



# Un-Audited Financial Statements (3<sup>rd</sup> Quarter-April 2010 to June 2010)

## MARICO BANGLADESH LIMITED

House No. 01, Road No. 01, Sector No. 01, Uttara, Dhaka 1230

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In compliance with Notification No. SEC/CMRRCD/2008-183/Admin/03-36 dated September 27, 2009  
SEC/CMRRCD/2009-193/09 dated January 17, 2010, SEC/CFD/Misc./233/2004/615 dated February 2, 2010 and Rule 13  
of the Securities & Exchange Rules 1987, it's our pleasure to forward the un-audited and provisional Financial Statements  
of the third quarter ended June 30, 2010.

### Dear Shareholders,

We are pleased to present the un-audited financial statements of the Company for the quarter ended June 30, 2010. The statements have been prepared in accordance with Bangladesh Accounting Standard (BAS)-34 “Interim Financial Reporting”, Rule 13 of Securities and Exchange Rules 1987, Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994 and other applicable laws and regulations.

Marico Bangladesh Limited has managed to maintain healthy growth – the turnover of the company experienced a growth of 34% in comparison to Q3 of previous year. The turnover achieved in this quarter is BDT 1, 489 Million. Gross Profit of your company has increased by 42%, due to lower COGS growth rate as when compared to turnover growth rate. PBT and PAT has moved in line with turnover, experiencing a growth of 38% and 36% respectively.

Company’s performance may vary from quarter to quarter due to seasonal impacts. The Company is expecting to maintain the sustainable profitable growth in rest of the year.

Thank you for your continued support.

Regards,

A handwritten signature in black ink, appearing to read 'Rishi Pardal'.

Rishi Pardal  
Managing Director

Dhaka  
July 20, 2010

## Balance Sheet (Un-Audited)

as at 30 June 2010

	June '2010 Taka	Sep '2009 Taka
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment Cost	468,912,023	358,129,851
Less: Accumulated depreciation	205,691,116	87,168,786
	263,220,907	270,961,065
Asset under Construction	-	65,000,000
Intangible assets	10,113,003	12,610,744
Deferred tax assets	4,235,826	609,231
	14,348,828	78,219,975
<b>Total non-current assets</b>	<b>277,569,735</b>	<b>349,181,040</b>
<b>Current assets</b>		
Inventories	536,068,419	455,461,843
Goods in transit	37,731,124	179,072,508
Accrued interest	58,880,854	48,406,023
Investments	12,596,946	100,000,000
Advances and deposits	23,293,900	41,474,311
Advance income tax	178,341,290	86,021,441
Fixed deposit	2,095,318,622	1,037,340,522
Cash and cash equivalents	55,995,341	238,727,661
<b>Total current assets</b>	<b>2,998,226,495</b>	<b>2,186,504,309</b>
<b>Total assets</b>	<b>3,275,796,231</b>	<b>2,535,685,349</b>
<b>Equity and liabilities</b>		
<b>Shareholders equity</b>		
Share capital	315,000,000	315,000,000
Share premium	252,000,000	252,000,000
Accumulated profit	1,333,067,203	1,003,704,892
<b>Total shareholders equity</b>	<b>1,900,067,203</b>	<b>1,570,704,892</b>
<b>Non-current liabilities</b>		
Provision for gratuity	8,088,052	7,112,926
<b>Total non-current liabilities</b>	<b>8,088,052</b>	<b>7,112,926</b>
<b>Current liabilities</b>		
Short term loan	190,818,396	77,179,122
Liability for expenses	100,573,130	275,044,840
Interest payable	7,813,718	193,000
Income tax payable	300,535,100	168,272,288
Trade creditors	637,138,556	341,116,259
Payable to holding company	80,494,173	70,682,949
Other liabilities	50,267,902	25,379,072
<b>Total current liabilities</b>	<b>1,367,640,976</b>	<b>957,867,531</b>
<b>Total equity and liabilities</b>	<b>3,275,796,231</b>	<b>2,535,685,349</b>

  
Company Secretary

  
Managing Director

## Profit and Loss Account

for the 3<sup>rd</sup> Quarter ended 30 June 2010

	9 Months Period		3 Months Period	
	Oct'09 to June'10 Taka	Oct'08 to June'09 Taka	April'10 to June'10 Taka	April'09 to June'09 Taka
Turnover	3,568,645,710	2,686,714,168	1,488,712,632	1,107,806,058
Cost of goods sold	(2,524,465,486)	(1,978,762,533)	(1,090,752,740)	(827,804,669)
<b>Gross profit</b>	<b>1,044,180,224</b>	<b>707,951,634</b>	<b>397,959,892</b>	<b>280,001,389</b>
<b>Operating expenses</b>				
Selling and distribution expenses	(403,242,254)	(173,266,955)	(135,802,492)	(83,663,127)
General and administration expenses	(212,032,550)	(159,106,530)	(87,004,565)	(69,015,784)
	(615,274,803)	(332,373,485)	(222,807,058)	(152,678,911)
<b>Profit from operation</b>	<b>428,905,420</b>	<b>375,578,149</b>	<b>175,152,835</b>	<b>127,322,478</b>
Interest expense	(12,787,438)	(10,103,881)	(9,079,778)	(4,243,750)
<b>Profit after interest expense</b>	<b>416,117,982</b>	<b>365,474,268</b>	<b>166,073,056</b>	<b>123,078,728</b>
Other income	121,206,484	55,365,028	39,519,289	25,714,260
<b>Profit before taxation</b>	<b>537,324,466</b>	<b>420,839,296</b>	<b>205,592,346</b>	<b>148,792,988</b>
Tax (expenses)/income				
Current tax	(132,838,749)	(64,020,432)	(61,259,707)	(40,918,072)*
Deferred tax	3,626,595	(16,324,824)	2,038,833	-
	(129,212,154)	(80,345,256)	(59,220,874)	(40,918,072)
<b>Net profit</b>	<b>408,112,312</b>	<b>340,494,040</b>	<b>146,371,472</b>	<b>107,874,916</b>
<b>Earnings per share (EPS)</b>				
Basic earnings per share (per value Tk 10)	12.96	10.81	4.65	3.42

\* Tax provision for Q3 2009 has been re-stated for comparison purpose

  
Company Secretary

  
Managing Director

## Statement of Changes in Shareholders' Equity

for the period ended 30 June 2010

	Share capital Taka	Share premium Taka	Tax holiday reserve Taka	Proposed dividend Taka	Retained earnings Taka	Total Taka
<b>Balance as at 1 October 2007</b>	10,000,000		305,545,269	26,000,000	265,007,823	606,553,092
Net profit after tax for the year 2008	-		-	-	267,286,706	267,286,706
Reversal of the tax holiday reserve	-		(305,545,269)	-	305,545,269	-
Dividend paid				(26,000,000)		(26,000,000)
Proposed dividend				31,500,000	(31,500,000)	-
Transferred to share capital	80,000,000				(80,000,000)	-
<b>Balance as at 30 September 2008</b>	90,000,000	-	-	31,500,000	726,339,798	847,839,798
<b>Balance as at 1 October 2008</b>	90,000,000			31,500,000	726,339,798	847,839,798
Net profit after tax for the period as on 31 March 2009					191,701,052	191,701,052
Dividend paid				(31,500,000)		(31,500,000)
<b>Balance as at 31 March 2009</b>	90,000,000			-	918,040,850	1,008,040,850
Net profit after tax for the period as on 30 Sep. 2009					279,164,041	279,164,041
Proposed dividend						
Transferred to share capital	225,000,000				(193,500,000)	31,500,000
Share premium		252,000,000				252,000,000
<b>Balance as at 30 September 2009</b>	315,000,000	252,000,000	-	-	1,003,704,891	1,570,704,891
Net profit after tax for the period as on 31 March 2010					261,740,840	261,740,840
Dividend paid				-	(78,750,000)	(78,750,000)
<b>Balance as at 31 March 2010</b>	315,000,000	252,000,000	-	-	1,186,695,731	1,753,695,731
Net profit after tax for the period as on 30 June 2010					146,371,472	146,371,472
<b>Balance as at 30 June 2010</b>	315,000,000	252,000,000	-	-	1,333,067,203	1,900,067,203

## Statement of Cash Flow

for the 3<sup>rd</sup> Quarter ended 30 June 2010

	Oct'09 to June'10 Taka	Oct'08 to June'09 Taka
<b>A) Cash flows from operating activities</b>		
Collection from customers	3,573,141,304	2,615,201,133
Payment to suppliers and operating expenses	(2,091,039,173)	(1,651,603,172)
Interest paid	(5,166,721)	(8,618,881)
Interest received	110,731,653	19,446,583
Income tax paid	(113,214,605)	(135,924,026)
<i>Net cash from operating activities</i>	1,474,452,458	838,501,637
<b>B) Cash flows from investing activities</b>		
Acquisition of fixed assets	(29,362,083)	(51,724,525)
Investment in FDR	(1,057,978,100)	(543,252,100)
Investment in Zero Coupon Bond	100,000,000	-
<i>Net cash used in investing activities</i>	(987,340,183)	(594,976,625)
<b>C) Cash flows from financing activities</b>		
Dividend paid	(78,750,000)	(31,500,000)
Short term loan	(113,639,274)	-
<i>Net cash from financing activities</i>	(192,389,274)	(31,500,000)
Net increase in cash and cash equivalents (A+B+C)	294,723,001	212,025,012
<b>Opening cash and cash equivalents</b>	238,727,660	164,701,711
<b>Closing cash and cash equivalents</b>	55,995,341	47,323,301

## Selective Explanatory Notes to the Financial Statements for the 3rd Quarter Ended June 30, 2010

### 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, blended edible oil, perfumed hair oil, non-sticky hair oil, soap, etc under the brand name of Parachute, Beliphool, Aromatic Gold, Camelia, Parachute Advanced, Hair Code, Kaya Skin Clinic, Saffola Gold, Hair & Care 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 half year ended March 31, 2010.

### 5. Turnover

Turnover of the company reached to BDT 1,489 Million this quarter, which is 34 % higher than the corresponding quarter of last year. The growth is largely attributable to turnover of Parachute Coconut Oil as it contributed approximately 93% to the total turnover. Sale from Soaps, Hair Code and Kaya Skin Clinic made up the rest.

## 6. Cost of Goods Sold

Cost of Goods Sold experienced a growth of 32%. This is a healthy sign as comparatively the turnover growth was registered at 34%. This is largely due to lower commodity prices and greater efficiency on input materials.

## 7. Selling & Distribution Expense

The expenses for selling & distribution in terms of turnover have been increased marginally in comparison to last corresponding period. The percentage of selling & distribution to turnover registered to 9% whereas in corresponding quarter it was 7.55%. The quarter saw the launch of 3 major innovations v.i.z. Saffola – the edible oil brand that pronounces to lower cholesterol, Hair & Care – the styling and nutritional oil, and Hair Code Hair Color – which is a natural colorant. These innovations have necessitated large marketing investments as they attempt to create space in consumers' mind. The company has also continued its investment for loose oil conversion to Parachute and support for hair dye market building. Both Parachute and Hair code have witnessed significant growth and share gains as a result of the marketing efforts during this period. Overall the Selling and Administrative expenses have risen by 133% YTD.

## 8. Other Income

Other income has risen by 54% in comparison to corresponding quarter of last year. This is primarily due to deployment of internal accruals generated by the business.

## 9. PBT & PAT

In tandem with turnover, PBT & PAT have grown by 38% and 36% respectively as compared to the performance shown in Q3 of last year.

## 10. Subsequent events

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

## 11. General

The financial statements prepared for the quarter ended June 30, 2010 are un-audited, but have been reviewed by the Audit Committee and approved by the Board of Directors. Figures of previous period have been re-arranged as necessary, in order to keep consistency with the presentation of current quarter.