

ACI Formulations Limited

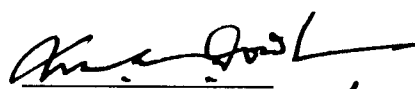
1st Quarter Report 2016

ACI Formulations Limited

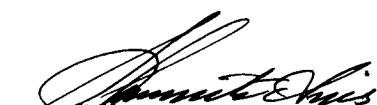
Statement of financial position
Unaudited

Figures in "000"

<i>In Taka</i>	Note	As at 31 March 2016	As at 31 December 2015
Assets			
Property, plant and equipment	5	1,738,812	1,744,120
Investments	6	14,891	14,891
Non-current assets		1,753,703	1,759,011
Inventories	7	945,793	897,743
Trade receivables	8	1,395,148	1,263,210
Other receivables		11,424	9,738
Inter-company receivables	9	21,469	21,201
Advances, deposits and prepayments	10	347,042	309,727
Cash and cash equivalents		90,403	92,774
Current assets		2,811,279	2,594,393
Total assets		4,564,982	4,353,404
Equity			
Share capital		450,000	450,000
Reserves		1,136,393	1,136,393
Retained earnings		827,816	764,070
Total equity		2,414,209	2,350,463
Liabilities			
Employee benefits	11	14,037	15,865
Deferred tax liabilities		57,494	61,270
Non-current liabilities		71,531	77,135
Bank overdrafts		53,756	51,877
Loans and borrowings		993,437	787,827
Trade payables		118,364	107,424
Other payables	12	305,278	267,192
Inter-company payables	13	362,569	491,138
Provision for tax		245,839	220,348
Current liabilities		2,079,243	1,925,806
Total liabilities		2,150,773	2,002,941
Total equity and liabilities		4,564,982	4,353,404
Net asset value per share		53.65	52.23



Chairman



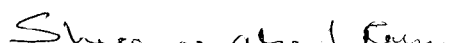
Managing Director



Director



Chief Financial Officer



Company Secretary

ACI Formulations Limited

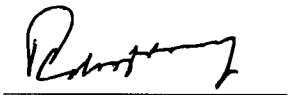
Statement of profit or loss and other comprehensive income
Unaudited

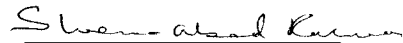
<i>In Taka</i>	Note	Figures in "000"	
		For the 1st quarter ended 31 March	
		2016	2015
Revenue	14	976,688	793,650
Cost of sales	15	(689,413)	(565,042)
Gross profit		287,275	228,608
Other income		1,354	2,150
Administrative, selling and distribution exper	16	(182,026)	(112,238)
Operating profit		106,603	118,520
Finance costs		(16,643)	(8,984)
Profit before contribution to WPPF		89,960	109,536
Contribution to WPPF		(4,498)	(5,477)
Profit before tax		85,462	104,059
Tax expenses		(21,716)	(26,867)
Profit after tax		63,746	77,192
Other comprehensive income		-	-
Total comprehensive income		63,746	77,192
Earnings per share			
Basic earnings per share		1.42	1.72


Chairman


Managing Director


Director


Chief Financial Officer


Company Secretary

ACI Formulations Limited
Statement of changes in equity
Unaudited


Figures in "000"

For the 1st quarter ended 31 March 2016

<i>In Taka</i>	Attributable to owner of the Company			
	Share capital	Revaluation reserve	Retained earnings	Total
Balance at 1 January 2016	450,000	1,136,393	764,070	2,350,463
Total comprehensive income				
Profit for the period	-	-	63,746	63,746
Total comprehensive income	-	-	63,746	63,746
Contributions and distributions				
Issue of bonus shares	-	-	-	-
Dividends	-	-	-	-
Total transactions with owners of the company	-	-	-	-
Balance at 31 March 2016	450,000	1,136,393	827,816	2,414,209


For the 1st quarter ended 31 March 2015


<i>In Taka</i>	Attributable to owner of the Company			
	Share capital	Revaluation reserve	Retained earnings	Total
Balance at 1 January 2015	450,000	692,960	662,627	1,805,587
Total comprehensive income				
Profit for the period	-	-	77,192	77,192
Total comprehensive income	-	-	77,192	77,192
Contributions and distributions				
Issue of bonus shares	-	-	-	-
Dividends	-	-	-	-
Total transactions with owners of the company	-	-	-	-
Balance at 31 March 2015	450,000	692,960	739,819	1,882,779


Chairman


Managing Director


Director


Chief Financial Officer



Company Secretary

ACI Formulations Limited

Statement of cash flows
Unaudited

Figures in "000"

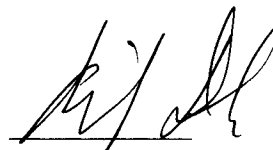
<i>In Taka</i>	For the 1st quarter ended 31 March	
	2016	2015
Cash flows from operating activities		
Cash received from customers	830,318	709,422
Cash received from other income	1,354	2,150
	831,672	711,572
Cash received/(paid) from/(for):		
Purchase of inventory	(715,566)	(539,978)
Other receivables	(1,762)	1,341
Operating expenses	(139,302)	(111,952)
Other payables	2,279	2,295
Advances, deposits and prepayments	(14,648)	(7,407)
	(868,999)	(655,701)
Cash generated from operations	(37,327)	55,871
Finance costs	(13,758)	(8,984)
Income tax expense	(22,667)	(15,224)
	(36,425)	(24,208)
Net cash from operating activities	(73,752)	31,663
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,318)	(14,577)
Net cash used in investing activities	(7,318)	(14,577)
Cash flows from financing activities		
Inter-company debts received/(paid)	(128,836)	(68,625)
Proceeds from loans and borrowings	205,609	32,085
Dividends paid	(28)	(21)
Net cash from financing activities	76,745	(36,561)
Net increase in cash and cash equivalents	(4,325)	(19,475)
Cash and cash equivalents as at 1 January	40,972	21,451
Cash and cash equivalents as at 31 March	36,647	1,976
Net operating cash flow per share	(1.64)	0.70



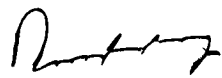
Chairman



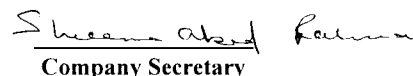
Managing Director



Director



Chief Financial Officer



Company Secretary

ACI Formulations Limited

Consolidated Statement of Financial Position
Unaudited

Figures in "000"

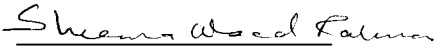
<i>In Taka</i>	Note	As at 31 March 2016	As at 31 December 2015
Assets			
Property, plant and equipment	5(a)	1,742,511	1,747,968
Investments	6(a)	3,046	3,046
Intangible assets		12,383	12,383
Non-current assets		1,757,940	1,763,397
Inventories	7(a)	946,917	899,366
Trade receivables	8(a)	1,396,089	1,264,627
Other receivables		11,307	9,804
Advances, deposits and prepayments	10(a)	348,317	311,064
Cash and cash equivalents		93,824	95,685
Current assets		2,796,454	2,580,546
Total assets		4,554,394	4,343,943
Equity			
Share capital		450,000	450,000
Reserves		1,136,393	1,136,393
Retained earnings		817,061	754,444
		2,403,454	2,340,837
Non controlling interest		(230)	(207)
Total equity		2,403,224	2,340,630
Liabilities			
Employee benefits	11	14,037	15,865
Deferred tax liabilities		57,240	60,992
Non-current liabilities		71,277	76,857
Bank overdrafts		53,756	51,877
Loans and borrowings		993,437	787,828
Trade payables		118,394	107,434
Other payables	12(a)	305,836	267,773
Inter-company payables	13	362,569	491,138
Provision for tax		245,902	220,406
Current liabilities		2,079,894	1,926,456
Total liabilities		2,151,170	2,003,313
Total equity and liabilities		4,554,394	4,343,943
Net asset value per share		53.41	52.02


Chairman


Managing Director


Director


Chief Financial Officer

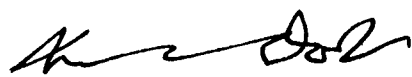

Company Secretary

ACI Formulations Limited

Consolidated statement of profit or loss and other comprehensive income
Unaudited

Figures in "000"

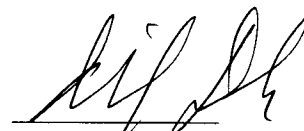
<i>In Taka</i>	Note	For the 1st quarter ended 31 March	
		2016	2015
Revenue	14(a)	977,323	794,640
Cost of sales	15(a)	(689,962)	(565,963)
Gross profit		287,361	228,677
Other income		1,354	2,150
Administrative, selling and distribution expenses	16(a)	(183,237)	(112,874)
Operating profit		105,478	117,953
Finance costs		(16,643)	(9,003)
Profit before contribution to WPPF		88,835	108,950
Contribution to WPPF		(4,498)	(5,477)
Profit before tax		84,337	103,473
Income tax expenses		(21,743)	(26,846)
Profit after tax		62,594	76,627
Other comprehensive income		-	-
Total comprehensive income		62,594	76,627
Total comprehensive income attributable to:			
Owners of the Company		62,617	76,768
Non controlling interest		(23)	(141)
		62,594	76,627
Earnings per share			
Basic earnings per share		1.39	1.71



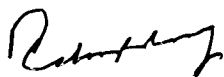
Chairman




Managing Director



Director



Chief Financial Officer



Company Secretary

ACI Formulations Limited

Consolidated statement of changes in equity
Unaudited

Figures in "000"

<i>In Taka</i>	Attributable to owner of the Company				Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Retained earnings	Total		
For the 1st quarter ended 31 March 2016						
Balance as at 1 January 2016	450,000	1,136,393	754,444	2,340,837	(207)	2,340,630
Total comprehensive income						
Profit for the period	-	-	62,617	62,617	(23)	62,594
Total comprehensive income	-	-	62,617	62,617	(23)	62,594
Contributions and distributions						
Dividends paid	-	-	-	-	-	-
Total transactions with owners of the company	-	-	-	-	-	-
Balance as at 31 March 2016	450,000	1,136,393	817,061	2,403,454	(230)	2,403,224


<i>In Taka</i>	Attributable to owner of the Company				Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Retained earnings	Total		
For the 1st quarter ended 31 March 2015						
Balance as at 1 January 2015	450,000	692,960	661,476	1,804,436	(678)	1,803,758
Total comprehensive income						
Profit for the period	-	-	76,768	76,768	(141)	76,627
Total comprehensive income	-	-	76,768	76,768	(141)	76,627
Contributions and distributions						
Dividends paid	-	-	-	-	-	-
Total transactions with owners of the company	-	-	-	-	-	-
Balance as at 31 March 2015	450,000	692,960	738,244	1,881,204	(819)	1,880,385



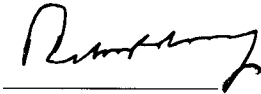
Chairman



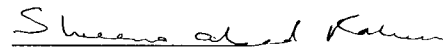
Managing Director



Director



Chief Financial Officer



Company Secretary

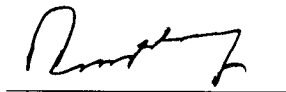
ACI Formulations Limited
Consolidated statement of cash flows
Unaudited

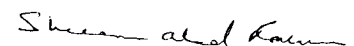
<i>In Taka</i>	Figures in "000"	
	For the 1st quarter ended 31 March	
	2016	2015
Cash flows from operating activities		
Cash received from customers	831,429	710,236
Cash received from other income	1,354	2,150
	832,783	712,386
Cash received/(paid) from/(for):		
Purchase of inventory	(715,536)	(540,569)
Other receivables	(1,762)	1,341
Operating expenses	(139,995)	(112,689)
Other payables	2,279	2,295
Advances, deposits and prepayments	(14,587)	(7,464)
	(869,601)	(657,086)
Cash generated from operations	(36,818)	55,300
Finance costs	(13,758)	(9,003)
Income tax expense	(22,667)	(15,223)
	(36,425)	(24,226)
Net cash from operating activities	(73,243)	31,074
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,318)	(14,577)
Net cash used in investing activities	(7,318)	(14,577)
Cash flows from financing activities		
Inter-company debts received/(paid)	(128,836)	(67,857)
Proceeds from loans and borrowings	205,609	32,085
Dividends paid	(28)	(21)
Net cash from financing activities	76,745	(35,793)
Net increase in cash and cash equivalents	(3,816)	(19,296)
Cash and cash equivalents as at 1 January	43,884	24,048
Cash and cash equivalents as at 31 March	40,068	4,752
Net operating cash flow per share	(1.63)	0.69


Chairman


Managing Director


Director


Chief Financial Officer


Company Secretary

ACI Formulations Limited

Notes to the financial statements for the period from January to March 2016 Unaudited

1. Company profile:

ACI Formulations Limited, a subsidiary of Advanced Chemical Industries Limited, domiciled in Bangladesh. The company's shares are listed with both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The Principal activities of the company are manufacturing and marketing of a number of agrochemical, consumer brand and paint products.

2. Subsidiaries of ACI Formulations Limited:

ACI Formulations Limited has three subsidiaries namely Neem Laboratories (Pvt.) Ltd, Aloe Organics (Pvt.) Limited and Green Business & Marketing Company (BD) Limited. Neem Laboratories (Pvt.) Ltd is engaged in manufacturing and marketing of herbal products in a small scale. On the other hand, the operations of Aloe Organics (Pvt.) Limited and Green Business & Marketing Company (BD) Limited are currently dormant. ACI Formulations Limited through its voting rights controls the operating and financing activities of above three entities.

3. Consolidated Financial statements:

In addition to the separate financial statements, the consolidated financial statements of the company have been prepared and included in this interim financial report as per BFRS 10: Consolidated Financial Statements. In separate Financial Statements, investment in subsidiaries has been carried at cost as per BAS 27: Separate Financial Statements.

4. 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 2015. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements.

	Figures in '000'	
	31- Mar -16	31-Dec -15
	Taka	Taka
5 Property, plant & equipment		
Fixed asset at cost/revaluation as on 1st January	1,744,120	1,435,687
Addition during the period/year	7,318	549,770
Adjustment/Disposal for the year/period	-	(241,337)
	1,751,438	1,744,120
Accumulated depreciation at the end of period/year	(12,626)	(241,337)
Adjustment/Disposal for the year/period	-	241,337
Closing balance	1,738,812	1,744,120

	<u>31- Mar -16</u> <u>Taka</u>	<u>31-Dec -15</u> <u>Taka</u>
5(a) Property, plant & equipment		
Fixed asset at cost/revaluation as on 1st January	1,748,852	1,440,329
Addition during the period/year	7,318	549,860
Adjustment/Disposal for the year/period	-	(241,337)
	<u>1,756,170</u>	<u>1,748,852</u>
Accumulated depreciation at the end of period/year	<u>(13,659)</u>	<u>(884)</u>
Closing balance	<u><u>1,742,511</u></u>	<u><u>1,747,968</u></u>
6. Investments		
Investment in subsidiaries	11,845	11,845
Investment in FDR	2,971	2,971
Investment in shares of ACI Motors Limited	75	75
	<u>14,891</u>	<u>14,891</u>
6(a) Consolidated investments		
Investment in term deposit	2,971	2,971
Investment in Shares- ACI Motors Limited	75	75
	<u>3,046</u>	<u>3,046</u>
7. Inventories		
Raw and packing materials	409,548	454,031
Work-in-process	3,099	972
Finished goods	438,923	344,650
Goods in transit	82,049	86,163
Other inventories	24,159	25,235
Allowances for slow moving inventory	(11,985)	(13,308)
	<u>945,793</u>	<u>897,743</u>
7(a). Consolidated inventories		
Raw and packing materials	411,347	455,938
Work-in-process	3,100	972
Finished goods	439,440	345,091
Stock in transit	82,061	86,163
Other inventories	24,159	25,235
Allowances for slow moving inventory	(13,190)	(14,033)
	<u>946,917</u>	<u>899,366</u>
8. Trade receivables:		
Related parties	-	-
Other than related parties	1,539,383	1,393,000
	<u>1,539,383</u>	<u>1,393,000</u>
Allowances for doubtful debts	(144,235)	(129,790)
	<u>1,395,148</u>	<u>1,263,210</u>
Below six months	1,306,927	1,160,827
Over six months	232,456	232,173
Allowances for doubtful debts	(144,235)	(129,790)
	<u>1,395,148</u>	<u>1,263,210</u>

	<u>31- Mar -16</u> <u>Taka</u>	<u>31-Dec -15</u> <u>Taka</u>
8(a). Consolidated trade receivables		
Related parties	-	-
Other than related parties	<u>1,540,324</u>	<u>1,394,417</u>
	1,540,324	1,394,417
Allowances for doubtful debts	<u>(144,235)</u>	<u>(129,790)</u>
	<u>1,396,089</u>	<u>1,264,627</u>
Below six months	1,307,868	1,162,244
Over six months	232,456	232,173
Allowances for doubtful debts	<u>(144,235)</u>	<u>(129,790)</u>
	<u>1,396,089</u>	<u>1,264,627</u>
9 . Inter-company receivables		
Neem Laboratories (Pvt.) Ltd.	<u>21,469</u>	<u>21,201</u>
	<u>21,469</u>	<u>21,201</u>
10. Advances, deposits & prepayments		
Advances:		
Staffs	1,803	1,938
Suppliers	55,170	42,482
VAT current account	3,192	8,092
Advance income tax (Note- 10.1)	<u>234,924</u>	<u>212,257</u>
	<u>295,089</u>	<u>264,769</u>
Deposits:		
Security deposits	7,490	7,490
Bank guarantee margin	<u>42,138</u>	<u>35,659</u>
	<u>49,628</u>	<u>43,149</u>
Prepayments:		
Prepaid expenses	<u>2,325</u>	1,809
	<u>2,325</u>	1,809
	<u>347,042</u>	<u>309,727</u>
10.1 Advance income tax		
Balance as at 1st January	212,257	114,831
Paid during the period/year	<u>22,667</u>	<u>97,426</u>
	<u>234,924</u>	212,257
Adjustment during the period/year	<u>-</u>	-
	<u>234,924</u>	<u>212,257</u>

	<u>31- Mar -16</u> <u>Taka</u>	<u>31-Dec -15</u> <u>Taka</u>
10(a). Consolidated advances, deposits & prepayments		
Advances:		
Staffs	1,803	2,075
Suppliers	56,414	42,970
VAT current account	3,192	8,092
Advance income tax	234,955	212,274
	<u>296,364</u>	<u>265,411</u>
Deposits:		
Security deposits	7,490	7,490
Bank guarantee margin	42,138	35,659
	<u>49,628</u>	<u>43,149</u>
Prepayments:		
Prepaid expenses	2,325	2,504
	<u>2,325</u>	<u>2,504</u>
	<u>348,317</u>	<u>311,064</u>
11. Employee benefits		
Net Defined benefit obligation	9,477	11,305
Other employee benefits	4,560	4,560
	<u>14,037</u>	<u>15,865</u>
12. Other payables		
Creditor for expenses	251,089	222,635
Interest payables	8,949	6,064
Security money payable	9,586	8,119
Unpaid dividend	8,838	8,867
Withholding tax and VAT	5,457	4,646
Provision for workers' profit participation fund	21,359	16,861
	<u>305,278</u>	<u>267,192</u>
12(a). Consolidated other payables		
Creditor for expenses	251,722	223,087
Interest payables	8,949	6,064
Security money payable	9,586	8,119
Unpaid dividend	8,838	8,867
Withholding tax and VAT	5,382	4,775
Provision for workers' profit participation fund	21,359	16,861
	<u>305,836</u>	<u>267,773</u>
13. Inter-company payables		
ACI Limited	362,569	491,138
	<u>362,569</u>	<u>491,138</u>

		<u>1st quarter ended on</u>	
		<u>31-Mar-16</u>	<u>31-Mar-15</u>
		<u>Taka</u>	<u>Taka</u>
14.	Revenue		
	Crop Care & Public Health	590,042	509,873
	Mosquito Coil	187,161	168,366
	Aerosol	175,757	108,106
	Toilet cleaner	10,652	-
	Paint	13,076	7,305
		<u>976,688</u>	<u>793,650</u>
14(a).	Consolidated revenue		
	Crop Care & Public Health	590,042	509,873
	Mosquito Coil	187,161	168,366
	Aerosol	175,757	108,106
	Toilet cleaner	10,652	-
	Paint & others	13,711	8,295
		<u>977,323</u>	<u>794,640</u>
15.	Cost of sales		
	Opening stock	799,653	603,869
	Purchase	685,734	539,181
		<u>1,485,387</u>	<u>1,143,050</u>
	Closing stock	(851,571)	(623,290)
		<u>633,816</u>	<u>519,760</u>
	Manufacturing expenses	55,597	45,282
		<u>689,413</u>	<u>565,042</u>
15(a).	Consolidated cost of sales		
	Opening stock	802,001	606,992
	Purchase	685,881	539,329
		<u>1,487,882</u>	<u>1,146,321</u>
	Closing stock	(853,886)	(626,108)
		<u>633,996</u>	<u>520,213</u>
	Manufacturing expenses	55,966	45,750
		<u>689,962</u>	<u>565,963</u>
16.	Administrative, selling and distribution expenses		
	Administrative expenses	28,787	27,961
	Distribution expenses	14,077	11,332
	Selling expenses	139,162	72,945
		<u>182,026</u>	<u>112,238</u>
16(a).	Consolidated administrative, selling and distribution expenses		
	Administrative expenses	28,816	27,990
	Distribution expenses	14,078	11,363
	Selling expenses	140,343	73,521
		<u>183,237</u>	<u>112,874</u>

17. Segment reporting

The Company has three reportable segments, as described below, which are the Company's strategic divisions. The strategic divisions 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-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Segment revenue:										
External revenues	590,042	509,873	187,161	-	175,757	-	24,363	8,295	977,323	518,168
Inter-segment revenues	-	-	-	168,366	-	108,106	-	-	-	276,472
Total revenue	590,042	509,873	187,161	168,366	175,757	108,106	24,363	8,295	977,323	794,640
Financing costs	(15,729)	(6,322)	-	(570)	-	(338)	(913)	(1,773)	(16,642)	(9,003)
Depreciation	(6,266)	(5,687)	(5,084)	(5,144)	(1,257)	(1,329)	(346)	(80)	(12,953)	(12,240)
Cost of sales excluding depreciation	(315,916)	(296,119)	(174,462)	(153,066)	(167,178)	(100,002)	(20,916)	(5,601)	(678,472)	(554,788)
Operating expenses excluding depreciation	(164,337)	(97,357)	(3,441)	(3,133)	(3,567)	(3,133)	(10,271)	(8,258)	(181,616)	(111,881)
Other income /(expense)	1,171	1,231	-	5	183	915	-	-	1,354	2,151
Profit before tax	84,517	100,338	3,965	6,135	3,741	4,008	(7,886)	(7,007)	84,337	103,473
Reportable segment assets	2,536,580	2,437,600	858,845	771,462	478,720	455,986	690,868	678,895	4,554,394	4,343,943
Reportable segment liabilities	1,242,738	1,263,704	213,305	192,275	250,999	199,555	443,764	347,780	2,151,170	2,003,314

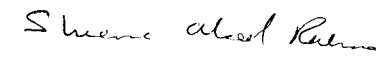
18. Figures have been rounded off to the nearest '000' Taka and previous period's figures have been rearranged to conform to current period's presentation.


Chairman


Managing Director


Director


Chief Financial Officer


Company Secretary