MAKE A DIFFERENCE

ANNUAL REPORT 2017







MARICO BANGLADESH LIMITED

MAR STOCK

AMAR STOCK



TRANSFORM TO WIN

Technology and innovation has transformed the way we think, act and interact. It has unlocked the boundaries of efficiencies and sustainable value. At Marico we believe in building on our core strengths leveraging the transformational power of technology, innovation and analytics to drive growth, maximize stakeholder value and enhance sustainable business practices.

WELCOME TO MARICO BANGLADESH LIMITED

We are one of the leading FMCG companies in the beauty and wellness space of Bangladesh. Committed to making a difference in all we do, we touch the lives of 1 out of every 2 Bangladeshis through our wide array of brands.

Useful Link

Find more information online:

marico.com/bangladesh

- Explore our History
- Download our Annual Report
- Get to know our Brands



AMARSTOCK

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Saugata Gupta	Chairman
Ms. Rokia Afzal Rahman	Independent Director
Mr. Masud Khan	Independent Director
Mr. Ashraful Hadi	Independent Director
Mr. Naveen Pandey	Managing Director
Mr. Sanjay Mishra	Director
Mr. Vivek Karve	Director

MANAGEMENT TEAM

Mr. Naveen Pandey	Managing Director
Mr. Kazi Amirul Hoque	Director- Sales
Mr. Sidhartha Das	Director-Human Resources
Mr. Md. Nazim Uddin	Director-Supply Chain
Mr. Md. Saiful Alam	Director -Manufacturing
Mr. Mohammad Iqbal Chowdhury	Chief Financial Officer
Ms. Christabel Randolph	Head- Legal

COMPANY SECRETARY

Ms. Christabel Randolph

STATUTORY AUDITORS

Hoda Vasi Chowdhury & Co.

PRINCIPAL BANKERS

Standard Chartered Bank
HSBC
BRAC Bank Ltd
Islami Bank

STOCK INFORMATION

Dhaka Stock Exchange
Chittagong Stock Exchange
Stock Code: MARICO
ISIN: BD0481MRICO6
Sector: Pharmaceuticals & Chemicals

INVESTOR RELATIONS

Telephone: +880 28931202 Ext: 534
Fax: +880 28932322
Email: info@marico.com

DATE OF INCORPORATION

September 6, 1999

OUR FACTORIES

Factory 1:
Mouchak, Kaliakoir, Gazipur

Factory 2:
Shirirchala, Mahona Bhabanipur, Gazipur

REGISTERED & CORPORATE OFFICE

House-1, Road-1, Sector-1, Uttara, Dhaka-1230.
Telephone: +880 28931202, Fax: +880 28932322

WEBSITES

www.marico.com/bangladesh

COMPANY PROFILE

Snapshot: Marico Bangladesh Limited

Marico Bangladesh Limited (MBL) was the first subsidiary of Marico Limited and we have since maintained our position as the most profitable unit of Marico's International Business. We take immense pride in our commitment to 'Make a Difference' and improve the lives of all those we touch. We are passionate about our growing family of brands across consumer needs in the spaces of nourishment, grooming, beauty & wellness and foods. Our endless drive towards excellence and agility in transformation is what helps us to deliver consistent above-market results for our stockholders.

Some Quick Facts about Marico Bangladesh Ltd

We proudly serve 1 out of every 2 Bangladeshis through our winning brands

MBL 3rd largest MNC in Consumer Products Goods (CPG) Sector, ranked 1st in Coconut Oil Category and 2nd in Value Added Hair Oil (VAHO) Category

Parachute Coconut Oil holds Highest market share in Coconut Oil segment

Parachute Advansed has been awarded as the Best Hair Oil Brand of Bangladesh in 2016 by Bangladesh Brand Forum

Parachute is one of the top-ten brands since 2008

Human Resources

212
MBL Members Directly Employed

3000 +
People associated in the form of distributors, salesmen and local suppliers.

Product Portfolio

17 Brands

58 SKUs

Financial Resources

1580
BDT Million Shareholders' Funds

1464
BDT Million Fixed Deposits, Cash & Cash Equivalents

Business Snapshot

692 BDT crore
Topline

144 BDT crore
Profit After Tax

2.4%
Volume Growth

46%
Gross Margin

27%
Operating Profit to Sales

2%
Growth in Net Profit

50 BDT/Share
Dividend

110%
Dividend Payout

45.72 BDT/Share
Earnings Per Share

3150+ BDT Crores
Market Cap

3.2%
Y-o-Y growth in Economic Value Added

195 BDT Crores
Contribution to National Exchequer

114%
Return on Capital Employed

14%
Net Profit
CAGR* since our listing

6%
Turnover
CAGR* since our listing

*CAGR is calculated for the period between October 1, 2009 to March 31, 2017
Turnover of FY 2016 and FY 2017 are reported with rearranged Accounting norms

OUR VISION



Transform in a sustainable manner, the lives of all those we touch, by nurturing and empowering them to maximize their true potential

The power of business is in it's purpose, not it's profits. Marico today is more than just a business and we are guided by the responsibility of defining, creating and distributing value and the dedication to help our stakeholders realize their true potential. This shared vision gives us a unified sense of purpose and committment to being the best in everything we do.

OUR MISSION



Make a difference

Our sustainable growth story rests on an empowering work culture that encourages our members to take complete ownership and make a difference to our entire business and social ecosystem.

STRATEGIC OBJECTIVES



Towards our business aspirations, the Company has identified areas of Transformation where it will develop top quartile capability, processes and execution excellence. They are Innovation, Go To Market Transformation, Talent Value Proposition, IT & Analytics and Cost Management.

As MBL expands, we are equally focused on facilitating our growth platforms while continuing to strengthen governance and processes. The Company's philosophy and focus is aligned with that of Marico Group, under the "One Marico" umbrella, to develop capability ahead of growth and create winning brands, winning culture and winning talent pool , to embed an enabling environment of innovation driven growth.

Strategic Pillars



GO-TO MARKET STRATEGY | **INNOVATION** | **IT & Analytics** | **Talent Value Proposition** | **Cost Management**

Our Brands

CATEGORY	BRANDS
Branded Coconut Oil (BCNO)	Parachute
Value Added Hair Oil (VAHO)	Parachute Advansed Beliphool Nihar Naturals Shanti Badam Amla Parachute Advansed Extra Care Parachute Advansed Ayurvedic Gold Parachute Advansed Enriched Hair Oil Parachute Advansed Cooling Hair Oil
Hair Dye	HairCode Powder
Hair Serum	Livon Silky Potion
Male Grooming	Set Wet Deodorant Set Wet Hair Gel
Shampoo	Mediker Plus
Skin Care	Parachute Advansed Body Lotion Bio Oil (Distribution Only)
Edible Oil & Foods	Saffola Active Saffola Masala Oats



HISTORY & MILESTONES

1999-2002

- Incorporated in 1999
- Started operations in Bangladesh
- Inaugurated Manufacturing Operations at leased factory in 2002

2003-2008

- Acquired leased factory in 2007
- Establishment of MBL own HO at Uttara in 2008
- Transition to own distribution from National Distributors in 2008

2013

- Launched Livon Silky Potion
- Parachute Completed "Ek jug" in Bangladesh
- Launched Saffola Active Edible Oil
- Launched Set Wet Deos

2014

- Re-lauched Nihar Naturals Shanti Badam Amla
- Re-launched Parachute Advansed Beliphool
- Launched HairCode Keshkala

2009-2011

- Marico Bangladesh successfully listed in Stock Exchanges of Bangladesh
- Launched Parachute Advansed Cooling Hair Oil
- Launched HairCode in Bangladesh

2012

- Set up Shirirchala Factory for Copra Crushing operations in Bangladesh
- Parachute was awarded as Best Brand in 2012 by Bangladesh Brand Forum and Nielsen

2015-2016

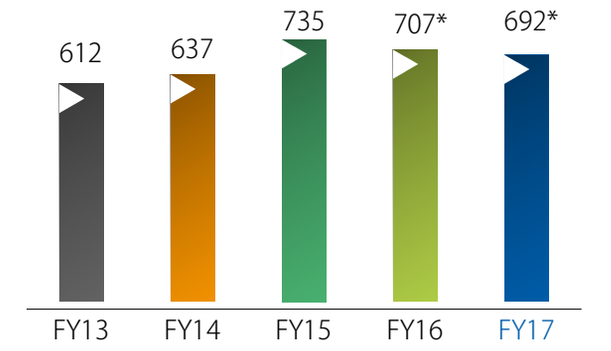
- Partnership with DAM to provide free education to 3000 out-of-school children
- Launched Parachute Advansed Extra Care
- Awarded "Certificate of Merit" for Best Corporate by ICMAB
- Launched Parachute Advansed Body lotion
- Launched Mediker Plus
- Launched Saffola Masala Oats

2017

- Set-up Refinery Plant at Shirirchala Factory
- Launched Parachute Advansed Ayurvedic Gold & Set Wet Hair Gels
- Achieved ICMAB Award on "Certificate of Merit"
- Awarded "Silver" by ICSB for Excellence in Corporate Governance

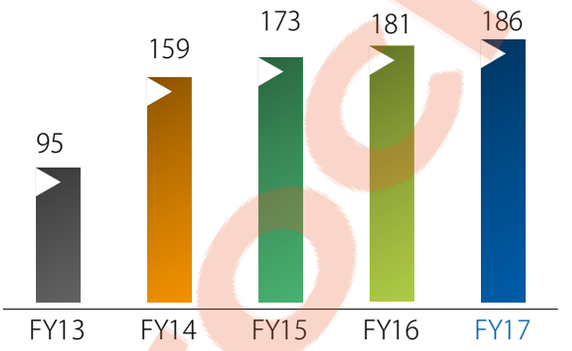
FINANCIAL HIGHLIGHTS

Turnover (in BDT Crores)

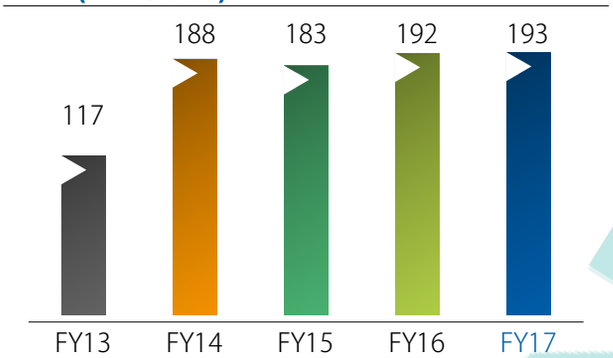


*Turnover of FY 2016 and FY 2017 are reported with rearranged Accounting norms

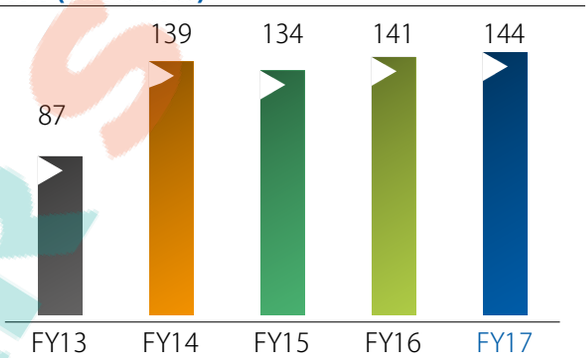
Profit from Operations (BDT Crores)



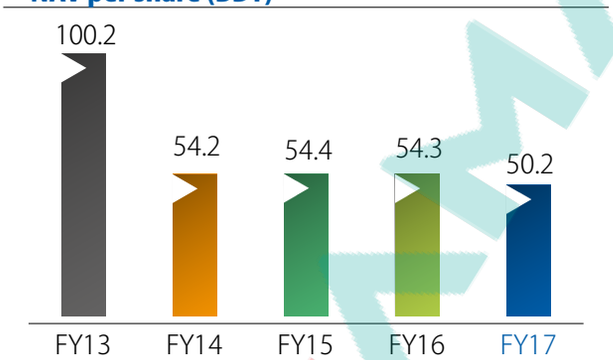
PBT(BDT Crores)



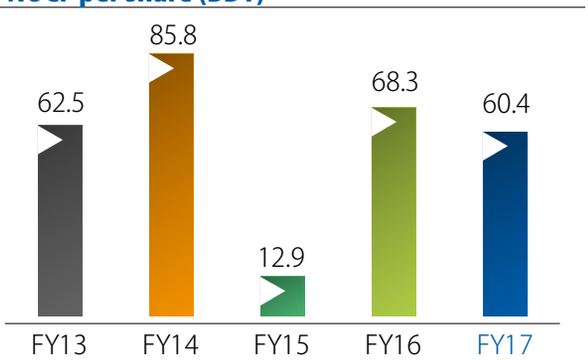
PAT (BDT Crores)



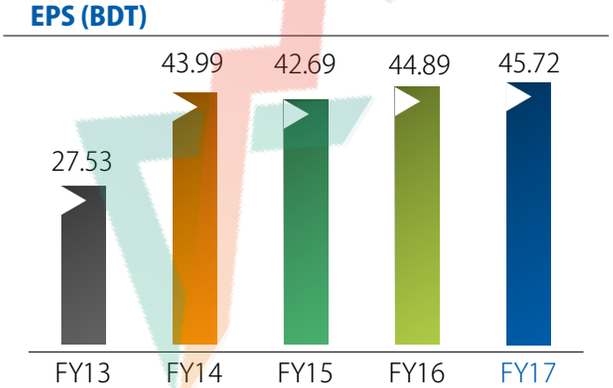
NAV per share (BDT)



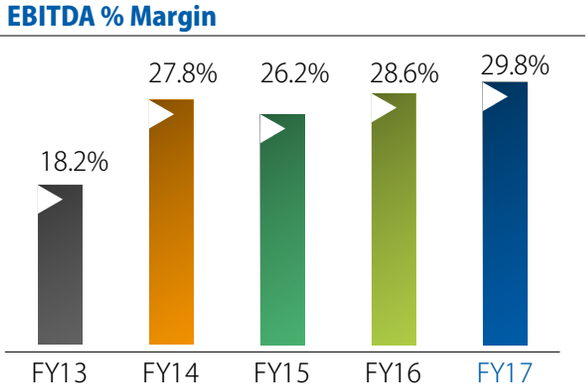
NOCF per share (BDT)



EPS (BDT)

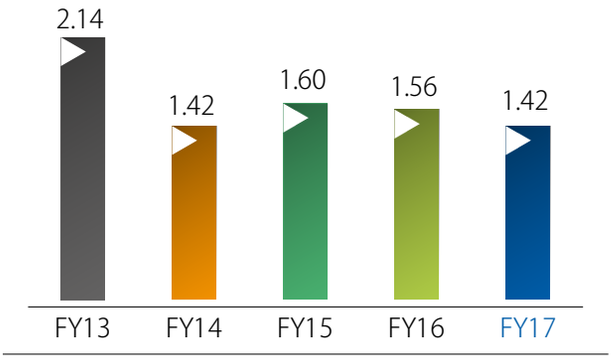


EBITDA % Margin

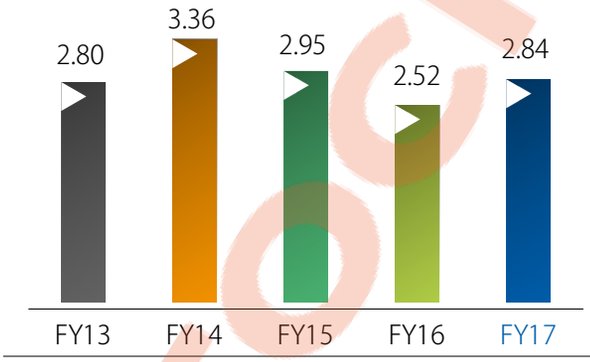


KEY RATIOS

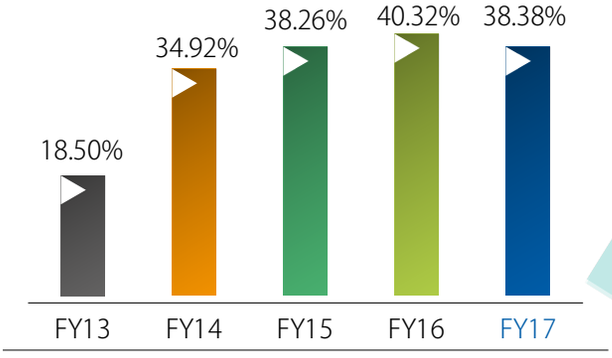
Current Ratio



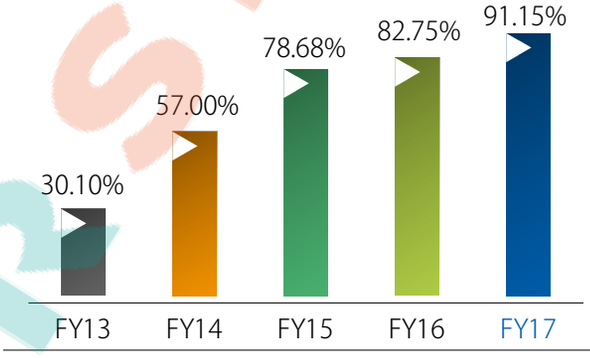
Inventory Turnover Ratio



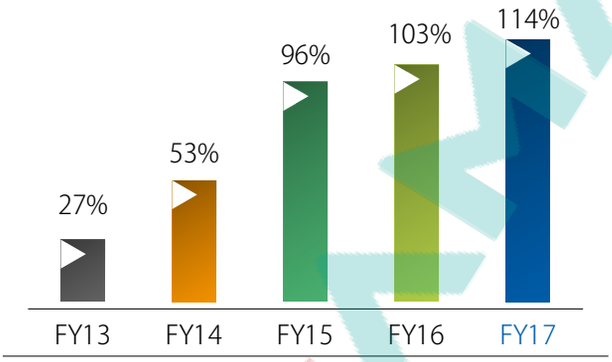
Return on Assets



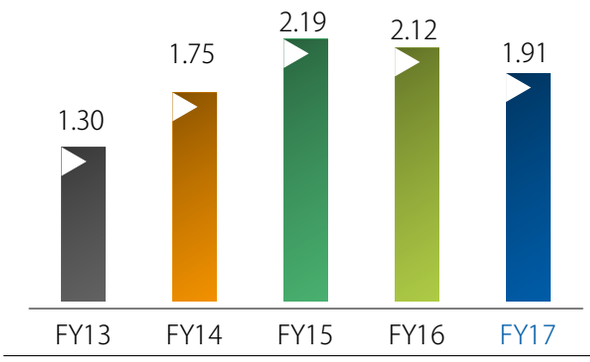
Return on Equity



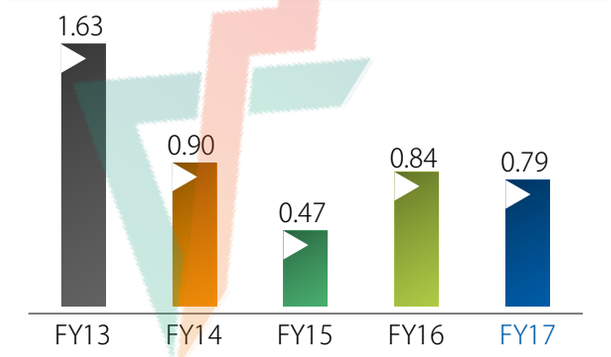
Return on Capital Employed



Asset Turnover Ratio (times)



Quick Ratio



FY'17: YEAR AT A GLANCE

Q1 April'16 to June'16



Parachute Advansed New TVC:

New campaign on Parachute Advansed was launched in late June. The objective of this communication is to drive consumption. The TVC was aired across channels with high GRPs throughout FY17.



Launch of Parachute Advansed Beliphool 40ml & 80ml:

With the objective of engaging more triers to the brand two new SKUs were launched in April'16. The two SKUs 40ml and 80ml come at convenient price points to "trigger" trial of the brand.



Launch of Set Wet hair Gel:

With the objective of capturing and capitalizing on the growing market of male grooming products Set Wet Hair Gels were launched in June'16.



Amar Dokan Program: This has been a successful initiative of trade level loyalty program wherein the result has been the availability and visibility of MBL products with benchmark execution.

1st Interim Dividend Declaration: Following the announcement of the earnings for Q1, our Board of Directors declared interim cash dividend @ 150% for our shareholders at the end of the first quarter of the financial year and which was subsequently paid out.

Q4 January to March '17

Parachute Advansed Ayurvedic Gold Launch in Digital media: After successful launch in press Ayurvedic Gold has been launched on Facebook to further drive awareness, and serve as content hub for consumers who are interested in the product.



7th Quality week: To keep the quality standard up to mark Marico celebrates Quality Week- a week dedicated for quality consciousness which boost each and every one working in Marico to raise the flag of quality even higher as it is maintaining as market leader.



"Act Now" assessment successfully completed in both the plants with a rating of "Very Good"

Final Dividend Recommendation

Following the disclosure of earnings for Q4 and the FY '17, our Board of Directors recommended 50% final cash interim dividend taking the total dividend paid for the FY '17 to 500%. The dividend will be paid out subject to shareholders approval at the 17th AGM.

Q2 August to September '16

PAB Activation: Nandini was an on-ground activation to bring the brand closer to its consumers



Launch of Parachute Advansed Ayurvedic Gold (PAAG): For the first time in Bangladesh, comes an expert Ayurvedic based solution for the biggest hair problems face by Bangladeshi women: Hairfall, Damage & Dandruff. Introducing Parachute Advansed Ayurvedic Gold. It's a unique blend of herbs extracted by the Ayurvedic Tel Pak Vidhi process into a mixture of Sesame Oil & Coconut oil. Its effectiveness has been clinically proven in India, and promises to be the most advanced problem solution oil in the market.



Parachute Advansed Body Lotion (PABL) Localization: In Q2 we completed the localization of one of the promising and emerging category in skin care segment. Under this initiative MBL has leveraged the full benefits of local production which will result in increasing the profitability of the brand while ensuring best-in-class quality



Relaunch of Set Wet Deos: Set Wet was re-launched successfully, with its new packaging and a catchy tagline to better resonate with the continuously evolving youth, which ensured the brand hold its fort in the market

2nd Interim Dividend Declaration: Following the announcement of the earnings for Q2, our Board of Directors declared interim cash dividend @ 300% for our shareholders as the end of the first half of the financial year nd which was subsequently paid out.

Q3 October to December '16

2nd

MBL has the 2nd highest market share in the VAHO segment

MBL's Own Refinery Plant Commissioned in December 2016: The in-house refinery project took eight months to complete ensuring Marico became completely independent on all facets of Coconut Oil production





MBL won "silver" for Corporate Governance standards from ICSB

PROFILE OF THE BOARD OF DIRECTORS



SAUGATA GUPTA
Chairman

Mr. Saugata Gupta is the Chairman of Marico Bangladesh Limited, a role he has assumed since 2013. He is also at the helm of Marico and leads the Company's operations both in India and its International Business. Mr. Gupta joined Marico in January, 2004 as Head of Marketing and has been in charge of Marico Limited as Managing Director since March 2014.

Mr. Gupta started his career with Cadbury India (now Mondelez India Foods Private Limited), where he spent 9 years in various roles in Sales and Marketing with his last role being Marketing Manager - Chocolates. Prior to joining Marico, Saugata was Chief of Marketing and Group Sales at ICICI Prudential and was part of the startup team that was instrumental in establishing ICICI Prudential as the largest private sector Insurance firm in the country. In the year 2007, he was elevated to become the CEO of Marico's India business. In April 2013, Under Saugata's leadership as the CEO of Marico Limited- the unified FMCG business, Marico restructured its Consumer Product Business (CPB) in India and International Business Group (IBG).

Mr. Gupta's illustrious career consists of 24 years of experience primarily in FMCG sector. He has an engineering degree from IIT Kharagpur and a Management degree from IIM Bangalore. Saugata was named the 2nd most Valuable CEO in India for the year 2015 - 16 within the Large Category of industries by India's prestigious business magazine Business World.



ROKIA AFZAL RAHMAN
Independent Director

Ms. Rokia Afzal Rahman joined as an Independent Director in October 2014. She is Vice Chair of International Chamber of Commerce - ICC Bangladesh and is also the founder President of Bangladesh Federation of Women Entrepreneurs.

Apart from being a leading woman entrepreneur in the agro, finance, media, real estate and power industries and a former Advisor to the Caretaker Government of Bangladesh, she is also on the board of Grameenphone Limited as an Independent Director & acts as a Chairperson to MIDAS Financing Limited. Her commitment to development brought her to the Boards of a number of development organizations. She is also the Chair and Managing Director of R. R. Group of Companies; Chair and Managing Director of Arlinks Group of Companies. She has been actively committed to several development initiatives like BRAC.

Ms. Rahman has received several international and national awards and is truly a beacon of excellence for both women entrepreneurs and aspiring businesspersons alike.

Ms. Rahman completed her Post Graduate Diploma in Banking form Pakistan and is hailed as the first woman banker of Bangladesh.



MASUD KHAN
Independent Director

Mr. Masud Khan joined as an Independent director in October 2014. He is an experienced professional with 37 years work experience in leading multinational companies in senior management positions and has been serving as a Director in several company boards.

In the course of his career Mr. Khan has dealt with multilateral agencies in raising project finance, project management, tax planning and management, financial and management control, IFRS and financial reporting, IT, Internal audit, Strategy, HR techniques such as Hay evaluation, pay and benefits survey and assessment centers.

Mr. Khan is currently the CFO at LafargeHolcim Bangladesh Limited and is responsible for Finance and Corporate Affairs. He did his Bachelor of Commerce with Honors from St Xaviers' College under University of Kolkata and thereafter qualified with distinction both as a Chartered as well as a Cost and Management Accountant from the Indian Institutes. Prior to joining Lafarge Bangladesh as Finance Director in the year 1999, he worked for British American Tobacco for 20 years at both home and abroad. He is also an independent director of GlaxoSmithKline and Berger Paints Bangladesh Limited.



ASHRAFUL HADI
Independent Director

Mr. Ashraful Hadi joined as an Independent Director in April 2016. An advocate of the High Court Division of the Supreme Court of Bangladesh and Barrister-at-Law from the U.K., Mr. Hadi is a Partner at Dr. Kamal Hossain and Associates, one of the most reputed and the leading law firms in Bangladesh. He has over 16 years of experience as a lawyer both at home and abroad. His practice over the years has involved working with various multinational and local organizations where he has acted as counsel as well as provided legal advice in the areas of telecom, admiralty, large infrastructure projects, IT, commercial and international trade disputes, arbitration, banking and securities market, taxation and constitutional law and so on. He has also acted as counsel in several public interest litigations for protection of fundamental rights.

Mr. Hadi completed his B.Comm from the University of Chittagong in 1992, received LL.B., Hons from the University of London in 1998 and was called to the Bar of England and Wales , UK in 1999.



SANJAY MISHRA
Non-Executive Director

Mr. Sanjay Mishra was appointed as member of the Board of Directors of Marico Bangladesh Ltd on January 25th 2016.

Mr. Mishra brings with him around 22 years of experience in the Area of Sales and has had a laudable career in a variety of roles in different companies. Prior to working with Marico, Sanjay worked for PepsiCo India where he joined as Sales Director - Traditional Trade for India in 2009, became the Executive Director of the company's West Market Unit, in 2010, and rose up the corporate ladder to his last position as Senior Director - GTM and Sales Capability at PepsiCo AMENA (Asia, Middle East and North Africa) in 2013.

Prior to working with PepsiCo, he was Vice President - Merchandising with Spencers Retail. With the kind of expertise that Sanjay brings to the table, the management team will be equipped to lead the success of Bangladesh's business to greater heights.

He did his B.Sc. in 1992 from City College, Kolkata and completed his P.G.D.B.M, Business Management Degree from Institute of Management Technology, Ghaziabad in 1995 and he started his career with Dunlop India that same year.



VIVEK KARVE
Non-Executive Director

Mr. Vivek Karve is a Chartered Accountant (1994), a Cost Accountant (1993) and a B. Com. from the University of Bombay (1991). He has more than 22 years of experience in Finance, Banking, and IT across four organizations - Marico, Siemens Information Systems, ICICI and P&G.

Mr. Karve's current role as CFO of Marico covers Corporate Finance, Business Finance and Commercial for Marico Group.

He joined Marico in 2000, as a Manager in Corporate Finance. Over the years, he has contributed to various sections in Marico Finance, including business finance. He has played an active role in Marico's M&A efforts through due diligence, funding etc. He was also project lead for an initiative towards automating the performance forecasting and budgeting processes in the company. Vivek took over the charge as CFO of Marico Limited effective 1ST April 2014.

He has served as a member of FICCI's (India) Corporate Finance Committee.



NAVEEN PANDEY
Managing Director

Mr. Naveen Pandey was appointed as an Additional Director with effect from July 25, 2016 and took over the reins from Mr. Aditya Shome as the Managing Director of Marico Bangladesh Limited in September, 2016.

Mr. Pandey brings with him an illustrious 16 years of experience with two heavy weights in the FMCG scene in India--PepsiCo and Asian Paints. He did his BBA in 1999 from University of Lucknow and completed his PGP in Management (MBA) from Indian Institute of Management, Indore in 2001. Naveen joins us from PepsiCo where he started his career as General Manager – Channel Development in 2008. He was later promoted as VP Sales (East India & Exports) where he drove disproportionate growth and ensured a step jump in distribution through Go-To Market transformation. His last assignment was Sales Director – North Market Unit, one of the largest and most profitable Market Units for PepsiCo India. Prior to this Naveen has had seven years of experience with Asian Paints across retail and institutional sales. In his various roles with Asian Paints, he has worked across East, North & West regions in India.

AMNSTOCK

DIRECTORS'
REPRESENTATION IN OTHER COMPANIES

Companies Other than Marico Bangladesh Limited in which MBL's Directors hold Directorship and Committee Membership:

Sl No.	Name of Director	Directorship	Member of Board Committees
1	Mr. Saugata Gupta	Marico Limited Marico Consumer Care Limited Marico Innovation Foundation Marico Middle East FZE Marico South Africa Consumer Care (Pty) Limited Marico South East Asia Corporatoiin (Formerly known as International Consumer Products Corporation)	Audit Committee - Marico Consumer Care Limited
2	Ms. Rokia Afzal Rahman	R.R. Cold Storage Ltd. Imaan Cold Storage Ltd. R. R. Estates Ltd. Aris Holdings Ltd. Arlinks Limited Media world Ltd. (Owning Company of "The Daily Star") MIDAS Financing Ltd. Mediastar Ltd. (Owning Company of "Prothom Alo") ABC Radio Bangladesh Lamps Limited DNET Campaign for Popular Education BRAC Grameenphone Banchte Shekha, Jessore Member of Board of Trustees Transparency International Bangladesh (TIB)	-
3	Mr. Masud Khan	GSK Bangladesh Limited Berger Paints Bangladesh Limited	Audit Committee Chairman- GSK Bangladesh Limited Audit Committee Member - Berger Paints
4	Mr. Sanjay Mishra	"Bellezimo Professionale Products Private Limited Zed Lifestyle Private Limited"	
5	Mr. Vivek Karve	"Marico South Africa (Pty) Limited Marico South Africa Consumer Care (Pty) Limited Marico Consumer Care Limited MBL Industries Limited Marico Malaysia Sdn. Bhd. Marico Middle East FZE. Marico South East Asia Corporatoiin (Formerly known as International Consumer Products Corporation)"	-
6	Mr. Ashraful Hadi		
7	Mr. Naveen Pandey		

AMAR STOCK

LEADING FROM THE FRONT



Sidhartha Das
Director-Human Resources

Md. Saiful Alam
Director-Manufacturing

Md. Nazim Uddin
Director-Supply Chain

Naveen Pandey
Managing Director



Kazi Amirul Hoque
Director-Sales

Christabel Randolph
Head of Legal

Mohammad Iqbal Chowdhury
Chief Financial Officer

PROFILE OF LEADERSHIP TEAM



NAVEEN PANDEY
Managing Director
(From 1st September)

Naveen brings with him an illustrious 16 years of experience with two heavy weights in the FMCG scene in India, namely PepsiCo and Asian Paints. He did his BBA in 1999 from University of Lucknow and completed his PGP in Management (MBA) from Indian Institute of Management, Indore in 2001. Naveen joins us from PepsiCo where he started his career as General Manager – Channel Development in 2008. He was later promoted as VP Sales (East India & Exports) where he drove disproportionate growth and ensured a step jump in distribution through Go To Market transformation.

His last assignment was Sales Director – North Market Unit, one of the largest and most profitable Market Units for PepsiCo India. Prior to this Naveen has had seven years of experience with Asian Paints across retail and institutional sales. In his various roles with Asian Paints, he has worked across East, North & West regions in India.

Naveen loves travelling and reading.



KAZI AMIRUL HOQUE
Director Sales

Under Kazi Amirul Hoque's leadership, MBL is reinforcing it sales function and galvanizing momentum towards delivering on the strategic objectives of the function and company. He is responsible for Go To Market (GTM) transformation exertion in line with company Strategic Business Plan.

His previous role was the Vice President, Head of Market Strategy and Planning at Robi Axiata Limited, where he was the Cluster Market Director. Prior to Robi, Amirul was the Customer Development Operations Manager (Head of Sales Operation) at Unilever Bangladesh Limited where he spearheaded the RTM, Sales talents development, Sales technology strategies formulations and implementations. At Unilever, he was also the Rural Business Development Manager, leading and driving the Alternative Route to Market Projects of the company.

Amirul, hold a Masters degree in Economics from Jahangirnagar University. Amirul is an avid traveler and enjoys photography.



SIDHARTHA DAS
Director Human Resources

Sidhartha joined us in February 2013 and since then has been incessantly working towards attraction and development of talent. He has also worked towards reinforcing the positive image of the organization in the society at large. He is leading Marico's CSR journey wherein Marico has partnered with Dhaka Ahsania Mission.

Sidhartha has 18 years of varied sector experience starting from Project organizations, Pharmaceuticals, Power Generation and Fast Moving Consumer Goods and has worked in various capacities and roles. He joins us from Reckitt Benckiser (India) Limited where he was responsible for the HR Operations for India, Nepal and Bhutan.

He holds a Masters in Social Work and has pursued his Executive Diploma in HRM from XLRI, Jamshedpur in India.

He is an avid reader, enjoys adventure and is fanatic about his health and fitness.

AMARSTOCK



MD. NAZIM UDDIN
Director Supply Chain

Nazim's primary role as Director - Supply Chain & projects, is to lead the country's Supply Chain Team along with Projects under one SCM umbrella.

Nazim has been working in the field of Supply Chain Management for almost 17+ years in Pharmaceuticals & FMCG sectors. Over the period, Nazim has held various key positions in Manufacturing, EHS, Projects, Sourcing/Outsourcing and hence built himself as a Supply Chain Generalist. He was responsible for the implementation of many key projects during his tenure with Reckitt Benckiser in Bangladesh.

He has multiple interests, starting from music, sports and food and he continues to pursue each one of them.



MD. SAIFUL ALAM
Director Manufacturing

Saiful brings with him 17+ years of rich experience and currently Heads the Manufacturing Function in Marico Bangladesh Limited. He is responsible for Manufacturing, Project Implementation & Capability Building in Operations. He has been instrumental in leading the Manufacturing Team towards process excellence and has enhanced organization capability by optimizing Manufacturing Operations. It was under Saiful's Leadership that Marico set up its Crushing Facility and Refinery Plant in Bangladesh. Saiful has rich experience of working with global MNCs and had the opportunity of working in India during his association with Nestle, gaining experience of a different culture and society.

Saiful has completed his BSc in Chemical Engineering from BUET. He has keen interest in visiting and exploring new places and in sports.



MOHAMMAD IQBAL CHOWDHURY
Chief Financial Officer

Iqbal Chowdhury who is currently the CFO of the Company, spearheads MBL Finance and is responsible to lead the Finance & IT functions and a key member of Corporate Branding for Marico Bangladesh. He acts as an advisor to Senior Management and the Board on issues pertaining to Corporate Affairs.

Iqbal started his career with Berger Paints Bangladesh Limited where he spent 7 years in various roles in Finance. He worked for Avery Dennison in Bangladesh for a brief period prior to re-joining Marico. Iqbal has over 17 years of substantial and rich experience in the field of Finance & Corporate Affairs in Bangladesh.

He did his MBA in Finance from Chittagong University. He is also a member of Institute of Chartered Secretaries (ICSB), a founder member of Intellectual Property Association of Bangladesh (IPAB). He is an active member of Trade, Tariff, Taxation & Company Affairs Sub-Committee of FICCI. It was under Iqbal's leadership when Marico Bangladesh went public with its IPO having the second highest premium in Bangladesh.

Iqbal has a deep interest in reading and music.

AMAR STOCK



CHRISTABEL RANDOLPH
Head Legal & Company Secretary

Christabel joined Marico Bangladesh in May' 2016 as Head of Legal and was subsequently appointed as the Company Secretary. Christabel is a qualified Advocate, with experience of practice before the District Courts and High Court Division of the Supreme Court of Bangladesh. She has varied experience of consulting on different areas of law, legislative & regulatory frameworks and litigation.

Christabel brings more than 10 years of experience of working with Corporates, Development Organizations and Law Firms. Her recent assignment, before joining Marico was with British American Tobacco Bangladesh (BATB). She has also worked with World Health Organization as their Legal Consultant and as Country Legal Consultant for International Development law Organization (IDLO) and BRAC. Prior to her assignment with BATB, Christabel was an Associate at Dr. Kamal Hossain & Associates. She has completed her LL.B (Hons.) and LL.M from Dhaka University. She is an Erasmus Mundus Scholar with an LL.M in Law and Economics from the University of Bologna-Italy, the University of Hamburg-Germany and Erasmus University-The Netherlands. She is also on the Executive Committee of the School of Hope and is a member of IPAB and the Bangladesh Chapter of iProBono.

She has keen interests in reading, music and loves travelling.

AMAR STOCK

OUR VALUES

Values help us realize the true potential of all members of the corporate ecosystem and also help us fulfil our purpose.

CONSUMER CENTRIC

Keeping consumer as the focus and a partner in creating and delivering solutions.

TRANSPARENCY & OPENNESS

Allowing diversity of opinion by listening without bias, giving & receiving critique, with mutual respect and trust for the other.

OPPORTUNITY-SEEKING

Identifying early opportunity signals in the environment to generate growth options.

BIAS FOR ACTION

Preference for quick thoughtful action as opposed to delayed action through analysis.

EXCELLENCE

Continuous improvement of performance standards and capability building for sustained long-term success.

BOUNDARYLESSNESS

Seeking support & influencing others beyond the function & organization to achieve a better outcome/decision, without diluting one's accountability.

INNOVATION

Experimentation and calculated risk-taking to increase success probability of radical/ pioneering ideas to get quantum results.

GLOBAL OUTLOOK

Sensitivity and adaptability to cultural diversity and learning from different cultures.

THINK

CONSUMER

Consumer-Centric

TO

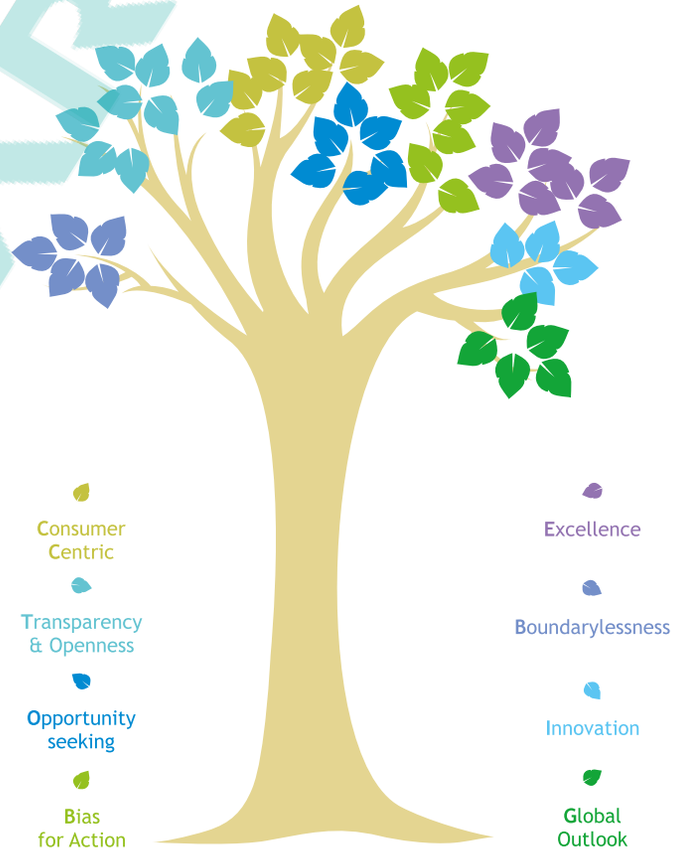
Transparency & Openness | Opportunity-seeking

BE

Bias for Action | Excellence

BIG

Boundarylessness | Innovation | Global Outlook



VIVAR STOCK

CHAIRMAN'S LETTER



Saugata Gupta
Chairman

Dear Shareholders,

With your support and trust, Marico Bangladesh Limited has concluded the financial year 2016-17 (FY'17). On behalf of the Board, I am delighted to present the Annual Report for FY'17 and welcome you all to the 17th AGM of the Company. FY'17 has been a tough year for the Company where MBL has ended with 2% bottom-line growth and a 2% decline in topline. The reduction in topline has taken place due to the anniversarization of the pricing adjustment taken late last year in Parachute Coconut oil, which contributes to almost 4/5th of our revenue. However on the upside the Company has also experienced a volume growth of 2.4%

FY'17 has been a transitional year for MBL as the Company has forayed into newer areas in its flight to be future-ready. For the management of your company, steering it towards its aspiration, we have Mr. Naveen Pandey, who has been appointed as Managing Director in the last AGM. At the helm of the organization, Naveen and his Management Team have continued Marico's journey of building capabilities for the organization. The leadership team has developed business verticals and strengthened its foundation through the development of sharper IT & Analytics. During the year, MBL continued the journey of transforming its GTM

> We strongly believe as long as we focus on building capability ahead of growth, results will follow. Ensuring right structure and brand architecture are essential to deriving sustainable profits and we continue to work relentlessly to achieve that.

strategy and made significant progress on setting the right structure for this journey.

Marico launched two new brands in FY'17 (Parachute Advansed Ayurvedic Gold and Set Wet Hair Gels) further fortifying our nourishment and grooming space. Our flagship brand, Parachute has maintained its leadership position and also gained further foothold in the Branded Coconut Oil space. Our Value Added Hair Oils (VAHO) portfolio has continued on its strides as the category has shown robust growth derived from multiple segments– our VAHO portfolio now contributes 17% to our business turnover while being a key source of diversification and growth for our business. Marico Bangladesh is now ranked second in the VAHO Category.

During the year we have completed the construction of our refinery unit and started our own in-house refining operations at the Shirirchala plant. Furthermore, the Company has successfully completed the set-up a 3rd party location and started local manufacturing operations of Parachute Advansed Body Lotion in Bangladesh. Along with the execution of capacity expansion projects, MBL has been constantly undertaking initiatives to enhance efficiencies and delivering at the highest standards. Our plant-focused initiatives surrounding safety and efficiency has progressed well. Initiatives like "Safety Week", "Quality Week" & "Act Now" at our plants ensure that we continue on our journey of quality excellence through the adoption of best practices.

Your Company's efforts to achieve and sustain highest standards of corporate governance were duly recognized during the year. MBL won "Silver" for Excellence in Corporate Governance from the Institute of Chartered Secretaries of Bangladesh (ICSB). Furthermore, the company was also awarded "Certificate of Merit" by the Institute of Cost and Management Accountants, Bangladesh ICMAB. In 2016, 'Parachute Advansed' won the award for Best Hair Oil Brand in Bangladesh and Parachute has consistently been a top-ten Brand in Bangladesh since 2008. During the year, MBL has increased its distribution and our flagship brand 'Parachute' has reached our highest ever distribution metrics.

We have continued our wonderful association with Dhaka Ahsania Mission to bring free, quality education to 3100 underprivileged children in Jamalpur Upazila through running a community inclusive program. This program has been our Company's CSR initiative as we strive to be more than just a business and uphold the honour of a Responsible Corporate Citizen of Bangladesh to truly make a difference.

Business outlook remains stable and the focus remains on driving consumption. I am hopeful of strong business results in this ever improving economy with its young demographic who are constantly enhancing their lifestyle - a combination such as this provides a good platform for growth of FMCG companies.

Along with our members, I would like to extend my sincere gratitude to our esteemed shareholders. I look forward to an exciting year of strong performance from your company and to receiving your continued support and encouragement.

With warm regards,

Sd/-
Saugata Gupta
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS



Naveen Pandey
Managing Director

Dear Shareholders,

It gives me great pleasure to share with you an update on the overall performance of your Company during FY17. Marico Bangladesh has experienced a volume growth of 2.4%. This has mainly been derived from growth in non-coconut oil portfolio which now contributes to 23% of our topline (from 20% in FY'16). This surge in contribution to revenue signals greater promise for Marico's portfolio as the Company aims to strengthen its brands across categories. The business however has seen a 2.1% decline in revenue due to the annualization of pricing adjustment taken at the end of FY'16. The company registered a turnover of BDT 692 crores and experienced 2% growth posting a Profit after Tax (PAT) of BDT 144 crores.

The Gross margin has expanded by 1% owing to softer prices of our key raw materials along with operating efficiencies and productivity measures. Operating profit has increased by approximately 3% attributable to our drive towards cost efficiency across the value chain as well as measured advertisement spends. The Company posted a Profit before Tax (PBT) of BDT 193 cr. which, in absolute terms, is at par with last year.

> "We have taken a proactive position towards capturing the long-term potential of the FMCG sector of Bangladesh. Marico believes that Bangladesh is a core market and is keen on 'Investing to Grow'"

The cost structure is given below for better appreciation of the financials:

Particulars	FY17		FY16	
	BDT Crore	%	BDT Crore	%
Turnover	692		707	
Cost of Goods Sold	(371)	54%	(388)	55%
Gross Profit	321	46%	318	45%
Marketing and S&D Expense	(54)	8%	(64)	9%
Other Operating Expense	(81)	12%	(73)	10%
Operating Profit	186	27%	181	26%
PBT	193	28%	192	27%
Income tax	(49)	7%	(51)	7%
PAT	144	21%	141	20%

The above percentages are to turnover for the respective years. The section on Financial Statements includes more details of our financial results.

In essence, FY'17 has been a year of two halves: while in the first half, our volume growth was negative, the Company has demonstrated its grit and performed well in the second half of the year with a volume growth of 7%. The scenario is similar for our topline which experienced de-growth in the first half but performed better in H2. However, for the overall scenario in FY'17, while our volume remained flat on Parachute Coconut Oil, market leader in the Branded CNO category, we have experienced a strong growth in our Value Added Hair Oil (VAHO) portfolio attributable to the brands: Parachute Advansed Beliphool & Parachute Advansed Extra Care. In FY'17, the success of the Company has been a 20% volume growth in our VAHO category and achieving a clear 2nd position in the VAHO market. Overall, the non-Coconut oil portfolio grew by 10% in constant currency terms in FY17.

Segment Performance

In FY'17, we have launched two new brands 'Parachute Advansed Ayurvedic Gold' & 'Set Wet Hair Gels' to further diversify our portfolio which now has 17 brands. The male grooming portfolio was energized with the launch of the 'Set Wet Deo' range in a new shape. Initial responses for the new launches have been encouraging. The new introductions are an indication of our efforts to diversify our portfolio and play in the markets with a right to win for Marico.



Coconut Oil Brand **Parachute** has continued to be the benchmark as one of the strongest brands in Bangladesh with 100% awareness, a household penetration of 80% and the highest reach nationally in the FMCG industry. With more than 8 out of 10 Bangladeshi households using Parachute, the brand's health remains stronger than ever with high scores in key Brand Image Parameters.

Parachute strengthened its market leadership position this year with sizeable gains in market share over last year. However, with such a high market share, headroom for growth for the brand is low. In order to stimulate growth, we have undertaken market development initiatives in key regions, which will positively impact our performance in both the short and long run.

We remain confident that Parachute will continue to dominate the market in the days ahead through its consumer centric approach and overall operational excellence.

Hair Oil Brand **Parachute Advansed** continued to be lauded as one of the best brands in the country and was once again awarded as one of the most trusted brands of Bangladesh by The Bangladesh Brand Forum in 2016. Parachute Advansed owns the Best Hair Oil Brand Award 2016 and the 8th Best Brand award adjudged by Bangladesh Brand Forum.

The **Value Added Hair Oil (VAHO)** category and brands has also yielded staggering growth for the Company which experienced high double-digit growth in volume in FY 17. The growth momentum was driven by key brands--Parachute Advansed Beliphool (PAB), Parachute Advansed Extra Care (PAEC) and Nihar Shanti Badam Amla (NSA) hair oils. The effective marketing plans premised upon strong consumer insights have been instrumental in realizing this success. FY'17 ended with our VAHO portfolio attaining an impressive volume market share of 18% and a 14% growth in revenue.



In FY 17, MBL's most prominent VAHO brand-**Parachute Advansed Beliphool** conducted a series of activities to drive growth. With its effective TVC, on-ground activation, consumer offers, new and modern packaging – the brand's performance boosted from all ends as it experienced growth in both off-take and market share. This was reflected in significant increase in brand awareness and household penetration.

For last two years, Marico has been consistently building its new brands in the hair-fall segment – **Parachute Advanced Extra Care.** The brand maintained high share of voice by being on air for the whole year. During the year, the brand managed to enhance its distribution through the introduction of a trial pack along with attractive cross-brand consumer offerings. The combination of strong media presence and great offerings helped drive distribution of the brand.

Marico introduced **Parachute Advanced Ayurvedic Gold Hair Oil** this year, as the most potent hairfall solution

in the Bangladesh oiling market today. It's a clinically proven Ayurvedic based remedy for both types of hair-fall: breakage & hair-fall from the roots. The brand has been in the market for just over 6 months, and initial consumer feedback has been positive. The most premium hair oil in the Company's portfolio, which comes in three pack sizes, has been made its presence in the digital and press platforms to build awareness and trial.

During FY 17 **Nihar Shanti Amla** continued with the "Power of 3" campaign. With continuous presence in media this campaign continued to establish Nihar as a better Amla Hair Oil and secured a strong foothold in the Amla segment. Our focus on building trials for greater consumer use continued throughout the year, which was done through a mix of exciting consumer and trade offers. The efforts resulted in trial generations and consequently, the brand has managed to bag steady gains in market share.

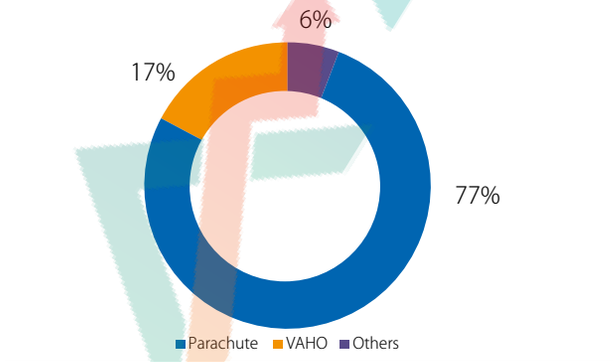
Hair color & Future Brands in FY 17 performed well as MBL's signature hair color brand **HairCode** continued to hold onto its strong leadership position in Powder colors. HairCode continues to hold strong due to its unique product and communication which features the goodness of herbal ingredients, which does not damage hair.





As market leader, HairCode has the responsibility to lead the way for category innovations to ensure consumers continue to receive the best product experience. The brand's commitment to consumer needs has always played an important part in HairCode's growth & evolution as a brand.

Cetegory Contributions



MBL continues to strive to further its strength outside of hair oil and in the future categories which have significant growth potential. This strategy allows Marico to cater to a wider range of consumers with a more diversified portfolio of successful brands.



The male grooming segment continues to grow steadily with the Perfume & Deodorant category growing in double digits. To ride this growth, **Set Wet Deodorants** was re-launched with its new packaging and a catchy tagline to better resonate with the continuously evolving youth, which ensured the brand hold its fort amongst 200+ competitor brands.



Set Wet Hair Gels were also launched in Bangladesh as a range extender to the current product portfolio. The products superior quality quickly propelled it to become one of the top choice of hair styling product for the Bangladeshi youth. In-depth consumer research, new marketing concept and development of relevant tagline with streamlining future promotional strategy were the major brand restaging exercises that bolstered the brand to set a strong pace in the upcoming FY'18.



Parachute Advansed Body Lotion continued to explore the high potential lotion segment. In 2016, localization of the manufacture of Parachute Advansed Body Lotion has taken place which is a strong shift from import dependency strengthening local capability and also generating savings for the brand. The brand ran communications in TV, Press and PR through national channels & dailies and conducted various sampling activities. This has led to positive response from consumers and retailers alike as well as generating awareness for the brand. The brand has been made available at both general and modern trade stores.

Food Brand Saffola continued to grow with **Saffola Active** in the edible oil market manifested by expansion in FY 17. This is indicative of a growing segment of health conscious consumers. To cater the needs of our consumers better, we expanded our distribution channel from modern trade to selected general trade outlets. Saffola Active is a revolutionary one fortified with Vitamin A and scientifically proven to improve lipid profiles and promote healthy functioning of the cardiovascular system.



Saffola Masala Oats has been made available in three scrumptious flavors through modern trade and selected general trade outlets in Dhaka and Chittagong in Q4 FY16 on a test basis. The soft launch is supported by awareness and trial generation through point of sale materials and free sampling. Following positive feedback during sampling events in food festivals, consumers have embraced the taste of all three variants of the product. Saffola Masala Oats are available in departmental and selected general stores.

Distribution & GTM

With a deep understanding of consumer insights, we continued to drive innovation across brands and operations and further fortified our Go-to-Market strategies, to tap into various channels of distribution. To strengthen our presence in the evolving channels, we created new shopper centric channels and carried on our customer and consumer programmes. We have also forayed into emerging growing e-commerce channel. Marico Bangladesh has continually put emphasis on expanding product reach, thereby ensuring our presence in every corner of the country. We are ensuring stronger presence and penetration in the deep pockets of the country. The Company expects to leverage its strong distribution network and learnings from the India market to quickly scale up its new product introductions in Bangladesh. MBL's products reach more than half of the retail universe across Bangladesh. In terms of distribution, Parachute is rated as one of the most highly distributed brands of the country.

Operations

One of the principle highlights for the year has been the set up of our Refinery Plant and the relentless focus on supply assurance and cost efficiencies. Our continuous improvement programmes across the value chain helped us generate sustained cost savings as we extract learnings from the internal and external environment to create a leaner business model. Our signature savings initiative, 'MarVal' has helped to create a culture of enhanced efficiency in the organization across functions. We intend to utilize these savings back into the business to build the brands for the future.

We have identified that in the dynamic business scenario in the FMCG circuit, we have to continuously build capabilities in all facets to stay ahead of the curve. The desire for transforming our business is well embedded in our members as we continue towards our business aspirations, maintaining Marico values, to consistently deliver strong topline and bottlom-line results as we advance forward in our transformational journey to win and create value for our stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

The following management discussion & analysis (prepared in line with the requirements of Section 184 of The Companies Act, 1994, BSEC Notifications, Listing Regulations of Dhaka Stock Exchange and Chittagong Stock Exchange) will provide detailed insights into our business environment, key management interventions, and operational and financial performance for the period between April, 2016 and March, 2017. In some cases, forward-looking outlook has been presented to support the analysis. It is important to understand that various factors (such as changes in government regulation or competitors' moves) may lead to the deviation of actual results from the forward-looking estimates.

In the year under review, we saw considerable changes in the external business environment. While commodity costs and inflation remained favourable for most parts of the year, rampant fluctuation in exchange rates at the latter part of the year hindered projections. Overall the macro situation in the country has been favorable.

FMCG Industry Performance

During the year, the Bangladesh economic condition has been continually stable with an increase in consumer and investor confidence in the country. The country has been able to consistently achieve +6% growth in GDP and is likely to clock a 7%+ growth in this year following last year (2016).

While a lot of infrastructure mega projects are in the pipeline, implementation has been slow which may resist stronger economic growth. Other positives for the economy include decreasing inflation levels, record high foreign reserves, healthy inward remittances and growth in exports.

The capital market seems to have come out of its sluggish environment and has been performing better, attracting interests from foreign investors throughout the year with the DSEX on the higher side. The improvement in the macro-economic scenario along with relative calmness in the socio-political atmosphere are strong positives. We are confident of sustained stability in the economy along with greater buoyancy and dynamism – which form as the perfect platform to drive our growth journey ahead.

Outlook for FMCG Industry

Bangladesh is primed for strong economic growth in the absence of further political disruptions. We are highly confident of the long-term performance of the FMCG industry as the key demand drivers for domestic consumption remain intact:



Risks & Concerns

Like all organizations, Marico Bangladesh too is exposed to risks - especially systemic risks that are beyond the Company's control. We perceive that proactive management of these risks is of fundamental importance to ensure our business growth. Over the years, we have put in place a strong framework through which we regularly identify and assess risks and take necessary measures to minimize their impact.

Input Risk

Raw materials, particularly copra, comprise bulk of our production costs. Copra prices have witnessed significant volatility in the past years and a hike in copra prices can have a direct negative effect on our production costs.

Our efforts to branch out to numerous alternatives for our sourcing needs additionally gives some cushion against adverse country-specific copra price movements. Inflationary tendencies in an economy directly impact the input costs and could create a strain on the operating margins of the FMCG companies.

Exchange Rate risk

Although our cash inflow is not directly affected by fluctuations in the exchange rate, since our products are sold only in the domestic market exchange rate risk still relates to the core business of MNCs, since most import materials from abroad in foreign currency (mostly US dollar and Indian Rupee).

Over the years, we have taken deliberate endeavors to localize our production and to source raw materials from domestic suppliers wherever possible. Consistent forecasting of exchange rate movement and position building on our import volume through optimum exchange rate dynamics is the key in minimizing our exchange rate risks. The business by large is insulated of the risk except for Copra and Petroleum based materials.

Competition Risk

Barriers to entry in the FMCG industry of Bangladesh still remain low. Manufacturing processes are quite simple, start-up capital requirements are not significantly high and numerous sub-contractors to carry out manufacturing operations are available throughout the country. The ease of operations has resulted in the emergence of threat in the FMCG industry from an illegal, unorganized sector which competes through fake and counterfeit products. We have undertaken concrete efforts to fight the presence of counterfeit through coordinated strategy and the assistance of regulatory bodies to drive out fake, look-alike items from the market.

Changing Consumer Preferences

Demand can be adversely affected by a shift in consumer preferences. Given the explosion and ever growing popularity of social media, the speed of such a shift could be very swift. Marico invests significantly in consumer insighting to adapt to changing preferences

Compliance

Inadequate compliance systems and processes pose a reputation risk for an organisation. They may result in financial losses and penalties. Marico has invested in compliance systems and processes to ensure that all its functions and units are aware of the laws and regulations to comply with, and that adequate monitoring mechanism are put in place to ensure compliance.

Internal Control Systems and Their Adequacy

Marico has a well-established and comprehensive internal control structure across the value chain to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, that transactions are authorized, recorded and reported correctly and that operations are conducted in an efficient and cost effective manner. The key constituents of the internal control system are:

- Establishment and periodic review of business plans
- Identification of key risks and opportunities and regular reviews by top management and the Board of Directors
- Policies on operational and strategic risk management
- Clear and well-defined organization structure and limits of financial authority
- Continuous identification of areas requiring strengthening of internal controls
- Operating procedures to ensure effectiveness of business processes
- Systems of monitoring compliance with statutory regulations
- Well-defined principles and procedures of evaluation of new business expenditure
- A robust management information system
- A robust internal audit and review system

Ernst & Young LLP has been carrying out internal audits for Marico for the last four years. In addition, local firm such as M/s Rahman Rahman Huq (affiliate of KPMG), Al-Muqtadir Associates, Snehashish Mahmud & Co. performed different audits throughout the year. The work of internal auditors is coordinated by an internal team at Marico Bangladesh. This combination of MBL's internal team and expertise of professional firms ensure independence as well as effective value addition.

Internal audits are undertaken on a continuous basis, covering various areas across the value chain like manufacturing, operations, sales and distribution, marketing and finance. The internal audit program is reviewed by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Reports of the internal auditors are regularly reviewed by the management and corrective action is initialed to strengthen the Controls and enhance the effectiveness of the existing systems. Summaries of the reports are presented to the Audit Committee of the Board.

The statutory auditors, Hoda Vasi Chowdhury & Co., as part of their audit process, carry out a systems and process audit to ensure that the ERP and other IT systems used for transaction processing have adequate internal controls embedded to ensure preventive and detective controls. The Audit Report is reviewed by the management for corrective actions and the same is also presented to and reviewed by the Audit Committee of the Board.

Over and above the existing Internal Control processes, MBL emparked upon the practice of stronger process controls with the Roll-out of IFC project in collaboration with KPMG. Internal Financial Control (IFC) is a process audit that aims to identify and develop key Financial Risk and Control areas in all business processes ranging from governance and policies to process design, execution and compliance monitoring. In collaboration with KPMG, MBL finance is on its way to establishing an even more robust financial control system throughout the Company, and maintain the utmost level of compliance.

IFC ensures - Accuracy & completeness of accounting records - Orderly & efficient conduct of business, including adherence to policies - Safeguarding of its assets - Prevention & detection of Frauds.

For Listed companies, IFC framework ensures operating effectiveness of controls. Marico developed IFC framework basis review of Policies, procedures and processes. Controls for each of the processes were documented. The management believes that strengthening IFC is a continuous process and therefore it will continue its efforts to make the controls smarter with focus on preventive and automated controls as opposed to mitigating and manual controls.

Human Resources



Challenge, Enrich and Fulfill—Marico's talent value proposition is actioned by the Human Resources function of the Company which strives to attract the best available talent to groom them into business leaders who will drive and achieve the business objectives while living the Marico values. The HR Function is also the architect and guardian of the culture of the organization which upholds the highest standards of member behavior. The function took multiple initiatives this year to achieve their mission by focusing on strengthening organization culture, attracting and nurturing talent, connecting with members and adhering to governance standards to ensure smooth working environment for all. The key highlights are outlined below:

Culture Building

According to our belief organizational culture is a source of competitive advantage, a key differentiator and a base for

motivation for work. Every year, we make significant effort to educate members on Marico's core cultural philosophies and values to encourage them to live the Marico Values. This is done through various Values Workshops, Values Conversations with Leaders and Value Awards.

Maricognize

We strongly believe that celebrating any triumph is a stepping stone to more frequent and even better victories. In January 2014, we took a giant leap to drive a culture of recognition through a unique web-based recognition program "Maricognize". The program provides a platform for members to connect, inspire and celebrate achievements and contributions. Maricognize has set a tradition of recognition for members, enabling them to feel more appreciated thus inspired at work.

Talent Attraction and Development

Our Talent Value Proposition (TVP) to 'continuously challenge, enrich, and fulfil the aspirations of Mariconians so that they can maximize their true potential to 'Make a Difference' is an anchor for talent acquisition and development processes.

Talent Acquisition: We leverage multiple sources to hire talent laterally. We also hire fresh talent from premier technical and business schools of the country – such as Institute of Business Administration, University of Dhaka, North South University and Bangladesh University of Engineering and Technology.

Trainee Programs

Management Trainee Program: The Management Trainee (MT) Program is structured to give fresh talent that joins Marico a comprehensive understanding of Marico's business and flow of process & decision making. Running over a period of 12 months, it is one of the most comprehensive and well-planned training programs across the industry.

Sales Trainee Program: We recruit Sales Trainees from notable institutions after months of rigorous scouting and recruitment process. The Sales Trainee Program is structured to give fresh talent that joins Marico a thorough understanding of the business of Sales. The goal of the programme is to groom the young talents into roles of sales leadership.

Performance Management System: Management by Results (MBR) is our performance management process that aligns individual and team goals with the organizational thrust areas.

Talent Development: Personal Development Planning (PDP) is a career development process, distinct from performance management process. It provides a platform to members to discuss their career aspirations, identify their strengths and development areas and work towards enhancing individual competence. The process also helps in creating a Talent Pipeline and Succession Plan for key roles in our organization.

Leadership Development: We invest in leadership development at front line, middle and senior leadership levels through job rotation, classroom training and coaching. These often includes arranging for senior members to attend Development Programs in premier institutes in India.

Marico Leadership Series

This year the Company undertook an initiative not just cross-functionally but cross-company and industry by initiating the MBL LEADERSHIP SERIES which is a platform for mentoring, networking and promotion of dialogue within the talent pool of the industry. The idea is to expose our talent to leadership behaviour not just within their own organizations but outside the organization as well and also to leverage the same for gaining valuable insights & perspectives across industries and professions.

Code of Conduct (CoC)

The CoC is a fundamental ideology of our Governance practice, and consistent adherence to the CoC ensures that our members can effectively contribute in our journey to deliver sustainable shareholder value.

As an annual process this year too we had 100% of our member refresh their knowledge on Code of Conduct through an online certification course by iLearn. All our members successfully achieved the honor by passing through a rigorous online test.

In the last quarter of FY'17, we adopted the MBL CoC which is a customized version of the Group CoC to incorporate and adhere only legal and regulatory provisions specific to Bangladesh. The underlying philosophy of this code is to conduct the business in an ethical manner as well as create a work environment that is conducive to members and associates alike, based on our values and beliefs.

iLearn:



An e-learning portal allows our members to engage in capability development through constructive learning and guidance from interactive online courses. Our goal is to build a talented workforce – filled with exceptional members – who can drive our mission of "making a difference". Towards this goal, we strive to create an enabling, inclusive corporate culture that can foster the talent, creativity and entrepreneurial spirits of our members – which, in turn, is key to delivering our business results.

Business Outlook

We have come back to constant currency growth in Q4 FY17 and are determined to continue the momentum in FY18. The inflation led growth will further add to the volume growth momentum demonstrated in last two quarters. The medium term macro prospects are promising. We have taken a proactive position towards capturing the long-term potential of the FMCG sector of Bangladesh. Marico believes that Bangladesh is a core market and is keen on "Investing to Grow". The Company will continue to drive growth with brand restages, new product launches and capability building initiatives. The Company is leveraging its strong distribution network and learnings from the India market to quickly scale up its new product introductions in Bangladesh. The non-Coconut oil portfolio is likely to become 30~40% over next 2-3 years from the current share of ~ 23%. Overall, in the near term, the Company is confident of delivering a double-digit constant currency growth.



Naveen Pandey
Managing Director
Marico Bangladesh Limited

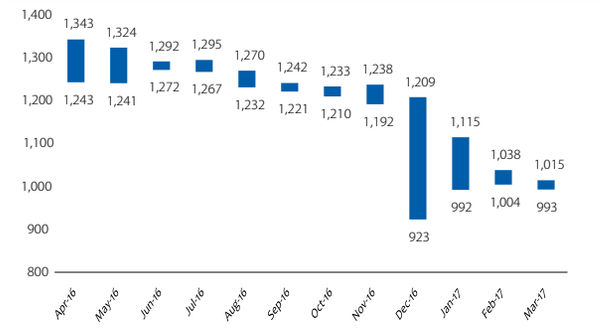
AMARSTOCK

OUR SHARE

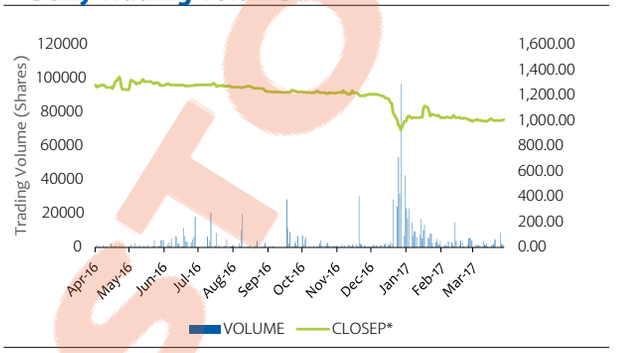
Marico's Scrip performance

Marico's stock price saw a dip in December 2016 and continued to remain at a low level during the last quarter of the year. The decline in stock prices has been driven by institutional sell-offs which has resulted in creation of reasonable buying opportunity in the near term. From the business perspective, we remain robust and focused in our transformational journey to grow and win. During FY'17, our shareholders continued to attain healthy quarterly dividends. Total dividends have amounted to 500% this year surpassing that of the last year by 50%.

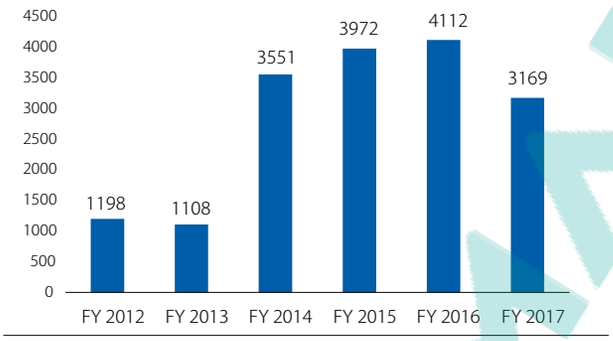
High Low Share Prices per month (BDT)



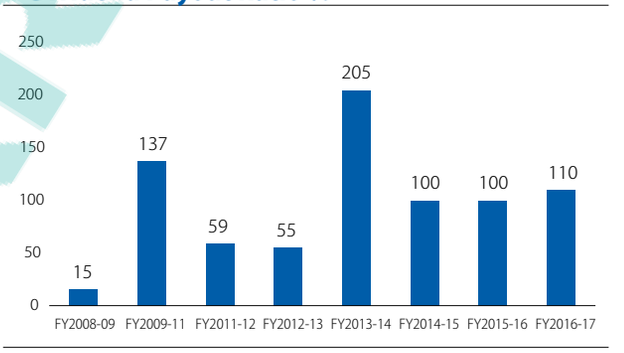
Daily Trading Volume



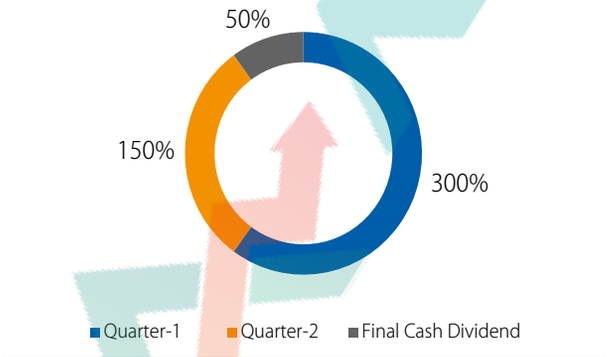
Market Capitalization at Year-End (BDT Crore)



Dividend Payout Ratio %



Dividends for the Year



MBL Share: Brief Overview

Number of Shares Outstanding	31,500,000
Free Float	10%
Initial Public Offering	August 9, 2009
Stock Exchange	Dhaka Stock Exchange, Chittagong Stock Exchange
Stock Registration Number (ISIN)	BD0481MRICO6
Stock Symbol	MARICO

Healthy Dividend Disbursements

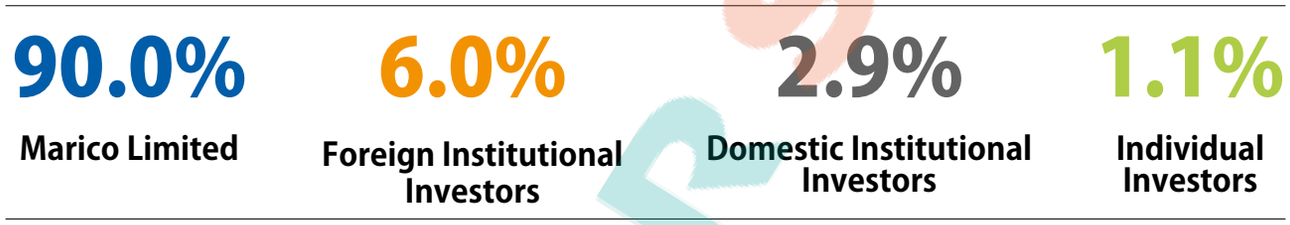
Following Q1 and Q2's earnings disclosure, our Board of Directors declared 300% and 150% cash dividends respectively – all of which have been subsequently paid and following the disclosure of Q4 earnings, the Board has announced a final cash dividend of 50% which if approved, will take the total cash dividend tally to 500% for the year.

Share Ratios

		FY'17	FY' 16	FY' 15	FY' 14	FY' 13
Basic Earnings per Share	BDT	45.72	44.89	42.69	43.99	27.53
Cash Generated from Operating Activities per Share	BDT	60	68	13	86	62
Year-End Price	BDT	1006	1305.4	1431.7	1127.3	351.7
Year High	BDT	1364	1770	1480	1229.9	439.8
Year Low	BDT	899	1132.1	931.3	299.0	350.5
Dividend per Share	BDT	50	45	42.5	90	15
Dividend Payout Ratio	%	110	100	100	205	55
Dividend Yield	%	5	3	3	8	4
Shareholders' Equity per Share	BDT	50.16	54	54.35	54.16	100.18
Price-Earnings Ratio at Year-End		22.00	29.08	33.54	25.62	12.78
Average Trading Volume per Trading Day	shares	4167	1808	3382	9985	3070
Year-End Market Capitalization	BDT crores	3169	4112	4510	3551	1108

Shareholding Structure

(as on March 31, 2017)



Our share register as at March 31, 2017, shows that Marico Bangladesh Limited has 3077 shareholders. Our parent company, Marico Limited (India), owns 90% of our shares while the rest 10% are owned by public and institutional investors. For greater transparency, the distribution of the latter 10% is shown as per the above illustration.

Other Shareholder Disclosures

Investor Relations

Extensive information about our financial results, our business outlook and our share is provided on our corporate website at: www.marico.com/Bangladesh/investors. Moreover, in order to provide regular updates on the latest developments surrounding our business and share, we also offer our shareholders and the investor community the opportunity to subscribe to our Analyst Note. Please drop an email at info@marico.com if you wish to subscribe to regular email alerts from our Investor Relations team.

Redressal of Investor Complaint:

Our Investor Relations team places high priority towards investor queries and complaints. We take every step possible to promote transparency and resolve issues and grievances of our investors. General queries of shareholders are related to Non-receipt of dividends and how and when the dividends are likely to reach the shareholders. For queries such as this or other relevant queries, here is how the Redressal of Investor Complaints takes place.

Investors are encouraged to address their queries via e-mail:

info@marico.com

Investor Relations team acknowledges the complaint and contacts the investors to confirm their identity:

-Shareholder's BOID
-Shareholder's Name

Investor Relations team after confirming the Shareholder's identity addresses their queries and provides necessary information required.

Investors can also register their complaints and queries through an application addressed to The Company Secretary. We are prompt at providing solution to investors with High Importance.

Value Added Statement

	2017 Taka	%	2016 Taka	%
Value added				
Turnover	6,916,109,929		7,065,895,334	
Less: Bought in Materials & Services	(3,564,232,105)		(4,086,735,098)	
	3,351,877,824		2,979,160,236	
Indirect tax	793,000,000		746,000,000	
Other Income/(expense)	(8,771,723)		2,468,764	
Net finance income	68,516,585		114,518,588	
Available for distribution	4,204,622,686	100	3,842,147,588	100
Distributions				
Employees	483,238,386	11	411,829,986	11
Government	1,945,667,365	46	1,802,387,735	47
Shareholders*	1,575,000,000	37	1,417,500,000	37
Value reinvested and retained				
Depreciation and amortization	200,716,935	5	210,429,867	5
Retained profits		0		0
	4,204,622,686	100	3,842,147,588	100

** Distribution in 2017 was BDT 1,575,000,000 out of which BDT 1,447,701,062 was from the wealth created during 2017.*

** Distribution in 2016 was BDT 1,417,500,000 out of which BDT 1,414,050,307 was from the wealth created during 2016. The rest of the distribution was from wealth accumulated in earlier years.*

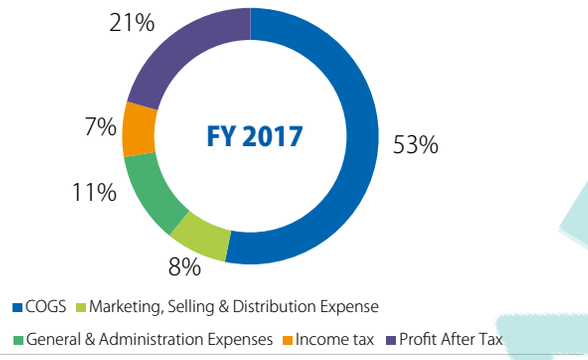
Economic Value Added Statement 2016-2017

	2017 Taka	2016 Taka
Net Operating Profit After Tax (NOPAT)	1,371,675,486	1,299,531,719
Total Capital Employed	1,413,276,545	1,228,196,369
Weighted average cost of Capital (WACC) in %	11.18%	10.10%
Weighted average cost of Capital (WACC)	158,048,458	124,047,833
EVA = NOPAT-WACC	1,213,627,028	1,175,483,886

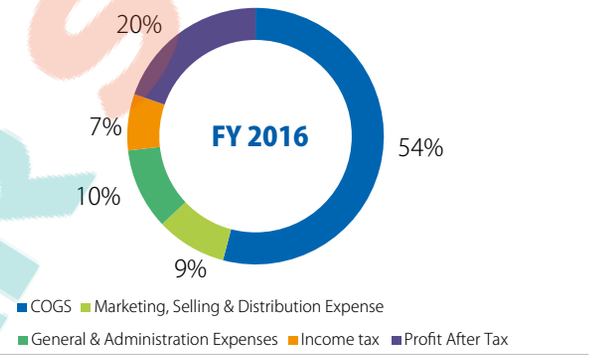
Vertical Analysis of Income Statement

Details	2017	2016
Sales Revenue	99%	98%
Net Finance Income & Other Income	1%	2%
	100%	**100%**
COGS	53%	54%
Marketing, Selling & Distribution Expense	8%	9%
General & Administration Expenses	11%	10%
Income tax	7%	7%
Profit After Tax	21%	20%
	100%	**100%**

Vertical Analysis of Income Statement



Vertical Analysis of Income Statement



Vertical Analysis of Balance Sheet

Details	2017	2016
Non-Current Assets	19%	22%
Current Assets	81%	78%
Total Assets	100%	100%
Total Equity	42%	49%
Non-Current Liabilities	1%	1%
Current Liabilities	57%	50%
	100%	100%

CORPORATE CULTURE

Women's Day





In an effort to celebrate the occasion and the contribution of women in MBL, the female members were surprised with gifts and a session was conducted with all MBL members to acknowledge the monumental "Women's day". The session put further light on the important roles that women play in our society. On the 'Women's Day', the female members of Marico were exposed to and interacted with the Women Leaders and got to learn from their experiences. The speakers shared their experiences and how they went about breaking the glass ceiling of the corporate world. This is a part of the Leadership Series that got initiated wherein various corporate leaders are invited to share their experiences and learnings with the Mariconians. Members from other organizations are also invited to be a part of the Leadership Series.

Organizational Communication Event



The annual "Organization Communications" is a signature event where Senior Management Team provides an update to the members on the performance of last year and the vision/plans for the years ahead. We rely on a top-down, bottom-up management approach to foster transparency and openness across all layers of the organization and the event is a reflection of this ideology.

Sales & Marketing Conferences

The annual Sales & Marketing Conference is arranged to reflect on our performance of the previous year, discuss our critical experiences and lessons, and then map our objectives and expectations for the year ahead. This year we also organized the Quarterly Sales Meets with the objective of continuously assessing the progress of the Company. These events are a blissful amalgamation of work, leisure and engagement for all the members.





Family Day 2017





We organized a full-day picnic style Family Day for all members of Marico Bangladesh and their family. It was organized at the Fantasy Kingdom with the members and the family members enjoying all the rides and the full day at the venue. The lucky draw, like all the earlier years, was a huge hit with all the members.

Table Tennis and Badminton





A Table Tennis room was created in office for the members for them to relax and de-stress themselves. Many members have taken to the game and has become a hang out zone for the members of the Marico. Also a Badminton competition was organized for the Marico members during the winter season.

Team Building Activities



We organized a full-day picnic style Family Day for all members of Marico Bangladesh and their family. It was organized at the Fantasy Kingdom with the members and the family members enjoying all the rides and the full day at the venue. The lucky draw, like all the earlier years, was a huge hit with all the members.

Facebook at Work

'Facebook at work' was launched at Marico Bangladesh for the members to engage and interact via the social media platform of "Workplace".

Pohela Boishak





Pohela Boishak, the Bangla New Year is celebrated with tradition and the office is decorated for the occasion. The entire office will have lunch together on that day

Values Week & Engagement Activities



Each year "Values Week" is organized to recognize, practice and celebrate our organization's fundamental values. This year Values Week was structured to ensure that members not only learn about the values but also exhibit what they learned through entertaining activities. A week long set of cross-functional team activities such as, Values Treasure Hunt, Values Cross-word Puzzle Competition, Value based Role play and Value-based Work-station re-imaging Contest were arranged. Through this event, members also got the opportunity to appreciate their peers for their efforts, a fact that is aligned with our broader organizational values.

MBL Cycling Club



The club has been formed by a group of zealous Marico members. The aim of the club has been to encourage members to be physically active through participation in biking group expeditions. The regular members routinely go to bike in groups on weekends and even weekday mornings. The passionate group aims to cover exotic Bangladeshi trails on their bikes.

MBL Leadership Series



MBL LEADERSHIP SERIES is a platform for mentoring, networking and promotion of dialogue within the talent pool of the industry. The idea is to expose our talent to leadership behaviour not just within their own organizations but outside the organization as well and also to leverage the same for gaining valuable insights & perspectives across industries and professions.

Excellence In Operations

MBL Factories









Inauguration of Refinery Unit



On a vision of becoming fully Independent in Terms of Coconut Oil Crushing, Refining & Filling, the in-house Refinery project kicked off in Feb'16. After In a stretch timeline of 8 months of hard work, the project came to fruition with the Inauguration in December 2016.

Certification



MBEM (Marico Business excellence Model) is a nrigorous Internal Certification System governed by Central Quality Assurance to ensure a uniform standard of quality excellence across all business units in the Marico Group. Purpose of incorporating MBEM in Marico Bangladesh is to be on the same platform in terms of the quality journey. MBEM focuses on quality from a business perspective for "consumer satisfaction". It also incorporates all International standards and quality systems like ISO 14000; OHSAS 18001; ISO 22000; RBNQA etc. MBL plants achieved outstanding performance in the MBEM assessment in March 17 with above outstanding performance.



MBEM OHSAS ISO BSTI MMEM

Body Lotion Localization



As part of the journey of transformation and enhancing manufacturing excellence and supply assurance, MBL supply chain has implemented the localization Parachute Advansed Body Lotion to support the skin care segment of the portfolio. The localization initiatives will result in increasing the profitability of the brand while ensuring best-in-class quality.

Depot Network Optimization



To bring in efficiency in distribution while maintaining the optimum level of responsiveness in supply assurance MBL has carried out the distribution network analysis from depot location to distributors. This exercise has helped in reducing the no of depot to 4 from 5 thereby unlocking efficiencies in distribution

Capacity Enhancement



Demand has gradually increased for the VAHO category over the last few years. Moreover, for facilitating 6 brands with multiple SKUs, at a time, required capacity enhancement in line with our responsiveness to market opportunities. Thus we went ahead with installing New Lines and capacity enhancement through importing customized equipment from Paonta and Dehradun, of India.

Lean Manufacturing through "Act Now"!

"ACT NOW" – conceptualized to incorporate prominent lean manufacturing tools and align best practices was implemented throughout the manufacturing landscape at MBL. Act Now! Marico OE (Operation Excellence) DNA is an original Marico model to implement Lean Sigma for smoothly running continuous improvement and efficiencies across all plants of Marico.



The Main objectives of Act Now! are

- **Control Process -** Stable & Capable Process.
- **Alter Behaviors -** Balance of focus on People, Process & Results rather than just focus on results.
- **Delete Waste -** Cost Optimization.

Last year around 68 improvements (Kaizen) and 188 one point lessons (OPL) were made across the factories.

Marico Safety - "Safety starts with you"

Everyday we accomplish a lot of things at our workplaces, lots of little success stories that make our day fruitful and yet none so precious as the safe return home. Ensuring a Safe Workplace is a prime concern at MBL Plants. As a continuation of the journey towards complete Safety, MBL Shirirchala Plant initiated "Safe Man Days Counting" to indicate the number of days passed without any major accident. From May 2016 to till date MBL Shirirchala Plant achieved 400 Safe Man Days.









As a part of our Safety Practices, Certified First Aider from TCFF conducted a training to a larger group of MBL Plant and Corporate Members. This learning supplemented our ongoing efforts towards safety with the belief that "Safety Starts With Me"

7th Marico Quality Week

Marico is committed in maintaining supreme quality which underlies our main brand Parachute as the No.1 Coconut Oil Brand. To keep the quality standards up to mark Marico celebrates Quality Week- a week dedicated for quality consciousness which boost each and every one working in Marico to raise the flag of quality even higher as it is maintaining as market leader. Quality Week is designed with lots of engagement activities like riddles, quiz, poster making competition, defect stall, 5s campaign, quality display etc.









Ignite the Young Minds: Future Captains of Quality

Marico is not limited to building quality awareness inside organization. As part of its social responsibility, Marico also visits local schools to engage little school going children in raising awareness about basic safety and hygiene practice, Do and Don'ts of everyday work, road safety, drawing competition etc. which delivers the message to our new generation how to lead a quality life.











Industrial Attachment Program

Industrial attachment program is an open window of Marico which creates opportunity to freshly graduated youngsters to learn operational management in a practical field. It is a scope of learning which encourages fresh graduates to engage themselves in different projects and also enhances our brand value in the talent market. Every year lots of fresh graduates from BUET and many other famous educational institutions get their golden opportunity to work in Marico.



Industrial Attachment Program of 2 Chemical Eng. Students of BUET (started from 13.08.2016; Duration 2 Weeks)



Visit by Prof. Dr. Nafis Ahmad; Head of the Dept, IPE, BUET (on 23.08.2016)



Industrial Attachment Program of 3 IPE Students of BUET (started from 9.08.2016; Duration 3 Weeks)

Picnic, Team Building, Sports and so much more













Quality at the Heart of Marico



Marico Group's Chief Supply Chain Officer (CSCO) Mr. Jitendra Mahajan visited MBL Factories on Dec 2016.



Marico's Group CFO Mr. Vivek Karve visited MBL Factories in June 2016 . He had visited oil and copra storage, on going civil work of Refinery project and crushing operation. He also visited VAHO & PCNO production floor at filling unit along with newly build warehouse.



DEVELOPMENT IN SALES & WINNING THROUGH CONSUMERS

Channel Redefinition

We have applied shopper marketing and behavior insights to redefine our outlet channels which basically paved the way for building channel specific strategies across all our channels.

Amar Dokan







8k outlets were brought under this program to showcase MBL products with benchmark execution.

SET WET Zone





To capture the growing deo market in metro markets' cosmetics outlets we have created Set Wet Zone. The contribution of the program to segment growth will enable expansion to other markets.

Emerging Channels

The Company has begun exploring emerging channels including e-commerce and chemist channels both of which are projected to grow exponentially and in FY 16-17 we have been able to grow our volume in these channels by 77%

Strengthening Foundation of our GTM journey





With its high youth population & strong growth in "Middle & Affluent class", Bangladesh remains the land of future opportunities. Marico Bangladesh is the 3rd Biggest FMCG in Bangladesh having strong portfolio lead by Parachute. MBL with strong brand presence, has a strong reach and delivered strong business performance over the years. This year the Company identified new engines to fuel our growth ambitions and crafted a robust Go-To-Market Diagnosis incorporating Route-to-Market, Sales Capability, Partner Management, Revenue Management and Sales Automation. MBL also ensured the right resources by structuring a "Sales Transformation" team to ensure excellence in execution.







In this transformation journey there has already been outstanding results including 49% coverage increase in 4 towns, Wholesale Coverage Expansion by 2.5 times and reach in 9000+ outlets under direct service, improvement in billing per outlet and first cut of distributor consolidation. The Sales Transformation Team has drawn out a road map for next two years and the initial efforts have already added more than BDT 15 crores to the business.

Winning through consumers

Parachute Advansed Beliphool - Nandini

In FY'17, Parachute Advansed Beliphool conducted the on-ground activation Nandini to bring the brand closer to its consumers.

The activation was done with the objective to gain awareness and increase penetration through attaining more new triers. During the activation, benefits of Parachute Advansed Beliphool were communicated through an innovative & interactive campaign. The Nandini Activation was highly appraised by the participants and enhanced brand awareness by more than 20% in the target segments.









Parachute Advansed: "Ek Din Por Por" TVC

An attractive new thematic campaign, "Ek din por por" (every alternate day) was launched from late Q1. The objective of this communication was to drive consumption of Coconut Oil and build long term equity of the brand. Multiple steps were taken to ensure that the communication struck a chord with the consumers' heart. The communication development was based on key consumer and category insights which were collected from extensive market research. This campaign was launched across major cable channels with high number of TV spots. Resulting in significant improvement in key parameters like brand image and equity.





Awards


ICSB
Institute of Chartered Secretaries of Bangladesh
2015
Silver Award
ICSB
ICSB National Award 2015
Silver Award
ICMAB
ICMAB Best Corporate Award-2015
Certificate of Merit
To
Marico Bangladesh Limited
Sector: Multinational
PARACHUTE ADVANSED
BEST BRAND AWARD
Bangladesh
2016
Bangladesh BRAND FORUM



"Certificate of Merit" Award, Best Corporate, ICMAB



"Silver" Award, Excellence in Corporate Governance, ICSB

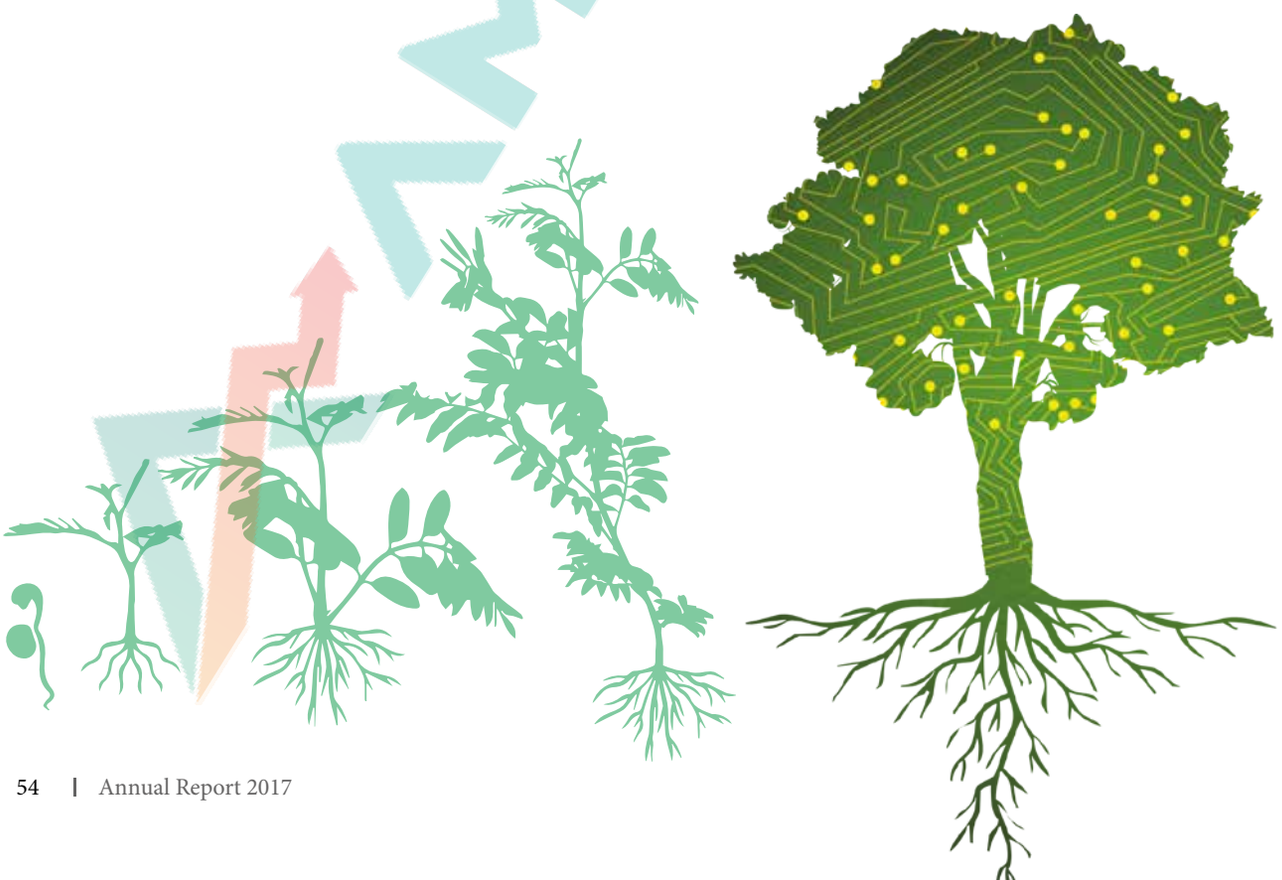


"Best Hair Oil Brand in Bangladesh" Award: Parachute Advansed; BBF

SUSTAINABLE ENVIRONMENTAL STEWARDSHIP

Marico has always believed in inclusive growth, growth that leaves a legacy of sustainable progress in terms of creating value for our stakeholders and even in the environmental ecosystem that surrounds our entire value chain. As such, we are always improving our products and processes to unlock efficiencies and reduce our environmental footprint (starting from product manufacturing to disposal). Our commitment to leadership in sustainability is reflected by our achievement of the ISO 14001:2004 and OHSAS 18001:2007 certifications from Bureau Veritas Bangladesh received by our Shirirchala factory. Our notable endeavors in the arena of environmental stewardship and sustainability include:

- Adopting resource-conserving production techniques to reduce consumption of resources (such as water) and production of wastes
- Developing new packaging designs to reduce consumption of plastic by our vendors
- Sustainable sourcing of our key raw materials, especially copra
- Optimizing our distribution network to reduce fuel consumption and subsequent greenhouse gas emissions by our transportation vehicles
- Creating safe working conditions in both our factories and those of our vendors
- Our Shirirchala unit is a zero discharge plant; purposely engineered in a manner that refrains us from emitting environmental degrading substances.
- Adoption of 100% LED lighting at our Shirirchala Unit, shining our journey towards a more sustainable manufacturing process
- Shift from the use of PET bottles instead of PVC for two of our major brands: Nihar Naturals and Parachute Beliphool progressing further on the road to environmental sustainability
- Marico Bangladesh heavily supports pro-green initiatives, apart from efficient processes encompassing our production methods, our entire plant is bordered by a significant area of greenery



CORPORATE SOCIAL RESPONSIBILITY

At Marico we believe that the power of business is in it's purpose, not it's profits. In furtherance of this belief as responsible corporate citizens of Bangladesh, contribution towards the society and making a positive impact to the communities around us is an integral part of our ethos and culture. Our activities in Corporate Social Responsibilities (CSR) have been aimed at making a lasting impact for the betterment of our society reflecting our philosophy to truly make a difference.

DAM-Marico CLC Project

We have continued our partnership with DAM (Dhaka Ahsania Mission) to bring the light of education to underprivileged communities. Through this partnership, we are providing free access to quality education to out-of-school children who unfortunately had to drop out of mainstream schooling due to life's hardships. This partnership has resulted in building and operating 75 Children Learning Centers, thereby providing education to 3,000+ out of school children in the Melandah Upazila of Jamalpur district, which has historically suffered from very low literacy rate.

Providing Non-formal primary education to

3100 +

Out-of-School Children

Designed to run by mobilizing the Community









Impact of DAM-Marico CLCs

The model is designed to have community inclusive participation to ensure that the community is able to serve the primary education needs of its children. The beneficiaries of this project are not just the 3100 plus children and their families but the entire related communities as well. The CLCs have 100% attendance. The

Approx. ~1% Proportion of PAT contributed towards the project

project doesn't just employ people from the communities as teachers but also imparts extensive training to the teachers as well. Parents in particular are more involved in education and sending their children to CLCs, the project has positive spillover effects due to increased awareness and ownership of parents in the community.









REPORT ON CORPORATE GOVERNANCE

This report on Corporate Governance portrays the Company's approach towards corporate governance, its functioningand how it measures against best practices. The Company's philosophy is aligned across the Group with the basic belief that a company which is proactively compliant with the law and which adds value to itself through the Corporate Governance initiatives would also command a higher value in the eyes of present and prospective shareholders. Marico therefore believes that Corporate Governance is not an end in itself but is a catalyst in the process towards maximization of shareholder value.

The Company aims to ensure high standards of Corporate Governance as this leads to an increase in effectiveness, reduction in risk and promotion of best corporate culture. Dedicated towards standing true to the highest level of integrity and exemplifying the highest standard of business conduct, good Corporate Governance is the underlying force for Marico Bangladesh Limited ("Marico Bangladesh"), driving sustainable and responsible management of the business with Transparency, Accountability and Compliance.

Shareholder value as an objective is embedded into all aspects of corporate governance. We believe that good corporate governance produces direct economic benefit to the organization. Our Corporate Governance is therefore a set of principles which ensures we are governed in the best interest of all the stakeholders.

Corporate Governance Framework

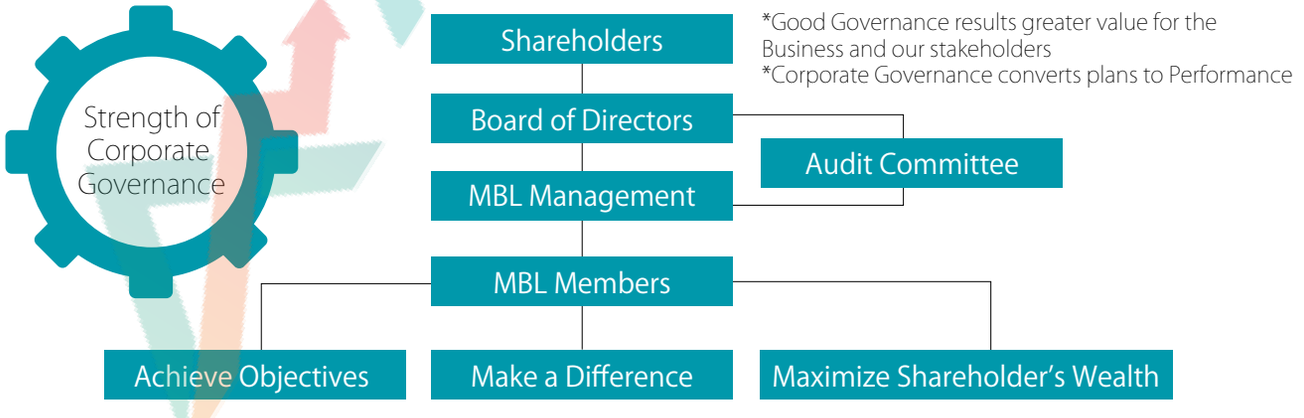
Corporate Governance framework provides a strong platform for evaluating how management's responsibilities fit with the Board's oversight responsibilities. The parties having critical roles in the overall governance programs and contributing to the process of Corporate Governance are:

- The Board of directors: responsible for oversight and directions;
- Executive management: responsible for driving governance and risk management practices
- The business units and supporting functions: where the risk activities occur and ownership lies.

Marico Bangladesh's Comprehensive Corporate Governance framework is based upon the following principles:

- Vision to create long term value
- Pursing best business practices and promoting highest Ethical standards & values
- Enhancing Corporate Culture
- Ensuring Disclosure and Transparency
- Effective Risk Management
- Effective leadership from the Board of Directors
- Adherence to Marico's Policies and Guideline
- Adherence to Legal & Statutory requirements:
- Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Notification
- The Companies Act 1994 and other applicable regulations of Bangladesh
- Dhaka and Chittagong Stock Exchanges Listing Regulations
- Laws of the land

Structure of Marico Bangladesh's Corporate Governance:



Board Composition

Marico's philosophy to have constructive separation of the Management of the Company from its Owners manifests itself in the composition of the Board of Directors which comprises 7 (seven) directors in the following classes:

-3 Independent Directors,

-3 Non-Executive Nominee Directors and

-1 professional being the Managing Director

The Board selects its members and leaders via an inclusive and thoughtful process, aligned with Company strategy. The Board has in-depth knowledge, skills and vast experience in the corporate arena. The Independent Directors ensure protection of interests of all shareholders of the Company. The Director's Report along with their profiles have been enclosed with the Annual Report.

Responsibilities of the Board

The Board establishes structures and processes to fulfill Board responsibilities that consider the interests of investors, regulators and management, among others. The major responsibilities of the Board are as follows:

- Oversee Management and Set Goals and Direction
- Evaluate Strategy and Review Management Performance
- Review Management Succession Planning
- Monitor and Manage Potential Conflicts of Interest
- Ensure the Integrity of Financial Information
- Monitor the Effectiveness of Board Governance Practices
- Ensure compliance to laws and regulations
- Ensure Adherence to Company Polices and Guidelines
- Perform Risk Assessment and Ensure integrity of Company's Financial Reporting

Committee(s)

The Board has also constituted a Committee and has delegated responsibilities to the Audit Committee to assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and implement transparency with its monitoring system. The Audit Committee is a sub-committee of the Board of Directors having its duties and responsibilities clearly defined by the Board. The Committee therefore strictly adheres to a set of terms of reference approved by the Board.

Board Audit Committee

The Board has constituted an Audit Committee for the Company according to the conditions of the BSEC guidelines. The Committee comprises three Non-Executive Independent Directors and two Non-Executive Nominee Directors and one Executive Director. The Board has appointed an Independent Director as Chairman of the Committee in accordance with the BSEC Guidelines. All members of the Audit Committee are 'financially literate' as per regulatory requirement and are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. The Chief Financial Officer, Internal Auditors of the Company and representatives of the external auditors attend all the meetings upon invitation by the Audit Committee. The key responsibilities of the Audit Committee are elaborated in the Audit Committee Report which forms part of the Annual Report. Additionally the Committee also ensures adherence to the Secretarial Standards issued by the Institute of Chartered Secretaries Bangladesh.

The Company Secretary acts as the Secretary to the committee, drives corporate compliance and ensures effective functioning of the Board by organizing and attending all Board and Committee meetings.

Marico Bangladesh Management Team

The top management plays a significant role in managing the business as per the norms of corporate governance and ensures that adequate internal controls are in place and supported through a strong internal control framework. The implementation of the Board's plans, responsibilities and duties is carried out by the management team lead by the Managing Director. The management team comprises of:

Managing Director

Chief Financial Officer

Director- Human Resources

Director- Supply Chain

Director- Operations

Director- Marketing

Director- Sales

Head-Legal & Company Secretary

The management team reports to the Board and has the responsibility of implementing the policies and decisions of the Board, overseeing the operations as well as developing, coordinating and implementing business and corporate strategies.

Internal Audit

Marico Bangladesh's internal audit function has the responsibility for independently assessing the adequacy and effectiveness of:

- the internal control over financial reporting based on the framework and criteria established in internal control-integrated framework and
- management of significant risk areas.

A Management's Report on Internal Control over Financial Reporting has been attached in Annexure-II of Corporate Governance Report.

Board and Committee Meetings

The composition & meeting of the Board and Committees are stated in the Director's Report and Audit Committee Report respectively.

Our Corporate Responsibility Principles

- Commitment to conduct business in an honest, ethical and lawful manner. - A Code of Conduct guides ethical decisions for all members of the Board which dictates our Ethical behavior and manifests our value system that promotes business transparency and builds shareholder trust.
- Commitment to protecting the health and safety of our members, the environment, and our communities.
- Commitment to providing a workplace where all employees can fulfill their potential based on merit and ability.
- Endeavors to conduct business in a fair and open manner, strictly adhering laws, regulations and rules that govern us.
- Support for sustainable development and commitment to constantly improve our operations to the benefit of our stockholders, employees, our customers and local communities.
- Create value for our stakeholders while continually improving our performance as a good corporate citizen with active engagement on CSR activities.
- Consideration of all aspects of an operation or new project – including social, environmental, and post-closure issues – when making our investment decisions.
- Intent to maximize employment, business and economic opportunities for local communities from our existing operations and new projects.

Commitments

Marico Bangladesh had started its operation in the country about 18 years ago, and within this time the Company has achieved significant milestones and established itself as strong entity in the Bangladeshi FMCG arena. The company has expanded remarkably in these years, especially with its flagship brand, Parachute. Over the years, the Company has successfully created a diversified portfolio by foraying into the Skin Care, Male Grooming and Food categories and with its Value Added Hair Oils (VAHO) category emerging as the next engine of growth. The priority areas for transformation and the strategic pillars have set out a robust roadmap for growth in this key market.

Since the Company's inception, it has grown in all facets and it is now poised to enter the next phase of growth. Over the years we have focused on strengthening all dimensions of the business and we are looking to grow even stronger, more compliant and more competent. The company's strength in corporate governance has resulted in Marico becoming a trustworthy business entity in the country. There is high degree of transparency in the Governance framework, fueled by the presence of Independent Directors. Almost half of the Board comprises Independent Directors who have deep involvement in ensuring integrity of Financial Information & Reporting and the necessary checks and balances between the Board and Management of the Company. The independent Directors provide an external and independent insight on the ways of work of the Company and provide guidance of utmost importance to the Company. We are committed and dedicated to further strengthening our corporate governance and to continually add value to all the stakeholders of the Company.

External/Statutory Auditors

M/s. Hoda Vasi Chowdhury & Co. is the statutory auditor and have no involvement with any other services of the Company.

Reporting and Compliance of Corporate Governance

The Company has obtained a Certificate from a Practicing Chartered Secretary, Al-Muqtadir Associates. A copy of the said Certificate has been included in this Annual Report.

Status of Compliance with Bangladesh Securities and Exchange Commission's Notification SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 is captured in the checklist appended to this Report.

On behalf of the Board,

sd/-

Naveen Pandey
Managing Director

ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

Annexure: I

Management's Report on Internal Control over Financial Reporting

The Company's Management is entrusted with the responsibility to establish and maintain adequate internal control over financial reporting of the Company. The Audit Committee of the Company has established a criteria and framework to evaluate the effectiveness of the Internal Control over Financial Reporting ("Integrated Framework"). The Management in consultation with the Chief Financial Officer and Head of Internal Audit had conducted an evaluation as per the Integrated Framework and concluded that the internal control over financial reporting was effective as of March 31, 2017. M/S. Hoda Vasi Chowdhury & Co., Chartered Accountants, the Statutory Auditors of the Company enlisted with the Institute of Chartered Accountants of Bangladesh (ICAB), has issued an audit report on the financial statements of the Company.

Sd/-
Mohammed Ismail
Head of Internal Audit

Annexure: II

General Body Meetings: Annual General Meetings

Year	Venue	Date	Time
2009-10	Mouchak, Kaliakoir, Gazipur, Company's Factory Premises	January 19, 2010	11:00 AM
2010-11	Army Golf Club Airport Road, Dhaka	June 6, 2011	11:00 AM
2011-12	Army Golf Club Airport Road, Dhaka	July 19, 2012	11:00 AM
2012-13	Radisson Blu Airport Road, Dhaka	August 19, 2013	10.30 AM
2013-14	Radisson Blu Airport Road, Dhaka	August 19, 2014	10.00 AM
2014-15	Radisson Blu Airport Road, Dhaka	August 13, 2015	10.00 AM
2015-16	Radisson Blu Airport Road, Dhaka	October 18, 2016	09.30 AM

Annexure: III

Means of Communication

Quarterly, Half-Yearly and Annual Financial Results of Marico Bangladesh Limited and other price sensitive information are published in two daily news papers-in English and Bengali and in one online news paper as per the Directive of the Bangladesh Securities and Exchange Commission. The Company on a quarterly basis circulates analyst notes to investors and to the stock exchanges. The financial results and price sensitive information are communicated by the Company through its corporate website - **www.marico.com/bangladesh.** The Management Discussion and Analysis forms part of the Annual Report.

AUDIT COMMITTEE REPORT

The Audit Committee is a sub-committee of the Board which is appointed by and responsible to the Board of Directors of Marico Bangladesh Limited to fulfill its oversight responsibilities mandated by law and governance best practices. The Audit committee was formed in compliance with Bangladesh Securities and Exchange Commission (BSEC) notification on Corporate Governance. The Audit committee plays a critical role in enhancing audit quality, building confidence in the integrity of financial reporting and creating an environment that promotes transparency. The Committee's primary purpose is to provide independent oversight of the company's financial reporting, non-financial corporate disclosures, internal control systems and compliance to governing rules and laws etc. It assists management in identifying, prioritizing and designing stronger procedures and controls in the various business areas and through observations, steps are undertaken to alleviate risks and ensure better controls.

Composition and Meetings

The Committee presently comprises of six (6) members, of whom five (5) are non-executive directors. The Chairman of the Committee is appointed by the Board of Directors and is a non-executive independent director. The Company Secretary functions as the Secretary of the Committee. Meetings of the Committee are attended by the Chief Financial Officer, Head of Internal Audit and the External Auditors on invitation. All members of the Committee are financially literate and able to interpret financial statements and assess the adequacy of the internal control processes.

Names	Representation in the Board	Representation in the Audit Committee	Number of Board Meetings	
			Held	Attended
Mr Masud Khan	Independent Director	Chairman	6	6
Ms. Rokia Afzal Rahman	Independent Director	Member		3
Mr. Vivek Karve	Nominee Director	Member		6
Mr. Aditya Shome	Managing Director	Member till 31st August, 2016		1
Mr. Sanjay Mishra	Nominee Director	Member		4
Mr. Ashraful Hadi	Independent Director	Member from 18th October, 2016		3
Naveen Pandey	Managing Director	Member from 18th October, 2016		3

*Mr. Ashraful Hadi and Mr. Naveen Pandey were inducted as Members of the Audit Committee on October 18, 2016

Responsibilities and Duties

Financial Reporting

- To review the quarterly, half-yearly and annual financial statements of the Company along with management representatives, focusing particularly on any significant changes to accounting policies and practices before submission to the Board for approval.

Related Party Transactions

- To review any related party transactions and conflict of interest situations that may arise within the Company.

Audit Reports

- To prepare the annual Audit Committee report and submit to the Board which includes summary of its activities and review the Board's statements on compliance with the BSEC Codes of Corporate Governance for inclusion in the Annual Report.
- To review the internal Audit Committee Charter and make necessary revisions for the year. The committee should determine that all responsibilities outlined in the charter have been carried out. In addition, the charter is reviewed, and proposed updates presented to the Board for approval. As adherence to best

practices, evaluation of committee activities is carried out which is a key tool in achieving and maintaining a high degree of effectiveness.

Internal Control

- To evaluate whether management is adhering to the appropriate compliance culture by communicating the importance of internal control and risk management to ensure that all members have clear understanding of their respective roles and responsibilities.
- To consider whether internal control strategies recommended by internal and external auditors have been implemented timely by the management thereby ensuring that the system of internal control is soundly embedded, effectively administered and regularly monitored.
- To recommend to the Board steps to improve the system of internal control derived by the Committee from the findings of the internal and external auditors.
- Review the arrangements made by the management for developing and maintaining a suitable and robust Management Information System (MIS).

Internal Audit

- Monitor/evaluate whether internal audit functions are conducted independently from the management and ensure that Internal Auditors have open access to all activities, records, property and personnel necessary to perform its duties.
- Review and assess the annual internal audit plan and evaluate its consistency with the Risk Management Framework used.
- Review that findings and recommendations made by the Internal Auditors for removing the irregularities and ensure that appropriate action is being taken.
- Recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified and raise/ensure special audit where necessary.
- Review the efficiency and effectiveness of internal audit function. Evaluate status reports from the Internal Audit and ensure that appropriate tracking is maintained on the action points agreed upon in order to implement the audit recommendations.

External Audit

- Appraise the external auditor's audit plan, nature and scope of the audit plan, audit report and evaluation of internal controls.
- Oversee the relationship with the external auditors including:
  - Approval of their remuneration, i.e. fees for audit or non-audit services.
  - Assessing their independence and objectivity taking into account relevant professional and regulatory requirements and assisting them in preserving their independence.
  - Consider and make recommendations to the Board, to be put to Shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the external auditors.
- Review the external auditor's Statement on Risk Management and Internal Control of the Company for inclusion in the Annual Report;
- Review the external auditor's findings and recommendations arising from audits, in order to ensure that appropriate action is being taken.

Major activities during the year:

In accordance with the "Audit Committee Charter", mainly governed by the BSEC notification on Corporate Governance and best practices of Parent company, the Audit Committee carried out its duties to work upon areas that were raised for consideration and discussed to evaluate issues related to key events of annual financial reporting cycle.

During the year ended on 31st March, 2017, the Audit Committee carried out the following activities:

- Reviewed the quarterly, half yearly and annual financial statements of the Company, in light of the financial performance of the Company and the relevant announcements to the Securities & Exchange Commission, Stock Exchanges by the Board of Directors.
- Ensured that the preparation, presentation and submission of financial statements have been made in accordance with the prevailing laws, standards and regulations by assessing the external auditors report on all critical accounting policies, significant judgment and practices used by the company in producing the financial statements.
- Enhanced good practices in financial reporting and risk management and reviewed related party transactions for foreign remittance
- Reviewed the annual audit plans and effectiveness of the audit process and the Internal Audit reports which encompassed the audit issues, audit recommendations and Management's responses to these recommendations.
- Discussed with management about the improvement actions in the area of internal controls, systems and efficiency enhancements.
- Implemented tracking mechanism in the form of progress status to review the implementation of the recommendations and ensure all major areas

were covered thereby ensuring the establishment of adequate internal controls and compliance with laws and regulations.

- Reviewed the external auditors' findings of observation, areas of concern highlighted and the management's response thereto and ensured that the external auditors remain independent and that appropriate action is being taken on time.
- Appraised the performance of the external auditors and made recommendation to the Board on their appointment and fees.
- Adoption of Code of Conduct of the Company.
- Reviewed the Investments of the company i.e FDR, CAPEX etc. and revised Investment policy of the Company.
- Approved Tax Provision and Reversal Policy of the Company.
- Reviewed the status of the Business Transformation Projects for FY'17.
- Reviewed the contingent liability and litigation status of the Company and their assessments in line with IFRS and BFRS.
- Reviewed the exercise on Internal Financial Controls (IFC), the Risk Mapping and plan for improvement to mitigate risk by moving detective control to preventive and manual to automated control.
- Recommending re-appointment of Statutory Auditors and their fee.
- Reviewed other matters & incidents of significance as per Audit Committee Charter.

The committee is of the opinion that adequate controls, procedures and risk management are in place to provide reasonable assurance that the company's assets are safeguarded and that the financial position of the company is adequately managed.

The minutes of the Audit Committee meetings are placed subsequently to the Board for approval on regular basis which contains all issues along with various suggestions and recommendations to the Management and the Board.

On behalf of the Audit Committee,



Masud Khan
Chairman, Audit Committee

DIRECTORS' REPORT

A message to our Members

The Board of Directors ("Board") of Marico Bangladesh Limited ("MBL" or "your Company") is proud to present the 7th Annual Report after being listed on the stock exchanges for the financial year ending March 31, 2017 ('the year under review' or 'FY17').

As per the requirements of the compliance in section 184 of the Companies Act 1994, Stock Exchanges regulations and Bangladesh Securities & Exchange Commission Order No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012, your Company has been presenting directors' report. The key financial results and other developments which took place during the period April 1, 2016 to March 31, 2017 in Marico Bangladesh Limited's business in Bangladesh are discussed in this report.

Principal business activities of your Company

Manufacturing and marketing of Fast Moving Consumer Goods ('FMCG') continued to remain the prime business activities of Marico Bangladesh Limited. The Company is the manufacturer and marketer of renowned brands such as Parachute, Parachute Advansed Beliphool, Nihar Shanti Amla, Parachute Advansed Extra Care, Parachute Advansed Enriched Hair Oil, HairCode, HairCode Active, HairCode Keshkala, Parachute Advansed Body Lotion, Saffola Active, Saffola Masala Oats, Livon, Mediker Plus and Set Wet. Our portfolio of winning brands are well-placed to become prominent players in the market.

Expansion of your Company's Portfolio

During FY'16, Marico Bangladesh Limited diversified its portfolio even further with the soft launch of brands such as Saffola Masala Oats and Mediker Plus. MBL's introduction of these brands are in line with its philosophy of entering categories with a "Right to Win". While Mediker, which is an established brand in India, renowned for its main feature of providing an effective and painless way of lice removal, the relatively newer brand, Saffola Masala Oats too is a popular brand in India.

Results of operation

Financial Year Ended Mar 31, 2017 (FY'17)

in BDT crores (except per Share amounts)	FY'17	FY'16	FY'15	FY'14	FY'13
Turnover	692	707	735	637	612
Net Earnings	144	141	134	139	87
Net Earnings Per Share	45.72	44.89	42.69	43.99	27.53
Dividend Per Share	50	45	42.5	90	15
Operating Cash flow per Share	60.1	68.30	12.94	85.84	62.47
Return on Assets	38%	40%	38%	35%	19%
Return on Equity	91%	83%	79%	57%	30%

Management Discussion & Analysis

This Report contains a detailed Management Discussion and Analysis, which, inter alia, covers the following:

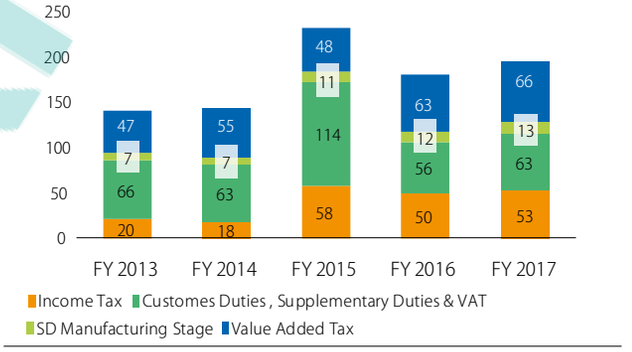
- Industry Performance
- Risks and Risk Management
- Internal Control Systems and their Adequacy
- Segment Performance
- Financial Performance
- Human Resources
- Business Outlook

In addition, a Review of Operations of your Company has been given in this report.

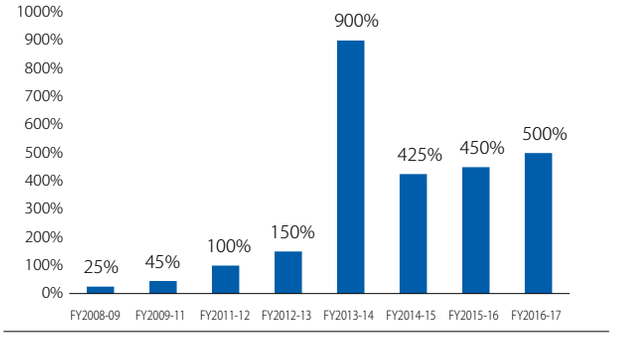
Contribution to National Exchequer

During the reporting period, your company paid BDT 195 Crores to the National Exchequer in the form of Corporate Income Tax, Customs Duties, Supplementary Duties and VAT.

Contribution to National Exchequer over the years



Dividend Disbursements



The upward trend reflects consistency in the company's Dividend disbursements over the years.

In FY'14, a 500% dividend was disbursed on the occasion of the completion of "Ek Jug" as we celebrated the 12th anniversary and the tremendous journey of our premier

brand, Parachute Coconut Oil with our esteemed Shareholders. The year ended with an overall dividend disbursement of 900%. In FY'15, Marico Bangladesh declared total dividend of 425%. In FY'16, the total declared dividend was 450%. In FY'17 the Company declared interim cash dividends amounting to 450% and recommended a final dividend of 50% at the 95th Board Meeting on April 24, 2017 totaling 500% cash dividend for FY'17.

Reserves

The total reserves of the company stood Tk. 140 crores, as share premium and retained earnings. The financial statements reflect the composition of the reserves.

Events subsequent to the Statement of Financial Position

For the year ended 31 March 2017, the Board of Directors recommended final cash dividend @ 50% per share at 95th Board meeting held on 24 April 2017. There are no other events identified after the statement of financial position date which might be material.

Related Party Transaction

The related parties in respect of your Company for the FY17 were Marico Limited, the parent company and Marico Middle East FZE, a wholly owned subsidiary of the parent company. Note 25 of the financial statements include, details of the transactions with the related parties.

Directors' Declaration as to Financial Statements

The Statement of the Directors' Responsibilities and Management's Report on Internal Control over Financial Reporting for financial statements are given on page 76 of this report.

Keeping both internal policies and regulatory framework in mind, MBL's Code of Conduct persists to incorporate higher standard of Governance practices and is always striving to enhance their current terms in accordance to the country's laws and regulations. As per Bangladesh Securities and Exchange Commission's Notification No-SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012, the Directors are pleased to confirm the following:

- The financial statements together with the notes thereof have been drawn up in conformity with the Companies Act 1994 and the Bangladesh Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards and Financial Reporting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- The systems of internal controls are sound and have been effectively implemented and monitored.
- There are no significant doubts about the Company's ability to continue as a going concern.
- The significant deviations from last year in operating results of the Company have been highlighted in the Report and reasons thereof have been explained.
- The Managing Director and CFO have certified to the Board that they have reviewed the financial statements of the Company and affirm that:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - These statements together present a true and fair value of the company's affairs and are in compliance with existing accounting standards and applicable laws.
  - There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Codes of Conduct.

A Certificate of Compliance required under SEC Guidelines, as provided by M/s. Al-Muqtadir Associates, Chartered Secretaries, is annexed to this report. Furthermore, the Report on Corporate Governance and it's compliance to the conditions of the Notification has been annexed within the Annual Report as per SEC Regulation.

Directors of the Company:

Board of Directors	Category
Mr. Saugata Gupta	Chairman- Nominee Director
Mr. Sanjay Mishra	Nominee Director
Mr. Vivek Karve	Nominee Director
Mr. Aditya Shome	Managing Director upto September 1, 2016
	Additional Director w.e.f July 25, 2016
Mr. Naveen Pandey	Managing Director w.e.f September 1,2016
Mr. Masud Khan	Independent Director
Mr. Rokia Afzal	Independent Director
Mr. Ashraful Hadi	Independent Director

Restructuring in the Board of Directors during the year:

I. Mr. Aditya Shome tendered his resignation as Managing Director w.e.f. September 1, 2016 (i.e., in Q2 Board meeting for FY'17) which was approved by the Board.

II. Mr. Naveen Pandey was appointed as Additional Director w.e.f. July 25, 2016 and as Managing Director w.e.f September 1, 2016, subject to confirmation by the members at the 16th Annual General Meeting (AGM) of the Company on October 18, 2016.

In the event of appointment and re-appointment of Directors, the Company has disclosed in the Profile of Directors, the following information to the shareholders:

- Brief resume of the director
- Nature of their expertise in specific functional areas
- Names of the companies in which the person also holds the directorship and membership of committees of the Board.

Directors' retirement and proposed for re-election

Mr. Vivek Karve was re-elected to the Board at the AGM held on October 18, 2016.

Mr. Saugata Gupta will be retiring this year and the Board has recommended for his re-appointment at the ensuing AGM of the Company on July 17, 2017.

Attendance of each Director at the Board meeting is appended in the Director's Report Annexure- III.

Remuneration to Directors

The remuneration, performance and related bonus of Executive Directors are reviewed and approved by the Board of the Parent Company. The Executive Director(s) and some senior employees of the Company are entitled to benefits under the long term share based cash incentive plan for the Marico Group. Independent Directors are paid attendance fees of Tk. 2,500 per meeting as sitting fees. The information of the remuneration paid to the Directors during the year are given in Notes-21 of the Financial Statements.

Shareholder Information & Substantial Shareholders

The distribution of shareholding and market value of shares are given on page 35.

Statutory Auditors

M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants and Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility for re-appointment. As per BSEC Notification, the Board has, on the basis of suggestion of the Audit Committee, recommends re-appointment of "M/S Hoda Vasi Chwodhury & Co." as the statutory Auditor for the financial year 2017 and to continue upto the conclusion of the next AGM at a revised fees of Tk. 11,00,000+ 5% of 11,00,000 for every Tk. 100 Crore (excluding VAT) as per new fees Schedule circulated by ICAB w.e.f. 1st Jan, 2016.

Acknowledgement

The Board takes this opportunity to express their heartfelt thanks to all stakeholders including MBL members, customers, consumers, banks and financial institutions, regulatory bodies, auditors, BSEC, DSE, CSE, CDBL, Business Associates and finally the shareholders - for their immense support and contribution towards the success of the Company.

On behalf of the Board

Sd/-

Naveen Pandey
Managing Director

ANNEXURES TO THE DIRECTOR'S REPORT

Annexure I

Status of compliance with the conditions by Bangladesh Securities and Exchange Commision (BSEC), Notifcation on Corporate Governance (Annexure - I)

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1	**BOARD OF DIRECTORS**			
1.1	Board's size: The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty):	√		The MBL Board is comprised of 7 Directors.
1.2	**Independent directors**			
1.2 (i)	At least one fifth (1/5)	√		There are three Independent Directors in the MBL Board: Mr. Masud Khan, Ms. Rokia Afzal Rahman & Mr. Barrister Ashraful Hadi
1.2 (ii) a)	Does not hold any or holds less than one percent (1%) shares	√		As declared by the Independent Directors
1.2 (ii) b)	Is not a sponsor of the company and not connected with any sponsor, director or shareholder who holds 1% or more shares	√		As declared by the Independent Directors
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		As declared by the Independent Directors
1.2 (ii) d)	Not a member, director or officer of any stock exchange	√		As declared by the Independent Directors
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	√		As declared by the Independent Directors
1.2 (ii) f)	Not a partner or executive or was not a partner or an executive during the preceding 3 years of any statutory audit firm	√		As declared by the Independent Directors
1.2 (ii) g)	Is not an independent director in more than 3 listed companies	√		"Mr Masud Khan is the Independent Director of: GlaxoSmithKline Bangladesh Limited, Berger Paints Bangladesh Limited & Marico Bangladesh Limited. Mr Rokia Afzal is the Independent Director of: Grameenphone Limited, Bangladesh Lamps Limited & Marico Bangladesh Limited. Mr. Barrister Ashraful Hadi is Independent Director of Marico Bangladesh Limited."
1.2 (ii) h)	Has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution	√		As declared by the Independent Directors

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.2 (ii) i)	Has not been convicted for a criminal offence involving moral turpitude	√		As declared by the Independent Directors
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM	√		Nominated and approved Mr. Masud Khan and Mrs. Rokia Afzal Rahman by the Board in the 84th BOD meeting on 23rd October, 2014. Approved by Shareholders in the 15th AGM dated August 13, 2015 and Nominated and approved Mr. Ashraful Hadi by the Board in the 91st BOD meeting on 25th April, 2016. Approved by Shareholders in the 16th AGM held on October 18, 2016
1.2 (iv)	The post cannot remain vacant for more than 90 (ninety) days	√		Not Applicable.
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		The Company has adopted the MBL Code of Conduct for all members in line with the Group Code of Conduct (CoC) which is applicable for the Directors as well.
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 term only	√		The Independent Directors (IDs) are in their first term of office.
1.3	Qualification of Independent Director (ID):			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		The qualification and background of IDs will be stated in the Board of Directors' Profile.
1.3 (ii)	The person should be a Business Leader/ Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	√		Board of Directors' Profile includes relevant details about ID.
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of Commission.	N/A		

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.4	Chairman of the Board and Chief Executive Officer: The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		Chairman of the Board is Mr. Saugata Gupta and CEO is Mr Naveen Pandey. The roles and responsibilities of the Chairman of the Board and the CEO are defined in the Articles of the Association of the Company.
1.5	**The Directors' Report to the Shareholders:**			
1.5 (i)	Industry outlook and possible future developments in the industry	√		Discussed in Management Discussion and Analysis
1.5 (ii)	Segment-wise or product-wise performance	√		Discussed in Management Discussion and Analysis
1.5 (iii)	Risks and concerns	√		Discussed in Management Discussion and Analysis
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		Discussed in Management Discussion and Analysis
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		Discussed in Management Discussion and Analysis
1.5 (vi)	Basis for related party transactions	√		Discussed in Management Discussion and Analysis
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	N/A		Discussed in Management Discussion and Analysis
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	N/A		Discussed in in the Director's Report
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.	√		Disclosed in the Director's Report
1.5 (x)	Remuneration to directors including independent directors	√		Disclosed in the Director's Report
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		Disclosed in the Director's Report
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		Disclosed in the Director's Report
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		Disclosed in the Director's Report

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		Disclosed in the Director's Report
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		Disclosed in the Director's Report
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		Disclosed in the Director's Report
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		Disclosed in the Director's Report
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		Disclosed in the Director's Report
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	N/A		The Company Declared Interim Cash Dividend of 450% and the Board recommended a 50% final cash dividend, Total 500% cash dividend for the year ended on 31st March,2017
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		Stated in Annexure of the Directors' report
1.5 (xxi)	The pattern of shareholding shall be reported to disclose aggregate number of shares (along with name wise details where stated below) held by:	√		Stated in Annexure of the Directors' report
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	N/A		The Company does not have any subsidiary Company
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		Disclosed in the Director's Report
1.5 (xxi) c)	Executives;	√		Disclosed in the Director's Report
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		Disclosed in the Director's Report

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Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.5 (xxii)	**In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-**			
1.5 (xxii) a)	a brief resume of the director √	√		Stated in the Profile of the Board
1.5 (xxii) b)	nature of his/her expertise in specific functional areas	√		Stated in the Profile of the Board
1.5 (xxii) c)	names of companies in which the person also holds the directorship and the membership of committees of the board	√		Stated in the Profile of the Board
2	**CHIEF FINANCIAL OFFICER, HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY :**			
2.1	Appointment: The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		The CFO of the Company is Mohammad Iqbal Chowdhury; Company Secretary of the company is Ms. Christabel Randolph and Head of Internal Audit of the Company is Mr. Mohammed Ismail . The Board of Directors defined respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.
2.2	**Requirement to attend the Board Meetings:**			
	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		In Practice
3	**AUDIT COMMITTEE:**			
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		There is an Audit Committee
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		In Practice
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		Audit Committee Charter is approved by the Board.
3.1	**Constitution of the Audit Committee**			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		The Audit Committee is comprised of 6 (Six) members.

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		Members of the Audit Committee are appointed by the Board of Directors and 3 (three) Indepening Director's are included in the Audit Committee.
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience. Explanation: The term "financially literate" means the ability to read and understand the financial statements like Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if he/ she possesses professional qualification or Accounting/ Finance graduate with at least 12 years of corporate management/professional experiences.	√		All the existing members of the Audit Committee are 'financially literate' as declared by them and them and have 'related financial management experience' as per BSEC notification.
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	√		There were no such situations during FY 2016-17
3.1(v)	The company secretary shall act as the secretary of the Committee.	√		In Practice
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		In Practice
3.2	**Chairman of the Audit Committee**			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be the Chairman of the Audit Committee, who shall be an independent director.	√		Mr. Masud Khan has been appointed as the Chairman of the Audit Committee who is an Independent Director.
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		In Practice
3.3	Role of Audit Committee: Role of audit committee shall include the following:-			

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
3.3(i)	Oversee the financial reporting process.	√		In practice
3.3(ii)	Monitor choice of accounting policies and principles.	√		In practice
3.3(iii)	Monitor Internal Control Risk management process.	√		In practice
3.3(iv)	Oversee hiring and performance of external auditors.	√		In practice
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		In practice
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		In practice
3.3(vii)	Review the adequacy of internal audit function.	√		In practice
3.3(viii)	Review statement of significant related party transactions submitted by the management.	√		In practice
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		In practice
3.3(x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/ Rights Issue, the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	N/A		No money was raised through IPO, RPO, Rights Issue during the year.
3.4	**Reporting of the Audit Committee**			
3.4.1	**Reporting to the Board of Directors**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		Audit Committee informs the Board periodically through its minutes which are placed at Board Meetings.
3.4.1(ii)	**The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:**			
3.4.1(ii) a)	Report on conflicts of interests	N/A		There was no reportable case of conflict of interest.
3.4.1(ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	N/A		No such situation arose during the year.
3.4.1(ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations	N/A		No such situation arose during the year.

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
3.4.1(ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	N/A		No such situation arose during the year.
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	N/A		No such incidents took place during the year
3.5	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		The Audit Committee report is disclosed in the Annual Report and signed by the Chairman of the AC.
4	**EXTERNAL/STATUTORY AUDITORS:** The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-			
4 (i)	Appraisal or valuation services or fairness opinions.	√		As declared by the Auditor
4 (ii)	Financial information systems design and implementation.	√		As declared by the Auditor
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	√		As declared by the Auditor
4 (iv)	Broker-dealer services.	√		As declared by the Auditor
4 (v)	Actuarial services.	√		As declared by the Auditor
4 (vi)	Internal audit services.	√		As declared by the Auditor
4 (vii)	Any other service that the Audit Committee determines.	√		As declared by the Auditor
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		As declared by the Auditor
5	**SUBSIDIARY COMPANY:**			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	N/A		Marico Bangladesh Limited does not have any subsidiary Company.

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	N/A		Marico Bangladesh Limited does not have any subsidiary Company.
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	N/A		Marico Bangladesh Limited does not have any subsidiary Company.
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	N/A		Marico Bangladesh Limited does not have any subsidiary Company.
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		Marico Bangladesh Limited does not have any subsidiary Company.
6	**DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):**			
6 (i)	The CEO and CFO shall certify to the Board that:-They have reviewed financial statements for the year and that to the best of their knowledge and belief:			
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		As declared by the CEO and CFO of the company
6 (i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		As declared by the CEO and CFO of the company
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		As declared by the CEO and CFO of the company
7	**REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/ Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		Required Certification has been obtained from M/S Al-Muqtadir and Associates
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		Status of Compliance is published with the Directors' Report as required.

Annexure:II

Directors' Responsibilities for Financial Statements

The directors of the company are responsible for the integrity and accuracy of the financial statements. The board believes that the financial statements for the year ended on March 31, 2017 have been prepared in conformity with Bangladesh Accounting Standard (BAS), BFRS/IFRS, Companies Act, 1994, BSEC guidelines, Stock Exchanges Listing Regulations appropriate in the circumstances. In preparing the financial statements, management with the consultation of the board makes informed judgments and estimates where necessary to reflect the expected effects of events and transactions that have not been completed. The Company's disclosure controls and procedures ensure that material information required to be disclosed is recorded, processed, summarized and communicated to management and reported within the required time periods. In meeting its responsibility for the reliability of the financial statements, management relies on a system of internal accounting control. This system is designed to provide reasonable assurance that assets are safeguarded and transactions are executed in accordance with the management's authorization and recorded properly to permit the preparation of financial statements in accordance with BAS/BFRS/IFRS. The design of this system recognizes that errors or irregularities may occur and that estimates and judgments are required to assess the relative cost and expected benefits of the controls. Directors believe that the Company's internal accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period. The Audit Committee of the Board of Directors, which is composed solely of independent directors, is responsible for overseeing the Company's financial reporting process. The Audit Committee meets with management and sees the report of the Company's internal auditors periodically to review the work of each and to monitor the discharge by each of its responsibilities. The independent auditors are engaged to express an opinion on the Company's financial statements and on the Company's internal control over financial reporting. Their opinions are based on procedures that they believe to be sufficient to provide reasonable assurance that the financial statements contain no material errors and that the Company's internal controls are effective.

On behalf of the Board

Sd/-

Naveen Pandey
Managing Director

Annexure: III

Attendance of each Director at the Board meetings and the Last Annual General Meeting:

Four (4) meetings of the Board of Directors were held during the period April 1, 2016 to March 31, 2017. The attendance record of all Directors is as under:

Names	Representation in the Board	Number of Board Meetings		Attendance at Last AGM
		Held	Attended	
Mr. Saugata Gupta	Chairman	4	3	Yes
Mr. Sanjay Mishra	Additional Director		3	Yes
Mr. Vivek Karve	Nominee Director		4	No
Mr. Aditya Shome	Managing Director till September 1, 2016		1	No
Mr. Naveen Pandey	Additional Director from July 25, 2016 to August 31, 201 6 and Managing Director from September 1, 2016		3	Yes
Mr. Masud Khan	Independent Director		4	Yes
Ms. Rokia Afzal Rahman	Independent Director		3	Yes
Mr. Ashraful Hadi	Independent Director		2	Yes

* Mr. Ashraful Hadi and Mr. Naveen Pandey were appointed on the end of 1st and 2nd Quarter Board Meetings respectively

Annexure: IV

Disclosure of the aggregate number of shares and the pattern of shareholding

Shareholders' Category		No. of Shareholders	No. of Shares Held
a)Parent/Subsidiary/Associated Companies and other Related Parties			
Marico India Ltd., India	Parent Company	1	28,349,995
b) Directors, Managing Director and their Spouses			
Mr. Harsh Mariwala	Nominee Shareholder	1	1
Mr. Saugata Gupta	Director	1	1
Mr. Vivek Karve	Director	1	1
Mr. Sanjay Mishra	Director	1	1
Mr. Naveen Pandey	Managing Director	1	1
c) Top Five Executives		Nil	Nil
d) Shareholders Holding 5% or More Voting Interest (apart from Parent Company)		Nil	Nil

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2017/231

BAPLC

Date of issue : 21st May 2017

Renewed Certificate

This is to certify that

MARICO BANGLADESH LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2017.

Bangladesh Association of Publicly Listed Companies ★ BAPLC

Secretary-General
(Acting)

ARMARSTOCK

Al-Muqtadir Associates
Chartered Secretaries & Consultants

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VAT Reg : 19041063900

Certificate of Compliance to the Shareholders of Marico Bangladesh Limited

(As required under the BSEC Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance by Marico Bangladesh Limited for the year ended 31st March 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance. This is a scrutiny and verification only and not an expression of opinion or audit on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations or representations provided to us, we certify that, subject to the remarks and observations as reported in the attached Compliance Statement, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

We also state that such compliance is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company. This is also no endorsement about quality of contents in the Annual Report of the Company for 2017.

Al-Muqtadir Associates
Chartered Secretaries & Consultants

Dhaka, June 13, 2017

AMARSTOCK

Hoda Vasi Chowdhury & Co
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Marico Bangladesh Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Marico Bangladesh Limited (the "Company") which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, 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 purpose 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;

(c) the Company's statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

(d) the expenditure incurred was for the purposes of the Company's business.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 24 April 2017

STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2017 Taka	As at 31 March 2016 Taka
Assets			
Property, plant and equipment	4	593,536,255	595,760,075
Intangible assets	5	9,118,422	13,142,320
Deferred tax assets	6	76,756,882	81,632,588
Non-current financial assets	7	10,366,331	5,152,071
Long term advances	8	41,208,034	79,017,395
Total Non-current assets		730,985,924	774,704,449
Inventories	9	1,348,927,101	1,262,292,780
Advances, deposits and prepayments	10	193,919,425	127,225,116
Other current financial assets	11	1,311,435,690	862,547,947
Cash and cash equivalents	12	166,833,748	480,524,575
Total Current assets		3,021,115,964	2,732,590,418
Total assets		3,752,101,888	3,507,294,867
Equity and Liabilities			
Equity			
Share capital	13	315,000,000	315,000,000
Share premium		252,000,000	252,000,000
Retained earnings		1,013,110,293	1,141,720,944
Total equity		1,580,110,293	1,708,720,944
Liabilities			
Provision for gratuity	14	33,417,772	35,250,107
Provision for leave encashment	15	10,878,348	9,012,992
Total Non-current liabilities		44,296,120	44,263,099
Provision for gratuity	14	2,997,417	5,183,998
Provision for leave encashment	15	2,222,794	1,844,907
Trade and other payables	16	1,740,557,065	1,323,944,886
Current tax liabilities	17	381,918,199	423,337,033
Total Current liabilities		2,127,695,475	1,754,310,824
Total liabilities		2,171,991,595	1,798,573,923
Total equity and liabilities		3,752,101,888	3,507,294,867

The annexed notes 1 to 38 form an integral part of these financial statements.

Company Secretary | **Director** | **Managing Director**

As per our annexed report of same date.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 24 April 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	For the year ended 31 March	
		2017 Taka	2016 Taka
Revenue	18	6,916,109,929	7,065,895,334
Cost of sales	19	(3,710,291,705)	(3,884,804,007)
Gross profit		3,205,818,224	3,181,091,327
Marketing, selling and distribution expenses	20	(537,613,344)	(638,507,781)
General and administrative expenses	21	(800,982,856)	(735,443,135)
Other income/(expense)	22	(8,771,723)	2,468,764
Operating profit		1,858,450,301	1,809,609,175
Finance income, net	23	68,516,585	114,518,588
Profit before tax		1,926,966,886	1,924,127,763
Income tax expense	24	(486,774,815)	(510,077,456)
Profit after tax		1,440,192,071	1,414,050,307
Other comprehensive income		-	-
Remeasurement of defined benefit plan	14	10,011,988	-
Related taxes	6.1	(2,502,997)	-
Total other comprehensive income		7,508,991	-
Total comprehensive income		1,447,701,062	1,414,050,307
Earnings per share			
Basic earnings per share (par value of Tk 10)	25	45.72	44.89

The annexed notes 1 to 38 form an integral part of these financial statements.

Company Secretary **Director** **Managing Director**

As per our annexed report of same date.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 24 April 2017

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2017

	Share capital	Share premium	Retained earnings	Total equity
	Taka	Taka	Taka	Taka
Balance as at 1 April 2015	315,000,000	252,000,000	1,145,170,637	1,712,170,637
Total comprehensive income for the year	-	-	1,414,050,307	1,414,050,307
Final dividend for 2014-2015	-	-	(157,500,000)	(157,500,000)
1st Interim dividend for 2015-2016	-	-	(945,000,000)	(945,000,000)
2nd Interim dividend for 2015-2016	-	-	(315,000,000)	(315,000,000)
Balance as at 31 March 2016	315,000,000	252,000,000	1,141,720,944	1,708,720,944
Balance as at 1 April 2016	315,000,000	252,000,000	1,141,720,944	1,708,720,944
Net profit for the year	-	-	1,440,192,071	1,440,192,071
Other comprehensive income for the year	-	-	7,508,991	7,508,991
Prior year adjustment	-	-	(1,311,713)	(1,311,713)
Final dividend for 2015-2016	-	-	(157,500,000)	(157,500,000)
1st interim dividend for 2016-2017	-	-	(472,500,000)	(472,500,000)
2nd interim dividend for 2016-2017	-	-	(945,000,000)	(945,000,000)
Balance as at 31 March 2017	315,000,000	252,000,000	1,013,110,293	1,580,110,293

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STATEMENT OF CASH FLOWS

for the year ended 31 March 2017

	For the year ended 31 March	
	2017 Taka	2016 Taka
Cash flows from operating activities		
Collection from customers	6,934,216,275	7,110,627,904
Payment to suppliers and for operating expenses	(4,582,285,098)	(4,568,337,004)
Cash generated from operating activities	2,351,931,177	2,542,290,900
Interest paid	(1,816,132)	(928,127)
Interest received	78,682,153	110,361,916
Income tax paid	(525,820,940)	(500,313,493)
Net cash from operating activities	1,902,976,259	2,151,411,196
Cash flows from investing activities		
Acquisition of property, plant and equipment	(193,103,896)	(92,079,077)
Acquisition of intangible assets	(847,822)	(9,217,547)
Disposal of property, plant and equipment	2,570,132	3,716,783
(Investment in)/encashment of short-term investments	(450,285,500)	(347,797,172)
Net cash used in investing activities	(641,667,086)	(445,377,013)
Cash flows from financing activities		
Dividend paid	(1,575,000,000)	(1,417,500,000)
Net cash used in financing activities	(1,575,000,000)	(1,417,500,000)
Net increase/(decrease) in cash and cash equivalents	(313,690,827)	288,534,183
Opening cash and cash equivalents	480,524,575	191,990,392
Closing Cash and cash equivalents	166,833,748	480,524,575

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NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2017

1 Reporting entity

1.1 Formation and legal status

Marico Bangladesh Limited (hereinafter referred to as "MBL"/"the Company") is a public limited company incorporated on 6 September 1999, vide the certificate of incorporation number C-38527(485)/99 of 1999 in Bangladesh under the Companies Act 1994 and has its registered address at House # 01, Road # 01, Sector # 01, Uttara Model Town, Dhaka-1230. The Company was initially registered as a private limited company and subsequently converted into a public limited company on 21 September 2008. The Company listed its shares with both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 16 September 2009.

The ultimate parent of MBL is Marico Limited incorporated in India.

1.2 Nature of business

The Company is engaged in manufacturing and marketing of consumer products under the brand name of Parachute, Nihar, Saffola, Hair Code, Livon, Parachute Advansed, Beliphool, Ayurvedic Gold, Extra Care, Parachute Body Lotion, Set-wet and Bio Oil in Bangladesh. The Company started its commercial operation on 30 January 2000. Subsequently, it started its commercial production at Filling unit, Crushing unit and Refinery Unit in 2002, 2012 & 2017 respectively. Its manufacturing plants are located at Mouchak, Kaliakoir, Gazipur and Shirirchala, Mahona Bhabanipur, Gazipur. The Company sells its products through its own distribution channels comprising of sales depots located in Gazipur, Chittagong, Bogra and Jessore.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities & Exchange rules 1987 and other applicable laws in Bangladesh.

2.2 Authorisation for issue

The financial statements were authorised for issue by the Board of Directors in its 95th Board of Directors Meeting held on 24 April 2017.

2.3 Basis of measurement

The financial statements have been prepared on going concern basis under the historical cost convention.

2.4 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (Taka/TK/BDT) which is the Company's functional and presentation currency. All amounts have been rounded off to the nearest integer.

2.5 Reporting period

The financial statements of the Company cover the financial year from 1 April 2016 to 31 March 2017, with comparative figures for the financial year from 1 April 2015 to 31 March 2016.

2.6 Use of estimates and judgments

The preparation of financial statements in conformity with BFRS requires management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Judgements and estimates are based on historical experiences and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements are included in the following notes:

Note-4	Property, plant and equipment
Note-5	Intangible assets
Note- 6	Deferred tax assets
Note-9	Inventories
Note-14	Provision for gratuity
Note-15	Provision for leave encashment
Note- 17	Current tax liabilities
Note-3.10	Provisions
Note-3.16	Contingencies

2.7 Basis of fair value measurement

As fair value is a market based measurement, when measuring the fair value of an asset or a liability, MBL uses market observable data as far as possible though entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant while measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

MBL recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 31: Financial instruments - Fair values and financial risk management.

2.8 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

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2.9 Current vs. non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is current when it is:

i) expected to be realised or intended to be sold or consumed in normal operating cycle

ii) held primarily for the purpose of trading

iii) expected to be realised within twelve months after the reporting period or

iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months

All other assets are classified as non-current.

A liability is current when it is:

i) expected to be settled in normal operating cycle

ii) held primarily for the purpose of trading

iii) due to be settled within twelve months after the reporting period or

iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

2.10 Offsetting

The Company reports separately both assets and liabilities, and income and expenses, unless required or permitted by applicable accounting standards or offsetting reflects the substance of the transaction or other event and hence permitted by applicable accounting standards.

2.11 Comparative and reclassification

Comparative information has been disclosed for all numerical, narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Comparative figures have been rearranged/ reclassified wherever considered necessary, to ensure better comparability with the current year's financial statements and to comply with relevant BFRSs.

2.12 Statement of cash flows

Statement of cash flows is prepared under direct method in accordance with BAS 7 *Statement of Cash Flows* as required by the Securities and Exchange Rules 1987.

2.13 Going concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

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2.14 New accounting standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2017 reporting periods and have not been early adopted by the Company.

BFRS 15 : Revenue from Contracts with Customers

This standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, this notion of control replaces the existing notion of risks and rewards. The standard is mandatory for reporting periods commencing on or after 1 January 2018. The Company is currently assessing the implications and consequences of this standard.

3 Significant accounting policies

The Company has consistently (otherwise as stated) applied the following accounting policies to all periods presented in these financial statements.

Note	Particulars
3.1	Foreign currency transactions
3.2	Property, plant and equipment
3.3	Intangible assets
3.4	Inventories
3.5	Financial instruments
3.6	Share capital
3.7	Dividend to the equity holders
3.8	Employee benefits
3.9	Accruals
3.10	Provisions
3.11	Property, plant and equipment
3.12	Revenue
3.13	Finance income and finance cost
3.14	Lease
3.15	Impairment
3.16	Contingencies
3.17	Earnings per share
3.18	Events after the reporting period

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (BDT) at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are re-translated into Bangladeshi Taka (BDT) at the exchange rates ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladeshi Taka (BDT) at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

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3.2 Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment (PPE) is recognised as an asset if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Parts of an item of property, plant and equipment having different useful lives, are accounted for as separate items (major components) of property, plant and equipment.

ii) Subsequent cost

Subsequent cost of an item of property, plant and equipment is capitalised only if it is probable that future economic benefits embodied within the item will flow to the Company and its costs can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii) Depreciation

No depreciation is charged on land and capital work in progress (CWIP) as the land has unlimited useful life and CWIP has not yet been placed in service /commissioned.

Other items of property, plant and equipment is depreciated on a straight line basis in profit or loss over the estimated useful lives of each item of property, plant and equipment. Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is charged from the month of acquisition of property, plant and equipment and no depreciation is charged in the month of disposal.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The estimated useful lives of the items of property, plant and equipment for the current and comparative period are as follows:

Assets	Depreciation rate
Plant and machinery	10-33%
Factory equipment	20-33%
Moulds	15-33%
Factory building	5-20%
Laboratory equipment	20-33%
Office equipment	33-50%
Vehicles	20-25%
Computers	33-50%
Furniture and fixtures	20-50%
Office building	10-20%
A.C and refrigerators	20-33%

iv) Derecognition

An asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from the derecognition of an asset are determined as the difference between net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

v) Capital work in progress

Capital work in progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost. These are transferred to the property, plant and equipment on the completion of the projects.

vi) Capitalisation of borrowing costs

As per the requirements of IAS/BAS 23 *Borrowing Costs,* directly attributable borrowing costs are capitalised during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.3 Intangible assets

i) Recognition and measurement

Intangible assets have finite useful lives and are stated at cost less accumulated amortisation and any impairment losses. Intangible assets are recognised in accordance with BAS 38 *Intangible assets*. Intangible assets include cost of acquisition of computer software, intellectual property, copyright and other costs incidental to such capital expenditure.

ii) Subsequent costs

Subsequent costs are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognised in profit or loss as incurred.

iii) Amortisation

Amortisation is recognised in profit or loss on straight line basis over the estimated useful lives of intangible assets from the date they are available for use.

Intangible assets are amortised at the rate of 20% to 33%.

iv) Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss.

3.4 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Stores and spares and material in transit are measured at cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.5 Financial instruments

Financial instrument comprises any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-derivative financial instruments comprise of investments in shares and term deposit, trade and other receivables, cash and cash equivalents, trade and other payables, share capital and interest-bearing borrowings.

i) Financial assets

The Company initially recognises receivables and deposits issued on the date when they are originated. All other financial assets are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company's financial assets comprise short term investment, accrued interest, refundable deposits, loans to employees and cash and cash equivalents.

Short-term investment

Short-term investment consists of fixed deposits with original maturity of more than three months. The Company has the positive intent and ability to hold FDR to maturity, and such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Accrued interest

Interest accrued on fixed deposits which is a part of original instrument of fixed deposits is classified as held to maturity financial asset as well.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. An investment normally meets the definition of a cash equivalent when it has a maturity of three months or less from the date of acquisition.

ii) Financial Liabilities

The Company initially recognises financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Trade and other payables

The Company's financial liabilities comprise trade and other payables which consist of payable against raw material, packing material, payable against transport and service, payable against royalty, general and technical assistance fees, payable against ASP and SLI activities, purchase of capital goods and for FOH expenses. These payables are classified as other financial liabilities.

The Company recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

3.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

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3.7 Dividend to the equity holders

The Company recognises a liability to make cash dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Bangladesh, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.8 Employee benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

ii) Defined benefit plans

The Company operates unfunded gratuity scheme, provision in respect of which is made annually covering all its eligible employees. This scheme is qualified as defined benefit plan.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. When the benefits of the plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit and loss on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit and loss. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. Relevant tax impacts of such remeasurements are also recognised under other comprehensive income.

iii) Leave Encashment

The Company operates unfunded leave encashment scheme, i.e. if its employees do not avail leave during his/her service, s/he will be entitled to encash privilege leave at the time of separation from the Company subject to maximum 40 days, at the rate of one month's basic pay for 30 days of privilege leave. This scheme is qualified as other long term employee benefits.

The Company's net obligation in respect of leave encashment scheme is the amount of future benefit that employees have earned in return for their service in the current and prior periods and the calculation is performed annually by a qualified actuary.

iv) Workers' profit participation and welfare fund

Workers' profit participation and welfare fund ("the Fund") qualifies as defined contribution plan. Each year the Fund will be entitled to get share of profit @ 5% on profit before tax of MBL as per provision of the Bangladesh Labour Act 2006.

The Fund is governed by Bangladesh Labour Act, 2006 as amended up to 22 July 2013 and the trust deed.

3.9 Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amongst due to employees. Accruals are reported as part of Trade and other payables.

3.10 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provision are reversed.

3.11 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for corporate income tax is made following the rate applicable for companies as per Finance Act 2016 i.e 25%.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.12 Revenue

Revenue is recognised when the risk and reward of the ownership is transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods sold and the amount of revenue can be measured reliably. Transfer of risk and rewards occurs for the sale of goods when the product is delivered along with dispatch documents and invoiced to customers. Revenue from sale of goods is measured at fair value of the consideration received or receivable net off return and allowance, volume rebates and value added tax.

3.13 Finance income and finance cost

i) Finance income

Finance income comprises interest income on funds invested and is recognised as it accrues in profit or loss using the effective interest method.

i i) Finance cost

Finance costs comprise interest expense on borrowings and foreign exchange gain or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.14 Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are considered as operating leases and not recognised in the Company's statement of financial position. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

3.15 Impairment

i) Financial assets (non-derivative)

Financial assets not classified as at fair value through profit or loss and loans and receivables are assessed at each reporting date to determine whether there is objective evidence of impairment.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.16 Contingencies

i) Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the statement of financial position of the Company. Moreover, contingencies arising from claims, litigations, assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

ii) Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognise contingent asset.

3.17 Earnings per share

The Company represents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

3.18 Events after the reporting period

Events after statement of financial position date that provide additional information about the Company's position at the statement of financial position date are reflected in the financial statements. Events after statement of financial position date that are non-adjusting events are disclosed in the notes when material.

4. Property, plant and equipment

Year 2017

Particulars	Cost				Accumulated depreciation and impairment losses					Carrying amounts
	As at 1 April 2016	Additions	Disposals/ Transfers	As at 31 March 2017	As at 1 April 2016	Depreciation	Impairment loss	Disposals	As at 31 March 2017	As at 31 March 2017
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Plant and machinery	558,720,997	113,598,169	5,802,567	666,516,599	397,704,293	95,477,933	697,009	5,759,802	488,119,433	178,397,166
Freehold land	176,749,959	-	-	176,749,959	-	-	-	-	-	176,749,959
Vehicles	20,537,027	-	4,096,117	16,440,910	19,440,253	1,096,774	-	4,096,117	16,440,910	-
Factory equipment	4,839,004	6,543,586	-	11,382,590	4,324,904	655,338	-	-	4,980,242	6,402,348
Moulds	103,517,397	34,866,760	-	138,384,157	60,439,028	19,708,345	3,415,175	-	83,562,548	54,821,609
Factory building	203,274,332	27,633,589	-	230,907,921	113,454,520	40,750,748	-	-	154,205,268	76,702,653
Office building	193,910,204	-	-	193,910,204	94,117,540	21,883,939	-	-	116,001,479	77,908,725
Laboratory equipment	5,430,533	35,000	-	5,465,533	4,092,314	896,789	-	-	4,989,103	476,430
Office equipment	33,112,437	2,777,409	665,118	35,224,728	25,499,171	6,476,623	11,520	599,525	31,387,789	3,836,939
Computers	15,365,527	807,440	2,385,131	13,787,836	10,971,655	2,488,378	17,113	2,267,447	11,209,699	2,578,137
Furniture and fixtures	44,088,624	5,833,442	1,276,745	48,645,321	36,069,493	5,208,990	5,653,241	1,139,772	45,791,952	2,853,369
A.C and refrigerators	12,030,711	1,210,681	156,859	13,084,533	9,703,506	1,201,357	1,163,158	135,234	11,932,787	1,151,746
	1,371,576,752	193,306,076	14,382,537	1,550,500,291	775,816,677	195,845,214	10,957,216	13,997,897	968,621,210	581,879,081
Capital work in progress (Note 4.1)	-	204,963,250	193,306,076	11,657,174	-	-	-	-	-	11,657,174
	1,371,576,752	**398,269,326**	**207,688,613**	**1,562,157,465**	**775,816,677**	**195,845,214**	**10,957,216**	**13,997,897**	**968,621,210**	**593,536,255**

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Year 2016

Particulars	Cost				Accumulated depreciation and impairment losses					Carrying value
	As at 1 April 2015	Additions	Disposals/ Transfers	As at 31 March 2016	As at 1 April 2015	Depreciation	Impairment loss	Disposals	As at 31 March 2016	As at 31 March 2016
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Plant and machinery	553,813,748	6,276,477	1,369,228	558,720,997	286,755,831	112,317,690	-	1,369,228	397,704,293	161,016,704
Freehold land	176,749,959	-	-	176,749,959	-	-	-	-	-	176,749,959
Vehicles	33,665,188	-	13,128,161	20,537,027	28,173,136	3,309,092	-	12,041,975	19,440,253	1,096,774
Factory equipment	4,839,004	-	-	4,839,004	3,947,447	377,457	-	-	4,324,904	514,100
Moulds	75,471,406	28,045,991	-	103,517,397	44,468,585	15,970,443	-	-	60,439,028	43,078,369
Factory building	177,441,713	25,832,619	-	203,274,332	77,899,706	35,554,814	-	-	113,454,520	89,819,812
Office building	193,910,204	-	-	193,910,204	71,575,262	22,542,278	-	-	94,117,540	99,792,664
Laboratory equipment	5,430,533	-	-	5,430,533	3,090,495	1,001,819	-	-	4,092,314	1,338,219
Office equipment	27,762,171	5,438,626	88,360	33,112,437	18,249,020	7,310,801	-	60,650	25,499,171	7,613,266
Computers	12,155,299	3,259,228	49,000	15,365,527	8,129,437	2,891,218	-	49,000	10,971,655	4,393,872
Furniture and fixtures	43,277,810	1,217,482	406,668	44,088,624	32,062,867	4,279,171	-	272,545	36,069,493	8,019,131
A.C and refrigerators	9,847,014	2,294,127	110,430	12,030,711	8,298,988	1,514,948	-	110,430	9,703,506	2,327,205
	1,314,364,049	72,364,550	15,151,847	1,371,576,752	582,650,774	207,069,731	-	13,903,828	775,816,677	595,760,075
Capital work in progress (Note 4.1)	-	72,364,550	72,364,550	-	-	-	-	-	-	-
	1,314,364,049	144,729,100	87,516,397	1,371,576,752	582,650,774	207,069,731	-	13,903,828	775,816,677	595,760,075

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4.1 Capital work in progress

Year 2017

Particulars	As at 1 April 2016	Additions	Transfers	As at 31 March 2017
	Taka	Taka	Taka	Taka
Plant and machinery	-	125,124,931	113,598,169	11,526,762
Factory equipment	-	6,543,586	6,543,586	-
Moulds	-	34,870,757	34,866,760	3,997
Factory building	-	27,633,589	27,633,589	-
Laboratory equipment	-	35,000	35,000	-
Office equipment	-	2,777,409	2,777,409	-
Computers	-	907,440	807,440	100,000
Furniture and fixtures	-	5,859,857	5,833,442	26,415
A.C and refrigerators	-	1,210,681	1,210,681	-
	-	204,963,250	193,306,076	11,657,174

Year 2016

Particulars	As at 1 April 2015	Additions	Transfers	As at 31 March 2016
	Taka	Taka	Taka	Taka
Plant and machinery	-	6,276,477	6,276,477	-
Moulds	-	28,045,991	28,045,991	-
Factory building	-	25,832,619	25,832,619	-
Office equipment	-	5,438,626	5,438,626	-
Computers	-	3,259,228	3,259,228	-
Furniture and fixtures	-	1,217,482	1,217,482	-
A.C and refrigerators	-	2,294,127	2,294,127	-
	-	72,364,550	72,364,550	-

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4.2 Disposal of property, plant and equipment

Year 2017

Particulars	Original cost	Accumulated depreciation	Book value	Sale value	Gain/(loss) on sale of assets
	Taka	Taka	Taka	Taka	Taka
Plant and machinery	5,802,567	5,759,802	42,764	339,010	296,246
Vehicles	4,096,117	4,096,117	-	1,998,000	1,998,000
Office equipment	665,118	599,525	65,593	97,187	31,594
Computers	2,385,131	2,267,447	117,684	55,914	(61,770)
Furniture and fixtures	1,276,745	1,139,772	136,973	61,026	(75,947)
A.C and refrigerators	156,859	135,234	21,625	18,995	(2,630)
	14,382,537	13,997,897	384,639	2,570,132	2,185,493

Year 2016

Particulars	Original cost	Accumulated depreciation	Book value	Sale value	Gain/(loss) on sale of assets
	Taka	Taka	Taka	Taka	Taka
Plant and machinery	1,369,228	1,369,228	-	195,450	195,450
Vehicles	13,128,161	12,041,975	1,086,186	3,325,000	2,238,814
Office equipment	88,360	60,650	27,710	30,083	2,373
Computers	49,000	49,000	-	3,000	3,000
Furniture and fixtures	406,668	272,545	134,123	144,250	10,127
A.C and refrigerators	110,430	110,430	-	19,000	19,000
	15,151,847	13,903,828	1,248,019	3,716,783	2,468,764

4.3 Fully depreciated assets - at cost

	Note	2017 Taka	2016 Taka
Plant and machinery		115,435,035	96,371,615
Vehicles		16,440,910	10,042,620
Factory equipment		3,862,191	3,687,981
Moulds		54,041,428	30,245,347
Factory building		374,052	374,052
Office building		5,642,912	-
Laboratory equipment		2,086,465	936,211
Office equipment		24,017,276	14,517,435
Computers		7,243,271	7,144,752
Furniture and fixtures		30,618,785	26,943,356
A.C and refrigerators		9,342,962	8,189,623
		269,105,287	198,452,992

4.4 Depreciation allocated to:

Cost of sales	19	164,052,019	172,443,428
General and administrative expenses	21	31,793,195	34,626,303
		195,845,214	207,069,731

4.5 Impairment loss

Particulars	Impairment loss	Reason for impairment
Plant and machinery	697,009	Change in expected economic benefit
Moulds	3,415,175	Some moulds will not be used as per initial expectation
Office equipment	11,520	Change in expected economic benefit
Computers	17,113	Change in expected economic benefit
Furniture and fixtures	5,653,241	Change in expected economic benefit due to decision of relocating Head Office
A.C and refrigerators	1,163,158	Change in expected economic benefit due to decision of relocating Head Office
	10,957,216	

5 Intangible assets

Year 2017

Particulars	Cost				Accumulated amortisation				Carrying amounts
	As at 1 April 2016	Additions	Disposals/ Transfers	As at 31 March 2017	As at 1 April 2016	Amortisation	Disposals	As at 31 March 2017	As at 31 March 2017
Computer software	20,343,052	847,823	-	21,190,875	7,200,732	4,871,721	-	12,072,453	9,118,422

Year 2016

Particulars	Cost				Accumulated amortisation				Carrying amounts
	As at 1 April 2015	Additions	Disposals/ Transfers	As at 31 March 2016	As at 1 April 2015	Amortisation	Disposals	As at 31 March 2016	As at 31 March 2016
Computer software	11,125,506	9,217,546	-	20,343,052	3,840,596	3,360,136	-	7,200,732	13,142,320

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6 Deferred tax assets

Deferred tax (asset)/liability is arrived as follows:

	Note	Accounting base as at 31 March	Tax base as at 31 March	Temporary Difference Taxable/ (deductible)
Year 2017				
Property, plant and equipment	4	405,129,122	490,914,655	(85,785,533)
Intangible assets	5	9,118,422	13,309,199	(4,190,777)
Deferred revenue expense		-	8,791,645	(8,791,645)
Provision for gratuity	14	36,415,189	-	(36,415,189)
Provision for leave encashment	15	13,101,142	-	(13,101,142)
Royalty payable		139,398,614	-	(139,398,614)
General and technical assistance fees payable		19,344,629	-	(19,344,629)
Net deductible temporary difference				(307,027,529)
Income tax rate				25%
Deferred tax assets				(76,756,882)
Year 2016				
Property, plant and equipment	4	419,007,200	428,051,041	(9,043,841)
Intangible assets	5	13,142,320	13,940,176	(797,856)
Deferred revenue expense		-	8,791,645	(8,791,645)
Provision for gratuity	14	40,434,105	-	(40,434,105)
Provision for leave encashment	15	10,857,899	-	(10,857,899)
Royalty payable		139,398,614	-	(139,398,614)
General and technical assistance fees payable		117,206,393	-	(117,206,393)
Net deductible temporary difference				(326,530,353)
Income tax rate				25%
Deferred tax assets				(81,632,588)

6.1 Change in deferred tax assets and liability

	Note	2017 Taka	2016 Taka
Balance at 1 April- deferred tax asset		(81,632,588)	(33,726,602)
Recognised in profit or loss	24	2,372,709	(47,905,986)
Recognised in OCI		2,502,997	-
Balance at 31 March- deferred tax asset		(76,756,882)	(81,632,588)

Deferred tax assets as of 31 March 2017 includes deferred tax asset of Tk. 2,502,997 recognised against actuarial gain/(loss) from re-measurement of defined benefit obligations corresponding impact of which has been recognised under other comprehensive income.

7 Non-current financial assets

Security deposits	2,605,000	2,706,000
Loans to employees	7,761,331	2,446,071
	10,366,331	5,152,071

		Note	2017 Taka	2016 Taka
8	**Long term advances**			
	Advance for capital goods		17,452,584	45,429,748
	Advance to suppliers and others		23,755,450	33,587,647
			41,208,034	79,017,395
9	**Inventories**			
	Raw materials		800,554,140	814,760,354
	Packing materials		86,516,844	71,917,837
	Finished goods	9.1	152,398,038	142,234,909
	Stores and spares		17,159,318	16,142,671
	Materials in transit		292,298,761	217,237,009
			1,348,927,101	1,262,292,780
9.1	**Finished goods**			
	Parachute coconut oil		89,304,430	102,710,357
	Value added hair oil (VAHO)		28,502,303	30,911,367
	Haircode		952,143	4,605,553
	Saffola - Edible oil		1,559,143	1,072,731
	Parachute body lotion		11,952	4,232
	Others		32,068,067	2,930,669
			152,398,038	142,234,909
10	**Advances, deposits and prepayments**			
	Advances			
	Advance for materials		50,001,171	10,907,234
	Advance for services		92,896,659	79,578,257
	Advance to employees		2,423,836	1,044,719
			145,321,666	91,530,210
	Deposits			
	VAT current account		41,324,458	23,775,506
	Supplementary duty		839,950	3,382,328
			42,164,408	27,157,834
	Prepayments			
	Prepaid expenses		6,433,351	8,537,072
			193,919,425	127,225,116
11	**Other current financial assets**			
	Fixed deposits	11.1	1,298,082,672	847,797,172
	Accrued interest		10,505,128	13,458,959
	Security deposits		159,000	24,000
	Loans to employees		2,688,890	1,267,816
			1,311,435,690	862,547,947

		Note	2017 Taka	2016 Taka
11.1	**Fixed deposits (having original maturity of more than three months)**			
	Fixed deposits with:	Credit rating		
	Brac Bank Limited	AA2	220,000,000	-
	Delta Brac Housing Finance Corporation Ltd.	AAA	330,072,131	273,934,325
	Eastern Bank Limited	AA	-	35,000,000
	IDLC Finance Limited	AAA	332,786,781	273,862,847
	One Bank Limited	AA	120,000,000	-
	South East Bank Limited	AA	295,223,760	265,000,000
			1,298,082,672	847,797,172
12	**Cash and cash equivalents**			
	Cash in hand		168,451	245,677
	Cash at banks:	Credit rating		
	BRAC Bank Limited	AA2	34,839,167	13,605,147
	Citibank N.A.	AAA	3,848	5,700
	Islami Bank Bangladesh Limited	AA	41,720	40,621
	Sonali Bank Limited		189,424	21,062
	Standard Chartered Bank*	AAA	55,736,233	(84,389,740)
	Dutch Bangla Bank Limited	AA1	890,000	-
	The Hongkong and Shanghai Banking Corporation Ltd.	AAA	1,126,129	543,865
			92,826,521	(70,173,345)
	Fixed deposits	12.2	73,838,776	550,452,243
			166,833,748	480,524,575

* The negative balance in the Standard Chartered Bank represents balance in the MBL books only whereas actual balance in the current account of Standard Chartered Bank as at 31 March 2016 was Taka 6.6 million.

12.1 Overdraft facility

The Company also has overdraft facility with the below banks under which inventories are hypothecated.

Bank	Currency	Overdraft Limit
The Hongkong and Shanghai Banking Corporation Limited	BDT	100,000,000
Standard Chartered Bank	BDT	30,000,000
Citibank N.A.	USD	2,000,000

As of 31 March 2017, the Company has no overdraft balance.

12.2 Fixed deposits (having original maturity of three months or less)

	Credit rating		
Fixed deposits with:			
Islami Bank Bangladesh Limited	AA	-	50,000,000
Standard Chartered Bank	AAA	73,838,776	270,452,243
United Commercial Bank Limited	AA	-	230,000,000
		73,838,776	550,452,243

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	Note	2017 Taka	2016 Taka
13 Share capital			
Authorised			
40,000,000 ordinary shares of Tk 10 each		400,000,000	400,000,000
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

13.1 Composition of shareholding

Details	No. of share		% of holding	
	2017	2016	2017	2016
Marico Limited, India	28,350,000	28,350,000	90.00	90.00
Institutions	2,786,979	2,945,052	8.85	9.35
General shareholders	363,021	204,948	1.15	0.65
	31,500,000	31,500,000	100.00	100.00

13.2 Classification of shareholders by holding

Holdings	Number of holders		% of total holding	
	2017	2016	2017	2016
Less than 500 shares	2868	1796	0.63	0.37
500 to 5,000 shares	164	109	0.61	0.46
5,001 to 10,000 shares	17	9	0.40	0.22
10,001 to 20,000 shares	10	8	0.42	0.34
20,001 to 30,000 shares	3	4	0.23	0.33
30,001 to 40,000 shares	0	2	0.00	0.23
40,001 to 50,000 shares	1	1	0.16	0.16
50,001 to 100,000 shares	5	2	0.95	0.49
100,001 to 1,000,000 shares	9	10	6.59	7.41
Over 1,000,000 shares	1	1	90.00	90.00
	3078	1942	100.00	100.00

	Note	No. of share 2017	No. of share 2016
13.3 Number of shares held by the members of the Company's leadership team			
Managing Director		-	1
		-	1

	Note	2017 Taka	2016 Taka
14 Provision for gratuity			
Balance as at 1 April		40,434,105	23,111,764
Current service cost		9,054,987	17,861,378
Interest cost/(income)		4,447,752	2,542,294
Actuarial loss/(gain)		(10,011,988)	-
Benefit paid		(7,509,667)	(3,081,331)
Balance as at 31 March		36,415,189	40,434,105
Current		2,997,417	5,183,998
Non-current		33,417,772	35,250,107
		36,415,189	40,434,105
14.1 Significant actuarial assumptions			
Discount rate		11%	11%
Salary growth		12%	12%
Employee turnover		17.50%	17.50%
Year of mortality rate		2006-08	2006-08
15 Provision for leave encashment			
Balance as at 1 April		10,857,899	7,738,948
Provision made during the year		8,655,681	4,221,216
Paid during the year		(6,412,438)	(1,102,265)
Balance as at 31 March		13,101,142	10,857,899
Current		2,222,794	1,844,907
Non-current		10,878,348	9,012,992
		13,101,142	10,857,899
16 Trade and other payables			
Trade payables			
Payable against raw material		318,297,604	170,848,411
Payable against packing material		33,942,383	25,530,345
Payable against finished goods		34,387,018	2,316,169
Payable against services		51,013,957	58,922,828
		437,640,962	257,617,753
Other payables			
Workers' profit participation and welfare fund		101,419,310	101,269,882
Royalty payable		134,901,377	139,398,614
Bank guarantee commission payable		-	8,893,986
General and technical assistance fees payable		136,302,429	117,849,181
Advance from customers		69,034,750	50,928,403
Withholding tax and VAT payable		23,966,370	22,985,750
Payable against business promotion expenses		335,163,888	243,539,512
Payable against advertisement expenses		217,611,200	230,232,526
Audit fees payable		1,302,950	412,000
Payable against capital goods		8,163,323	24,281,133
Import duty and related charges payable		104,568,363	41,777,053
Payable against expenses		170,482,143	84,759,093
		1,302,916,103	1,066,327,133
		1,740,557,065	1,323,944,886

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	Note	2017 Taka	2016 Taka
17 Current tax liabilities			
Balance as at 1 April		423,337,033	365,667,085
Add: Provision during the year:			
Provision for current year	24	511,139,076	536,229,894
Provision for prior years			
Assessment year 2015-2016		-	1,253,548
Assessment year 2013-2014		-	20,500,000
Assessment year 2012-2013		(30,518,071)	-
Assessment year 2011-2012		3,781,101	-
		907,739,139	923,650,527
Less: Payment during the year:			
Payment for current year		(295,710,722)	-
Payment for prior years			
Assessment year 2016-2017		(219,329,117)	(297,500,017)
Assessment year 2015-2016		-	(202,500,000)
Assessment year 2013-2014		(7,000,000)	-
Assessment year 2011-2012		(3,781,101)	(313,477)
Balance as at 31 March		381,918,199	423,337,033

17.1 Year wise break up of provision for current tax and balance of advance income tax for open years

Accounting year ended	"Assessment year"	Provision for income tax	"Advance income tax"	Status
31 March 2017	AY 2017-18	511,139,076	295,710,722	To be submitted
31 March 2016	AY 2016-17	536,229,894	516,829,134	Return submitted
31 March 2015	AY 2015-16	502,672,641	438,992,339	Return submitted
31 March 2014	AY 2014-15	475,304,697	468,166,315	At High Court
31 March 2013	AY 2013-14	303,189,572	206,086,374	At TAT*
31 March 2012	AY 2012-13	206,588,040	236,519,377	At TAT*
30 September 2008	AY 2009-10	9,098,540	-	At TAT*
Total		2,544,222,460	2,162,304,261	

*Taxes Appellate Tribunal

18 Revenue			
Parachute coconut oil		5,345,714,157	5,630,387,454
Value added hair oil (VAHO)		1,077,951,369	944,173,188
Haircode		67,953,922	81,176,936
Saffola - Edible oil		25,850,605	13,492,240
Parachute body lotion		61,896,012	69,711,207
Others		336,743,864	326,954,309
		6,916,109,929	7,065,895,334

Business promotion and distribution/redistribution expenses have been regrouped with revenue in line with current year's presentation.

	Note	2017 Taka	2016 Taka
19 Cost of sales			
Opening stock of finished goods		142,234,909	287,803,616
Cost of goods manufactured	19.1	3,720,454,834	3,739,235,300
		3,862,689,743	4,027,038,916
Closing stock of finished goods		(152,398,038)	(142,234,909)
		3,710,291,705	3,884,804,007
19.1 Cost of goods manufactured			
Materials consumed:			
Opening stock of raw and packing materials		1,120,057,871	1,535,049,279
Purchases during the year		3,489,707,684	3,033,620,119
Closing stock of raw and packing materials		(1,196,529,063)	(1,120,057,871)
		3,413,236,492	3,448,611,527
Factory overhead:			
Salaries and allowances		37,323,541	28,823,042
Cost of outsourced human resources		38,430,423	35,731,788
Power expenses		35,030,285	27,474,375
Repair and maintenance of plant and machinery		3,326,651	2,487,008
Repair and maintenance of factory building		1,018,282	1,081,885
Depreciation	4.4	164,052,019	172,443,428
LC charges		961,220	1,030,429
Communication expenses		794,180	1,568,349
Entertainment		5,089,806	3,064,708
Printing and stationery		869,918	714,594
Security charges		5,412,406	4,891,894
Travelling and conveyance-Local		5,459,283	5,446,210
Insurance premium		9,450,328	5,866,063
		307,218,342	290,623,773
		3,720,454,834	3,739,235,300
20 Marketing, selling and distribution expenses			
Advertisement		343,282,113	480,758,635
Business promotion expenses		43,941,986	30,278,130
Collection charges		302,069	788,427
Distribution/Redistribution expenses		50,577,178	53,622,551
Entertainment		10,682,327	8,631,544
Free sample		1,124,531	2,775,864
Freight- outward		58,311,042	48,221,006
Market research expenses		29,392,098	13,431,624
		537,613,344	638,507,781

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		Note	2017 Taka	2016 Taka
21	**General and administrative expenses**			
	Salaries and allowances		326,598,757	259,099,286
	Gratuity		13,502,739	20,403,672
	Workers' profit participation and welfare fund		101,419,310	101,269,882
	Rent, rates and taxes		1,433,848	1,253,191
	Professional charges		27,059,375	36,455,903
	Security charges		1,732,177	1,515,843
	Legal charges		3,192,635	2,622,410
	Stamp and license fees		3,807,122	3,499,009
	Directors' remuneration		24,787,585	23,990,570
	Directors' fees		667,645	667,644
	Repair and maintenance		20,796,575	20,711,619
	Communication expenses		11,020,081	8,785,471
	Subscription to trade association		150,715	210,350
	Entertainment		14,493,130	17,619,583
	Printing and stationery		3,065,889	3,218,123
	Vehicle running expenses		46,655,549	33,199,420
	Travelling and conveyance-Local		9,890,079	8,719,445
	Travelling and conveyance-Foreign		4,595,041	6,486,220
	Statutory audit fees	21.1	1,302,950	412,000
	Recruitment expenses		1,685,158	4,094,562
	Insurance premium		5,602,784	7,137,961
	Books and periodicals		116,171	99,901
	Bank charges		653,695	1,071,433
	AGM and public relation expenses		2,898,131	2,586,562
	Conference and training expenses		2,507,097	3,449,657
	Electricity and gas charges		2,911,766	2,718,206
	Amortisation	5	4,871,721	3,360,136
	Royalty		65,561,325	69,340,052
	Depreciation	4.4	31,793,195	34,626,303
	Listing fees		315,000	157,500
	General and technical assistance fees		54,071,433	42,769,367
	CSR project	21.2	11,824,178	13,891,854
			800,982,856	735,443,135
21.1	**Auditor's remuneration**			
	Statutory audit fees		1,302,950	412,000
	Other advisory services		-	309,000
			1,302,950	721,000

21.2 MARICO Bangladesh Limited (MARICO) and Dhaka Ahsania Mission (DAM) entered into an agreement to implement "DAM-Marico Children Learning Centre (DAM-Marico CLC)" project from 01 October 2014 to 30 September 2017 in 1 (one) Upazila (Melandah) under Jamalpur District as per agreed Project Proposal and in line with the policies, strategies and guidelines of Government of Bangladesh (GoB) and MARICO. The beneficiaries of the project are uprooted children who are also dropped out from school.

22	**Other income/(expense)**			
	Gain on sale of assets	4.2	2,185,493	2,468,764
	Impairment loss	4	(10,957,216)	-
			(8,771,723)	2,468,764
23	**Finance income, net**			
	Interest on fixed deposits		74,846,945	108,458,549
	Interest on call deposits		881,377	1,341,250
	Interest on overdraft and STL		(1,816,132)	(928,127)
	Foreign exchange gain/(loss)		(5,395,605)	5,646,916
			68,516,585	114,518,588

	Note	2017 Taka	2016 Taka
24 Income tax expense			
Current tax expense			
Current year	17	511,139,076	536,229,894
Adjustment for prior years	17	(26,736,970)	21,753,548
Deferred tax (income)/expense	6.1	2,372,709	(47,905,986)
		486,774,815	510,077,456

	2017		2016	
	%	Taka	%	Taka
24.1 Reconciliation of effective tax				
Profit before tax		1,926,966,886		1,924,127,763
Income tax using the domestic corporate tax rate	25%	481,741,722	25%	481,031,941
Factors affecting the tax charge for current year				
Non deductible expenses		107,253,412		119,635,844
Deductible expenses		(77,856,058)		(64,437,891)
Adjustment for prior years		(26,736,970)		21,753,548
Deferred tax (income)/expense		2,372,709		(47,905,986)
Total income tax expenses	25.26%	486,774,815	26.51%	510,077,456

	2017 Taka	2016 Taka
25 Earnings per share		
25.1 Basic earnings per share		
The computation of EPS is given below:		
Earnings attributable to ordinary shareholders (Net profit after tax)	1,440,192,071	1,414,050,307
Weighted average number of ordinary shares outstanding during the year	31,500,000	31,500,000
Earnings per share (EPS) in Taka	45.72	44.89

25.2 Diluted earnings per share

Since there is no dilutive factor, diluted earnings per share is not required to be calculated.

26 Related party transactions

During the year the Company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The name of related parties, nature of transactions, their total value and closing balance have been set out in accordance with the provisions of BAS *24 Related party disclosure:*

Name of the related parties	Relationship	Nature of transactions	Transaction Amount	Balance as at 31 March 2017	Balance as at 31 March 2016
			Taka	Taka	Taka
Marico Limited, India	Parent company	Purchase of RM, PM and FG	1,351,764,811	153,267,190	104,628,380
		Purchase of Assets	7,413,325	-	-
		Royalty	65,561,325	134,901,377	139,398,614
		Bank guarantee commission	-	-	8,893,986
		Dividend	1,417,500,000	-	-
		General and technical assistance fees	54,071,433	136,302,429	117,849,181
Marico Middle East FZE	Subsidiary of parent company	Purchase of raw materials	819,303,763	90,381,891	57,604,021

27 Capacity

Major product	Unit of Measure	Installed Capacity
PCNO	KL	22,450
VAHO	KL	10,600
Copra	Ton	50,500

	2017	2016
	Taka	Taka

28 Operating leases - leases as lessee

Non-cancellable operating lease rentals are payable as follows:

No later than one year	1,840,000	1,635,000
Between two and five years	5,520,000	5,995,000
More than five years	-	-
	7,360,000	7,630,000

The Company leases a number of warehouses, dopots and sales offices facilities under cancellable operating leases. During the year, an amount of BDT 1,710,000 was recognised relating to non-cancellable operating lease.

29 Commitment

i) Capital commitment		
Estimated amount of contracts remaining to be executed on capital account	39,831,095	166,565,101
ii) Other commitment		
Outstanding L/C	493,308,632	395,857,230

L/C amount for import of raw material, packing materials and finished goods which were not received till the reporting date.

30 Contingent Liabilities

The Company has contingent liability of Taka 1,390,016,048 as on 31 March 2017 in respect of indirect tax (VAT) and workers' profit participation & welfare fund. These are being vigorously defended by the Company. The management does not consider that it is appropriate to make provision in respect of any of these claims.

31 Financial instruments - Fair values and financial risk management

31.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2017

Figures in Taka

Particulars	Note	Carrying amount								Fair value			
		Held for trading	Designated at fair value	Fair value - hedging instruments	Held -to- maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value													
Fixed deposits	11.1	-	-	-	1,298,082,672	-	-	-	1,298,082,672	-	-	-	-
Accrued interest	11				10,505,128				10,505,128	-	-	-	-
Security deposits	7 & 11	-	-	-	-	2,764,000	-	-	2,764,000	-	-	-	-
Loan to employees	7 & 11	-	-	-	-	10,450,221		-	10,450,221	-	-	-	-
Cash and cash equivalents	12	-	-	-		166,833,748	-	-	166,833,748	-	-	-	-
		-	**-**		**- 1,308,587,800**	**180,047,969**	**-**		**- 1,488,635,769**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-	-	
Financial liabilities not measured at fair value													
Trade and other payables	16	-	-	-	-	-	-	1,740,557,065	1,740,557,065	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**	**- 1,740,557,065**	**1,740,557,065**	**-**	**-**	**-**	**-**

SHARESTOCK

31 March 2016

Figures in Taka

Particulars	Note	Carrying amount								Fair value			
		Held for trading	Designated at fair value	Fair value - hedging instruments	Held -to- maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value													
Fixed deposits	11.1	-	-	-	847,797,172	-	-	-	847,797,172	-	-	-	-
Accrued interest	11	-	-	-	13,458,959	-	-	-	13,458,959	-	-	-	-
Security deposits	7 & 11	-	-	-	-	2,730,000	-	-	2,730,000	-	-	-	-
Loan to employees	7 & 11	-	-	-	-	3,713,887	-	-	3,713,887	-	-	-	-
Cash and cash equivalents	12	-	-	-	-	480,524,575	-	-	480,524,575	-	-	-	-
		-	**-**	**-**	**861,256,131**	**486,968,462**	**-**	**-**	**1,348,224,593**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	
Financial liabilities not measured at fair value													
Trade and other payables	16	-	-	-	-	-	-	1,323,944,886	1,323,944,886	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**	**1,323,944,886**	**1,323,944,886**	**-**	**-**	**-**	**-**

FINANCIALS STOCK

31.2 Financial risk management

The Company management has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments-

- Credit risk
- Liquidity risk
- Market risk

31.2.1 Credit risk

Credit risk is the risk of financial loss if a customer or counterpart to a financial instrument fails to meet its contractual obligation which arises principally from the Company's receivables from customers.

The Company makes sales on advance basis i.e. it receives advance from customers prior to sale so there is no credit risk due to uncollectibility from the customers. However, the Company maintains most of the financial assets with short-term deposits and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial assets	Note	2017	2016
		Taka	Taka
Fixed deposits	11.1	1,298,082,672	847,797,172
Accrued interest	11	10,505,128	13,458,959
Security deposits	7 & 11	2,764,000	2,730,000
Loans to employees	7 & 11	10,450,221	3,713,887
Cash and cash equivalents	12	166,833,748	480,524,575
Total financial assets		1,488,635,769	1,348,224,593

31.2.2 Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The contractual maturities of financial liabilities of the Company are as follows:

Year	Note	Carrying amount	Contractual cash flows		
			Total	Upto 1 year	Above 1 year
		Taka	Taka	Taka	Taka
2017					
Trade and other payables	16	1,740,557,065	1,740,557,065	1,740,557,065	-
2016					
Trade and other payables	16	1,323,944,886	1,323,944,886	1,323,944,886	-

31.2.3 Market risk

Market risk is the risk that includes changes in market price, such as foreign exchange rate, interest rates and equity prices that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company's exposures to foreign currency risk at 31 March 2017 are as follows:

	2017	2016
	USD	USD
Import of goods and services	(5,152,613)	(3,619,307)
Bank balance	79,805	84,597
	(5,072,809)	(3,534,710)

The following significant exchange rates have been applied during the year:

	Average rate		Year-end spot rate	
	2017	2016	2017	2016
Exchange rate (USD/BDT)	78.57	78.12	79.71	78.38

ii) Foreign exchange rate sensitivity analysis

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies.

A 1% change in foreign exchange rates would have increased/(decreased) equity and profits or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

Effect in BDT	Profit/(loss)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2017				
USD (1% movement)	(4,043,282)	4,043,282	(4,043,282)	4,043,282
31 March 2016				
USD (1% movement)	(2,770,329)	2,770,329	(2,770,329)	2,770,329

iii) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates. The Company is not exposed to fluctuations in interest rates as it has no floating interest rate bearing financial liability as at the reporting date. The Company has not entered into any agreement involving derivative instrument at the reporting date.

As at 31 March 2017, the interest rate profile of the Company's interest bearing financial instruments was:

	2017 Taka	2016 Taka
Fixed rate instruments		
Financial assets		
Fixed deposit receipts	1,371,921,448	1,398,249,415
Financial liabilities	-	-
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-

32 Value of import calculated on CIF Basis

Materials and finished goods	2,431,319,139	2,064,014,143
Capital goods	96,801,369	50,157,179
	2,528,120,508	**2,114,171,322**

33 Expenditure in foreign currency

General and technical assistance fees	54,071,433	42,769,367
Professional consultation fees	14,719,725	194,512
	68,791,158	**42,963,879**

34 Dividends

The Company remitted the following amounts in foreign exchange during the year to Marico Limited, India, a non-resident shareholder of the Company.

Final dividend for 2015-2016	141,750,000	-
1st interim dividend for 2016-2017	425,250,000	-
2nd interim dividend for 2016-2017	850,500,000	-
Final dividend for 2014-2015	-	141,750,000
1st Interim dividend for 2015-2016	-	850,500,000
2nd Interim dividend for 2015-2016	-	283,500,000
	1,417,500,000	**1,275,750,000**

35 Capital management

For the purpose of the company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

To maintain or adjust capital structure, the Company may adjust the amount of dividend, return on capital, issue new share or obtain long term-debt. All major investment and financing decisions, as a part of its capital management, are evaluated and approved by its Board of Directors .

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 2016.

36 Segment Information

MBL essentially provides similar products to customers across the country. Business activities in which it engages and the economic environments in which it operates are of similar nature. Its business is not segmented by products or geographical areas and its operating result is viewed as a whole by its management. Hence, segment information is not relevant for the Company.

37 Number of employees

The number of employees engaged for the whole period or part thereof who received a total salary of Taka 36,000 p.a. and above was 252 (previous year: 227) among them 40 employees left from Marico Bangladesh Limited and total 212 (previous year: 193) employees existed as at 31 March 2017.

38 Subsequent events

For the year ended 31 March 2017 the Board of Directors recommended final cash dividend @ 50% per share at 95th Board of Directors Meeting held on 24 April 2017.

The Company has also decided to relocate its head office in financial year 2017-18.

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

AMARSTOCK

NOTICE OF THE
SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given to all Shareholders of **Marico Bangladesh Limited** that the 17th Annual General Meeting of the Company will be held on Monday, July 17, 2017 at 04.00 P.M. at Radisson Blu Water Garden Hotel, Airport Road, Dhaka 1206, Bangladesh to transact the following businesses:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2017 together with the Reports of the Directors and the Auditors thereon.
2. To declare Final Dividend for the year ended March 31, 2017 as recommended by the Board of Directors of the Company.
3. To elect/re-elect Directors due to rotation & retirement.
4. To re-appoint M/s Hoda Vasi Chowdhury & Co., Chartered Accountants as Statutory Auditors of the Company and fix their remuneration for the financial year ending March 31, 2018.

Place: Dhaka
April 24, 2017

By Order of the Board
For, **MARICO BANGLADESH LIMITED**



Christabel Randolph
Company Secretary

Registered & Corporate Office:
Marico Bangladesh Limited
House 1, Road 1, Sector 1
Uttara, Dhaka-1230

NOTES:

1. Members whose names appear on the Shareholders/Depository Register as on the "Record Date" i.e. June 05, 2017 are eligible to attend the Annual General Meeting (AGM) and receive the final dividend
2. A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead
3. The "Proxy Form", duly filled and stamped must be deposited at the registered office of the Company located at House 1, Road 1, Sector 1, Dhaka – 1230 not later than 48 hours before commencement of the AGM
4. Admission to the meeting venue will be strictly on production of the attendance slip attached with the Annual Report
5. In case of non-receipt of Annual Report 2017 of the Company sent through courier, Members may collect the same from the Company's Registered Office within July 15, 2017. No additional Annual Report will be distributed at AGM venue
6. The Soft copy of the Annual Report is available in the 'Investor Relations' section of the Company's website: **www.marico.com/bangladesh**
7. Members are requested to update and intimate changes, if any, in their relevant information with their respective Depository Participant

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।

AMARSTOCK

GENERAL SHAREHOLDER INFORMATION

Details of AGM:

AGM–Date, time and Venue	: 4:00 p.m. Monday, July 17, 2017 Hotel Radisson Blu Water Garden Airport Road, Dhaka, Bangladesh
Financial Year	: April 01, 2016 – March 31, 2017
Record Date	: Monday, June 5, 2017
Dividend Paid & Recommended	: Interim Cash Dividend @ 450% on Face Value Final Cash Dividend @ 50% on Face Value
Dividend Payment Date	: Paid within 30 days from decision of board meeting for all interim cash dividend and proposed 50% Final Cash Dividend will be paid within 30 days of approval at AGM
Listing on Stock Exchanges	: Dhaka Stock Exchange Limited (DSE) Chittagong Stock Exchange Limited (CSE)

Listing fees up to December 31, 2017 has been paid.

Stock/Scrip Code	: DSE – MARICO CSE – MARICO
ISIN number	: BD0481MRICO6
Category	: Pharmaceuticals & Chemical
Investors' enquiry	: +88(02) 8931202, Ext – 534 email: info@marico.com http://marico.com/bangladesh

AMARSTOCK

MARICO BANGLADESH LIMITED

Registered & Corporate Office: House-1, Road-1, Sector-1, Uttara, Dhaka-1230, Bangladesh

ATTENDANCE SLIP

SEVENTEENTH ANNUAL GENERAL MEETING ON MONDAY, JULY 17, 2017 AT 4:00 P.M.

BO ID																

No. of Shares held										

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the **SEVENTEENTH ANNUAL GENERAL MEETING** of the Company to be held at Radisson Blu Water Garden Hotel Dhaka, Airport Road, Dhaka Cantonment, Dhaka 1206, Bangladesh at 4:00 P.M. on Monday, July 17, 2017

_____ _____

Member's / Proxy's name in BLOCK letter **Member's / Proxy's signature**

Note : Please fill in the attendance slip and hand it over at the entrance of the Meeting Venue.

MARICO BANGLADESH LIMITED

Registered & Corporate Office : House-1, Road-1, Sector-1, Uttara, Dhaka-1230, Bangladesh

PROXY FORM

SEVENTEENTH ANNUAL GENERAL MEETING ON MONDAY, JULY 17, 2017 AT 4:00 P.M.

BO ID																

No. of Shares held										

I/We _____ of _____ being

a member/members of the above-named Company hereby appoint Mr./Mrs. _____

of _____ as my/our proxy to vote for me/us on my/our behalf at the **SEVENTEENTH ANNUAL GENERAL MEETING** of the company to be held at Radisson Blu Water Garden Hotel Dhaka, Airport Road, Dhaka Cantonment, Dhaka 1206, Bangladesh at 4:00 P.M. on Monday, July 17, 2017 and at any adjournment(s) thereof.

Signed this ____/ _____/ 2017

Revenue Stamp

Signature of Proxy _____

Signature of Member _____

Notes:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A Proxy need not be a Member.
3. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the registered Office of the Company, not later than 48 hours before the commencement of the meeting i.e. not later than at 4:00 P.M. on July 15, 2017.

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www.marico.com/bangladesh

AMAR STOCK

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