

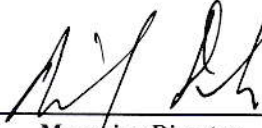

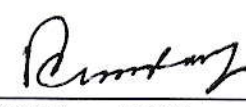
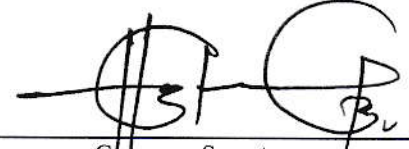
Advanced Chemical Industries Limited

1st Quarter ended Report 2019 - 2020
for the three months period ended on 30 September 2019

Advanced Chemical Industries Limited
Statement of financial position
Unaudited

	Note	Figures in '000' Taka		
		As at 30 September 2019	As at 30 June 2019	As at 1 July 2018
Assets				
Property, plant and equipment	2	10,151,135	9,891,774	9,239,752
Right-of-use assets		533,378	562,499	625,570
Investments	3	2,690,232	2,644,630	2,558,853
Intangible assets		230	268	421
Deferred tax assets		148,876	86,567	-
Non-current assets		13,523,851	13,185,737	12,424,596
Inventories	4	5,901,498	5,476,073	5,112,921
Trade receivables	5	4,516,627	5,158,496	4,863,503
Other receivables		412,207	279,085	831,163
Inter-company receivables	6	14,761,671	14,925,701	10,316,026
Advances, deposits and prepayments	7	2,139,441	2,177,760	1,682,854
Cash and cash equivalents		1,325,213	992,956	1,081,129
Current assets		29,056,657	29,010,071	23,887,595
Total assets		42,580,507	42,195,808	36,312,190
Equity				
Share capital		498,895	498,895	482,024
Share premium		402,310	402,310	402,310
Reserves		3,674,158	3,633,117	3,543,672
Retained earnings		10,047,171	9,788,136	9,827,892
Total equity		14,622,535	14,322,458	14,255,898
Liabilities				
Employee benefits	8	985,245	941,229	807,637
Long term borrowings	9	608,052	567,628	141,353
Non-current portion of lease liability		468,060	493,749	571,163
Deferred tax liabilities		-	-	106,186
Non-current liabilities		2,061,358	2,002,606	1,626,340
Bank overdraft		2,738,229	2,633,244	2,374,635
Loans and borrowings	10	13,405,151	12,827,625	11,340,784
Current portion of lease liability		151,802	150,925	112,549
Trade payables		1,271,045	1,199,383	794,002
Inter-company payables	11	3,922,736	4,549,730	2,272,416
Other payables	12	2,480,153	2,755,802	2,352,363
Current tax liability		1,927,499	1,754,034	1,183,202
Current liabilities		25,896,615	25,870,743	20,429,952
Total liabilities		27,957,972	27,873,350	22,056,292
Total equity and liabilities		42,580,507	42,195,808	36,312,190
Net asset value (NAV) per share		293.10	287.08	285.75

*See Note-19: The Group has applied IFRS 16 using restrospective approach. Therefore, comparative information have been restated.

 _____ Managing Director	 _____ Director	 _____ Chief Financial Officer
 _____ Company Secretary		


Advanced Chemical Industries Limited
Statement of profit or loss
Unaudited

	Note	Figures in '000' Taka For the 1st Quarter ended from	
		July 2019 to September 2019	July 2018 to September 2018 Restated*
Revenue	13	5,535,084	5,472,683
Cost of sales	14	(2,800,009)	(2,980,458)
Gross profit		2,735,076	2,492,225
Administrative, selling and distribution expenses	15	(2,184,345)	(1,979,208)
Other income		8,517	31,063
Operating profit		559,248	544,080
Net finance costs		(174,373)	(171,826)
Profit before contribution to WPPF		384,875	372,255
Contribution to WPPF		(19,244)	(18,952)
Profit before tax		365,631	353,303
Income tax expense		(106,596)	(92,072)
Profit after tax		259,035	261,231
Earnings per share			
Basic earnings per share (EPS)		5.19	5.24


 Managing Director


 Director


 Chief Financial Officer


 Company Secretary

Advanced Chemical Industries Limited
Statement of profit or loss and other comprehensive income
Unaudited

	Figures in '000' Taka	
	For the 1st Quarter ended from	
	July 2019	July 2018
	to	to
	September	September
	2019	2018
		Restated*
Profit after tax	259,035	261,231
Other comprehensive income:		
Change in fair value of FVOCI/available-for-sale financial asset	45,601	141,429
Income tax on FVOCI/available-for-sale financial assets	(4,560)	(14,143)
Other comprehensive income, net of tax	41,041	127,286
Total comprehensive income	300,076	388,517

Advanced Chemical Industries Limited
Statement of changes in equity
Unaudited

Figures in '000' Taka

	For the 1st Quarter ended from July 2019 to September 2019									
	Share capital	Share premium	Capital reserve	FVOCI reserve	Revaluation surplus	Retained earnings	Total equity			
Balance at 1 July 2019 as previously reported	498,895	402,310	1,671	555,904	3,075,541	9,849,768	14,384,090			
Impact of initial application of IFRS 16	-	-	-	-	-	(61,632)	(61,632)			
Restated Balance at 1 July 2019	498,895	402,310	1,671	555,904	3,075,541	9,788,136	14,322,458			
Total comprehensive income										
Profit after tax	-	-	-	-	-	259,035	259,035			
Other comprehensive income-net of tax	-	-	-	41,041	-	-	41,041			
Total comprehensive income	-	-	-	41,041	-	259,035	300,076			
Transaction with owners of the Company										
Share premium	-	-	-	-	-	-	-			
Bonus share issue	-	-	-	-	-	-	-			
Interim dividend paid	-	-	-	-	-	-	-			
Total transactions with owners of the Company	-	-	-	-	-	-	-			
Balance at 30 September 2019	498,895	402,310	1,671	596,946	3,075,541	10,047,171	14,622,536			
	For the 1st Quarter ended from July 2018 to September 2018									
	Share capital	Share premium	Capital reserve	Available for sale reserve	Revaluation surplus	Retained earnings	Total equity			
Balance at 1 July 2018, as previously reported	482,024	402,310	1,671	466,460	3,075,541	9,871,499	14,299,506			
Impact of initial application of IFRS 16	-	-	-	-	-	(43,607)	(43,607)			
Restated balance at 1 July 2018	482,024	402,310	1,671	466,460	3,075,541	9,827,892	14,255,899			
Restated Total comprehensive income										
Restated Profit after tax	-	-	-	-	-	261,231	261,231			
Other comprehensive income-net of tax	-	-	-	127,286	-	-	127,286			
Restated Total comprehensive income	-	-	-	127,286	-	261,231	388,517			
Transaction with owners of the Company										
Share premium	-	-	-	-	-	-	-			
Bonus share issue	-	-	-	-	-	-	-			
Interim dividend paid	-	-	-	-	-	-	-			
Total transactions with owners of the company	-	-	-	-	-	-	-			
Restated Balance at 30 September 2018	482,024	402,310	1,671	593,746	3,075,541	10,089,123	14,644,416			

Advanced Chemical Industries Limited
Statement of cash flows
Unaudited

	Figures in '000' Taka	
	For the 1st Quarter ended from July 2019 to September 2019	July 2018 to September 2018
		Restated*
Cash flows from operating activities		
Cash receipts from customers and others	5,967,905	5,259,040
Cash paid to suppliers and employees	(5,178,729)	(4,511,851)
Cash generated from operating activities	789,176	747,188
Paid to WPPF	(26,332)	(6,730)
Interest paid	(148,053)	(145,442)
Income tax paid	(110,121)	(84,843)
	(284,506)	(237,015)
Net cash from / (used in) operating activities*	16	510,173
Cash flows from investing activities		
Acquisition of property, plant and equipment	(26,270)	(22,182)
Payments for capital work in progress	(354,353)	(237,616)
Sale proceeds from property, plant and equipment	1,229	150
Net cash (used) in investing activities	(379,394)	(259,648)
Cash flows from financing activities		
Inter-company debts received/(paid)	(462,963)	(1,693,174)
Dividend paid	(63)	(247)
Payment for lease liabilities	(52,930)	(42,776)
Short-term bank loan received/(paid)	577,526	1,351,546
Long-term bank loan received/(paid)	40,424	593,604
Net cash (used)/from financing activities	101,994	208,953
Net increase / (decrease) in cash and cash equivalents	227,272	459,480
Cash and cash equivalents at 1 July	(1,640,288)	(1,293,506)
Cash and cash equivalents at 30 September	(1,413,015)	(834,026)
Closing balance represents		
Cash and cash equivalents	1,325,213	635,775
Bank overdraft	(2,738,229)	(1,469,801)
	(1,413,015)	(834,026)
Net operating cash flows per share (NOCFPS)	10.12	10.23

*See Note 16 for reconciliation of net operating cash flow.

Advanced Chemical Industries Limited
Consolidated statement of financial position
Unaudited

Figures in '000' Taka

	Note	As at 30 September 2019	As at 30 June 2019 Restated*	As at 1 July 2018 Restated*
Assets				
Property, plant and equipment	2 (a)	25,892,619	25,570,748	23,017,049
Right-of-use assets		1,414,952	1,434,888	1,608,263
Equity-accounted investees		1,396,681	1,304,391	1,143,315
Other investments		896,850	848,208	735,340
Intangible assets		99,161	103,178	118,238
Deferred tax assets		85,895	-	-
Non-current assets		29,786,158	29,261,413	26,622,204
Inventories	4 (a)	14,495,543	13,560,089	11,792,578
Trade receivables	5 (a)	12,876,794	13,827,166	10,963,330
Other receivables		697,449	509,582	1,099,973
Inter-company receivables	6 (a)	48,675	50,584	10,908
Advances, deposits and prepayments	7 (a)	5,872,828	5,683,575	4,433,434
Cash and cash equivalents		2,324,466	2,319,988	2,131,550
Current assets		36,315,755	35,950,984	30,431,773
Total assets		66,101,914	65,212,397	57,053,977
Equity				
Share capital		498,895	498,895	482,024
Share premium		402,310	402,310	402,310
Reserves		4,874,450	4,833,537	4,744,428
Retained earnings		3,546,199	3,845,276	5,255,636
Equity attributable to the owners of the company		9,321,855	9,580,018	10,884,398
Non-controlling interest		(444,588)	(351,284)	(107,524)
Total equity		8,877,267	9,228,735	10,776,874
Liabilities				
Employee benefits	8 (a)	1,257,563	1,178,872	994,108
Long term borrowings	9 (a)	9,353,467	8,079,177	7,972,367
Non-current portion of lease liability		1,319,281	1,336,583	1,555,202
Deferred tax liabilities		-	75,515	364,269
Non-current liabilities		11,930,311	10,670,148	10,885,946
Bank overdraft		4,829,138	4,618,177	4,159,154
Loans and borrowings	10 (a)	26,951,845	27,263,917	21,933,605
Current portion of lease liability		403,929	399,987	311,302
Trade payables		4,248,368	4,338,091	2,252,947
Other payables	12 (a)	4,509,559	4,699,441	3,924,142
Current tax liability		4,351,497	3,993,902	2,810,007
Current liabilities		45,294,337	45,313,514	35,391,157
Total liabilities		57,224,648	55,983,662	46,277,103
Total equity and liabilities		66,101,914	65,212,397	57,053,977
Net asset value (NAV) per share		186.85	192.02	218.17

*See Note-19: The Group has applied IFRS 16 using restrospective approach. Therefore, comparative information have been restated.



 Managing Director



 Director



 Chief Financial Officer




 Company Secretary

Advanced Chemical Industries Limited
Consolidated statement of profit or loss
Unaudited

	Note	Figures in '000' Taka	
		For the 1st Quarter ended from	
		July 2019 to September 2019	July 2018 to September 2018
			Restated*
Revenue	13 (a)	15,772,482	14,631,865
Cost of sales	14 (a)	(11,045,356)	(10,210,637)
Gross profit		4,727,126	4,421,228
Administrative, selling and distribution expenses	15 (a)	(3,978,746)	(3,485,666)
Other income		40,598	106,223
Operating profit		788,978	1,041,785
Share of profit of equity accounted investees		92,290	21,970
Net finance costs		(1,044,252)	(756,623)
Profit before contribution to WPPF		(162,984)	307,132
Contribution to WPPF		(37,935)	(37,872)
Profit before tax		(200,918)	269,260
Income tax expense		(191,370)	(253,085)
Profit after tax		(392,289)	16,176
Profit attributable to:			
Equity holders of the company		(299,077)	48,293
Non-controlling interests		(93,212)	(32,117)
Profit after tax		(392,289)	16,176
Earnings per share			
Basic earnings per share (EPS)		(5.99)	0.97


 Managing Director


 Director


 Chief Financial Officer


 Company Secretary

Advanced Chemical Industries Limited
Consolidated statement of profit or loss and other comprehensive income
Unaudited

	Figures in '000' Taka	
	For the 1st Quarter ended from	
	July 2019	July 2018
	to	to
	September	September
	2019	2018
		Restated*
Profit after tax	(392,289)	16,176
Other comprehensive income:		
Change in fair value of FVOCI/available-for-sale financial assets	45,356	141,429
Income tax on FVOCI/available-for-sale financial assets	(4,536)	(14,143)
Other comprehensive income, net of tax	40,821	127,286
Total comprehensive income	(351,468)	143,462
Total comprehensive income attributable to:		
Equity holders of the Company		
Profit after tax	(299,077)	48,293
Other comprehensive income	40,913	127,286
	(258,164)	175,579
Non-controlling interest		
Profit after tax	(93,212)	(32,117)
Other comprehensive income	(92)	-
	(93,304)	(32,117)
Total comprehensive income	(351,468)	143,462

Advanced Chemical Industries Limited
Consolidated Statement of changes in equity
Unaudited

Figures in '000' Tal
For the 1st Quarter ended from July 2019 to September 20

	Attributable to owner of the Company						Retained earnings	Total	Non-controlling Interests	Total equity
	Share capital	Share premium	Capital reserve	Translation reserve	FVOCI reserve	Revaluation reserve				
Balance at 1 July 2019 as previously reported	498,895	402,310	1,671	(848)	554,781	4,277,934	4,073,015	9,807,758	(298,385)	9,509,373
Impact of initial application of IFRS 16	-	-	-	-	-	-	(227,740)	(227,740)	(52,899)	(280,639)
Restated Balance at 1 July 2019	498,895	402,310	1,671	(848)	554,781	4,277,934	3,845,276	9,580,018	(351,284)	9,228,734
Total comprehensive income	-	-	-	-	-	-	(299,077)	(299,077)	(93,212)	(392,289)
Profit after tax	-	-	-	-	40,913	-	-	40,913	(92)	40,821
Other comprehensive income-net of tax	-	-	-	-	40,913	-	(299,077)	(258,164)	(93,304)	(351,461)
Total comprehensive income	-	-	-	-	-	-	(299,077)	(258,164)	(93,304)	(351,461)
Transaction with owners of the Company	-	-	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-	-	-
Bonus share issue	-	-	-	-	-	-	-	-	-	-
Interim dividend paid	-	-	-	-	-	-	-	-	-	-
Adjustment for control established in Subsidiary	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	498,895	402,310	1,671	(848)	595,693	4,277,934	3,546,199	9,321,855	(444,588)	8,877,267
Balance at 30 September 2019	498,895	402,310	1,671	(848)	595,693	4,277,934	3,546,199	9,321,855	(444,588)	8,877,267
For the 1st Quarter ended from July 2018 to September 20										
	Attributable to owner of the Company									
	Share capital	Share premium	Capital reserve	Available for sale reserve	Revaluation surplus	Retained earnings	Total	Non-controlling Interests	Total equity	
Balance at 1 July 2018, as previously reported	482,024	402,310	1,671	464,823	4,277,934	5,451,050	11,079,813	(59,419)	11,020,394	
Impact of initial application of IFRS 16	-	-	-	-	-	(195,414)	(195,414)	(48,105)	(243,519)	
Restated balance at 1 July 2018	482,024	402,310	1,671	464,823	4,277,934	5,255,636	10,884,399	(107,524)	10,776,875	
Total comprehensive income	-	-	-	-	-	48,293	48,293	(32,117)	16,176	
Profit after tax	-	-	-	127,286	-	-	127,286	-	127,286	
Other comprehensive income-net of tax	-	-	-	127,286	-	48,293	175,579	(32,117)	143,462	
Total comprehensive income	-	-	-	-	-	48,293	175,579	(32,117)	143,462	
Transaction with owners of the Company	-	-	-	-	-	-	-	-	-	
Share premium	-	-	-	-	-	-	-	-	-	
Bonus share issue	-	-	-	-	-	-	-	-	-	
Interim dividend paid	-	-	-	-	-	-	-	-	-	
Adjustment for control established in Subsidiary	-	-	-	-	-	(46,283)	(46,283)	(3,517)	(49,800)	
Total transactions with owners of the company	-	-	-	-	-	(46,283)	(46,283)	(3,517)	(49,800)	
Restated Balance at 30 September 2018	482,024	402,310	1,671	592,109	4,277,934	5,257,646	11,013,695	(143,158)	10,870,537	

Advanced Chemical Industries Limited
Consolidated statement of cash flows
Unaudited

	Figures in '000' Taka	
	For the 1st Quarter ended from	
	July 2019 to September 2019	July 2018 to September 2018
		Restated*
Cash flows from operating activities		
Cash receipts from customers and others	16,476,718	13,661,850
Cash paid to suppliers and employees	(15,729,328)	(12,745,843)
Cash generated from operating activities	747,390	916,007
Paid to WPPF	(51,902)	(5,829)
Interest paid	(871,724)	(723,178)
Income tax paid	(239,360)	(201,422)
	(1,162,985)	(930,428)
Net cash from / (used in) operating activities *	16 (a)	(415,595)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(398,894)	(148,194)
Payments for capital work in progress	(252,337)	(810,555)
Sale proceeds from property, plant and equipment	1,229	255
Subsidiary amount included upon control established	-	11,586
Net cash used in investing activities	(650,003)	(946,909)
Cash flows from financing activities		
Inter-company debts received/(paid)	37,767	304
Dividend paid	(63)	(247)
Payment for finance liabilities	(140,808)	(114,383)
Short-term bank loan received/(paid)	(312,072)	1,189,101
Long-term bank loan received/(paid)	1,274,290	(143,227)
Net cash from financing activities	859,113	931,548
Net increase / (decrease) in cash and cash equivalents	(206,484)	(29,782)
Cash and cash equivalents at 1 July	(2,298,188)	(2,027,603)
Cash and cash equivalents at 30 September	(2,504,672)	(2,057,385)
Closing balance represents		
Cash and cash equivalents	2,324,466	1,268,845
Bank overdraft	(4,829,138)	(3,326,230)
	(2,504,672)	(2,057,385)
Net operating cash flows per share (NOCFPS)	(8.33)	(0.29)

*See Note 16(a) for reconciliation of consolidated net operating cash flow.

Advanced Chemical Industries Limited
Notes to the financial statements
as at and for the 1st Quarter ended on 30 September 2019
Unaudited

1 Selected explanatory notes

These financial statements have been prepared in line with Accounting Policies (except for lease contracts) as adopted in the preparation of financial statements for the year ended from 1 July 2018 to 30 June 2019. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements.

	Figures in '000' Taka	
	30 September 2019	30 June 2019
	<u>Taka</u>	<u>Taka</u>
Property, plant and equipment		
Opening balance	11,352,682	10,209,351
Additions	380,624	1,474,984
Disposals	(3,989)	(331,654)
Accumulated depreciation	(1,578,182)	(1,460,908)
Closing balance	10,151,135	9,891,774

2 (a) Consolidated property, plant and equipment

Opening balance	29,600,056	25,838,936
Additions	667,900	4,094,803
Disposals	(4,941)	(333,683)
Accumulated depreciation	(4,370,397)	(4,029,309)
Closing balance	25,892,619	25,570,748

3 Investments

Investment in subsidiaries	1,674,761	1,674,761
Investment in joint ventures	475,000	475,000
Investment in associates	115,426	115,426
Investment in shares	694,728	649,127
Investment in FDR/ other deposits	3,917	3,917
Impairment	(273,600)	(273,600)
	2,690,232	2,644,630

4 Inventories

Raw materials	1,469,997	1,484,625
Packing materials	412,594	391,495
Work-in-process	207,069	239,377
Finished goods	3,578,053	3,393,364
Goods in transit	653,377	350,786
Stores and spares	54,537	52,890
Allowance for inventory	(474,129)	(436,463)
	5,901,498	5,476,073

		Figures in '000' Taka	
		30 September 2019	30 June 2019
		Taka	Taka
4 (a)	Consolidated inventories		
	Raw materials	3,304,464	3,458,798
	Packing materials	515,466	664,577
	Work-in-process	353,976	376,935
	Finished goods	9,511,258	8,641,540
	Goods in transit	1,225,917	777,285
	Stores & spares	151,905	146,637
	Allowance for inventory	(567,441)	(505,683)
		<u>14,495,543</u>	<u>13,560,089</u>
5	Trade receivables		
	Debts due over six months	3,355,613	3,658,384
	Debts due below six months	1,777,613	1,973,521
	Provision for doubtful debts	(616,598)	(473,410)
		<u>4,516,627</u>	<u>5,158,496</u>
5 (a)	Consolidated trade receivables		
	Debts due over six months	4,530,232	4,731,896
	Debts due below six months	9,283,992	9,897,773
	Provision for doubtful debts	(937,430)	(802,503)
		<u>12,876,794</u>	<u>13,827,166</u>
6	Inter-company receivables		
	Infolytx Bangladesh Limited	247,034	211,090
	ACI Formulations Limited	869,461	1,153,734
	Computer Technology Limited	30	30
	Tetley ACI (Bangladesh) Limited	39,862	39,930
	Asian Consumer Care (Pvt.) Limited	7,894	7,894
	ACI Godrej Agrovet (Pvt.) Limited	889	880
	ACI Foods Limited	2,842,642	2,829,893
	ACI Agrolink Limited	478,153	395,148
	Stochastic Logic Limited	-	1,851
	Premiaflex Plastics Limited	2,203,142	1,830,157
	Creative Communication	6,575	20,002
	ACI Logistics Limited	4,851,569	4,334,973
	ACI HealthCare Limited	2,549,995	3,483,486
	ACI Chemicals Limited	146,616	133,915
	ACI Biotech Limited	517,809	482,721
		<u>14,761,671</u>	<u>14,925,701</u>

		Figures in '000' Taka	
		30 September 2019	30 June 2019
		Taka	Taka
6 (a)	Consolidated inter-company receivables		
	Computer Technology Limited	30	30
	Tetley ACI (Bangladesh) Limited	39,862	39,930
	Asian Consumer Care (Pvt.) Limited	7,894	7,894
	ACI Godrej Agrovat (Pvt.) Limited	889	880
	Stochastic Logic Limited	-	1,851
		48,675	50,584
7	Advances, deposits & prepayments		
	Loans and advances to staff and others	260,051	348,680
	VAT current account	172,462	232,544
	Deposits	197,323	191,108
	Prepayments	26,120	32,064
	Advance income tax	1,483,485	1,373,364
		2,139,441	2,177,760
7 (a)	Consolidated advances, deposits & prepayments		
	Loan and advance to staff and others	868,292	892,318
	VAT current account	542,859	553,944
	Advance for capital expenditure	8,578	8,578
	Deposits	337,585	326,962
	Prepayments	162,657	191,030
	Advance income tax	3,952,857	3,710,743
		5,872,828	5,683,575
8	Employee benefits		
	Staff gratuity provision	837,490	798,775
	Other long term employee benefits	147,755	142,454
		985,245	941,229
8 (a)	Consolidated employee benefits		
	Staff gratuity provision	1,098,708	1,025,318
	Other long term employee benefits	158,855	153,554
		1,257,563	1,178,872

		Figures in '000' Taka	
		30 September 2019	30 June 2019
		Taka	Taka
9	Long term borrowings		
	Long term bank loans	608,052	567,628
		<u>608,052</u>	<u>567,628</u>
9 (a)	Consolidated long term borrowings		
	Long term bank loans	9,353,467	8,079,177
		<u>9,353,467</u>	<u>8,079,177</u>
10	Loans and borrowings - short term		
	Short term loan	13,192,754	12,629,692
	Current portion of long term loan	212,396	197,933
		<u>13,405,151</u>	<u>12,827,625</u>
10 (a)	Consolidated loans and borrowings - short term		
	Short term loan	22,978,504	22,842,587
	Current portion of long term loan	3,973,341	4,421,329
		<u>26,951,845</u>	<u>27,263,917</u>
11	Inter company payables		
	ACI Formulations Limited	-	-
	ACI Salt Limited	829,582	692,844
	Stochastic Logic Limited	90	-
	ACI Motors Limited	2,344,963	3,313,312
	ACI Pure Flour Limited	730,654	533,288
	ACI Edible Oils Limited	17,447	10,286
		<u>3,922,736</u>	<u>4,549,730</u>

Figures in '000' Taka

	30 September 2019	30 June 2019
	Taka	Taka

12 Other payables

Accruals	1,210,329	1,400,207
Advance from customers	23,704	35,498
Security money received from customers	134,917	139,695
Workers' profit participation fund	512,711	510,692
Unclaimed dividend	101,390	101,453
Tax and VAT deducted at source	103,467	53,686
Employees welfare fund	296,861	274,234
Les Laboratories Servier	-	24,158
Rights share deposit to be refunded	564	564
Family day fund	4,382	4,315
Non-management staff provident fund	6,872	6,426
Unclaimed refund warrant - Zero Coupon Bonds	3,647	3,647
Payable for redemption of Zero Coupon Bonds	20,403	20,403
Management staff provident fund	14,405	22,371
Advertisement and promotional funds	17,736	17,736
Development funds	28,765	140,717
	2,480,153	2,755,802

12 (a) Consolidated other payables

Accruals	2,642,757	2,890,064
Advance from customers	330,658	204,393
Security money received from customers	193,110	202,427
Workers' profit participation fund	649,036	652,019
Unclaimed dividend	113,200	113,263
Provident fund	14,769	22,371
Tax and VAT deducted at source	159,606	106,080
Employees welfare fund	310,827	290,523
Les Laboratories Servier		24,158
Rights share deposit to be refunded	564	564
Family day fund	4,382	4,315
Non-management staff provident fund	6,872	6,426
Unclaimed refund warrant - Zero Coupon Bonds	3,647	3,647
Payable for redemption of Zero Coupon Bonds	20,403	20,403
Creditors for capital expenditure	13,227	334
Advertisement and promotional funds	17,736	17,736
Development funds	28,765	140,717
	4,509,559	4,699,441

Figures in '000' Taka
For the 1st Quarter ended from

	July 2019 to September 2019 Taka	July 2018 to September 2018 Taka
13 Revenue		
Pharmaceuticals	2,995,895	2,638,190
Animal Health	849,662	714,781
Consumer brands	1,239,144	1,553,852
Seeds	268,910	203,485
Fertilizer	181,473	362,375
	<u>5,535,084</u>	<u>5,472,683</u>
13 (a) Consolidated revenue		
Gross sales	16,088,786	14,995,250
Inter-company sales	(316,304)	(363,385)
	<u>15,772,482</u>	<u>14,631,865</u>
14 Cost of sales		
Opening stock	5,508,860	5,048,323
Purchase	2,536,246	2,739,156
	<u>8,045,106</u>	<u>7,787,479</u>
Closing stock	(5,667,712)	(5,150,592)
	<u>2,377,395</u>	<u>2,636,887</u>
Manufacturing expenses	422,614	343,570
	<u>2,800,009</u>	<u>2,980,458</u>
14 (a) Consolidated cost of sales		
Opening stock	12,237,772	11,272,404
Purchase	10,387,242	9,800,833
	<u>22,625,014</u>	<u>21,073,237</u>
Closing stock	(12,417,016)	(11,551,394)
	<u>10,207,999</u>	<u>9,521,842</u>
Manufacturing expenses	837,357	688,794
	<u>11,045,356</u>	<u>10,210,637</u>
15 Administrative, selling and distribution expenses		
Administrative expenses	49,402	136,946
Distribution expenses	216,271	213,898
Selling expenses	1,918,672	1,628,363
	<u>2,184,345</u>	<u>1,979,208</u>

		Figures in '000' Taka	
		For the 1st Quarter ended from	
		July 2019	July 2018
		to	to
		September 2019	September 2018
		Taka	Taka
15 (a)	Consolidated operating expenses		
	Administrative expenses	559,386	535,689
	Distribution expenses	426,858	379,988
	Selling expenses	2,992,502	2,569,989
		<u>3,978,746</u>	<u>3,485,666</u>
16	Reconciliation of net operating cash flow		
	Profit after tax	259,035	261,231
	<i>Adjustment for non-cash items and others:</i>		
	- Depreciation and amortisation	117,274	118,087
	- Provisions	180,854	23,521
	- Finance cost	26,320	8,468
	- Tax Expense	(3,525)	8,928
	- Contribution to WPPF	(7,088)	12,222
	- Adjustment for lease accounting under IFRS 16	55,947	47,870
	<i>Changes in:</i>		
	- Inventories	(463,091)	(122,798)
	- Trade and other receivables	365,557	(278,824)
	- Advances, deposits and prepayments	148,440	55,052
	- Trade and other payables, Employment benefits	(175,053)	376,415
	Net cash from operating activities	<u>504,670</u>	<u>510,173</u>
16 (a)	Reconciliation of Consolidated net operating cash flow		
	Profit after tax	(392,289)	16,176
	<i>Adjustment for non-cash items and others:</i>		
	- Depreciation and amortisation	341,088	293,082
	- Provisions	196,685	55,073
	- Share of profit of equity accounted investees	(92,290)	(21,970)
	- Finance cost	172,528	(15,363)
	- Tax Expense	(47,990)	53,480
	- Contribution to WPPF	(13,967)	32,044
	- Adjustment for lease accounting under IFRS 16	146,038	126,979
	<i>Changes in:</i>		
	- Inventories	(997,213)	(304,748)
	- Trade and other receivables	627,578	(1,374,009)
	- Advances, deposits and prepayments	52,860	132,599
	- Trade and other payables, Employment benefits	(408,624)	992,236
	Net cash from operating activities	<u>(415,595)</u>	<u>(14,421)</u>
17	Consolidated operating segments		
	Please see at the next page		
18	Figures have been rounded off to the nearest '000' Taka and previous period's figures have been rearranged to conform to current period's presentation.		

Consolidated operating segments

Figures in '000
For the 1st Quarter ended from July 2019 to September

Particulars	Reportable segment											Total reportable segments	Unallocated	Total
	Pharmaceuticals	Animal Health	Consumer brands	Crop Care and Public Health	Motors	Pure Flour	Retail chain	Salt	Foods	Premiaflex				
External revenue	2,995,895	849,662	1,165,157	539,736	2,708,827	1,146,083	2,665,429	450,107	1,114,283	871,810	14,506,990	1,265,492	15,114,283	
Inter-segment revenue	-	-	161,291	-	614	6,911	5,688	9,926	7,774	92,295	284,500	31,804	318,113	
Segment revenue	2,995,895	849,662	1,326,448	539,736	2,709,441	1,152,995	2,671,117	460,032	1,122,057	964,106	14,791,489	1,297,296	16,088,785	
Depreciation and amortisation	77,025	7,587	20,451	8,363	13,634	8,204	56,959	13,009	15,657	62,918	283,807	57,281	341,094	
Operating expenses	1,374,665	236,196	609,077	136,494	400,700	68,081	571,002	65,356	132,147	101,722	3,695,439	283,308	4,078,836	
Finance cost / (income)*	33,410	60,050	91,670	50,610	105,659	(13,424)	346,346	(8,941)	95,508	121,969	882,858	161,394	1,044,257	
Segment profit/(loss) before tax	532,208	(8,638)	(309,176)	14,037	267,396	29,503	(393,980)	44,335	(36,491)	(135,674)	3,521	(204,440)	3,216	
Segment assets at 30 Sep 2019	9,222,996	3,254,684	6,648,375	3,202,425	10,667,946	1,789,145	2,819,268	2,060,392	1,979,515	6,320,837	47,965,583	18,136,331	66,106,918	
Segment liabilities at 30 Sep 2019	4,078,396	1,338,103	1,337,188	1,909,236	8,205,553	795,035	13,394,250	981,772	3,705,937	5,375,212	41,120,683	16,104,465	57,225,148	

For the 1st Quarter ended from July 2018 to September

Particulars	Reportable segment											Total reportable segments	Unallocated	Total
	Pharmaceuticals	Animal Health	Consumer brands	Crop Care and Public Health	Motors	Pure Flour	Retail chain	Salt	Foods	Premiaflex				
External revenue	2,638,190	714,781	1,538,643	607,835	2,293,772	992,418	2,325,979	502,677	888,306	775,225	13,277,826	1,354,039	14,631,865	
Inter-segment revenue	-	-	192,480	-	5,149	10,665	6,924	10,178	22,945	69,772	318,113	45,273	363,387	
Segment revenue	2,638,190	714,781	1,731,123	607,835	2,298,921	1,003,083	2,332,903	512,855	911,251	844,997	13,595,939	1,399,311	14,985,250	
Depreciation and amortisation	76,687	9,106	17,773	8,361	7,805	7,477	62,539	13,008	12,297	41,145	256,197	36,885	292,082	
Operating expenses*	1,234,020	217,014	495,475	167,900	299,721	65,147	527,797	62,312	121,804	77,827	3,269,017	216,649	3,485,666	
Finance cost / (income)*	34,320	53,090	19,857	40,665	75,030	(7,697)	292,972	(3,608)	82,455	53,641	640,726	115,897	756,622	
Segment profit/(loss) before tax*	484,635	(43,327)	(125,148)	17,440	259,601	9,300	(334,673)	47,589	(56,988)	12,604	271,032	(1,772)	269,260	
Segment assets at 30 June 2019*	8,657,395	3,032,942	7,505,815	3,395,285	11,084,826	1,717,547	2,780,116	2,006,585	2,105,367	6,258,937	48,544,815	16,667,582	65,212,402	
Segment liabilities at 30 June 2019*	4,006,837	1,151,045	1,531,673	2,347,992	8,791,366	740,796	12,945,023	955,502	3,806,545	5,178,550	41,455,330	14,528,332	55,983,662	

* Restated

Note-19 Changes in accounting policies

The Group has applied IFRS 16 which has become initially applicable for the Group from 1 July 2019. As a result, the group has changed its accounting policies for lease contracts. The Group has applied IFRS 16 using restrospective approach. Therefore, comparative information have been restated.

The following table summarise the impacts of adopting IFRS 16 on the Group's consolidated financial statements:

i. Consolidated statement of financial position

1 July 2018

Figures in '000' Taka	Impact of initial application of IFRS 16		
	As previously reported	Adjustments	As restated
Right-of-use assets (for lease contracts)	-	1,608,263	1,608,263
Retained Earnings	5,451,050	(195,414)	5,255,636
Non-controlling interest	(59,419)	(48,105)	(107,524)
Deferred tax liabilities	378,991	(14,722)	364,269
Lease liabilities	-	1,866,504	1,866,504

30 June 2019

Figures in '000' Taka	Impact of initial application of IFRS 16		
	As previously reported	Adjustments	As restated
Right-of-use assets (for lease contracts)	-	1,434,888	1,434,888
Retained Earnings	4,073,015	(227,740)	3,845,276
Non-controlling interest	(298,385)	(52,899)	(351,284)
Deferred tax liabilities	96,558	(21,043)	75,515
Lease Liabilities	-	1,736,570	1,736,570

ii. Consolidated statement of profit or loss

For the Quarter ended from July 2018 to September 2018

Figures in '000' Taka	Impact of initial application of IFRS 16		
	As previously reported	Adjustments	As restated
Administrative, selling and distribution expenses	(3,520,060)	34,394	(3,485,666)
Net finance costs	(707,815)	(48,808)	(756,623)
Income tax expense	(254,902)	1,817	(253,085)

iii. Consolidated statement of cash flows

For the Quarter ended from July 2018 to September 2018

Figures in '000' Taka	Impact of initial application of IFRS 16		
	As previously reported	Adjustments	As restated
Net cash from / (used in) operating activities	(128,804)	114,383	(14,421)
Net cash from financing activities	1,045,931	(114,383)	931,548