

**ACI Limited**

**3rd Quarter ended 30 September 2010**

**ADVANCED CHEMICAL INDUSTRIES LIMITED**

**Balance Sheet as at 30 Sept 2010**


**Unaudited**

Figures in '000'

	<b>30-Sep-2010</b>	<b>31-Dec-2009</b>
	<b>Taka</b>	<b>Taka</b>
<b><u>Assets</u></b>		
<b>Property, plant and equipment:</b>		
At Cost / Revaluation	1,893,665	1,829,791
Accumulated depreciation	(745,580)	(654,030)
	<b>1,148,085</b>	<b>1,175,761</b>
<b>Capital work-in-progress</b>	226,733	106,131
<b>Intangible assets</b>	2,595	-
<b>Investment</b>	967,983	877,288
<b>Total non-current assets</b>	<b>2,345,396</b>	<b>2,159,180</b>
<b>Current assets:</b>		
Inventories	1,615,560	1,596,525
Trade debtors	1,063,809	1,161,296
Other debtors	131,358	69,510
Advance, deposits & prepayments	383,386	368,144
Advance income tax	178,276	283,104
Inter-company receivable	2,152,002	1,169,264
Cash and bank balances	189,115	717,864
	<b>5,713,506</b>	<b>5,365,707</b>
<b>Total assets</b>	<b>8,058,902</b>	<b>7,524,887</b>
<b><u>Equity and liabilities</u></b>		
<b>Shareowners' equity:</b>		
Share capital	194,040	194,040
Share premium	250,022	250,022
Capital reserve	1,671	1,671
Revaluation reserve	300,272	300,272
Retained earnings	2,516,192	2,284,195
	<b>3,262,197</b>	<b>3,030,200</b>
<b>Current liabilities:</b>		
Bank overdraft	295,634	319,341
Bank term loan	2,058,191	1,917,691
Trade creditors	187,668	377,165
Other creditors	655,436	1,149,121
Inter company liabilities	183,273	57,749
Current portion of lease obligation	930	1,840
Provision for taxation	321,865	353,967
	<b>3,702,997</b>	<b>4,176,874</b>
<b>Long term liabilities</b>	<b>1,093,708</b>	<b>317,813</b>
<b>Total equity and liabilities</b>	<b>8,058,902</b>	<b>7,524,887</b>



**Dr. Arif Dowla**  
Managing Director



**Muallem A Choudhury**  
Chief Financial Officer

Advanced Chemical Industries Limited

Consolidated Balance Sheet as at 30 September 2010  
Unaudited

	Figures in '000'	
	30-Sep-2010 Taka	31-Dec-2009 Taka
<b>Non- current assets:</b>		
Property, plant and equipment At Cost / revaluation	4,581,765	4,393,880
Accumulated depreciation	(1,315,623)	(1,092,721)
	<b>3,266,142</b>	<b>3,301,159</b>
Capital work-in-progress	714,576	453,323
Investment	405,804	186,353
Intangible assets	117,960	116,314
	<b>1,238,340</b>	<b>755,990</b>
<b>Current assets:</b>		
Inventories	3,091,263	2,773,719
Trade debtors	2,343,797	2,635,023
Other debtors	111,725	76,803
Advance, deposits & prepayments	885,994	901,792
Advance income tax	292,454	387,575
Inter-company debt	16,004	13,298
Cash and bank balance	345,382	847,873
	<b>7,086,619</b>	<b>7,636,083</b>
<b>Total assets</b>	<b>11,591,101</b>	<b>11,693,232</b>
<b>Equity and liabilities:</b>		
<b>Share holders' equity</b>		
Share capital	194,040	194,040
Share premium	250,022	250,022
Capital reserve	1,671	1,671
Revaluation reserve	589,529	589,529
Retained profit	1,817,110	1,906,694
	2,852,372	2,941,956
Minority interest	325,072	401,295
	<b>3,177,444</b>	<b>3,343,251</b>
<b>Current liabilities</b>		
Bank overdraft	570,833	709,319
Short term bank loan	3,648,230	3,506,617
Trade creditors	475,430	780,935
Other creditors	1,125,703	1,639,824
Current portion of lease obligation	930	1,840
Provision for tax	456,261	523,699
	<b>6,277,387</b>	<b>7,162,234</b>
<b>Long term liabilities</b>	<b>2,136,270</b>	<b>1,187,747</b>
<b>Total equity and liabilities</b>	<b>11,591,101</b>	<b>11,693,232</b>



Dr. Arif Dowla  
Managing Director



Muallem A Choudhury  
Chief Financial Officer

**Advanced Chemical Industries Limited**  
**Income statement**  
**for the period ended 30 September 2010**  
**Unaudited**

	Figures in '000'			
	January to Sept 2010	January to Sept 2009	July to Sept 2010	July to Sept 2010
	Taka	Taka	Taka	Taka
Sales	6,022,004	4,964,798	1,869,921	1,673,952
Cost of goods sold	(3,872,755)	(3,353,989)	(1,124,058)	(1,107,194)
Gross profit	2,149,249	1,610,809	745,863	566,758
Administrative, selling & distribution expenses	(1,435,891)	(1,236,081)	(485,546)	(414,194)
	713,358	374,728	260,317	152,564
Other income	63,446	31,647	15,488	2,051
<b>Operating Profit</b>	<b>776,804</b>	<b>406,375</b>	<b>275,805</b>	<b>154,615</b>
Profit from sale of shares	-	512,804	-	74,692
Financing cost	(130,786)	(184,432)	(39,909)	(38,836)
<b>Profit before WPPF and Tax</b>	<b>646,018</b>	<b>734,747</b>	<b>235,896</b>	<b>190,471</b>
Provision for contribution to WPPF	(32,301)	(11,097)	(11,795)	(5,789)
Profit before tax	613,717	723,650	224,101	184,682
Tax expenses	(177,978)	(68,471)	(72,782)	(42,082)
<b>Profit after tax</b>	<b>435,739</b>	<b>655,179</b>	<b>151,319</b>	<b>142,600</b>
<b>Earnings per share</b>	<b>22.46</b>	<b>33.77</b>	<b>7.80</b>	<b>7.35</b>
<b>Earnings per share-from continuing operations</b>	<b>22.46</b>	<b>7.34</b>	<b>7.80</b>	<b>3.50</b>
<b>Earnings per share-from one-off gain</b>	<b>-</b>	<b>26.43</b>	<b>-</b>	<b>3.85</b>
<b>Total Earnings Per Share</b>	<b>22.46</b>	<b>33.77</b>	<b>7.80</b>	<b>7.35</b>



**Dr. Arif Dowla**  
**Managing Director**



**Muallem A Choudhury**  
**Chief Financial Officer**

**Advanced Chemical Industries Limited**  
**Consolidated Income Statement**  
**for the period ended 30 September 2010**  
**Unaudited**

	Figures in '000'			
	January to Sept 2010	January to Sept 2009	July to Sept 2010	July to Sept 2009
	Taka	Taka	Taka	Taka
Sales	10,300,470	8,466,420	3,269,630	2,763,106
Cost of goods sold	(7,301,973)	(5,997,908)	(2,283,714)	(1,964,580)
Gross profit	2,998,497	2,468,512	985,916	798,526
Administration, selling & distribution expenses	(2,383,057)	(1,965,564)	(772,242)	(709,800)
	615,440	502,948	213,674	88,726
Other income	55,723	32,690	28,485	11,623
<b>Operating Profit</b>	<b>671,163</b>	<b>535,638</b>	<b>242,159</b>	<b>100,349</b>
Profit from sale of shares	-	437,400	-	63,512
Profit/ (loss) from Associates and Joint Ventures	77,043	9,036	32,825	3,373
	748,206	982,074	274,984	167,234
Financing cost	(454,879)	(449,848)	(151,096)	(136,760)
<b>Profit before WPPF and Tax</b>	<b>293,327</b>	<b>532,226</b>	<b>123,888</b>	<b>30,474</b>
Provision for contribution to WPPF	(38,654)	(18,235)	(15,253)	(6,743)
<b>Profit before tax</b>	<b>254,673</b>	<b>513,991</b>	<b>108,635</b>	<b>23,731</b>
Tax expenses	(223,259)	(102,259)	(78,385)	(37,760)
<b>Profit after tax</b>	<b>31,414</b>	<b>411,732</b>	<b>30,250</b>	<b>(14,029)</b>
Minority interest	82,744	25,671	38,561	28,329
Profit after tax and minority interest	114,158	437,403	68,811	14,300
<b>Earnings per share</b>	<b>5.88</b>	<b>22.54</b>	<b>3.55</b>	<b>0.74</b>
<b>Earnings per share-from continuing operations</b>	<b>5.88</b>	<b>0.00</b>	<b>3.55</b>	<b>(2.54)</b>
<b>Earnings per share-from one-off gain</b>	<b>-</b>	<b>22.54</b>	<b>-</b>	<b>3.27</b>
<b>Total Earnings Per Share</b>	<b>5.88</b>	<b>22.54</b>	<b>3.55</b>	<b>0.74</b>



**Dr. Arif Dowla**  
**Managing Director**



**Muallem A Choudhury**  
**Chief Financial Officer**

Advanced Chemical Industries Limited

Statement of changes in equity  
for the period ended 30 September 2010

Figures in '000'

Particulars	Share capital Taka	Share premium Taka	Capital reserve Taka	Revaluation reserve Taka	Retained earnings Taka	Total Taka
<b>Balance at 31 December 2009</b>	<b>194,040</b>	<b>250,022</b>	<b>1,671</b>	<b>300,272</b>	<b>2,284,195</b>	<b>3,030,200</b>
Net profit after tax for the period	-	-	-	-	435,739	435,739
Dividend paid	-	-	-	-	(203,742)	(203,742)
<b>Balance at 30 September 2010</b>	<b>194,040</b>	<b>250,022</b>	<b>1,671</b>	<b>300,272</b>	<b>2,516,192</b>	<b>3,262,197</b>
<b>Balance at 30 September 2009</b>	<b>194,040</b>	<b>250,022</b>	<b>1,671</b>	<b>303,148</b>	<b>1,949,253</b>	<b>2,698,134</b>



Dr. Arif Dowla  
Managing Director



Muallem A Choudhury  
Chief Financial Officer

**Advanced Chemical Industries Limited**  
**Consolidated Statement of Changes in Equity**  
**for the period ended 30 September 2010**  
**Unaudited**

Particulars	Figures in '000'						
	Share capital Taka	Share premium Taka	Capital reserve Taka	Revaluation reserve Taka	Retained earnings Taka	Minority interest Taka	Total Taka
<b>Balance at 31 December 2009</b>	<b>194,040</b>	<b>250,022</b>	<b>1,671</b>	<b>589,529</b>	<b>1,906,694</b>	<b>401,295</b>	<b>3,343,251</b>
Net profit after tax for the period	-	-	-	-	114,158	(82,744)	31,414
Dividend paid	-	-	-	-	(203,742)	-	(203,742)
Adjustment for minority interest	-	-	-	-	-	6,521	6,521
<b>Balance at 30 September 2010</b>	<b>194,040</b>	<b>250,022</b>	<b>1,671</b>	<b>589,529</b>	<b>1,817,110</b>	<b>325,072</b>	<b>3,177,444</b>
<b>Balance at 30 September 2009</b>	<b>194,040</b>	<b>250,022</b>	<b>1,671</b>	<b>589,730</b>	<b>1,744,221</b>	<b>393,666</b>	<b>3,173,350</b>



**Dr. Arif Dowla**  
**Managing Director**



**Muallem A Choudhury**  
**Chief Financial Officer**

**Advanced Chemical Industries Limited**  
**Cash flow statement**  
**for the period ended 30 Sep 2010**  
**Unaudited**

	<b>Figures in '000'</b>	
	3rd Qtr ended 30 Sep 2010	3rd Qtr ended 30 Sep 2009
	Taka	Taka
<b>A. Cash flows from operating activities</b>		
Cash receipts from customers	6,119,491	4,575,494
Cash receipts from other income	27,962	32,086
Receipts from / (paid) to others	(26,363)	29,558
	<b>6,121,090</b>	<b>4,637,138</b>
Cash paid for:		
Purchase of inventory	(3,837,940)	(2,703,184)
Operating expenses	(1,344,781)	(1,264,199)
Other creditors	(12,499)	40,932
Financing cost	(130,786)	(184,432)
Advances, deposits and prepayments	(15,242)	(127,462)
Income tax	(105,252)	(71,104)
Contribution to workers' profit participation fund	603	(15,298)
	<b>(5,445,897)</b>	<b>(4,324,747)</b>
<b>Net cash provided by operating activities</b>	<b>675,193</b>	<b>312,391</b>
<b>B. Cash flows from investing activities</b>		
Purchases of fixed assets	(32,638)	(44,611)
Purchases of intangible assets	(2,595)	-
Payments for capital work in progress	(155,399)	(43,794)
Sale of shares of subsidiary	-	528,753
Investments in joint ventures and associates	(90,695)	(201,540)
<b>Net cash used in investing activities</b>	<b>(281,327)</b>	<b>238,808</b>
<b>C. Cash flows from financing activities</b>		
Inter company debts (paid)/ received	(857,213)	(435,483)
Dividend paid	(186,419)	(154,346)
Short term loan (paid)/ received	(30,250)	419,103
Long term loan (paid)/received	174,975	(20,090)
<b>Net cash flows from financing activities</b>	<b>(898,907)</b>	<b>(190,816)</b>
<b>D. Net cash inflows/(outflows) from total activities (A+B+C)</b>	<b>(505,041)</b>	<b>360,383</b>
<b>E. Opening cash and bank balances</b>	<b>398,522</b>	<b>(520,264)</b>
<b>F. Closing cash and bank balances (D+E)</b>	<b>(106,519)</b>	<b>(159,881)</b>
<b>Closing balance represents:</b>		
Cash and bank	189,115	141,051
Bank overdraft	(295,634)	(300,932)
	<b>(106,519)</b>	<b>(159,881)</b>



**Dr. Arif Dowla**  
**Managing Director**



**Muallem A Choudhury**  
**Chief Financial Officer**



Advanced Chemical Industries Limited

Consolidated Cash Flow Statement  
for the period ended 30 September 2010  
Unaudited

	Figures in '000'	
	3rd Qtr ended 30 Sept 2010 Taka	3rd Qtr ended 30 Sept 2009 Taka
<b>A Cash flows from operating activities:</b>		
Cash received from customers	10,641,413	8,172,758
Cash received as other income	71,774	49,492
Payments to other debtors	(26,428)	31,312
	10,686,759	8,253,562
Cash paid for:		
Inventories	(7,531,513)	(5,327,622)
Operating expenses	(2,120,554)	(1,769,571)
Other creditors	(113,684)	(66,203)
Financing cost	(450,921)	(410,815)
Advances, deposits and prepayments	28,725	(519,057)
Income tax	(203,793)	(144,204)
Contribution to workers' profit participation fund	(1,464)	(15,298)
	(10,393,204)	(8,252,770)
<b>Net cash provided by operating activities</b>	<b>293,555</b>	<b>792</b>
<b>B Cash flows from investing activities :</b>		
Purchase of fixed assets	(317,927)	(276,829)
Purchase of intangible assets	(2,595)	(9,322)
Payments for capital work-in-progress	(246,731)	(174,500)
Proceeds from sale of fixed assets	6,989	-
Proceeds from sale of shares of subsidiary	-	528,753
Investments	(142,408)	(51,557)
<b>Net cash used in investing activities</b>	<b>(702,672)</b>	<b>16,545</b>
<b>C Cash flows from financing activities :</b>		
Issue of shares	-	23,470
Inter-company debts received/(paid)	(2,707)	(33,200)
Dividend paid	(257,864)	(169,659)
Short term loan received/(paid)	61,516	(27,541)
Long term loan received/(paid)	244,169	792,206
<b>Net cash flows from financing activities</b>	<b>45,114</b>	<b>585,276</b>
<b>D Net cash inflow/(outflow) from total activities (A+B+C)</b>	<b>(364,003)</b>	<b>602,613</b>
<b>E Opening balance</b>	<b>138,553</b>	<b>(975,803)</b>
<b>F Closing balance (D+E)</b>	<b>(225,450)</b>	<b>(373,190)</b>
Cash in hand and at bank	345,383	322,355
Bank overdraft	(570,833)	(695,545)
	<b>(225,450)</b>	<b>(373,190)</b>



Dr. Arif Dowla  
Managing Director



Muallem A Choudhury  
Chief Financial Officer

**Advanced Chemical Industries Limited**  
**Notes to the financial statements**  
**for the period ended 30 September 2010**  
**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 2009. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements.

	30-Sep-10	Figures in '000'
2 Fixed assets at cost/ revaluation	Taka	31-Dec-09 Taka
Fixed assets at cost less accumulated depreciation	807,882	826,777
Fixed assets at revaluation less accumulated depreciation	337,800	343,653
Leased assets at cost less accumulated depreciation	2,403	5,331
	<b>1,148,085</b>	<b>1,175,761</b>

2 (a) Consolidated fixed assets at cost/ revaluation

Fixed assets at cost less accumulated depreciation	2,654,762	2,677,715
Fixed assets at revaluation less accumulated depreciation	608,977	618,112
Leased assets at cost less accumulated depreciation	2,403	5,332
	<b>3,266,142</b>	<b>3,301,159</b>

3 Inventories

Finished goods	676,000	575,192
Work-in-process	97,086	67,141
Raw materials	446,736	520,303
Packing materials	180,103	167,786
Stores & spares	12,041	15,220
Stock in transit	203,594	250,883
	<b>1,615,560</b>	<b>1,596,525</b>

3 (a) Consolidated inventories

Finished goods	1,435,556	1,178,185
Work-in-process	108,168	77,784
Raw materials	924,869	861,326
Packing materials	276,726	269,352
Stores & spares	54,667	46,171
Stock in transit	291,277	340,901
	<b>3,091,263</b>	<b>2,773,719</b>

4 Trade debtors

Debts due over six months	111,576	93,447
Debts due below six months	952,233	1,067,849
	<b>1,063,809</b>	<b>1,161,296</b>

4 (a) Consolidated trade debtors

Debts due over six months	261,458	180,159
Debts due below six months	2,082,339	2,454,864
	<b>2,343,797</b>	<b>2,635,023</b>

	30-Sep-10 Taka	Figures in '000' 31-Dec-09 Taka
5 Advances, deposits & prepayments		
Loan and advance to staff and others	120,113	99,492
VAT current account.	46,911	50,498
Advance to others	194,615	205,463
Deposits & prepayments	21,747	12,691
	<b>383,386</b>	<b>368,144</b>
5 (a) Consolidated advances, deposits & prepayments		
Loan and advance to staff and others	134,618	118,281
VAT current account.	52,885	53,555
Advance to others	609,341	676,331
Deposits & prepayments	89,150	53,625
	<b>885,994</b>	<b>901,792</b>
6 Long term liabilities		
Long term bank loan	800,986	36,760
Staff gratuity provision	128,538	118,137
Other long term employee benefits	41,689	31,139
Deferred tax liabilities	121,880	130,638
Employees group insurance fund	400	400
Loan from other sources - unsecured	215	215
Obligation under finance lease	-	524
	<b>1,093,708</b>	<b>317,813</b>
6 (a) Consolidated long term liabilities		
Long term bank loan	1,742,610	818,539
Staff gratuity provision	134,401	123,080
Other long term employee benefits	41,689	31,138
Deferred tax liabilities	161,538	158,434
Employees group insurance fund	400	400
Loan from other sources - unsecured	55,632	55,632
Obligation under finance lease	-	524
	<b>2,136,270</b>	<b>1,187,747</b>

7 Figures have been rounded off to the nearest 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