



**Audited Financial Statements**  
**3<sup>rd</sup> Quarter Ended December 31, 2011**

**MARICO BANGLADESH LIMITED**

**Registered & Corporate Office**

House-1, Road-1, Sector-1, Uttara, Dhaka-1230

**Marico Bangladesh Limited**  
Statement of financial position as at 31 December 2011

	<b>Audited 31 Dec' 2011 Taka</b>	<b>Audited 31 Mach'2011 Taka</b>
<b>Assets</b>		
Property, plant and equipment	325,510,744	229,012,579
Assets under construction	16,240,280	-
Intangible assets	940,465	6,651,734
Deferred tax assets	96,448,799	42,664,437
<b>Non-current assets</b>	<b>439,140,288</b>	<b>278,328,750</b>
Inventories	1,233,577,095	1,180,798,733
Accrued interest	67,498,274	34,175,260
Investments	13,934,942	29,619,846
Advance income tax	648,419,028	315,292,151
Advances and deposits	357,819,012	238,238,535
Fixed deposits	1,375,000,000	2,270,000,000
Cash and cash equivalents	355,462,717	266,612,848
<b>Current assets</b>	<b>4,051,711,068</b>	<b>4,334,737,373</b>
<b>Total assets</b>	<b>4,490,851,356</b>	<b>4,613,066,123</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share capital	315,000,000	315,000,000
Share premium	252,000,000	252,000,000
Reserves	14,125,119	17,022,900
Retained earnings	2,414,101,957	1,878,574,427
<b>Total equity</b>	<b>2,995,227,076</b>	<b>2,462,597,327</b>
<b>Liabilities</b>		
Provision for gratuity	9,139,819	8,896,857
<b>Non-current liabilities</b>	<b>9,139,819</b>	<b>8,896,857</b>
Short term finance	189,436,281	775,256,101
Liability for expenses	31,292,389	390,026,651
Interest payable	1,592,020	5,056,327
Provision for income tax	854,279,946	614,689,532
Trade creditors	221,506,017	225,082,968
Payable to holding company	170,259,731	123,087,996
Other liabilities	18,118,077	8,372,364
<b>Current liabilities</b>	<b>1,486,484,461</b>	<b>2,141,571,939</b>
<b>Total liabilities</b>	<b>1,495,624,280</b>	<b>2,150,468,796</b>
<b>Total equity and liabilities</b>	<b>4,490,851,356</b>	<b>4,613,066,123</b>

Monday, January 23, 2012

## Marico Bangladesh Limited

Income statement for the 3rd Quarter (Oct-Dec'11) and 9 Months (Apr-Dec'11)  
ended 31 December 2011

	Nine months ended		3rd Quarter	
	Apr'11 to Dec'11 Taka	Apr'10 to Dec'10 Taka	Oct'11 to Dec'11 Taka	Oct'10 to Dec'10 Taka
<b>Revenue</b>	5,156,304,030	4,934,259,065	1,633,910,566	1,655,855,073
Cost of sales	(3,872,099,307)	(3,541,444,592)	(1,148,225,687)	(1,218,544,194)
<b>Gross profit</b>	1,284,204,723	1,392,814,473	485,684,879	437,310,879
Distribution expenses	(360,520,730)	(381,887,689)	(206,460,142)	(95,645,583)
Administration expenses	(318,939,861)	(245,603,247)	(128,853,132)	(79,987,957)
<b>Profit from operation</b>	604,744,132	765,323,537	150,371,605	261,677,339
Other income	188,464,179	162,217,739	61,951,035	67,120,812
Interest expense	(9,256,129)	(7,781,186)	(3,993,978)	(3,596,191)
<b>Profit before income tax</b>	783,952,182	919,760,090	208,328,662	325,201,960
Income tax expense	(185,424,652)	(279,777,332)	(39,703,243)	(98,590,868)
<b>Profit for the year/period</b>	598,527,530	639,982,758	168,625,419	226,611,092
<b>Earnings per share</b>				
Basic earnings per share (par value Tk 10)	<b>19.00</b>	<b>20.32</b>	<b>5.35</b>	<b>7.19</b>

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\*\*The company has adopted credit based VAT operation at depot level w.e.f. April 1, 2011 which was earlier truncated base. Due to the change, Q3 2011-12 (Oct'11-Dec11), turnover reported at net of VAT was de-growth by 1% against corresponding quarter (Oct'10-Dec'10) which was net of truncated VAT.

If this were to be adjusted, the turnover growth would have been higher by 11%.

**Marico Bangladesh Limited**  
Statement of changes in shareholders' equity

	Share capital Taka	Share premium Taka	Fair value reserve Taka	Retained earnings Taka	Total equity Taka
<b>Balance at 30 September 2009</b>	<b>315,000,000</b>	<b>252,000,000</b>	-	<b>1,003,704,896</b>	<b>1,570,704,896</b>
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
<b>Balance at 31 March 2011</b>	<b>315,000,000</b>	<b>252,000,000</b>	<b>17,022,900</b>	<b>1,878,574,427</b>	<b>2,462,597,327</b>
Net profit for the nine months ended 31 December 2011	-	-	-	598,527,530	598,527,530
Dividend paid	-	-	-	(63,000,000)	(63,000,000)
Change in the fair value of Available for sale financial assets (net)	-	-	(2,515,954)	-	(2,515,954)
Deferred tax on changes of fair value of financial assets			(381,827)	-	(381,827)
<b>Balance at 31 December 2011</b>	<b>315,000,000</b>	<b>252,000,000</b>	<b>14,125,119</b>	<b>2,414,101,957</b>	<b>2,995,227,076</b>

**Marico Bangladesh Limited**  
Statement of cash flows

	Nine months ended	
	Apr'11 to Dec'11 Taka	Apr'10 to Dec'10 Taka
<b>A) Cash flows from operating activities</b>		
Collection from customers	5,156,304,030	4,934,259,065
Payment to suppliers and operating expenses	(4,949,821,405)	(3,564,663,171)
Interest paid	(12,720,436)	(4,940,930)
Interest received	155,141,165	160,610,836
Income tax paid	(333,127,304)	(113,530,434)
<i>Net cash from/ (used in) operating activities</i>	<b>15,776,050</b>	<b>1,411,735,366</b>
<b>B) Cash flows from investing activities</b>		
Acquisition of fixed assets	(186,137,635)	(30,119,499)
Encashment of fixed deposits - at cost	520,000,000	-
Encashment of investment GP shares	13,168,950	-
Encashment (Investment) in fixed deposits	375,000,000	(1,536,696,778)
<i>Net cash from / (used in) investing activities</i>	<b>722,031,315</b>	<b>(1,566,816,277)</b>
<b>C) Cash flows from financing activities</b>		
Share capital	-	-
Share Premium	-	-
Dividend paid	(63,000,000)	(78,750,000)
Gratuity paid	(137,676)	(924,503)
Short term finance	(585,819,820)	216,373,580
<i>Net cash from/ (decreased) financing activities</i>	<b>(648,957,496)</b>	<b>136,699,077</b>
Net increase in cash and cash equivalents	88,849,869	(18,381,834)
Opening cash and cash equivalents	266,612,848	73,103,511
<b>Closing cash and cash equivalent</b>	<b>355,462,717</b>	<b>54,721,677</b>

## **Selected explanatory notes to the financial statements for the 3rd Quarter ended 31 December, 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, etc under the brand name of Parachute, Beliphool, Aromatic Gold, Camelia, Parachute Advansed, Hair Code 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. Turnover:**

Turnover for the reporting quarter Q3 has declined slightly by 1% from corresponding quarter of previous year under the new method of VAT operations. From 1<sup>st</sup> April, 2011, the company converted Depot VAT operations from Truncated VAT to MOD VAT. If this were to be adjusted the company would have registered growth of 11%

**6. Cost of Operations:**

Cost of materials has declined to 70% of turnover from 74% in the corresponding quarter (Oct'10-Dec'10). The primary reason for decline in cost of material is lower copra prices in reported quarter as compared to the same quarter previous year coupled with efficiencies in material management.

**7. Profit before Tax and Operating Income**

PBT is dropped by 15% for 9 months period ended and 35% for the Quarter. Selling and Distribution expenses increased by more than 100% due to investments in supporting the new launches introduced earlier this year and as a result of focused trade programs across distribution channels. General Administrative Expense is higher as it includes Bank charges which have gone up significantly due to very high devaluation of Taka against dollar during the reported period.

**8. Profit after Tax (PAT)**

Profit after tax has declined by 26% for Q3FY12 and 6% for 9 month ended FY12. in absolute term.

**9. Earnings per Share**

The declining growth of PAT has been reflected in EPS of the company in the reporting period. EPS stood at Tk. 5.35 from Tk. 7.19 for reporting quarter than corresponding quarter. The de-growth rate is 26%.

**10. 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.

**11. General:**

The financial statements prepared for the third quarter (Oct-Dec'2011) period ended December 31, 2011. These financial statements are audited.



**Marico Bangladesh Limited**

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