

ACI Formulations Limited

1st Quarter Report 2012

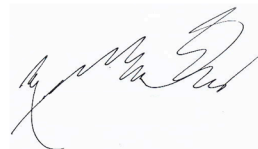
**ACI Formulations Limited**  
**Statement of Financial Position**  
as at 31 March 2012  
Unaudited

Figures in '000'

|                                      | <u>31-Mar-12</u> | <u>31-Dec-11</u> |
|--------------------------------------|------------------|------------------|
|                                      | <u>Taka</u>      | <u>Taka</u>      |
| <b><u>Assets</u></b>                 |                  |                  |
| <b>Non-current assets</b>            |                  |                  |
| Property, plant and equipment        |                  |                  |
| At cost/revaluation                  | 1,238,680        | 1,229,783        |
| Less: Accumulated depreciation       | 64,120           | 52,490           |
|                                      | 1,174,560        | 1,177,293        |
| Capital work-in-progress             | 31,926           | 33,113           |
| Investment                           | 2,397            | 2,397            |
| <b>Total non-current assets</b>      | <b>1,208,883</b> | <b>1,212,803</b> |
| <b>Current assets</b>                |                  |                  |
| Inventories                          | 621,418          | 704,747          |
| Trade receivables                    | 715,424          | 546,037          |
| Advances, deposits and prepayments   | 93,724           | 68,354           |
| Inter-company receivables            | 444,804          | 243,764          |
| Cash and cash equivalents            | 44,309           | 83,150           |
| <b>Total current assets</b>          | <b>1,919,679</b> | <b>1,646,052</b> |
| <b>Total assets</b>                  | <b>3,128,562</b> | <b>2,858,855</b> |
| <b><u>Equity and liabilities</u></b> |                  |                  |
| <b>Shareholders' equity</b>          |                  |                  |
| Share capital                        | 300,000          | 300,000          |
| Revaluation surplus                  | 693,376          | 693,376          |
| Retained earnings                    | 713,751          | 645,402          |
| <b>Total equity</b>                  | <b>1,707,127</b> | <b>1,638,778</b> |
| <b>Liabilities</b>                   |                  |                  |
| Long term liabilities                | 88,733           | 93,961           |
| <b>Current liabilities</b>           |                  |                  |
| Bank overdraft                       | 37,864           | 58,083           |
| Short term bank loan                 | 910,666          | 762,277          |
| Long term bank loan- current portion | 21,669           | 21,669           |
| Trade payables                       | 96,853           | 97,972           |
| Other payables                       | 166,719          | 112,960          |
| Current tax liability                | 98,931           | 73,155           |
| <b>Total current liabilities</b>     | <b>1,332,702</b> | <b>1,126,116</b> |
| <b>Total equity and liabilities</b>  | <b>3,128,562</b> | <b>2,858,855</b> |



**M Anis Ud Dowla**  
Managing Director



**Muallem A Choudhury**  
Chief Financial Officer

**ACI Formulations Limited**  
**Statement of Comprehensive Income**  
for the 1st quarter ended 31 March 2012  
Unaudited

**Figures in '000'**

1st quarter ended on


31- Mar-12

31- Mar-11


Taka

Taka

|   |                      |                      |
|---|----------------------|----------------------|
| Revenue   | 909,391              | 780,724              |
| Cost of sales                                     | (686,196)            | (557,827)            |
| <b>Gross profit</b>                               | <u>223,195</u>       | <u>222,897</u>       |
| Administrative, selling and distribution expenses | (105,282)            | (82,455)             |
| <b>Results from operating activities</b>          | <u>117,913</u>       | <u>140,442</u>       |
| Other income                                      | 2,928                | 3,521                |
| Financing costs                                   | (22,732)             | (18,103)             |
|   | <u>98,109</u>        | <u>125,860</u>       |
| Provision for contribution to WPPF                | (4,905)              | (6,293)              |
| <i>Profit before taxation</i>                     | <u>93,204</u>        | <u>119,567</u>       |
| Tax expenses                                      | (24,855)             | (29,088)             |
| <b>Profit after tax</b>                           | <u>68,349</u>        | <u>90,479</u>        |
| Other comprehensive income                        | -                    | -                    |
| Total other comprehensive income                  | <u>-</u>             | <u>-</u>             |
| <b>Total comprehensive income</b>                 | <u><u>68,349</u></u> | <u><u>90,479</u></u> |
| <b>Earnings per share (EPS)</b>                   | <u><u>2.28</u></u>   | <u><u>3.02</u></u>   |



**M Anis Ud Dowla**  
Managing Director



**Muallem A Choudhury**  
Chief Financial Officer

ACI Formulations Limited

Statement of Changes in Equity  
for the 1st quarter ended 31 March 2012  
Unaudited

Figures in '000'

| <u>Particulars</u>                               | <u>Paid<br/>up capital<br/>Taka</u> | <u>Revaluation<br/>surplus<br/>Taka</u> | <u>Retained<br/>earnings<br/>Taka</u> | <u>Total<br/>Taka</u> |
|--|-------------------------------------|---|---------------------------------------|-----------------------|
| Balance as at 31 December 2010                   | 300,000                             | 693,376                                 | 588,554                               | 1,581,930             |
| <b>Comprehensive income for the period</b>       |                                     |   |                                       |                       |
| Profit after tax for the period                  | -                                   | -                                       | 90,479                                | 90,479                |
| Total other comprehensive income net of tax      | -                                   | -                                       | -                                     | -                     |
| <b>Total Comprehensive income for the period</b> | -                                   | -                                       | 90,479                                | 90,479                |
| Balance as at 31 March 2011                      | <u>300,000</u>                      | <u>693,376</u>                          | <u>679,033</u>                        | <u>1,672,409</u>      |
| Balance as at 31 December 2011                   | 300,000                             | 693,376                                 | 645,402                               | 1,638,778             |
| <b>Comprehensive income for the period</b>       |                                     |   |                                       |                       |
| Profit after tax for the period                  | -                                   | -                                       | 68,349                                | 68,349                |
| Total other comprehensive income net of tax      | -                                   | -                                       | -                                     | -                     |
| <b>Total Comprehensive income for the period</b> | -                                   | -                                       | 68,349                                | 68,349                |
| Balance at 31 March 2012                         | <u>300,000</u>                      | <u>693,376</u>                          | <u>713,751</u>                        | <u>1,707,127</u>      |



**M Anis Ud Dowla**  
Managing Director



**Muallem A Choudhury**  
Chief Financial Officer

**ACI Formulations Limited**  
**Statement of cash flows**  
for the 1st quarter ended 31 March 2012


Unaudited

Figures in '000'

|  | 1st quarter ended on |             |
|--|----------------------|-------------|
|  | 31- Mar -12          | 31- Mar -11 |
|  | Taka                 | Taka        |
| <b>A) Cash flows from operating activities</b>                         |                      |             |
| Cash receipts from customers   | 721,845              | 557,624     |
| Cash receipts from other income  | 2,928                | 3,521       |
|  | 724,773              | 561,145     |
| Cash received/(paid) from/(for):                                       |                      |             |
| Purchase of inventory  | (586,177)            | (352,867)   |
| Operating expenses   | (55,914)             | (56,489)    |
| Other payables   | 1,161                | 26          |
| Advances, deposits and prepayments                                     | (10,597)             | (11,686)    |
|  | (651,527)            | (421,016)   |
| Cash generated from operating activities                               | 73,246               | 140,129     |
| Financing cost   | (22,732)             | (18,103)    |
| Income tax   | (14,774)             | (8,279)     |
|  | (37,506)             | (26,382)    |
| <i>Net cash inflows/(outflows) from operating activities</i>           | 35,740               | 113,747     |
| <b>B) Cash flows from investing activities</b>                         |                      |             |
| Acquisition of property, plant and equipment                           | (8,897)              | (62,882)    |
| Payments for capital work-in-progress                                  | (5,741)              | (14,131)    |
| <i>Net cash used in investing activities</i>                           | (14,638)             | (77,013)    |
| <b>C) Cash flows from financing activities</b>                         |                      |             |
| Inter-company receivable/payable received/(paid)                       | (182,881)            | (125,366)   |
| Dividend paid  | (56)                 | (43)        |
| Short term bank loan received/(paid)                                   | 148,390              | 25,806      |
| Long term bank loan received/(paid)                                    | (5,178)              | 1,954       |
| <i>Net cash from/(used in) financing activities</i>                    | (39,725)             | (97,649)    |
| <b>D) Net increase/(decrease) in cash and cash equivalents (A+B+C)</b> | (18,623)             | (60,915)    |
| <b>E) Cash and cash equivalents at 1 January</b>                       | 25,068               | 24,815      |
| <b>F) Cash and cash equivalents at 31 March (D+E)</b>                  | 6,445                | (36,100)    |
| <b>Closing balance represents</b>                                      |                      |             |
| Cash in hand and at bank   | 44,309               | 30,055      |
| Bank overdraft   | (37,864)             | (66,155)    |
|  | 6,445                | (36,100)    |



**M Anis Ud Dowla**  
Managing Director



**Muallem A Choudhury**  
Chief Financial Officer

**ACI Formulations Limited**  
**Notes to the financial statements**  
**for the 1st quarter ended 31 March 2012**  
Unaudited

**1 Selected explanatory notes:**

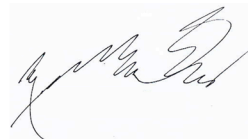
These financial statements have been prepared in line with Accounting Policies as adopted in the preparation of financial statements for the year ended 31 December 2011. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements.

|  | <b>Figures in '000'</b> |                         |
|--|-------------------------|-------------------------|
|  | <u>31- Mar -12</u>      | <u>31-Dec -11</u>       |
|  | <u>Taka</u>             | <u>Taka</u>             |
| <b>2 Fixed asset at cost/ revaluation:</b>         |                         |                         |
| Opening balance                                    | 1,229,783               | 1,124,225               |
| Addition during the period/year                    | 8,897                   | 105,558                 |
|  | <u>1,238,680</u>        | <u>1,229,783</u>        |
| Accumulated depreciation at the end of period/year | <u>(64,120)</u>         | <u>(52,490)</u>         |
|  | <u><u>1,174,560</u></u> | <u><u>1,177,293</u></u> |
| <b>3 Inventories</b>                               |                         |                         |
| Raw materials                                      | 226,787                 | 311,003                 |
| Packing materials                                  | 73,867                  | 98,332                  |
| Finished goods                                     | 228,824                 | 233,717                 |
| Work-in-process                                    | 3,982                   | -                       |
| Stock in transit                                   | 76,680                  | 52,328                  |
| Other inventories                                  | 19,906                  | 18,328                  |
|  | <u>630,046</u>          | <u>713,708</u>          |
| Provision for slow moving Inventory                | <u>(8,628)</u>          | <u>(8,961)</u>          |
|  | <u><u>621,418</u></u>   | <u><u>704,747</u></u>   |
| <b>4 Trade receivables</b>                         |                         |                         |
| Receivables due over six months                    | 143,254                 | 157,575                 |
| Receivables due below six months                   | 643,082                 | 451,828                 |
|  | <u>786,336</u>          | <u>609,403</u>          |
| Provision for doubtful debts                       | <u>(70,912)</u>         | <u>(63,366)</u>         |
|  | <u><u>715,424</u></u>   | <u><u>546,037</u></u>   |
| <b>5 Advance, deposits &amp; prepayments</b>       |                         |                         |
| Advance income tax                                 | 58,382                  | 43,608                  |
| Advance to suppliers                               | 22,854                  | 12,458                  |
| Staff advances                                     | 2,615                   | 5,570                   |
| Security money and tender deposits                 | 7,052                   | 6,518                   |
| Prepayments  | 2,821                   | 200                     |
|  | <u>93,724</u>           | <u>68,354</u>           |
| <b>6 Long term liabilities</b>                     |                         |                         |
| Staff gratuity provision                           | 6,037                   | 5,167                   |
| Other long term liabilities                        | 5,404                   | 5,404                   |
| Deferred tax liabilities                           | 58,314                  | 59,234                  |
| Long term loan                                     | 18,978                  | 24,156                  |
|  | <u>88,733</u>           | <u>93,961</u>           |
| <b>7 Operating segment</b>                         |                         |                         |
| Please see at next page                            |                         |                         |

**8** Figures have been rounded off to nearest '000' Taka and previous period's figures have been rearranged to conform to current period's presentation.



**M Anis Ud Dowla**  
 Managing Director



**Muallem A Choudhury**  
 Chief Financial Officer

## 7. Operating segments

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 on at least 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-12            | 31-Mar-11        | 31-Mar-12            | 31-Mar-11      | 31-Mar-12            | 31-Mar-11      | 31-Mar-12            | 31-Mar-11      | 31-Mar-12            | 31-Mar-11        |
|                                       | Taka                 | Taka             | Taka                 | Taka           | Taka                 | Taka           | Taka                 | Taka           | Taka                 | Taka             |
| Segment revenue:                      |                      |                  |                      |                |                      |                |                      |                |                      |                  |
| External revenues                     | 477,829              | 465,469          | -                    | -              | -                    | -              | -                    | -              | 477,829              | 465,469          |
| Inter-segment revenues                | -                    | -                | 233,519              | 179,997        | 198,043              | 135,258        | -                    | -              | 431,562              | 315,255          |
| <b>Total revenue</b>                  | <b>477,829</b>       | <b>465,469</b>   | <b>233,519</b>       | <b>179,997</b> | <b>198,043</b>       | <b>135,258</b> | <b>-</b>             | <b>-</b>       | <b>909,391</b>       | <b>780,724</b>   |
| Finance costs                         | (19,114)             | (16,924)         | (1,743)              | (897)          | (1,875)              | (282)          | -                    | -              | (22,732)             | (18,103)         |
| Depreciation                          | (5,848)              | (5,186)          | (4,749)              | (5,072)        | (1,032)              | (1,120)        | -                    | -              | (11,629)             | (11,378)         |
| Manufacturing expenses                | (286,495)            | (263,824)        | (207,740)            | (159,510)      | (181,080)            | (123,115)      | -                    | -              | (675,315)            | (546,449)        |
| Operating expenses                    | (90,164)             | (71,682)         | (8,578)              | (6,205)        | (5,792)              | (4,568)        | -                    | -              | (104,534)            | (82,455)         |
| Other income /(expense)               | 2,201                | 1,773            | 15                   | 131            | 712                  | 1,617          | -                    | -              | 2,928                | 3,521            |
| <b>Profit before tax</b>              | <b>74,489</b>        | <b>104,145</b>   | <b>10,188</b>        | <b>8,022</b>   | <b>8,527</b>         | <b>7,401</b>   | <b>-</b>             | <b>-</b>       | <b>93,204</b>        | <b>119,567</b>   |
| <b>Reportable segment assets</b>      | <b>1,765,927</b>     | <b>1,782,446</b> | <b>1,008,373</b>     | <b>758,160</b> | <b>253,163</b>       | <b>230,059</b> | <b>101,099</b>       | <b>90,282</b>  | <b>3,128,562</b>     | <b>2,860,947</b> |
| <b>Reportable segment liabilities</b> | <b>452,261</b>       | <b>396,090</b>   | <b>184,525</b>       | <b>69,913</b>  | <b>201,095</b>       | <b>167,909</b> | <b>583,554</b>       | <b>554,625</b> | <b>1,421,435</b>     | <b>1,188,537</b> |