

**Financial Ratios and Share Performance Analysis
Of
ACI Limited**

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Letter of Transmittal

20th August 2015

Riyashad Ahmed

Assistant Professor of Finance

BRAC Business School

Subject: Submitting an Internship report on Financial Ratios and Share Performance Analysis of ACI Ltd.

Dear Sir,

I would like to thank you for giving me the opportunity of doing this assignment on this subject to prepare the Report. This task has been given me the opportunity to explore one of the most important aspect of ACI Ltd which is known as “Financial Ratios and Share Performance Analysis of ACI Ltd”.

The report contains a comprehensive study on financial aspects of ACI Ltd. It was an immense pleasure for me to have the opportunity to work on the above-mentioned subject. I have delivered my best to come out with a good one. Please feel free to contact me if you have any queries. Would you please kindly accept my report and oblige me thereby.

Thank you.

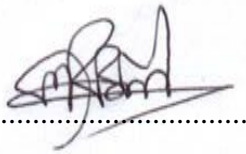


Sincerely,

Md. Kabirul Islam

Declaration of Student

This is to notify that this report “Financial Ratios and Share Performance Analysis of ACI Ltd” has been prepared as a part of my internship formalities. It is an obligatory part for our MBA Program to submit an internship report. Moreover, I was inspired and instructed by my supervisor Riyashad Ahmed, Assistant Professor of Finance of BRAC Business School, BRAC University.

A handwritten signature in black ink, appearing to read 'Md. Kabirul Islam', is written over a horizontal dotted line.

Md. Kabirul Islam

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BRAC Business School

BRAC University

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***“Dedicated to my beloved parents and my wife without whom my
life is meaningless”***

Acknowledgement

I have incurred many debts of gratitude over the last three months while preparing for this report. First and foremost, I would like to pay my gratitude to the almighty Allah for giving me the ability to work hard. The report titled, as “Financial Ratios and Share Performance Analysis of ACI Ltd”- has been prepared to fulfill the requirements of MBA degree. I am very much fortunate that I have received almost and sincere guidance, supervision and co-operation from various persons while preparing this report. Many people have helped unconditionally in making this report.

First of all, I would like to thank my academic Supervisor of the internship report, Riyashad Ahmed, Assistant Professor of Finance of BRAC Business School, for giving me the opportunity to prepare this report & effortful supervision. He also provided me some important advice and guidance for preparing such type of new idea based report. Without his help this report could not have been a comprehensive one.

Secondly, I also indebted to thank all the employees of “ACI Ltd. specially Md Habibur Rahman(General Manager, ACI CC & PH), Dr. Zahidul Islam (Marketing Manager ACI CC & PH) who helped me and given me their valuable time in providing the information and sources of that information of this report.

Moreover I am thankful to other resource persons, Mr. Anwarul Haque, (Product Executive of CC & PH) and Mr. Sheikh Salamat Ullah, (Product Executive of CC & PH).

I am also showing my gratuity to all those people who have at least minimum effort and contribution to complete report. I feel so much lucky to get their co-operation.

Executive summery

In this competitive market of Bangladesh to sustain and being profitable is necessary. To do so, a company must focus on its well management of financial assets and keep satisfying its stockholders to.

ACI Limited was established in 1992. ACI Agribusiness is the largest integrator in Agriculture sector of Bangladesh, ACI Agribusiness deals with Crop Protection, Seed, Fertilizer, Agri machineries, and Animal Health products and equipments, Fish and Poultry medicine and feeds. It is also the most profitable business units of ACI Ltd after ACI Pharmaceuticals. The main strength of ACI Limited is use of the assets in productive way, well managed inventory and higher production capacity. In the bearish market ACI Limited is offering very good return to the security holder which encouraging more investment.

ACI Ltd. has enough financial strength to expand its business in future. They have earned the faith of the investors with its transparent financial system and ensuring the safe return of their precious investment. In future ACI Limited will contribute more to the economy of Bangladesh by expanding their business.

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CHAPTER 1: INTRODUCTION

Background:

Knowing the financial strength and Share performance is one of the vital tasks for an organization. To identify the core financial strength of ACI Limited, I have analyzed financial statement and prepared some charts and graphs to better understand the financial position of ACI Limited.

Objective:

The purpose of this report is to analyze ACI Limited's financial strength and its Share performance in DSE to describe its core financial strength.

Sources of Data:

Secondary Data were used to complete this study. Sources of the secondary data were:

- Website of ACI Limited
- Website of Dhaka Stock Exchange (DSE)
- Annual report (Year 2010-2014)
- Magazine of ACI Limited
- Different text books and website

Limitation:

- Lack of detailed information

CHAPTER 2:
JOB RESPONSIBILITIES &
OBSERVATIONS

2.1. Job

I am employed as Product Executive at ACI Crop Care and Public Health Department which is located in the 9th floor of Novo Tower, Tejgaon. From the beginning of my job I have enjoyed accomplishing my work. Throughout the whole time, I have got the opportunity to work with different people of ACI Limited and ACI Formulations Limited.

2.1. a. Nature of Job and my responsibilities:

a) Purpose of the Job:

My purpose of the job is to collect market information on assigned products and analyze competitor's activities in order to develop strategy for product promotion and positioning.

b) Job Customer:

Internal: Superior, Field Forces & Colleagues.

External: Distributors, Retailers, Regulatory authorities' and End users.

c) Major Responsibilities:

1. Gather market intelligence by developing an effective network, sources and reports.
2. Be thoroughly acquainted with the chemistry, usage, application and safety of the assigned products.
3. Prepare monthly ROFO and keep a watch on production plans and stocks of finished goods, RM and PM.
4. Initiate the stock replenishment process and liaise with the Commercial Department about imports and local procurement of RM, PM as per ROFO/MAT plan. Help Commercial to develop multiple sources.
5. Prepare marketing plan for the assigned products as well as prepare & monitor promotional plan.
6. Prepare yearly sales budget as per SOP.
7. Manage and improve inventory turnover ratio through proper inventory management.
8. Prepare plan for demonstration plots of products, select the plots in consultation with field force and train the field forces for proper maintenance of the plots.
9. Ensure the top line and average business GP for assigned products.
10. Prepare monthly report on the assigned products, explaining variance over budget for the month, competition activities and prospects.

11. Search new molecule, find alternative sources of me-too molecule and prepare dossier & submit with sample to Executive, Regulatory Affairs for registration before 10 days of PTASC (Pesticides Technical Advisory Committee) meeting.
12. Prepare and submit documents for label extension to Executive, Regulatory Affairs when applicable.
13. Visit market to assess and update the performance of ACI as well as the competitors and formulate competitive strategy according to prevailing market condition.
14. Analyze competition strategy, market situation and trend in order to modify our strategy and inform regulatory team about potential new product of respective portfolio.
15. Be on the lookout for new molecules and negotiate to get their distribution and marketing rights.
16. Keep updated information about competitors' price and strategy.
17. Develop cost effective and creative packaging materials of assigned products.
18. Generate innovative ideas of product diversification for future requirement.
19. Follow ISO 9001 policies, procedure and instructions related to the area of responsibility.
20. Perform any other job assigned by the superior.

2.2. Observation

Working at ACI Formulations Limited is a great experience. Employees here are industrious and brilliant. I learned many things from them. I could come up with following observations about work environment in the organization:

- Work atmosphere is very friendly and employees are helpful
- Employees are dynamic and attentive in their assigned job responsibilities.
- Unless urgent need, work station is not left.
- Though Saturday is a day off, the office is open sometimes to manage extra pressure.
- Working time is from 8.30AM-6PM. Sometimes employees have to stay longer than that to accomplish their assigned works.
- Everyone has their own assigned works; according to the tasks given by GM the works are done. Employees' group works overall becomes a successful overview of team effort.
- One staff member helped the colleagues if needed.

CHAPTER 3:
THE ORGANIZATION

3.1 Introduction

ICI Bangladesh Manufacturers Limited was a subsidiary of world renowned multinational ICI Plc and was a listed public limited company under Dhaka Stock Exchange. ACI's mission is to achieve business excellence through quality by understanding, accepting, meeting and exceeding customer expectations. ACI follows International Standards on Quality Management System to ensure consistent quality of products and services to achieve customer satisfaction. ACI also meets all national regulatory requirements relating to its current businesses and ensures that current Good Manufacturing Practices as recommended by World Health Organization is followed properly. ACI has been accepted as a Founding Member of the Community of Global Growth Companies by the World Economic Forum which is the most prestigious business networking organization.

ACI was so named in 1992. But the history of ACI dates back to 1926, when Imperial Chemical Industries (ICI) was incorporated in the United Kingdom as four companies namely Novel Industries Limited, British Dyestarts Corporation, Brunner Mond and Company Limited and United Alkali Company merged. Since then ICI plc has been operating worldwide as a multinational company.

In the year of formation ICI started operation in the Indian subcontinent in the name of ICI (India) limited. After separation of the India and Pakistan in 1947, the Karachi office of ICI (India) Limited renamed to be ICI (Pakistan) Limited.

3.2 Mission:

ACI's mission is to enrich the quality of life of people through responsible application of knowledge, skills and technology. ACI is committed to the pursuit of excellence through world-class products, innovative processes and empowered employees to provide the highest level of satisfaction to its customers.

3.3 Vision:

- Endeavor to attain a position of leadership in each category of its businesses.
- Attain a high level of productivity in all its operations through effective and efficient use of resources, adoption of appropriate technology and alignment with our core competencies.
- Develop its employees by encouraging empowerment and rewarding innovation.
- Promote an environment for learning and personal growth of its employees.
- Provide products and services of high and consistent quality, ensuring value for money to its customers.
- Encourage and assist in the qualitative improvement of the services of its suppliers and distributors.
- Establish harmonious relationship with the community and promote greater environmental responsibility within its sphere of influence.

3.4 Values:

- Quality
- Customer Focus
- Fairness
- Transparency
- Continuous Improvement
- Innovation

3.5 Organogram:



3.6 Strategic Business Unit:

ACI has diversified into four major strategic business divisions which include Health Care, Consumer Brands, Agribusinesses and Retail Chain.

Strategic Business Units:

- Pharmaceuticals
- Consumer Brands
- Agribusiness
 - Animal Health
 - Crop care & Public health
 - Fertilizer
 - Cropex
 - Seeds

Subsidiaries:

- ACI Formulations Ltd.
- ACI Agrochemicals
- Apex Leathercrafts Limited
- ACI Salt Limited
- ACI Pure Flour Limited
- ACI Foods Limited
- Premiaflex Plastics Limited
- Creative Communication Limited
- ACI Motors Limited
- ACI Logistics Limited

Joint Ventures:

- ACI Godrej Agrovvet Private Limited
- Tetley ACI (Bangladesh) Limited
- Asian Consumer Care (Pvt) Limited

CHAPTER 4: THE PROJECT

This project work can be separated in two portions:

- A. Financial Ratio analysis
- B. Share performance analysis

4. A. Financial Ratio Analysis:

Financial ratios are useful indicators of a firm's performance and financial situation. Most of the ratios can be calculated from information provided in the financial statements.

Objectives of Financial Ratio Analysis:

- To analyze the financial statements of ACI Ltd.
- To calculate the different types of financial ratios of the company.
- To know the financial condition of the company.
- To know the company's financial development for last five years.

4. A.1. Methodology:

For calculating different types of ratios for the project work, the following formulae were used:

Liquidity Ratios:

$$1. \text{ Current Ratio} = \frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITIES}}$$

It's a measure of a company's ability to meet short term obligations with short term assets, a useful indicator of cash flow in the near future. A social enterprise needs to ensure that it can pay its salaries, bills and expenses on time. Failure to pay loans on time may limit your future access to credit and therefore your ability to leverage operations and growth. The one problem with the current ratio is that it does not take into account the timing of cash flows.

$$\mathbf{2. Quick Ratio (Acid-Test Ratio)} = \frac{\mathbf{QUICK ASSETS}}{\mathbf{CURRENT LIABILITIES}}$$

A more stringent liquidity test that indicates if a firm has enough short-term assets (without selling inventory) to cover its immediate liabilities. This is often referred to as the “acid test” because it only looks at the company’s most liquid assets only (excludes inventory) that can be quickly converted to cash). A ratio of 1:1 means that a company can pay its bills without having to sell inventory.

$$\mathbf{3. Working Capital} = \mathbf{Current Asset - Current Liabilities}$$

Working Capital is a measure of both a company's efficiency and its short-term financial health.

Activity Ratios:

$$\mathbf{1. Inventory Turnover Ratio} = \frac{\mathbf{SALES or REVENUE}}{\mathbf{INVENTORY}}$$

It is the calculation the number of times inventory is turning over into sales during the year or how many days it takes to sell inventory. This is a good indication of production and purchasing efficiency. A high ratio indicates inventory is selling quickly and that little unused inventory is being stored (or could also mean inventory shortage). If the ratio is low, it suggests overstocking, obsolete inventory or selling issues.

$$\mathbf{2. Total Asset Turnover Ratio} = \frac{\mathbf{SALES or REVENUE}}{\mathbf{TOTAL ASSETS}}$$

Total Asset Turnover Ratio is the company's total revenue, the invoice, cash payments and other revenues. Total Asset Turnover Ratio represents the value of goods and services provided to customers during a specified time period - usually one year. How efficiently a business generates sales on each currency of assets. An increasing ratio indicates a company is using its assets more productively.

$$\mathbf{3. Days Sales Outstanding (DSO)} = \frac{\text{ACCOUNTSRECEIVABLES}}{\text{TOTALSALES}} \times \text{No.ofDAYS}$$

It is a measurement of the average number of days that a company takes to collect revenue after a sale has been made. A low DSO number means that it takes a company fewer days to collect its accounts receivable. A high DSO number shows that a company is selling its product to customers on credit and taking longer to collect money.

$$\mathbf{4. Average Payment Period} = \frac{(\text{ACCOUNTSPAYABLE} \times \text{NO.OFDAYS})}{\text{NET PURCHASES or COGS}}$$

The average time period in which a business or company typically takes in paying off its purchases that have been made by credit. This will not have an effect on the company's working capital. A shorter payment period indicates prompt payments to creditors.

Leverage Ratios:

$$\mathbf{1. Debt Ratio} = \frac{\text{TOTALDEBT}}{\text{TOTALASSET}} \times 100$$

It is a financial ratio that measures the extent of a company's or consumer's leverage. The debt ratio is defined as the ratio of total debt to total assets, expressed in percentage, and can be interpreted as the proportion of a company's assets that are financed by debt. The higher this ratio, the more leveraged the company and the greater its financial risk.

Profitability Ratios:

$$\mathbf{1. Net Profit Ratio} = \frac{\text{NET PROFIT}}{\text{SALES or REVENUE}}$$

A ratio of profitability calculated as net income divided by revenues, or net profits divided by sales. It measures how much out of every currency of sales a company actually keeps in earnings.

Profit margin is very useful when comparing companies in similar industries. A higher profit margin indicates a more profitable company that has better control over its costs compared to its competitors. This ratio measures your ability to cover all operating costs including indirect costs

$$\mathbf{2. Return\ on\ Equity} = \frac{\text{NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS}}{\text{STOCKHOLDER'S EQUITY}}$$

The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. This is one of the most important ratios to investors. How does this return compare to less risky investments like bonds.

$$\mathbf{3. Return\ on\ Assets\ (ROA)} = \frac{\text{NET INCOME}}{\text{TOTAL ASSET}}$$

It's a measurement of the ability of a company to turn the assets into profit. This is a very useful measure of comparison within an industry. A low ratio compared to industry may mean that your competitors have found a way to operate more efficiently. After tax interest expense can be added back to numerator since ROA measures profitability on all assets whether or not they are financed by equity or debt.

$$\mathbf{4. Earnings\ per\ Share\ (EPS)} = \frac{\text{NET INCOME}}{\text{TOTAL NO. OF COMMON STOCK OUTSTANDING}}$$

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

4. A.2. Analysis of the ratios:

4. A.2.a. Liquidity ratio:

Ratio	2010	2011	2012	2013	2014
Current Ratio (Times)	1.42	2.09	1.17	1.17	1.19
Quick Ratio (Times)	1.00	0.98	0.87	0.85	0.83
Working Capital (Taka)	1713.96	5780.92	1232.99	1360.28	1568.37

Table.1: Results of the Liquidity Ratio Analysis

Graphical presentation of different types of Liquidity Ratios:

1. Current Ratio:

Current ratio is used to gauge the ability of a company to meet its liabilities with its assets. This ratio gives an idea about the financial health of an organization. The higher ratio reflects the more capability of a company to pay its liabilities. Current ratio of ACI Limited is 1.19 times in 2014 and was relatively stable in the past five years except in 2011. The ratio was highest in 2011. Current ratio of 2014 suggests that the company is liquid and in a good position to meet its current obligations.

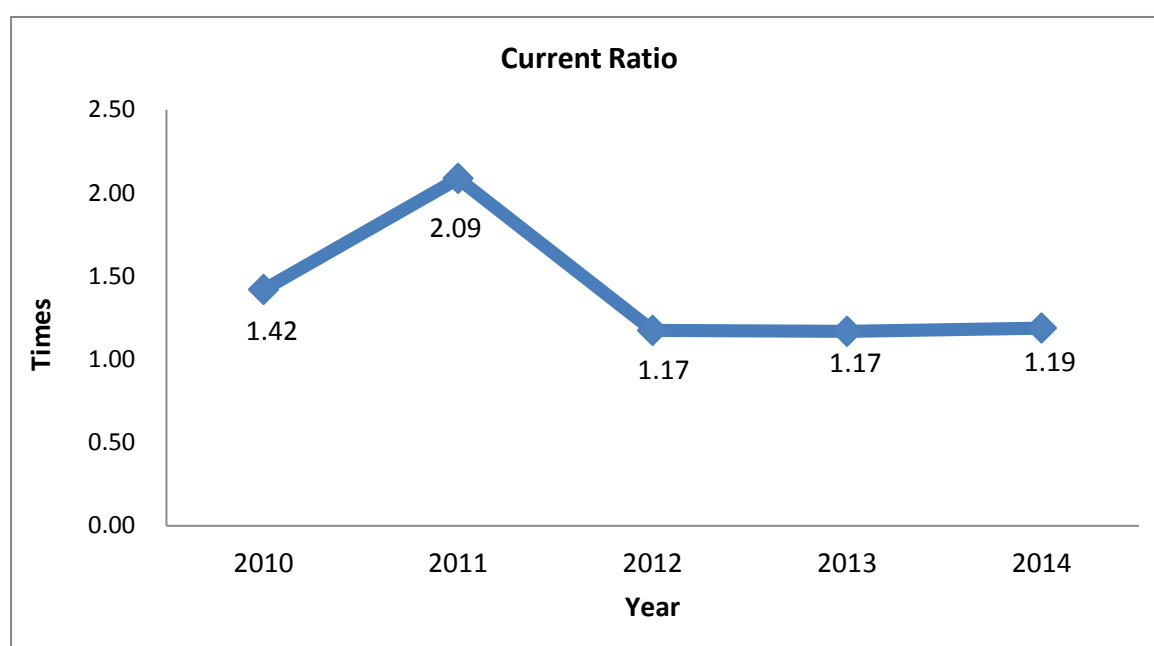


Fig. 1: Trend of Current Ratio from 2010-2014

2. Quick Ratio:

It's also known as Acid-test ratio. This ratio is an indicator of short-term liquidity of a company. The quick ratio was highest, 1times, in 2010 after that it gradually decreased and in 2014 it was 0.83 times. This ratio is also a sign that the company is in liquid position to meet its short-term obligations.

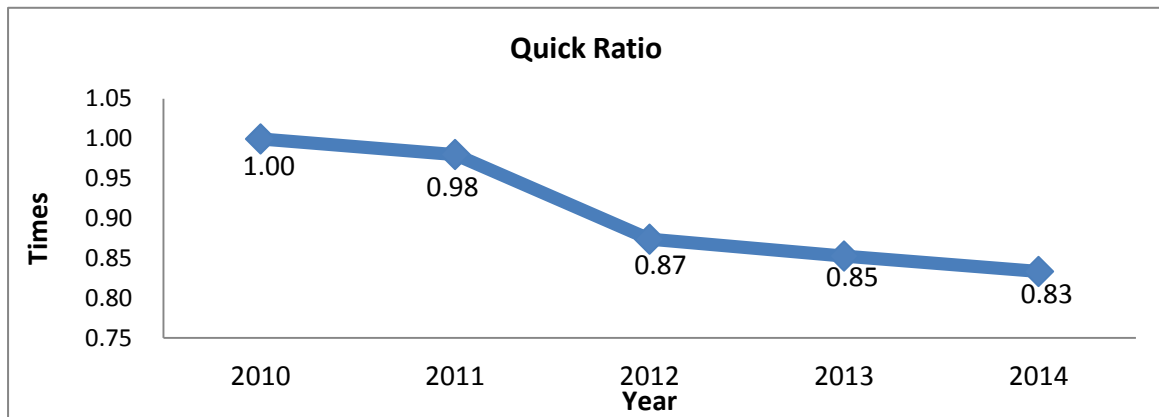


Fig. 2: Trend of Quick Ratio from 2010-2014

3. Working Capital:

Working capital indicates the operating liquidity of a company. Higher the working capital higher the ability of the company to pay off its short term obligation and it's also a signal that the company can expand its business. In 2014 Working capital was BDT 1568 Million which was the highest in the year 2011. The working capital were increased from 2010 to 2011 but in 2012 it reduced to BDT 1233 Million and after that it was increasing in the rest of the year. In 2014 working capital was BDT 1568 Mio.

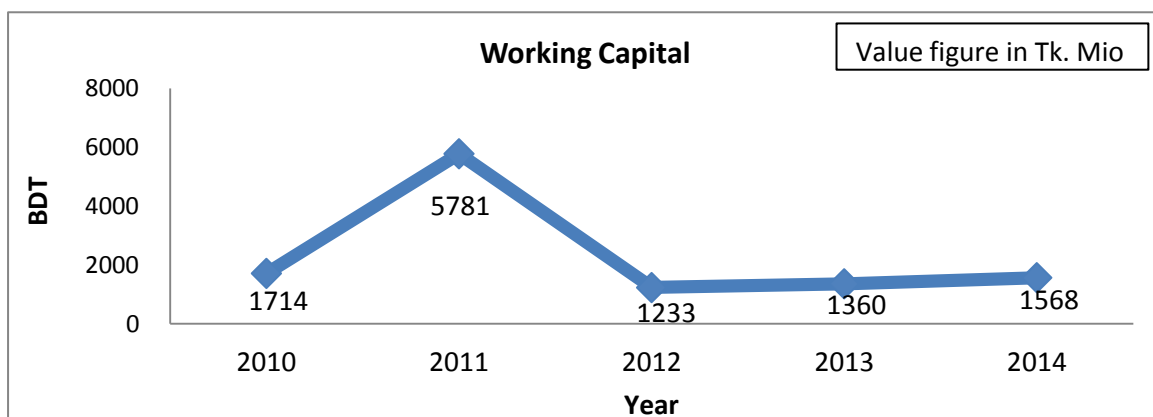


Fig. 3: Trend of Working Capital from 2010-2014

4. A.2.b. Activity Ratios:

Ratio	2010	2011	2012	2013	2014
Inventory Turnover Ratio (Times)	4.61	4.81	4.55	4.18	4.16
Total Asset Turnover Ratio (Times)	0.82	0.77	0.73	0.73	0.79
Days Sales Outstanding (Days)	149.78	182.46	202.07	195.31	169.57
Average Payment Period (Days)	66.92	98.16	79.70	102.72	81.80

Table.2: Results of the Activity Ratio Analysis

Graphical presentation of different types of Activity Ratios:

1. Inventory Turnover Ratio:

Inventory turnover ratio indicates how well the company managed its inventory. High value of the ratio reflects good management of inventory. In 2014 the ratio was 4.16 times and the ratio is slightly decreasing from 2010. Inventory turnover ratio was the highest, 4.81 times, in 2011.

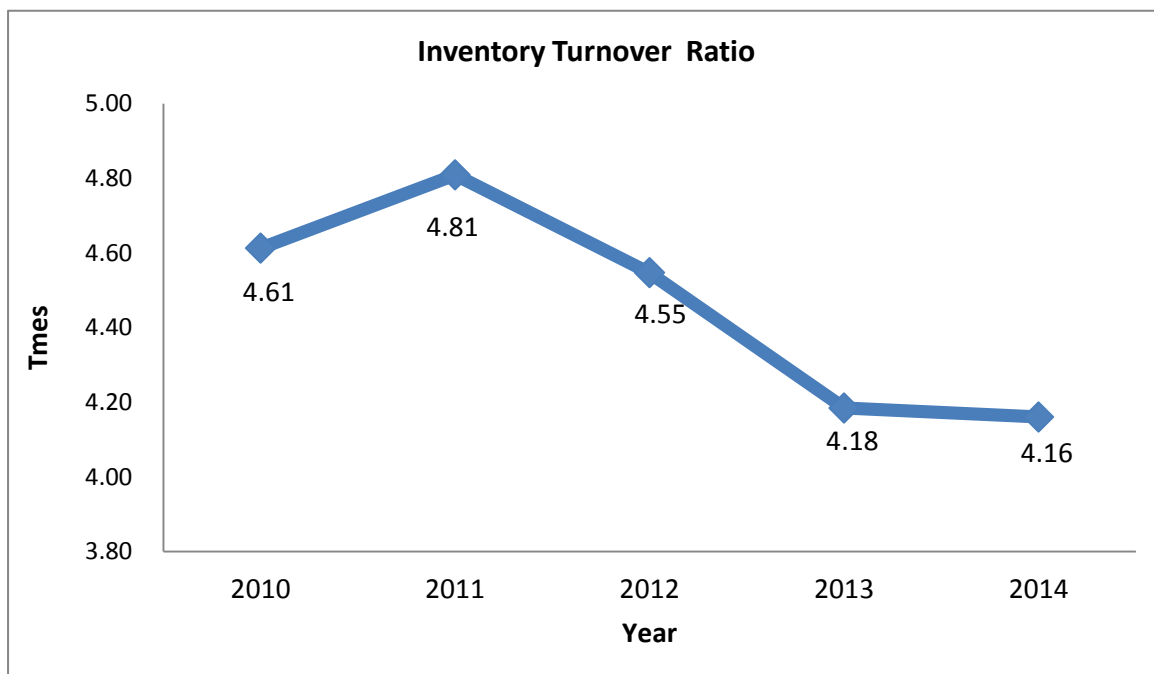


Fig. 4: Trend of Inventory Turnover Ratio from 2010-2014

2. Total Asset Turnover Ratio:

It is the calculation of how many BDT of Sales or revenues are generated by a company in relation to its asset. The higher the ratio, the better the company is performing that is the company is generating more revenue from each BDT of asset. The ratio was decreasing from 2010 to 2013 but in 2014 it was 0.79 times which was higher than last three years.

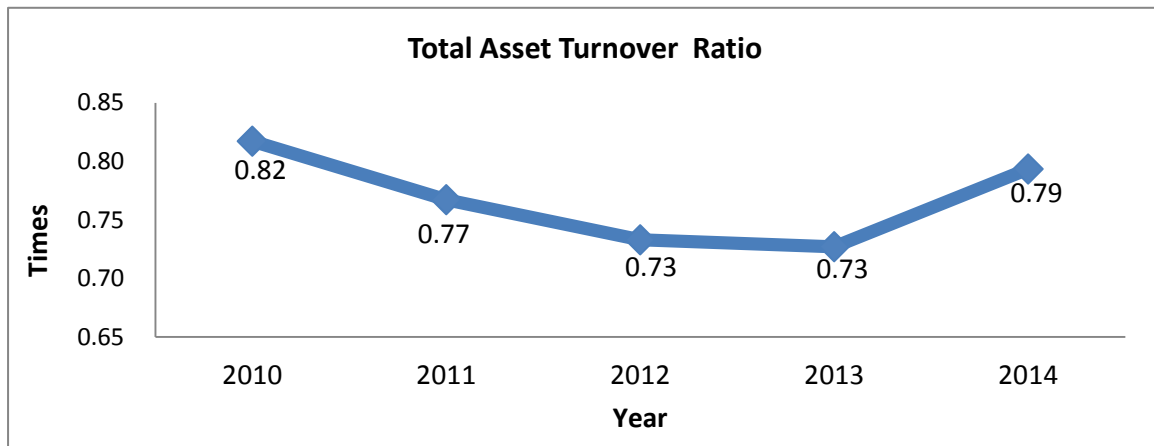


Fig. 6: Trend of Total Asset Turnover Ratio from 2010-2014

3. Days Sales Outstanding (DSO):

It is a measurement of average number of days that a company takes to collect revenues after a sale has been made. The trend line of Days Sales Outstanding (DSO) of ACI Limited is relatively stable. In 2014 Days Sales Outstanding (DSO) was 170 days which means it takes 170 days on an average to collect the revenue after the sales. In 2012 it took 202 days to collect revenues.

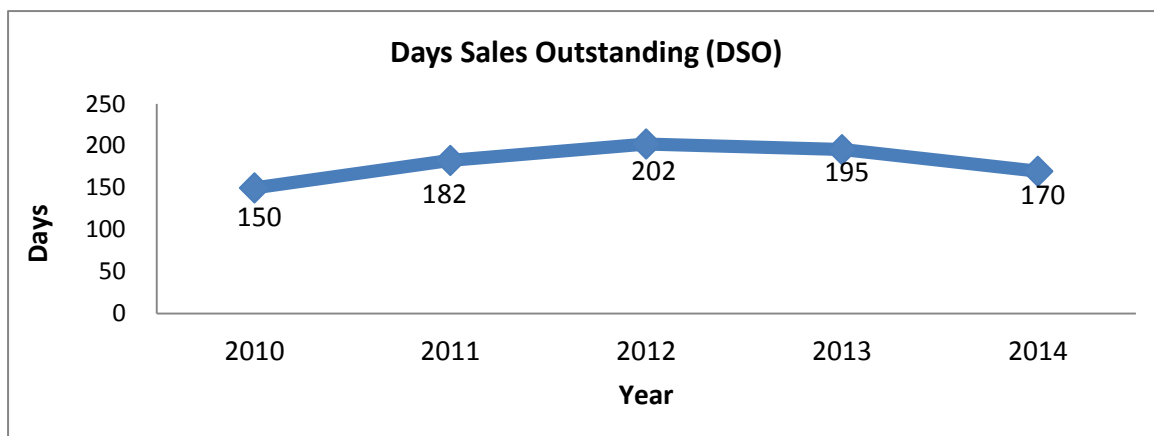


Fig. 7: Trend of Days Sales Outstanding (DSO) from 2010-2014

4. Average Payment Period:

Average payment period means the average time period is taken by a company in making payments to its debtors. The average time period of ACI Limited is fluctuating year to year. In 2014 Average Payment Period was 82 days which mean prompt payment is made to the creditors. In 2013 it took 103 days to make payment to the creditors which were higher in between 2010 to 2014.

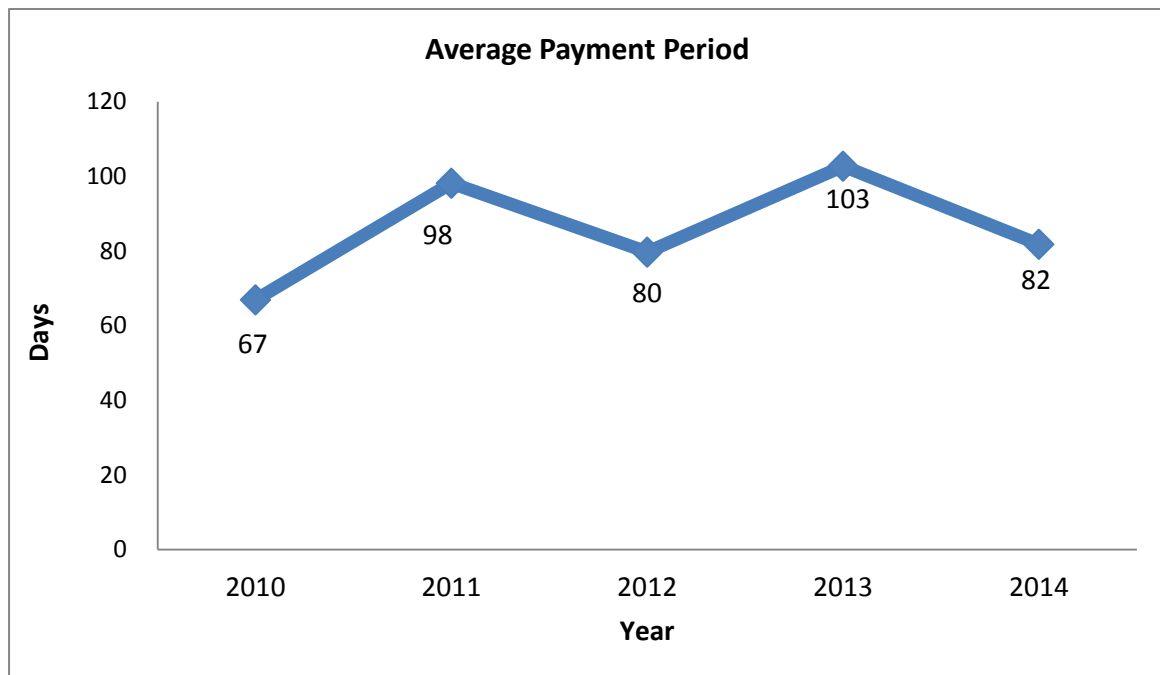


Fig. 8: Trend of Average Payment Period from 2010-2014

4. A.2.c. Leverage Ratios:

Ratio	2010	2011	2012	2013	2014
Debt Ratio (Percentage)	0.54	0.57	0.62	0.62	0.79

Table.3: Results of the Leverage Ratio Analysis

Graphical presentation of Leverage Ratio:

1. Debt Ratio:

Debt ratio indicates the percentage of assets financed by all types of debts. It reflects the financial structure of an organization. Higher percentage of debt ratio means more financial risk in the organization. The debt ratio trend is more or less stable over the last five years but in 2014 the debt ratio percentage has increased which is 0.79. The percentage value is highest in last five years which is alarming for the company.

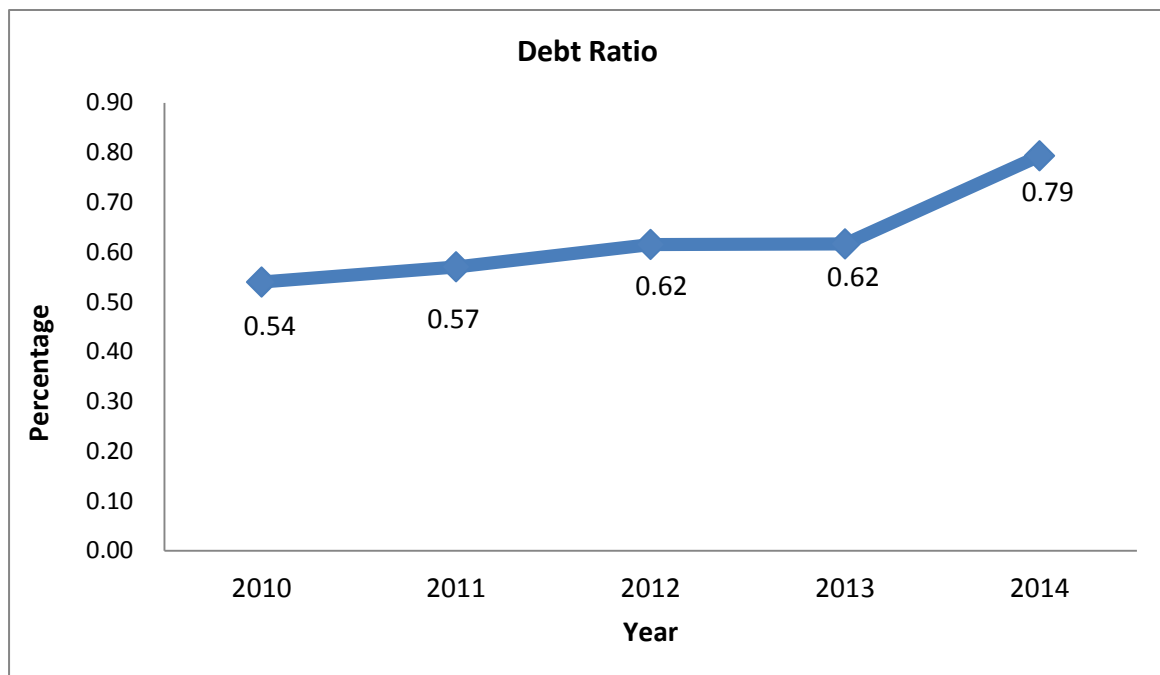


Fig. 9: Trend of Debt Ratio from 2010-2014

4. A.2.d. Profitability Ratios:

Ratio	2010	2011	2012	2013	2014
Net Profit Ratio (Percentage)	0.07	0.08	0.06	0.07	0.08
Return on Equity (Percentage)	0.03	0.04	(0.07)	0.03	0.11
Return on Assets (Percentage)	0.06	0.06	0.04	0.05	0.06
Earning Per Share (BDT)	30.49	34.55	22.93	26.74	27.64

Table.4: Results of the Profitability Ratio Analysis

Graphical presentation of different types of Profitability Ratios:

1. Net Profit Ratio:

This ratio is an indicator of profitability of an organization. It shows how much money is kept out of each BDT of sales or revenues by an organization in the form of its earning. Except the year 2012, the percentage was stable for ACI Limited. In 2014 it was 0.08 which means BDT 8 was kept as earning of ACI Limited out of each BDT 100 of sales.

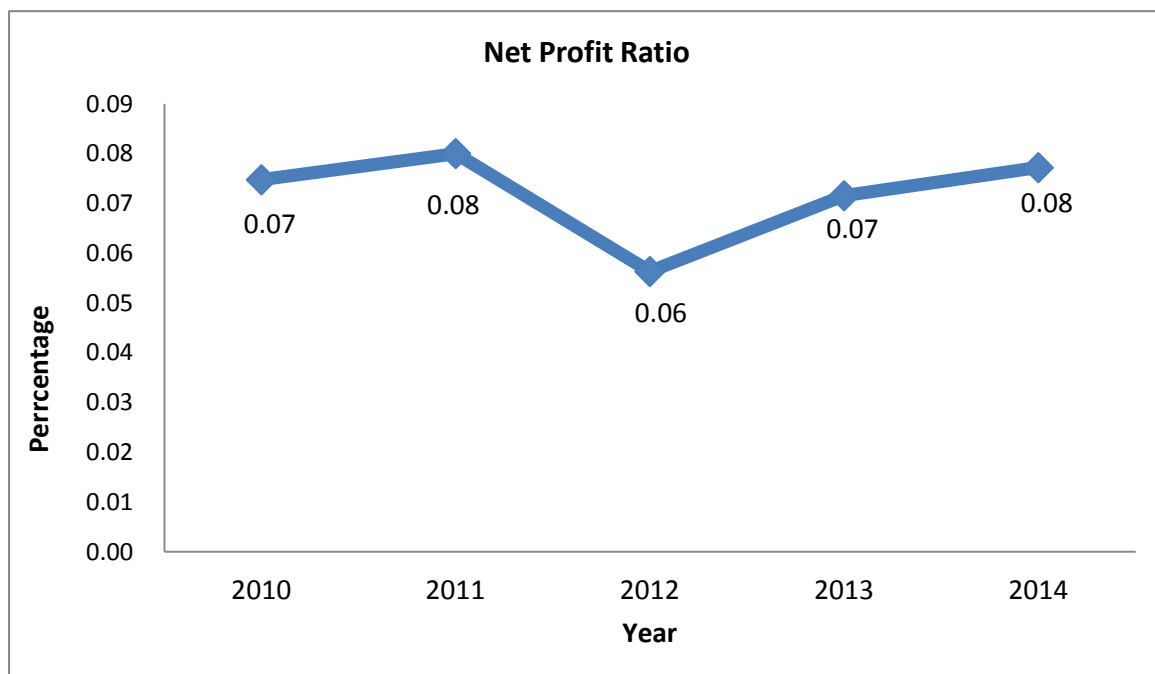


Fig. 10: Trend of Net Profit Ratio from 2010-2014

2. Return on Equity (ROE):

ROE measures how much the shareholders earned for their investment in the company. The higher percentage means higher returns to the investors. In 2012 the value of ROE was alarming but in the next year ACI Limited recovers from the turmoil and in 2014 it produces highest value of ROE which is 0.11.

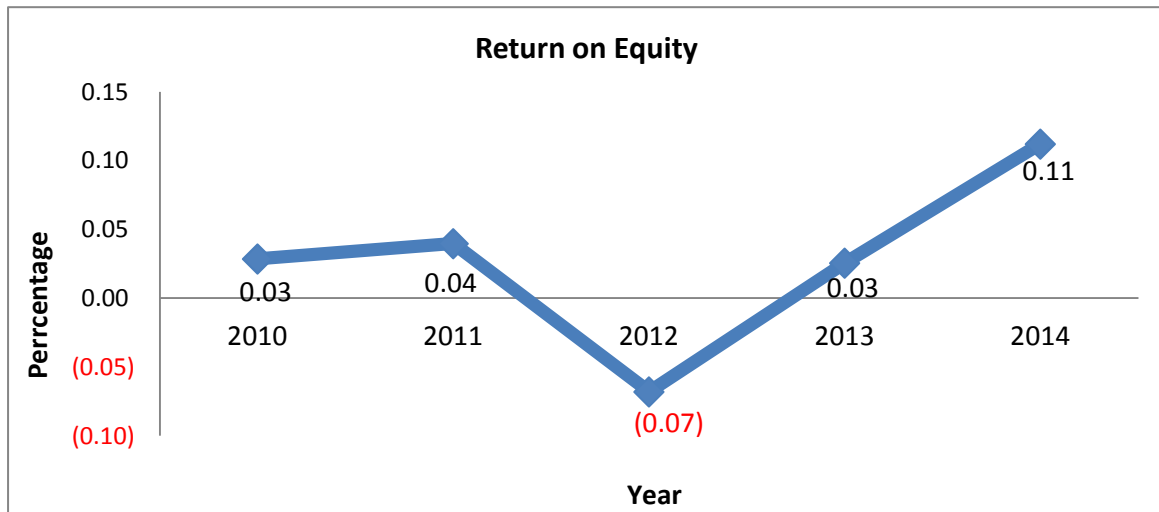


Fig. 11: Trend of Return on Equity from 2010-2014

3. Return on Assets (ROA):

It measures how profitably a firm has utilized its assets. The higher the ROA percentage the more a company is earning, the more efficiently the company is converting its assets to profit. In 2014 the ROA percentage was 0.06 with less fluctuation than last five years.

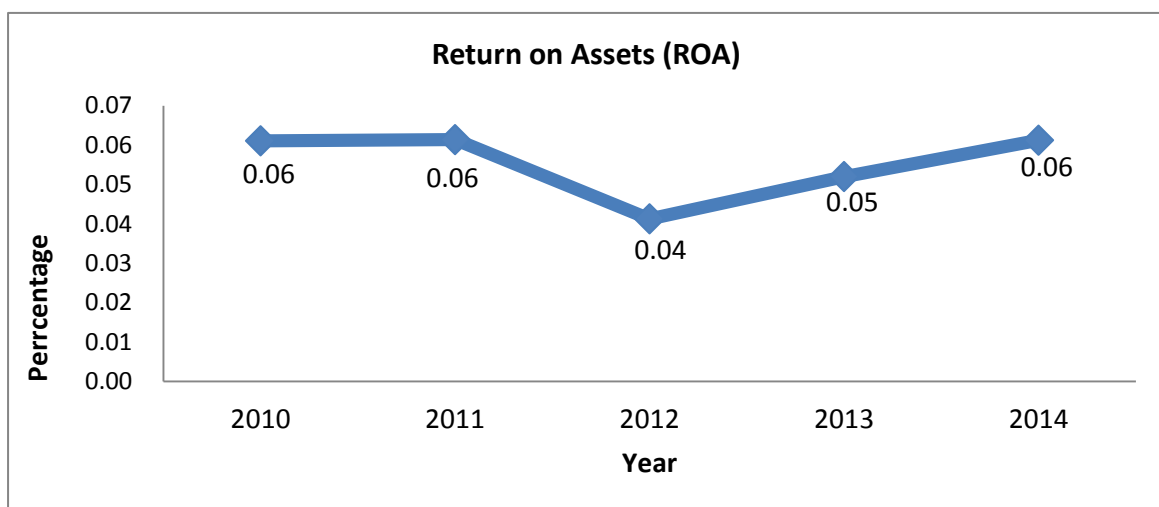


Fig. 12: Trend of Return on Assets (ROA) from 2010-2014

4. Earnings Per Share (EPS):

Earnings per share indicate a company's profitability. In 2011 the EPS was highest but then it decreases and in 2014 it was BDT 27.64.

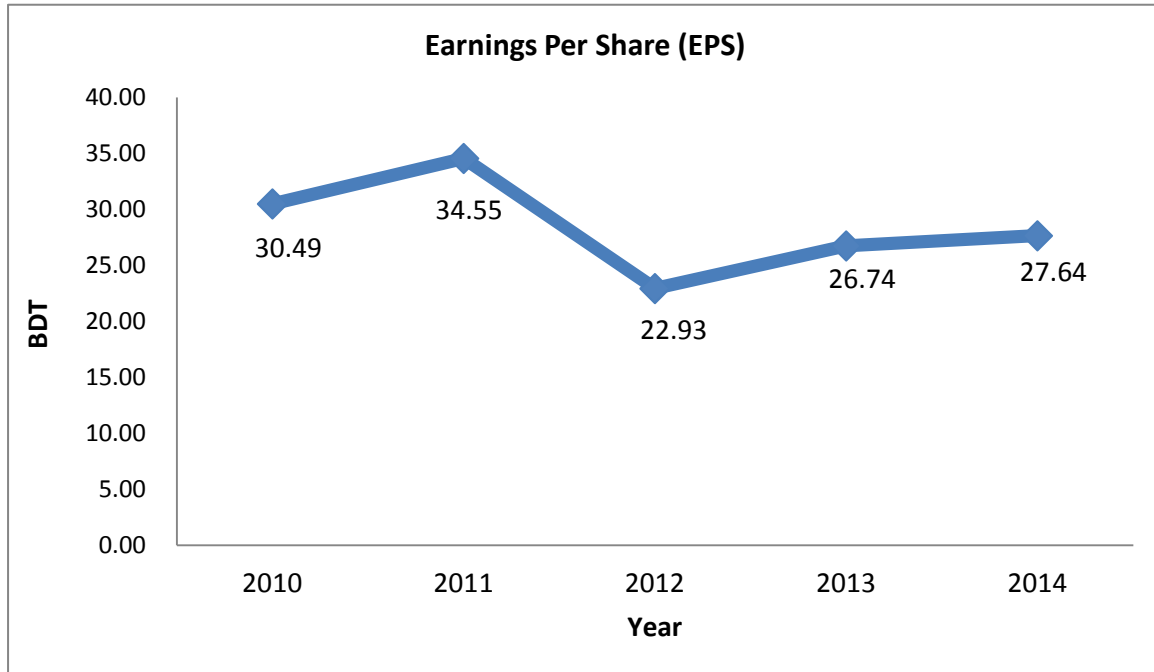


Fig. 13: Trend of Earnings Per Share (EPS) from 2010-2014

4. A.3. Result and Discussion:

Ratio Analysis is a kind of Financial Statement Analysis that is used to gain a quick suggestion of a firm's financial health in several key areas.

For the project purpose I have analyzed the following Categories of ratios:

- Liquidity ratios
- Activity ratios
- Leverage ratios
- Profitability ratios

Liquidity ratios:

Liquidity ratios are used to assess a firm's ability to meet its short-term obligations using short-term assets. The short-term obligations are recorded under current liabilities that come due within one financial year. Short-term assets are the current assets.

Current ratio indicates the ability of a company to meet its short-term obligation. Any value below 1 indicates the weakness of financial health of a company; on the other hand, a value over 2 suggests that the company is not investing its excess assets. A ratio between 1.1 to 2.0 reflects strong financial condition of a company. Current ratio of ACI Limited is 1.19 times in 2014, which means the company is in liquid condition to meet its obligation. In 2011, the ratio was 2.09, which was above normal, but again from 2012, the ratio came down to normal level and became relatively stable.

Quick ratio also measures the liquidity of an organization, but this ratio is further narrowed down to measure the ability of a company to meet its immediate liabilities, without selling its inventory. This is known as the "acid test" because it only looks at the company's most liquid assets that can be quickly converted to cash. Quick ratio of ACI Limited was highest in 2010 (1.00 times) but it gradually decreased in the next four years, and in 2014 it was 0.83 times. Quick ratio of ACI Limited also indicates its healthy financial condition.

Working capital reveals a company's efficiency and its short-term financial health. A positive value of working capital shows the ability of a company to pay back the liabilities to the creditors in the short term and it also gives an idea of the company's operational efficiency to the investors. Continuous declining in the working capital is a red alert for an organization.

may also led to the bankruptcy. In 2011 the working was BDT 5781 Million which was sharply declined to BDT 1233 Million in 2012 after that it increases and in 2014 it was BDT 1568 Million. Huge amount of working capital also encourage a company to diversify its business.

ACI Limited has more opportunity to expand its business with the support of its good financial condition.

Activity ratios:

Activity ratios are also known as Asset management ratios also indicate the efficiency of the use of assets in generating sales.

Inventory turnover ratio is the measurement of no. of times the inventory of a company is turned over in a year. This ratio is an indication of production and purchasing efficiency. The higher value shows quick selling of the inventory and a little unused amount of the inventory. In last five years (2010-2014) highest value was 4.81 times in 2011 but it decreases gradually and in 2014 it was 4.16 times. The result reveals the good management of the inventory and very high production capacity of ACI Limited.

Total asset turnover ratio is the measurement of the efficiency of use of the total assets in generating sales. This ratio indicates how efficiently an organization uses its assets. High value of the ratio means more efficiency in using its assets. Total asset turnover ratio of ACI Limited was highest, 0.82 times, in 2010 but it was declining up to 2013. In 2014 it was 0.79 times which means ACI Limited is generating BDT 0.79 from single BDT of its assets. The result reveals the higher efficiency of ACI Limited in using its total assets.

Days sales outstanding reveal the no. of days a business take to collect cash from the market after credit sales. ACI Limited took 170 days in 2014 for collecting its receivables which was 202 days in 2012. Collection in short period is good sign for ACI Limited because by quickly turning sales into cash the company has the possibility to put the cash to reinvest and make more sales.

Average payment period is average time period is taken by a company to making payment to its creditors. The result of Average payment period of ACI Limited varies every year. In 2014 it was 82 days which indicates ACI Limited took 82 days to make payment to the creditors.

Leverage ratios:

Companies depend on both owners' equity and debt for financing in the business operations. Leverage ratio is a financial measurement that looks at how much capital comes in the form of debt, or judges the ability of a company to meet its financial obligations. Higher level of debt can be risky for a company and its investors. On the other hand, low level of debts can also raise questions to investors. Unwillingness to borrow may be an indication that operating margins are simply too tight.

Debt ratio measure the ratio of debt to assets. The higher this ratio, the more leveraged the company and the greater its financial risk. Debt ratio of ACI Limited was increasing from 2010. In 2014 debt ratio is 0.79 (79%), which was the highest value in last five years. Debt ratio of 2014 suggests that ACI Limited is getting more financial leverage but more financial risk is associated with the company.

Profitability ratios:

Profitability ratios are used to assess a business's capability to generate earnings as compared to its expenses and other relevant costs incurred during a specific period of time. Higher value Profitability ratios from a previous period indicate that the company is doing well.

Net profit ratio actually measures how much from every BDT of revenue a company is keeping as its earnings. Net profit ratio was relatively stable for ACI Limited from 2010 to 2014. In 2012 the ratio was the lowest, 0.06 (6%) but ACI Limited has regained its ration in 2014 which was 0.08 (8%). The result reveals that ACI Limited is keeping BDT 8 as its earning from each BDT 100 of revenues. This leads ACI Limited to a very healthy financial position.

Return on equity is the amount of net income gained as a percentage of shareholders equity. Return on equity measures a company's profitability by illuminating how much profit a company is generating with the money shareholders have invested. Return on equity of ACI Limited was negative (-7%) in 2012 which means their return was less than their equity and they incurred loss in 2012. In 2013 the ratio turned to positive and in 2014 they become stronger and the ratio was 0.11 (11%) which was the highest value in last five years. The ratio suggests that the shareholders are earning BDT 11 from every BDT 100 of investment.

Return on asset is the measurement of a company's ability to turn assets into profit. It is an indicator of how profitable a company is relative to its total assets. Return on asset of ACI Limited was steady in last five years. In 2014 it was 0.06 (6%) which means ACI Limited is generating 6 taka of profit from every 100 taka of its assets. Steady trend line indicates good financial management of ACI Limited.

An Earnings per share is the portion of a company's profit to be paid to each outstanding share. Earnings per share is an indicator of determining a share's price. Higher amount of EPS is desirable for the share holders and it increases the confidence of the investors. EPS of ACI Limited was highest in 2011 (BDT 34.55) and lowest in 2012 (BDT 22.93) because of incurring loss in 2012. But they come back strongly and the EPS was BDT 27.64 in 2014.

4. B. Share Performance Analysis

Investing in the stocks gives investors the opportunity to get to know about the company and feel comfortable about where the investor's money is going. Individual stocks have a greater upside potential than most mutual funds.

4. B.1. Objectives of Share Performance Analysis:

- To know the current market position of the security as an investors.
- To assess the risk associated with the security and the market.
- To determine the correlation of the security with market.
- To determine the volatility of the security.

4. B.2. Methodology:

For calculating different parameters of share performance of ACI Ltd., the following formulae were used:

1. Return

The gain or loss of a security in a particular period is the return. The return consists of the income and the capital gains relative on an investment. It is usually quoted as a percentage. The general rule is that the more risk you take, the greater the potential for higher return - and loss.

For project purpose monthly return of ACI Limited's security was calculated by using following formula:

$$\text{Return} = (\text{Month End Price} - \text{Month beginning Price}) / \text{Month beginning Price}$$

The mean return from the security of ACI Limited was calculated by using following formula.

$$\bar{X} = \frac{\sum X}{n}$$

Where,

X = Daily return of a single security

n = Total number of days

Yearly Mean return was computed by multiplying 12 with the Average monthly return of the security of ACI Limited.

2. Risk

The risk of financial assets can be measured with an absolute measure of dispersion or variability of returns, called the variance. An equivalent measure of total risk is the square root of the variance, the standard deviation, which measure the deviation of each observation from the arithmetic mean of the observations and is a reliable measure of variability. The symbol σ^2 is used to denote the variance and σ is used to denote the standard deviation. Variance is calculated as:

$$\sigma^2 = \frac{\sum_{i=1}^n (X - \bar{X})^2}{n - 1} \quad \text{and} \quad \sigma = \sqrt{\sigma^2}$$

Where

σ^2 = The variance of the daily returns

σ = Standard deviation, the risk

X = The value of daily returns

\bar{X} = the mean of the daily returns

n = the number of returns

3. Correlation (ρ_{ij})

In the world of finance, a statistical measure of how two securities moves in relation to each other or how a securities moves in relation with the market. Correlation coefficient ranges between -1 and +1. Perfect positive correlation (a correlation co-efficient of +1) implies that as one security moves, either up or down, the other security will move in the same direction.

Alternatively, perfect negative correlation (a correlation co-efficient of -1) means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. Correlation denoted by ρ_{ij} .

4. Beta [Slope (β)]

It is the measurement of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. Beta is used in the capital asset pricing model (CAPM), a model that calculates the expected return of an asset based on its beta and expected market returns. It's Also known as "beta coefficient."

Beta is calculated using regression analysis, and beta is the indicator of a security's returns to respond to variation in the market. A beta of 1 indicates that the security's price will move with the market. A beta of less than one means that the security will be less volatile than the market. A beta of greater than 1 indicates that the security's price will be more volatile than the market. For example, if a stock's beta is 1.2, it's theoretically 20% more volatile than the market.

5. Alpha [Intercept (α)]

It is the measurement of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a security and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a securities' alpha.

4. B.3. Analysis:

Historical data of the ACI Limited Stock and DSE was collected from the website of Dhaka Stock Exchange. Closing price on the first and last day of each month of the stock and general index (DSEX) of the market was tabulated for calculation.

The closing price of ACI Limited stock is listed in Table no. 1.

Advance Chemical Industries Limited

Common Stock Closing Price: 2013-2015 (Up to July' 15)

Year 2013		Year 2014		Year 2015	
TRADING DATE	Closing Price	TRADING DATE	Closing Price	TRADING DATE	Closing Price
01-01-2013	141.70	01-01-2014	169.30	01-01-2015	387.30
31-01-2013	144.10	30-01-2014	178.70	29-01-2015	356.00
03-02-2013	143.20	01-02-2014	169.80	01-02-2015	350.20
28-02-2013	137.10	27-02-2014	184.50	26-02-2015	436.00
03-03-2013	130.90	02-03-2014	177.00	01-03-2015	435.00
31-03-2013	130.00	31-03-2014	186.70	31-03-2015	535.20
01-04-2013	129.90	02-04-2014	176.20	01-04-2015	518.30
30-04-2013	136.50	30-04-2014	241.20	30-04-2015	534.00
02-05-2013	142.10	02-05-2014	176.90	04-05-2015	545.40
30-05-2013	130.20	29-05-2014	240.30	31-05-2015	527.00
02-06-2013	130.10	01-06-2014	169.40	06-01-2015	525.40
30-06-2013	149.10	30-06-2014	260.70	30-06-2015	517.10
02-07-2013	152.00	01-07-2014	171.50	02-07-2015	534.80
31-07-2013	146.40	24-07-2014	266.60	30-07-2015	585.20
01-08-2013	142.30	01-08-2014	173.30		
29-08-2013	181.70	31-08-2014	343.90		
01-09-2013	184.00	01-09-2014	173.30		
30-09-2013	161.40	30-09-2014	478.60		
01-10-2013	161.50	02-10-2014	190.20		
31-10-2013	158.40	30-10-2014	453.70		
03-11-2013	163.70	02-11-2014	187.00		
28-11-2013	172.50	30-11-2014	380.60		
01-12-2013	169.30	01-12-2014	396.60		
30-12-2013	171.50	30-12-2014	389.90		

Table.5: Trading date wise yearly closing price of ACI Limited

The general index of DSE (DSEX) is listed in Table no. 2.

**Dhaka Stock Exchange
General Index (DSEX)**

Year 2013		Year 2014		Year 2015	
Date	DSEX	Date	DSEX	Date	DSEX
27-01-13	4055.91	01-01-14	4286.15	01-01-15	4941.52
31-01-13	4136.31	30-01-14	4753.17	29-01-15	4724.05
03-02-13	4163.83	02-02-14	4787.66	02-01-15	4654.95
28-02-13	3973.28	27-02-14	4749.87	26-02-15	4763.22
03-03-13	3765.98	02-03-14	4697.30	03-01-15	4739.65
31-03-13	3590.05	31-03-14	4491.98	31-03-15	4530.48
01-04-13	3458.10	01-04-14	4526.94	01-04-15	4513.11
30-04-13	3438.90	30-04-14	4566.86	30-04-15	4047.29
02-05-13	3468.18	04-05-14	4504.78	05-04-15	3959.74
30-05-13	3878.07	29-05-14	4430.48	31-05-15	4586.95
02-06-13	3943.25	01-06-14	4448.58	01-06-15	4623.63
30-06-13	4104.65	30-06-14	4480.52	30-06-15	4583.11
02-07-13	4224.16	02-07-14	4466.62	02-07-15	4572.59
31-07-13	3940.81	24-07-14	4427.16	30-07-15	4792.31
01-08-13	3911.75	03-08-14	4420.62		
29-08-13	4127.48	31-08-14	4549.52		
01-09-13	4140.30	01-09-14	4554.98		
30-09-13	3937.68	30-09-14	5074.31		
01-10-13	3928.49	01-10-14	5153.27		
31-10-13	3967.73	30-10-14	5173.23		
03-11-13	3993.33	02-11-14	5105.22		
28-11-13	4230.73	30-11-14	4769.43		
01-12-13	4147.21	01-12-14	4868.65		
30-12-13	4266.55	30-12-14	4864.96		

Table.6: Trading date wise yearly DSEX index of Dhaka Stock Exchange

Results:

Monthly Return (X) from ACI Limited's Stock				Monthly Return (X) from the Market			
Month	Year 2013	Year 2014	Year 2015	Month	Year 2013	Year 2014	Year 2015
January	0.0169	0.0555	(0.0808)	January	0.0198	0.0003	(0.0440)
February	(0.0426)	0.0866	0.2450	February	(0.0458)	(0.0079)	0.0233
March	(0.0069)	0.0548	0.2303	March	(0.0467)	(0.0437)	(0.0441)
April	0.0508	0.3689	0.0303	April	(0.0056)	0.0088	(0.1032)
May	(0.0837)	0.3584	(0.0337)	May	0.1182	(0.0165)	0.1584
June	0.1460	0.5390	(0.0088)	June	0.0409	0.0072	(0.0088)
July	(0.0368)	0.5545	0.0481	July	(0.0671)	(0.0088)	0.0481
August	0.2769	0.9844		August	0.0551	0.0292	
September	(0.1228)	0.0007		September	(0.0489)	0.1140	
October	(0.0192)	0.0007		October	0.0100	0.0039	
November	0.0538	0.0007		November	0.0594	(0.0658)	
December	0.0130	(0.0169)		December	0.0288	(0.0008)	

Table.7: Year wise monthly return from the security and market

Results of the analysis are listed in Table.3:

Particulars	ACI Ltd.	The Market
Average Return Per Month (\bar{x})	0.1182	0.0054
Yearly Return	1.4179	0.0649
Risk [Standard Deviation (σ)]	0.2357	0.0569
Correlation (ρ_{ij})	0.0516	
Slope (β)	0.2136	
Intercept (α)	0.1170	

Table.8: Results of the components of Share performance analysis

4. B.4. Result and Discussion:

Return is the main component of an investment which is the ultimate desire of an investor. Return is the gain or loss of a security in a particular period of time. It consists of the income and capital gain based on an investment. Usually return is expressed in terms of percentage (%). The average return per month from the security of ACI Limited is 0.1182 (11.82%), and yearly return is 1.4179 (141.84%) whereas average return per month from the market is 0.0054 (0.54%) and yearly return is 0.0649 (6.49%). Securities of ACI Limited is providing high return to the investors. As a public limited company it's very good for the company and for the investors to have such high percentage of return. In the bearish market securities of ACI Limited is providing high return which ultimately increasing the confidence of investors. Considering the market condition investors can invest more in the securities of ACI Limited.

Risk is the chance that actual return of an investment will be different from expectations. Risk includes the possibility of losing some or all of the original investment. Risk is computed by standard deviation and higher value of the standard deviation means higher risk is associated with the investment. The risk associated with this security is 0.2357, this mean actual return may deviate 23.57% from the anticipated return. But considering the higher percentage of return from this stock in the bearish market investors are compensating for taking on additional risk. All the risk taking investors know high return is associated with higher percentage of risk. The risk associated with the market is 0.0569 which suggest that actual return may deviate 5.69% from expected return. Less return is associated with the market as the return is less. Taking into account, the market situation, securities of ACI Limited is offering more risk with higher percentage of return.

Correlation is the statistical measure of how two securities moves in relation to each other or how a securities moves with the market. Correlation of the securities of ACI Limited with the market is 0.0516. The relation is positive. This relation indicates that all the parameters of this security moves positively with the market. If the market goes up the parameters of securities of ACI Limited rise up by 5.16% and same results happen when market goes down. But considering the value of correlation this security is less sensitive with the market.

Beta (slope) is the measurement of volatility of a stock with the market, which means how many units of return from a stock, is changed with the unit change in return from the market. Beta describes an investment's sensitivity to broad market movements. The value of the Slope

(β) for this security is 0.2136. Stocks of ACI Limited moves in the same direction as market, but less susceptible to fluctuation of the market.

Alpha is the Y intercept of the regression line. The Intercept [alpha coefficient (α)] is a parameter in the Capital Asset Pricing Model (CAPM). It is the intercept of the security characteristic line (SCL). Value of the intercept (α) is 0.1170; which implies that if the standard return is 0% investors would expect their investment to return 11.70% so the investment in the security of ACI Limited was safe for the return.

4. C. Summery

For better understanding of the financial condition of ACI Limited, various ratios have been computed. All the ratios support good financial condition of ACI Limited.

Liquidity ratios (Current ratio, Quick ratio and Working capital) indicate ACI Limited has very strong financial ground to expand its business in future and continuously supports its existing business.

Activity ratio (Inventory turnover ratio, Total asset turnover ratio, Days sales outstanding and Average payment period) illuminates that the total asset is managing well by ACI limited. Inventory turnover ratio and Total asset turnover ratio reflects the good management of the inventory, high production capacity and high efficiency in using total asset. Average payment period is short (82 days) considering the payables but Days sales outstanding is too long (170 days). They need to concentrate to minimize Days sales outstanding days.

Leverage ratio (Debt ratio) suggests that ACI Limited has a good control on their debt and asset. They are enjoying more financial leverage but higher financial risk is associated with ACI Limited.

Profitability ratio (Net profit ratio, ROE, ROA, and EPS) of ACI Limited supports their good liquid financial standing. ACI Limited is managing their wealth in a very productive manner and in returns they are providing handsome amount in the form of earnings to the share holders.

With good financial position ACI Limited is providing earnings to the share holders which ultimately increasing the image of ACI Limited and gaining confidence of the investors.

As an investor analyzing the share performance in the market is very important. Each investor is very sensitive with the return. With limited invest every investor desire to achieve a minimum return which compensates the risk associated with the investment.

For the project purpose different parameter of share performance of ACI Limited was analyzed. Value of all the parameters suggests high performance of the securities of ACI Limited comparing with the market. In the bearish market they are ensuring 11.82% of average monthly return with 23.57% of risk. Correlation with the market is positive and less

volatile than the market. Calculation of the intercept (Alpha coefficient) illuminates safe return from the security of ACI Limited.

CHAPTER 5:
RECOMMENDATION &
CONCLUSION

5.1. Recommendations

After analyzing all the ratios and parameters of the share performance following recommendations for ACI Limited can be offered:

- ACI Limited is maintaining a healthy financial condition they should invest more in new business with its working capital to obtain more financial liquidity in the future.
- They should decrease the no. of days in Days Sales Outstanding (DSO) to collect its receivables more quickly to convert its sales into cash. So that they can reinvest in the business operation and generate more sales.
- ACI Limited is enjoying financial leverage but they need to have a proper management to minimize the financial risk associated with the company.
- Though ACI Limited is in profitable situation but they need to concentrate to increase the Net Profit Ratio and Return on Asset Ratio, which will ultimately increase the EPS.
- The performance of the securities is very smooth in the market. They should provide risk premium to compensate the risk offered by the securities. Offering risk premium in the bearish market may encourage more investors to invest in the securities of ACI Limited.

5.2. Conclusion

ACI Limited is a well reputed corporate in Bangladesh. They are operating their business from 1992 with the stated values and have earned the respect of the stakeholders. The company is operating in a smooth way in terms of financial activities. They have sustained their business by good management of the assets and providing wealth to the stockholders.

Financial analysis is necessary to know about a business and the performance of its share. All analysis reveals the financial strength of ACI Limited. ACI limited have immense opportunity to expand its business in future and contribute more in the economy of Bangladesh.

CHAPTER 6:

REFERENCE & APPENDIX

6.1. Reference

To accomplish this project necessary references have given below:

References of personal Interview:

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2. Dr. Zahidul Islam, Marketing Manager , CC & PH, 27th July 2015
3. Anwarul Haque, Brand Manager, Flora, 28th July 2015
4. Md. Mahamood Rassul, Corporate Accounts Manager, 29th July 2015
5. Mohammad Kabir Hossain, Asst. Manager, Finance dept., 30th July 2015
6. Kaiser Rajib Sherpa, Assistant Manager, HR, 29th July 2015
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6.2. Appendix

1. Statement of Financial Position:

2014-2013:

Advanced Chemical Industries Limited Statement of Financial Position			
<i>In Taka</i>	Note	31 December 2014	31 December 2013
Assets			
Property, plant and equipment	7	3,799,146,712	3,384,489,286
Investments	8	1,799,058,949	1,846,292,287
Intangible assets		825,571	1,358,905
Non-current assets		5,599,031,232	5,232,140,478
Inventories	10	2,961,175,971	2,553,330,342
Trade and other receivables	11	5,802,572,938	5,796,239,556
Advances, deposits and prepayments	12	700,887,177	728,000,934
Cash and cash equivalents	13	462,525,465	384,201,664
Current assets		9,927,161,551	9,461,772,496
Total assets		15,526,192,783	14,693,912,974
Equity			
Share capital	14	343,944,021	285,820,824
Share premium	15	351,340,343	333,302,465
Reserves	16	1,049,866,633	1,005,465,390
Retained earnings		4,861,534,405	4,012,663,572
Total equity		6,606,685,402	5,637,252,251
Liabilities			
Employee benefits	17	441,858,763	340,664,767
Other non-current liabilities	18	56,114,163	519,789,367
Deferred tax liabilities	19	62,743,398	94,711,720
Non-current liabilities		560,716,324	955,165,854
Bank overdraft	20	427,836,789	741,441,244
Loans and borrowings	21	5,916,571,029	5,059,890,494
Trade and other payables	22	1,624,157,078	1,833,527,360
Provision for tax	23	390,226,161	466,635,771
Current liabilities		8,358,791,057	8,101,494,869
Total liabilities		8,919,507,381	9,056,660,723
Total equity and liabilities		15,526,192,783	14,693,912,974

2012-2011:

Advanced Chemical Industries Limited

Statement of Financial Position

as at 31 December 2012

	Note	2012 Taka	2011 Taka
Assets			
Property, plant and equipment	4	2,975,419,918	2,545,580,924
At cost / revaluation		(402,190,536)	(214,159,844)
Accumulated depreciation		2,573,229,381	2,331,421,080
Capital work-in-progress	5	889,671,313	611,541,022
		3,462,900,694	2,942,962,102
Intangible assets		1,297,337	1,816,269
Long-term investments	7	1,407,597,771	1,197,263,603
Non-current assets		4,871,795,802	4,142,041,974
Inventories	8	2,128,984,396	1,770,481,777
Trade receivables	9	1,292,368,456	1,131,611,820
Other receivables	10	107,406,234	138,454,704
Advances, deposits and prepayments	11	460,184,564	522,847,653
Advance income tax	25.1	150,489,441	122,788,615
Inter-company receivables	12	4,033,776,402	3,045,084,692
Cash and cash equivalents	13	161,461,711	223,659,923
Current assets		8,334,671,204	6,954,929,184
Total assets		13,206,467,006	11,096,971,158
Equity			
Share capital	14	237,738,330	197,147,560
Share premium	15	321,892,801	298,788,486
Capital reserve	16.1	1,671,386	1,671,386
Revaluation surplus	16.2	894,621,959	895,636,955
Available-for-sale reserve	17	140,860,042	237,767,126
Retained earnings		3,484,501,642	3,136,486,047
Total equity		5,081,286,160	4,767,497,560
Liabilities			
Long-term liabilities	18	917,187,439	888,406,400
Deferred tax liabilities	19	106,310,663	125,011,848
Non-current liabilities		1,023,498,102	1,013,418,248
Bank overdrafts	20	1,374,097,512	905,029,397
Short-term loan from banks	21	3,856,614,632	2,487,707,979
Long-term loan - current portion	22	313,862,328	256,410,862
Trade payables		318,773,624	221,220,224
Other payables	23	856,449,976	939,541,226
Inter-company payables	24	172,929,856	289,071,143
Obligation under finance lease - current portion	18.1	761,582	652,878
Current tax liability	25	208,193,234	216,421,641
Current liabilities		7,101,682,744	5,316,055,351
Total liabilities		8,125,180,846	6,329,473,598
Total equity and liabilities		13,206,467,006	11,096,971,158

2010-2009:

Advanced Chemical Industries Limited Statement of Financial Position

as at 31 December 2010

	Note	31 December 2010 Taka	31 December 2009 Taka	1 January 2009 Taka
Assets				
Property, plant and equipment	4		Restated*	Restated*
At cost/revaluation		1,813,315,763	1,829,790,619	1,669,956,000
Accumulated depreciation		(57,071,200)	(654,029,893)	(549,379,587)
		1,756,244,563	1,175,760,726	1,120,576,413
Capital work-in-progress	5	678,876,604	106,130,728	135,098,300
		2,435,121,167	1,281,891,454	1,255,674,713
Intangible assets		2,335,201	-	-
Long term investments	7	1,447,691,662	1,091,398,901	801,494,201
Non-current assets		3,885,148,030	2,373,290,355	2,057,168,914
Inventories	8	1,716,072,609	1,596,524,690	1,838,739,417
Trade receivables	9	1,017,539,096	1,161,296,363	737,940,933
Other receivables	10	134,442,146	72,757,733	80,820,983
Advances, deposits and prepayments	11	414,326,518	368,143,911	241,051,023
Advance income tax	24.1	222,974,570	283,104,430	177,028,869
Inter-company receivables	12	2,141,326,463	1,169,264,620	862,058,775
Cash and cash equivalents	13	154,440,135	717,864,023	211,924,637
Assets held for discontinued operations		-	-	820,995,280
Assets classified as held for sale		-	-	18,601,750
Current assets		5,801,121,537	5,368,955,770	4,989,161,666
Total assets		9,686,269,567	7,742,246,126	7,046,330,581
Equity				
Share capital	14	194,040,000	194,040,000	161,700,000
Share premium	15	250,022,474	250,022,474	250,022,474
Capital reserve	16	1,671,386	1,671,386	1,671,386
Revaluation surplus	16.2	896,520,564	300,272,175	303,147,632
Available for sale reserve	17	424,872,936	192,699,784	118,103,814
Retained earnings		2,691,050,437	2,302,905,481	1,504,996,502
Total equity		4,458,177,797	3,241,611,300	2,339,641,808
Liabilities				
Long term liabilities	18	1,140,928,355	320,513,921	305,904,607
Non-current liabilities		1,140,928,355	320,513,921	305,904,607
Bank overdrafts	19	230,296,089	319,340,738	732,188,602
Short term bank loan	20	2,264,558,838	1,856,398,264	1,816,568,620
Long term loan- current portion	21	295,781,565	61,292,714	104,776,269
Trade payables		211,838,314	377,164,501	325,560,054
Other payables	22	665,636,419	1,152,368,847	391,244,398
Inter-company payables	23	69,556,334	57,749,189	709,609,851
Obligation under finance lease-current portion	18.2	523,990	1,839,801	5,718,892
Liabilities held for discontinued operations		-	-	78,567,005
Current tax liability	24	348,971,867	353,966,851	236,550,474
Current liabilities		4,087,163,416	4,180,120,905	4,400,784,165
Total liabilities		5,228,091,771	4,500,634,826	4,706,688,772
Total equity and liabilities		9,686,269,567	7,742,246,126	7,046,330,581

*Please refer to Note 18

2. Statement of Profit and Loss:

2014-2013:

Advanced Chemical Industries Limited Statement of Profit or Loss			
In Taka	Note	For the year ended 31 December	
		2014	2013
Revenue	24	12,318,723,190	10,683,600,712
Cost of sales	25	(7,147,881,434)	(6,426,070,148)
Gross profit		5,170,841,756	4,257,530,564
Administrative, selling and distribution expenses	26	(3,468,192,050)	(3,031,647,932)
Other income	27	82,582,624	137,591,248
Operating profit		1,785,232,330	1,363,473,880
Investment impairment provision	8	(150,000,000)	-
Net finance costs	28	(296,400,829)	(295,776,400)
Profit before contribution to WPPF		1,338,831,501	1,067,697,480
Contribution to WPPF		(66,941,575)	(53,384,874)
Profit before tax		1,271,889,926	1,014,312,606
Income tax expense:			
Current tax		(358,255,364)	(258,442,537)
Deferred tax income/(expense)		37,079,047	8,317,837
Profit after tax		950,713,609	764,187,906
Earnings per share	30		
Basic earnings per share		27.65	22.27
Diluted earnings per share		27.47	22.18

2012-2011:

Advanced Chemical Industries Limited Income Statement for the year ended 31 December 2012			
	Note	2012 Taka	2011 Taka
Revenue	26	9,680,061,562	8,513,841,846
Cost of sales	27	(6,089,878,323)	(5,317,279,883)
Gross profit		3,590,183,239	3,196,561,963
Administrative, selling and distribution expenses	28	(2,670,135,457)	(2,193,597,248)
Operating profit		920,047,782	1,002,964,716
Other income	29	137,921,467	64,175,086
		1,057,969,249	1,067,139,802
Financing costs	30	(282,555,490)	(126,842,315)
		775,413,759	940,297,487
Provision for contribution to WPPF		(38,770,688)	(47,014,874)
Profit before income tax		736,643,071	893,282,612
Income tax expenses			
Current tax expense	25	(199,460,929)	(194,212,347)
Deferred tax expense	31	7,933,731	(17,941,192)
		(191,527,198)	(212,153,539)
Net profit after tax for the year		545,115,873	681,129,073
Earnings per share			
Basic earnings per share	32.1	22.94	28.83
Diluted earnings per share	32.2	22.79	28.54

2010-2009:

Advanced Chemical Industries Limited			
Income Statement			
for the year ended 31 December 2010			
	Note	2010 Taka	2009 Taka
Revenue	25	7,915,400,279	7,228,289,966
Cost of sales	26	(5,094,561,620)	(4,862,554,832)
Gross profit		2,820,838,659	2,365,735,134
Administrative, selling and distribution expenses	27(i)	(1,919,655,805)	(1,719,222,750)
Operating profit		901,182,854	646,512,384
Other income	28	86,240,840	43,083,330
Profit from sale of shares	29	-	654,561,881
		987,423,694	1,344,157,595
Financing costs	30	(136,849,107)	(212,744,711)
		850,574,587	1,131,412,884
Provision for contribution to WPPF		(42,528,729)	(23,842,550)
Profit before income tax		808,045,858	1,107,570,334
Income tax expenses			
Current tax expenses	24	(213,842,650)	(117,416,377)
Deferred tax income/(expense)	31	(2,613,194)	(591,995)
		(216,455,844)	(118,008,372)
Net profit after tax for the year		591,590,014	989,561,962
Earnings per share			
Basic earnings per share	32.1	30.49	51.00
Diluted earnings per share	32.2	29.40	51.00

3. Statement of Profit or Loss and other Comprehensive Income:

2014-2013:

Advanced Chemical Industries Limited			
Statement of Profit or Loss and other Comprehensive Income			
For the year ended 31 December			
In Taka	Note	2014	2013
Profit after tax		950,713,609	764,187,906
Other comprehensive income:			
Change in fair value of available-for-sale financial assets		51,107,250	(32,811,059)
Income tax on other comprehensive income		(5,110,725)	3,281,106
Gain on amalgamation*		197,510,510	-
Total other comprehensive income, net of tax		243,507,035	(29,529,953)
Total comprehensive income		1,194,220,644	734,657,953

2012-2011:

Advanced Chemical Industries Limited			
Statement of Comprehensive Income			
for the year ended 31 December 2012			
	<u>Note</u>	<u>2012</u> <u>Taka</u>	<u>2011</u> <u>Taka</u>
Net profit after tax for the year		545,115,873	681,129,073
Other comprehensive income:			
Change in fair value of available-for-sale financial assets	17	(107,674,537)	(207,895,345)
Income tax on other comprehensive income		10,767,454	20,789,535
Total other comprehensive income for the year, net of tax		<u>(96,907,083)</u>	<u>(187,105,811)</u>
Total comprehensive income for the year		<u>448,208,790</u>	<u>494,023,263</u>

2010-2009:

Advanced Chemical Industries Limited			
Statement of Comprehensive Income			
for the year ended 31 December 2010			
	<u>Note</u>	<u>2010</u> <u>Taka</u>	<u>2009</u> <u>Taka</u>
Net profit after tax for the year		591,590,014	989,561,962
Other comprehensive income:			
Revaluation surplus of property, plant and equipment-net of reversal of revaluation loss		562,656,790	-
Change in fair value of available-for-sale financial assets	17	257,970,169	82,884,411
Income tax on other comprehensive income		(63,414,315)	(8,288,441)
Total other comprehensive income for the year, net of tax		<u>757,212,644</u>	<u>74,595,970</u>
Total comprehensive income for the year		<u>1,348,802,658</u>	<u>1,064,157,932</u>

4. Consolidated Statement of Financial Position:

2014-2013

Advanced Chemical Industries Limited			
Consolidated Statement of Financial Position			
<i>In Taka</i>	Note	31 December 2014	31 December 2013
Assets			
Property, plant and equipment	7(a)	8,112,567,981	7,716,361,670
Investments	8(a)	931,255,152	766,291,205
Biological assets		5,395,070	-
Intangible assets	9(a)	33,559,214	74,434,629
Non-current assets		9,082,777,417	8,557,087,504
Inventories	10(a)	6,177,345,732	5,388,656,883
Trade and other receivables	11(a)	4,053,338,744	3,896,139,716
Advances, deposits and prepayments	12(a)	1,728,588,712	1,511,756,213
Cash and cash equivalents	13(a)	966,996,727	801,850,966
Current assets		12,926,269,915	11,598,403,778
Total assets		22,009,047,332	20,155,491,282
Equity			
Share capital		343,944,021	285,820,824
Share premium		351,340,343	333,302,465
Reserves	16(a)	1,420,482,845	1,624,621,785
Retained earnings		2,021,838,686	1,548,580,887
Equity attributable to the owners of the company		4,137,605,895	3,792,325,961
Non-controlling interest		136,592,850	248,088,826
Total equity		4,274,198,745	4,040,414,787
Liabilities			
Employee benefits	17(a)	455,997,727	353,101,757
Other non-current liabilities	18(a)	1,051,592,449	1,643,051,082
Deferred tax liabilities		281,461,770	316,345,060
Non-current liabilities		1,789,051,946	2,312,497,899
Bank overdraft	20(a)	818,454,318	1,158,146,135
Loans and borrowings	21(a)	11,195,147,962	9,092,162,879
Trade and other payables	22(a)	3,010,184,390	2,679,923,623
Provision for tax	23(a)	922,009,971	872,345,959
Current liabilities		15,945,796,641	13,802,578,596
Total liabilities		17,734,848,587	16,115,076,495
Total equity and liabilities		22,009,047,332	20,155,491,282

2012-2011:

Advanced Chemical Industries Limited

Consolidated Statement of Financial Position

as at 31 December 2012

	Note	2012 Taka	2011 Taka
Assets			
Property, plant and equipment	4 (a)	7,825,814,738	6,322,173,701
At cost / revaluation		(1,335,690,181)	(878,635,804)
Accumulated depreciation		6,490,124,557	5,443,537,897
Capital work-in-progress	5 (a)	916,027,131	1,295,296,242
Intangible assets	6	77,836,486	81,818,843
Long-term investments	7 (a)	723,502,440	769,517,554
Non-current assets		8,207,490,614	7,590,170,536
Inventories	8 (a)	4,431,807,359	3,734,176,456
Trade receivables	9 (a)	3,434,948,414	3,162,788,969
Other receivables	10 (a)	126,331,164	150,235,143
Advances, deposits and prepayments	11 (a)	718,665,643	713,391,610
Advance income tax	25.1 (a)	431,426,787	291,909,295
Inter-company receivables	12 (a)	16,694,79	14,124,729
Cash and cash equivalents	13 (a)	767,514,218	419,074,206
Current assets		9,927,388,383	8,485,700,408
Total assets		18,134,878,997	16,075,870,944
Equity			
Share capital		237,738,330	197,147,560
Share premium		321,892,801	298,788,486
Capital reserve		1,671,386	1,671,386
Revaluation surplus	16.2 (a)	1,513,778,354	1,515,015,779
Available-for-sale reserve		140,860,043	237,767,126
Retained earnings		1,580,925,170	1,943,697,532
Total equity attributable to equity holders of the Company		3,796,866,084	4,194,087,869
Non-controlling interest		358,514,398	494,270,382
Total equity		4,155,380,482	4,688,358,251
Liabilities			
Long-term liabilities	18 (a)	1,863,440,780	1,506,974,165
Deferred tax liabilities		332,940,431	273,562,157
Non-current liabilities		2,196,381,211	1,780,536,322
Bank overdraft	20 (a)	1,603,593,173	1,116,708,457
Short-term loan from banks	21 (a)	6,446,311,725	5,556,186,018
Long-term loan-current portion	22 (a)	1,141,573,149	690,766,349
Trade payables		915,148,765	535,545,068
Other payables	23 (a)	1,260,605,563	1,348,381,804
Current portion of lease obligation		9,885,219	652,878
Current tax liability	25 (a)	405,999,710	358,735,798
Current liabilities		11,783,117,304	9,606,976,372
Liabilities		13,979,498,515	11,387,512,693
Total equity and liabilities		18,134,878,997	16,075,870,944

The annexed notes 1 to 44 form an integral part of these financial statements.

2010-2009:

Advanced Chemical Industries Limited

Consolidated Statement of Financial Position

as at 31 December 2010

	Note	31 December 2010	31 December 2009	1 January 2009
		Taka	Taka	Taka
Assets				
Property, plant and equipment	4 (a)	5,254,590,967	4,393,880,112	3,822,413,578
At cost / revaluation		(487,128,907)	(1,092,720,946)	(846,901,870)
Accumulated depreciation		4,767,462,060	3,301,159,166	2,975,511,708
Capital work-in-progress	5 (a)	875,065,530	453,323,211	264,954,252
Intangible assets	6	117,532,916	116,314,115	108,283,142
Long term Investments	7 (a)	908,344,759	400,463,971	265,688,680
Non-current assets		6,668,405,265	4,271,260,463	3,614,437,782
Inventories	8 (a)	3,284,059,034	2,773,719,245	3,144,253,361
Trade receivables	9 (a)	2,641,478,336	2,635,022,416	1,874,694,143
Other receivables	10 (a)	149,058,590	80,050,148	83,780,504
Advances, deposits and prepayments	11 (a)	836,301,046	901,792,169	359,652,557
Advance income tax		389,792,767	387,574,948	218,770,049
Inter-company receivables	12 (a)	14,331,021	13,298,128	12,959,132
Cash and cash equivalents	13 (a)	276,000,118	847,873,411	232,008,562
Current assets		7,591,020,912	7,639,330,465	5,926,118,308
Total assets		14,259,426,177	11,910,590,928	9,540,556,090
Equity				
Share capital		194,040,000	194,040,000	161,700,000
Share premium		250,022,474	250,022,474	250,022,474
Capital reserve		1,671,386	1,671,386	1,671,386
Revaluation surplus	16.2 (a)	1,515,823,302	589,529,448	597,276,040
Available for sale reserve		421,872,938	192,699,784	118,103,814
Retained earnings		1,941,377,922	1,928,476,657	1,512,631,851
Equity attributable to equity holders of the Company		4,327,784,106	3,156,439,749	2,641,405,565
Non-controlling interests		586,663,688	403,965,284	310,165,764
Total equity		4,914,447,794	3,560,405,033	2,951,571,329
Liabilities				
Long term liabilities	18 (a)	2,107,312,580	1,184,704,920	617,433,007
Non-current liabilities		2,107,312,580	1,184,704,920	617,433,007
Bank overdrafts	19 (a)	387,536,623	709,318,981	1,209,590,748
Short term bank loan	20 (a)	3,911,060,043	3,109,281,460	2,870,816,761
Long term loan- current portion	21 (a)	600,988,955	397,336,001	232,920,021
Trade payables		649,079,203	780,935,274	473,108,339
Other payables	22 (a)	1,180,279,011	1,643,070,899	840,292,792
Current portion of lease obligation		523,992	1,839,803	5,718,892
Current tax liability	24 (a)	508,197,976	523,698,557	339,104,201
Current liabilities		7,237,665,803	7,165,480,975	5,971,551,754
Liabilities		9,344,978,383	8,350,185,895	6,588,984,761
Total equity and liabilities		14,259,426,177	11,910,590,928	9,540,556,090

*Please see note 2, 9 and 17

5. Consolidated Statement of profit or Loss:

2014-2013:

Advanced Chemical Industries Limited			
Consolidated Statement of Profit or Loss			
<i>In Taka</i>	Note	For the year ended 31 December	
		2014	2013
Revenue	24(a)	25,821,967,586	22,167,421,731
Cost of sales	25(a)	(17,771,157,148)	(15,569,844,148)
Gross profit		8,050,810,438	6,597,577,583
Administrative, selling and distribution expenses	26(a)	(5,676,681,463)	(4,754,846,786)
Other income	27(a)	84,031,881	64,333,022
Operating profit		2,458,160,856	1,907,063,819
Share of profit of equity accounted investees		100,124,297	56,856,441
		2,558,285,153	1,963,920,260
Net Finance costs	28(a)	(1,401,354,696)	(1,326,814,390)
Profit before contribution to WPPF		1,156,930,457	637,105,870
Contribution to WPPF		(97,899,765)	(77,151,122)
Profit before tax		1,059,030,692	559,954,748
Income tax expense:	29(a)		
Current tax		(619,894,364)	(470,029,531)
Deferred tax income/(expense)		39,978,849	13,314,265
		(579,915,515)	(456,715,266)
Profit after tax		479,115,177	103,239,482
Profit attributable to:			
Equity holders of the company		573,451,642	203,681,693
Non-controlling interests		(94,336,465)	(100,442,211)
Profit		479,115,177	103,239,482
Earnings per share	30(a)		
Basic earnings per share		16.68	5.94
Diluted earnings per share		16.58	5.94

2012-2011:

Advanced Chemical Industries Limited Consolidated Income Statement

for the year ended 31 December 2012

	Note	2012 Taka	2011 Taka
Revenue	26 (a)	21,976,300,877	17,460,120,785
Cost of sales	27 (a)	(16,308,219,125)	(12,589,718,631)
Gross Profit		5,668,081,752	4,870,402,154
Administrative, selling and distribution expenses	28 (a)	(4,306,094,665)	(3,583,609,676)
		1,361,987,087	1,286,792,478
Other income	29 (a)	142,891,806	68,332,524
Operating profit		1,504,878,893	1,355,125,002
Share of profit of equity accounted investees		(75,072,171)	57,750,693
		1,429,806,722	1,412,875,695
Financing costs	30 (a)	(1,263,471,933)	(752,697,387)
		166,334,789	660,178,308
Provision for contribution to WPPF		(62,600,804)	(67,253,862)
Profit before income tax		103,733,985	592,924,446
Income tax expenses			
Current tax expense		(315,403,928)	(330,868,745)
Deferred tax expense		(70,145,729)	(75,986,155)
		(385,549,657)	(406,854,900)
Profit after tax for the year		(281,815,672)	186,069,546
Profit attributable to:			
Equity holders of the Company		(165,894,513)	238,113,071
Non-controlling interest		(115,921,159)	(52,043,525)
Profit after tax for the year		(281,815,672)	186,069,546
Earnings per share			
Basic earnings per share	32.1	(6.98)	10.08
Diluted earnings per share	32.2	(6.98)	10.08

2010-2009:

Advanced Chemical Industries Limited Consolidated Income Statement

for the year ended 31 December 2010

	Note	2010 Taka	2009 Taka
Revenue	25(a)	14,498,060,264	12,299,717,849
Cost of sales	26(a)	(10,357,630,780)	(8,715,307,150)
Gross Profit		4,140,429,484	3,584,410,699
Administrative, selling and distribution expenses	27(a)	(3,213,291,747)	(2,809,082,179)
Operating profit		927,137,737	775,328,520
Other income	28(a)	98,161,945	56,119,657
Profit from sale of shares	29(a)	-	568,498,542
Share of profit of equity accounted investees		92,928,389	(2,048,586)
		1,118,228,071	1,397,898,133
Financing costs	30(a)	(589,903,974)	(588,106,840)
		528,324,097	809,791,293
Provision for contribution to WPPF		(56,940,974)	(40,366,177)
Profit before income tax		471,383,123	769,425,116
Income tax expenses			
Current tax expense		(271,947,590)	(187,091,812)
Deferred tax income/(expense)		(59,047,083)	(25,660,063)
		(330,994,673)	(212,751,875)
Profit after tax for the year		140,388,450	556,673,241
Profit attributable to:			
Equity holders of the Company		216,246,323	598,032,088
Non-controlling interests		(75,857,873)	(41,358,847)
Profit after tax for the year		140,388,450	556,673,241
Earnings per share			
Basic earnings per share	32.1	11.14	30.82
Diluted earnings per share	32.2	11.14	30.82

6. Share Capital:

2014-2013:

Share capital		See accounting policy in Note 39(M).	
<i>In Taka</i>	Note	2014	2013
In issue at 1 January		285,820,824	237,738,330
Bonus share issued		57,323,537	47,636,804
Issued for Zero Coupon Bond		796,860	445,690
Issued for amalgamation		2,800	-
In issue at 31 December - fully paid		343,944,021	285,820,824
Authorised - par value Tk. 10		500,000,000	500,000,000

Number and percentage of shareholdings:

	No. of share		Percentage		Value (Taka)	
	2014	2013	2014	2013	2014	2013
Directors & sponsors	12,048,813	10,038,279	35.03%	35.03%	120,488,130	100,382,790
Institutions	10,530,284	10,799,816	30.62%	30.62%	105,302,840	107,998,160
General shareholders	11,815,304	7,743,987	34.35%	34.35%	118,153,051	77,439,874
	34,394,401	28,582,082	100.00%	100.00%	343,944,021	285,820,824

2012-2011:

Share capital			
Authorized capital:			
50,000,000 Ordinary shares of Tk. 10 each		500,000,000	500,000,000
Issued and paid-up capital:			
1,680,700 Ordinary shares of Tk. 10 each		16,807,000	16,807,000
1,049,300 Ordinary shares of Tk. 10 each issued for consideration other than cash		10,493,000	10,493,000
7,350,000 Rights shares of Tk. 10 each		73,500,000	73,500,000
13,286,305 Bonus shares of Tk. 10 each		132,863,050	93,240,000
407,528 Conversion of bond into equity of Tk 10 each		4,075,280	3,107,560
23,773,833		237,738,330	197,147,560
The aforesaid share capital is subscribed as under :			
		Number of shares	Percentage
Directors / Sponsors		8,092,443	34.04
Institutions		8,969,601	37.73
General shareholders		6,711,789	28.23
		23,773,833	100

2010-2009:

Share capital			
Authorized capital:			
50,000,000 Ordinary shares of Tk. 10 each		500,000,000	500,000,000
Issued and paid-up capital:			
1,680,700 Ordinary shares of Tk. 10 each		16,807,000	16,807,000
1,049,300 Ordinary shares of Tk. 10 each issued for consideration other than cash		10,493,000	10,493,000
7,350,000 Rights shares of Tk. 10 each		73,500,000	73,500,000
9,324,000 Bonus shares of Tk. 10 each		93,240,000	93,240,000
19,404,000		194,040,000	194,040,000
The aforesaid share capital is subscribed as under :			
		Number of shares	Percentage
Directors/Sponsors		7,133,777	36.76
Institutions		6,049,539	31.18
General shareholders		6,220,684	32.06
		19,404,000	100.00

7. Calculation of the Ratios:

Liquidity ratios

$$1. \text{ Current Ratio} = \frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITIES}}$$

$$= 9927161551/8358791057 = 1.19 \text{ Times [2014]}$$

$$= 9461772496/8101494869 = 1.17 \text{ Times [2013]}$$

$$= 8334671204/7101682744 = 1.17 \text{ Times [2012]}$$

$$= 11096971158/5316055351 = 2.09 \text{ Times [2011]}$$

$$= 5801121537/4087163416 = 1.42 \text{ Times [2010]}$$

$$2. \text{ Quick Ratio (Acid-Test Ratio)} = \frac{\text{QUICK ASSETS}}{\text{CURRENT LIABILITIES}}$$

$$= (9927161551-2961175971)/8358791057 = 0.83 \text{ Times [2014]}$$

$$= (9461772496-2553330342)/8101494869 = 0.85 \text{ Times [2013]}$$

$$= (8334671204-2128984396)/7101682744 = 0.87 \text{ Times [2012]}$$

$$= (6954929184-1770481777)/5316055351 = 0.98 \text{ Times [2011]}$$

$$= (5801121537-1716072609)/4087163416 = 1.0 \text{ Times [2010]}$$

$$3. \text{ Working Capital} = \text{Current Asset} - \text{Current Liabilities}$$

$$= (9927161551-8358791057)/1000000 = \text{BDT } 1568.37 \text{ Mio. [2014]}$$

$$= (9461772496-8101494869)/1000000 = \text{BDT } 1360.28 \text{ Mio. [2013]}$$

$$= (8334671204-7101682744)/1000000 = \text{BDT } 1232.99 \text{ Mio. [2012]}$$

$$= (11096971158-5316055351)/1000000 = \text{BDT } 5780.92 \text{ Mio. [2011]}$$

$$= (5801121537-4087163416)/1000000 = \text{BDT } 1713.96 \text{ Mio. [2010]}$$

Activity ratios

$$1. \text{ Inventory Turnover Ratio} = \frac{\text{SLAES or REVENUE}}{\text{INVENTORY}}$$

$$= 12318723190/2961175971 = 4.16 \text{ Times [2014]}$$

$$= 10683600712/2553330342 = 4.18 \text{ Times [2013]}$$

$$= 9680061562/2128984396 = 4.55 \text{ Times [2012]}$$

$$= 8513841846/1770481777 = 4.81 \text{ Times [2011]}$$

$$= 7915400279/1716072609 = 4.61 \text{ Times [2010]}$$

$$2. \text{ Total Asset Turnover Ratio} = \frac{\text{SALES or REVENUE}}{\text{TOTALASSETS}}$$

$$= 12318723190/15526192783 = 0.79 \text{ Times [2014]}$$

$$= 10683600712/14693912974 = 0.73 \text{ Times [2013]}$$

$$= 9680061562/13206467006 = 0.73 \text{ Times [2012]}$$

$$= 8513841846/11096971158 = 0.77 \text{ Times [2011]}$$

$$= 7915400279/9686269567 = 0.82 \text{ Times [2010]}$$

$$\mathbf{3. Days Sales Outstanding (DSO)} = \frac{\text{ACCOUNTSRECEIVABLES}}{\text{TOTALSALES}} \times \text{No.ofDAYS}$$

$$= (5802572938*360)/12318723190 = 169.57 \text{ Days [2014]}$$

$$= (5796239556*360)/10683600712 = 195.31 \text{ Days [2013]}$$

$$= (5433551092*360)/9680061562 = 202.07 \text{ Days [2012]}$$

$$= (4315151216*360)/8513841846 = 182.46 \text{ Days [2011]}$$

$$= (3293307705*360)/7915400279 = 149.78 \text{ Days [2010]}$$

$$\mathbf{4. Average Payment Period} = \frac{(\text{ACCOUNTSPAYABLE} \times \text{NO.OFDAYS})}{\text{NET PURCHASES or COGS}}$$

$$= (1624157078*360)/7147881434 = 81.80 \text{ Days [2014]}$$

$$= (1833527360*360)/6426070148 = 102.72 \text{ Days [2013]}$$

$$= (1348153456*360)/6089878323 = 79.70 \text{ Days [2012]}$$

$$= (1449832593*360)/5317279883 = 98.16 \text{ Days [2011]}$$

$$= (947031067*360)/5094561620 = 66.92 \text{ Days [2010]}$$

Leverage ratios:

$$\mathbf{1. Debt Ratio} = \frac{\text{TOTALDEBT}}{\text{TOTALASSET}} \times 100$$

$$= 12318723190/15526192783 = 0.79 = 79\% \text{ [2014]}$$

$$= 9056660723/14693912974 = 0.62 = 62\% \text{ [2013]}$$

$$= 8125180846/13206467006 = 0.62 = 62\% \text{ [2012]}$$

$$= 6329473598/11096971158 = 0.57 = 57\% \text{ [2011]}$$

$$= 5228091771/9686269567 = 0.54 = 54\% \text{ [2010]}$$

Profitability ratios:

$$\mathbf{1. Net Profit Ratio} = \frac{\text{NET PROFIT}}{\text{SALES or REVENUE}}$$

$$= 950713609/12318723190 = 0.08 = 8\% \text{ [2014]}$$

$$= 764187906/10683600712 = 0.07 = 7\% \text{ [2013]}$$

$$= 545115873/9680061562 = 0.06 = 6\% \text{ [2012]}$$

$$= 681129073/8513841846 = 0.08 = 8\% \text{ [2011]}$$

$$= 591590014/7915400279 = 0.07\% = 7\% \text{ [2010]}$$

$$\mathbf{2. Return\ on\ Equity} = \frac{\text{NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS}}{\text{STOCKHOLDER'S EQUITY}}$$

$$= 479115177/4274198745 = 0.11 = 11\% \text{ [2014]}$$

$$= 103239482/4040414787 = 0.03 = 3\% \text{ [2013]}$$

$$= -282815672/4155380482 = -0.07 = 7\% \text{ [2012]}$$

$$= 186069546/4688358251 = 0.04 = 4\% \text{ [2011]}$$

$$= 140388450/4914447794 = 0.03 = 3\% \text{ [2010]}$$

$$\mathbf{3. Return\ on\ Assets\ (ROA)} = \frac{\text{NET INCOME}}{\text{TOTAL ASSET}}$$

$$= 950713609/15526192783 = 0.06 = 6\% \text{ [2014]}$$

$$= 764187906/14693912974 = 0.05 = 5\% \text{ [2013]}$$

$$= 545115873/13206467006 = 0.04 = 4\% \text{ [2012]}$$

$$= 681129073/11096971158 = 0.06 = 6\% \text{ [2011]}$$

$$= 591590014/9686269567 = 0.06 = 6\% \text{ [2010]}$$

$$\mathbf{4. Earnings\ per\ Share\ (EPS)} = \frac{\text{NET INCOME}}{\text{TOTAL NO. OF COMMON STOCK OUTSTANDING}}$$

$$= 950713609/34394401 = \text{BDT } 27.64 \text{ [2014]}$$

$$= 764187906/28582082 = \text{BDT } 26.74 \text{ [2013]}$$

$$= 545115873/23773833 = \text{BDT } 22.93 \text{ [2012]}$$

$$= 681129073/19714756 = \text{BDT } 34.55 \text{ [2011]}$$

$$= 591590014/19404000 = \text{BDT } 30.49 \text{ [2010]}$$

8. Calculation of the Share Performance Analysis:

Monthly Return		
	ACI (X)	Market (Y)
	0.0169	0.0198
	(0.0426)	(0.0458)
	(0.0069)	(0.0467)
	0.0508	(0.0056)
	(0.0837)	0.1182
	0.1460	0.0409
	(0.0368)	(0.0671)
	0.2769	0.0551
	(0.1228)	(0.0489)
	(0.0192)	0.0100
	0.0538	0.0594
	0.0130	0.0288
	0.0555	0.0003
	0.0866	(0.0079)
	0.0548	(0.0437)
	0.3689	0.0088
	0.3584	(0.0165)
	0.5390	0.0072
	0.5545	(0.0088)
	0.9844	0.0292
	0.0007	0.1140
	0.0007	0.0039
	0.0007	(0.0658)
	(0.0169)	(0.0008)
	(0.0808)	(0.0440)
	0.2450	0.0233
	0.2303	(0.0441)
	0.0303	(0.1032)
	(0.0337)	0.1584
	(0.0088)	(0.0088)
	0.0481	0.0481
Average Return Per Month (\bar{x})	0.1182	0.0054
Yearly Return	1.4179	0.0649
Risk [Standard Deviation (σ)]	0.2357	0.0569
Correlation (ρ_{ij})	0.0516	
Slope (β)	0.2136	
Intercept (α)	0.1170	

***All the parameters were calculated by using MS Excel Formula.