



Rahman Rahman Huq
Chartered Accountants
9 Mohakhali C/A (11th Floor)
Dhaka 1212
Bangladesh

Telephone +880 (2) 988 6450-2
Telefax +880 (2) 988 6449
E-mail r/rh@citechco.net
Internet www.rahman-rahman-huq.com

Marico Bangladesh Limited

Audit report and financial statements
(including consolidated financial statements)
for the year ended 30 September 2005



**Auditors' Report
to the Shareholders of
Marico Bangladesh Limited**

We have audited the accompanying balance sheet of Marico Bangladesh Limited for the year ended 30 September 2005 and the related profit and loss account, statement of changes in shareholders' equity and cash flow statement for the year then ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of the affairs of the company and its subsidiary ("the group") for the year ended 30 September 2005 and of the results of its operations and cash flow for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) the company's as well as the group's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account.

Dhaka, 21 November 2005



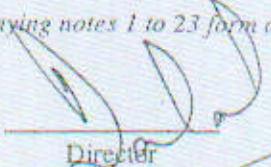
Rahman Rahman Huq
Chartered Accountants

Marico Bangladesh Limited


Balance sheet as at 30 September 2005

<u>Source of funds</u>	<u>Notes</u>	<u>2005</u> <u>Taka</u>	<u>2004</u> <u>Taka</u>
Shareholders equity:			
Share capital	4	10,000,000	10,000,000
Tax holiday reserve		138,136,457	75,956,809
Accumulated profit		170,049,420	116,992,722
Total		318,185,877	202,949,531
Application of funds			
Property, plant and equipment			
Cost	5	37,420,978	28,534,285
Less: Accumulated depreciation		14,595,557	9,774,290
		22,825,421	18,759,995
Intangible assets	6	7,019,911	-
Other assets	7	62,291,667	-
Investments		1,000,000	1,000,000
Current assets:			
Inventories	8	7,077,177	8,460,739
Goods in transit		23,212,619	10,501,725
Accrued interest	9	2,756,698	2,243,994
Trade debtors	10	34,081,678	24,805,562
Advances and deposits	11	121,984,811	98,209,948
Advance income tax	14	893,446	-
Cash and bank balances	12	154,383,741	136,138,160
Total current assets		344,390,170	280,360,128
Less: Current liabilities and provisions:			
Liability for expenses	13	41,616,376	79,445,736
Liability for goods		48,594,012	3,698,931
Provision for income tax	14	-	2,233,662
Payable to holding company		23,212,619	10,501,725
Other liabilities	15	5,918,285	1,290,538
Total current liabilities		119,341,292	97,170,592
Net current assets		225,048,878	183,189,536
Total		318,185,877	202,949,531

The accompanying notes 1 to 23 form an integral part of these financial statements.




Director



Director

As per our separate report of even date.



Auditors

Dhaka, 21 November 2005




Rahman Rahman Huq
Chartered Accountants

Marico Bangladesh Limited

Profit and loss account for the year ended 30 September 2005

	Notes	2005 Taka	2004 Taka
Turnover		678,365,298	501,181,457
Cost of sales	16	(429,616,169)	(279,860,146)
Gross profit		248,749,129	221,321,311
General and administration expenses	17	(48,608,432)	(35,479,862)
Selling and distribution expenses	18	(51,500,433)	(44,362,850)
Net profit for the year		148,640,264	141,478,599
Other income		8,220,869	6,983,329
Net profit before taxation		156,861,133	148,461,928
Provision for taxation		(374,787)	(1,555,455)
Net profit after taxation		156,486,346	146,906,473
Tax holiday reserve		(62,179,648)	(58,456,809)
Dividend including dividend distribution tax		(41,250,000)	(44,000,000)
Profit brought forward		116,992,722	72,543,058
Profit carried forward to the balance sheet		170,049,420	116,992,722

The accompanying notes 1 to 23 form an integral part of these financial statements.




Director



Director

As per our separate report of even date.



Auditors

Dhaka, 21 November 2005



Marico Bangladesh Limited

Cash flow statement for the year ended 30 September 2005

	<u>2005</u> <u>Taka</u>	<u>2004</u> <u>Taka</u>
A) Cash flows from operating activities		
Net profit/(loss) after tax	156,486,346	146,906,473
Add : Depreciation and amortisation	<u>8,683,342</u>	<u>3,906,037</u>
	165,169,688	150,812,510
Changes in working capital:		
Current liabilities increased/(decreased)	22,170,700	18,807,309
Current assets (increased)/decreased	<u>(45,784,461)</u>	<u>(47,501,494)</u>
Cash generated from operation	<u>141,555,927</u>	<u>122,118,325</u>
<i>Net cash generated from operating activities</i>	<u>141,555,927</u>	<u>122,118,325</u>
B) Cash flows from investing activities		
Acquisition of fixed assets	(9,735,221)	(4,368,188)
Acquisition of Brand Rights	<u>(72,325,125)</u>	<u>-</u>
<i>Net cash generated from investing activities</i>	<u>(82,060,346)</u>	<u>(4,368,188)</u>
C) Cash flows from financing activities		
Dividend paid including dividend distribution tax	(41,250,000)	(44,000,000)
D) Net increase in cash and cash equivalents (A+B+C)	18,245,581	73,750,137
E) Opening cash and cash equivalents	136,138,160	62,388,023
F) Closing cash and cash equivalent (D+E)	<u>154,383,741</u>	<u>136,138,160</u>

Marico Bangladesh Limited

Statement of changes in shareholders' equity
for the year ended 30 September 2005

	Share capital Taka	Tax holiday Taka	Proposed dividend Taka	Unappropriated profit Taka	Total Taka
Balance at 1 October 2002	10,000,000	-	-	16,773,434	26,773,434
Net profit after tax for the year 2003	-	-	-	73,269,624	73,269,624
Transferred to tax holiday reserve	-	17,500,000	-	(17,500,000)	-
Balance at 30 September 2003	<u>10,000,000</u>	<u>17,500,000</u>	<u>-</u>	<u>72,543,058</u>	<u>100,043,058</u>
Net profit after tax for the year 2004	-	-	-	146,906,473	146,906,473
Transferred to tax holiday reserve	-	58,456,809	-	(58,456,809)	-
Proposed dividend including dividend distribution tax	-	-	44,000,000	(44,000,000)	-
Dividend paid	-	-	(44,000,000)	-	(44,000,000)
Balance at 30 September 2004	<u>10,000,000</u>	<u>75,956,809</u>	<u>-</u>	<u>116,992,722</u>	<u>202,949,531</u>
Net profit after tax for the year 2005	-	-	-	156,486,345	156,486,345
Transferred to general reserve	-	62,179,648	-	(62,179,648)	-
Proposed dividend including dividend distribution tax	-	-	41,250,000	(41,250,000)	-
Dividend paid	-	-	(41,250,000)	-	(41,250,000)
Balance at 30 September 2005	<u>10,000,000</u>	<u>138,136,457</u>	<u>-</u>	<u>170,049,419</u>	<u>318,185,876</u>



Marico Bangladesh Limited

Consolidated Balance Sheet as at 30 September 2005

<u>Source of funds</u>	<u>Notes</u>	<u>2005</u> <u>Taka</u>	<u>2004</u> <u>Taka</u>
Shareholders equity:			
Share capital	4	10,000,000	10,000,000
Tax holiday reserve		138,136,457	75,956,809
Accumulated profit		<u>189,531,614</u>	<u>130,345,357</u>
Total		<u><u>337,668,071</u></u>	<u><u>216,302,166</u></u>
Application of funds			
Property, plant and equipment			
Cost	5a	37,776,378	28,652,285
Less: Accumulated depreciation		<u>14,664,478</u>	<u>9,777,568</u>
		23,111,900	18,874,717
Brand rights	6	7,019,911	-
Other assets	7	62,291,667	-
Current assets:			
Inventories	8	7,077,177	8,460,739
Goods in transit		23,212,619	10,501,725
Accrued interest	9a	3,605,925	2,914,973
Trade debtors	10a	49,991,905	42,093,625
Advances and deposits	11a	121,984,811	98,440,043
Cash and bank balances	12a	197,156,008	163,127,193
Total current assets		<u>403,028,445</u>	<u>325,538,298</u>
Less: Current liabilities and provisions:			
Liability for expenses	13a	65,054,592	89,766,942
Liability for goods		48,594,012	3,698,931
Provision for income tax	14a	268,932	361,546
Trade creditors		14,399,294	22,477,602
Payable to holding company		23,212,619	10,501,725
Other liabilities	15a	6,254,403	1,304,103
Total current liabilities		<u>157,783,852</u>	<u>128,110,849</u>
Net current assets		<u>245,244,593</u>	<u>197,427,449</u>
Total		<u><u>337,668,071</u></u>	<u><u>216,302,166</u></u>

The accompanying notes 1 to 23 form an integral part of these financial statements.


Director


Director

As per our separate report of even date.


Auditors

Dhaka, 21 November 2005




Marico Bangladesh Limited

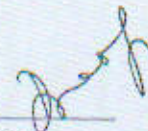
Consolidated profit and loss account
for the year ended 30 September 2005

	Notes	2005 Taka	2004 Taka
Turnover		828,297,984	650,296,821
Cost of sales	16a	<u>(550,487,448)</u>	<u>(390,487,483)</u>
Gross profit		277,810,536	259,809,338
General and administration expenses	17a	(51,480,283)	(38,141,859)
Selling and distribution expenses	18a	<u>(68,965,035)</u>	<u>(61,747,010)</u>
Net profit for the year		157,365,218	159,920,469
Other income		<u>9,710,704</u>	<u>8,021,948</u>
Net profit before taxation		167,075,922	167,942,417
Provision for taxation		<u>(4,460,017)</u>	<u>(9,133,357)</u>
Net profit after taxation		162,615,905	158,809,060
Tax holiday reserve		(62,179,648)	(58,456,809)
Dividend including dividend distribution tax		(41,250,000)	(44,000,000)
Profit brought forward		<u>130,345,357</u>	<u>73,993,106</u>
Profit carried forward to the balance sheet		<u>189,531,614</u>	<u>130,345,357</u>

The accompanying notes 1 to 23 form an integral part of these financial statements.



Director



Director

As per our separate report of even date.



Auditors

Dhaka, 21 November 2005



Marico Bangladesh Limited

Consolidated cash flow statement for the year ended 30 September 2005

	<u>2005</u> <u>Taka</u>	<u>2004</u> <u>Taka</u>
A) Cash flows from operating activities		
Net profit/(loss) after tax	162,615,905	158,809,060
Add : Depreciation and amortisation	<u>8,748,985</u>	<u>3,909,314</u>
	171,364,890	162,718,374
Changes in working capital:		
Current liabilities increased/(decreased)	29,673,003	32,330,595
Current assets (increased)/decreased	(43,461,332)	<u>(61,038,224)</u>
Cash generated from operation	<u>157,576,561</u>	<u>134,010,745</u>
<i>Net cash generated from operating activities</i>	<u>157,576,561</u>	<u>134,010,745</u>
B) Cash flows from investing activities		
Acquisition of fixed assets	(9,972,621)	(4,486,188)
Acquisition of Brand Rights	<u>(72,325,125)</u>	<u>-</u>
<i>Net cash generated from investing activities</i>	<u>(82,297,746)</u>	<u>(4,486,188)</u>
C) Cash flows from financing activities		
Dividend paid including dividend distribution tax	(41,250,000)	(44,000,000)
D) Net increase in cash and cash equivalents (A+B+C)	34,028,815	85,524,557
E) Opening cash and cash equivalents	163,127,193	77,602,636
F) Closing cash and cash equivalent (D+E)	<u>197,156,008</u>	<u>163,127,193</u>



Marico Bangladesh Limited

Consolidated statement of changes in shareholders' equity
for the year ended 30 September 2005

	Group equities					Total Taka
	Share capital Taka	Tax holiday reserve Taka	Capital reserve Taka	Proposed dividend Taka	Unappropriated profit Taka	
Balance at 1 October 2002	10,000,000	-	-	-	16,773,434	26,773,434
Share capital of subsidiary company	-	-	1,000,000	-	-	1,000,000
Net profit for the year 2003	-	-	-	-	74,719,672	74,719,672
Cost of investment	-	-	(1,000,000)	-	-	(1,000,000)
Tax holiday reserve	-	17,500,000	-	-	(17,500,000)	-
Balance at 30 September 2003	10,000,000	17,500,000	-	-	73,993,106	101,493,106
Net profit for the year 2004	-	-	-	-	158,809,060	158,809,060
Transferred to tax holiday reserve	-	58,456,809	-	-	(58,456,809)	-
Dividend including dividend	-	-	-	-	-	-
Distribution tax	-	-	-	44,000,000	(44,000,000)	-
Dividend paid	-	-	-	(44,000,000)	-	(44,000,000)
Balance at 30 September 2004	10,000,000	75,956,809	-	-	130,345,357	216,302,166
Net profit for the year 2005	-	-	-	-	162,615,905	162,615,905
Transferred to tax holiday reserve	-	62,179,648	-	-	(62,179,648)	-
Dividend including dividend	-	-	-	-	-	-
Distribution tax	-	-	-	41,250,000	(41,250,000)	-
Dividend paid	-	-	-	(41,250,000)	-	(41,250,000)
Balance at 30 September 2005	10,000,000	138,136,457	-	-	189,531,614	337,668,071



Marico Bangladesh Limited

Notes to the financial statements for the year ended 30 September 2005

1. Company profile

Marico Bangladesh Limited (MBL) is a private limited company incorporated on 6 September 1999 in Bangladesh under the Companies Act 1994. The present authorised and paid up capital is Tk 10,000,000 divided into 1,000,000 ordinary shares of Tk 10 each. The company is a wholly owned subsidiary of Marico Limited (formerly Marico Industries Ltd), India.

The company started commercial operation from 30 January 2000.

1.1 Description of subsidiary MBL Industries Limited:

MBL Industries Limited is a private limited company registered under the Companies Act 1994 with an authorised capital of Tk 1,000,000 divided into 100,000 ordinary shares of Tk 10 each. Marico Bangladesh Limited acquired 99,996 ordinary shares of MBL Industries Limited on 4 August 2003.

2. Nature of business

The principal activities of the company are to manufacture, market and sell coconut oils, hair oils, beauty soap and other consumer products.

MBL has set up a manufacturing unit at Gazipur and went into commercial production from 27 October 2002 and from 17 April 2003 MBL discontinued its trading business. The land and factory building has been taken on lease and for this the company entered into a lease agreement on 30 May 2002 for a period of 5 years which is covered by tripartite agreement amongst Quality Chemical Industries Ltd., Marico Bangladesh Limited and Bangladesh Shilpa Bank.

Marico Bangladesh Ltd has acquired beauty soap brand "Camelia" and "Magnolia" from Marks & Allys Ltd. on 25 April 2005 to signal its entry into the toilet soaps market in Bangladesh.

3. Principal accounting policies

3.1 Basis of accounting

These accounts have been prepared in accordance with Bangladesh Accounting Standards (BAS).



3.2 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation has been charged on straight line method. Considering the estimated useful lives of the assets the following rates have been applied:

Airconditioner, refrigerator	15-20%
Vehicles	20%
Computer	15-33%
Factory building	15-20%
Factory equipment	15-20%
Furniture	15%-33%
Laboratory equipment	15-33%
Moulds	15-20%
Office equipment	15%-100%
Plant and machinery	15-20%
Fixtures	20%

3.3 Intangible assets

Intangible assets are stated at cost less accumulated amortization using straight line method. Intangible assets are recognised in accordance with BAS-38. Intangible assets include cost of acquisition of the intellectual property, copy right and incidental to capital expenditure.

Assets are amortized over a period of ten years commencing from 1 May 2005.

3.4 Basis of consolidation

These consolidated financial statements have been prepared in accordance with BAS no. 27. In respect of the subsidiary undertaking, audited financial statements for the year ended 30 September 2005 have been used to draw up these financial statements.

3.5 Revenue recognition

Sales are recognized at the time of delivery of goods to the distributor and are exclusive of VAT.

3.6 Taxation

Provision for income tax is made on the basis of company's computation of fiscal profit until the assessment is finalised by tax authorities. Adjustment, if any, arising out of assessment would be made in the year the assessment is completed.

3.7 Reporting currency and level of precision

The figures in the financial statements are denominated in Bangladesh taka, which have been rounded off to the nearest integer.



3.8 Stock and stores

These are valued at lower of average cost of material and net realizable value.

3.9 Reporting period

Financial statements of the company cover the period from 1 October 2004 to 30 September 2005.

4. Share capital

	<u>2005</u> <u>Taka</u>	<u>2004</u> <u>Taka</u>
Authorised:		
1,000,000 Ordinary shares of Tk 10 each	<u>10,000,000</u>	<u>10,000,000</u>
Paid up:		
1,000,000 Ordinary shares of Tk 10 each fully paid up in cash	<u>10,000,000</u>	<u>10,000,000</u>

The shares are held by Marico Limited (formerly Marico Industries Ltd), India and its nominees.



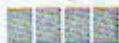
Rahman Rahman Huq
Chartered Accountants

Property, plant and equipment

Particulars	Cost				Depreciation				Net book value	
	As at 1 October 2004	Addition during the year	Disposal during the year	As at 30 September 2005	As at 1 October 2004	Charged for the year	Adjustment during the year	As at 30 September 2005	As at 30 September 2005	As at 30 September 2004
	Taka	Taka		Taka	Taka	Taka	Taka	Taka	Taka	Taka
Refrigerator, water coolers	472,950	-	-	472,950	152,974	72,243	-	225,217	247,733	319,976
Cars & jeeps	4,451,807	1,470,200	-	5,922,007	1,739,287	1,061,884	-	2,821,171	3,100,836	2,692,520
Computers	1,362,118	437,761	-	1,799,879	720,018	376,129	-	1,096,147	703,732	642,100
Factory building	103,458	1,729,582	-	1,833,040	9,673	137,791	-	147,464	1,685,576	93,785
Factory equipment	4,863,144	-	-	4,863,144	2,181,516	566,862	-	2,748,378	2,114,766	2,681,628
Furniture	2,463,120	360,809	-	2,823,929	896,868	360,565	-	1,257,433	1,566,496	1,566,252
Laboratory equipment	817,600	-	-	817,600	152,509	238,290	-	390,799	426,801	665,091
Moulds	2,788,053	2,051,023	848,528	3,990,548	1,187,882	746,548	848,528	1,085,902	2,904,646	1,600,171
Office equipments	1,702,150	107,462	-	1,809,612	568,383	250,968	-	819,351	990,261	1,133,767
Plant and machinery	9,459,316	3,531,782	-	12,991,098	2,141,810	1,844,621	-	3,986,431	9,004,667	7,317,506
Fixtures	50,569	46,602	-	97,171	3,370	13,894	-	17,264	79,907	47,199
Total	28,534,285	9,735,221	848,528	37,420,978	9,774,290	5,669,795	848,528	14,595,557	22,825,421	18,759,995

Depreciation allocated to:

	Taka
Manufacturing	3,534,114
Administrative	2,135,681
	<u>5,669,795</u>



5a. Property, plant and equipment

	2005		
	<u>MBL</u>	<u>MBL Ind. Ltd.</u>	<u>Total</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Cost	28,534,285	118,000	28,652,285
Add: Addition during the year	9,735,221	237,400	9,972,621
	<u>38,269,506</u>	<u>355,400</u>	<u>38,624,906</u>
Less: Disposal	848,528	-	848,528
	<u>37,420,978</u>	<u>355,400</u>	<u>37,776,378</u>
Less: Accumulated depreciation	14,595,557	68,921	14,664,478
Written down value as on 30.09.05	<u>22,825,421</u>	<u>286,479</u>	<u>23,111,900</u>

6. Intangible assets

MBL through an agreement dated 25 April 2005 with Marks & Allys Limited acquired the intellectual property right and copyright of "Camelia" and "Magnolia" brand beauty soap, the cost of which is as follows. The total cost will be amortized over a period of ten years.

	<u>2005</u>
	<u>Taka</u>
Cost of acquisition for intellectual property right	2,500,000
Cost of copyright	2,500,000
Incidental to capital expenditure	<u>2,325,125</u>
Total cost of acquisition	<u>7,325,125</u>
Less: Amortization (1 May 2005 to 30 September 2005)	<u>305,214</u>
	<u>7,019,911</u>

7. Other assets

This represents total payment made to Marks & Allys covering the period of 10 years with respect to business and commercial support contract executed on 25 April 2005.

Deferred revenue expenditure:

Marks & Allys support contract	65,000,000
Less: Written off during the year	<u>2,708,333</u>
	<u>62,291,667</u>

8. Inventories

	<u>2005</u>	<u>2004</u>
	<u>Taka</u>	<u>Taka</u>
Raw materials	1,155,926	4,667,769
Packing materials (bottles)	1,253,974	3,275,392
Packing materials (cartons)	2,972,637	-
Packing materials (caps)	1,694,640	-
Semi finished goods	-	517,578
	<u>7,077,177</u>	<u>8,460,739</u>



9. Accrued interest

	<u>2005</u> <u>Taka</u>	<u>2004</u> <u>Taka</u>
Accrued interest	<u>2,756,698</u>	<u>2,243,994</u>

9a. Consolidated accrued interest

	<u>2005</u>		
	<u>MBL</u> <u>Taka</u>	<u>MBL Ind. Ltd.</u> <u>Taka</u>	<u>Total</u> <u>Taka</u>
Accrued interest	<u>2,756,698</u>	<u>849,227</u>	<u>3,605,925</u>

10. Trade debtors

	<u>2005</u> <u>Taka</u>	<u>2004</u> <u>Taka</u>
Receivable from Kallol Ltd. (KL)	<u>34,081,678</u>	<u>24,805,562</u>

10a. Consolidated trade debtors

	<u>2005</u>		
	<u>MBL</u> <u>Taka</u>	<u>MBL Ind. Ltd.</u> <u>Taka</u>	<u>Total</u> <u>Taka</u>
Receivable from Kallol Ltd. (KL)	<u>34,081,678</u>	<u>15,910,227</u>	<u>49,991,905</u>

11. Advances and deposits

	<u>2005</u> <u>Taka</u>	<u>2004</u> <u>Taka</u>
<i>Advances:</i>		
To EDL	34,730,694	44,180,694
For goods	22,754,991	35,665,160
Loan to M&A	20,000,000	-
For services	34,826,768	11,117,126
	<u>112,312,453</u>	<u>90,962,980</u>
<i>Deposits:</i>		
VAT current account	5,522,066	3,096,676
Supplementary duty	306,185	306,185
Security deposit	3,844,107	3,844,107
	<u>9,672,358</u>	<u>7,246,968</u>
	<u>121,984,811</u>	<u>98,209,948</u>

11a. Consolidated advances and deposits

	<u>2005</u>		
	<u>MBL</u> <u>Taka</u>	<u>MBL Ind. Ltd.</u> <u>Taka</u>	<u>Total</u> <u>Taka</u>
<i>Advances:</i>			
To EDL	34,730,694	-	34,730,694
For goods	22,754,991	-	22,754,991
Loan to M&A	20,000,000	-	20,000,000
For services	34,826,768	-	34,826,768
	<u>112,312,453</u>	<u>-</u>	<u>112,312,453</u>
<i>Deposits:</i>			
VAT current account	5,522,066	-	5,522,066
Supplementary duty	306,185	-	306,185
Security deposit	3,844,107	-	3,844,107
	<u>9,672,358</u>	<u>-</u>	<u>9,672,358</u>
	<u>121,984,811</u>	<u>-</u>	<u>121,984,811</u>



12. Cash and bank balances

	<u>2005</u> Taka	<u>2004</u> Taka
Cash on hand	753,766	216,304
Fixed deposit with:		
Citibank N.A.	-	52,500,000
State Bank of India	64,912,599	-
Standard Chartered Bank	39,000,000	53,411,266
	<u>103,912,599</u>	<u>105,911,266</u>
Cash at banks:		
Citibank N.A.	7,593,165	2,369,244
Standard Chartered Bank	42,124,211	27,641,346
	<u>49,717,376</u>	<u>30,010,590</u>
	<u>154,383,741</u>	<u>136,138,160</u>

12a. Consolidated cash and bank balances

	2005		
	<u>MBL</u> Taka	<u>MBL Ind. Ltd.</u> Taka	<u>Total</u> Taka
Cash on hand	753,766	46,654	800,420
Fixed deposit with:			
State Bank of India	64,912,599	26,100,000	91,012,599
Standard Chartered Bank	39,000,000	7,964,484	46,964,484
	<u>103,912,599</u>	<u>34,064,484</u>	<u>137,977,083</u>
Cash at banks:			
Citibank N.A.	7,593,165	-	7,593,165
Standard Chartered Bank	42,124,211	8,661,129	50,785,340
	<u>49,717,376</u>	<u>8,661,129</u>	<u>58,378,505</u>
	<u>154,383,741</u>	<u>42,722,267</u>	<u>197,156,008</u>

13. Liability for expenses

	<u>2005</u> Taka	<u>2004</u> Taka
Business promotion expenses	15,623,662	33,177,541
Advertisement expenses	10,397,000	6,000,000
Leakage and damage	4,458,732	2,604,033
Audit fees	285,000	282,925
Leave Encashment	350,000	-
Royalty	6,968,115	3,572,260
Creditors for supplies	629,297	29,266,105
Other expenses	2,904,570	4,542,872
	<u>41,616,376</u>	<u>79,445,736</u>



3a. Consolidated liability for expenses

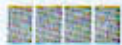
	2005		
	<u>MBL</u> <u>Taka</u>	<u>MBL Ind. Ltd.</u> <u>Taka</u>	<u>Total</u> <u>Taka</u>
Business promotion expenses	15,623,662	6,134,417	21,758,079
Advertisement expenses	10,397,000	3,917,000	14,314,000
Leakage and damages	4,458,732	4,916,836	9,375,568
Royalty	6,968,115	-	6,968,115
Audit fees	285,000	165,000	450,000
Leave Encashment	350,000	-	350,000
Travel payment	-	26,912	26,912
Creditors for services	-	7,797,624	7,797,624
Capital purchase	-	500	500
Salary payable	-	6,750	6,750
Price Difference	-	473,177	473,177
Creditors for supplies	629,297	-	629,297
Other expenses	2,904,570	-	2,904,570
	<u>41,616,376</u>	<u>23,438,216</u>	<u>65,054,592</u>

4. Provision for income tax

	2005	2004
	<u>Taka</u>	<u>Taka</u>
Opening balance	2,233,662	14,408,408
Add: Provision for current taxation	2,222,000	1,555,455
	<u>4,455,662</u>	<u>15,963,863</u>
Less: Provision adjusted	1,847,213	-
	<u>2,608,449</u>	<u>15,963,863</u>
Less: Tax paid u/s 74	386,449	13,207,017
Tax deducted at source	3,115,446	523,184
	<u>3,501,895</u>	<u>13,730,201</u>
	<u>(893,446)</u>	<u>2,233,662</u>

4a. Consolidated provision for income tax

	2005		
	<u>MBL</u> <u>Taka</u>	<u>MBL Ind. Ltd.</u> <u>Taka</u>	<u>Total</u> <u>Taka</u>
Opening balance	2,233,662	(1,872,116)	361,546
Add: Provision for current taxation	2,222,000	4,085,230	6,307,230
	<u>4,455,662</u>	<u>2,213,114</u>	<u>6,668,776</u>
Less: Provision adjusted	1,847,213	-	1,847,213
	<u>2,608,449</u>	<u>2,213,114</u>	<u>4,821,563</u>
Less: Tax paid u/s 74	386,449	-	386,449
Tax deducted at source	3,115,446	1,050,736	4,166,182
	<u>3,501,895</u>	<u>1,050,736</u>	<u>4,552,631</u>
	<u>(893,446)</u>	<u>1,162,378</u>	<u>268,932</u>



15. Other liabilities

	<u>2005</u> Taka	<u>2004</u> Taka
VAT deducted at source	100,125	-
Tax deducted from suppliers' bills	5,818,160	1,290,538
	<u>5,918,285</u>	<u>1,290,538</u>

15a. Consolidated other liabilities

	2005		
	<u>MBL</u> Taka	<u>MBL Ind. Ltd.</u> Taka	<u>Total</u> Taka
Vat deducted at source	100,125	-	100,125
VAT payable	-	295,977	295,977
Tax deducted from suppliers' bills	5,818,160	40,141	5,858,301
	<u>5,918,285</u>	<u>336,118</u>	<u>6,254,403</u>

16. Cost of sales

	<u>2005</u> Taka	<u>2004</u> Taka
Purchase	415,298,434	274,034,324
Less: Price difference	-	-
Closing inventory	-	-
	<u>415,298,434</u>	<u>274,034,324</u>
Add: Factory overhead	8,643,531	5,726,757
Exchange loss	5,456,447	-
Carriage inward	217,757	99,065
	<u>14,317,735</u>	<u>5,825,822</u>
	<u>429,616,169</u>	<u>279,860,146</u>

16a. Consolidated cost of sales

	2005		
	<u>MBL</u> Taka	<u>MBL Ind. Ltd.</u> Taka	<u>Total</u> Taka
Purchase	415,298,434	120,871,279	536,169,713
Add: Factory overhead	8,643,531	-	8,643,531
Exchange loss	5,456,447	-	5,456,447
Carriage inward	217,757	-	217,757
	<u>14,317,735</u>	<u>-</u>	<u>14,317,735</u>
	<u>429,616,169</u>	<u>120,871,279</u>	<u>550,487,448</u>



17. General and administration expenses

	<u>2005</u> Taka	<u>2004</u> Taka
Salaries and allowances (Note 17.1)	19,611,948	12,924,711
Rent	836,750	746,509
Professional charges	3,076,638	695,661
Security charges	687,878	320,942
Legal charges	1,950,405	198,415
Director's Remuneration	320,004	-
Repair and maintenance	1,095,556	886,148
Communication expenses	2,038,572	1,878,474
Entertainment	267,486	337,728
Printing and stationery	473,411	446,099
Vehicle running expenses	2,750,815	2,448,751
Travelling and conveyance	2,582,572	2,657,050
Audit fees (Note 17.2)	117,800	350,600
Recruitment expenses	73,800	400
Subscription and donation	-	400
Insurance premium	257,882	1,207,025
Books and periodicals	40,741	38,351
Deferred expenses written off	2,708,333	-
Bank interest and charges	119,952	1,214,224
Medical expenses	-	1,038,497
Carriage outward	1,157,000	1,157,335
Fooding and lodging	521,305	780,487
Staff welfare expenses	1,358,511	952,595
Conference and training exp.	461,174	566,857
LC expenses	-	30,155
Electricity and gas charges	263,149	270,982
Amortisation of brand rights	305,214	-
Royalty	3,395,855	2,505,908
Depreciation	2,135,681	1,825,558
	<u>48,608,432</u>	<u>35,479,862</u>

17.1 Salaries and allowances:

These include remuneration of Tk 3,965,660 to executive director for salaries and benefits.

17.2 Auditor's remuneration :

Statutory audit fee	120,000	78,375
Tax Audit fee	90,000	97,050
Special Audit Fee	75,000	175,175
	<u>285,000</u>	<u>350,600</u>
Less : Excess provision for 2004 written back	167,200	-
	<u>117,800</u>	<u>350,600</u>



17a. Consolidated general and administration expenses

	2005		
	<u>MBL</u> <u>Taka</u>	<u>MBL Ind. Ltd.</u> <u>Taka</u>	<u>Total</u> <u>Taka</u>
Salaries and allowances (Note 17.1)	19,611,948	1,467,969	21,079,917
Rent	836,750	-	836,750
Professional charges	3,076,638	-	3,076,638
Security charges	687,878	-	687,878
Legal charges	1,950,405	8,254	1,958,659
Director's Remuneration	320,004	-	320,004
Repair and maintenance	1,095,556	146,173	1,241,729
Communication expenses	2,038,572	13,571	2,052,143
Entertainment	267,486	11,090	278,576
Printing and stationery	473,411	52,547	525,958
Vehicle running expenses	2,750,815	-	2,750,815
Travelling and conveyance	2,582,572	220,277	2,802,849
Audit fees (Note 17.2)	117,800	115,250	233,050
Recruitment expenses	73,800	-	73,800
Insurance premium	257,882	19,992	277,874
Books and periodicals	40,741	2,699	43,440
Deferred expenses written off	2,708,333	-	2,708,333
Bank interest and charges	119,952	11,359	131,311
Carriage outward	1,157,000	409,600	1,566,600
Fooding and lodging	521,305	-	521,305
Staff welfare expenses	1,358,511	44,759	1,403,270
Conference and training exp.	461,174	281,908	743,082
Electricity and gas charges	263,149	-	263,149
Amortisation of brand rights	305,214	-	305,214
Royalty	3,395,855	-	3,395,855
Depreciation	2,135,681	65,643	2,201,324
Donation	-	760	760
	<u>48,608,432</u>	<u>2,871,851</u>	<u>51,480,283</u>

18. Selling and distribution expenses

	2005	2004
	<u>Taka</u>	<u>Taka</u>
Business promotion expenses	21,468,406	21,036,830
Advertisement	25,404,266	17,284,111
Market research expenses	2,773,062	2,034,163
Leakage and damages	1,854,699	4,007,746
	<u>51,500,433</u>	<u>44,362,850</u>



18a. Consolidated selling and distribution expenses

	2005		
	<u>MBL</u> <u>Taka</u>	<u>MBL Ind. Ltd.</u> <u>Taka</u>	<u>Total</u> <u>Taka</u>
Business promotion expenses	21,468,406	10,567,029	32,035,435
Advertisement	25,404,266	4,069,151	29,473,417
Market research expenses	2,773,062	363,968	3,137,030
Leakage and damages	1,854,699	2,464,454	4,319,153
	<u>51,500,433</u>	<u>17,464,602</u>	<u>68,965,035</u>

19. Related party transactions

<u>Name of the related party</u>	<u>Nature of transactions</u>	<u>Equivalent</u> <u>Taka</u>
Marico Industries Ltd, India	Purchase of coconut oil	<u>151,562,223</u>
		<u>151,562,223</u>

20. Number of employees

The number of employees engaged for the whole period or part thereof who received a total salary of Tk 36,000 and above was 24.

21. Tax holiday reserve

This reserve has been made as per section 46A (c) of Income Tax Ordinance 1984.

22. Import of capital machinery and raw materials

During the year import of raw material was worth US\$ 3,116,917 and capital machinery US\$ 37,956.

23. General

Previous year's figures have been rearranged wherever considered necessary.