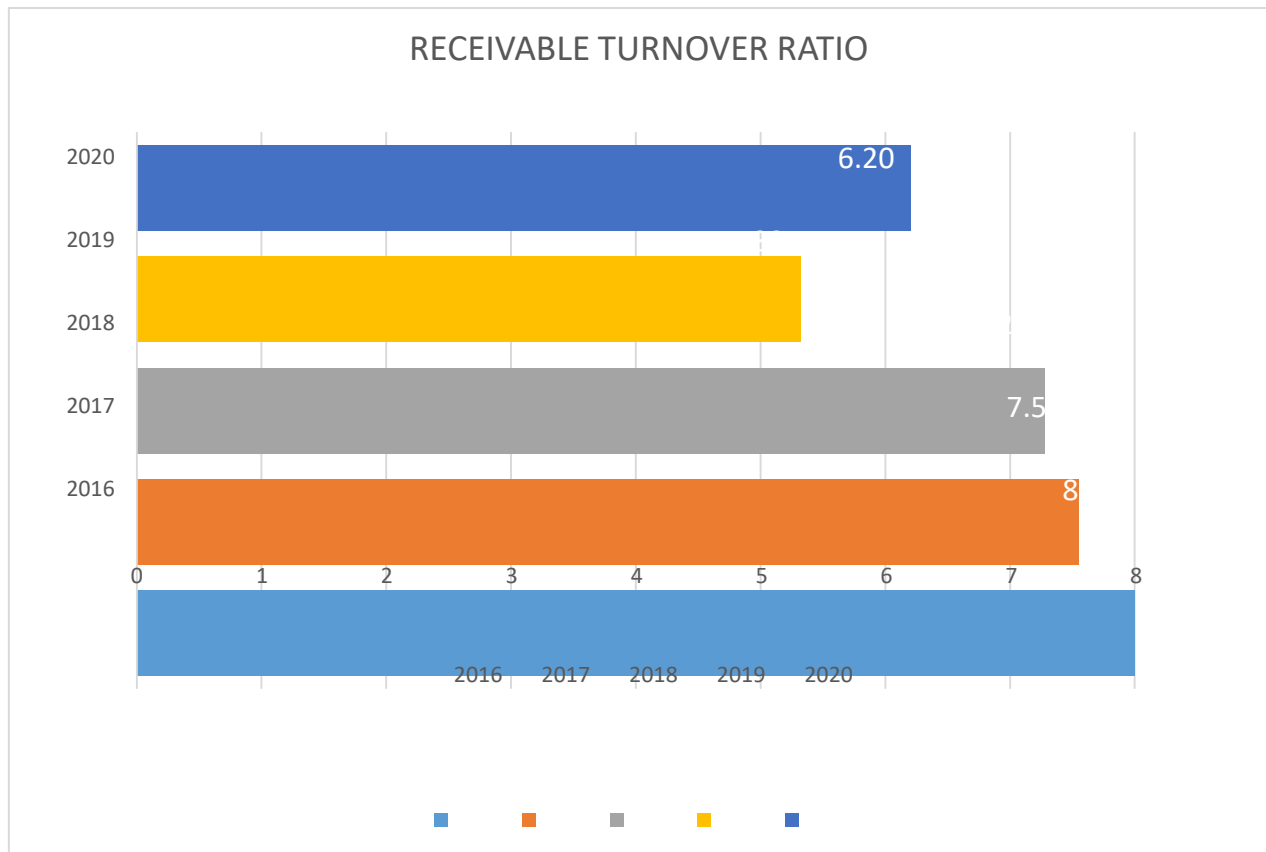
4.5.2 Total Assets Turnover

2016	2017	2018	2019	2020
1.37	1.01	1.01	0.99	1.13



4.5.3 RECEIVABLE TURNOVER RATIO

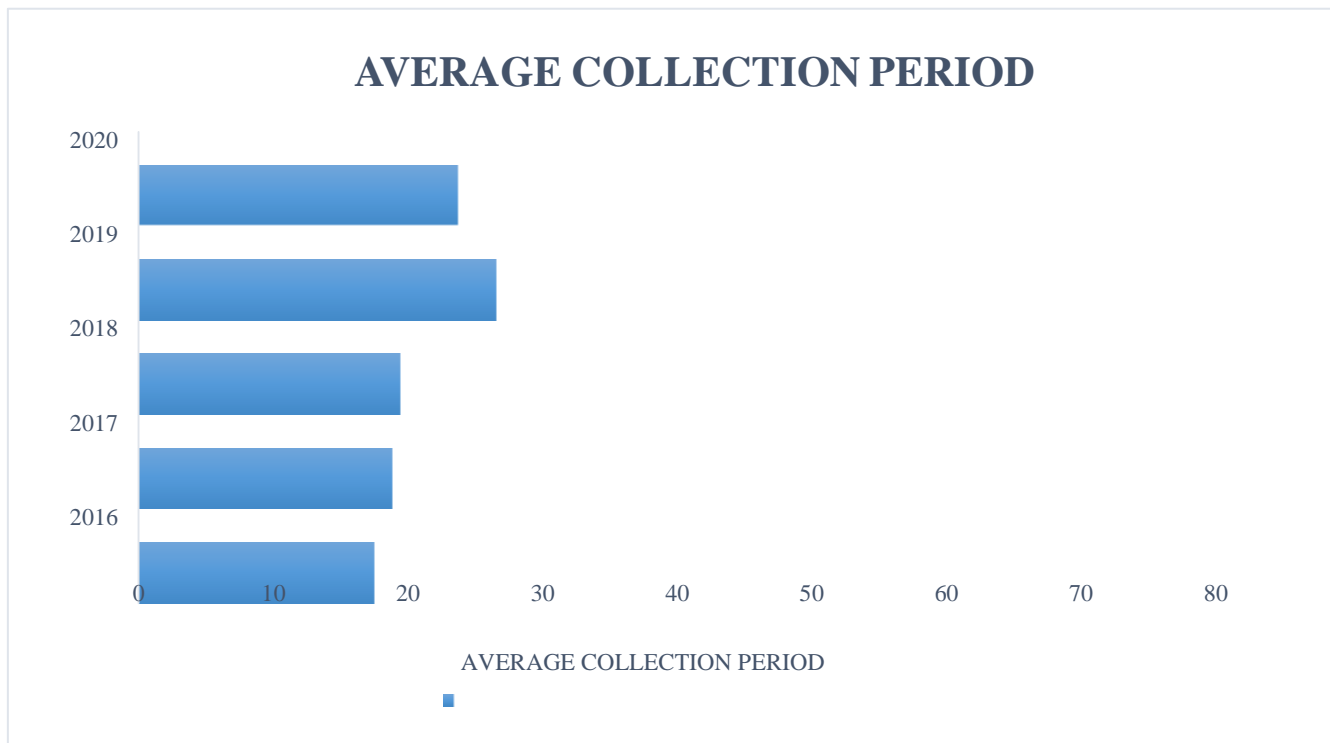
2016	2017	2018	2019	2020
8.00	7.55	7.28	5.32	6.20



Interpretation: The Graphical Presentation shows the company's receivables collection. In 2016, the company can collect 8 times the receivables through the year which is better than the industry average. It has decreased in following years which indicates that company is going to unable to collect its receivables against the sales. Farther we can analysis its receivables collection, the collection with industry average which identifies that it is not good according to industry.

4.5.4 AVERAGE COLLECTION PERIOD

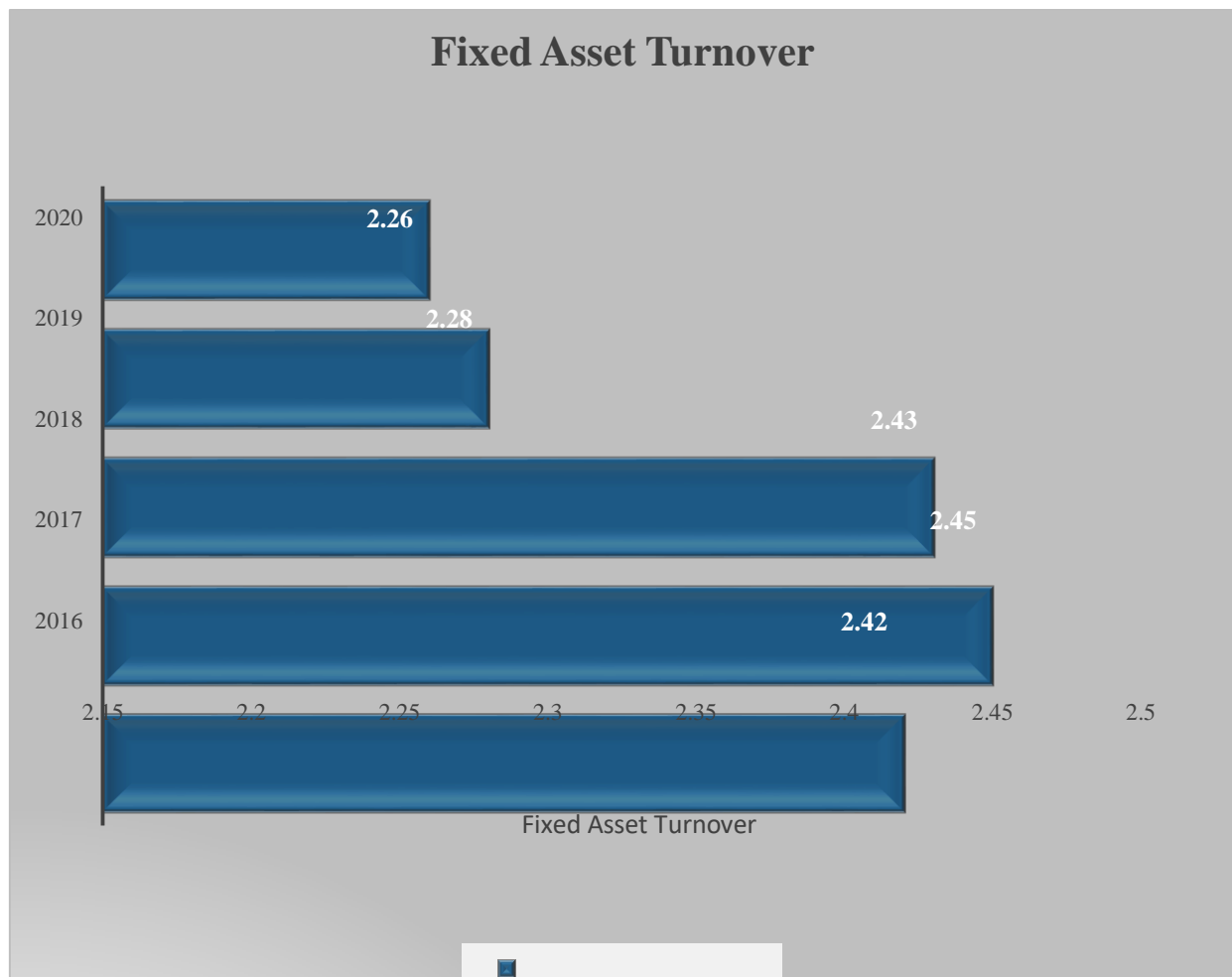
2016	2017	2018	2019	2020
45.01	48.3	49.6	68.2	60.67



Interpretation: The Graphical Presentation shows the company’s average collection period. In 2018 the company took 49.60 days for its average collection which is better than industry average. But all the other years the company’s average collection period is higher than the industry average which indicates that ACI Ltd. is unable to collect its receivables easily. It may raise bad debt from this not collecting receivables

4.5.5 Fixed Asset Turnover

2016	2017	2018	2019	2020
2.42	2.45	2.43	2.28	2.26



Interpretation: The fixed asset turnover ratio is an efficiency ratio that measures a company's return on their investment in property, plant, and equipment by comparing net sales with fixed assets. From the Tabular and Graphical Presentation, total assets turnover is increasing in frequent years which indicate that company is efficient to use its fixed assets to generate the revenue but in according to industry average company has utilized assets in proper way.

4.6 Coverage Ratio:

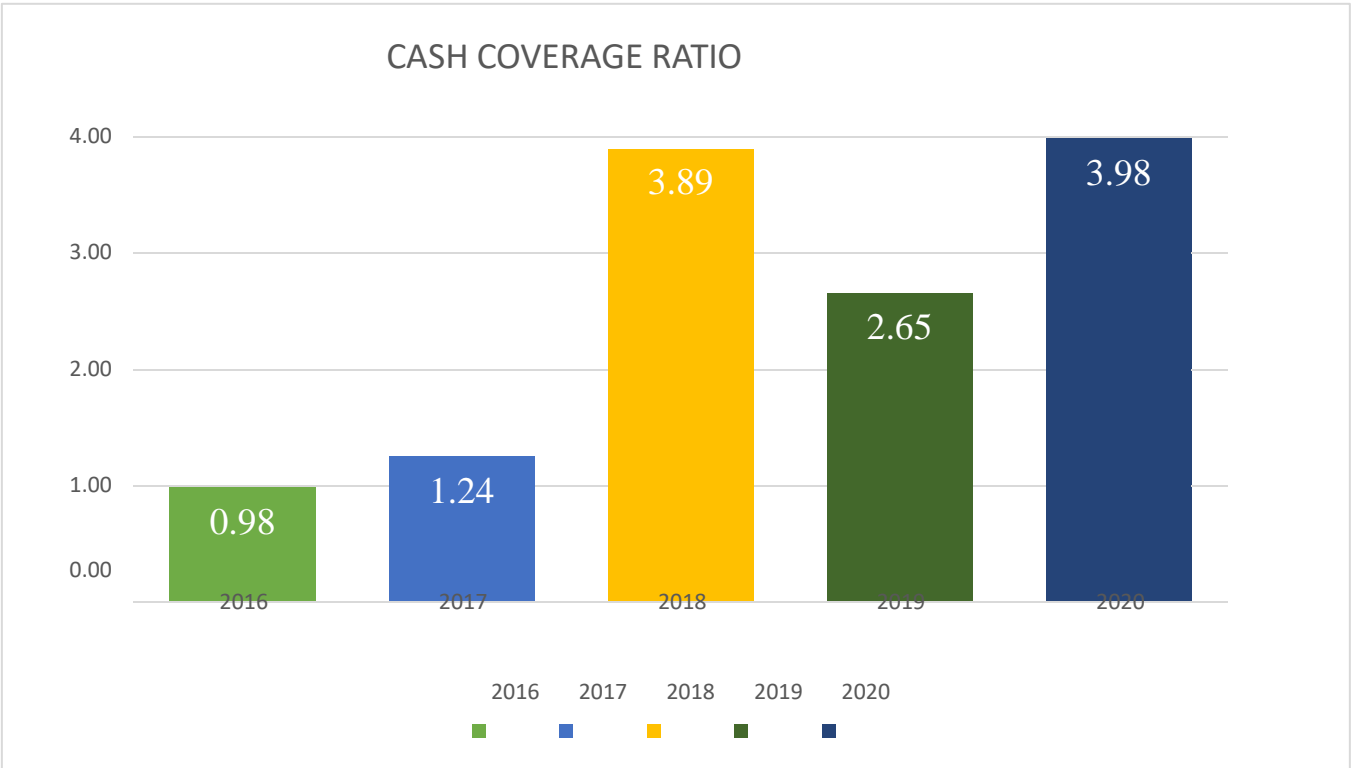
A coverage ratio is a proportion of an organization's capacity to benefit its obligation and meet its money related commitments. The higher the inclusion proportion, the less demanding it ought to be to make intrigue installments on its obligation or pay profits.

Cash Coverage Ratio

Interest Coverage Ratio

4.5.6 CASH COVERAGE RATIO

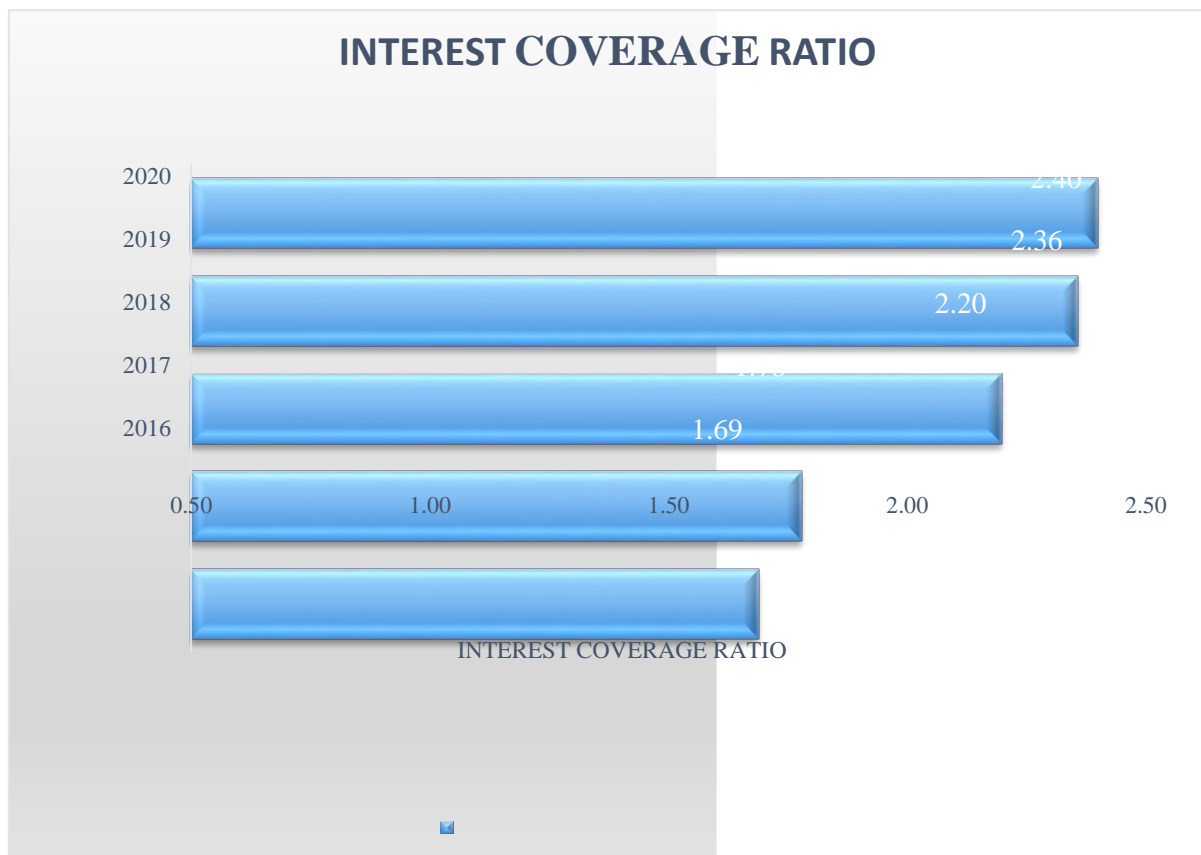
2016	2017	2018	2019	2020
0.98	1.24	3.89	2.65	3.98



Interpretation: In the graph we can see that cash coverage ratio is very low compared to the industry average. In 2016 it shows 0.98 whereas the competitors have better cash coverage on this year. In 2020 shows 3.98 it's increased but not satisfied according to the industry average.

4.5.7 INTEREST COVERAGE RATIO

2016	2017	2018	2019	2020
1.69	1.78	2.2	2.36	2.24



Interpretation: ACI has a low interest coverage ratio from 2016 to 2018. It indicates that ACI has lower ability to pay off the interest payment from EBIT. Secondly, from 2019 to 2020 this ratio is increasing and it indicates that ACI was gaining its capability to cover risk gradually. By its increasing pattern of interest coverage ratio, we can say that its financial risk is becoming low. Finally, ACI has lower financial risk compare to industry average

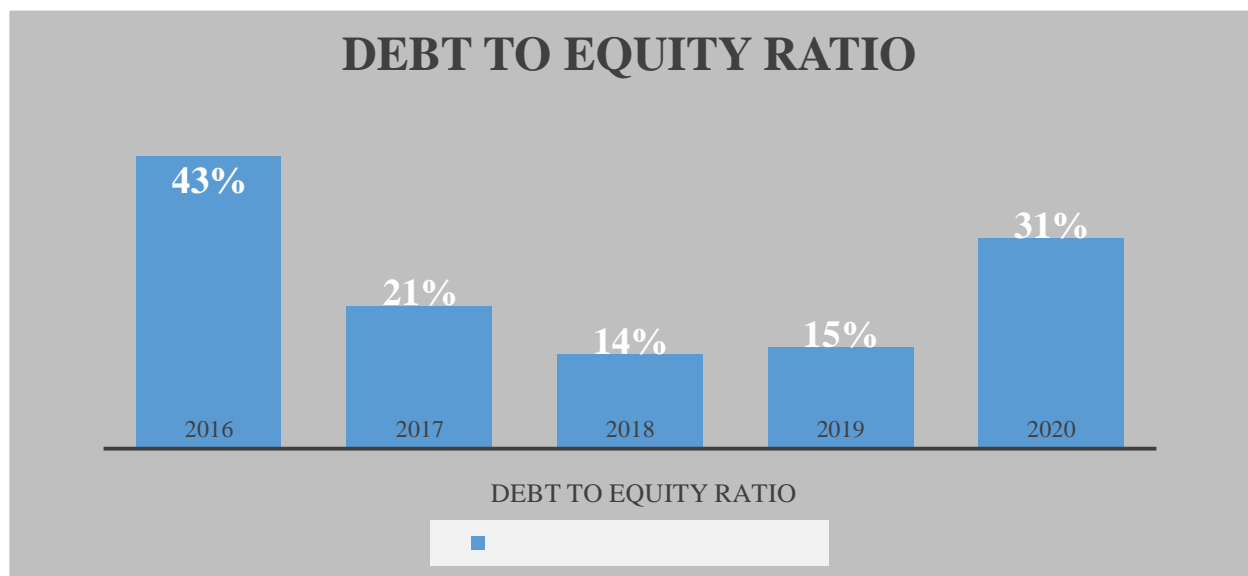
4.7 Leverage Ratio:

Leverage ratio is any kind of financial ratio. These statements are key to both financial modeling and accounting. The balance sheet displays the company's total assets, and how these assets are financed, through either debt or equity.

Debt' to Asset Ratio

4.7.1 DEBT TO EQUITY RATIO

2016	2017	2018	2019	2020
43%	21%	14%	15%	31%



Interpretation: The Graphical Presentation shows the company's debt ratio. In 2016, there is 43% debt against the equity. It has decreased in following years which indicates that company has paid its liability and it can takes loan for further. Farther we can analysis its debt to equity, the debt with industry average. Through the comparison with industry, it can be pointed out that, ACI had taken a large amount of debt in 2020 than its competitors which was not better and in the other years it is lower than the industry average which identifies that it has an opportunity to take more loans in future.

CHAPTER 5

FINDINGS, RECOMMENDATION & CONCLUSION



FINDINGS

1. In Current Ratio and Quick Ratio it seems that the company goes better position from 2016 and in 2020 it got better position in both of the ratio. As above, we can see in Current Ratio that in 2016 its 1.57 Taka current assets against 1 Taka liability and in Quick Ratio its 1.08 Taka current assets except inventories against 1 Taka liability. In both cases the company has increased its liquid assets to pay its liability in 2020. So it can be said that, company is doing better in compare with the industry in Current and Acid Test/Quick Ratios.
2. In Receivable Turnover Ratio, it shows that after 2016 the company was going to unable to collect its receivables against the sales and that's why it decreased in following years and in 2020 it was able to get a good point on it. So it can be said that the collection with industry average which identifies that it is not good according to industry.
3. In 2018 the company took 49.6 days for its average collection which is better than industry average. But in 2020 years the company's average collection period is higher than the industry average which indicates that ACI Ltd. is unable to collect its receivables easily.
4. In the comparison with other industry and competitors, Inventory Turnover Ratio is not up to the mark because ACI is selling its inventory. In 2016, the company can collect 3.04 times the inventories through the year. It has increased in 2017 to 2020 years which indicates that company is selling its inventories slowly.
5. According to the graph, we can see that total assets turnover is increasing in frequent years which indicate that company is efficient to use its total assets to generate the revenue but in according to industry average company has more unutilized assets by which revenue can be increased where competitors are using their assets more efficiently and generating revenue more than 1 against BDT 1.00 assets.
6. Total assets turnover of the company is not increasing in frequent years which indicate that company is not efficient to use its fixed assets to generate the revenue. In 2016 it was 2.42 and increased by 2.26 in 2020.
7. From the Graphical Presentation, Gross profit is in an average rate and deviation is not too much within years which indicate that company moderately performs to generate the revenue

but in 2020 in according to industry average and competitors' company is doing better.

Because of that Net Profit Margin is also lower than the industry average.

8. Return on assets is in an average rate and deviation is not too much within years which indicate that company moderately performs to generate the revenue but in according to industry average company is not doing better and operating cost is high.
9. Return on Common equity is going down and deviation is more between years which indicate that company not performs so well to generate the revenue against the common equity but in according to industry average and competitors, company is not doing better and operating cost is high.
10. Cash coverage ratio of the company is very low compared to the industry average. In 2016 it shows 0.98 whereas the competitors have better cash coverage on this year. In 2020 shows 3.98 it's increased but not satisfied according to the industry average
11. ACI has a low interest coverage ratio from 2016 to 2017. It indicates that ACI has lower ability to pay off the interest payment from EBIT. Secondly, from 2017 to 2020 this ratio is increasing and it indicates that ACI was gaining its capability to cover risk gradually. By its increasing pattern of interest coverage ratio, we can say that its financial risk is becoming low. Finally, ACI has lower financial risk compare to industry average.
12. In 2016, there is 43% debt against the equity. It has decreased in following years which indicates that company has paid its liability and it can takes loan for further ACI had taken a large amount of debt in 2020 than its competitors which was not better and in the other years it is lower than the industry average which identifies that it has an opportunity to take more loans in future.

Recommendation

1. The company should concentrate on the Average collection period of receivables as well as selling the inventories to maximize the inventory turnover ratio.
2. The company should focus on the operating expenses as the level of operating cost is very high of the company which is not good.

3. Liquid asset and long term solvency is satisfactory and the company should try to keep more liquid assets.
4. Low rate of gross profit is due to the increase in the operation expense. The company should give more focus on general financial strength. Return on capital employed ratio is satisfactory.
5. Efficiency ratio shows a mixed trend so the company should take the necessary steps to meet the higher ratio.
6. By reducing inventory waste, forecasting and planning inventory much more efficiently readjusting sales ethics, company can improve in Gross Margin.
7. Company should be concerned in investment process. They should start new project after the settlement of another running one.
8. Company should focus on collecting the accounts receivables for reducing the uncertainty of bad debt collection.
9. Company should also increase its liquid assets because it is lower than the current assets as the company meet the liability by liquid assets.
10. By increasing net operating income, by decreasing operating expenses, by paying off some of existing debt and decreasing borrowing amount, company can improve the Coverage ratio.

Conclusion

ACI Limited is a very much renowned corporate in Bangladesh. They are working their business from 1992 with the expressed qualities and have earned the regard of the partners. The organization is working easily as far as monetary exercises. They have continued their business by great administration of the advantages and giving riches to the investors.

Financial Performance Analysis is important to think about a business and the execution of its offer. All investigation uncovers the budgetary quality of ACI Limited. ACI constrained have colossal chance to extend its business in future and contribute more in the economy of Bangladesh.

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