

**ACI Formulations Limited**

**1st Quarter Report 2013**

**ACI Formulations Limited**  
**Statement of Financial Position**  
as at 31 March 2013  
Unaudited

Figures in '000'

	<u>Notes</u>	<u>31-Mar-13</u> <u>Taka</u>	<u>31-Dec-12</u> <u>Taka</u>
<b><u>Assets</u></b>			
<b>Non-current assets</b>			
Property, plant and equipment			
At cost/revaluation		1,341,912	1,327,776
Less: Accumulated depreciation		109,123	97,075
	2	1,232,789	1,230,701
Capital work-in-progress		19,780	25,978
Investment		2,600	2,600
<b>Total non-current assets</b>		<b>1,255,169</b>	<b>1,259,279</b>
<b>Current assets</b>			
Inventories	3	557,610	669,134
Trade receivables	4	677,903	593,571
Advances, deposits and prepayments	5	41,878	37,848
Advance income tax	6	58,517	47,849
Inter-company receivables	7	156,721	161,977
Cash and cash equivalents		54,964	79,627
<b>Total current assets</b>		<b>1,547,593</b>	<b>1,590,006</b>
<b>Total assets</b>		<b>2,802,762</b>	<b>2,849,285</b>
<b><u>Equity and liabilities</u></b>			
<b>Shareholders' equity</b>			
Share capital		450,000	450,000
Revaluation surplus		692,960	692,960
Retained earnings		633,672	570,781
<b>Total equity</b>		<b>1,776,632</b>	<b>1,713,741</b>
<b>Non-current liabilities</b>			
Long term liabilities	8	73,448	74,022
<b>Current liabilities</b>			
Bank overdraft		57,739	72,830
Short term bank loan		627,262	746,553
Long term bank loan- current portion		18,567	24,455
Trade payables		42,806	46,944
Other payables	9	110,544	95,668
Inter-company payable	10	9,589	9,247
Current tax liability		86,175	65,825
<b>Total current liabilities</b>		<b>952,682</b>	<b>1,061,522</b>
<b>Total equity and liabilities</b>		<b>2,802,762</b>	<b>2,849,285</b>



**Shusmita Anis**  
Managing Director



**Muallem A Choudhury**  
Chief Financial Officer

**ACI Formulations Limited**  
**Statement of Comprehensive Income**  
for the 1st quarter ended 31 March 2013  
Unaudited

Figures in '000'

	<u>Notes</u>	<u>1st quarter ended on</u>	
		<u>31- Mar-13</u>	<u>31- Mar-12</u>
		<u>Taka</u>	<u>Taka</u>
Revenue	11	724,661	909,391
Cost of sales	12	<u>(523,599)</u>	<u>(686,196)</u>
<b>Gross profit</b>		201,062	223,195
Administrative, selling and distribution expenses	13	<u>(90,434)</u>	<u>(105,282)</u>
<b>Results from operating activities</b>		110,628	117,913
Other income		1,480	2,928
Financing costs		<u>(23,721)</u>	<u>(22,732)</u>
		88,387	98,109
Provision for contribution to WPPF		<u>(4,419)</u>	<u>(4,905)</u>
<i>Profit before taxation</i>		83,968	93,204
Tax expenses		(21,077)	(24,855)
<b>Profit after tax</b>		<u>62,891</u>	<u>68,349</u>
Other comprehensive income		-	-
Total other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>		<u><b>62,891</b></u>	<u><b>68,349</b></u>
<b>Earnings per share (EPS)</b>		<u><b>1.40</b></u>	<u><b>1.52</b></u>



**Shusmita Anis**  
Managing Director



**Muallem A Choudhury**  
Chief Financial Officer

**ACI Formulations Limited**  
**Statement of Changes in Equity**  
for the 1st quarter ended 31 March 2013  
Unaudited

**Figures in '000'**

<u>Particulars</u>	<u>Paid up capital Taka</u>	<u>Revaluation surplus Taka</u>	<u>Retained earnings Taka</u>	<u>Total Taka</u>
<b>Balance as at 31st December 2011</b>	<b>300,000</b>	<b>693,376</b>	<b>645,402</b>	<b>1,638,778</b>
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	68,349	68,349
Total other comprehensive income net of tax	-	-	-	-
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>68,349</b>	<b>68,349</b>
<b>Balance as at 31 March 2012</b>	<b>300,000</b>	<b>693,376</b>	<b>713,751</b>	<b>1,707,127</b>
<b>Balance as at 31st December 2012</b>	<b>450,000</b>	<b>692,960</b>	<b>570,781</b>	<b>1,713,741</b>
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	62,891	62,891
Total other comprehensive income net of tax	-	-	-	-
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>62,891</b>	<b>62,891</b>
<b>Balance at 31 March 2013</b>	<b>450,000</b>	<b>692,960</b>	<b>633,672</b>	<b>1,776,632</b>



**Shusmita Anis**  
Managing Director



**Muallem A Choudhury**  
Chief Financial Officer

**ACI Formulations Limited**  
**Statement of cash flows**  
for the 1st quarter ended 31 March 2013  
Unaudited

Figures in '000'

	1st quarter ended on	
	31- Mar -13	31- Mar -12
	Taka	Taka
<b>A) Cash flows from operating activities</b>		
Cash received from customers	638,153	721,845
Cash received from other income	1,480	2,928
	639,633	724,773
Cash received/(paid) from/(for):		
Purchase of inventory	(404,905)	(586,177)
Operating expenses	(77,902)	(55,914)
Other payables	3,414	1,161
Advances, deposits and prepayments	(4,030)	(10,597)
	(483,423)	(651,527)
Cash generated from operating activities	156,210	73,246
Financing cost	(23,721)	(22,732)
Income tax	(10,668)	(14,774)
	(34,389)	(37,506)
<i>Net cash inflows/(outflows) from operating activities</i>	121,821	35,740
<b>B) Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,615)	(8,897)
Payments for capital work-in-progress	(6,323)	(5,741)
<i>Net cash used in investing activities</i>	(7,938)	(14,638)
<b>C) Cash flows from financing activities</b>		
Inter-company receivable/payable received/(paid)	3,094	(182,881)
Dividend paid	(69)	(56)
Short term bank loan received/(paid)	(119,291)	148,390
Long term bank loan received/(paid)	(7,188)	(5,178)
<i>Net cash from/(used in) financing activities</i>	(123,454)	(39,725)
<b>D) Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	(9,571)	(18,623)
<b>E) Cash and cash equivalents at 1 January</b>	6,796	25,068
<b>F) Cash and cash equivalents at 31 March (D+E)</b>	(2,775)	6,445
<b>Closing balance represents</b>		
Cash in hand and at bank	54,964	44,309
Bank overdraft	(57,739)	(37,864)
	(2,775)	6,445



**Shusmita Anis**  
Managing Director



**Muallem A Choudhury**  
Chief Financial Officer

**ACI Formulations Limited**

**Notes to the financial statements  
for the 1st quarter ended 31 March 2013  
Unaudited**

**1 Selected explanatory notes:**

These financial statements have been prepared in line with Accounting Policies as adopted in the preparation of financial statements for the year ended 31 December 2012. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements.

	<u>Figures in '000'</u>	
	<u>31- Mar -13</u>	<u>31-Dec -12</u>
	<u>Taka</u>	<u>Taka</u>
<b>2 Property, plant &amp; equipment at cost/ revaluation:</b>		
Opening balance	1,327,776	1,229,783
Addition during the period/year	14,136	97,993
	<u>1,341,912</u>	<u>1,327,776</u>
Accumulated depreciation at the end of period/year	(109,123)	(97,075)
	<u>1,232,789</u>	<u>1,230,701</u>
<b>3 Inventories</b>		
Raw materials	223,378	216,354
Packing materials	62,936	47,740
Finished goods	229,842	334,213
Work-in-process	2,525	3,664
Stock in transit	26,807	54,295
Other inventories	22,794	22,502
	<u>568,282</u>	<u>678,768</u>
Provision for slow moving Inventory	(10,672)	(9,634)
	<u>557,610</u>	<u>669,134</u>
<b>4 Trade receivables</b>		
Receivables due over six months	131,399	163,166
Receivables due below six months	611,888	491,109
	<u>743,287</u>	<u>654,275</u>
Provision for doubtful debts	(65,384)	(60,704)
	<u>677,903</u>	<u>593,571</u>
<b>5 Advance, deposits &amp; prepayments</b>		
Advance to suppliers	25,576	24,745
Staff advances	6,405	2,121
Security money and tender deposits	5,022	5,029
Prepayments	4,875	5,953
	<u>41,878</u>	<u>37,848</u>

	<u>31- Mar -13</u> <u>Taka</u>	<u>31-Dec -12</u> <u>Taka</u>
<b>6 Advance income tax</b>		
Balance as at 1 January	47,849	43,608
Paid during the period/year	<u>10,668</u>	<u>60,673</u>
	58,517	104,281
Adjustment during the period/year	<u>-</u>	<u>(56,432)</u>
	<u><u>58,517</u></u>	<u><u>47,849</u></u>
<b>7 Inter-company receivables</b>		
Advanced Chemical Industries Limited	137,632	143,567
Premiaflex Plastics Limited	<u>19,089</u>	<u>18,410</u>
	<u><u>156,721</u></u>	<u><u>161,977</u></u>
<b>8 Long term liabilities</b>		
Staff gratuity provision	6,470	7,770
Other long term liabilities	5,863	5,863
Deferred tax liabilities	<u>61,115</u>	<u>60,389</u>
	<u><u>73,448</u></u>	<u><u>74,022</u></u>
<b>9. Other payables</b>		
Creditor for expenses	68,334	63,962
Interest payable	9,997	7,257
Unpaid dividend	6,069	6,139
Security money payable	683	683
Withholding tax and VAT	5,618	2,204
Workers' profit participation fund	<u>19,843</u>	<u>15,423</u>
	<u><u>110,544</u></u>	<u><u>95,668</u></u>
<b>10 Inter-company payables</b>		
ACI Salt Limited	9,589	9,247
	<u><u>9,589</u></u>	<u><u>9,247</u></u>
	<u>Jan- Mar 13</u> <u>Taka</u>	<u>Jan- Mar 12</u> <u>Taka</u>
<b>11. Revenue</b>		
Crop Care & Public Health	403,368	477,829
Mosquito Coil	187,462	233,519
Aerosol	<u>133,831</u>	<u>198,043</u>
	<u><u>724,661</u></u>	<u><u>909,391</u></u>

	<u>Jan- Mar 13</u>	<u>Jan- Mar 12</u>
	<u>Taka</u>	<u>Taka</u>
<b>12. Cost of sales</b>		
Opening stock	601,971	643,052
Purchase	396,316	527,861
	<u>998,287</u>	<u>1,170,913</u>
Closing stock	(518,682)	(533,461)
	<u>479,605</u>	<u>637,452</u>
Manufacturing expenses	43,994	48,744
	<u>523,599</u>	<u>686,196</u>
<b>13. Operating expenses</b>		
Administrative expenses	25,967	27,012
Distribution expenses	8,608	9,736
Selling expenses	55,859	68,534
	<u>90,434</u>	<u>105,282</u>

**14. Operating segment**

Please see at next page

- 15.** 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.



#### 14. Segment reporting

The Company has three reportable segments, as described below, which are the Company's strategic divisions. The strategic division offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Company's CEO reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Company's reportable segments:

**Crop Care and Public Health (CC & PH)** To manufacture and sell crop care and public health products.

**Mosquito Coil (M Coil)** To manufacture and sell mosquito coil products

**Aerosol** To manufacture and sell aerosol and air freshener products.

**Figures in '000'**

Particulars	CC &PH		M Coil		Aerosol		Unallocated		Total	
	1st quarter ended on		1st quarter ended on		1st quarter ended on		1st quarter ended on		1st quarter ended on	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Segment revenue:										
External revenues	403,368	477,829	-	-	-	-	-	-	403,368	477,829
Inter-segment revenues	-	-	187,462	233,519	133,831	198,043	-	-	321,293	431,562
<b>Total revenue</b>	<b>403,368</b>	<b>477,829</b>	<b>187,462</b>	<b>233,519</b>	<b>133,831</b>	<b>198,043</b>	<b>-</b>	<b>-</b>	<b>724,661</b>	<b>909,391</b>
Finance costs	(21,567)	(19,114)	(1,057)	(1,743)	(1,097)	(1,875)	-	-	(23,721)	(22,732)
Depreciation	(5,688)	(5,848)	(5,163)	(4,749)	(1,197)	(1,032)	-	-	(12,048)	(11,629)
Manufacturing expenses excluding depreciation	(222,758)	(286,495)	(167,299)	(207,740)	(122,233)	(181,080)			(512,290)	(675,315)
Operating expenses excluding depreciation	(77,254)	(90,164)	(6,607)	(8,578)	(5,834)	(5,792)	-	-	(89,695)	(104,534)
Other income /(expense)	690	2,201	1	15	789	712	-	-	1,480	2,928
<b>Profit before tax</b>	<b>72,951</b>	<b>74,489</b>	<b>6,970</b>	<b>10,188</b>	<b>4,046</b>	<b>8,527</b>	<b>-</b>	<b>-</b>	<b>83,968</b>	<b>93,204</b>
<b>Reportable segment assets</b>	<b>1,831,615</b>	<b>1,765,927</b>	<b>608,169</b>	<b>1,008,373</b>	<b>286,640</b>	<b>253,163</b>	<b>76,338</b>	<b>101,099</b>	<b>2,802,762</b>	<b>3,128,562</b>
<b>Reportable segment liabilities</b>	<b>286,965</b>	<b>452,261</b>	<b>102,507</b>	<b>184,525</b>	<b>141,290</b>	<b>201,095</b>	<b>495,368</b>	<b>583,554</b>	<b>1,026,130</b>	<b>1,421,435</b>



**Shusmita Anis**  
Managing Director



**Muallem A Choudhury**  
Chief Financial Officer