



UN-AUDITED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

In compliance with the Listing Regulations 2015 of the Exchanges, we are pleased to publish our un-audited first quarter's (Q1) Consolidated Financial Statements of ACI Limited ended 30 September 2018 along with requisite comparative financial indicators, as adopted by the Board of Directors in its 185th meeting held on Sunday, 11 November 2018 at 3:45 pm at ACI Centre. The detail financial statements have duly been dispatched to Bangladesh Securities and Exchange Commission as well as Stock Exchanges.

Consolidated statement of financial position (Un-audited)			Consolidated statement of profit or loss (Un-audited)			Consolidated statement of profit or loss and other comprehensive income (Un-audited)		
Figures in '000' Taka			Figures in '000' Taka			Figures in '000' Taka		
	As at 30 September 2018	As at 30 June 2018	For the 1st Quarter ended from			For the 1st Quarter ended from		
			July 2018 to September 2018	July 2017 to September 2017		July 2018 to September 2018	July 2017 to September 2017	
Assets								
Property, plant and equipment	23,764,059	23,017,049						
Equity-accounted investees	1,165,284	1,143,315						
Other investments	879,653	735,340						
Intangible assets	114,127	118,238						
Non-current assets	25,923,123	25,013,941						
Inventories	12,066,556	11,792,578						
Trade receivables	12,311,245	10,963,330						
Other receivables	1,101,765	1,099,973						
Inter-company receivables	11,212	10,908						
Advances, deposits and prepayments	4,503,238	4,433,434						
Cash and cash equivalents	1,268,845	2,131,550						
Current assets	31,262,861	30,431,774						
Total assets	57,185,985	55,445,715						
Equity								
Share capital	482,024	482,024						
Share premium	402,310	402,310						
Reserves	4,871,714	4,744,428						
Retained earnings	5,465,655	5,451,050						
Equity attributable to the owners of the company	11,221,704	11,079,813						
Non-controlling interest	(95,053)	(59,419)						
Total equity	11,126,651	11,020,394						
Liabilities								
Employee benefits	1,028,498	994,108						
Long term borrowings	7,829,141	7,972,367						
Deferred tax liabilities	366,578	378,991						
Non-current liabilities	9,224,217	9,345,466						
Bank overdraft	3,326,230	4,159,154						
Loans and borrowings	23,501,814	21,933,605						
Trade payables	2,931,785	2,252,947						
Other payables	3,983,409	3,924,142						
Current tax liability	3,091,879	2,810,007						
Current liabilities	36,835,117	35,079,855						
Total liabilities	46,059,334	44,425,321						
Total equity and liabilities	57,185,985	55,445,715						
Net asset value (NAV) per share	232.80	229.86						

Consolidated statement of profit or loss and other comprehensive income (Un-audited)		
Figures in '000' Taka		
	For the 1st Quarter ended from	
	July 2018 to September 2018	July 2017 to September 2017
Revenue	14,631,865	12,648,124
Cost of sales	(10,210,637)	(8,908,645)
Gross profit	4,421,228	3,739,479
Administrative, selling and distribution expenses	(3,520,060)	(3,099,567)
Other income	106,223	52,722
Operating profit	1,007,391	692,634
Share of profit of equity accounted investees	21,970	49,855
Net finance costs	(707,815)	(432,988)
Profit before contribution to WPPF	321,545	309,501
Contribution to WPPF	(37,872)	(29,060)
Profit before tax	283,673	280,441
Income tax expense	(254,902)	(194,902)
Profit after tax	28,771	85,539
Profit attributable to:		
Equity holders of the company	60,888	113,620
Non-controlling interests	(32,117)	(28,081)
Profit after tax	28,771	85,539
Earnings per share		
Basic earnings per share (EPS)	1.26	2.36

Consolidated statement of cash flows (Un-audited)		
Figures in '000' Taka		
	For the 1st Quarter ended from	
	July 2018 to September 2018	July 2017 to September 2017
Cash flows from operating activities		
Cash receipts from customers and others	13,661,850	12,432,469
Cash paid to suppliers and employees	(12,860,226)	(12,244,366)
Cash generated from operating activities	801,624	188,104
Paid to WPPF	(5,829)	(15,288)
Finance costs paid	(723,178)	(426,991)
Income tax paid	(201,422)	(221,504)
	(930,428)	(663,783)
Net cash from/(used in) operating activities	(128,804)	(475,679)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(148,194)	(425,284)
Payments for capital work in progress	(810,555)	(386,081)
Sale proceeds from property, plant and equipment	255	65
Subsidiary amount included upon control established	11,586	-
Investment	-	(742)
Net cash used in investing activities	(946,909)	(812,042)
Cash flows from financing activities		
Inter-company debts received/(paid)	304	188
Dividend paid	(247)	-
Paid as dividend to non-controlling interest	-	(5)
Short-term bank loan received/(paid)	1,189,101	(1,002,558)
Long-term bank loan received/(paid)	(143,227)	2,115,116
Net cash from financing activities	1,045,931	1,112,740
Net increase/(decrease) in cash and cash equivalents	(29,782)	(174,982)
Cash and cash equivalents at 1 July	(2,027,603)	(184,983)
Cash and cash equivalents at 30 September	(2,057,385)	(359,965)
Closing balance represents		
Cash and cash equivalents	1,268,845	1,631,240
Bank overdraft	(3,326,230)	(1,991,205)
	(2,057,385)	(359,965)
Net operating cash flows per share (NOCFPS)	(2.67)	(9.87)

Consolidated statement of changes in equity (Un-audited)									
Figures in '000' Taka									
	For the 1st Quarter ended from July 2018 to September 2018								
	Attributable to owner of the Company								
	Share capital	Share premium	Capital reserve	Available for sale reserve	Revaluation reserve	Retained earnings	Total	Non-controlling Interests	Total equity
Balance at 1 July 2018	482,024	402,310	1,671	464,823	4,277,934	5,451,050	11,079,813	(59,419)	11,020,394
Total comprehensive income									
Profit after tax	-	-	-	-	-	60,888	60,888	(32,117)	28,771
Other comprehensive income-net of tax	-	-	-	127,286	-	-	127,286	-	127,286
Total comprehensive income	-	-	-	127,286	-	60,888	188,175	(32,117)	156,057
Transaction with owners of the Company									
Share premium	-	-	-	-	-	-	-	-	-
Bonus share issue	-	-	-	-	-	-	-	-	-
Interim dividend paid	-	-	-	-	-	-	-	-	-
Adjustment for control established in Subsidiary	-	-	-	-	(46,283)	(46,283)	(46,283)	(3,517)	(49,800)
Total transactions with owners of the Company	-	-	-	-	(46,283)	(46,283)	(46,283)	(3,517)	(49,800)
Balance at 30 September 2018	482,024	402,310	1,671	592,109	4,277,934	5,465,655	11,221,704	(95,053)	11,126,651
	For the 1st Quarter ended from July 2017 to September 2017								
	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 2017	438,204	402,310	1,671	300,304	4,277,934	5,153,138	10,573,562	65,498	10,639,060
Total comprehensive income									
Profit after tax	-	-	-	-	-	113,620	113,620	(28,081)	85,539
Other comprehensive income-net of tax	-	-	-	123,917	-	-	123,917	(9)	123,908
Total comprehensive income	-	-	-	123,917	-	113,620	237,538	(28,090)	209,448
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	-	-	-	-	-	-	-	-	-
Balance at 30 September 2017	438,204	402,310	1,671	424,221	4,277,934	5,266,758	10,811,099	37,408	10,848,507

Explanatory Notes to the Financial Statements as at and for the 1st Quarter ended 30 September 2018 for reasons of Significant Deviations

As a stand-alone Company and a Group, ACI has a reasonable growth in Revenue both in Separate (12%) and Consolidated (16%) Financial Statements over the same period of last year (SPLY) which is self-clarifiable from the Separate and Consolidated Statements of Profit or Loss. Resultant Operating Profit both for Company and Group were quite higher in the reported financial period over the SPLY. However, as a Group, the Company has registered a significant de-growth in Consolidated After Tax Profit (PAT) during the reported financial period over the SPLY despite a significantly higher growth in the Separate Statement Profit or Loss.

The major reasons for the de-growth of the Profit of the Group considering it as the significant deviation from the same quarter (Q1) of previous year are as follows:

Issue – 1: Currency devaluation:

Significant currency devaluation during the reported financial period (Q1) affected almost all the businesses of the Group due to higher dependency on import of raw materials, packing materials and finished goods.

Issue – 2: Interest rate increase:

Interest rate has started to pick-up significantly from the second quarter of FY 2017-18 resulting into a huge impact on the profitability of the Group since then to date.

Issue – 3: Decrease in share of profit from JVs and associates:

Profit share from joint ventures has decreased to half of the SPLY.

Issue – 4: Purchase rate variance due to international price hike:

During the reported financial period (Q1), we had to face the price hike of raw materials, packing materials and finished goods due to unfavorable price fluctuations in the global market in different sectors.

Issue – 5: High income tax expenses:

During the reported financial period (Q1), income tax expenses were quite higher over SPLY due to the adverse impact of minimum tax treated as the final tax that resulted into lower profitability.