

IMPACT. DISRUPT. INSPIRE.

MAKE A DIFFERENCE

ANNUAL REPORT 2018

MARICO BANGLADESH LIMITED

marico

AMASTOCK

AMAR STOCK



Today's world is transforming at an unprecedented pace and disruptors are changing the way we think, act and consume. At Marico we are building on our core strengths and riding the wave of transformation with the aim of delivering impactful business results which will enhance shareholder value, disrupting the status quo with our winning brands and inspiring all around us with our purpose of *making a difference.*

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



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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. Vivek Karve	Director
Mr. Sanjay Mishra	Director

Management Team

Mr. Naveen Pandey	Managing Director
Mr. Kazi Amirul Hoque	Director- Sales
Mr. Sidhartha Das	Director-HR
Mr. Md. Nazim Uddin	Director-Supply Chain
Mr. Md. Saiful Alam	Director-Manufacturing
Mr. Prashant Verma	Director- Marketing
Mr. Md. Iqbal Chowdhury	Chief Financial Officer (Till 23rd July, 2017)
Mr. Elias Ahmed	Chief Financial Officer (Since 1st November, 2017)
Ms. Christabel Randolph	Head-Legal

Company Secretary

Ms. Christabel Randolph

Statutory Auditors

Hoda Vasi Chowdhury & Co.

Compliance Auditors

Al-Muqtadir Associates

Internal Auditor

Mohammed Ismail

Legal Advisors

Dr. Kamal Hossain and Associates
Mustafizur Rahman Khan and Associates
Tanjib Alam & Associates

Principal Bankers

Standard Chartered Bank
HSBC
BRAC Bank Ltd
Islami Bank Limited

Stock Information

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

Investor Relations

Telephone: +880 29897180 Ext: 783
Fax: +880 29897140
Email: info@marico.com

Date Of Incorporation

September 6, 1999

Our Factories

Factory 1:
Mouchak, Kaliakoir, Gazipur

Factory 2:
Shirirchala, Mahona Bhabanipur, Gazipur

Registered Office

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

Corporate Office

The Glass House, Level-06, Plot.02, Block. SE (B),
Gulshan Avenue, Dhaka-1212.

Websites

www.marico.com/bangladesh

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Company Profile

Snapshot: Marico Bangladesh Limited

Marico Bangladesh Limited (MBL) was the first subsidiary of Marico Limited and has since maintained its position as the most profitable unit of Marico's International Business. At MBL 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 food. 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 the Coconut Oil segment

Parachute Advansed has been awarded as the Best Hair Oil Brand of Bangladesh in 2017 by Bangladesh Brand Forum. Parachute has been one of the top-ten brands since 2008

Human Resources

213

MBL Members Directly Employed

3000 +

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

Product Portfolio

17 Brands

51 SKUs

Financial Resources

149

BDT Crore Shareholders' Funds

151

BDT Crore Fixed Deposits, Cash & Cash Equivalents

Vision & Mission



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 commitment 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. Our Strategic priorities Growth Of Core Categories, Innovation, Cost Management, Go To Market Transformation and Talent Value Proposition.

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 & Business Process Transformations



Talent Value Proposition



Cost Management

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

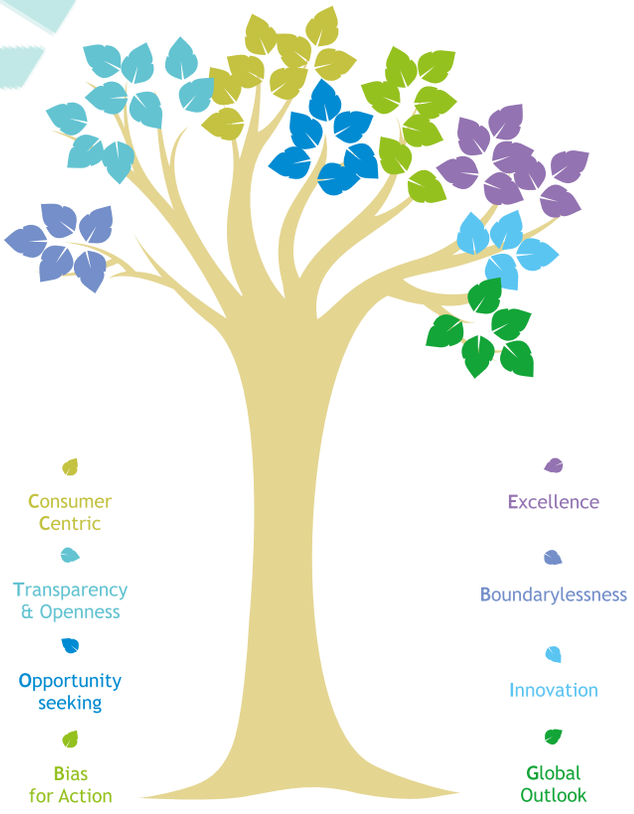
Transparency & Openness | Opportunity-seeking

BE

Bias for Action | Excellence

BIG

Boundarylessness | Innovation | Global Outlook



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History & Milestones

1999 2003

- Marico Bangladesh (MBL) is incorporated
- Commercial operations start
- Inauguration of 1st Manufacturing plant for Filling/Bottling Operations
- Launch of Parachute Beliphool and entry into Value Added Hair Oils Category

2004 2008

- MBL acquires own factory in Mouchak, Gazipur
- MBL sets up own Head Office at Uttara
- Transition to own distribution from National Distributors

2014 2016

- MBL starts its CSR Journey with Dhaka Ahsania Mission to provide free education to 3000 children
- Launch of Parachute Advansed Body Lotion and entry into Skincare Category
- MBL awarded "Certificate of Merit" in the ICMAB Best Corporate Award 2014
- Inauguration of Integrated Filling Unit at Padma Limited
- MBL wins Double Gold with Parachute Advansed Extra Care & Parachute Advansed Body Lotion at the 14th Annual Marico Marketing Excellence Awards
- Inauguration of PET Bottle manufacturing at ZAPCO Ltd
- MBL sets up of Refinery Unit at Shirirchala Factory
- MBL wins Silver Award from ICSB for Excellence in Corporate Governance
- MBL awarded "Certificate of Merit" at the ICMAB Best Corporate Award 2015
- MBL launched Mediker & Saffola Masala oats and enters into Shampoo and Food Category
- MBL launched Parachute Advansed Ayurvedic Gold

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2009 2013

- MBL gets Listed in Dhaka & Chittagong Stock Exchanges
- Launch of HairCode in Bangladesh and entry into Hair Color Category
- MBL sets up 2nd Manufacturing plant in Shiririchala for COPRA Crushing operations
- Parachute awarded as Best Brand in Bangladesh by Bangladesh Brand Forum (BBF)
- Parachute completes "Ek Jug" in Bangladesh
- Launch of SET WET Deos & Saffola Active and entry into Male Grooming & Edible Oils Category

2017 2018

- MBL launched SET WET Hair Gel
- Marico launched Hair & Care Fruit Oils
- Marico launched HairCode Herbal Crème
- Marico launched Parachute Advansed Men's Hair Cream

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Chairman's Letter



"Despite the increasingly challenging environment, we were able to grow our business profitably. This would not have been possible without our people. Our members went above and beyond to not just to deliver business results but to impact, disrupt and inspire. Marico celebrates its members who are the true driving force of this organization making a difference."

Dear Shareholders,

It gives me great pleasure to share with you an update on the overall performance of your company in the financial year 2017-18 (FY18). On behalf of the board, I am delighted to present the Annual Report for FY18 and welcome you all to the 18th Annual General Meeting of the Company.

Brand, talent and culture continue to be our key assets to deliver sustainable business growth and make a difference in the lives of all those who we touch. The year under review has been a year of revival for your Company with the business delivering both volume revenue and profit growths. We were able to achieve this as a result of a sharp focus on our strategic building blocks of strengthening the core, creating a future-ready portfolio, managing costs, and investing in people and process capability ahead of the growth curve.

Management team of your company led by the Managing Director (MD) Mr. Naveen Pandey are firmly committed to run day-to-day operations and steer it towards its' aspiration of ensuring the business growth planned as part of the company's strategic plan by 2020.

FY18 has been a good year with your Company registering 13% revenue growths, 14% profit growth. This growth was driven by the price growth in the Branded Coconut Oil Category led by Parachute Coconut Oil and volume growth in the Value Added Hair Oils (VAHO) portfolio of the Company. The VAHO category witnessed a 32% growth

in volumes driven by winning brands like Parachute Advansed Beliphool and Parachute Advansed Extra Care. The "Others"/non-hair oil portfolio has also seen positive growth derived from brands like Parachute Advansed Body Lotion and Saffola Active Blended Edible Oil. At a full year level, the "Others" category has delivered a volume growth of 10%. Your Company has also delivered an increased earnings-per-share (EPS) over last year.

In FY18 your Company expanded its portfolio of winning brands with the launch of Parachute Advansed Men's Hair Cream and Hair & Care Fruit Oils further expanding its presence in the male grooming and nourishment space. Existing brands like SET WET Hair Gels were re-staged with new variants and new packs while a new crème format was introduced under the HairCode hair color brand.

Our flagship brand, Parachute has maintained its leadership position and now holds the highest ever market share in the Branded Coconut Oil space. Our Value Added Hair Oils (VAHO) portfolio has seen significant momentum with your Company now occupying the second highest market share in the VAHO category. VAHO portfolio now contributes 26% to our business turnover while being a key source of diversification and growth for our business. Our brand HairCode also commands leadership position in the powder color category.

In 2017 'Parachute Advansed' won the award for Best Hair Oil Brand in Bangladesh and was also celebrated as one of the top ten brands in Bangladesh. Additionally the Kantar Global Panel also listed Parachute as one of the top five FMCG brands in Bangladesh.

Naveen and his Management team have accelerated Marico's journey of building capabilities at the organizational level. There has been consistent focus and drive on ensuring that critical building blocks are in place to support the future aspirations of the business. The first phase of Go-to-Market (GTM) strategy has been successfully implemented and we have continued business process transformation in supply chain and finance to leverage the power of technology and innovation.

During the year we have completed the implementation of Order Management System which delivered significant savings in man-hours and smoothened our sales and operations processes. We have initiated localization of products to reduce import dependency and build technical capability and know-how in Bangladesh. Our refinery operations have stabilized and we have also expanded capacity at our manufacturing units. Safety and Quality are core to our operations which are consistently driven by initiatives like "Safety Week", "Quality Week" & "Act Now" in our plants through the adoption of best practices.

We believe that the power of a business is in it's purpose and our stated purpose is to "Make a Difference". Sustainability and corporate citizenship have continued to be at the heart of our business. We have identified sustainability focus areas across the business with a particular emphasis on energy consumption and water management. In the last year we have reduced overall energy consumption by 3.1%, reduced consumption of fossil fuel by 9.9% and reduced water consumption by 1285 kilolitres at our manufacturing units.

We have continued our association with Dhaka Ahsania Mission to bring free, quality education to more than 3000 underprivileged children in Jamalpur Upazila through running a community inclusive program. We have set up Child Learning Centres which besides imparting education have had a transformational impact in social awareness of child rights and welfare.

Your Company is focused on driving consumption and delivering strong, profitable growth as part of our commitment to maximizing shareholder value. Our vision for the future is to continue to strive hard to fulfil Marico's potential, and contribute to Bangladesh's economic & social growth story as an emerging market MNC.

Along with our members, I would like to extend my sincere gratitude to our esteemed shareholders. I also give thanks to all members of the Marico family whose relentless efforts underlie our business performance today. 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

Business Snapshot

781
BDT crore
Topline

164
BDT crore
Profit After Tax

3.7%
Volume Growth

46%
Gross Margin

27%
Operating Profit to Sales

14%
Growth in Net Profit

60
BDT/Share
Dividend

115%
Dividend Payout

52.2
BDT/Share
Earnings Per Share

3150+
BDT Crores
Market Cap

14.9%
Y-o-Y growth in Economic Value Added

228
BDT Crores
Contribution to National Exchequer

138%
Return on Capital Employed

14.9%
Net Profit
CAGR* since our listing

7.5%
Turnover
CAGR* since our listing

*CAGR is calculated for the period between October 1, 2008 to March 31, 2018

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 & Care Fruit Oils
Hair Color	HairCode Powder HairCode Crème
Male Grooming	Set Wet Deodorant Spray Perfume Set Wet Hair Gel Parachute Advansed Men's Hair Cream
Shampoo	Mediker Plus
Skin Care	Parachute Advansed Body Lotion Bio Oil
Edible Oil & Foods	Saffola Active Blended Edible Oil



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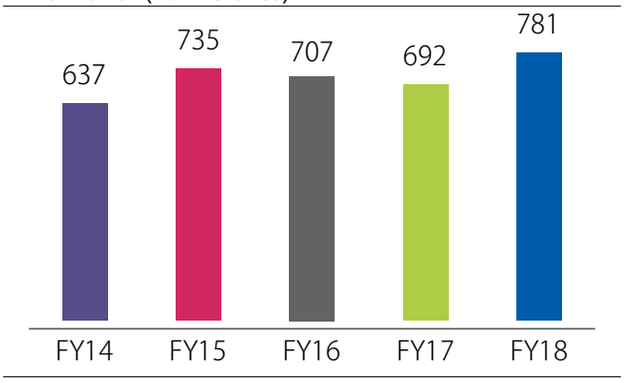
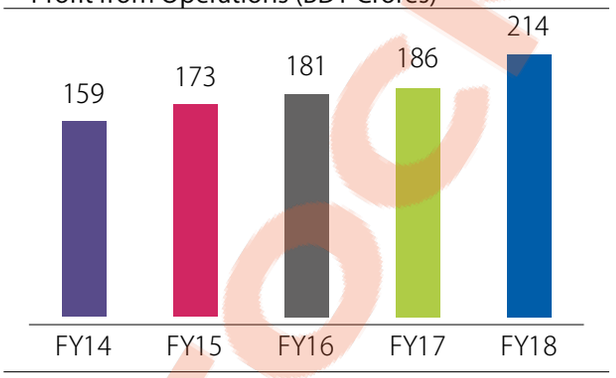
Financial Highlights

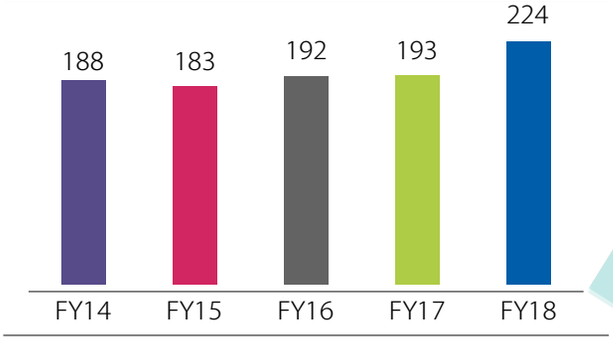
Turnover (BDT Crores)



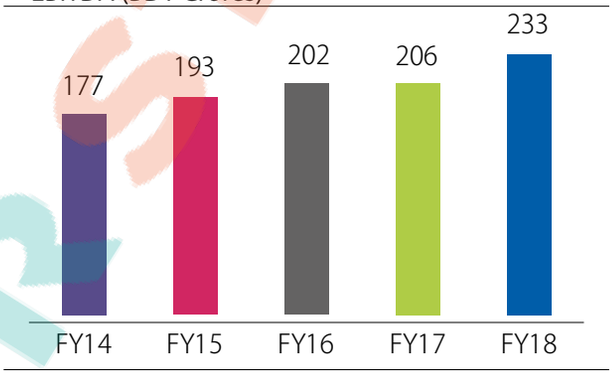
Profit from Operations (BDT Crores)



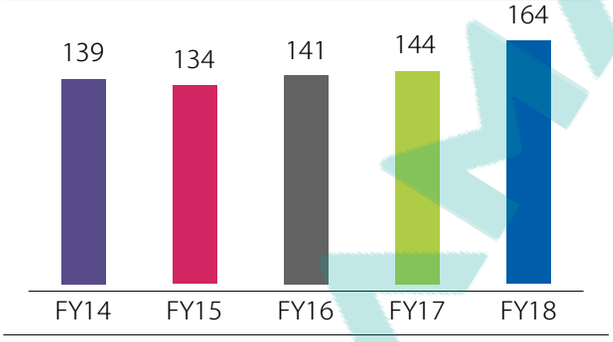
PBT(BDT Crores)



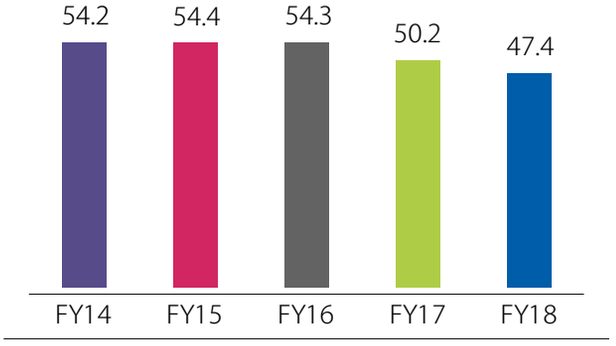
EBITDA (BDT Crores)



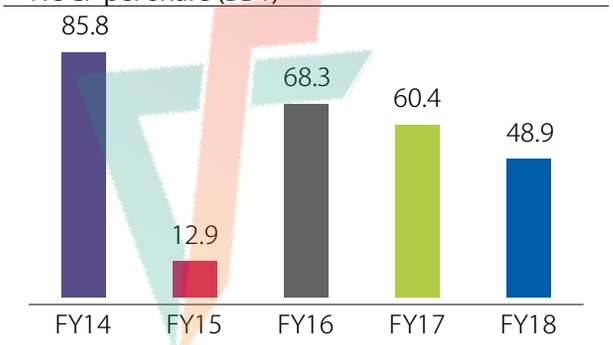
PAT (BDT Crores)



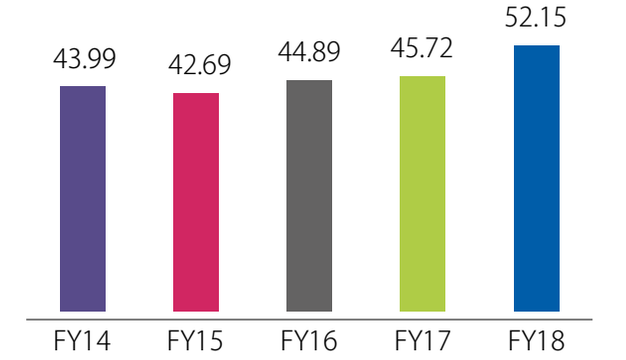
NAV per share (BDT)



NOCF per share (BDT)

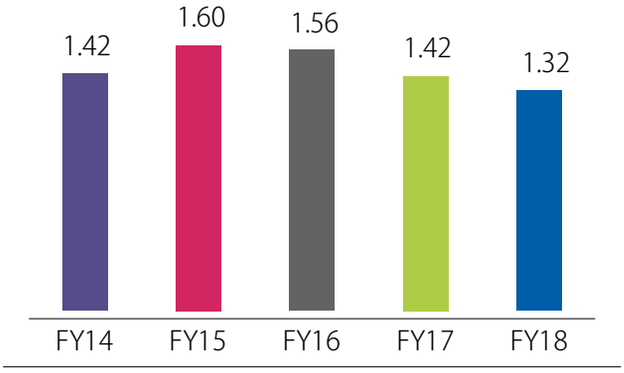


EPS (BDT)

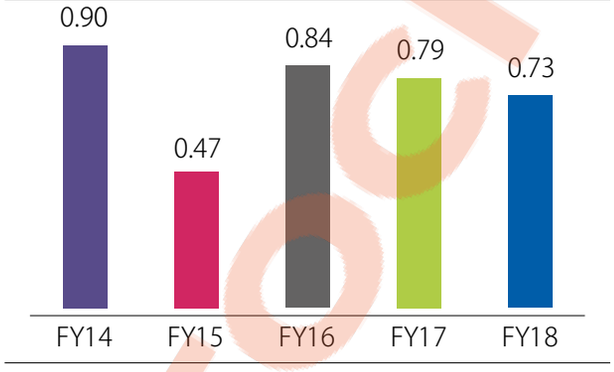


Key Ratios

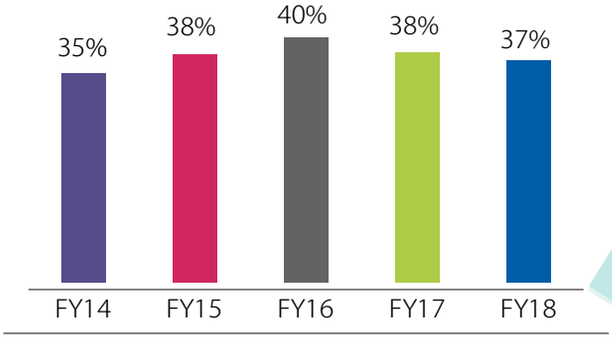
Current Ratio



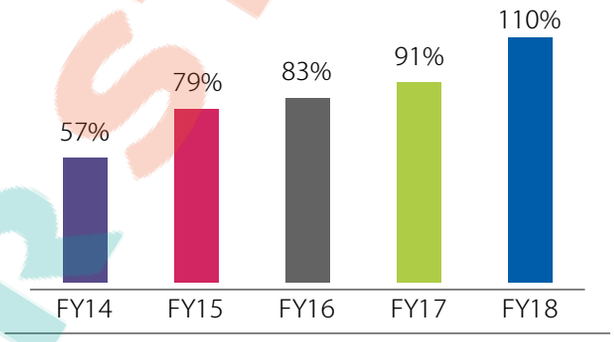
Quick Ratio



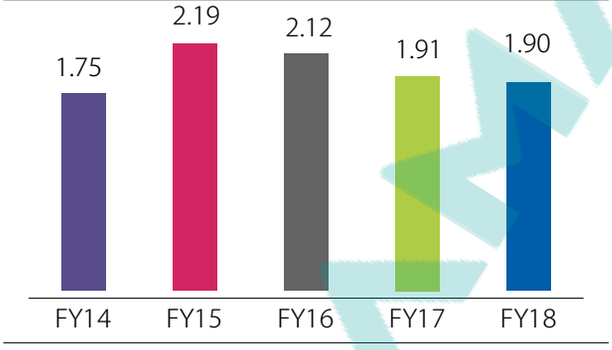
Return on Assets



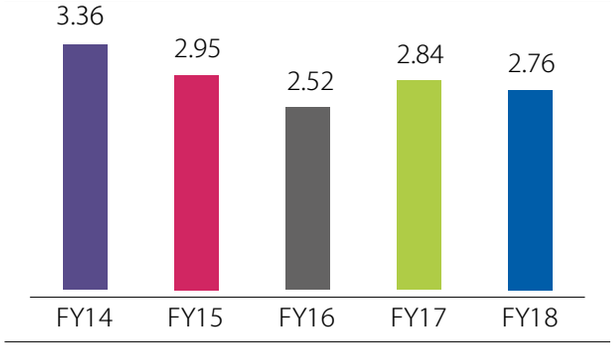
Return on Equity



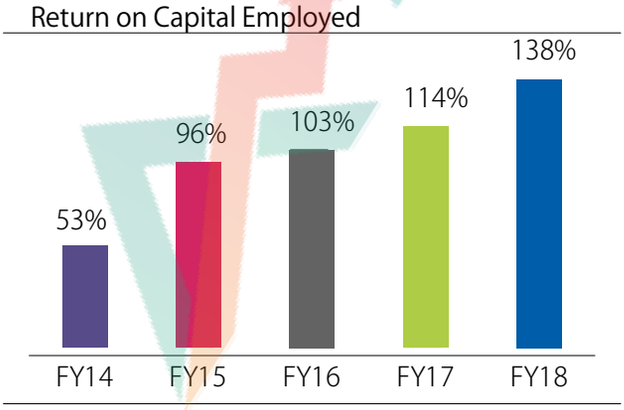
Asset Turnover Ratio (times)



Inventory Turnover Ratio



Return on Capital Employed



Profile of the Board of Directors



SAUGATA GUPTA
Chairman – Nominee Director

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. Saugata joined Marico in January 2004 as Head of Marketing and was elevated to CEO of the India business in 2007. In April 2013, Marico restructured its Consumer Product Business (CPB) in India and International Business Group (IBG) under Saugata's leadership as the CEO of Marico Limited, the unified FMCG business. Thereafter, in March 2014, he was appointed as the Managing Director of the company.

Saugata started his career with Cadbury India Limited (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.

Saugata's illustrious career consists of 25 years of experience primarily in FMCG sector. He has an engineering degree from IIT Kharagpur and a Management degree from IIM Bangalore.

Saugata was ranked #4 and #47 in the FMCG sector and Pan-India respectively in the Business Today-PWC list of India's Top 100 CEOs in 2017 and was ranked as 'India's Most Valuable CEOs' by BusinessWorld in 2016.



ROKIA AFZAL RAHMAN
Independent Director

Ms. Rokia Afzal Rahman joined as an independent director in October 2014. She is Vice President of International Chamber of Commerce - ICC Bangladesh, a Trustee Board member of Transparency International Bangladesh – TIB 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 and Bangladesh Lamps Limited as an Independent Director. She is currently the Chairman of R.R. Cold Storage Limited, Arlinks Limited, Aris Holdings Limited and R. R. Estates Limited, Chairperson of Mediaworld Limited ("The Daily Star") and MIDAS Financing Limited. She is a Director of Mediastar Limited ("Prothom Alo") and Ayna Broadcasting Corporation Limited (Fm Radio Station - ABC Radio). She served as a Board Member of the Central Bank of Bangladesh, and the President of the Bangladesh Employers Federation – BEF. She was also a Director of Reliance Insurance Limited. She is the former President of Metropolitan Chamber of Commerce and Industries – MCCI, Dhaka.

Her commitment to development brought her to the Boards of a number of development organizations. Ms. Rokia Afzal Rahman serves on the board of BRAC. She is Chairperson of Banchte Shekha, Jessore - working for the underprivileged and extremely poor. She is a board member of Grameen Telecom Trust, MRDI (Management and Resource Development Initiative) and DNET. Ms. Rahman is the Chairperson of Presidency University.

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



MASUD KHAN
Independent Director

Mr. Masud Khan joined MBL as an Independent director in October 2014. He is an experienced professional of 38 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 several 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 Chief Executive Officer (CEO) of M. I. Cement Factory Limited. 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 M. I. Cement Factory Limited, he worked for Lafarge Surma Cement Limited as Chief Financial Officer from 1999 till 2017. He also worked at British American Tobacco as Finance Director for 20 years at both home and abroad. He is also an independent director of GlaxoSmithKline, Berger Paints Bangladesh Limited and Viyellatex Limited. He is actively involved in improving the education in schools and colleges in his native village at Chunati in Chittagong. He is also the guest faculty of the Institute of Chartered Accountants of Bangladesh (ICAB).



ASHRAFUL HADI
Independent Director

Mr. Ashraful Hadi was appointed as an Independent Director for Marico Bangladesh Limited from April 25, 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 is also a Member of Executive Committee of Bangladesh Supreme Court Bar Association. He has over 17 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
Director

Mr. Sanjay Mishra is the Chief Operating Officer (COO) – India Sales and Bangladesh Business at Marico Ltd., responsible for the Go-To-Market (GTM) Transformation endeavor in line with Marico's portfolio of the future, and reinforce the Sales function. Along with spearheading the Sales for Marico India, and overseeing the Marico Business in Bangladesh, he is also leading the New Business Portfolio.

Prior to Marico, Sanjay was working with PepsiCo where he started as Sales Director – Traditional Trade for India in 2009. He became the Market Unit General Manager (West) India, 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. In his role, he was responsible for delivering GTM transformation in key AMENA markets. Prior to PepsiCo, he was Vice President – Merchandising with Spencers Retail Limited in India in 2006, where he was instrumental in expanding Spencers' footprint. He also led the initiative of getting international retail food chain "Au Bon Pain", a Boston based Bakery Café Chain to India in tie-up with his company and led various new ventures. He started off his career with Dunlop India in 1995.

Sanjay did his Bachelor's degree in Science in 1992 from City College, Kolkata and completed his Business Management from Institute of Management Technology, Ghaziabad in 1995.

Bringing with him over 21 years of experience and has had a long association with Marico where he led and supported various sales leadership roles from 1997 to 2006.



VIVEK KARVE
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 23 years of experience in Finance, Banking, and IT across four organizations - Marico, Siemens Information Systems, ICICI and P&G.

Vivek's current role as Chief Financial Officer of Marico covers Corporate Finance, Business Finance and Commercial for Marico Group. Vivek 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.

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



NAVEEN PANDEY
Managing Director

Mr. Naveen Pandey holds the position of Managing Director of Marico Bangladesh Limited. Naveen brings with him an illustrious 17 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.

MARKETSTOCK

Directors'
Representation in other Companies

Companies\Organizations other than Marico Bangladesh Limited in which our Directors hold Directorship and Committee Membership:

Sl No.	Name of Director	Directorship	Member of Board Committees
1	Mr. Saugata Gupta	Marico Consumer Care Limited Marico Innovation Foundation Broadcast Audience Research Council The Indian Society of Advertisers Marico Middle East FZE Marico South Africa Consumer Care (Pty) Limited Marico South Africa (Pty) Limited International Consumer Products Corporation Thuan Phat Foodstuff Joint Stock Company Beaute Cosmetique Societe Par Actions	Audit Committee - Marico Consumer Care Limited
2	Ms. Rokia Afzal Rahman	R.R. Cold Storage Ltd. R. R. Estates Ltd. Imaan Cold Storage Ltd. Aris Holdings Ltd. Arlinks Limited Mediaworld Ltd. (owning company of "The Daily Star") MIDAS Financing Ltd. Mediastar Ltd. (owning company of "Prothom Alo") ABC Radio **Independent Director** Grameenphone Ltd Bangladesh Lamps Ltd. Marico Bangladesh Ltd. **Member of Governing Body/Board of Trustees** R. R. Foundation BRAC Banchte Shekha, Jessore MRDI DNET Transparency International Bangladesh (TIB) Grameen Telecom Trust	-
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	
5	Mr. Vivek Karve	Marico Consumer Care Limited MBL Industries Limited Marico Malaysia Sdn. Bhd	-
6	Mr. Ashraful Hadi	-	-
7	Mr. Naveen Pandey	MBL Industries Limited	

AMAR STOCK

Leading from the Front



Standing from left

Sidhartha Das
Director-Human Resources

Prashant Verma
Director-Marketing

Kazi Amirul Hoque
Director-Sales

Seating left

Christabel Randolph
Head-Legal &
Company Secretary



Standing from Right

Elias Ahmed
Chief Financial Officer

Md. Nazim Uddin
Director-Supply Chain

Md. Saiful Alam
Director-Manufacturing

Seating Right

Naveen Pandey
Managing Director

Profile of Leadership Team



NAVEEN PANDEY
Managing Director

Naveen has been serving as the Managing Director for Marico Bangladesh for nearly the past two years, and during this period has been able to drive the business growth through focus on strong execution excellence and by building organization capability. He has contributed to the go to market transformation journey in Bangladesh and has worked on setting Marico on the path of hair oil leadership through integrated marketing campaigns and new product introductions. Naveen brings with him an illustrious 17 years of experience with FMCG heavy weights organizations, namely PepsiCo and Asian Paints, wherein he did a variety of operational and strategic roles over the years.

Naveen Joined Asian Paints as a Management Trainee and over the next seven years did roles in retail and institutional sales, working across East India, North India & West India, he was last the Regional Manager for Institutional Business for West India. In PepsiCo Naveen was involved in the front-end automatic project for PepsiCo's distribution network and partners. He subsequently went to lead their East & North Market Units, he was last the Director for North Market Unit.

Naveen has completed his BBA in 1999 from University of Lucknow and completed his PGP in Management (MBA) from Indian Institute of Management, Indore in 2001.



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 in line with the Company's Strategic Business Plan.

His previous role was 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
(Till 1st April, 2018)

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 initiated Marico's CSR journey wherein Marico partnered with Dhaka Ahsania Mission.

Sidhartha has more than 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 into a Business Partnering role for Sales and Marketing for the HR 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.



MD. NAZIM UDDIN
Director-Supply Chain

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

Nazim has been working in the field of Supply Chain Management for almost 18+ 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 18+ 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.



PRASHANT VERMA
Director-Marketing

Prashant joined Marico Bangladesh Limited last year in July and is responsible for driving a successful marketing function. Prashant comes with a rich experience of more than 15 years in Marketing as well as Sales, across multiple industries primarily FMCG, Banking and Media. Prior to joining Marico, Prashant was working as Chief Marketing Officer for VLCC Group in India, where he was managing marketing for all 3 group companies of VLCC. Prashant has spent a considerable part of his career with Unilever India, in multiple roles across sales and marketing. Prashant also has experience of running a FMCG startup, Vyome Biosciences, specializing in personal care products. He holds an MBA in Marketing & Finance from FORE School of Management, Delhi and also holds a Bachelor's degree in Chemistry from Delhi University. Prashant is a keen traveler, an avid reader and enjoys playing and watching sports like Basketball & Soccer.



ELIAS AHMED
Chief Financial Officer

Elias Ahmed 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 Limited. He acts as an advisor to the Senior Management and the Board on the issues pertaining to the regulatory affairs & compliances as well.

Elias has more than 19 years' experience working in various multinational companies and in a local conglomerate. In his most recent role he was Finance Director in Coats Bangladesh Limited, a subsidiary of Coats Group plc, the number-1 sewing thread manufacturer in the world. Prior to that he worked as country CFO in Avery Dennison Bangladesh (a US based fortune 500 company of Avery Dennison Corporation). Prior to Avery Dennison, he worked in Bangladesh Edible Oil Limited, Standard Chartered Bank, Novartis Bangladesh Limited, Novartis Asia Pacific Regional Office in Singapore and in Beximco Pharmaceuticals Limited in various roles.

He is a fellow (FCMA) of the Institute of Cost & Management Accountants, Bangladesh, completed his MBA from University of Dhaka and also obtained Masters of Commerce (M.Com.) from Department of Finance from the University of Dhaka.

Elias is an active member of Trade, Tariff, Taxation & Company Affairs Sub -Committee of FICCI. He is a Donor member of Uttara Club Limited, Dhaka and a member of the Audit Sub-Committee of Uttara Club Limited and a permanent Member of Dhaka Boat Club.



CHRISTABEL RANDOLPH
Head-Legal & Company Secretary

Christabel joined Marico Bangladesh Limited in May 2016 as Head of Legal and was subsequently appointed as the Company Secretary. She also anchors the Corporate Affairs agenda of the business including public affairs, corporate social responsibility and sustainability initiatives of the Company. 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 in litigation, consulting on different areas of law & regulatory frameworks and litigation.

Christabel brings more than 11 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 the premier law firm of the country. She is also on the Executive Committee of the School of Hope and is a member of IPAB and the Bangladesh Chapter of iProBono. Christabel is also an active member of the FMCG IPR Sub-Committee of FICCI.

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

Year in Review

Our New Corporate Office

One of the major highlights and excitements for MBL was the move to "The Glasshouse"--a new, modern and chic Corporate Office at the heart of the commercial district of Gulshan Avenue, Gulshan-1. The new office space was designed not only to reflect the Marico values of openness and transparency but also to portray the culture and heritage of Bangladesh and the legacy of brands that have built MBL. The new Corporate Office has been a great energizer for MBL members and also has helped the organization occupy a space in the current commercial enclave reducing traveling time and man hours in commuting and coordination.



CABIN



CAFETERIA



CONFERENCE



EXECUTIVE LOUNGE



MD CABIN



RECEPTION

DEVELOPMENTS IN SALES AND WINNING THROUGH CONSUMERS

The year in review was an exciting year for MBL with the Go-to-Market journey reaching new milestones and the team facing newer challenges in the market. During the year the volume growth of the business was driven by outstanding performance in VAHO segment. Within this segment Parachute Advansed Beliphool witnessed the highest growth on the back of impactful coverage in both retail and wholesale. The non-hair oil categories of MBL also saw unprecedented growth with Parachute Advansed Body Lotion and Saffola Active Blended Edible Oil leading the momentum.





MBL crafted some signature trade loyalty programs which have been critical to MBL's growth story in the last year. Of these the benchmark and exemplary execution in market place with Amar Dokan has been consistently working as growth hub of overall MBL portfolio. Beside this, yearlong wholesale loyalty program Milonmela also drove the growth story for MBL. MBL created vibrancy in the market through on-store branding and impact zones in the biggest wholesale markets.





The year also saw MBL exploring untapped business opportunities with wings to cater institutional FMCG product buyers, strong presence in E- commerce, exclusive distribution of Marico International products and multi-product sales drives with other reputed and complimentary FMCG brands.









After a successful year in 2017 the Go to Market arm of the business has continued to add value through outlet expansion as well as superior service to retailers with Marico's world class products. MBL optimized on distributor count to build bigger & bolder distribution partners. MIDAS PRO implementation across MBL operation and simultaneously Sales Performance Measurement System (SPMS) were key shifts in system & process improvement. MBL truly values its business partners which was evident from the Classroom training session on Effective Selling Technique, Product Knowledge, Ware House Management, and Effective Merchandising are key trainings covering 1700 of man days. Also, publications like Product Detailer to educate traders about Marico products has been rolled out nationally. Moreover, "Transformation to Digital Money Platform" & "Channel Financing for Distribution Partners" are collaboration between MBL and leading financial service providers to strengthen customer relationship and build strong foundations for the business.





OUR WINNING BRANDS

SET WET Gel New Packs

In December 2017, MBL launched the new attractive and stylish gel packs to cater to consumer preferences. Both the new variants, Casual Hold & Ultimate hold, with an additional 250ml sized new pack has already created a lot of excitement in the market and with consumers.



Parachute Advansed Men's Hair Cream

MBL introduced the Parachute Advansed (PA) Men's brand to the market with the launch of its after-shower hair cream to increase foot hold in the male grooming space. The two variants of the PA Men's Hair Cream aimed consumers who are conscious about their hair nourishment without using any hair oil. The Classic variant with Cocolipid™ formula is for nourishment while Anti – Hairfall variant has the added benefit of almond to help contain hair fall. Both variants have received good response in the market already.



Hair & Care Fruit Oils

Hair & Care fruit oils were launched in January 2018 primarily in the Dhaka and Chittagong Metro markets. The launch in January 2018 has already caught consumer attention with its youthful and contemporary non-sticky formulation perfect for today's active youth. The launch was accompanied by vibrant press and digital campaigns to further excite the consumers.





HairCode Herbal Crème

HairCode, Marico's signature hair color brand, is well-known for its herbal goodness. In March 2018 Marico entered into the crème segment to bring yet another hair color offering to consumers and extend the category with the launch of HairCode Herbal Crème. The crème is enriched with superior conditioning for softer and smoother naturally black hair. The pack is specially designed for user convenience to relieve them from the hassle of measuring and engage powder hair color users in the convenient Crème format.



New Campaigns

Parachute Advansed Extra Care is one of the leading hair fall control oils in Bangladesh. To address the consumer need of preventing hair fall MBL launched an attractive new 360 degree campaign which focuses on hair fall reduction in 45 days through regular usage of Parachute Advansed Extra Care. The campaign was well received by the consumers, leading to a significant improvement in overall brand image and consumer engagement through additional benefits compared to only Coconut Oil.



TVC



Press Ad



Shop Signs

Parachute Advansed Beliphool (PAB) is the leading MBL brand in the Value added Hair Oil (VAHO) segment. PAB has experienced significant growth momentum with the continuation of the previous successful campaign, focusing on the benefit of thick and healthy hair through the goodness of coconut oil and methi. The new communication was rolled out across TV, press, radio, digital, outdoor and retail activation to bring the brand closer to consumers.



Press Ad



Outdoor



TVC



Activation



Activation

The year ended with Parachute being ranked No. 4 out of the top ten FMCG brands in the Country by the Kantar Milward Brown World Panel with an impressive 82% household penetration.

Managing Director's Report and Management Discussion and Analysis



Dear Shareholders,

It gives me great pleasure to inform you that we have had a successful year in 2017-18. The business has delivered profitable growth and I am happy to share with you an update on the overall performance of your Company during the year. Your Company, Marico Bangladesh Limited, has delivered 13% growth in revenue, and 14% growth in profit. The revenue growth has mainly been fuelled by robust volume growth in our Value Added Hair Oils (VAHO) portfolio which now contributes to 26% of our topline (up from 23% in FY17).

14%
PAT GROWTH

Our Gross margin has seen a minor contraction of 0.5% owing to an abnormal increase (29% higher than FY 17) in the cost of COPRA. However our operating profit has increased by approximately 15% YOY, driven on the back of cost efficiencies, pricing and mix improvement. The

This performance would not have been possible without our people, our members who demonstrated the Marico values and help us in sustaining a challenging, enriching and fulfilling culture. It is this culture which empowered and enabled your Company's to deliver enduring results.

Company posted a Profit before Tax (PBT) of BDT 224 cr. which is 16.4% higher than FY 17 while our Profit After Tax (PAT) has increased by 14.1% compared to FY 17. We have sustained our market leadership with our flagship brand Parachute and also hold the second highest market share in the VAHO category.

This performance would not have been possible without our people, our members who demonstrated the Marico values and help us in sustaining a challenging, enriching and fulfilling culture. It is this culture which empowered and enabled your Company to deliver enduring results. We have taken definitive steps in creating an enabling environment to promote youth leadership with 50% of our members being millennials and 13% occupying mid to senior level management positions.

We have identified the strategic pillars that would propel the business on a sustainable long term growth trajectory that we are committed to deliver. Our priorities are growth of core categories, incubating innovation, stringent cost management, cutting edge go to market systems and an empowering talent value proposition.

Our endeavor is to build your Company as a responsible corporate, not only to drive sustainable business results but also to impact and inspire the society around us and maximize stakeholder value. We have also dialed up our efforts on engaging in meaningful dialogue with industry, regulatory and development stakeholders in effort to improve the socio-economic performance of our operations. We look forward to expanding our footprint in corporate social responsibility and partnering for progress with the government and non-government agencies to help achieve the sustainable development goals (SDGs) of Bangladesh.

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) covers financial results and other developments for the year ended March 31, 2018. Some statements in this discussion describing projections, estimates, expectations or outlook may be forward looking. Actual results may however differ materially from those stated on account of various factors such as change in macro-economic environment, regulatory changes, impact of competing products and pricing, demand and supply constraints of input materials.

OVERVIEW OF THE CONSUMER PRODUCTS INDUSTRY

The Bangladesh economy has seen sustained growth over the last five years with a GDP growth of rate of 6%+ and the projected growth for 2018 is aprox. 7%. Bangladesh is projected to be one of the top 3 fastest growing economies by 2050. Consumer and investor confidence has been stable and with poverty being halved consumption as a % of total income has increased significantly in both rural and urban areas. Heavy rainfall and consecutive floods in Bangladesh during June-September 2017 left their footprints in terms of higher food prices, which leads to a higher overall inflation in FY 18 which currently stands at 6.1%. During the year we saw stable remittances and moderate export growth on back of which our foreign currency reserves have remained strong. Within the consumer products industry the food and beverage category along with personal care category are expected to grow at a delta rate on the back of increase in purchasing power and changing consumer demographics. Digitization and mobile financial services will allow for more transactions via cashless mediums with digital platforms being the immediate disruptor for the FMCG industry. The government has taken ambitious 'fast track' projects in energy and communications infrastructure though a number of projects are behind schedule. The Rohingya refugee crisis and major anti-terrorism drives also took up political focus during the year which impacted the socio-economic environment.

OUR GROWTH STORY

FY18 has seen your company face many external challenges starting with floods, refugee crisis and other external challenges, however your company has been able to deliver a sustained performance across all quarters of the fiscal year. While the branded coconut oil category was de-growing the Marico portfolio has performed better than the market and hence gained share within the category. Accompanied with pricing taken in this portfolio your company has been able to drive a single digit revenue growth in this segment. Our VAHO portfolio experienced a robust volume growth of 32% driven by winning brands like Parachute Advansed Beliphool and Parachute Advansed Extra Care. The "Others"/non-hair oil portfolio has also seen positive robust growth derived on back of Parachute Advansed Body Lotion and Saffola Active Blended Edible Oil, on a full year basis, the "Others" category has delivered a volume growth of 10%.

BRANDS

In FY18, we launched two new brands 'Parachute Advansed Men's Hair Cream' & 'Hair & Care Fruit Oils' to build our portfolio of winning brands which now has 17 brands. The launch of new variants and pack formats in the SET WET Gels was aimed at fortifying our offers in the male grooming category. We also launched a new crème format under our hair color category with HairCode Herbal Crème to respond to the changing consumer preferences. The initial responses for these new launches have been encouraging and we are working towards introducing more exciting propositions for our consumers.



Coconut Oil Brand Parachute has continued to be the market leader in the branded coconut oil space retaining the ever highest market share with highest FMCG reach nationally and a household penetration of 82%. **Parachute was also listed among the top-five Consumer Goods brands in Bangladesh by the Kantar Global Consumer Panel.** Despite the high market share the Company is committed to find more room for growth by driving the growth of the category in the country. We remain confident that Parachute will continue to dominate the market in the days ahead through its consumer centric approach and overall operational excellence. FY18 ended with the coconut oil category delivering a 11% value growth compared to FY17.

Value Added 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 the **Best Hair Oil Brand** by the Bangladesh Brand Forum in 2017 and was ranked within the top-ten brands of the country.

The overall **Value Added Hair Oil (VAHO) category** and brands have also yielded staggering growth for the Company with a 32% volume growth making MBL the clear No. 2 player in this category. The growth momentum was driven by disproportionate growth of **Parachute Advansed Beliphool (PAB)** as well as by **Parachute Advansed Extra Care (PAEC)** hair oils. Strong marketing plans which were based on sharp consumer insights have been instrumental in driving the success of these brands. MBL VAHO also gained significant market share during this year.

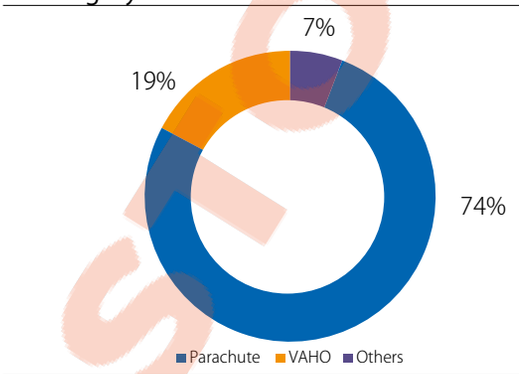


In FY 18, MBL's most prominent VAHO brand-**Parachute Advansed Beliphool** conducted a 360° campaign rolled out across TV, press, radio, digital, outdoor and retail activation focusing on the benefit of thick and healthy hair with the goodness of coconut and methi in a light non-sticky formula. This success of this program was reflected in the strong volume growth of PAB.

MBL continued its brand building drive for **Parachute Advansed Extra Care** which offers consumers hair-fall solutions. MBL conducted a 360° campaign focusing on hair fall reduction in 45 days through regular usage of Parachute Advansed Extra Care. The campaign was well received by the consumers, leading to a significant improvement in overall brand image and consumer engagement through additional benefits compared to ordinary oil usage. The brand saw tremendous response when a limited edition of its new root-applier pack/format was launched which brought a first of its kind application convenience to consumers.

Marico introduced **Hair & Care Fruit Oils** in the last quarter of FY18, this brand has already caught consumer attention with its youthful and contemporary non-sticky formulation, which is perfect for today's active youth.

Category Contributions



Other brands in the VAHO category also saw good response from consumers with attractive cross-branding consumer offers with **Nihar Shanti Amla** and the clinically proven efficacy of **Parachute Advansed Ayurvedic Gold.** The effective consumer proposition as well as presence in press, traditional and digital media ensured that our brands continue to drive new trials while retaining existing consumers, which contributed to steady gains in the overall volume and value growth of this category.



MBL expanded further into the **Colors Category** with the launch of the new **crème format** of **HairCode Herbal Crème** in the last quarter of FY18. As the market leader in the powder hair color categories this new product development (NPD) was a natural extension of the portfolio to cater to the changing landscape of consumer preference. The offering of superior conditioning and herbal goodness was able to garner a lot of excitement with the trade as well initial set of consumers.

MBL continued with its NPD journey in FY18 to cater to a wider range of consumers with a more diversified portfolio of successful brands.

Male grooming segment continues to grow steadily with the Perfume & Deodorant category delivering a



10% volume growth in FY18. **Set Wet Deodorants** continued to excite the consumers with its colorful packs and consumer offers. The brand also saw enthusiastic response from consumers with its Valentine's Day digital activation.



New variants and packs were launched in Q3 FY18 for **Set Wet's Hair Gels** to further expand the range of offerings in the current portfolio in response to insights on consumer needs for today's young male demographic.



Parachute Advansed Body Lotion continued to grow in a highly penetrated and competitive body lotion segment. The brand continued to build its presence through press and digital activation while introducing more variants and expanding its range through consumer offers. The targeted and effective brand building activities saw the brand deliver exponential growth as compared to FY 17.



MBL continued to build its presence in the **Food Category** by driving consumption and awareness of **Saffola Active** which is the only blended edible oil in the Bangladesh market. Riding on the back of the traction garnered in FY17 the foods portfolio delivered a 50%+ volume growth which is indicative of the success of our brand and product proposition as well as the growing segment of health conscious consumers.

DISTRIBUTION & GTM

Distribution and a sharp Go-to-Market (GTM) strategy have been the building blocks of MBL that would not only drive sales but also support the range offerings of MBL brands. **Amar Dokan** our signature trade loyalty program reflects execution excellence. **Milonmela** our wholesale loyalty program supports the MBL growth story in indirect distribution channels. With the deployment of MIDAS Pro and SPMS we are building capability not just within the organization but are also building capability of our partners through various classroom trainings and customized literature for trade education. In FY18 we conducted covering 1700 of man days training for our business partners. This commitment to developing capability ahead of growth is a reflection of our commitment to establish best-in-class distribution and GTM operations as well as contribute to a broader capability agenda and sustainable business operations. We continue to drive penetration with FY18 seeing the addition of more than 25K outlets with a BDT 7 cr. Value addition to the business. MBL's products reach more than half of the retail universe across Bangladesh. Our flagship brand **Parachute** has a wholesale reach of 99%. We are exploring new channels in the form of institutional sales and strategic co-branding or tie-ups along with strengthening our presence in the growing e-commerce channels. We are continuing to adopt learnings from our parent Company in India to leverage our strong distribution network and quickly scale up its new product introductions in Bangladesh.

OPERATIONS

MBL has a relentless focus on cost-efficiencies and supply assurance. In FY18 MBL drove home the motto 'every taka counts' across the organization without comprising on supply assurance and delivering innovations. Our signature savings initiative, 'MarVal' along with a new initiative 'Edge' has contributed to reduction in overheads compared to FY17 and has also helped derive higher effectiveness in our consumer and trade investments. We are reinvesting these savings to build our brands and also strengthen our foundations in innovation, IT transformations and business analytics. In FY18 we implemented business process transformation in our supply chain function with the introduction of 'Order Management' taking customer service to the next level and impacting key operational parameters like range selling and dispatch efficiencies. Our manufacturing operations doubled its capacity in the filling unit while our crushing unit was able to run crushing and refining operations simultaneously. To support the business demands our Shirirchala plant also achieved a mile stone of crushing 3000+ ton Copra in a single month. We have the highest commitment to 'Safety' and 'Quality' in our operations ensuring that our signature initiatives like Safety Starts with You and Quality Week are observed with rigour across all our plants and installations.

In the year under review, we saw considerable volatility in the external business environment with floods and food inflation, high levels of NPLs and rise in imports seeing a decline in Forex reserves hindered projections. Overall the macro situation in the country has been favorable.

Financial Results

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

BDT Crore	FY 2018	FY 2017	Gr FY18
Revenue	781	692	13.0%
Cost of sales	(423)	(371)	14.0%
Gross Profit	359	321	11.8%
Marketing, selling and Dist Exp	(58)	(54)	7.8%
General and Admin Exp	(86)	(80)	7.4%
Other Income/(Exp)	(1)	(1)	2.2%
Operating profit	214	186	14.9%
Finance Income, net	11	7	57.2%
Profit before tax	224	193	16.4%
Income Tax	(60)	(49)	23.5%
Profit after tax	164	144	14.1%
As % of Revenue:			
GM %	45.9%	46.4%	-0.5%
Marketing, selling and Dist Exp %	7.4%	7.8%	-0.4%
General and Admin Exp	11.0%	11.6%	-0.6%
Operating profit	27.3%	26.9%	0.5%
Finance Income, net	28.7%	27.9%	0.8%
Profit before tax	28.7%	27.9%	0.8%
Income Tax	7.7%	7.0%	0.7%
Profit after tax	21.0%	20.8%	0.2%
EPS	52.2	45.7	14.2%

The section on Financial Statements includes more details of our financial results.

Shareholder Value

Your Company's dividend distribution practice is aimed at sharing its prosperity with its shareholders subject to maintaining an adequate chest for liquidity and growth. Your Company's dividend payout compared to FY 17 is as follows:

	Q1	Q2	Q3	Q4	TOTAL
FY 17	150%	300%		50%	500%
FY 18		250%	250%	100%	600%

Subject to your Company's fund requirements towards inorganic growth, working capital and innovations and capacity creation we shall endeavor to maintain a healthy dividend payout practice in the medium term.

HUMAN RESOURCES

Talent and culture continue to be key focus areas for MBL to achieve its business aspirations and make a difference to the lives of its 213 members. Challenge, Enrich and Fulfill—Marico's talent value proposition is steered by the Human Resources (HR) function which is focused on competency based capability development, automation of people processes, strengthening of company culture and nurturing careers. The function took multiple initiatives this year to achieve their objectives and support the business, key highlights of which are outlined below:

Culture Building

Marico believes that its Values are the underlying drivers of its culture as well as business performance. The signature culture building initiatives—Values Week, Member Engagement Survey were celebrated across the organization to educate and embed Marico's core cultural philosophies and to encourage members to live the Marico Values.

Marico Competency Framework

Building depth of talent is a strategic thrust area to build capability for the business. To aid this process the Company articulated functional and behavioral competency frameworks considering the Company's current and emerging business requirements.

Talent Development

Our Talent Value Proposition (TVP) enables members to maximize their true potential to 'Make a Difference' and is an anchor for talent acquisition and development processes. Being an organization with limited hierarchy allows MBL to give greater focus on nurturing and developing talent through of our reputed programs which are:

Management Trainee Program: The Management Trainee (MT) Program is an intense program structured to give

fresh talent joining the Company a comprehensive understanding of the business and to give them early exposure to leadership behavior. 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: The Sales trainees are recruited from notable institutions after months of rigorous scouting and recruitment process. The Sales Trainee Program is structured to give fresh talent joining the Company an in-depth understanding of FMCG sales and operations, shaping up these fresh trainees into skilled sales professionals who would support the distribution and GTM wing of MBL business with the ultimate objective of developing future sales leadership.

Performance Management System: Management by Results (MBR) is our signature performance management process and unique in the industry in Bangladesh. Developed by the founder Harsh Mariwala himself in the early years of MBL's parent company it's a uniform performance management process that aligns individual and team goals with the organizational thrust areas.

Personal 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 and helping them optimize on their personal and professional aspirations. This process is key to designing the career architecture and building the talent pipeline in the organization.

Leadership Development: We invest in leadership development at front line, middle and senior leadership levels through cross-country exposures, job rotation, classroom training, mentoring and coaching. MBL invests in exposing its members to external programs that would benefit their leadership development processes most notably the Relationship Management Program (RMP) which is a unique behavioural/experiential learning program for identified talent progressing in the management journeys.

Member Welfare

The HR function designed the Hardship Geography Amenity Leave, an innovative Benefits scheme for Sales Members working out of the identified remote "Hardship" geographies of the country. Under this unique concept the Company provides mandatory leave to the recipients every month and a fully paid to-fro trip to their hometown. This signature member experience has touched the lives of the families of the recipient members and significantly built member engagement and loyalty with the Marico Family.

Sales Hall of Fame

This is a recognition platform designed specifically to recognize Superlative performances and celebrate achievements under "TM of the Month" and "Platinum Achiever's Club" Awards. This initiative has boosted the meritocratic culture within the Sales Frontline and has encouraged the strive for excellence and achievement orientation within the team.

Code of Conduct (CoC)

The CoC is set of guidelines highlighting the desired behavior/ actions from our members to display highest levels of integrity. The CoC embodies a uniform commitment of member companies of the Marico Group to create an enabling environment for members free from harassment & discrimination and to conduct our business in an ethical manner with high levels of governance 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.

There is a strict whistleblowing and redressal process which ensures that desired behavior and integrity is ensured at all levels of the organization.

Outlook for FMCG Industry

Global forecasts predict that emerging markets will continue to provide the fastest growth opportunity with the rising GDPs and increased purchasing power. A growing middle-class and millennial population will dictate consumer preferences and shifts in product offerings and market behavior. The upcoming year will be a challenging one with the National Elections being scheduled which has historically been disruptive. Despite this there is projected growth of ~6% in the FMCG industry with value addition being the key differentiating factor in achieving above average growth.

Risks & Concerns

The Company is cognizant of external risks that are likely to impact the business especially those systemic risks that are beyond the reasonable control of the business. Proactive management of these risks is of fundamental significance 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. In FY18 hike in Copra prices have impacted projected margins. This volatility is a present risk for the business. However given the high equity of our brands price adjustments allow the business to address these uncertainties. Additionally we continue to invest in and seek out numerous alternatives for our sourcing needs and hedge against these fluctuations.

Exchange Rate risk

Exchange rate risk still relates to the core business of MNCs, since we import a significant portion of our raw materials from international locations in foreign currency (mostly US dollar and Indian Rupee) though our cash inflow is not directly affected since our products are sold only in the domestic market. We have heightened our drive towards localized production and local sourcing of raw materials to insulate against this risk. Consistent forecasting of exchange rate movement and position building on our import volume through optimum exchange rate dynamics is also key in minimizing our exchange rate risks. The business by large is insulated of the risk except for Copra and Liquid Petroleum based materials.

Competition Risk

Barriers to entry in the FMCG industry of Bangladesh still remain low. Increase in the number of competing brands in our core categories as well as our foray in to well penetrated categories mean competition behaviour has the potential to disrupt our business. The Company believes healthy competition is good for business and welcomes offerings of high-quality products. However the biggest competition risk facing the FMCG industry is a growing prevalence of counterfeit, lookalike and grey products (those that are imported illegally or duty evaded). We have undertaken concrete efforts to fight the presence of counterfeit through a specialized focus of our legal function who coordinate with law enforcement and 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 insights to identify early trends and exercise agility in adapting to shifting preferences.

Compliance

Inadequate compliance systems and processes can pose both a reputation and financial risk for an organisation. Marico has invested in reviewing and updating 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.

Risk Management

Risk Management is an integral and important component of Corporate Governance. We believe that robust risk management ensures adequate controls and monitoring mechanisms for a smooth and efficient running of the business. The risk management framework is aligned across the member companies of Marico group to ensure that there is a consistent approach in identification, mitigation and neutralization of risks. The key cornerstones of this uniform Risk Management Framework are:

- Periodic assessment and prioritization of risks that affect the business;
- Development and deployment of risk mitigation plans to reduce the vulnerability to prioritized risks;
- Focus on both the results and efforts required to mitigate the risks;
- Risk review as part of the monthly operations review and risk reporting at senior management and Board levels;
- Embedding of the Risk Management processes, legal and regulatory due diligence in significant decisions such as large capital expenditures, mergers, acquisitions and corporate restructuring;
- Strict adherence to the Internal Financial Control (IFC) framework;

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Marico has a well-established and comprehensive internal control structure 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 on 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 Hoda Vasi Chowdhury, 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 firm ensures 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, the functioning of a robust Internal Financial Control (IFC) Framework developed with KPMG aims to identify key Financial Risk and develop Controls in all business processes ranging from policies & governance to process design, execution and compliance monitoring. 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. 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.

Business Outlook

We have come back to a growth trajectory with the growth being delivered across most of our brands. The Company is committed to systematically invest to strengthen both brands and capability and will continue to progress with new product introduction and business process transformation. Company is looking to expand the size of the non-Coconut oil portfolio to ~35%+ of the business by 2020 and gain market leadership in the VAHO category. We will be vigilant in tapping new channels of growth by ensuring our footprint expansion in the retail universe as well as in newer channels and selling platforms. We will continue to strengthen our strategic pillars of innovation, GTM transformation, talent value proposition, IT& Analytics and value management while retaining our focus on high standards of governance and risk management.

Overall, we expect to deliver double digit topline growth in the near to medium term. We are also committed to step-up our contribution in the areas of social responsibility and sustainability in our operations.



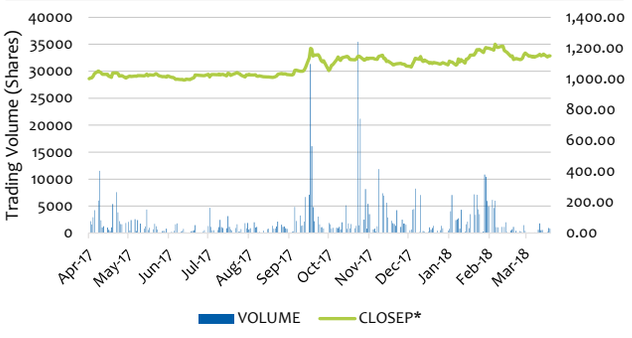
Naveen Pandey
Managing Director

Our Share

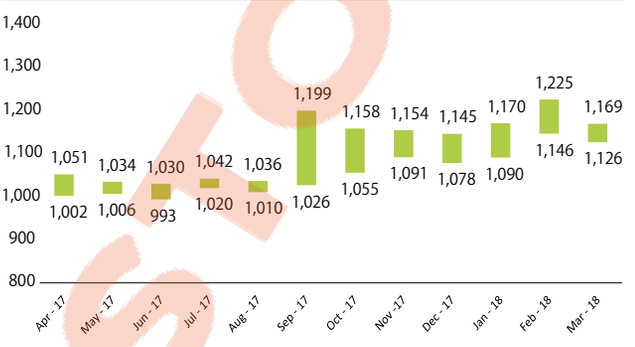
Marico's Scrip performance

Our share held its positive momentum throughout FY 2017-18. MBL share price witnessed mild growth in September 17. Since then, the share price has been stable throughout FY18. This reflects the market's confidence in positioning our brand and the stable performance in the consumer goods industry. During FY18 our shareholders continued to attain healthy quarterly dividends. Total dividend payout in FY18 was 600% surpassing the previous year by 100%.

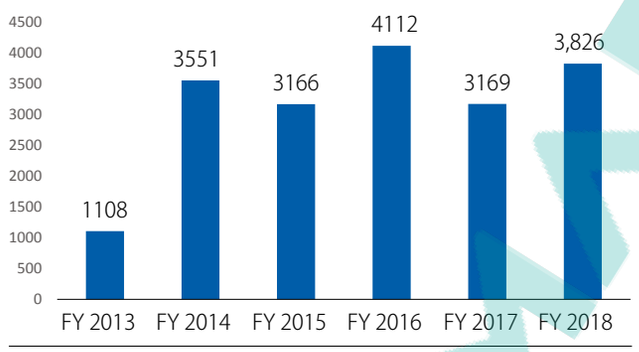
Daily Trading Volume



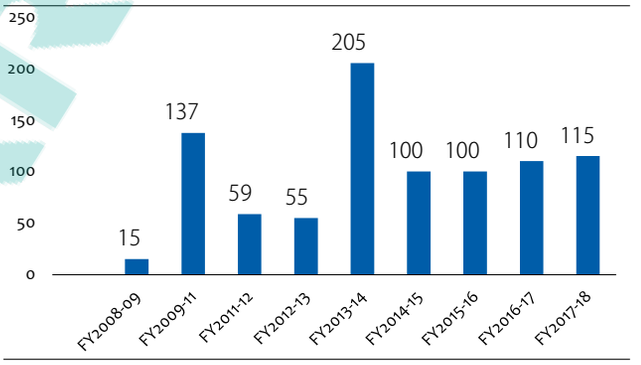
High Low Share Prices per month (BDT)



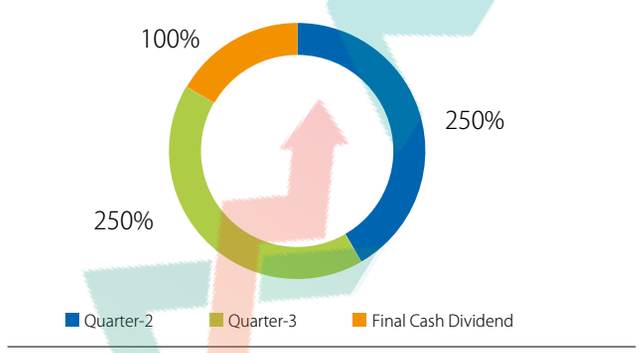
Market Capitalization at Year-End (BDT Crore)



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

Our Board of Directors declared 250% interim cash dividends on Q2 and Q3 earnings disclosure, all of which have been subsequently paid and the Board has announced a final cash dividend of 100% on earnings disclosure of Q4, which if approved, by the shareholders will take the total cash dividend tally to 600% for the year.

Share Ratios

		FY'18	FY' 17	FY' 16	FY' 15	FY' 14
Basic Earnings per Share	BDT	52.15	45.72	44.89	42.69	43.99
Cash Generated from Operating Activities per Share	BDT	48.92	60	68	13	86
Year-End Price	BDT	1214.6	1006	1305.4	1431.7	1127.3
Year High	BDT	1250	1364	1770	1480	1229.9
Year Low	BDT	991	899	1132.1	931.3	299.0
Dividend per Share	BDT	60	50	45	42.5	90
Dividend Payout Ratio	%	115	110	100	100	205
Dividend Yield	%	4.94	5	3	3	8
Shareholders' Equity per Share	BDT	47	50.16	54	54.35	54.16
Price-Earnings Ratio at Year-End		23.28	22.00	29.08	33.54	25.62
Average Trading Volume per Trading Day	shares	2281	4167	1808	3382	9985
Year-End Market Capitalization	BDT crores	3826	3169	4112	4510	3551

Shareholding Structure

(as on March 31, 2018)

90.0% Marico Limited

6.4% Foreign Institutional Investors

2.8% Domestic Institutional Investors

0.8% Individual Investors

Our share register as at March 31, 2018, shows that Marico Bangladesh Limited has 1932 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

	2018 Taka	%	2017 Taka	%
Value added				
Turnover	7,814,663,479		6,916,109,929	
Less: Bought in Materials & Services	(3,522,387,345)		(3,564,232,105)	
	4,292,276,134		3,351,877,824	
Indirect tax	856,175,209		793,000,000	
Other Income/(expense)	(8,961,977)		(8,771,723)	
Net finance income	107,703,132		68,516,585	
Available for distribution	5,247,192,498	100	4,204,622,686	100
Distributions				
Employees	543,426,112	10	483,238,386	11
Government	2,786,429,371	53	1,945,667,365	46
Shareholders*	1,732,500,000	33	1,575,000,000	37
Value reinvested and retained				
Depreciation and amortization	184,837,015	4	200,716,935	5
Retained profits		0		0
	5,247,192,498	100	4,204,622,686	100

** Distribution in 2018 was BDT 1,732,500,000 out of which BDT 1,642,627,361 was from the wealth created during 2018.*

** Distribution in 2017 was BDT 1,575,000,000 out of which BDT 1,447,701,062 was from the wealth created during 2017. The rest of the distribution was from wealth accumulated in earlier years.*

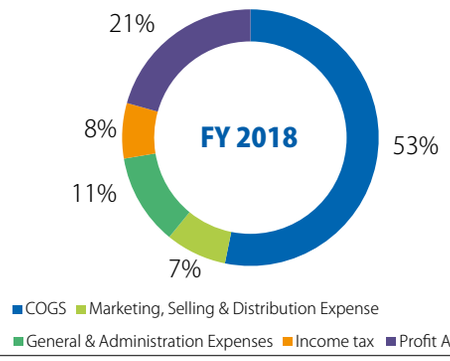
Economic Value Added Statement

	2018 Taka	2017 Taka
Net Operating Profit After Tax (NOPAT)	1,534,924,229	1,371,675,486
Total Capital Employed	1,222,842,957	1,413,276,545
Weighted average cost of Capital (WACC) in %	11.45%	11.18%
Weighted average cost of Capital (WACC)	140,060,187	158,048,458
EVA = NOPAT-WACC	1,394,864,042	1,213,627,028

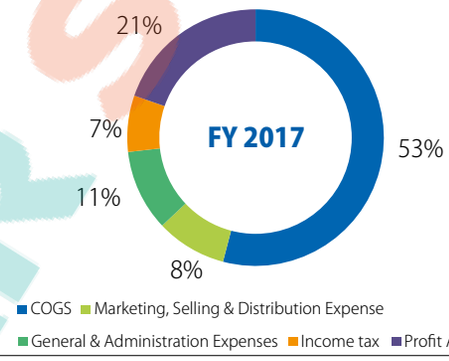
Vertical Analysis of Income Statement

Details	2018	2017
Sales Revenue	99%	99%
Net Finance Income & Other Income	1%	1%
	100%	**100%**
COGS	53%	53%
Marketing, Selling & Distribution Expense	7%	8%
General & Administration Expenses	11%	11%
Income tax	8%	7%
Profit After Tax	21%	21%
	100%	**100%**

Vertical Analysis of Income Statement



Vertical Analysis of Income Statement



Vertical Analysis of Balance Sheet

Details	2018	2017
Non-Current Assets	14%	19%
Current Assets	86%	81%
Total Assets	100%	100%
Total Equity	33%	42%
Non-Current Liabilities	1%	1%
Current Liabilities	65%	57%
Total Liabilities	100%	100%

Report on Corporate Governance

Marico Bangladesh is committed to ensuring the highest levels of corporate governance at all times. Transparency and Openness is one of the eight core Marico values and is embedded in the ethos of the organization. This report presents the Company's corporate governance framework and the structures and processes that work to ensure a continued commitment to sound governance.

The Company's philosophy on corporate governance 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 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. Corporate governance is also about what the Board of Directors does and how it sets the values of the Company and it is to be distinguished from the day to day operational engagement of the Company by full-time executives. The responsibilities of your Board thus include setting the Company's strategic aims, providing the leadership to put them into effect, supervising the management of the Company and reporting to shareholders on their stewardship. Together, the Management and the Board ensure that the Company remains a company of uncompromised integrity and excellence.

Shareholder value as an objective is embedded into all aspects of corporate governance. Our Corporate Governance is therefore a set of principles which ensures we are governed in the best interest of all the stakeholders—the shareholders, society, employees and the government.

Your Company would continue to develop robust practices to ensure highest standards of governance.

Corporate Governance Framework

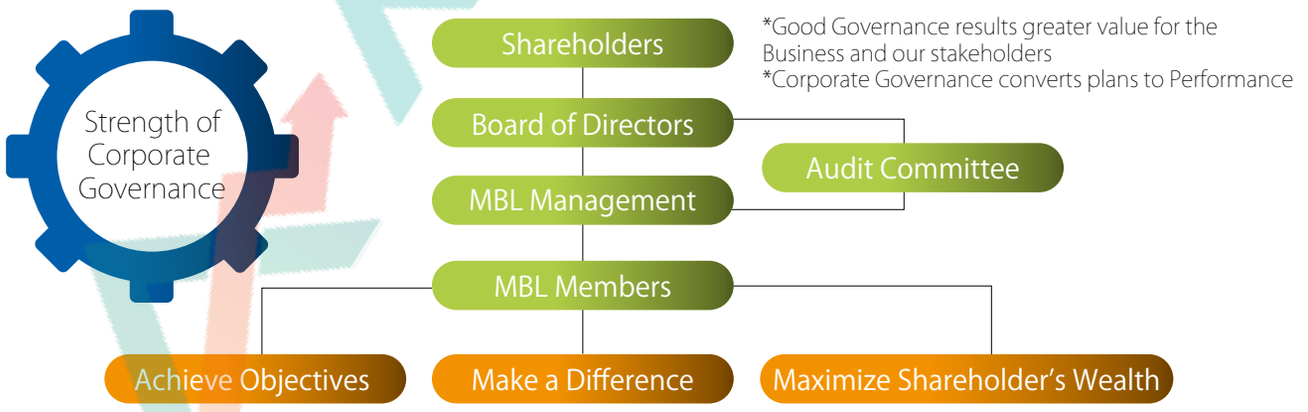
The Company's Corporate Governance Framework aims to deliver management effectiveness, reduction in risk and promotion of best corporate culture. Dedicated towards standing true to the highest level of integrity and exemplifying the highest standard of business conduct, good Corporate Governance is the underlying force for the Company, driving sustainable and responsible business operations with transparency, accountability and compliance.

The legal and regulatory basis underlying this framework are the Companies Act 1994, the Listing Regulations of the Dhaka and Chittagong Stock Exchanges, the Bangladesh Securities and Exchange Commission (BSEC) Notification on Corporate Governance and other applicable laws of the land. Apart from this, there is a robust set of internal controls, risk management processes and Code of Conduct further strengthening the Company's corporate governance.

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 and;
- The business units and supporting functions: where the risk activities occur and ownership lies.

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 context relevant to the Company. The Independent Directors ensure protection of interests of all shareholders of the Company. The Directors' Report along with their profiles have been presented in this Annual Report.

Responsibilities of the Board

The Board establishes structures and processes to fulfill Board responsibilities that consider the interests of investors, regulators, management and employees 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 currently has one sub-committee which is the Audit Committee and has delegated responsibilities to the 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 duties and responsibilities of the Committee are 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 Audit Committee is constituted according to the conditions of the BSEC guidelines. The Committee comprises 3 Non-Executive Independent Directors and 2 Non-Executive Nominee Directors and 1 Executive Director. The Chairman of the Committee is an Independent Director and the said appointment 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 Committee. The Chief Financial Officer and Company Secretary attend all meetings of the Committee and Internal Auditors of the Company and representatives of External Auditors attend the meetings upon invitation. The key responsibilities of the Committee are elaborated in the Audit Committee Report which is presented in this Annual Report. Additionally the Committee also ensures adherence to the Secretarial Standards issued by the Institute of Chartered Secretaries of Bangladesh.

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

The Management Team

The senior management plays a significant role in managing the business as per the norms of corporate governance, the Company's Code of Conduct 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 the following members:

Managing Director

Chief Financial Officer

Director-Human Resources

Director-Supply Chain

Director-Manufaturing

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 day to day business operations as well as developing, coordinating and implementing business and corporate strategies.

Board and Committee Meetings

The composition & meeting of the Board and Committee of the Board 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. The 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 protect the health and safety of our members, the environment, and our communities.

Internal Audit

The Company'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 the management of significant risk areas.

A Management Report on Internal Control over Financial Reporting has been attached as Annexure-I to this Corporate Governance Report.

- 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 shareholders, employees, consumers and the society.
- Create value for our stakeholders while continually improving our performance as a good corporate citizen with active engagement in 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 economic opportunities for local communities from our existing operations and new projects.

Commitments

The Company started its operation in the country about 19 years ago, and within this time the Company has achieved significant milestones and established itself as significant player in the consumer packaged goods industry of Bangladesh. The Company has expanded remarkably through its flagship brand, Parachute. Over the years, the Company has successfully created a diversified portfolio by foraying into Skin Care, Male Grooming and Food categories. The Value Added Hair Oils (VAHO) category has already emerged as a second growth engine for the business while the Company continues to push ahead on business process transformation and strengthening its strategic pillars.

The Company is not only focused on strengthening business performance but also to grow even stronger, more compliant and more competent. The Company's strength in corporate governance has resulted in Marico becoming a respected and credible business entity in the country with a strong corporate image and *Parachute* being one of the most trusted brands by consumers. The Company is listed on both the Dhaka and Chittagong Stock Exchanges. The share performance demonstrates public and investor confidence in the Company's long record of steady earnings which is testament to its good corporate governance.

There is high degree of transparency in the Governance framework, fueled by the presence of Independent Directors. Almost half of the Company's Board comprises of Independent Directors, who have deep involvement in ensuring integrity of Financial Information & Reporting, full and open disclosures and the necessary checks and balances between the Board and Management of the Company. The Independent Directors provide an external and dispassionate insight on the ways of work of the Company and provide valuable guidance to the business. 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, who has considered the Company's relevant statutory compliance. A copy of the said certificate has been included in this Annual Report.

The status of compliance with BSEC's Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 is captured in the checklist appended as Annexure - II to this Report.

On behalf of the Board,



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 controls over financial reporting of the Company. The Audit Committee of the Company has established a robust framework to evaluate the effectiveness of the Internal Control over Financial Reporting ("Integrated Framework"). The Management with the Chief Financial Officer and Head of Internal Audit conducted an evaluation as per the Integrated Framework and concluded that the internal controls over financial reporting was effective as of March 31, 2018. 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	Hotel Radisson Blu Water Garden Airport Road, Dhaka	August 19, 2013	10.30 AM
2013-14	Hotel Radisson Blu Water Garden Airport Road, Dhaka	August 19, 2014	10.00 AM
2014-15	Hotel Radisson Blu Water Garden Airport Road, Dhaka	August 13, 2015	10.00 AM
2015-16	Hotel Radisson Blu Water Garden Airport Road, Dhaka	October 18, 2016	09.30 AM
2016-17	Hotel Radisson Blu Water Garden Airport Road, Dhaka	July 17, 2017	04:00 PM

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 newspapers-in English and Bengali and on one online newspaper 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.

AMAR STOCK

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 (MBL) according to the conditions of the Bangladesh Securities and Exchange Commission (BSEC) Guidelines on corporate governance. This report is presented in accordance with Condition No. 3.5 of the BSEC Guidelines which sets out the role of the Audit Committee and the functions carried out during the year under review.

The Audit Committee is a central pillar of effective corporate governance and fulfills its oversight responsibilities mandated by law and governance best practices. The Audit committee plays a critical role in enhancing audit quality, assurance 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, business risks, internal control systems and compliance. It assists management with driving internal controls to eliminate or mitigate business risks, ensuring high standards of behavior and conducting the business in a financially sound manner. The Audit Committee of MBL met four times last year. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

Composition and Meetings

The Committee presently comprises of 6 members, of whom 5 are non-executive directors and 3 are Independent 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 theChief 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	4	3
Ms. Rokia Afzal Rahman	Independent Director	Member		4
Mr. Ashraful Hadi	Independent Director	Member		4
Mr. Vivek Karve	Nominee Director	Member		2
Mr. Sanjay Mishra	Additional Director	Member		4
Mr. Naveen Pandey	Managing Director	Member		4

*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, reviewing announcements relating to the Company's financial performance and compliance with applicable financial reporting standards and other legal and regulatory requirements;

Related Party Transactions

- To review any related party transactions and conflict of interest situations that may arise within the Company including those under the Company's Code of Conduct.

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 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 the Company's internal financial controls and risk management framework and review 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 in a timely manner 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.
- To review the extent of unit compliance including with internal policies, standards and procedures and the Company's Code of Conduct.
- Review the arrangements made by the management for developing and maintaining a suitable and robust Management Information System (MIS).

Internal Audit

- To monitor and review the effectiveness of the Company's internal audit function and to be satisfied that Internal Audit has the competency and qualifications to complete its mandates and approved audit plans
- To monitor and evaluate whether the audit functions are conducted independently from the management. 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 and ensure that appropriate action is being taken to implement the audit recommendations including ensuring that appropriate tracking is maintained on the agreed audit action points.
- Recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified and raise/ensure special audit where necessary.

External Audit

- Make recommendations to the Board for it to place before the Shareholders for their approval in the General meeting in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement.
- 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:
  - Assessing their independence and objectivity taking into account relevant professional and regulatory requirements and assisting them in preserving their independence;
  - Develop and implement policy on the engagement of the external auditor to supply non-audit services
- 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

The Audit Committee carried out its functions in accordance with the "Audit Committee Charter", governed by the BSEC notification on Corporate Governance, in key areas of the annual financial reporting cycle.

During the year ended on 31st March, 2018, the Audit Committee carried out the following activities:

- Reviewed the quarterly, half yearly and annual financial statements of the Company, considered the financial and business 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 including the implementation of the Internal Financial Control Framework
- 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.
- Reviewed the Investments of the Company i.e FDR, CAPEX etc. and revised Investment policy of the Company
- Reviewed the contingent liability status of the Company and provisions against the same
- Reviewed the status of the Business Transformation Projects for FY18
- Reviewed the functioning of the Code of Conduct through a quarterly tracking and reporting mechanism implemented for this purpose
- Approved Appointments/Substitutions to the Board of Trustees of the Marico Bangladesh Workers' Profit Participation Fund
- Reviewed other matters & incidents of significance as per Audit Committee Charter and management reporting

The Committee is of the opinion that adequate controls, procedures and risk management systems are in place to provide reasonable assurance that the Company's assets are safeguarded and that the financial position of the Company is satisfactorily 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

AMARSTOCK

Directors' Report

A message to our Members

With the financial year ending on March 31, 2018 ('the year under review' or 'FY18'), Your Board of Directors ('Board') is proud to present the 8th Annual Report of Marico Bangladesh Limited after being listed on the Dhaka and Chittagong stock exchanges.

Your Company is presenting this Directors' Report in compliance with the requirements of Section 184 of the Companies Act 1994, the Listing Regulations and Bangladesh Securities & Exchange Commission Order No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012. The key financial results and other developments taking place during April 2017 – March 2018 in the business in Bangladesh is discussed in this report.

Review of Operations

Your Company witnessed a successful year with steady progress in many areas despite challenging macro-economic conditions and delivered value enhancement. Manufacturing and marketing of fast-moving-consumer-goods (FMCG) in the personal care and food categories continue 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, Nihar, HairCode, Saffola, Mediker and Set Wet. Your company now hosts 17 brands and 51 SKUs in the market. Your Company continued to deliver growth in the Coconut oil and value-added-hair-oils (VAHO) categories where the brands Parachute and Parachute Advansed Beliphool are ranked No. 1 and 2 respectively. Your Company also delivered a value growth of 9% compared to last year. The detailed results of the operations are discussed in the segment below.

Expansion of Your Company's Portfolio

During FY18, your Company diversified its portfolio further with new launches in the male grooming, VAHO and colors categories. Leveraging the equity of the Parachute franchise the Company launched Parachute Advansed Men's Hair Crème. The year also saw launches of Hair & Care Fruit Oils and HairCode Herbal Crème. MBL's introduction of these brands are in line with its philosophy of entering categories with a "Right to Win". Our portfolio of winning brands are well-placed to become prominent players in the market.

Related Party Transaction

In the year FY'18, the Company had related party transactions with its parent company, Marico Limited, India and Marico Middle East FZE, a subsidiary of the parent company. Note 26 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 61 of this report.

In addition to regulatory compliance, a robust framework of internal financial controls, MBL's Code of Conduct also embodies high standards of governance and business ethics. 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 law relating to the Bangladesh Securities and Exchange Commission (BSEC) and the Listing Regulations. 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 in violation of the Company's Codes of Conduct.

A Certificate of Compliance required under BSEC 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 presented as an Annexure to this report.

Directors of the Company

Board of Directors	Category
Saugata Gupta	Chairman- Nominee Director
Sanjay Mishra	Nominee Director
Vivek Karve	Nominee Director
Naveen Pandey	Managing Director- Executive Director
Masud Khan	Independent Director
Rokia Afzal	Independent Director
Ashraful Hadi	Independent Director

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

Restructuring in the Board of Directors during the year

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 Directors
- Nature of their expertise, experience and qualifications
- Names of other companies in which Directors hold directorship as well as membership of Board Committees.

Directors' retirement and proposed for re-election

Mr. Masud Khan, Ms. Rokia Afzal Rahman and Mr. Sanjay Mishra retired during the course of the year under review and the Board has recommended for their re-appointment at the ensuing AGM of the Company scheduled on July 18, 2018.

Remuneration to Directors

The remuneration, performance and related bonus of Executive Directors are reviewed and approved by the Marico Board. The Executive Director(s) and some senior employees of the Company are entitled to Stock Rights Appreciation Scheme administered by the Parent Company, Marico Limited across the Marico Group. Independent Directors are paid fees of Tk. 2,500 per meeting as sitting fees in line with the Articles of Association. The information of the remuneration paid to the Directors during the year are disclosed in Notes-20 of the Financial Statements.

Management Discussion & Analysis

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

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

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

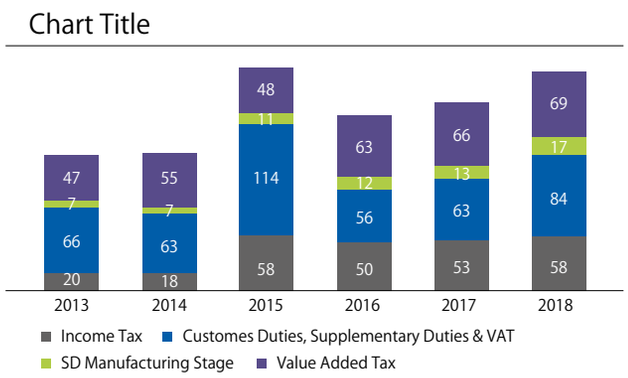
Results of operation

Financial Year Ended Mar 31, 2018 (FY18)

in BDT crores (except per Share amounts)	FY'18	FY'17	FY'16	FY'15	FY'14
Turnover	781	692	707	735	637
Net Earnings	164	144	141	134	139
Net Earnings Per Share	52.2	45.7	44.9	42.7	44.0
Dividend Per Share	60	50	45	42.5	90
Operating Cash flow per Share	48.9	60.1	68.3	12.9	85.8
Return on Assets	36%	38%	40%	38%	35%
Return on Equity	110%	91%	83%	79%	57%

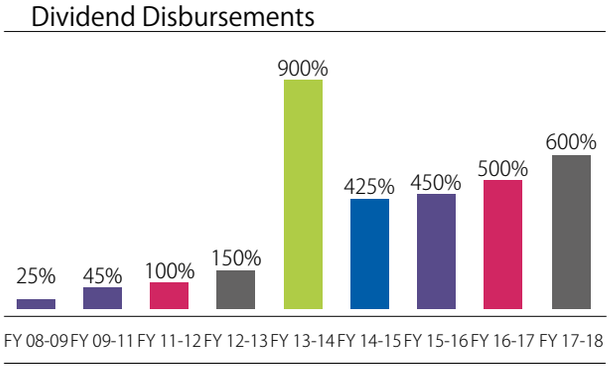
Contribution to National Exchequer

During the reporting period, your company paid BDT 228 Crores to the National Exchequer on account of Corporate Income Tax, Customs Duties, Supplementary Duties and Value Added Tax (VAT).



Details	2013	2014	2015	2016	2017	2018
Total (BDT Crores)	140	143	231	181	195	228

Distribution to Equity Shareholders



Your Company's wealth distribution philosophy aims at sharing its prosperity with its Shareholders. The upward trend reflects consistency in the Company's Dividend disbursements over the years and commitment to ensure the Shareholders' value is maximized.

In FY14, 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. For this reason the year ended with an overall dividend disbursement of 900% which was an exceptional distribution given the pattern of dividend disbursements.

In FY18, the Company declared interim cash dividends amounting to 500% and recommended a final dividend of 100% at the 99th Board Meeting on April 25, 2017 totalling 600% cash dividend for FY'18.

Reserves

The total reserves of the Company stood Tk. 124 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 31st March 2018, the Board of Directors recommended final cash dividend @ 100% per share at 99th Board meeting held on 25th April 2018. Apart from that, there are no other material events identified after year closing with the statement of financial position.

Shareholder Information & Substantial Shareholding

The distribution of shareholding and market value of shares are given on page 39.

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. As per BSEC Notification, the Board has, on the basis of suggestion of the Audit Committee, recommended appointment of "M/S Rahman & Rahman Huq (RRH)" as the statutory Auditor for the year 2018 and to continue upto the conclusion of the next AGM at a fees of Tk. 13,00,000 including Statutory Audit Fee, Annual Group Reporting, Quarterly Review 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

Naveen Pandey
Managing Director

MARICO

Statement of Compliance

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 on the MBL Board: Mr. Masud Khan, Ms. Rokia Afzal Rahman & Mr. Ashraful Hadi, Barrister-at-Law
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. Ms Rokia Afzal Rahman is the Independent Director of: Grameenphone Limited, Bangladesh Lamps Limited & Marico Bangladesh Limited. Mr. Ashraful Hadi is the 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	√		The appointments are duly approved.
1.2 (iv)	The post cannot remain vacant for more than 90 (ninety) days	√		No such event in the reporting year.
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	√		MBL has a robust Code of Conduct (CoC) which has been adapted from the Group CoC of Marico to incorporate and adhere to local legal and regulatory requirements. The CoC is applicable to all 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 regular term of office. 2 Independent Directors, Mr. Masud Khan and Mrs. Rokia Afzal Rahman have completed their their term of 3 years. The Board has recommended their re-appointment.
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 the IDs are commensurate to the requirements of the position and are stated in the 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.	√		The Directors' Profiles includes all relevant details about the IDs.
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.	√		The Chairman of the Board and CEO are different individuals and the Chairman is elected from amongts the Directors. Mr. Saugata Gupta is the Chairman and Mr. Naveen Pandey is the CEO. 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	√		This is discussed in Management Discussion and Analysis presented to the Shareholders by the Managing Director.
1.5 (ii)	Segment-wise or product-wise performance	√		Do
1.5 (iii)	Risks and concerns	√		Do
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		Do
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		Do
1.5 (vi)	Basis for related party transactions	√		Do
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	N/A		
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		
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.	√		Discussed 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.	√		Do
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		Do

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
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.	√		Do
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.	√		Do
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		Do
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.	√		Do
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.	√		Do
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		Do
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 500% and recommended 100% final cash dividend. A total of 600% cash dividend has been declared for the year ended on 31st March,2018
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		Stated in Annexure III 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 IV of the Directors' report
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	√		Do
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

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		Stated in Annexure IV of the Directors' report
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	√		Discussed in the Directors' Profile
1.5 (xxii) b)	nature of his/her expertise in specific functional areas	√		Do
1.5 (xxii) c)	names of companies in which the person also holds the directorship and the membership of committees of the board	√		Do
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 Mr. Elias Ahmed; Company Secretary is Ms. Christabel Randolph and Head of Internal Audit is Mr. Mohammed Ismail . All appointments have been duly approved by the Board.
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 with roles and responsibilities clearly defined in its Charter
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.	√		In Practice. The Charter of the Audit Committee 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) Independent Directors are members of the 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.	√		The qualifications and expertise of the members are commensurate to their role and have been duly reviewed by the Board. All members of the Audit Committee are 'financially literate' as declared by them and have 'related financial management experience' as per the 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 FY17-18. 2 Independent Directors, Mr. Masud Khan and Mrs. Rokia Afzal Rahman have completed their their term of 3 years and as such the Board recommended their re-appointment.
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.	√		Do
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:C87** **Role of audit committee shall include the following:-**			
3.3(i)	Oversee the financial reporting process.	√		In practice
3.3(ii)	Monitor choice of accounting policies and principles.	√		Do

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
3.3(iii)	Monitor Internal Control Risk management process.	√		Do
3.3(iv)	Oversee hiring and performance of external auditors.	√		Do
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		Do
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		Do
3.3(vii)	Review the adequacy of internal audit function.	√		Do
3.3(viii)	Review statement of significant related party transactions submitted by the management.	√		Do
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		Do
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		There was no IPO/RPO/ Rights issue in FY17-18 or the recent past.
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	√		The Directors' have declared their compliance.
3.4.1(ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	√		No such situation arose during the year.
3.4.1(ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations	√		No such situation arose during the year.
3.4.1(ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	√		No such situation arose during the year.

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Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
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, signed by the Chairman is presented in this Annual Report
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.	√		Do
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	√		Do
4 (iv)	Broker-dealer services.	√		Do
4 (v)	Actuarial services.	√		Do
4 (vi)	Internal audit services.	√		Do
4 (vii)	Any other service that the Audit Committee determines.	√		Do
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.	√		Do
4(ix)	Non-engagement in audit/certification services	√		Do
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.
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		Do

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
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		Do
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		Do
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		Do
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	√		The CEO and CFO have certified to the Board at the time of consideration and adoption of the Financial Statements of the Company and their Certification/ Declaration is also presented to the shareholders in the Directors' Report.
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.	√		Do
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.	√		Do
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 Associates, Chartered Secretaries, for the year 2017-18 which is presented in this Annual Report
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 presented as Annexure 1 to the Directors' Report as required.

Annexure to the Board of Director's Report:

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, 2018 have been prepared in conformity with the Bangladesh Accounting Standard (BAS), BFRS/IFRS, Companies Act, 1994, BSEC guidelines, Stock Exchanges Listing Regulations. In preparing the financial statements, management in consultation with 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 and internal financial controls. 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 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:

4 meetings of the Board of Directors were held during the period April 1, 2017 to March 31, 2018.

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	Nominee Director		3	Yes
Mr. Vivek Karve	Nominee Director		3	Yes
Mr. Naveen Pandey	Managing Director		4	Yes
Mr. Masud Khan	Independent Director		3	Yes
Ms. Rokia Afzal Rahman	Independent Director		4	Yes
Mr. Ashraful Hadi	Independent Director		4	Yes

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-2018/195

BAPLC

Date of issue : May 13, 2018

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 2018.

Bangladesh Association of Publicly Listed Companies ★ BAPLC

Secretary-General
(Acting)

TRANSTOCK

Al-Muqtadir Associates
Chartered Secretaries & Consultants

Business Office :
Block : F, Rania Avenue
Apurba Gardenia
House # 530, (5th floor)
Bashundhara R/A, Dhaka - 1229
Bangladesh

Phones : 01730 340 340
01552 108 522
e-mails : akamuqtadir@gmail.com
muqtadir@muqtadirbd.com
URL : www.muqtadirbd.com
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 2018. 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 and an independent audit on compliance of the conditions of Corporate Governance as regulated by BSEC.

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 2018.

Al-Muqtadir Associates
Chartered Secretaries & Consultants

Dhaka, June 06, 2018

Certificate of Due Diligence by CEO & CFO

To the Board of Directors of

Marico Bangladesh Limited

In compliance with condition no. 6 of the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, we the undersigned, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of Marico Bangladesh Limited, do hereby certify that we have thoroughly reviewed the Financial Statements of the Company for the year ended 31st March 2018, and solemnly state that :

a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,

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, and

c) to the best of our knowledge and belief, the Company has not entered into any transaction during the year which are fraudulent, illegal or in violation of the Company's codes of conduct.

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Dhaka,
May 29, 2018

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MBL Sustainability Report FY18

Sustainability Policy

Marico, as a responsible corporate citizen is fully committed to its purpose to make a difference

We are engaging in meaningful dialogue with our stakeholders while striving to improve social, environmental and economic performance of our operations.

Our commitments :

- Operate business in an efficient and financially sustainable manner while satisfying our customers and creating value for stakeholders
- Ensure good governance, ethics and transparency in stakeholder engagements while promoting & advocating responsible business practices
- Compliance with all applicable legal, environmental & social requirements
- Promote sustainable consumption while enhancing the nutrition, wellbeing and beauty of our consumers
- Reduce the green-house gas emissions, enhance energy efficiency promote renewable energy use and reduce waste
- Integrate sustainability considerations throughout the product life cycle by institutionalizing innovation within organization and stakeholders
- Foster health, safety and well-being of employees and inculcate a culture of empowerment and enrichment
- Collaborate with communities towards social interventions in the identified thrust areas
- Develop sustainability Key Performance Indicators, set definitive targets and establish monitoring mechanism

Sustainability at Manufacturing Unit

Manufacturing unit has been systematically managing numerous aspects of sustainability for last couple of years.

Our commitment to leadership in sustainability is reflected by our achievement of the ISO 14001:2015 and OHSAS 18001:2007 certifications from BUREAU VERITAS BANGLADESH received by our Manufacturing Units.



Sustainable Environmental Stewardship

Adoption of Green Manufacturing technologies is not just a social responsibility but a growing facilitator. It has the potential to achieve sustainable development and ensure resource optimization. The MBL Manufacturing Unit plays a crucial role in national sustainability, contributing to sustainable employment, energy usage, reduced water consumption, waste management, renewable energy and greener manufacturing processes and technologies.



MBL has always believed in inclusive growth, growth that leaves a legacy of sustainability in terms of creating value for our stakeholders and distributing that value 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 foot print (starting from product manufacturing to disposal). Our notable endeavors in the arena of environmental stewardship and sustainability include:

10%
Solar Energy among the total Lighting Load

3.1%
Reduction in Power Consumption/Ton



80%
Coverage of LED Light

9.9%
Reduction in Fossil Fuel Consumption/Ton

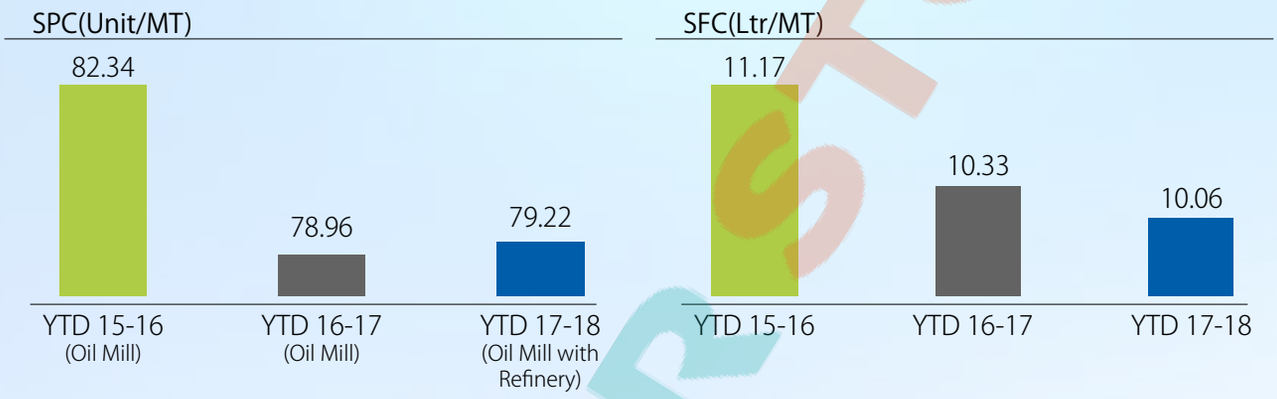
1285 KL
Reduction in Water Consumption on last year

Energy Management

At MBL, the commitment to reduce energy consumption is nurtured across the business. To optimize our energy consumption mix and actualize our vision of Green Manufacturing, we focused on following areas:

Selecting the core components –e.g. pumps, fans, compressors, transmissions, variable speed drives- with the right type and size and high efficiency.

Optimizing the design and the entire system's operation.



3 major initiatives taken for fuel consumption control-

Increased boiler upper cut off pressure to reduce line loss & reduced the consumption of BDT 409,365 equivalent diesel

Modification of steam and condensate pathway from boiler to crushing plant. It reduced the line loss & there is a potential of saving more than 18 lac BDT per year.

Catalyst has been introduced to increase burning

Efficiency which delivers savings of upto 3 ltr/hr equivalent to BDT 8 lac saving potential per year

Water Management Is Crucial To Our Business

From an industrial perspective sustainable growth goals include reducing both resource consumption (e.g., water) and harmful environmental impacts, while increasing profitable growth.

At MBL, as water is a critical material area for our business our first initiatives focused on reducing specific water consumption at our plant. Shirirchala unit saved about 1260 KL water by installing PPPU in steam line. On the other hand we have installed Effluent Treatment Plant where potential of reusing treated water in system is more than 1000 KL water per year from total water consumption.

Sustainability Focus Areas Across The Business

1. Sustainable Procurement

As Marico's material and service requirements are varied, sustainable procurement becomes critical for the business. It can help save money, reduce waste, improve competitiveness and reduce business risk. We lay emphasis on procuring raw materials which are not just cost effective but responsible in nature too. We aim to procure goods which are economically viable and which benefit the organization, customers, society and the environment.

2. Energy Management

As a responsible corporate, we aim to reduce our energy consumption and adopt environmental-friendly production technologies. We are committed to make every effort to invest in efficient usage of renewable and nonrenewable energy.

3. Water Management

Availability of water is a global challenge today and as a part of our ongoing sustainability commitment we aim to set new benchmarks in this material area of our business. We aim to become a water-positive business and focus on the direct requirements which can make an immediate impact.

4. Waste Management

Waste Management is an area of high relevance to our business and managing generated waste is critical for us. We are committed to reducing our waste on a year-on-year basis and having a robust waste recycling and reusing mechanism in place.

5. Product Responsibility

The products we manufacture are used by people every day, and our consumers expect our products to be environmentally and socially responsive. Therefore, we aim to provide products that are safe in nature and do not impact the environment and community adversely while maintaining high quality standards. We are committed to investing in recyclable and renewable materials in our product manufacturing.

6. Future-ready capability building.

Building competencies is a progressive process; in a dynamic environment it becomes critical to build future-ready capabilities for business and Individual growth.



Corporate Social Responsibility

At Marico Bangladesh Limited we believe that the power of a 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 Responsibility (CSR) have been aimed at making a lasting impact for the betterment of our society as it is inculcated in our philosophy to truly make a difference.

DAM-Marico CLC Project

As part of our continued efforts to create a positive lasting impact on the society, our continued partnership with Dhaka Ahsania Mission (DAM) to bring the light of education to underprivileged communities. With 75 Children Learning Centres offering education, life and social skills, the Center has enrolled 3000+ children, mainstreamed 863 children in formal schools in the Melandah Upazila of Jamalpur district, which has historically suffered from very low literacy rate. This is the third year for Marico to have been part of this great project. The partnership has had an overall impact in embedding social awareness of child rights and common consensus against the evils of child marriage and dowry.

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 and so that the project is able to drive community capability development. The beneficiaries of this project are not just the 3100+ children and their families but the related communities as well. The CLCs have 100% attendance. The project employs persons from the communities as teachers and imparts extensive training to the teachers to enable them to be self-sufficient and equip them with sustainable skills.

~1%

Proportion of PAT contributed towards the project











Organization Culture

Marico believes in living a celebratory culture which is evident in the various mediums through which significant national and international events are observed as well as member achievements are recognized.

Pohela Boishakh

Pohela Boishakh, the Bangla New Year, was celebrated with a lot of colors, music, food and festivity. The members partook in the traditional lunch followed by a cultural program where Marico members were star performers demonstrating their musical and cultural prowess.



Women's Day Celebration at the Office

Encouraging diversity and meritocracy is tied to the core values of Marico and the celebrations of International Womens' Day communicated these with the theme for 2018 #PressforProgress. The day was kicked off with a "Tactical Krav Maga" --Self Defense Training for the female members of Marico Bangladesh Limited. It was closed with deliberation over a Ted Talk session anchored by the Managing Director on what it means to each member to #pressforprogress in the context of their personal and professional lives.



Organizational Communication Event

"Organizational Communications" is an annual signature event where the Leadership of Marico provides the business update to the members on the performance of the last year and cascades the vision/plans for the years ahead which enables all members to have a shared picture of success In line with our values of openness and transparency we rely on a top-down, bottom-up management approach to foster these values across the layers of the organization and this event is a reflection of this ideology.



MBL Family Night

The Marico Bangladesh Family Night is an event where all members come together with their families to engage and celebrate their shared journey as Mariconians. This event took place at International Convention City Bashundhara (ICCB). One of the highlights of the evenings is recognition of members with long association with Marico along with the interactive segments with members' spouses. In addition, there were indoor games and other activities to engage the families and children attending MBL Family Night.





Football! Football!

Marico Bangladesh members have participated in 12th ASCENT CUP Corporate Football 2017. The purpose of this tournament was to engage the enthusiast members and keep them physically active. Though we could not win the trophy this year but it was fun and engaging.



Blood Donation Camp

Marico not only consciously drives member engagement internally but member engagement with the society in which we operate is also a demonstration of our core value of boundarylessness. Marico Mouchak Plant members took the initiative to organize Voluntary Blood Donation Camp at factory premises where almost every MBL Member and outsourced workers participated. It aims at spreading awareness amongst the community on the importance of blood donation and how a drop of blood donated can be instrumental in saving life.

Recognition on the Go

"Sales Hall of Fame"---is a new initiative designed to ensure recognition to superlative individual performances among the Sales Frontline. The "Territory Manager of the Month" piece is an attempt to recognize the best Frontline member for a particular month. The second piece of "Achiever's Club" is meant to similarly recognize impactful performances which enables us to seize competitive advantage in the marketplace. This recognition module further reinforces our endeavour to ensure the pervasiveness of Marico values among all Mariconians.

Young Leader Program

This program was designed to ensure the NextGen leaders of Marico are home grown and future ready. This unique capability development endeavour bordered on the concepts of "Action Based Pedagogy" where participants learnt key management tools through carefully designed simulations of real life challenges. The program also augmented the need of broader changes at personal and societal levels to ensure we become better corporate managers and operate as a responsible corporate citizen.

Projects & Initiatives

Successful Journey of Shirirchala Crushing & Refinery Unit





After establishment of In house Refinery plant last year, Shirirchala went onto successfully run Crushing & Refining unit operation simultaneously. The plant also achieved a milestone of Crushing 3000+ Ton Copra in a single month.

Marico Safety - "Safety starts with you!"

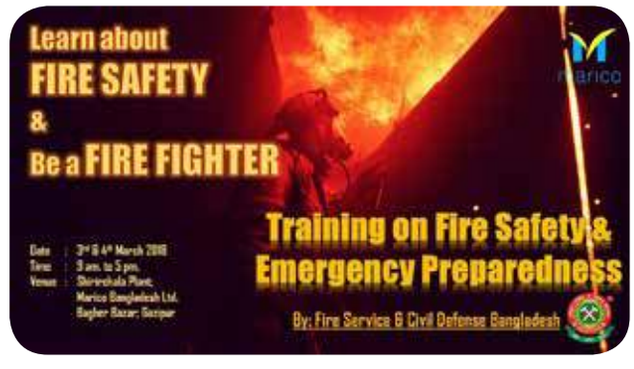
A safe workplace is at the core of Marico's values and factory operations. In the next step of its safety journey MBL Shirirchala Plant initiated "Safe Man Days Counting". From May 2016 till date MBL Shirirchala Plant achieved 800 Safe Man Days without any major accident.







As another pillar of the Safety Framework of MBL Factories, a Fire Safety training was conducted by Fire Service & Civil Defense Bangladesh to a larger group of MBL Plant and Corporate Members with the motto "Safety Starts With Me".



8th Marico Quality Week

MBL is committed to quality par excellence which is the foundation of our portfolio of winning brands and the promise of our flagship brand Parachute. Marico celebrates Quality Week- a week dedicated to drive quality rigour to ensure our brands maintain their position as market leaders and the trust of consumers. Quality Week is designed with lots of engagement activities like Quality riddles, quiz, poster making competition, defect stall, 5S campaign, quality display etc.







Ignite the Young Minds: Future Leaders to ensure Quality Environment

As part of social responsibility, MBL factory members also visit 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, SACHWATA OVIJAN-cleaning campaign etc. which delivers messages on leading a quality life and building clean practices through team work.





Industrial Attachment Program

Industrial Attachment Program is an open window of Marico which creates opportunity to fresh graduates from BUET and other top-tier engineering schools of the country to learn operational management in a practical environment. The program not only provides a unique learning to the participants but also strengthens MBL's employer branding.



Industrial Attachment Program of 3 Chemical Engineering Students of BUET (Started from 13 .03.2018; Duration 2 Weeks)





Visit by Prof. Dr. NiKhil Ranjan Dhar, Dr. Sudipa & Mr. Sourav of Industrial and Production Engineering Dept., BUET (on 11.09.2017)



Industrial Attachment Program of 3 IPE Students of BUET (started from 22.03.2018; Duration 3 Weeks)

Engagement with workers: Picnic, team building, Sports and so much more















Regulatory Visits



Factory Visit by Mr. Anjan Chandra Mandal- Additional Deputy Director, Department of Agricultural Extension



Senior Management conducting Factory Induction of Bangladesh Investment Development Authority (BIDA)

Order Management



MBL Supply Chain took customer service to the next level by implementing Order Management tool which aims to bring discipline in ordering process, reduce sales orders fluctuation and increase range selling. After implementation of order management, SKU Range selling (RSL) has increased by 3.5%, distributor service level (DSL) increased by 14% & permanent dispatch plan (PDP) efficiency increased by 10%.



Supplier Relationship Management Excellence

MBL believes its business partners are core to its growth journey and places high value on supplier relationship management (SRM). After implementing best-in-class SRM practices all vendors achieved "A level" under the vendor quality Index. The team also introduced feedback survey and collaboration mechanisms across vendors for further efficiency improvement. Cost efficiencies were derived through vendor consolidations and logistics optimization.
MBL SCM day out 2018 took place in Kuakata to increase team bonding, set up functional KRA for the next year and recognize the good work of the team. This had acted as motivational drivers for the entire team.





Marico Leadership Series

A glimpse of the "Annual Finance Meet-2018" at Nazimgarh Wilderness Resort, Lalakhal, Jaintapur, Sylhet during 8-9th February, 2018; a signature event for the full finance team of Marico Bangladesh Limited including Corporate Finance, Commercial Finance & Factory finance members led by the CFO.



Marico Leadership Series

The Marico Leadership has now become the signature corporate initiative of the Company. The 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. The Series has gained a traction within its first year of launch with each series seeing an average attendance of 50+ participants from other corporates and from different professions including retired bureaucrats, CEOs, journalists. The platform witnessed a diverse range of speakers including Rajesh Ramakrishnan, CEO, Perfetti Van Melle Bangladesh; Rajesh Ramakrishnan, CEO, Perfetti Van Melle Bangladesh; Farooq Siddiqi, Global Head of Trade & Transaction, Standard Chartered Bank; Shameran Abed, Director-Microfinance & Ultra-Poor Programs, BRAC; Geetyara Safia Chowdhury, Founder Chairman, AdComm; Aly Zaker, Freedom Fighter, Group Chairman-Asiatic 360; Saugata Gupta, CEO, Marico Group and N. Rajashekaran (Shekar), Citi Country Officer (CCO), Citibank NA. The unique approach and format of the series has also got considerable PR Coverage in various National Dailies.











Marico@Facebook

MBL has also launched its official facebook page where various updates of the organization are shared and gives an opportunity for both members and a broader range of stakeholders to engage with the organization

AWARDS



Parachute Advansed awarded
"Best Hair Oil Brand in Bangladesh 2017"

Corporate Governance
Award 2015

Marico Excellence
Award 2018

Parachute Advansed awarded
"No 9 Overall Brand 2017"



Auditors' Reports and Financial Statements

Hoda Vasi Chowdhury & Co
Chartered Accountants

Independent Auditors' 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 2018, 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 (BFRSs), 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.

Auditors' 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 (BSAs). Those standards require that we comply with 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 the auditors' 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, the auditors 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 2018, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

(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, 25 April 2018

Marico Bangladesh Limited

Statement of Financial Position

	Note	As at 31 March 2018 Taka	As at 31 March 2017 Taka
Assets			
Property, plant and equipment	4	511,585,227	593,536,255
Intangible assets	5	6,188,057	9,118,422
Deferred tax assets	6	58,510,013	76,756,882
Non-current financial assets	7	11,504,048	10,366,331
Other non-current assets	8	28,563,337	41,750,162
Total non-current assets		616,350,682	731,528,052
Inventories	9	1,717,322,020	1,348,927,101
Other current financial assets	10	1,244,197,702	1,311,435,690
Other current assets	11	610,794,216	193,377,297
Cash and cash equivalents	12	269,743,772	166,833,748
Total current assets		3,842,057,710	3,020,573,836
Total assets		4,458,408,392	3,752,101,888
Equity and Liabilities			
Equity			
Share capital	13	315,000,000	315,000,000
Share premium		252,000,000	252,000,000
Retained earnings		925,586,729	1,013,110,293
Total equity		1,492,586,729	1,580,110,293
Liabilities			
Employee benefit obligation	14	49,861,763	44,296,120
Total non-current liabilities		49,861,763	44,296,120
Loans and borrowings	15	300,000,000	-
Employee benefit obligation	14	6,984,584	5,220,211
Trade and other payables	16	2,222,763,532	1,740,557,065
Current tax liabilities	17	386,211,784	381,918,199
Total current liabilities		2,915,959,900	2,127,695,475
Total liabilities		2,965,821,663	2,171,991,595
Total equity and liabilities		4,458,408,392	3,752,101,888

The annexed notes 1 to 39 form an integral part of these financial statements.

Company Secretary

Director

Managing Director

As per our annexed report of same date.

Chief Financial Officer

Dhaka, 25 April 2018

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Marico Bangladesh Limited

Statement of profit or loss and other comprehensive income

	Note	For the year ended 31 March	
		2018 Taka	2017 Taka
Revenue	18	7,814,663,479	6,916,109,929
Cost of sales	19	(4,229,519,648)	(3,710,291,705)
Gross profit		3,585,143,831	3,205,818,224
Marketing, selling and distribution expenses	20	(579,697,303)	(537,613,344)
General and administrative expenses	21	(860,442,410)	(800,982,856)
Other income/(expense)	22	(8,961,977)	(8,771,723)
Operating profit		2,136,042,141	1,858,450,301
Finance income, net	23	107,703,132	68,516,585
Profit before tax		2,243,745,273	1,926,966,886
Income tax expense	24	(601,117,912)	(486,774,815)
Profit after tax		1,642,627,361	1,440,192,071
Other comprehensive income			
Remeasurement of defined benefit plan	14	(205,229)	10,011,988
Related taxes	6.1	2,554,304	(2,502,997)
Total other comprehensive income		2,349,075	7,508,991
Total comprehensive income		1,644,976,436	1,447,701,062
Earnings per share			
Basic earnings per share (par value of Tk 10)	25	52.15	45.72

The annexed notes 1 to 39 form an integral part of these financial statements.

Company Secretary

Director

Managing Director

As per our annexed report of same date.

Chief Financial Officer

Dhaka, 25 April 2018

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Marico Bangladesh Limited

Statement of changes in equity

for the year ended 31 March 2018

	Share capital	Share premium	Retained earnings	Total equity
	Taka	Taka	Taka	Taka
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
Balance as at 1 April 2017	315,000,000	252,000,000	1,013,110,293	1,580,110,293
Net profit for the year	-	-	1,642,627,361	1,642,627,361
Other comprehensive income for the year	-	-	2,349,075	2,349,075
Final dividend for 2016-2017	-	-	(157,500,000)	(157,500,000)
1st interim dividend for 2017-2018	-	-	(787,500,000)	(787,500,000)
2nd interim dividend for 2017-2018	-	-	(787,500,000)	(787,500,000)
Balance as at 31 March 2018	315,000,000	252,000,000	925,586,729	1,492,586,729

AMARSTOCK

Marico Bangladesh Limited

Statement of cash flows

	For the year ended 31 March	
	2018 Taka	**2017 Taka**
Cash flows from operating activities		
Collection from customers	7,747,157,791	6,934,216,275
Payment to suppliers and for operating expenses	(5,761,396,296)	(4,582,285,098)
Cash generated from operating activities	1,985,761,495	2,351,931,177
Interest paid	(3,288,784)	(1,816,132)
Interest received	134,627,224	78,682,153
Income tax paid	(576,023,154)	(525,820,940)
Net cash from operating activities	1,541,076,781	1,902,976,258
Cash flows from investing activities		
Acquisition of property, plant and equipment	(83,293,327)	(193,103,896)
Acquisition of intangible assets	(871,000)	(847,822)
Disposal of property, plant and equipment	5,650,074	2,570,132
(Investment in)/encashment of short-term investments	72,847,496	(450,285,500)
Net cash used in investing activities	(5,666,757)	(641,667,086)
Cash flows from financing activities		
Net proceeds from loans and borrowings	300,000,000	-
Dividend paid	(1,732,500,000)	(1,575,000,000)
Net cash used in financing activities	(1,432,500,000)	(1,575,000,000)
Net increase/(decrease) in cash and cash equivalents	102,910,024	(313,690,827)
Opening cash and cash equivalents	166,833,748	480,524,575
Closing Cash and cash equivalents	269,743,772	166,833,748

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Notes to the financial statements

as at and for the year ended 31 March 2018

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

These 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.

Details of the Company's accounting policies are included in note 39.

2.2 Authorisation for issue

These financial statements are authorised for issue by the Board of Directors in its 99th Board of Directors Meeting held on 25 April 2018.

2.3 Basis of measurement

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

2.4 Functional and presentation currency

These 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

These financial statements of the Company cover the financial year from 1 April 2017 to 31 March 2018 with comparative figures for the financial year from 1 April 2016 to 31 March 2017.

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. Judgments 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	Employee benefit obligation
Note- 17	Current tax liabilities
Note-39.10	Provisions
Note-39.16	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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3 New accounting standards not yet adopted

The Company has consistently applied the accounting policies as set out in Note 39 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 April 2017 have been considered. However, these amendments have no material impact on the financial statements of the Company.

In December 2017, ICAB has decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since currently issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on financial statements.

A number of standards and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted. However, the Company has not early applied the following new standards in preparing these financial statements.

BFRS 9 Financial instruments (to be adopted as IFRS 9)

BFRS 9, published in July 2014, replaces the existing guidance in BAS 39 Financial Instruments: Recognition and Measurement. BFRS 9 includes revised guidance on the classification and measurement of the financial instruments, a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

BFRS 15 Revenue from contracts with customers (to be adopted as IFRS 15)

BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing recognition guidance, including BAS 18 Revenue, BAS 11 Construction Contracts and BFRI 13 Customer Loyalty Programmes. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. Based on preliminary assessment the Company has determined that BFRS 15 has no material impact on its financial statements.

IFRS 16 Leases

IFRS 16, issued in January 2016 replaces existing leases guidance and effective for reporting period beginning on or after 1 January 2019. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The Company has not yet assessed any potential impact of IFRS 16 on its financial statements.

4 Property, plant and equipment

Cost

In Taka	Freehold land	Plant and machinery	Factory building	Office building	Vehicles	Office equipment	Computers	Furniture and fixtures	A.C and refrigerators	Under construction	Total
Balance at 1 April 2017	176,749,959	804,900,756	230,907,921	193,910,204	16,440,910	52,072,851	13,787,836	48,645,321	13,084,533	11,657,174	1,562,157,465
Additions	-	50,294,372	742,179	-	-	18,066,687	5,083,583	45,880,400	4,247,800	113,696,672	238,011,693
Transfer	-	-	-	-	-	-	-	-	-	(124,315,021)	(124,315,021)
Disposals	-	-	-	-	(16,440,910)	(922,541)	(36,000)	(24,000)	-	-	(17,423,451)
Balance at 31 March 2018	**176,749,959**	**855,195,128**	**231,650,100**	**193,910,204**	**-**	**69,216,997**	**18,835,419**	**94,501,721**	**17,332,333**	**1,038,825**	**1,658,430,686**
Balance at 1 April 2016	176,749,959	662,238,394	203,274,332	193,910,204	20,537,027	43,381,974	15,365,527	44,088,624	12,030,711	-	1,371,576,752
Additions	-	148,464,929	27,633,589	-	-	9,355,995	807,440	5,833,442	1,210,681	204,963,250	398,269,326
Transfer	-	-	-	-	-	-	-	-	-	(193,306,076)	(193,306,076)
Disposals	-	(5,802,567)	-	-	(4,096,117)	(665,118)	(2,385,131)	(1,276,745)	(156,859)	-	(14,382,537)
Balance at 31 March 2017	**176,749,959**	**804,900,756**	**230,907,921**	**193,910,204**	**16,440,910**	**52,072,851**	**13,787,836**	**48,645,321**	**13,084,533**	**11,657,174**	**1,562,157,465**

Accumulated depreciation and impairment loss

In Taka	Freehold land	Plant and machinery	Factory building	Office building	Vehicles	Office equipment	Computers	Furniture and fixtures	A.C and refrigerators	Under construction	Total
Balance at 1 April 2017	-	571,681,981	154,205,268	116,001,479	16,440,910	41,357,134	11,209,699	45,791,952	11,932,787	-	968,621,210
Depreciation	-	96,406,189	33,231,930	21,413,696	-	18,783,471	2,633,025	7,620,679	946,660	-	181,035,650
Impairment loss	-	12,277,774	-	-	-	-	-	2,316,274	-	-	14,594,048
Disposals	-	-	-	-	(16,440,910)	(922,541)	(17,998)	(24,000)	-	-	(17,405,449)
Balance at 31 March 2018	**-**	**680,365,944**	**187,437,198**	**137,415,175**	**-**	**59,218,064**	**13,824,726**	**55,704,905**	**12,879,447**	**-**	**1,146,845,459**
Balance at 1 April 2016	-	458,143,321	113,454,520	94,117,540	19,440,253	33,916,389	10,971,655	36,069,493	9,703,506	-	775,816,677
Depreciation	-	115,186,278	40,750,748	21,883,939	1,096,774	8,028,750	2,488,378	5,208,990	1,201,357	-	195,845,214
Impairment loss	-	4,112,184	-	-	-	11,520	17,113	5,653,241	1,163,158	-	10,957,216
Disposals	-	(5,759,802)	-	-	(4,096,117)	(599,525)	(2,267,447)	(1,139,772)	(135,234)	-	(13,997,897)
Balance at 31 March 2017	**-**	**571,681,981**	**154,205,268**	**116,001,479**	**16,440,910**	**41,357,134**	**11,209,699**	**45,791,952**	**11,932,787**	**-**	**968,621,210**

Carrying amounts

At 31 March 2018	176,749,959	174,829,184	44,212,902	56,495,029	-	9,998,933	5,010,693	38,796,816	4,452,886	1,038,825	511,585,227
At 31 March 2017	176,749,959	233,218,775	76,702,653	77,908,725	-	10,715,717	2,578,137	2,853,369	1,151,746	11,657,174	593,536,255

4.1 Asset under construction

Year 2018

Particulars	As at 1 April 2017	Additions	Transfers	As at 31 March 2018
	Taka	Taka	Taka	Taka
Plant and Machinery	11,530,759	39,802,438	50,294,372	1,038,825
Factory building	-	742,179	742,179	-
Office equipment	-	18,066,687	18,066,687	-
Computers	100,000	4,983,583	5,083,583	-
Furniture and fixtures	26,415	45,853,985	45,880,400	-
A.C and refrigerators	-	4,247,800	4,247,800	-
	11,657,174	113,696,672	124,315,021	1,038,825

Year 2017

Particulars	As at 1 April 2016	Additions	Transfers	As at 31 March 2017
	Taka	Taka	Taka	Taka
Plant and machinery	-	159,995,688	148,464,929	11,530,759
Factory building	-	27,633,589	27,633,589	-
Office equipment	-	9,355,995	9,355,995	-
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

4.2 Disposal of property, plant and equipment

Year 2018

Particulars	Original cost	Accumulated depreciation	Book value	Sale value	Gain/(loss) on sale of assets
	Taka	Taka	Taka	Taka	Taka
Vehicles	16,440,910	16,440,910	-	5,538,000	5,538,000
Office equipment	922,541	922,541	-	66,074	66,074
Computers	36,000	17,998	18,002	31,000	12,998
Furniture and fixtures	24,000	24,000	-	15,000	15,000
	17,423,451	17,405,449	18,002	5,650,074	5,632,072

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

4.3 Fully depreciated assets - at cost	Note	2018 Taka	2017 Taka
Plant and machinery		563,500,430	169,476,463
Factory building		147,817,188	374,052
Office building		5,642,912	5,642,912
Vehicles		-	16,440,910
Factory equipment		53,400,325	29,965,932
Computers		10,068,840	7,243,271
Furniture and fixtures		33,256,211	30,618,785
A.C and refrigerators		9,657,111	9,342,962
		823,343,017	269,105,287

4.4 Depreciation allocated to:			
Cost of sales	19.1.2	137,941,076	164,052,019
General and administrative expenses	21	43,094,574	31,793,195
		181,035,650	195,845,214

4.5 Impairment loss

Particulars	Reason for impairment	Amount
Plant and machinery	Change in expected economic benefit of few plant and machinery. Some moulds will not be used as per initial expectation	12,277,774
Furniture and fixtures	Change in expected economic benefit due to relocation of Head Office	2,316,274
		14,594,049

5 Intangible assets-Computer software	Note	2018 Taka	2017 Taka
Cost			
Balance at 1 April		21,190,875	20,343,052
Additions		871,000	847,823
Disposals		-	-
Balance at 31 March		22,061,875	21,190,875
Accumulated amortisation			
Balance at 1 April		12,072,453	7,200,732
Amortisation		3,801,365	4,871,721
Disposals		-	-
Balance at 31 March		15,873,818	12,072,453
Carrying amounts		6,188,057	9,118,422
5.1 Fully amortised assets - at cost		3,904,960	-

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 2018				
Property, plant and equipment	4	333,796,443	504,416,028	(170,619,585)
Intangible assets	5	6,188,057	12,762,178	(6,574,121)
Provision for gratuity	14.1	44,272,692	-	(44,272,692)
Provision for leave encashment	14.2	12,573,655	-	(12,573,655)
Net deductible temporary difference				(234,040,053)
Income tax rate				25%
Deferred tax assets				(58,510,013)
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	14.1	36,415,189	-	(36,415,189)
Provision for leave encashment	14.2	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)

6.1 Change in deferred tax assets and liability

	Note	2018 Taka	2017 Taka
Balance as at 1 April- deferred tax asset		(76,756,882)	(81,632,588)
Recognised in profit or loss	24	20,801,173	2,372,709
Recognised in other comprehensive income		(2,554,304)	2,502,997
Balance as at 31 March- deferred tax asset		(58,510,013)	(76,756,882)

Deferred tax assets as of 31 March 2018 includes deferred tax asset of Tk. 2,554,304 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

	2018 Taka	2017 Taka
Security deposits	6,365,600	2,605,000
Loans to employees	5,138,448	7,761,331
	11,504,048	10,366,331

8 Other non-current assets

	2018 Taka	2017 Taka
Advance for capital goods	8,170,635	17,452,584
Advance to suppliers and others	18,067,559	23,755,450
Prepaid expenses	2,325,143	542,128
	28,563,337	41,750,162

		Note	2018 Taka	2017 Taka
9	**Inventories**			
	Raw materials		1,093,091,743	800,554,140
	Packing materials		62,093,471	86,516,844
	Finished goods		174,804,729	152,398,038
	Stores and spares		18,744,592	17,159,318
	Materials in transit		368,587,485	292,298,761
			1,717,322,020	1,348,927,101

Details break-up of inventories could not be given as it is quite difficult to quantify each item in a separate and distinct category due to large variety of items. Information in summarized form may not be useful for the user.

10	**Other current financial assets**			
	Fixed deposits	10.1	1,237,525,917	1,308,587,800
	Security deposits		2,775,870	159,000
	Loans to employees		3,895,915	2,688,890
			1,244,197,702	1,311,435,690

10.1 Fixed deposits (having original maturity of more than three months)

Fixed deposits with:	Credit rating		
Brac Bank Limited	AA1	341,791,399	222,964,722
Delta Brac Housing Finance Corporation Ltd.	AAA	163,727,455	333,093,789
IPDC Finance Limited	AA1	102,586,111	-
IDLC Finance Limited	AAA	327,887,619	334,812,869
One Bank Limited	AA	-	120,660,000
Standard Chartered Bank	AAA	301,533,333	-
South East Bank Limited	AA	-	297,056,420
		1,237,525,917	1,308,587,800

11	**Other current assets**		
	Advances		
	Advance to suppliers and others	549,391,820	145,321,666
	Deposits		
	VAT current account	50,630,088	41,324,458
	Supplementary duty	116,584	839,950
		50,746,672	42,164,408
	Prepayments		
	Prepaid expenses	10,655,724	5,891,223
		610,794,216	193,377,297

		Note	2018 Taka	2017 Taka
12	**Cash and cash equivalents**			
	Cash in hand		239,770	168,451
	Cash at banks:	Credit rating		
	BRAC Bank Limited	AA1	7,347,690	34,839,167
	Citibank N.A.	AAA	59,692	3,848
	Islami Bank Bangladesh Limited	AA+	1,268,514	41,720
	Sonali Bank Limited		514,933	189,424
	Standard Chartered Bank	AAA	26,027,375	55,736,233
	Dutch Bangla Bank Limited	AA+	-	890,000
	The Hongkong and Shanghai Banking Corporation Ltd.	AAA	14,831,514	1,126,129
			50,049,718	92,826,521
	Fixed deposits	12.2	219,454,284	73,838,776
			269,743,772	166,833,748

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	4,000,000

As of 31 March 2018, the Company has no overdraft balance.

		Note	2018 Taka	2017 Taka
12.2	**Fixed deposits (having original maturity of three months or less)**			
	Fixed deposits with:	Credit rating		
	Standard Chartered Bank	AAA	219,454,284	73,838,776
			219,454,284	73,838,776
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

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13.1 Composition of shareholding

Details	No. of share		% of holding	
	2018	2017	2018	2017
Marico Limited, India	28,350,000	28,350,000	90.00	90.00
Institutions	2,896,169	2,786,979	9.00	8.85
General shareholders	253,831	363,021	1.00	1.15
	31,500,000	31,500,000	100.00	100.00

13.2 Classification of shareholders by holding

Holdings	Number of holders		% of total holding	
	2018	2017	2018	2017
Less than 500 shares	1800	2868	0.34	0.63
500 to 5,000 shares	85	164	0.37	0.61
5,001 to 10,000 shares	13	17	0.32	0.40
10,001 to 20,000 shares	17	10	0.71	0.42
20,001 to 30,000 shares	3	3	0.25	0.23
30,001 to 40,000 shares	0	0	0.00	0.00
40,001 to 50,000 shares	1	1	0.16	0.16
50,001 to 100,000 shares	3	5	0.62	0.95
100,001 to 1,000,000 shares	10	9	7.23	6.59
Over 1,000,000 shares	1	1	90.00	90.00
	1933	3078	100.00	100.00

	Note	No. of share	
		2018	2017
13.3 Number of share held by the members of the Company's leadership team			
Managing Director		1	-
		1	-

	Note	2018	2017
		Taka	Taka
14 Employee benefit obligation			
Provision for gratuity	14.1	44,272,692	36,415,189
Provision for leave encashment	14.2	12,573,655	13,101,142
		56,846,347	49,516,331
Current		6,984,584	5,220,211
Non-current		49,861,763	44,296,120
		56,846,347	49,516,331

14.1 Provision for gratuity

Balance as at 1 April	36,415,189	40,434,105
Current service cost	9,865,179	9,054,987
Interest cost/(income)	4,005,671	4,447,752
Actuarial loss/(gain)	205,229	(10,011,988)
Benefit paid	(6,218,576)	(7,509,667)
Balance as at 31 March	44,272,692	36,415,189
Current	4,759,929	2,997,417
Non-current	39,512,763	33,417,772
	44,272,692	36,415,189

	Note	2018 Taka	2017 Taka
14.1.1 Significant actuarial assumptions			
Discount rate		11%	11%
Salary growth		11%	12%
Employee turnover		17.50%	17.50%
Year of mortality rate		2006-08	2006-08
14.1.2 Sensitivity analysis			
Due to change in discount rate by 1%, potential impact would range from:			
Delta effect of +1% change in rate of discounting		(1,904,936)	(1,638,437)
Delta effect of -1% change in rate of discounting		2,087,444	1,801,401
14.2 Provision for leave encashment			
Balance as at 1 April		13,101,142	10,857,899
Provision made during the year		2,253,708	8,655,681
Paid during the year		(2,781,195)	(6,412,438)
Balance as at 31 March		12,573,655	13,101,142
Current		2,224,655	2,222,794
Non-current		10,349,000	10,878,348
		12,573,655	13,101,142

15 Loans and borrowings

The Company has taken a short-term loan of Tk. 300,000,000 for a duration of three months from Citibank N.A. Bangladesh.

16 Trade and other payables

	Note		
Trade payables			
Payable against raw material		418,464,212	313,181,017
Payable against packing material		34,730,704	29,992,995
Payable against finished goods		98,497,363	43,093,080
Payable against services		168,373,123	50,002,104
		720,065,402	436,269,196
Other payables			
Workers' profit participation and welfare fund		118,091,844	101,419,310
Royalty payable	26	209,646,298	134,901,377
General and technical assistance fees payable	26	220,299,097	136,302,429
Advance from customers		1,529,067	69,034,750
Withholding tax and VAT payable		36,116,225	23,966,370
Payable against business promotion expenses		204,071,165	243,702,939
Payable against advertisement expenses		243,427,986	219,058,877
Audit fees payable		1,302,950	1,302,950
Interest accrued on loans		1,054,391	-
Payable against capital goods		29,284,718	8,163,323
Import duty and related charges payable		96,604,481	104,568,363
Payable against expenses		341,269,908	261,867,181
		1,502,698,130	1,304,287,869
		2,222,763,532	1,740,557,065

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	Note	2018 Taka	2017 Taka
17 Current tax liabilities			
Balance as at 1 April		381,918,199	423,337,033
Add: Provision during the year:			
Provision for current year	24	603,956,939	511,139,076
Provision for prior years			
Assessment year 2013-2014	24	(23,640,200)	-
Assessment year 2012-2013		-	(30,518,071)
Assessment year 2011-2012		-	3,781,101
		962,234,938	907,739,139
Less: Payment during the year:			
Payment for current year		(388,901,091)	(295,710,722)
Payment for prior years			
Assessment year 2017-2018		(187,122,063)	-
Assessment year 2016-2017		-	(219,329,117)
Assessment year 2013-2014		-	(7,000,000)
Assessment year 2011-2012		-	(3,781,101)
Balance as at 31 March		386,211,784	381,918,199

17.1 Year wise break up of provision for current tax and advance income tax for those assessment is open

Accounting year ended	Assessment year	Provision for income tax	Advance income tax	Status
31 March 2018	AY 2018-19	603,956,939	388,901,091	To be submitted
31 March 2017	AY 2017-18	511,139,076	482,832,785	Return 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	279,549,372	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		3,124,539,199	2,738,327,415	

*Taxes Appellate Tribunal

	Note	2018 Taka	2017 Taka
18 Revenue			
Parachute coconut oil		5,808,522,439	5,345,714,157
Value added hair oil (VAHO)		1,496,713,608	1,077,951,369
Haircode		48,372,357	67,953,922
Saffola - Edible oil		51,343,440	25,850,605
Parachute body lotion		69,540,191	61,896,012
Others		340,171,444	336,743,864
		7,814,663,479	6,916,109,929
19 Cost of sales			
Opening stock of finished goods		152,398,038	142,234,909
Cost of goods manufactured	19.1	4,251,926,339	3,720,454,834
		4,404,324,377	3,862,689,743
Closing stock of finished goods		(174,804,729)	(152,398,038)
		4,229,519,648	3,710,291,705
19.1 Cost of goods manufactured			
Materials consumed	19.1.1	3,949,660,726	3,423,648,040
Factory overhead	19.1.2	302,265,613	296,806,794
		4,251,926,339	3,720,454,834
19.1.1 Materials consumed			
Opening stock of raw materials, packing materials & others		1,196,529,063	1,120,057,871
Purchases during the year		4,295,648,954	3,500,119,232
Closing stock of raw materials, packing materials & others		(1,542,517,291)	(1,196,529,063)
		3,949,660,726	3,423,648,040
19.1.2 Factory overhead			
Salaries and allowances		42,359,081	37,323,541
Cost of outsourced human resources		40,925,468	38,430,423
Power expenses		58,978,247	35,030,285
Repair and maintenance		6,596,635	4,344,933
Depreciation	4.4	137,941,076	164,052,019
Communication expenses		602,271	794,180
Entertainment		4,338,993	5,089,806
Printing and stationery		866,615	869,918
Security charges		4,456,628	5,412,406
Travelling and conveyance-Local		5,016,599	5,459,283
Warehouse rent		184,000	-
		302,265,613	296,806,794

	Note	2018	2017
		Taka	Taka
20 Marketing, selling and distribution expenses			
Advertisement		400,736,422	341,993,035
Business promotion expenses		16,770,444	14,834,452
Other selling & distribution expenses		59,719,215	81,684,908
Entertainment		8,877,285	10,682,327
Free sample		11,170,144	1,124,531
Freight- outward		59,605,556	57,901,993
Market research expenses		22,818,237	29,392,098
		579,697,303	537,613,344
21 General and administrative expenses			
Salaries and allowances		336,557,902	326,598,757
Gratuity	14.1	13,870,850	13,502,739
Workers' profit participation and welfare fund		118,091,844	101,419,310
Rent, rates and taxes		16,815,546	1,433,848
Professional and legal charges		15,509,313	31,937,168
Security charges		1,693,760	1,732,177
Stamp and license fees		5,954,378	3,807,122
Directors' remuneration		29,299,253	24,787,585
Directors' fees		993,474	667,645
Repair and maintenance		14,497,499	20,796,575
Communication expenses		8,962,686	11,020,081
Subscription to trade association		360,970	150,715
Entertainment		16,374,672	14,493,130
Printing and stationery		2,713,463	3,065,889
Vehicle running expenses		43,579,672	46,655,549
Travelling and conveyance-Local		7,363,420	9,890,079
Travelling and conveyance-Foreign		5,228,279	4,595,041
Statutory audit fees		1,302,950	1,302,950
Insurance premium		5,807,120	5,602,784
Books and periodicals		110,811	116,171
Bank charges		1,735,451	653,695
AGM and public relation expenses		802,088	2,898,131
Conference and training expenses		5,036,784	2,507,097
Electricity and gas charges		2,714,965	2,911,766
Amortisation	5	3,801,365	4,871,721
Royalty	26	74,744,920	65,561,325
Depreciation	4.4	43,094,574	31,793,195
Listing fees		315,000	315,000
General and technical assistance fees	26	76,822,856	54,071,433
CSR project	21.1	6,286,545	11,824,178
		860,442,410	800,982,856

21.1 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. The project ended at the scheduled time at 30 September 2017 and Marico has no further commitment or plan to extend the project or any of the same kind as of 31 March 2018.

	Note	2018 Taka	2017 Taka
22 Other income/(expense)			
Gain on sale of assets	4.2	5,632,072	2,185,493
Impairment loss	4.5	(14,594,049)	(10,957,216)
		(8,961,977)	(8,771,723)
23 Finance income, net			
Interest on fixed deposits		133,653,604	74,846,945
Interest on call deposits		2,759,233	881,377
Interest on overdraft and loans		(4,343,175)	(1,816,132)
Foreign exchange gain/(loss)		(24,366,530)	(5,395,605)
		107,703,132	68,516,585
24 Income tax expense			
Current tax expense			
Current year	17	603,956,939	511,139,076
Adjustment for prior years	17	(23,640,200)	(26,736,970)
Deferred tax (income)/expense	6.1	20,801,173	2,372,709
		601,117,912	486,774,815

	2018		2017	
	Taka	%	Taka	%
24.1 Reconciliation of effective tax				
Profit before tax	2,243,745,273		1,926,966,886	
Income tax using the corporate tax rate	560,936,319	25%	481,741,722	25%
Factors affecting the tax charge for current year				
Non deductible expenses	117,429,506		107,253,412	
Deductible expenses	(74,408,886)		(77,856,058)	
Adjustment for prior years	(23,640,200)		(26,736,970)	
Deferred tax (income)/expense	20,801,173		2,372,709	
Total income tax expenses	601,117,912	26.79%	486,774,815	25.26%

	2018 Taka	2017 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)	1,642,627,361	1,440,192,071
Weighted average number of ordinary shares outstanding during the year	31,500,000	31,500,000
Earnings per share (EPS) in Taka	52.15	45.72

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 2018	Balance as at 31 March 2017
			Taka	Taka	Taka
Marico Limited, India	Parent company	Purchase of RM, PM and FG	76,634,358	1,531,650	153,267,190
		Royalty	74,744,920	209,646,298	134,901,377
		Dividend	1,559,250,000	-	-
		General and technical assistance fees	76,822,856	220,299,097	136,302,429
Marico Middle East FZE	Subsidiary of parent company	Purchase of raw materials	2,851,146,491	100,477,183	90,381,891

27 Capacity

Major product	Unit of Measure	Installed Capacity
PCNO	KL	20,500
VAHO	KL	10,200
Copra	Ton	36,000
Refined oil	Ton	18,000

	2018	2017
	Taka	Taka
28 Operating leases - leases as lessee		
Non-cancellable operating lease rentals are payable as follows:		
No later than one year	27,754,560	1,840,000
Between two and five years	43,297,114	5,520,000
More than five years	-	-
	71,051,674	7,360,000

The Company leases corporate office, a number of warehouses, depots and sales office facilities under operating leases. During the year, an amount of BDT 14,803,778 was recognised relating to non-cancellable operating lease.

29 Commitment

i) Capital commitment		
Estimated amount of contracts remaining to be executed on capital account	1,500,885	39,831,095
ii) Other commitment		
Outstanding L/C	432,496,086	493,308,632

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 1,074,416,048 as on 31 March 2018 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 2018

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	10.1	-	-	-	1,237,525,917	-	-	-	1,237,525,917	-	-	-	-
Security deposits	7 & 10	-	-	-	-	9,141,470	-	-	9,141,470	-	-	-	-
Loan to employees	7 & 10	-	-	-	-	9,034,363		-	9,034,363	-	-	-	-
Cash and cash equivalents	12	-	-	-		269,743,772	-	-	269,743,772	-	-	-	-
		-	**-**	**-**	**1,237,525,917**	**287,919,605**	**-**	**-**	**1,525,445,522**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-	-	
Financial liabilities not measured at fair value													
Loans and borrowings	15	-	-	-	-	-	-	300,000,000	300,000,000	-	-	-	-
Trade and other payables	16	-	-	-	-	-	-	2,222,763,532	2,222,763,532	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**	**2,522,763,532**	**2,522,763,532**	**-**	**-**	**-**	**-**

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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	10.1	-	-	-	1,308,587,800	-	-	-	1,308,587,800	-	-	-	-
Security deposits	7 & 10	-	-	-	-	2,764,000	-	-	2,764,000	-	-	-	-
Loan to employees	7 & 10	-	-	-	-	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**	**-**	**-**	**-**	**-**

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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	2018	2017
		Taka	Taka
Fixed deposits	10.1	1,237,525,917	1,308,587,800
Security deposits	7 & 10	9,141,470	2,764,000
Loans to employees	7 & 10	9,034,363	10,450,221
Cash and cash equivalents	12	269,743,772	166,833,748
Total financial assets		1,525,445,522	1,488,635,769

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
2018					
Loans and borrowings	15	300,000,000	300,000,000	300,000,000	-
Trade and other payables	16	2,222,763,532	2,222,763,532	2,222,763,532	-
2017					
Trade and other payables	16	1,740,557,065	1,740,557,065	1,740,557,065	-

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 2018 are as follows:

	2018	2017
	USD	USD
Import of goods and services	(4,919,224)	(5,152,613)
Bank balance	79,805	79,805
	(4,839,419)	(5,072,809)

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

	Average rate		Year-end spot rate	
	2018	2017	2018	2017
Exchange rate (USD/BDT)	81.81	78.57	83.90	79.71

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 2018				
USD (1% movement)	(4,060,273)	4,060,273	(4,060,273)	4,060,273
31 March 2017				
USD (1% movement)	(4,043,536)	4,043,536	(4,043,536)	4,043,536

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 2018, the interest rate profile of the Company's interest bearing financial instruments was:

	2018 Taka	2017 Taka
Fixed rate instruments		
Financial assets		
Fixed deposit receipts	1,456,980,201	1,382,426,576
Financial liabilities	300,000,000	-
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-

32 Value of import calculated on CIF Basis

Materials and finished goods	3,237,870,800	2,431,319,139
Capital goods	27,881,291	96,801,369
	3,265,752,091	**2,528,120,508**

33 Expenditure in foreign currency

General and technical assistance fees	76,822,856	54,071,433
Professional consultation fees	3,301,685	14,719,725
	80,124,541	**68,791,158**

34 Dividends

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

Final dividend for 2015-2016	-	127,575,000
1st interim dividend for 2016-2017	-	382,725,000
2nd interim dividend for 2016-2017	-	765,450,000
Final dividend for 2016-2017	127,575,000	-
1st interim dividend for 2017-2018	637,875,000	-
2nd interim dividend for 2017-2018	637,875,000	-
	1,403,325,000	**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 2018 and 2017.

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36 Segment information

The Company 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 256 (previous year: 252) among them 44 employees left from Marico Bangladesh Limited and total 213 (previous year: 212) employees existed as at 31 March 2018.

38 Subsequent events

For the year ended 31 March 2018 the Board of Directors recommended final cash dividend @ 100% per share at 99th Board of Directors Meeting held on 25 April 2018.

There is no other significant event after the reporting period that requires either disclosure of or adjustment to these financial statements.

39 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
39.1	Foreign currency transactions
39.2	Property, plant and equipment
39.3	Intangible assets
39.4	Inventories
39.5	Financial instruments
39.6	Share capital
39.7	Dividend to the equity holders
39.8	Employee benefits
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39.10	Provisions
39.11	Property, plant and equipment
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39.13	Finance income and finance cost
39.14	Lease
39.15	Impairment
39.16	Contingencies
39.17	Earnings per share
39.18	Events after the reporting period

39.1 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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39.2 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 asset under construction (AuC) as the land has unlimited useful life and AuC 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) Asset under construction

Asset under construction 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.

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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.

39.3 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.

39.4 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.

39.5 Financial instruments

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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.

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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, 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.

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's financial liabilities comprise loans and borrowings, trade and other payable.

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.

39.6 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.

39.7 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.

39.8 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 (Gratuity)

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

The Company operates fund for workers as Workers' profit participation and welfare fund ("the Fund") and provides 5% of its profit before tax as per provision of the Bangladesh Labour Act 2006. The Company recognises the contribution to the fund as short term employee benefits.

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

39.9 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.

39.10 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.

39.11 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 2017 i.e 25% (2016: 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.

39.12 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.

39.13 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.

ii) 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.

39.14 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.

39.15 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.

39.16 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.

39.17 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.

39.18 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.

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• Market share information of the Company's product/services	30-33
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Presentation of Financial Statements	
• Quality of the Report/ Layout of Contents	Qualitative
• Cover and printing including the theme on the cover page	Qualitative
• Appropriateness and effectiveness of photographs and their relevance	Qualitative
• Effectiveness of Charts and Graphs	Qualitative
• Clarity, simplicity and lucidity in presentation of Financial Statements	Qualitative
Timeliness in issuing Financial Statements and holding AGMs	
• 3 months time to produce the Annual Report and hold AGM are considered reasonable for full marks	AGM on July 18
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MARSTOCK

Notice of the

EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given to all Shareholders of **Marico Bangladesh Limited** that the 18th Annual General Meeting of the Company will be held on Wednesday, July 18, 2018 at 10.00 A.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, 2018 together with the Reports of the Directors and the Auditors thereon.
2. To declare Final Dividend for the year ended March 31, 2018 as recommended by the Board of Directors of the Company.
3. To elect/re-elect Director(s) due to rotation & retirement.
4. To appoint M/s Rahman & Rahman Huq Co., Chartered Accountants as Statutory Auditors of the Company and fix their remuneration for the financial year ending March 31, 2018.

Place: Dhaka

Date: April 25, 2018

By Order of the Board

For, **MARICO BANGLADESH LIMITED**

Corporate Office:

Marico Bangladesh Limited

The Glass House, Level. 06, Plot. 02, Block. SE(B),

Gulshan Avenue, Dhaka-1212



Christabel Randolph

Company Secretary

NOTES:

1. Members whose names appear on the Shareholders/Depository Register as on the "Record Date" i.e. June 07, 2018 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 corporate office of the Company located at The Glass House,Level. 06, Plot.02, Block. SE(B), Gulshan Avenue, Dhaka 1212 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 2018 of the Company sent through courier, Members may collect the same from the Company's Corporate Office within July 15, 2018. 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।

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General Shareholder Information

Details of AGM:

AGM–Date, time and Venue	: 10:00 a.m. Wednesday, JJuly 18, 2018 Hotel Radisson Blu Water Garden Airport Road, Dhaka, Bangladesh
Financial Year	: April 01, 2017 – March 31, 2018
Record Date	: Thursday, June 7, 2018
Dividend Paid & Recommended	: Interim Cash Dividend @ 500% on Face Value Final Cash Dividend @ 100% 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) 9897180, Ext – 783 email: info@marico.com http://marico.com/bangladesh

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MARICO BANGLADESH LIMITED

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

Corporate Office: The Glass House, 6th Floor, Plot: 02, Block: SE (B), Gulshan Avenue, Dhaka- 1212

ATTENDANCE SLIP

EIGHTEENTH ANNUAL GENERAL MEETING ON WEDNESDAY, JULY 18, 2018 AT 10:00 A.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 **EIGHTEENTH ANNUAL GENERAL MEETING** of the Company to be held at Hotel Radisson Blu Water Garden, Dhaka, Airport Road, Dhaka Cantonment, Dhaka 1206, Bangladesh at 10:00 A.M. on Wednesday, JULY 18, 2018

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

Corporate Office: The Glass House, 6th Floor, Plot: 02, Block: SE (B), Gulshan Avenue, Dhaka- 1212

PROXY FORM

EIGHTEENTH ANNUAL GENERAL MEETING ON WEDNESDAY, JULY 18, 2018 AT 10:00 A.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 **EITHEENTH ANNUAL GENERAL MEETING** of the company to be held at Hotel Radisson Blu Water Garden, Airport Road, Dhaka Cantonment, Dhaka 1206, Bangladesh at 10:00 A.M. on Wednesday, JULY 18, 2018and at any adjournment(s) thereof.

Signed this ____/ ____/ 2018

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 10:00 A.M. on Wednesday, JULY 18, 2018.

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Corporate Office
Marico Bangladesh Limited
The Glass House, Plot: 02, Block: SE (B),
Gulshan Avenue, Gulshan-1, Dhaka, Bangladesh.
Tel: +88 02 9897180, Fax: +88 02 9897140

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