

ACI Limited

1st Quarter Ended Report 2011

ADVANCED CHEMICAL INDUSTRIES LIMITED
Statement of Financial Position as at 31 March 2011

Unaudited

Figures in '000'

	31-Mar-2011 Taka	31-Dec-2010 Taka
<u>Assets</u>		
Property, plant and equipment:		
At Cost / Revaluation	2,068,149	1,813,316
Accumulated depreciation	(90,448)	(57,071)
	1,977,701	1,756,245
Capital work-in-progress	479,440	678,877
Intangible assets	2,205	2,335
Investment	1,205,707	1,447,692
Total non-current assets	3,665,053	3,885,149
Current assets:		
Inventories	1,784,437	1,716,073
Trade receivables	971,499	1,017,539
Other receivables	80,506	134,442
Advance, deposits & prepayments	711,483	414,326
Advance income tax	272,348	222,975
Inter-company receivable	2,380,876	2,141,326
Cash and cash equivalents	346,049	154,440
	6,547,198	5,801,121
Total assets	10,212,251	9,686,270
<u>Equity and liabilities</u>		
Shareowners' equity:		
Share capital	197,148	194,040
Share premium	298,788	250,022
Capital reserve	1,671	1,671
Revaluation surplus	896,521	896,521
Available for sale reserve	207,087	424,873
Retained earnings	2,794,625	2,691,050
	4,395,840	4,458,177
Current liabilities:		
Bank overdraft	607,010	230,296
Bank term loan	2,457,901	2,560,342
Trade payables	206,925	211,838
Other payables	995,952	665,636
Inter-company payables	261,095	69,556
Current portion of lease obligation	267	524
Current tax liability	381,075	348,972
	4,910,225	4,087,164
Long term liabilities	906,186	1,140,929
Total equity and liabilities	10,212,251	9,686,270



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited

Consolidated Statement of Financial Position as at 31 March 2011
Unaudited

	Figures in '000'	
	31-Mar-2011 Taka	31-Dec-2010 Taka
Non- current assets:		
Property, plant and equipment At Cost / revaluation	5,585,783	5,254,591
Accumulated depreciation	(576,527)	(487,129)
	5,009,256	4,767,462
Capital work-in-progress	705,568	875,066
Investment	682,499	908,346
Intangible assets	117,083	117,533
	6,514,406	6,668,407
Current assets:		
Inventories	3,481,478	3,284,059
Trade receivables	2,832,431	2,641,478
Other receivables	91,730	149,059
Advance, deposits & prepayments	1,276,277	836,301
Advance income tax	475,615	389,793
Inter-company receivables	14,243	14,331
Cash and bank balance	280,255	276,000
	8,452,029	7,591,021
Total assets	14,966,436	14,259,428
Equity and liabilities:		
Share holders' equity		
Share capital	197,148	194,040
Share premium	298,788	250,022
Capital reserve	1,671	1,671
Revaluation surplus	1,515,899	1,515,899
Available for sale reserve	207,087	424,874
Retained profit	1,996,508	1,941,278
	4,217,101	4,327,784
Minority interest	603,276	586,664
	4,820,377	4,914,448
Current liabilities		
Bank overdraft	706,650	387,537
Short term bank loan	4,392,483	4,512,049
Trade payables	941,207	649,080
Other payables	1,574,005	1,180,279
Current portion of lease obligation	267	524
Current tax liability	589,716	508,198
	8,204,328	7,237,667
Long term liabilities	1,941,731	2,107,313
Total equity and liabilities	14,966,436	14,259,428



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited
Income statement
for the 1st Quarter ended 31 March 2011
Unaudited

	Figures in '000'	
	1st Quarter ended on	
	31 March 11	31 March 10
	Taka	Taka
Sales	1,898,472	2,201,563
Cost of goods sold	(1,245,449)	(1,484,693)
Gross profit	653,023	716,870
Administrative, selling & distribution expenses.	(464,957)	(460,386)
	188,066	256,484
Other income	10,563	1,216
	198,629	257,700
Financing cost	(47,204)	(56,796)
	151,425	200,904
Provision for contribution to WPPF	(7,571)	(10,045)
Profit before tax	143,854	190,859
Tax (expenses)/ income	(40,279)	(50,079)
Profit after tax	103,575	140,780
Earnings per share	5.25	7.26



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited
Statement of Comprehensive Income
for the period ended 31 March 2011

Figures in '000'

	2011 Taka 31 March	2010 Taka 31 March
Net profit after tax for the period	103,575	140,780
Other comprehensive income:		
Change in fair value of available-for-sale financial assets	(241,985)	(45,041)
Income tax on other comprehensive income	24,199	4,504
Total other comprehensive income for the period, net of tax	<u>(217,786)</u>	<u>(40,537)</u>
Total comprehensive income for the period	<u><u>(114,211)</u></u>	<u><u>100,243</u></u>



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited
Consolidated Income Statement
for the 1st Quarter ended 31 March 2011

Unaudited

	Figures in '000'	
	1st quarter ended on	
	31- March-11	31- March-10
	Taka	Taka
Sales	4,031,605	3,886,099
Cost of goods sold	(2,891,875)	(2,748,935)
Gross profit	1,139,730	1,137,164
Other income	24,480	6,821
	1,164,210	1,143,985
Administration, selling & distribution expenses	(806,197)	(816,643)
	358,013	327,342
Profit/ (loss) from Associates and Joint Ventures	14,541	10,421
	372,554	337,763
Financing cost	(179,938)	(159,094)
	192,616	178,669
Provision for contribution to WPPF	(16,787)	(17,720)
Profit before tax	175,829	160,949
Tax expenses	(103,986)	(84,516)
Profit after tax	71,843	76,433
Non-controlling interest	(16,612)	(10,009)
Profit after tax and minority interest	55,231	66,424
Basic earnings per share (EPS)	2.80	3.42



Dr. Arif Dowla
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Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited
Consolidated Statement of Comprehensive Income
for the period ended 31 March 2011

Figures in '000'

	2011 Taka 31 March	2010 Taka 31 March
Net profit after tax for the period	71,843	76,433
Other comprehensive income:		
Change in fair value of available-for-sale financial assets	(241,986)	(45,041)
Income tax on other comprehensive income	24,199	4,504
Total other comprehensive income for the period, net of tax	<u>(217,786)</u>	<u>(40,537)</u>
Total comprehensive income for the period	<u><u>(145,943)</u></u>	<u><u>35,896</u></u>
Profit attributable to:		
Equity holders of the Company	(129,331)	45,905
Non-controlling interest	(16,612)	(10,009)
Total comprehensive income	<u><u>(145,943)</u></u>	<u><u>35,896</u></u>



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

ADVANCED CHEMICAL INDUSTRIES LIMITED
Statement of Cash Flows
for the 1st Quarter ended 31 March 2011
Unaudited

	Figures in '000'	
	1st Quarter ended on	
	31 March 11	31 March 10
	Taka	Taka
A. Cash flows from operating activities		
Cash receipts from customers	1,949,484	2,034,044
Cash receipts from other income	10,527	1,216
Receipts from / (paid) to others	53,972	39,541
	2,013,983	2,074,801
Cash paid for:		
Purchase of inventory	(1,294,566)	(1,338,236)
Operating expenses	(443,650)	(455,473)
Payments to other payables	22,416	23,893
Financing cost	(47,204)	(56,796)
Payments for advances, deposits and prepayments	(112,338)	(246,227)
Income tax	(49,374)	(15,103)
Paid to workers from WPPF	2,694	2,342
	(1,922,020)	(2,085,600)
	91,963	(10,799)
B. Cash flows from investing activities		
Purchases of fixed assets	(14,466)	(18,441)
Purchases of intangible assets	-	(2,595)
Payments for capital work-in-progress	(158,080)	(65,697)
Investments in joint ventures and associates	-	(14,925)
	(172,546)	(101,658)
C. Cash flows from financing activities		
Inter-company receivables/ payables (paid)/ received	(48,011)	(745,616)
Dividend paid	(495)	(460)
Short term bank loan (paid)/ received	(73,580)	192,752
Long term bank loan (paid)/received	17,564	105,425
	(104,522)	(447,899)
D. Net cash inflows/(outflows) from total activities (A+B+C)	(185,105)	(560,356)
E. Opening cash and bank balances	(75,856)	398,523
F. Closing cash and bank balances (D+E)	(260,961)	(161,833)
Closing balance represents:		
Cash and bank	346,049	118,745
Bank overdraft	(607,010)	(280,578)
	(260,961)	(161,833)



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited

Consolidated Statement of Cash Flows
for the 1st Quarter ended 31 March 2011
Unaudited

Figures in '000'

	1st Quarter ended on	
	31 March 11	31 March 10
	Taka	Taka
A Cash flows from operating activities:		
Cash received from customers	3,871,101	3,438,369
Cash received as other income	23,876	9,376
Receipts from / (payments to) others	60,734	38,899
	<u>3,955,711</u>	<u>3,486,644</u>
Cash paid for:		
Inventories	(2,791,172)	(2,628,531)
Operating expenses	(714,429)	(722,898)
Payments to other payables	3,474	19,285
Financing cost	(158,554)	(157,907)
Payments for advances, deposits and prepayments	(157,570)	(256,711)
Tax paid	(75,426)	(40,385)
Paid to workers from WPPF	2,694	2,342
	<u>(3,890,983)</u>	<u>(3,784,805)</u>
Net cash provided by operating activities	<u>64,727</u>	<u>(298,161)</u>
B Cash flows from investing activities :		
Purchase of fixed assets	(82,860)	(128,775)
Purchase of intangible assets	-	(2,595)
Payments for capital work-in-progress	(194,874)	(73,484)
Proceeds from sale of fixed assets	-	6,200
Investments in shares/FDR	(1,524)	(16,638)
Net cash used in investing activities	<u>(279,258)</u>	<u>(215,292)</u>
C Cash flows from financing activities :		
Inter-company receivables / payables- received/(paid)	(88)	8,679
Dividend paid	(539)	(498)
Short term bank loan received/(paid)	(152,488)	108,712
Long term bank loan (paid)/received	52,787	(7,007)
Net cash flows from financing activities	<u>(100,328)</u>	<u>109,886</u>
D Net cash inflow/(outflow) from total activities (A+B+C)	<u>(314,858)</u>	<u>(403,567)</u>
E Opening balance	<u>(111,537)</u>	<u>138,516</u>
F Closing balance (D+E)	<u>(426,394)</u>	<u>(265,051)</u>
Cash in hand and at bank	280,255	191,780
Bank overdraft	(706,650)	(456,831)
	<u>(426,394)</u>	<u>(265,051)</u>



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited

Statement of changes in equity
for the 1st Quarter ended 31 March 2011

Figures in '000'

Particulars	Share capital <u>Taka</u>	Share premium <u>Taka</u>	Capital reserve <u>Taka</u>	Revaluation surplus <u>Taka</u>	Available for sale reserve <u>Taka</u>	Retained earnings <u>Taka</u>	Total <u>Taka</u>
Balance at 31 December 2010	194,040	250,022	1,671	896,521	424,873	2,691,050	4,458,177
Conversion of bonds into equity shares	3,108						3,108
Premium from conversion of bonds into shares		48,766					48,766
Changes in fair value for available for sale assets					(217,786)		(217,786)
Net profit after tax for the period ended 31 March 2011	-	-	-	-		103,575	103,575
Balance at 31 March 2011	<u>197,148</u>	<u>298,788</u>	<u>1,671</u>	<u>896,521</u>	<u>207,087</u>	<u>2,794,625</u>	<u>4,395,840</u>
Balance at 31 March 2010	<u>194,040</u>	<u>250,022</u>	<u>1,671</u>	<u>300,272</u>	<u>152,163</u>	<u>2,424,975</u>	<u>3,323,143</u>



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited

Consolidated Statement of Changes in Equity
for the 1st Quarter ended 31 March 2011
Unaudited

Particulars	Figures in '000'							
	Share capital Taka	Share premium Taka	Capital reserve Taka	Revaluation surplus Taka	Available for sale reserve Taka	Retained earnings Taka	Non-controlling interest Taka	Total Taka
Balance at 31 December 2010	194,040	250,022	1,671	1,515,899	424,874	1,941,278	586,664	4,914,448
Conversion of bonds into equity shares	3,108	-	-	-	-	-	-	3,108
Premium from conversion of bonds into shares	-	48,766	-	-	-	-	-	48,766
Changes in fair value for available for sale assets	-	-	-	-	(217,786)			(217,786)
Net profit after tax for the period ended 31 March 2010	-	-	-	-	-	55,231	16,612	71,843
Balance at 31 March 2011	197,148	298,788	1,671	1,515,899	207,088	1,996,509	603,276	4,820,377
Balance at 31 March 2010	194,040	250,022	1,671	589,529	152,163	1,973,118	412,901	3,573,444



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited
Notes to the financial statements
for the period ended 31 March 2011
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 2010. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements.

	31-Mar-11	Figures in '000' 31-Dec-10
	Taka	Taka
2 Fixed assets at cost/ revaluation		
Fixed assets at cost less accumulated depreciation	1,081,816	855,675
Fixed assets at revaluation less accumulated depreciation	894,733	899,144
Leased assets at cost less accumulated depreciation	1,152	1,426
	1,977,701	1,756,245

2 (a) Consolidated fixed assets at cost/ revaluation

Fixed assets at cost less accumulated depreciation	3,163,599	2,972,049
Fixed assets at revaluation less accumulated depreciation	1,844,505	1,793,987
Leased assets at cost less accumulated depreciation	1,152	1,426
	5,009,256	4,767,462

3 Inventories

Finished goods	762,644	829,216
Work-in-process	88,441	70,926
Raw materials	506,416	465,396
Packing materials	139,322	153,506
Stores & spares	14,036	12,829
Stock in transit	273,578	184,200
	1,784,437	1,716,073

3 (a) Consolidated inventories

Finished goods	1,560,300	1,523,176
Work-in-process	109,327	88,354
Raw materials	1,201,859	1,020,558
Packing materials	241,559	258,965
Stores & spares	59,554	58,866
Stock in transit	308,879	334,140
	3,481,478	3,284,059

4 Trade debtors

Debts due over six months	212,896	212,896
Debts due below six months	758,603	804,643
	971,499	1,017,539

4 (a) Consolidated trade debtors

Debts due over six months	377,567	360,753
Debts due below six months	2,454,864	2,280,725
	2,832,431	2,641,478

Figures in '000'

	31-Mar-11 Taka	31-Dec-10 Taka
5 Advances, deposits & prepayments		
Loan and advance to staff and others	112,638	117,029
VAT current account.	67,789	72,760
Advance to others	504,740	193,686
Deposits & prepayments	26,316	30,851
	711,483	414,326

5 (a) Consolidated advances, deposits & prepayments

Loan and advance to staff and others	130,418	128,812
VAT current account.	97,481	85,461
Advance to others	984,661	558,845
Deposits & prepayments	63,717	63,183
	1,276,277	836,301

6 Long term liabilities

Long term bank loan	1,793	3,920
ACI 20% Convertible Zero Coupon Bonds	600,977	824,254
Staff gratuity provision	143,297	139,452
Other long term employee benefits	47,667	44,828
Deferred tax liabilities	111,837	127,860
Employees group insurance fund	400	400
Loan from other sources - unsecured	215	215
Obligation under finance lease	-	-
	906,186	1,140,929

6 (a) Consolidated long term liabilities

Long term bank loan	871,533	819,552
ACI 20% Convertible Zero Coupon Bonds	600,977	824,254
Staff gratuity provision	148,883	144,283
Other long term employee benefits	47,668	44,828
Deferred tax liabilities	216,640	218,365
Employees group insurance fund	400	400
Loan from other sources - unsecured	55,631	55,631
	1,941,731	2,107,313

7 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.



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer