

ACI Formulations Limited

Third Quarter Report 2013

ACI Formulations Limited
Statement of Financial Position
as at 30 September 2013
Unaudited

Figures in '000'

	<u>Notes</u>	<u>30 Sept 2013</u> Taka	<u>31 Dec 2012</u> Taka
<u>Assets</u>			
Non-current assets			
Property, plant and equipment			
At cost/revaluation		1,355,881	1,327,776
Less: Accumulated depreciation		133,472	97,075
	2	1,222,409	1,230,701
Capital work-in-progress		22,602	25,978
Investment		2,722	2,600
Total non-current assets		1,247,733	1,259,279
Current assets			
Inventories	3	497,417	669,134
Trade receivables	4	428,367	593,571
Advance income tax	5	78,794	47,849
Advances, deposits and prepayments	6	44,347	37,848
Inter-company receivables	7	290,363	161,977
Cash and cash equivalents		10,142	79,627
Total current assets		1,349,430	1,590,006
Total assets		2,597,163	2,849,285
<u>Equity and liabilities</u>			
Shareholders' equity			
Share capital		450,000	450,000
Revaluation surplus		692,960	692,960
Retained earnings		530,269	570,781
Total equity		1,673,229	1,713,741
Liabilities			
Long term liabilities	8	65,650	74,022
Current liabilities			
Bank overdraft		42,727	72,830
Short term bank loan		574,217	746,553
Long term bank loan- current portion		6,176	24,455
Trade payables		41,380	46,944
Other payables	9	97,777	95,668
Inter company payables		120	9,247
Current tax liability		95,887	65,825
Total current liabilities		858,284	1,061,522
Total equity and liabilities		2,597,163	2,849,285



Shusmita Anis
Managing Director



Pradip Kar Chowdhury
Chief Financial Officer

ACI Formulations Limited
Statement of Comprehensive Income
for the period of nine months ended on 30 September 2013

Unaudited

Figures in '000'

	<u>Notes</u>	<u>January to September 2013</u>	<u>January to September 2012</u>	<u>July to September 2013</u>	<u>July to September 2012</u>
		<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Revenue	10	1,665,286	1,915,542	529,295	501,370
Cost of sales	11	<u>(1,256,853)</u>	<u>(1,481,666)</u>	<u>(407,481)</u>	<u>(370,936)</u>
Gross profit		408,433	433,876	121,814	130,434
Operating expenses	12	<u>(257,075)</u>	<u>(225,469)</u>	<u>(82,959)</u>	<u>(56,380)</u>
Results from operating activities		151,358	208,407	38,855	74,054
Other income		4,837	6,896	2,001	1,698
Financing costs		<u>(55,152)</u>	<u>(72,166)</u>	<u>(13,492)</u>	<u>(22,850)</u>
		101,043	143,137	27,364	52,902
Provision for contribution to WPPF		<u>(5,052)</u>	<u>(7,157)</u>	<u>(1,368)</u>	<u>(2,645)</u>
<i>Profit before taxation</i>		95,991	135,980	25,996	50,257
Tax expenses		(24,003)	(34,771)	(6,360)	(12,730)
Profit after tax		<u>71,988</u>	<u>101,209</u>	<u>19,636</u>	<u>37,527</u>
Other comprehensive income		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income		<u>71,988</u>	<u>101,209</u>	<u>19,636</u>	<u>37,527</u>
Earnings per share (EPS)		<u>1.60</u>	<u>2.25</u>	<u>0.44</u>	<u>0.83</u>



Shusmita Anis
Managing Director



Pradip Kar Chowdhury
Chief Financial Officer

ACI Formulations Limited

Statement of Changes in Equity

for the period of nine months ended on 30 September 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>
Balance as at 31 December 2011	300,000	693,376	645,402	1,638,778
Comprehensive income for the period				
Profit for the period	-	-	101,209	101,209
Total Comprehensive income for the period	-	-	101,209	101,209
Contribution by and distributions to owners of the Company				
Issue of bonus share	150,000	-	(150,000)	-
Dividends to owners of the Company	-	-	(75,000)	(75,000)
Total contributions by and distributions to owners of the Company	150,000	-	(225,000)	(75,000)
Balance as at 30 September 2012	<u>450,000</u>	<u>693,376</u>	<u>521,611</u>	<u>1,664,987</u>
Balance as at 31 December 2012	450,000	692,960	570,781	1,713,741
Comprehensive income for the period				
Profit for the period	-	-	71,988	71,988
Total Comprehensive income for the period	-	-	71,988	71,988
Contribution by and distributions to owners of the Company				
Issue of bonus shares	-	-	-	-
Dividends to owners of the Company	-	-	(112,500)	(112,500)
Total contributions by and distributions to owners of the Company	-	-	(112,500)	(112,500)
Balance as at 30 September 2013	<u>450,000</u>	<u>692,960</u>	<u>530,269</u>	<u>1,673,229</u>



Shusmita Anis
Managing Director



Pradip Kar Chowdhury
Chief Financial Officer

ACI Formulations Limited
Statement of cash flows

for the period of nine months ended on 30 September 2013

Unaudited

	<u>Figures in '000'</u>	
	January to September 2013 Taka	January to September 2012 Taka
A) Cash flows from operating activities		
Cash received from customers	1,839,428	1,975,152
Cash received from other income	4,837	6,896
	1,844,265	1,982,048
Cash received/(paid) from/(for):		
Purchase of inventory	(1,056,242)	(1,513,758)
Operating expenses	(241,067)	(250,818)
Other payables	439	(2,765)
Payment to WPPF	-	(5,509)
Advances, deposits and prepayments	(6,499)	(5,790)
	(1,303,369)	(1,778,640)
Cash generated from operating activities	540,896	203,408
Financing cost	(55,152)	(72,166)
Income tax	(30,945)	(50,447)
	(86,097)	(122,613)
<i>Net cash inflows/(outflows) from operating activities</i>	454,799	80,795
B) Cash flows from investing activities		
Acquisition of property, plant and equipment	(8,827)	(19,144)
Investment	(122)	-
Payments for capital work-in-progress	(15,902)	(55,874)
<i>Net cash used in investing activities</i>	(24,851)	(75,018)
C) Cash flows from financing activities		
Inter-company receivable/payable received/(paid)	(164,714)	104,593
Dividend paid	(111,688)	(73,981)
Short term bank loan paid	(190,615)	(56,642)
Long term bank loan paid	(2,313)	(13,908)
<i>Net cash from/(used in) financing activities</i>	(469,330)	(39,938)
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	(39,382)	(34,161)
E) Cash and cash equivalents at 1 January	6,797	25,068
F) Cash and cash equivalents at 30 September (D+E)	(32,585)	(9,093)
Closing balance represents		
Cash in hand and at bank	10,142	34,460
Bank overdraft	(42,727)	(43,553)
	(32,585)	(9,093)



Shusmita Anis
Managing Director



Pradip Kar Chowdhury
Chief Financial Officer

ACI Formulations Limited

**Notes to the financial statements
for the period of nine months ended on 30 September 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>30 Sept 2013</u>	<u>31 December 2012</u>
	<u>Taka</u>	<u>Taka</u>
2. Fixed asset at cost/ revaluation:		
Opening balance	1,327,776	1,229,783
Addition during the period/year	28,105	97,993
	<u>1,355,881</u>	<u>1,327,776</u>
Accumulated depreciation at the end of period/year	(133,472)	(97,075)
Closing balance	<u><u>1,222,409</u></u>	<u><u>1,230,701</u></u>
3. Inventories		
Raw materials	169,262	216,354
Packing materials	58,996	47,740
Finished goods	220,066	334,213
Work-in-process	-	3,664
Stock in transit	37,554	54,295
Other inventories	23,240	22,502
	<u>509,118</u>	<u>678,768</u>
Provision for slow moving Inventory	(11,701)	(9,634)
	<u><u>497,417</u></u>	<u><u>669,134</u></u>
4. Trade receivables		
Receivables due over six months	209,421	163,166
Receivables due below six months	297,913	491,109
	<u>507,334</u>	<u>654,275</u>
Provision for doubtful debts	(78,967)	(60,704)
	<u><u>428,367</u></u>	<u><u>593,571</u></u>
5. Advance income tax		
Balance as at 1 January	47,849	43,608
Paid during the period/year	30,945	60,673
	<u>78,794</u>	<u>104,281</u>
Adjustment during the period/year	-	(56,432)
	<u><u>78,794</u></u>	<u><u>47,849</u></u>
6. Advance, deposits & prepayments		
Advance to suppliers	29,254	24,745
Staff advances	4,421	2,121
Bank guarantee margin	1,821	-
Security money and tender deposits	5,577	5,029
Prepayments	3,274	5,953
	<u>44,347</u>	<u>37,848</u>

	<u>30 Sept 2013</u>	<u>31 December 2012</u>
	<u>Taka</u>	<u>Taka</u>
7. Inter-company receivables		
Advanced Chemical Industries Limited	269,853	143,567
Premiaflex Plastics Limited	20,510	18,410
	<u>290,363</u>	<u>161,977</u>
8. Long term liabilities		
Staff gratuity provision	5,458	7,770
Other long term liabilities	5,863	5,863
Deferred tax liabilities	54,329	60,389
	<u>65,650</u>	<u>74,022</u>
9. Other payables		
Creditor for expenses	58,038	63,962
Interest payable	8,987	7,257
Unpaid dividend	6,950	6,139
Security money payable	964	683
Withholding tax and VAT	2,363	2,204
Workers' profit participation fund	20,475	15,423
	<u>97,777</u>	<u>95,668</u>
	<u>30 Sept 2013</u>	<u>30 Sept 2012</u>
	<u>Taka</u>	<u>Taka</u>
10. Revenue		
Crop Care & Public Health	817,581	871,958
Mosquito Coil	503,726	601,994
Aerosol	343,979	441,590
	<u>1,665,286</u>	<u>1,915,542</u>
11. Cost of sales		
Opening stock	601,970	643,052
Purchase	969,929	1,417,362
	<u>1,571,899</u>	<u>2,060,414</u>
Closing stock	(448,324)	(722,649)
	<u>1,123,575</u>	<u>1,337,765</u>
Manufacturing expenses	133,278	143,901
	<u>1,256,853</u>	<u>1,481,666</u>
12. Operating expenses		
Administrative expenses	80,326	63,014
Distribution expenses	24,974	19,897
Selling expenses	151,775	142,558
	<u>257,075</u>	<u>225,469</u>

13. 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	
	Period ended on		Period ended on		Period ended on		Period ended on		Period ended on	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Segment revenue:										
External revenues	817,581	871,958	-	-	-	-	-	-	817,581	871,958
Inter-segment revenues	-	-	503,726	601,994	343,979	441,590	-	-	847,705	1,043,584
Total revenue	817,581	871,958	503,726	601,994	343,979	441,590	-	-	1,665,286	1,915,542
Finance costs	(48,684)	(60,461)	(3,012)	(5,747)	(3,456)	(5,958)	-	-	(55,152)	(72,166)
Depreciation	(17,129)	(16,205)	(15,989)	(14,700)	(3,278)	(3,457)	-	-	(36,396)	(34,362)
Manufacturing expenses excluding depreciation	(474,977)	(519,674)	(437,413)	(530,428)	(310,007)	(399,185)	-	-	(1,222,397)	(1,449,287)
Operating expenses excluding depreciation	(210,372)	(184,694)	(26,485)	(24,138)	(18,277)	(14,654)	-	-	(255,134)	(223,486)
Other income /(expense)	2,664	4,662	1	15	2,172	2,219	-	-	4,837	6,896
Segment result	65,629	90,807	19,786	25,646	10,576	19,527	-	-	95,991	135,980
Reportable segment assets	1,504,802	1,844,762	807,787	646,611	227,790	263,590	56,784	42,449	2,597,163	2,797,412
Reportable segment liabilities	255,819	452,901	97,923	105,903	104,614	69,376	465,578	504,246	923,934	1,132,426

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



Shusmita Anis
Managing Director



Pradip Kar Chowdhury
Chief Financial Officer