

HALF YEARLY REPORT 2014-15



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LIMITED

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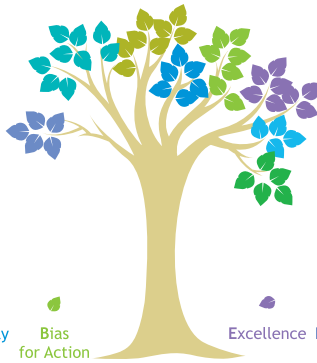
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Boundarylessness | Innovation | Global Outlook



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seeking

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for Action

Excellence

Boundarylessness

Innovation

Global
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MESSAGE TO SHAREHOLDERS

Dear Shareholders,

It is my pleasure to present the Un-audited Half-Yearly Financial Statements of Marico Bangladesh Limited for the half year ended on 30 September 2014. In pursuant to the requirements of the Securities and Exchange Rules, 1987 and the Listing Regulations of the Stock Exchanges, we are pleased to present the followings:-

- Un-audited Half-yearly Financial Statements containing Statement of Financial position as on September 30, 2014,
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity, and
- Statement of cash flows for the half year ended on the same date.

In the reporting period your company achieved a top line growth of 14%. The growth was driven by gains across all categories viz. Coconut Oil, Value Added Hair Oils, Dyes and Others; "Value Added Hair Oil" portfolio in specific performing exceedingly well. Your company also made investments in new brands during this period namely Saffola (Value Added Edible Oil), Set Wet (Male deodorants), Hair Code Keshkala (Liquid hair dye). Each of the brands have started off well and we expect them to contribute meaningfully to the overall business objective.

Despite increase of significant cost push across key raw materials and the value chain, your company managed in delivering an EPS of Tk. 27.55 for H1FY15 (Apr' to Sep'14) as against the previous corresponding period of Tk. 23.89. In terms of percentage it is 15% higher than LY corresponding period. This is primarily on account of better efficiencies derived across the value chain, planning and multiple initiatives.

As we look forward to the second half of 2014-15, we expect some degree of challenges both on the macro front as well as the market place. The business is being geared up to meet such volatilities and uncertainties and we are well poised to deliver on each of these counts.

We would like to once again thank all our consumers, associates, employees, and shareholders for their continued support and confidence in our on-going and future endeavors.

On behalf of Board of Directors.

Aditya Shome
Managing Director

October 23, 2014

STATEMENT OF FINANCIAL POSITION (Unaudited)

as at 30 September 2014

	Note	30 September 2014	31 March 2014
		Taka	Taka
Assets			
Property, plant and equipment	4	801,406,900	883,065,876
Capital work in progress		8,639,429	11,148,115
Intangible assets		8,657,726	6,017,122
Deferred tax assets		34,487,912	24,240,760
Non-current assets		<u>853,191,967</u>	<u>924,471,873</u>
Inventories	5	1,690,906,585	919,281,099
Accrued interest		52,816,708	75,131,935
Advances, deposits and prepayments		275,670,454	79,841,480
Fixed deposits	6	1,041,830,343	1,629,069,440
Cash and cash equivalents	7	206,864,812	45,713,429
Current assets		<u>3,268,088,902</u>	<u>2,749,037,383</u>
Total assets		<u>4,121,280,869</u>	<u>3,673,509,256</u>
Equity and Liabilities			
Equity			
Share capital	8	315,000,000	315,000,000
Share premium		252,000,000	252,000,000
Retained earnings		1,377,042,927	1,139,151,102
Total equity		<u>1,944,042,927</u>	<u>1,706,151,102</u>
Liabilities			
Provision for gratuity		17,691,442	17,691,442
Provision for leave encashment		7,816,279	7,816,279
Non-current liabilities		<u>25,507,721</u>	<u>25,507,721</u>
Trade and other payables		1,671,411,361	1,488,466,215
Short term borrowing		70,000,000	-
Current tax liabilities		410,318,860	453,384,218
Current liabilities		<u>2,151,730,221</u>	<u>1,941,850,433</u>
Total liabilities		<u>2,177,237,942</u>	<u>1,967,358,154</u>
Total equity and liabilities		<u>4,121,280,869</u>	<u>3,673,509,256</u>

The annexed notes 1 to 10 form an integral part of these financial statements.



Managing Director



Director Finance

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME (Unaudited)

for the half year ended 30 September 2014

	Half-Year		2nd Quarter	
	Apr'14 to Sep'14	Apr'13 to Sep'13	July'14 to Sep'14	July'13 to Sep'13
	Taka	Taka	Taka	Taka
Revenue	4,270,948,159	3,739,682,106	2,125,152,051	1,823,566,252
Cost of sales	(2,228,327,375)	(1,851,192,855)	(1,144,286,123)	(856,303,781)
Gross profit	2,042,620,784	1,888,489,251	980,865,928	967,262,471
Marketing, selling and distribution expenses	(589,016,591)	(636,404,631)	(271,224,012)	(356,264,621)
General and administration expenses	(348,403,382)	(380,252,744)	(197,546,640)	(235,119,679)
Other income	1,375,894	2,038,249	580,099	1,361,125
Profit from operation	1,106,576,705	873,870,125	512,675,375	377,239,296
Net finance income	74,823,793	148,553,463	33,416,873	77,374,682
Profit before income tax	1,181,400,498	1,022,423,588	546,092,248	454,613,978
Income tax expense	(313,508,673)	(269,935,532)	(144,881,678)	(119,370,261)
Profit for the period	867,891,825	752,488,056	401,210,570	335,243,717
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	867,891,825	752,488,056	401,210,570	335,243,717
Earnings per share				
Basic earnings per share (par value of Tk 10)	27.55	23.89	12.74	10.64

The annexed notes 1 to 10 form an integral part of these financial statements.



Managing Director



Director Finance

STATEMENT OF CHANGES IN EQUITY (Unaudited)

for the half year ended 30 September 2014

	Share capital Taka	Share premium Taka	Retained earnings Taka	Total equity Taka
Balance at 1 April 2013	315,000,000	252,000,000	2,588,543,247	3,155,543,247
Net profit for the period ended 30 September 2013	-	-	752,488,056	752,488,056
Final dividend for 2012-2013	-	-	(157,500,000)	(157,500,000)
1st interim dividend for 2013-2014	-	-	(472,500,000)	(472,500,000)
Balance at 30 September 2013	315,000,000	252,000,000	2,711,031,303	3,278,031,303
Balance at 1 April 2014	315,000,000	252,000,000	1,139,151,102	1,706,151,102
Net profit for the period ended 30 September 2014	-	-	867,891,825	867,891,825
Final dividend for 2013-2014	-	-	(157,500,000)	(157,500,000)
1st interim dividend for 2014-2015	-	-	(472,500,000)	(472,500,000)
Balance at 30 September 2014	315,000,000	252,000,000	1,377,042,927	1,944,042,927

STATEMENT OF CASH FLOWS (Unaudited)

for the half year ended 30 September 2014

	Half-Year	
	April to September 2014	April to September 2013
	Taka	Taka
Cash flows from operating activities		
Collection from customers	4,219,697,170	3,699,622,727
Payment to suppliers and for operating expenses	(3,739,810,064)	(2,143,833,984)
Net finance cost	(181,622)	(1,237,415)
Interest received	49,759,362	137,580,000
Income tax paid	(366,821,183)	(86,922,412)
<i>Net cash from operating activities</i>	<u>162,643,663</u>	<u>1,605,208,916</u>
Cash flows from investing activities		
Acquisition of fixed assets	(30,385,662)	(127,026,786)
Disposal of fixed assets	1,654,285	-
Investment/(Encashment) in fixed deposits	587,239,097	(687,661,158)
<i>Net cash from/(used in) investing activities</i>	<u>558,507,720</u>	<u>(814,687,944)</u>
Cash flows from financing activities		
Short term finance	70,000,000	(38,534,964)
Dividend paid	(630,000,000)	(630,000,000)
<i>Net cash used in financing activities</i>	<u>(560,000,000)</u>	<u>(668,534,964)</u>
Net increase in cash and cash equivalents	161,151,383	121,986,008
Opening cash and cash equivalents	45,713,429	50,833,931
Closing cash and cash equivalents	<u>206,864,812</u>	<u>172,819,939</u>

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

for the half year ended 30 September 2014

1. Reporting entity

Marico Bangladesh Limited (MBL) is a listed company incorporated on 6 September 1999 in Bangladesh under the Companies Act 1994. The Company is a subsidiary of Marico Limited, India. Its shares are traded in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

1.1 Registered office

The address of the Company's registered office is House # 01, Road # 01, Sector # 01, 4th floor, Uttara, Dhaka-1230.

1.2 Nature of business activities

The Company manufactures and markets products under the brands such as Parachute, Nihar, Saffola, Hair Code, Livon, Parachute Advansed, Beliphool, Set-wet and Parachute Body Lotion in Bangladesh. The Company sells its products through its own distribution channels comprising of Sales Depots located in Gazipur, Chittagong, Bogra, Jessore and Comilla. The Company started its commercial operations from 30 January 2000.

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Accounting Standard (BAS) 34 Interim Financial Reporting, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

The financial statements were authorised for issue by the Board of Directors in the 84th Board of Directors Meeting held on 23 October 2014.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention.

2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT), which is the Company's functional currency. All financial information presented in BDT/Taka has been rounded off to the nearest integer.

2.4 Reporting period

The financial statements of the Company covered six months period from 1 April 2014 to 30 September 2014.

3 Accounting policies

The accounting policies and methods of computations followed in preparing these half yearly financial statements are same as those used in preparation of financial statements for last financial year ended 31 March 2014.

	30 September 2014	31 March 2014
	Taka	Taka
4. Property, plant and equipment		
Property, plant and equipment - at cost	1,286,506,898	1,280,232,461
Accumulated depreciation	(485,099,998)	(397,166,585)
	<u>801,406,900</u>	<u>883,065,876</u>
5. Inventories		
Raw materials	1,140,306,609	524,381,270
Packing materials	48,622,790	44,447,309
Finished goods	217,079,761	219,273,037
Raw materials in transit	284,897,425	131,179,483
	<u>1,690,906,585</u>	<u>919,281,099</u>
6. Fixed deposits		
Fixed deposits with:		
Dhaka Bank Limited	-	150,000,000
Commercial Bank of Ceylon PLC	-	500,000,000
IDLC Finance Limited	280,000,000	170,000,000
The Hongkong and Shanghai Banking Corporation Limited	260,000,000	312,516,250
Prime Bank Limited	-	100,000,000
Standard Chartered Bank	111,830,343	396,553,190
Islami Bank Bangladesh Limited	390,000,000	-
	<u>1,041,830,343</u>	<u>1,629,069,440</u>

7. Cash and cash equivalents

Cash in hand	192,846.00	312,711
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Cash at banks:

Citibank N.A.	3,359,158	14,174,552
Standard Chartered Bank	3,295,316	(7,509,646)
Commercial Bank of Ceylon PLC	262,417	729,868
The Hongkong and Shanghai Banking Corporation Limited	20,401,810	13,183,026
Dutch Bangla Bank Limited	135,367	133,525
BRAC Bank Limited	161,642,908	21,069,659
Prime Bank Limited	9,265	80,980
Sonali Bank Limited	14,159,164	6,000
Islami Bank Bangladesh Limited	3,406,563	3,532,754
	206,671,966	45,400,718
	206,864,812	45,713,429

8. Share capital

Authorised

40,000,000 ordinary shares of
Taka 10 each

400,000,000	400,000,000
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Issued, subscribed and paid up

Issued for cash	41,500,000	41,500,000
Issued for consideration other than cash	273,500,000	273,500,000
	315,000,000	315,000,000

9. Comparative figures

Comparative figures have been rearranged wherever considered necessary to conform current period's presentation.

10. Subsequent events

There is no event identified after the statement of financial position date which might be material.

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