



Half Yearly Report 2011-12
(April '11-September '11)



**BE MORE.
EVERY DAY.**

সাথা ঠান্ডা রাখতে!



বতুত প্যারাসুট অ্যাডভান্সড কুলিং হেয়ার অয়েল।
চুল থাকে ভালো আর সাথা রাখে বরফের মতো ঠান্ডা।

Letter to Shareholders

Dear Shareholders,

Marico Bangladesh Limited (MBL) is pleased to present its financial results for the first half of the financial year 2011-12.

MBL has continued its growth momentum in the first half of the year though there has been uncertainty in the business environment such as fluctuating economic environment, inflationary pressure, devaluation of Taka and hike in prices of raw materials in the international market. The overall performance of our business has again been pleasing, led by further growth in our flagship brand “Parachute Coconut Oil” and promising contribution from other brands like “Haircode”, “Parachute Cooling Oil”, “Parachute Beliphool” “ Saffola” and Kaya .

The company has adopted credit based VAT operations at depot level w.e.f. April 1, 2011 which was earlier truncated base. Due to the change, the turnover of Tk 352 Crores as reported in the first half of FY 11-12 is excluding of factory VAT with a 7% growth over the corresponding first half (H1) of 2010-11 (April’10-Sep’10). If this were to be adjusted in line with last year, the growth would have been higher by 21%.

Copra (dried kernel of coconut) is a major input material for Marico. It constitutes significant percentage of total material cost for the company. There has been unprecedented inflation in the commodity market with prices in YTD FY 12 being higher than those in FY11, by more than 80%. The increased copra price creates an imponderable for us resulting of which net income attributable to shareholders in the first six months was Tk. 42.99 Crore, only 4 % higher than in the corresponding period of last year.

In the reported period, we have taken several increases in retail prices of several of our products. However, the sustained run-up in input costs, in some cases, still resulted in some shortfall in the coverage of cost push. Marico have launched Parachute Advanced Cooling Hair Oil in the first quarter of FY 2011-12 which has met our initial expectation. Business from Kaya Services also have increased due to increase in customer base and starting of another clinic at Dhanmondi.

We’re also making progress with our strategy: maximizing our consumer reach; increasing productivity; winning market share – whilst at the same time investing for long term growth in important new products, new space, and modern manufacturing facilities. In the financial year 2011-12, we have already committed to significant levels of capital expenditure to establish new plant with modern manufacturing facilities.

As we look forward to the second half of 2011-12, we expect continued challenging conditions including political and economic instability, volatile raw material prices and devaluation of BDT.

We would like to express our thanks to our consumers, partners, employees, and shareholders for continued confidence and support.

We are confident that we will be ready to meet the challenges ahead.

On behalf of Board of Directors,



Rohit Jaiswal
Managing Director

Marico Bangladesh Limited

Statement of financial position

as at 30 September 2011

	Un-audited 30 September 2011 Taka	Audited 31 March 2011 Taka
Assets		
Property, plant and equipment	331,856,912	229,012,579
Assets under construction	22,716,398	-
Intangible assets	2,094,222	6,651,734
Deferred tax assets	71,714,469	42,664,437
Non-current assets	<u>428,382,001</u>	<u>278,328,750</u>
Inventories	1,197,085,825	1,180,798,733
Accrued interest	65,443,342	34,175,260
Investments	13,943,464	29,619,846
Advance income tax	527,667,346	315,292,151
Advances and deposits	233,587,555	238,238,535
Fixed deposits	1,730,000,000	2,270,000,000
Cash and cash equivalents	186,004,161	266,612,848
Current assets	<u>3,953,731,693</u>	<u>4,334,737,373</u>
Total assets	<u>4,382,113,694</u>	<u>4,613,066,123</u>
Equity and Liabilities		
Equity		
Share capital	315,000,000	315,000,000
Share premium	252,000,000	252,000,000
Reserves	14,133,641	17,022,900
Retained earnings	2,245,476,533	1,878,574,427
Total equity	<u>2,826,610,174</u>	<u>2,462,597,327</u>
Liabilities		
Provision for gratuity	9,139,821	8,896,857
Non-current liabilities	<u>9,139,821</u>	<u>8,896,857</u>
Short term finance	266,226,488	775,256,101
Liability for expenses	64,133,696	390,026,651
Interest payable	1,363,832	5,056,327
Provision for income tax	789,842,799	614,689,532
Trade creditors	251,945,273	225,082,968
Payable to holding company	155,412,730	123,087,996
Other liabilities	17,438,881	8,372,364
Current liabilities	<u>1,546,363,699</u>	<u>2,141,571,939</u>
Total liabilities	<u>1,555,503,520</u>	<u>2,150,468,796</u>
Total equity and liabilities	<u>4,382,113,694</u>	<u>4,613,066,123</u>



Managing Director



Director



Company Secretary

Marico Bangladesh Limited

Income statement

for the half year ended 30 September 2011

	Half-Year		2nd Quarter	
	Apr'11 to Sep'11	Apr'10 to Sep'10	Jul'11 to Sep'11	Jul'10 to Sep'10
	Taka	Taka	Taka	Taka
Revenue	3,522,393,467	3,278,403,992	1,802,043,898	1,789,691,361
Cost of sales	(2,723,873,626)	(2,322,900,401)	(1,425,525,178)	(1,232,118,416)
Gross profit	798,519,841	955,503,591	376,518,720	557,572,945
Distribution expenses	(154,060,589)	(286,242,106)	(52,278,029)	(150,439,615)
Administration expenses	(190,086,731)	(165,615,289)	(98,523,503)	(78,886,119)
Profit from operation	454,372,521	503,646,196	225,717,188	328,247,211
Other income	126,513,145	121,114,604	60,588,262	81,841,464
Interest expense	(5,262,151)	(30,202,670)	(5,060,276)	(21,122,892)
Profit before income tax	575,623,515	594,558,130	281,245,174	388,965,783
Income tax expense	(145,721,409)	(181,186,464)	(62,878,292)	(121,965,590)
Profit for the year/period	429,902,106	413,371,666	218,366,882	267,000,193
Earnings per share				
Basic earnings per share (par value Tk 10)	13.65	13.12	6.93	8.48



Managing Director



Director



Company Secretary

Marico Bangladesh Limited Statement of changes in shareholders' equity

for the half year ended 30 September 2011

	Share capital Taka	Share premium Taka	Fair value reserve Taka	Retained earnings Taka	Total equity Taka
Balance at 30 September 2009	315,000,000	252,000,000	-	1,003,704,896	1,570,704,896
Transferred to Share capital	-	-	-	-	-
Net profit for the period from 1 October 2009 to 31 March 2011	-	-	-	1,032,369,531	1,032,369,531
Dividend paid	-	-	-	(157,500,000)	(157,500,000)
Change in the fair value of Available for sale financial assets	-	-	17,022,900	-	17,022,900
Balance at 31 March 2011	315,000,000	252,000,000	17,022,900	1,878,574,427	2,462,597,327
Dividend paid	-	-	-	(63,000,000)	(63,000,000)
Net profit for the half year ended 30 September 2011	-	-	-	429,902,106	429,902,106
Change in the fair value of Available for sale financial assets (net)	-	-	(2,507,432)	-	(2,507,432)
Deferred tax on changes of fair value of financial assets	-	-	(381,827)	-	(381,827)
Balance at 30 September 2011	315,000,000	252,000,000	14,133,641	2,245,476,533	2,826,610,174



Managing Director



Director



Company Secretary

Marico Bangladesh Limited

Statement of cash flows

for the half-year ended 30 September 2011

	Half-year	
	Apr'11 to Sep'11 Taka	Apr'10 to Sep'10 Taka
A) Cash flows from operating activities		
Collection from customers	3,522,393,467	3,278,403,992
Payment to suppliers and operating expenses	(3,278,290,498)	(2,122,116,813)
Interest paid	(8,954,646)	(28,645,170)
Interest received	95,245,063	133,457,775
Income tax paid	(212,375,196)	(69,365,183)
<i>Net cash from/ (used in) operating activities</i>	118,018,190	1,191,734,601
B) Cash flows from investing activities		
Acquisition of fixed assets	(179,628,539)	(36,698,987)
Encashment of fixed deposits - at cost	540,000,000	-
Encashment of investment GP shares	13,168,950	-
Investment in fixed deposits	-	(1,086,696,778)
<i>Net cash from / (used in) investing activities</i>	373,540,411	(1,123,395,765)
C) Cash flows from financing activities		
Share capital	-	-
Share Premium	-	-
Dividend paid	(63,000,000)	-
Gratuity paid	(137,675)	-
Short term finance	(509,029,613)	(34,701,227)
<i>Net cash from/ (decreased) financing activities</i>	(572,167,288)	(34,701,227)
Net increase in cash and cash equivalents	(80,608,687)	33,637,609
Opening cash and cash equivalents	266,612,848	73,103,511
Closing cash and cash equivalent	186,004,161	106,741,120



Managing Director



Director



Company Secretary

Selected Explanatory Notes to the Financial Statements for the Half Year Ended September 30, 2011

1. Reporting Entity

Marico Bangladesh Limited (MBL) was incorporated on 6 September 1999 in Bangladesh under the Companies Act 1994 as a private company limited by shares. Subsequently, the company converted to “Public Company” limited by shares vide special resolution passed in the extra ordinary general meeting held on 21 September 2008. The company is a subsidiary of Marico Limited; India. The company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

2. Nature of Business

MBL carries on business in Branded Fast Moving Consumer Goods (FMCG) in Bangladesh. The company manufactures and markets coconut oil, perfumed hair oil, soap, hair dye, edible oil etc. under the brand name of Parachute, Beliphool, Aromatic Gold, Camelia, Parachute Advansed, Hair Code, Safola Gold etc. in Bangladesh. MBL's products reach its consumers through retail outlets serviced by its own distribution network comprising four sales depots located in Dhaka, Chittagong, Bogra and Jessore.

3. Basis of Preparation

These quarterly financial statements have been prepared in accordance with Bangladesh Accounting Standard (BAS)-34 “Interim Financial Reporting”, Securities and Exchange Rules 1987, Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994 and other applicable laws and regulations. These financial statements are un-audited. Board of Directors is of the view that the quarterly financial statements fairly represent the company's position for the period. Prudent estimates have been employed for the preparation of these interim financial statements, for the period. Future results could differ from these estimates.

4. Accounting Policies

Accounting policies and methods of computations followed in preparing this quarterly financial statement are same as those used in preparation for accounts of last financial year ended March 31, 2011.

5. Impact of Changed VAT operation System on Turnover:

The company has adopted credit based VAT operations at depot level w.e.f. April 1, 2011 which was earlier truncated base. Due to the change, the turnover of Tk 352 Crores as reported in the first half of FY 11-12 is excluding of factory VAT with a 7% growth over the corresponding first half (H1) of 2010-11 (April'10-Sep'10). If this were to be adjusted in line with last year, the growth would have been higher by 21%.

6. Cost of Operations:

Cost of materials has increased to 77% of turnover from 71% in the corresponding Half Year (Six Months). The main reason was input price inflation for raw materials purchased by the company and devaluation of Bangladesh Taka.

7. Profit after Tax (PAT)

The company has delivered a growth profit after tax of 4%. Overall profit after tax has been lower due to the reason explained in cost of operations.

8. Earnings per Share

The growth of PAT has been reflected in EPS of the company in the reporting period. EPS stood at Tk. 13.65 from Tk. 13.12 for reporting quarter than corresponding quarter. The growth rate was by 4%.

9. Subsequent events:

No material events have occurred after the reporting date, non-disclosure of which could affect the ability of the users of these financial statements to make appropriate evaluation.

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রঙ এমন,
ছুঁতে চায় মন...

ন্যাচারাল মেহেদীর রঙ। মাত্র ৩০ মিনিটেই



MARICO BRANDS





Marico Bangladesh Limited

House No. 01, Road No. 01

Sector No. 01, Uttara, Dhaka 1230

Tel: +88(02)8931202, Fax: +88(02)8932322

www.maricobd.com