

MAKE A  
**DIFFERENCE**



ANNUAL REPORT 2022  
MARICO BANGLADESH LIMITED





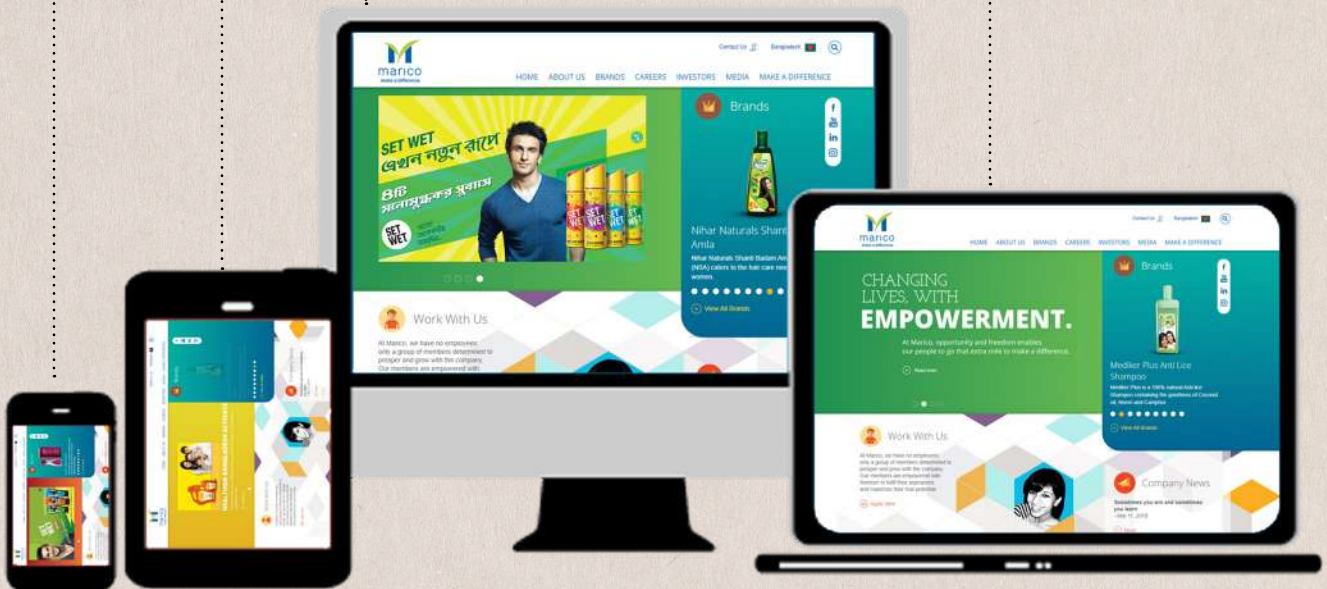
# WELCOME TO MARICO BANGLADESH LIMITED

Marico Bangladesh Limited started its journey 23 years ago and today is the fastest growing consumer products company in Bangladesh. Listed on both the Dhaka and Chittagong stock exchanges since 2009, the Company has consistently delivered shareholder value as a blue-chip stock. Committed to making a difference in all we do, we touch the lives of 1 out of every 2 Bangladeshis with our wide array of brands.

## Useful Link

Find more information online:  
[marico.com/bangladesh](http://marico.com/bangladesh)

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





THE CONTINENTS

CONTINENTS

SOUTH AFRICA

EGYPT

MIDDLE EAST

INDIA

BANGLADESH

VIETNAM

MALAYSIA

MARICO'S GLOBAL FOOTPRINT

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# GROWING TOGETHER

Marico Bangladesh Limited (hereinafter “MBL”, “Marico Bangladesh”) is led by its purpose of making a difference in the lives of all those we touch. United by this philosophy, the year under review is best represented by the resilience of each member. Our members have been the driving force in delivering benchmark performance, accelerating our social responsibility initiatives and execution excellence across our operations despite multiple adversities, they embodied the spirit of - “Be the Impact!”.

Guided by our strategic framework and core values, together Mariconians faced another turbulent year of volatile external environment and delivered growth and profitability, secured the health & safety of our members and extended workforce, ramped up our social responsibility initiatives and expanded our portfolio of winning brands. While 2021-22 has not been an easy year, it has made us a stronger and more resilient business, better prepared for fast-changing consumer demands and a rapidly evolving business environment. We have aimed to create an impact through our quality offerings, value chain, talent value proposition, governance practices and corporate citizenship initiatives.

This year strengthened our commitment to give back to the community, ensure sustainable business operations and social compliance practices. We have resolved to demonstrate that our purpose-led and impact-driven business delivers sustainable performance today and well into the future.



# WELCOME NOTE FROM OUR CHAIRMAN



**Saugata Gupta**  
Chairman

“I take great pleasure in welcoming all our valuable stakeholders to Marico Bangladesh’s Annual Report for the financial year 2021-22.



The year under review was one of the most challenging periods we have faced as a global community. At the same time, it was also a remarkable year that attested to the core strengths of the Company, including our engaging & inclusive culture, brand influence, distribution scale, balance sheet resilience and corporate responsibility.

In continuance of our commitment to unleash our potential, we rose to the challenges presented by covid-19 for a second year with our “One Marico” spirit which allowed us to “Grow Together”, to adapt and respond with agility to a rapidly changing environment.

Though the current year will remain challenging, we will continue to prioritise our purpose of making a difference in the lives of our consumers and other stakeholders, while driving a positive and progressive agenda in growing together with our people, products and the country.”

**Saugata Gupta**  
Chairman

# ABOUT THIS REPORT



## Report objectives

At Marico Bangladesh, through our 2021-22 Annual Report, we aim to share relevant and transparent information about our business operations, giving shareholders and other stakeholders insights into the health and robustness of our operations to make informed assessments of our value creation activities, our business performance, and our prospects.



## Reporting Period

This report provides readers with material information and insights about our performance for the fiscal year from 1 April 2021 to 31 March 2022 (FY 2021-22). In terms of external factors, risks and opportunities, we take a longer-term view. This enables readers to effectively assess Marico's value creation abilities, sustainability, and prospects. The investor relations section on our website contains our annual reports, supplemented by additional information on governance and shareholding. Please visit: <https://marico.com/bangladesh/investors>



## The scope and boundary of this report

This report is guided by the reporting principles enshrined in the IIRC's (International Integrated Reporting Council's) Integrated Reporting <IR> framework and other best practices. It aims to share balanced, comprehensive, and transparent information about our business, culture and financial performance. Covering our activities for the financial year ended 31 March 2022, this report states the Company's purpose, its strategic intent and business performance, our social responsibility and sustainability commitments as well as stakeholder interests and key risks facing the business. In terms of reporting boundaries, we have factored in all business operations of the Company. The report's scope examines both internal and external impacts on the business as well as trends, opportunities and risks that could influence the Company's value creation abilities over time.



## Materiality

This report aims to disclose information about matters that substantively affect our ability to create value in the short-, medium- and long-term. Our key material matters are expressed below.



Business model resilience in a rapidly changing consumer, business and macro environment



Good governance and regulatory complexity



Role of Marico in social responsibility and sustainability



Managing operations during COVID-19 and strengthening balance sheet





## Assurance

The Board has applied its collective mind to present Marico Bangladesh's Report and acknowledge its responsibility to ensure the integrity of this Report through good governance practices and internal reporting procedures. The financial disclosures and reports were approved by the Board on 27 April 2022.



## Feedback and comments

We welcome your feedback on this annual report. Please email us your views at [secretarial.mbl@marico.com](mailto:secretarial.mbl@marico.com)



## Forward-looking statements

This Annual Report contains certain forward-looking statements with the use of words or phrases such as 'might', 'forecast', 'anticipate', 'project', 'may', 'believe', 'predict', 'expect', 'continue', 'will', 'estimate', 'target' and other similar expressions with respect to the financial conditions, results, operations and business of Marico Bangladesh Limited. These statements and forecasts involve risk and uncertainty because they relate to forecast information, such as improvements in business performance or mention certain decisions that we may undertake and occur in the future. These statements do not guarantee future operating, financial or other results due to future risks and uncertainties and thus it is important to note that this Annual Report 2021-22 shall not be construed as a profit forecast, nor shall the statements herein be interpreted as to be providing any guarantee that potential results mentioned in these forward-looking statements will be achieved.



## Definition of Terms

Unless otherwise indicated or defined, the following terms, wherever appearing in this report shall have the following meanings:

- "Act" means the Company Act 1994
- "Board" means the Board of Directors
- "BSEC" means the Bangladesh Securities & Exchange Commission
- "Code" means the Corporate Governance Code issued by the Bangladesh Securities & Exchange Commission under Notification No. SEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018
- "CoC" means Marico's Unified Code of Conduct
- "Listing Regulations" means the Dhaka Stock Exchange (Listing) Regulations 2015 and Chittagong Stock Exchange (Listing) Regulations 2015

# CORPORATE INFORMATION

## Board Of Directors

Mr. Saugata Gupta	Chairman
Ms. Parveen Mahmud	Independent Director
Mr. Zakir Ahmad Khan	Independent Director
Mr. Ashrafal Hadi	Independent Director (till 24 April 2022)
Mr. Sanjay Mishra	Director (till 30 June 2022)
Mr. Pawan Agrawal	Director
Mr. Ashish Goupal	Managing Director (till 30 June 2022)

## Management Team

Mr. Ashish Goupal	Managing Director
Mr. Elias Ahmed	Chief Financial Officer
Mr. Sabbir Al Harun	Director - Sales
Mr. Rashed Sarwar	Director Sales - Emerging Channels and Sales Strategy
Mr. Allen Ebenezer Eric	Director - Marketing
Mr. Md Saiful Alam	Director - Manufacturing
Mr. Zahedur Rahman	Director - Supply Chain
Mr. Shyamal Kishore	Director - Human Resources
Ms. Christabel Randolph	Director - Legal & Corporate Affairs

## Company Secretary

Ms. Christabel Randolph

## Head of Internal Audit & Compliance

Mr. Atiar Rahman (Till 19 March 2022)

## Statutory Auditor

A. Qasem & Co.

## Legal Advisors

Dr. Kamal Hossain and Associates

Tanjib Alam & Associates

Mustafizur Rahman Khan and Associates

## Principal Bankers

Standard Chartered Bank

HSBC

Citibank N.A

## Stock Information

Dhaka Stock Exchange

Chittagong Stock Exchange

Stock Code: MARICO

ISIN: BD0481MRICO6

Sector: Pharmaceuticals & Chemicals

## Investor Relations

Telephone: +8802222297139

Fax: +8802222297140

Email: [secretarial.mbl@marico.com](mailto:secretarial.mbl@marico.com)

## Date of Incorporation

September 6, 1999

## Our Factories

### Factory 1:

Mouchak, Kaliakoir, Gazipur

### Factory 2:

Shirichala, 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.

Telephone: +8802222297139

Fax: +8802222297140

## Website

[www.marico.com/bangladesh](http://www.marico.com/bangladesh)



# WHO WE ARE

# WE ARE MARICO

As one of Bangladesh's fastest growing consumer goods companies, we are driven by our purpose of Making A Difference in the lives of all those we touch.

Marico Bangladesh is amongst the top-3 and one of the fastest-growing FMCG (fast-moving consumer goods) companies in Bangladesh with a vibrant multi-product brand portfolio across haircare, skincare, baby care, male grooming, hygiene and food categories. The Company's flagship brand Parachute is a beloved household name in Bangladesh with leadership in the coconut oil category and also commands leadership in value-added hair oil category with its Parachute Advanced range of hair oils. Marico Bangladesh, established in the year 1999, is a subsidiary of Marico Limited, an emerging markets FMCG multinational with presence in 26 countries across Asia and Africa. As proud ambassadors of Made in Bangladesh, 99% of our portfolio is manufactured in Bangladesh while we also export to Nepal, India, Middle-East and Vietnam.

## REVENUE CAGR

# 14.12%

(FY19-FY22)

## GROSS PROFIT CAGR

# 18.08%

(FY19-FY22)

## NET PROFIT CAGR

# 20.65%

(FY19-FY22)

## Marico Bangladesh is truly a Bangladeshi Business



### 1 out of 2

Bangladeshis use our products every day



### 88.4%

Household reach of our brands



### 99%

Products manufactured in Bangladesh



### 1.4 mln

Retail outlets in our distribution chain (approx.)



## With a vibrant brand portfolio

42

Brands in the personal care and foods categories

150

Product SKUs which open up wide choice for our consumers

Leadership

In both the coconut oil and value-added hair oil categories

Trusted

Flagship brand Parachute Advanced the “Most Loved Hair Oil Brand 2021”, as declared by Bangladesh Brand Forum and Nielsen and is amongst the “10 Most Trusted Brands” in Bangladesh

## And a winning team



150

Years of collective FMCG experience of our Leadership Team



3,100\*

Indirect employment creation through our operations



332

Employees, out of which 98% are Bangladeshi nationals



22%

Women in our factory workforce

## That embraces a humane approach to business



1%

Commitment of net profit in social responsibility and citizenship programs in Bangladesh



22

Districts in Bangladesh reached with our flagship CSR program-SWAPNO



415cr

Exchequer contribution in FY'22 (Tk, in the form of duties, taxes, etc.)

\*Including employees of distributors, outsourced workers and contract manufacturers

# GO BEYOND, GROW BEYOND AND BE THE IMPACT!

With our ‘One Marico’ spirit and ‘People First’ approach

We’re witnessing rapidly changing times, new consumer preferences, new ways of work and new talent aspirations. As an organization focused on rapid growth and creating shared value, carving and retaining our position as an ‘employer of choice’ means attracting, retaining and developing talent in line with the changing talent aspirations.

At Marico we believe people are the heart and centre of our existence and our growth. Addressing the evolving talent aspirations are critical to our ability to operate in a rapidly evolving business environment. In September 2021, we launched our new Talent Value Proposition (TVP) to address one of our key stakeholders – our talent.

Go Beyond, Grow Beyond, Be The Impact - our new TVP centres around nurturing the growth of our members, by fostering a diverse, empowering and transparent work environment. This defining statement encompasses what Marico stands for, what it offers, and what it admires.

Our TVP outlines the ambition for the Marico of tomorrow as well as the desire to make a difference by creating a lasting impact.

**Go Beyond:** This pillar believes in encouraging members to take calculated risks and aims to motivate members to look beyond the bend by unleashing their curiosity and inculcating a restless drive to grow and disrupt.

**Grow Beyond:** Grow Beyond as a pillar strives to establish a trust-based and transparent work environment where everybody is inspired to embrace diversity and differences. It aims to encourage collaboration by breaking silos to unlock opportunities for inclusive growth.

**Be the Impact:** This pillar encourages members to take actions that are large enough to make an impact and close enough to care, thereby empowering them to drive positive change in the greater society. The company will aid the individual growth of members and help cultivate their passion and purpose to “Make a Difference” by enabling them to touch the lives of people every day.



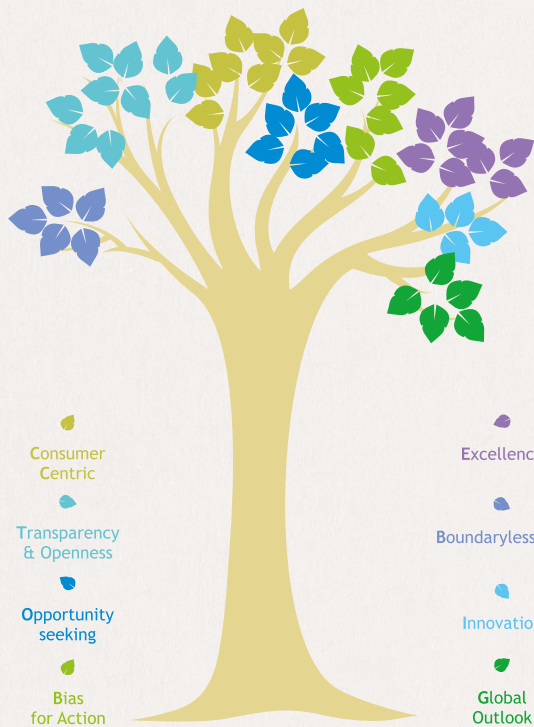
# OUR CORPORATE CONDUCT

Our Conduct is guided by our values, driven by our purpose and executed in accordance with our strategy

## OUR VALUES

### Our values drive value

Guided by our values, we are able to fulfill our purpose, unleash our potential and grow together



**THINK**  
**CONSUMER**

Consumer-Centric

**TO**

Transparency & Openness | Opportunity-seeking

**BE**

Bias for Action | Excellence

**BIG**

Boundarylessness | Innovation | Global Outlook



### Consumer-centric

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



### Transparency and openness

Allowing diversity of opinion by listening without bias and by exchanging critique with mutual respect and trust for each other.



### Opportunity-seeking

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



### Bias for action

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



### Excellence

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



### Boundarylessness

Seeking support and influencing others beyond the function and organisation to achieve better outcomes/decisions without diluting accountability.



### Innovation

Experimenting and embracing calculated risk-taking to increase success probability of radical/pioneering ideas to achieve quantum results.



### Global outlook

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

## OUR STATEMENT OF PURPOSE

Making a difference in the lives of all those we touch



At Marico, we aim to transform in a sustainable manner the lives of all those we touch by nurturing and empowering them to maximise their true potential. The power of business is in its purpose, not its profits. At Marico we are guided by the responsibility of defining, creating and distributing value for all our stakeholders-shareholders, consumers, members and business partners. Our sustainable growth story rests on an empowering work culture that encourages our members to take complete ownership. As a multi-stakeholder enterprise focused on nurturing shared value, our purpose is embedded in our culture, which governs our business conduct, reflecting our sense of duty and responsibility, as well as our commitment in contributing towards the well-being of everyone who is associated with us.





## OUR STRATEGIC FRAMEWORK

Leveraging our strategic competencies for empowering and enriching our stakeholders.

**Our strategic play is guided by four broad macro-economic parameters**



Expansion in disposable income



Favourable demographics



Competitive intensity from established players as well as emerging start-ups/disruptors



High proportion of traditional retail

Considering the above, our strategic priority reflects our focus on growing our core categories, while simultaneously diversifying our portfolio. With an emphasis on speed and agility, technology has been a critical enabler particularly to adapt to the volatile operating environment spurred on by the covid-19 pandemic and stay the course with our business process transformation. We leveraged technology and digital solutions to connect with consumers, efficiently manage our supply chain and sharpen our go-to-market approaches.

Remaining purpose-driven and future-ready, investing for ensuring sustainable and competitive growth, and fostering a winning culture and winning talent pool have been integral components of our strategic framework, enabling us to create our valuable niche in a highly competitive market environment.

## OUR STRATEGIC PILLARS



Consumer-led Innovations



Robust go-to-market strategy



Talent & Culture



Analytic and efficient spending



Leveraging IT

# OUR BRANDS

CATEGORY	POWER BRANDS
<b>Branded Coconut Oil (BCNO)</b>	Parachute Coconut Oil
<b>Value Added Hair Oil (VAHO)</b>	Parachute Advanced Hair Oil
	Parachute Advanced Beliphool
	Parachute Advanced Extra Care
	Parachute Advanced Aloe Vera
	Nihar Naturals Shanti Badam Amla
	Nihar Naturals Joba Amla
	Nihar Naturals 5 Seeds
	Nihar Lovely
Red King Men's Cooling Oil	
<b>Hair Color</b>	HairCode Egypt Herbal Powder
	HairCode Egypt Mehedi Crème Color
<b>Hair Serum</b>	Livon
<b>Male Grooming</b>	Studio X No Gas Perfume Spray
	Studio X Hair Gel
	Studio X Face Wash
	Studio X Styling Shampoo
	Studio X Soap
	Studio X Power Brightening cream
<b>Skin Care</b>	Parachute SkinPure Facewash
	Parachute SkinPure Body Lotion
	Parachute SkinPure Petroleum Jelly
	Parachute SkinPure Aloe Vera Gel
	Parachute SkinPure Beauty Olive Oil
	Parachute SkinPure Coco Olive Soap





CATEGORY	POWER BRANDS
<b>Baby Care</b>	Parachute Just for Baby Oil
	Parachute Just for Baby Lotion
	Parachute Just for Baby Shampoo
	Parachute Just for Baby Wash
	Parachute Just for Baby Soap
	Parachute Just for Baby Powder
	Parachute Just for Baby Toothpaste
	Parachute Just for Baby Rash Cream
	Parachute Just for Baby Face Cream
<b>Hygiene</b>	Mediker SafeLife Hand Sanitizer
	Mediker SafeLife Hand Wash
	Mediker SafeLife Soap
	Mediker SafeLife Veggie Wash Vegetable Cleanser
<b>Edible Oil &amp; foods</b>	Saffola Active
	Saffola Honey
<b>Hair Cleaning</b>	Parachute Naturele Shampoo
	Parachute Naturele Conditioner



# OUR JOURNEY



**2003** : Launch of Parachute Beliphool and entry into Value Added Hair Oils Category

**2002** : Innauguration of Manufacturing Operation

**1999** : Incorporated in Bangladesh, 1st International subsidiary within Marico group

**2008** : Transition to own distribution from National Distributors

**2008** : MBL sets up own Head Office at Uttara

**2007** : MBL sets up 1st factory in Mouchak, Gazipur

**2013** : Launch of SET WET Deos & Saffola Active and entry into Male Grooming & Edible Oils Category

**2012** : MBL sets up 2nd Factory in Shirirchala

**2009** : MBL gets Listed in Dhaka & Chittagong Stock Exchanges

**2016** : MBL wins ICSB Silver Award for Excellence in Corporate Governance

**2015** : MBL wins "Certificate of Merit" in the ICMAB Best Corporate Award 2014

**2014** : CSR Partnership with Dhaka Ahsania Mission to provide free education

1999  
to 2003

2004  
to 2008

2009  
to 2013

2014  
to 2016

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**2019** : Marico launched Parachute SkinPure Range

**2019** : Parachute Advanced awarded as "MOST CONSISTENT BRAND OF THE DECADE"

**2019** : Marico launched Parachute Just For Baby range

**2018** : Parachute Advanced awarded as SUPERBRAND

**2018** : Marico awarded Best Presented Annual Report

**2018** : CSR Partnership with UNDP and GoB in SWAPNO for ultra-poor women

**2021** : Marico recognized as TOP CSR Contributor 2020 by Social Responsibility Asia

**2021** : Marico won Bronze at the ICSB Corporate Governance Excellence Awards

**2021** : Marico won Silver at the ICMAB Best Corporate Award

**2020** : Marico launched Saffola Honey

**2020** : Marico launched Parachute Naturale Shampoo range

**2020** : Marico launched Mediker SafeLife Hygiene range

**2020** : Marico launched Studio X range of men's products

Marico launches Parachute SkinPure range of facewashes

Parachute Advanced awarded as MOST LOVED HAIR OIL BRAND by Bangladesh Brand Forum and Nielsen

Marico wins Corporate Governance Awards from ICSB, ICAB and ICMAB

Marico wins Daily Star "A Better Tomorrow" CSR Award for its SWAPNO partnership with UNDP

Marico commences investment of Tk. 227 cr in Mirsarai Economic Zone

2017  
to 2019

2019  
to 2021

2021  
to 2022

# KEY BUSINESS HIGHLIGHTS OF THE YEAR

Despite the effects of covid-19, the year 2021-22 was truly impactful for Marico with continued acceleration on consumer-centric product launches, signature employee engagement initiatives, recognition for our corporate governance and CSR practices.



**APRIL 2021**

Launched Nihar Lovely Arabian Perfumed Hair Oil further extending our Nihar Naturals portfolio



Marico continues its covid-focused CSR efforts by providing hygiene essentials to frontline service providers



**MAY 2021**

Launched Red King Men's Cooling Oil with a breakthrough packaging innovation of a Power Tube with Cooling Crystals



**JUNE 2021**

Signed Land Lease Agreement with Bangladesh Economic Zones Authority formally commencing our investment in our 3rd and largest manufacturing unit at Bangabandhu Shilpanagar



**JULY 2021**

Marico held its 21st virtual AGM which was also live-streamed on its website enabling valuable shareholder connect with the Board and management amidst the continuing covid-19 pandemic



**DECEMBER 2021**

Launched first ever creamy Baby Shampoo in the Bangladesh market under Parachute Just For Baby



Marico earned the Silver Award at the 8th ICSB National Award for "Excellence in Corporate Governance"



Marico earned the Silver Award at ICMAB "Best Corporate Award 2020" for corporate governance practices



Marico awarded with Certificate of Merit for "Best Presented Annual Report" at the 21st ICAB National Awards



**JANUARY 2022**

Flagship brand Parachute Coconut Oil launched with bi-color cap

**AUGUST 2021**



Installation of ISBM plant at Mouchak Factory for manufacturing PET bottles in-house

**SEPTEMBER 2021**



Marico And Gazipur District Local Administration provide month-long food relief for 1000 ultra-poor families amidst scouring 3rd wave of covid



Launched new Talent Value Proposition - "Go Beyond, Grow Beyond and Be the Impact", which will define the culture and performance of a future-fit Marico

**OCTOBER 2021**



Marico receives Honorable Mention at The Daily Star and CSR Window "A Better Tomorrow" CSR Awards for its SWAPNO Program



First ever hybrid Group-wide Marico Organizational Communications Day held

**FEBRUARY 2022**



Launched Parachute SkinPure range of facewashes in 3 exciting variants extending Marico's skin care portfolio



Launched HairCode Egypt Mehedi Crème Color a first of its kind product innovation for mehedi color in ready-to-use cream format

**MARCH 2022**



Marico ranked 8th Employer of Choice across all sectors and the 3rd in the FMCG sector in The Campus Track Survey by Nielsen



Marico Bangladesh Marketing Awards 2022 to recognize and celebrate the body of work done by the Marketing team and Agency Partners



# PERFORMANCE REVIEW



# KEY FINANCIAL HIGHLIGHTS

Marico Bangladesh demonstrated commendable financial performance during the year, with revenue and profitability growth enabled by extended sales coverage, supply-chain efficiencies, and consumer-centric offerings.

## Profit and loss statement - absolutes

Revenue	Gross profit	Operating profit
<b>Tk. 1303 cr</b>	<b>Tk. 707 cr</b>	<b>Tk. 464 cr</b>
2020-21: Tk. 1131 cr	2020-21: Tk. 665 cr	2020-21: Tk. 428 cr
Profit before tax	Net profit	Earnings / share
<b>Tk. 450 cr</b>	<b>Tk. 355 cr</b>	<b>Tk. 112.82</b>
2020-21: Tk. 419 cr	2020-21: Tk. 311 cr	2020-21: Tk. 98.69

## Profit and loss statement - derivatives

Gross profit margin	Operating profit/sales	Net profit margin
<b>54.26%</b>	<b>35.64%</b>	<b>27.27%</b>
2020-21: 58.85%	2020-21: 37.90 %	2020-21: 27.49%

## Shareholder value creation

Dividend per share	Dividend payout	NAV / share	Market cap (DSE)
<b>Tk. 80*</b>	<b>800%</b>	<b>Tk. 85.37</b>	<b>Tk. 7419 cr</b>
2020-21: Tk. 90 * Announced	2020-21: 900%	2020-21: Tk. 51.95	2020-21: Tk. 6543 cr

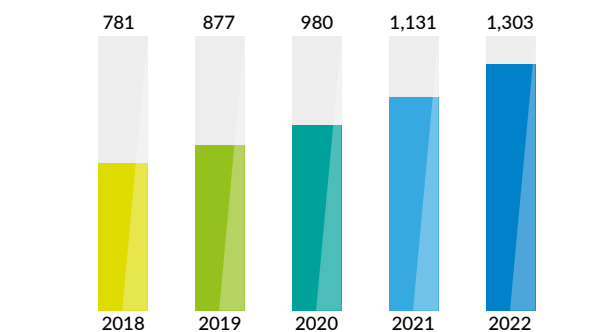
## Balance sheet

ROCE	Debt-equity	Liquid balances
<b>160%</b>	<b>1.62</b>	<b>Tk. 50.5 cr</b>
2020-21: 234%	2020-21: 2.54	2020-21: Tk. 39.6 cr

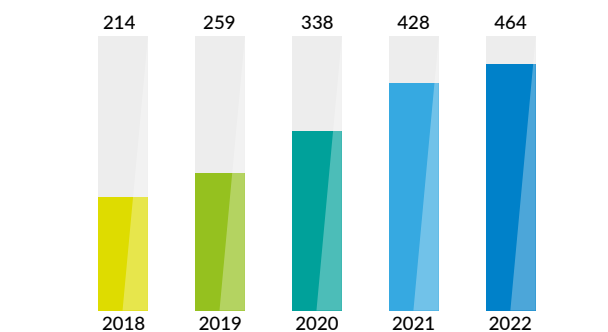


# OUR 5-YEAR FINANCIAL HIGHLIGHTS

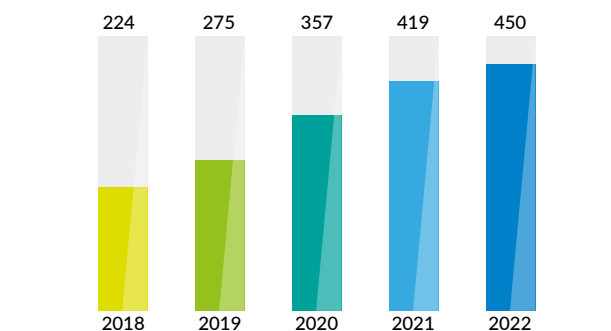
**Turnover** (BDT Crores)



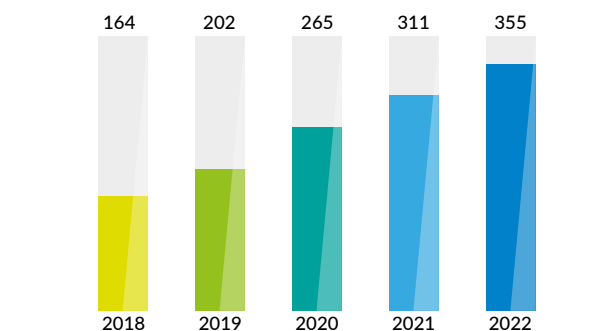
**Profit from Operations** (BDT Crores)



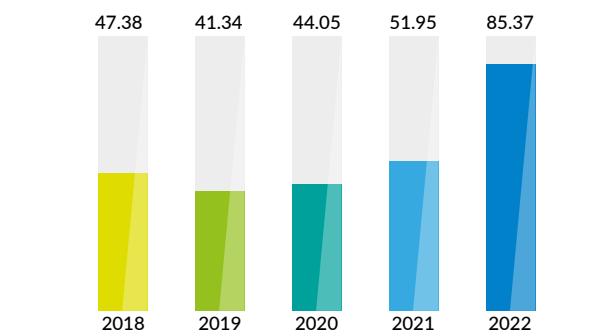
**PBT** (BDT Crores)



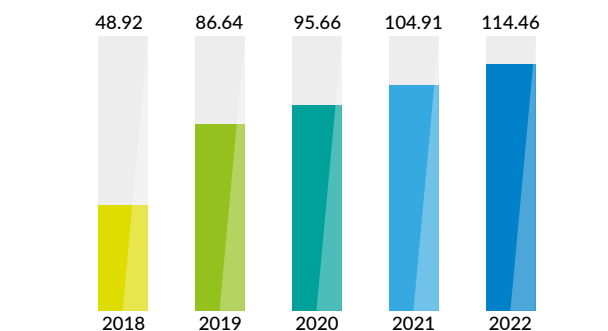
**PAT** (BDT Crores)



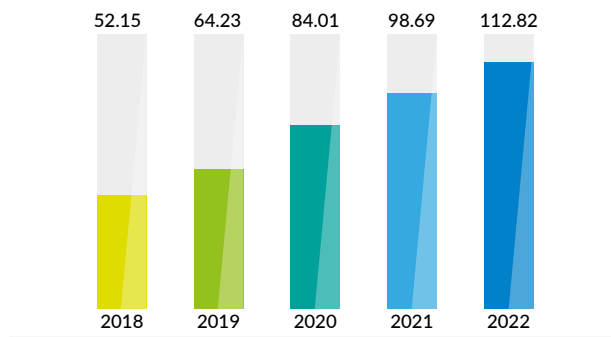
**NAV per share** (BDT)



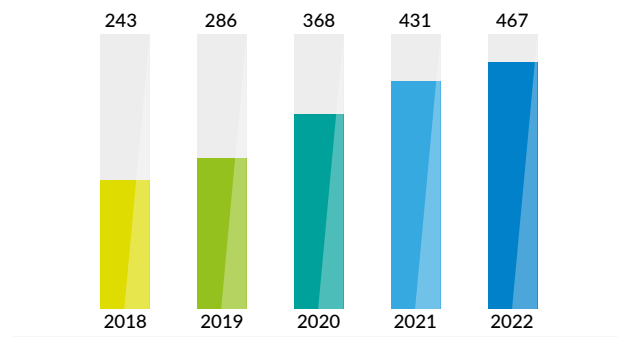
**NOCF per share** (BDT)



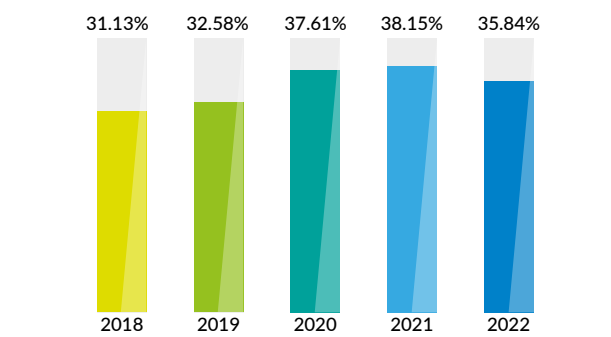
**EPS** (BDT)



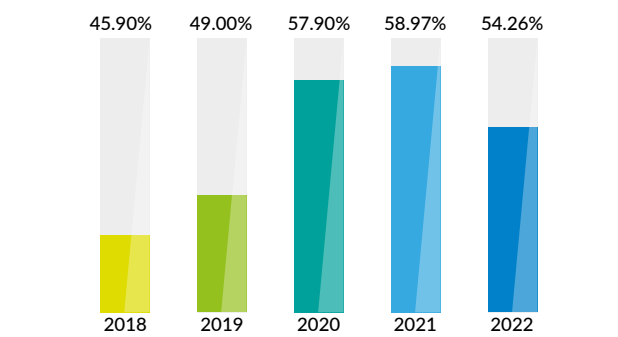
**EBITDA** (BDT Crores)



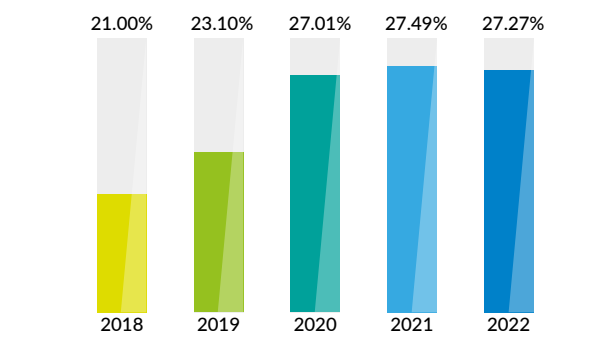
**EBITDA % Margin**



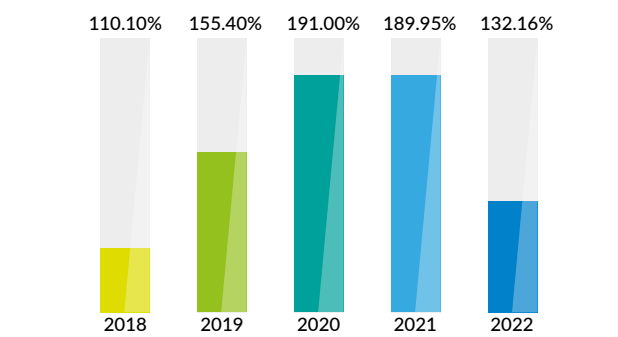
**Gross Margin %**



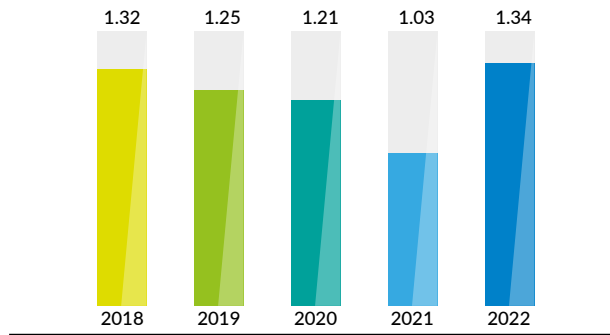
**Net Margin %**



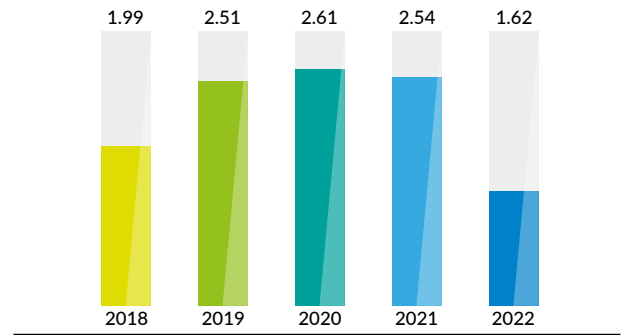
**Return on Equity (ROE)**



### Current Ratio

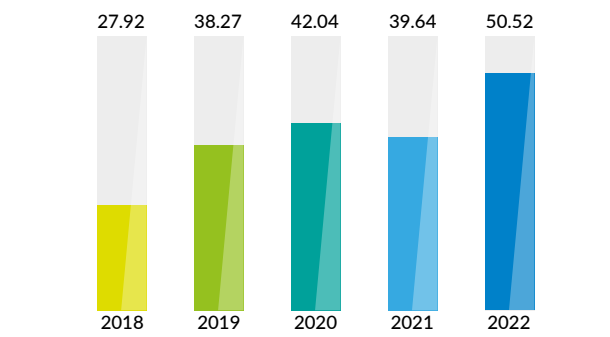


### Debt Equity Ratio



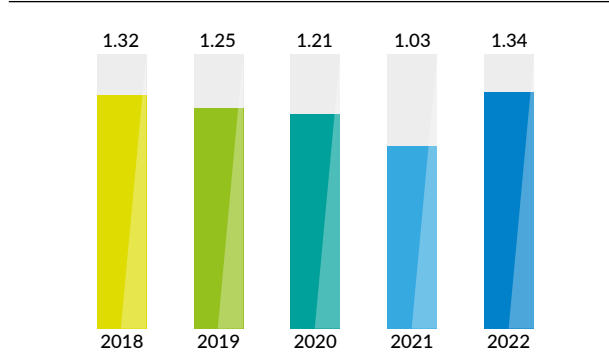
### Cash & Cash Equivalent

BDT Crore

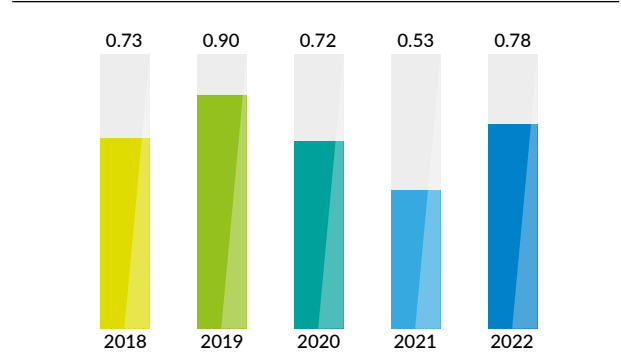


# KEY RATIOS

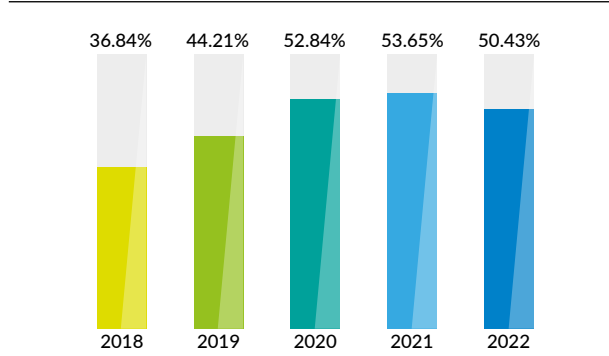
Current ratio



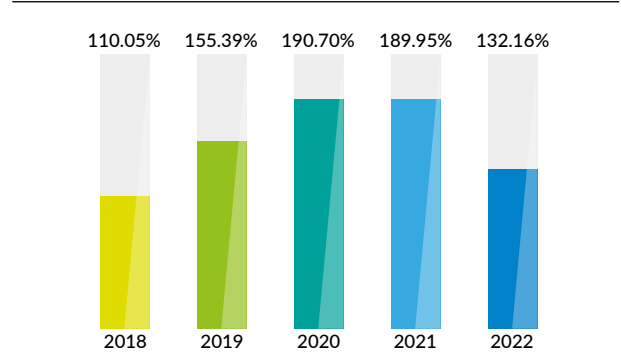
Quick Ratio



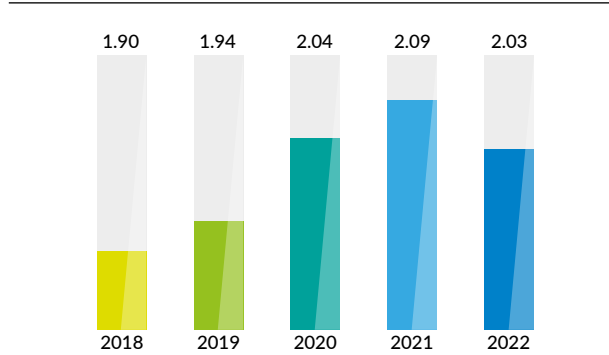
Return on Assets



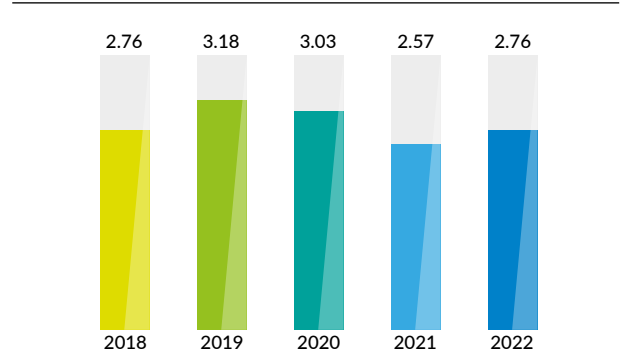
Return on Equity



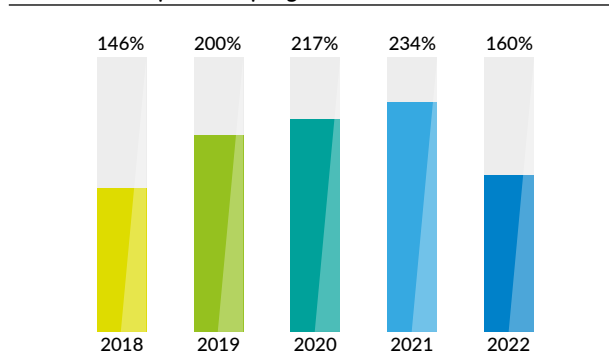
Asset Turnover Ratio (times)



Inventory Turnover Ratio



Return on Capital Employed



# STOCK PERFORMANCE

## Marico's Scrip performance

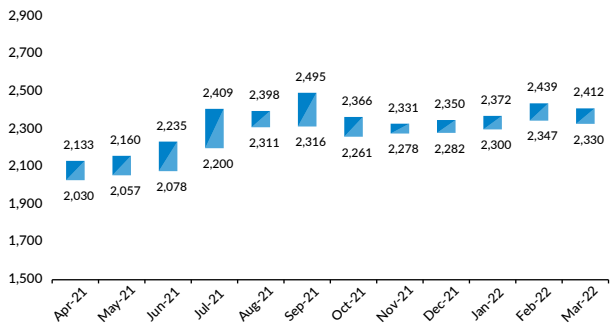
Our share held its positive momentum throughout the full year of FY 2021-22. MBL share price witnessed high growth in September 2021 and February 2022. Overall, the share price has had strong performance despite COVID-19 impacting the capital market. This reflects the market's confidence in our brands, our growing performance in the consumer goods industry and our governance. During FY'22 our shareholders continued to attain healthy dividends with three quarterly and final dividend. Total dividend payout in FY'22 was 800%.

### Daily Trading Volume

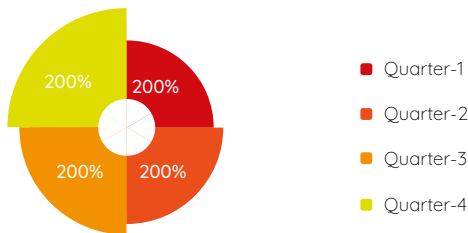


### High Low Share Prices per month

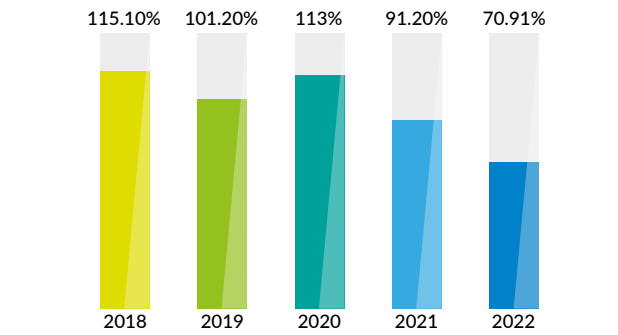
(BDT)



### Cash Dividend for the year

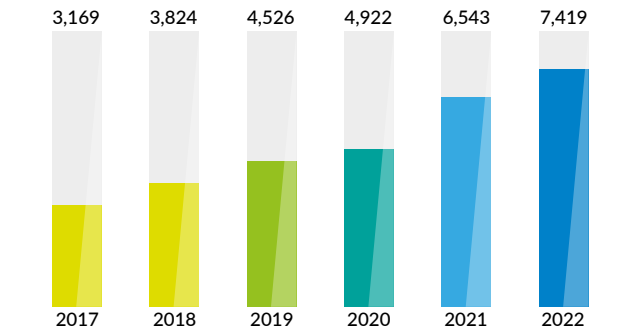


### Dividend Payout Ratio %



### Market Capitalization at Year-End

(BDT Crore)



### 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 respectively 200%, 200% and 200% interim cash dividends on Q1, Q2 and Q3 earnings disclosure, all of which have been subsequently paid and the Board has announced a final cash dividend of 200% on earnings disclosure of Q4, which if approved, by the shareholders will take the total cash dividend tally to 800% for the year.

## Share Ratios

		FY17	FY18	FY19	FY20	FY21	FY22
Basic Earnings per Share	BDT	45.72	52.15	64.23	84.01	98.69	112.82
Cash Generated from Operating Activities per Share	BDT	60.41	48.92	86.64	95.66	104.91	114.46
Year-End Price	BDT	1,006	1,214	1,437	1,563	2,077	2,355
Year High	BDT	1,364	1,250	1,699	1,842	2,472	2,495
Year Low	BDT	899	991	1,095	1,373	1,563	2,030
Dividend per Share	BDT	50	60	65	95	90	80
Dividend Payout Ratio	%	109.36	115.06	101.19	113.09	91.20	70.91
Dividend Yield	%	4.97	4.94	4.52	6.08	4.33	3.40
Shareholders' Equity per Share	BDT	50.16	47.38	41.34	44.05	51.95	85.37
Price-Earnings Ratio at Year-End	BDT	22.00	23.28	22.37	18.60	21.05	20.88
Average Trading Volume per Trading Day	Shares	4,167.00	2,281.00	3,672.00	4,622.00	7,705.85	6,912.71
Year-End Market Capitalization	BDT (crores)	3,168.90	3,824.10	4,526.55	4,921.88	6,542.55	7,418.88

## Shareholding Structure

(as on March 31, 2022)



**90%**

Marico Limited



**2.33%**

Foreign Institutional Investors



**6.07%**

Domestic Institutional Investors



**1.6%**

Public Investors

\*Based on the list of shareholders obtained from the Central Depository Bangladesh Limited (CDBL) as on March 31, 2022.

Our share register as on March 31, 2022 shows that Marico Bangladesh Limited has 3350 shareholders. Marico Limited, parent company of Marico Bangladesh Limited, 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

The Company has an effective investor relations process with the philosophy of providing transparent, timely information and responses to our valued shareholders.

The Company also interacts with the investment community through periodic calls, individual meetings and ensures necessary information about the Company is available to all the investors by regularly updating the 'Investor Relations' section of its website. The Company has framed its Dividend Policy to ensure smoother dividend disbursement and efficient handling of dividend related queries from shareholders. Moreover in order to obtain regular updates and query about the latest developments about the Company's business and shares, our shareholders and investor community can send an email to [secretarial.mbl@marico.com](mailto:secretarial.mbl@marico.com) or call the corporate office of the Company at +8802222297139.



## 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 of our investors in an expedient manner. General queries of shareholders are related to receipt of dividends. Our Redressal Mechanism is as follows:



Investors are encouraged to address their queries via e-mail: [secretarial.mbl@marico.com](mailto:secretarial.mbl@marico.com)

Shareholders can also contact the Company's Secretarial Department in person at the Corporate Office of the Company or over phone at - +880222297139.



Investor Relations team acknowledges the complaint and contacts the investors to confirm their identity:  
-Shareholders BOID  
-Shareholders Name  
-Shareholders Bank Details



Investor Relations Team after verifying the Shareholder details, addresses their queries and provides necessary information



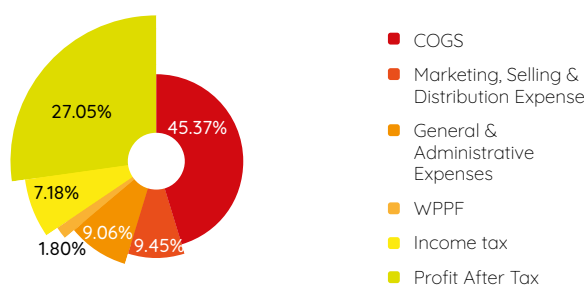
Investors can also register their complaints and queries through an application addressed to the Company Secretary



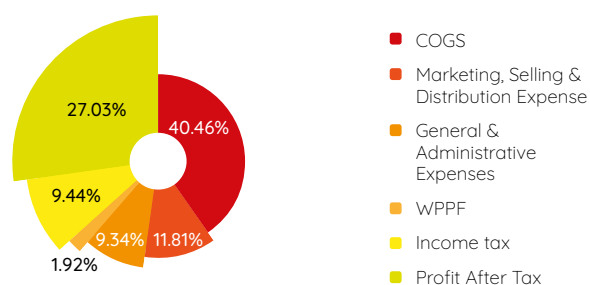
# VERTICAL ANALYSIS OF INCOME STATEMENT

Details	FY'22	FY'21
Sales Revenue	99.19%	98.32%
Net Finance Income & Other Income	0.81%	1.68%
	100%	100.00%
COGS	45.37%	40.46%
Marketing, Selling & Distribution Expense	9.54%	11.81%
General & Administrative Expenses	9.06%	9.34%
WPPF	1.80%	1.92%
Income tax	7.18%	9.44%
Profit After Tax	27.05%	27.03%
	100.00%	100.00%

Vertical Analysis of Income Statement FY 2022



Vertical Analysis of Income Statement FY 2021



## Vertical Analysis of Balance Sheet

Details	FY'22	FY'21
Non-Current Assets	20%	24%
Current Assets	80%	76%
Total Assets	100%	100%
Total Equity	38%	28%
Non-Current Liabilities	2%	3%
Current Liabilities	60%	69%
	100%	100%



# AT THE HELM OF AFFAIRS

# PROFILE OF OUR BOARD OF DIRECTORS



**SAUGATA GUPTA**

Chairman of the Board

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 (now Mondelez) where he spent 9 years in various roles in Sales and Marketing in India and the United Kingdom. Subsequently, he went on to become the 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.

Under his leadership, Marico has won several accolades and prestigious awards. The company is among the Best 30 Workplaces in Manufacturing 2021 in India and among the Top 50 India's Best Companies to Work for Women - 2020 in India as per Great Place to Work Institute. Marico has also been ranked among the Top 10 In Corporate Governance among all constituent companies of the S&P BSE 100 Index and conferred the Best Domestic Company on Corporate Governance recognition by Asiamoney.

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. He was also featured on the top 100 Business Leaders List 2020 by Impact Digital Power 100.

Saugata is an alumnus of IIM Bangalore and holds a chemical engineering degree from IIT Kharagpur.



**PARVEEN MAHMUD**  
Independent Director

Ms. Parveen Mahmud FCA was appointed to the Board on 31 August 2020. Ms. Mahmud serves on various Boards, including the Chairperson of Underprivileged Children Education Programme (UCEP) and HerStory Foundation. She also serves on the board of Grameen Phone, Berger Paints Bangladesh Ltd., Apex Footwear Ltd., BRAC International, PKSf, Ghashful, MJF, RDRS etc.. She was the Chairperson, Shasha Denims Ltd., MIDAS (Micro Industries Development Assistance and Services) and Acid Survivors Foundation. She served three terms in the Council and Past President of the Institute of Chartered Accountants of Bangladesh (ICAB). In her diversified professional career, Ms. Mahmud worked in the development sector and was a practicing Chartered Accountant. Ms. Mahmud started her career with Brac, and was the Managing Director, Grameen Telecom Trust and Deputy Managing Director of Palli Karma-Sahayak Foundation (PKSF). She was a partner of ACNABIN, Chartered Accountants. She was the first female President of ICAB for the year 2011 and also the first female Board member and President of accounting professional body in the South Asian Federation of Accountants (SAFA), the apex accounting professional body of the SAARC. She was the Chairperson, CA Female Forum, ICAB. She was the member of National Advisory Panel for SME Development of Bangladesh and founding Board member of SME Foundation and Convener, SME Women's Forum. Ms. Parveen Mahmud is the recipient of Chittagong Digest award 2020 for Social Changemaker, Ananyanna Top Ten Women- 2018 Award in 2019 for social development, Joya Alokita Nari-2018 Award from RTV for entrepreneurship and women's empowerment, "Women at Work -2017" Award from Association of Software and Information Services (BASIS) and "Women of Inspiration Awards"-2017 from the Bangladesh Organisation for Learning & Development (BOLD). She received the Begum Rokeya Shining Personality Award 2006 from Narikantha Foundation for women's empowerment.



**ZAKIR AHMAD KHAN**  
Independent Director

Mr. Zakir Ahmed Khan is a celebrated bureaucrat with an illustrious career as former Finance Secretary to the Government of Bangladesh. Mr Zakir Ahmed Khan did his MA in Economics from the University of Dhaka and MBA from Vrije University, Brussels, Belgium. He also studied Development Economics and Development Administration at the Colorado State University as a Hubert Humphrey Fellow. Before joining the Pakistan Audit and Accounts Service in 1970 he served briefly as a Research Associate in the Bureau of Economic Research and as a Lecturer in Economics, University of Dhaka. He also served as a part time Lecturer in the Department of Finance, University of Dhaka.

Mr. Khan served as Finance Secretary and Secretary, Internal Resources Division and Chairman, National Board of Revenue for about five years. During his 46 years of public service he held various senior level positions in the Bangladesh Audit and Accounts Department, Ministries of Establishment, Finance, Commerce and Cabinet Division. He also worked as a senior national consultant in the public sector financial reform programme of the Government of Bangladesh and as an External Auditor to the United Nations, United Nations Development Programme, United Nations Fund for Population Activities, United Nations Industrial Development Organisation and United Nations Economic Commission for Latin America. Prior to his retirement in early 2009 he served as Alternate Executive Director, World Bank representing Bangladesh, Bhutan, India and Sri Lanka. Mr. Khan is currently advisor to Southeast Bank Limited. He also serves on the Boards of National Life Insurance Company Limited, M.I Cement Factory Limited and Bay Leasing & Investment Limited.



**ASHRAFUL HADI**

Independent Director  
(till 24 April 2022)

Mr. Ashrafal Hadi was appointed as Independent Director for Marico Bangladesh Limited on April 25, 2016. An advocate of the High Court Division of the Supreme Court of Bangladesh and Barrister-at-Law from the United Kingdom, Mr. Hadi is a Partner in Alliance Laws a reputed and the leading law firm in Bangladesh specializing in litigation disputes and transactional matters. He is a former Member of Executive Committee of Bangladesh Supreme Court Bar Association. He has over 20 years of experience as a lawyer both at home and abroad. He has worked at Eversheds LLP, one of the leading law firms in the U.K. and was a Partner at Dr. Kamal Hossain & Associates. His practice over the years has involved working with various multinational and local organizations where he has acted as counsel advising in the areas of telecom, admiralty, large infrastructure projects, IT, commercial and international trade disputes, local and international commercial arbitration, banking, securities & bond market, taxation and constitutional law and so on. He has also acted as counsel in several public interest litigations for protection of fundamental rights.



**PAWAN AGRAWAL**

Nominee Director

Mr. Pawan Agrawal is a Chartered Accountant (2000), and a B.Com (Hons) Graduate (1999) from St. Xavier's college, Calcutta. He has 2 decades of leadership experience across various finance verticals like Financial Planning & Analysis, Corporate Finance, Treasury, Investor Relations, Taxation & Commercial functions in the FMCG domain. He joined Marico in 2004 as Regional Operations Manager for South Sales Division in Hyderabad. He has spent over 16 years with Marico and contributed in areas of Business Finance, Strategy Business planning, Cost optimisation, International Business operations, setting up Internal Control architecture, Business Process Transformation and major Taxation transition. September 2020. Prior to Marico, he worked with Eveready Industries (I) limited for 4 years in Internal Audit and Sales Commercial functions across many locations.

In his 20 years of career as a finance professional, he has had successful stints in areas of Business Finance and Corporate Finance. Backed by strong leadership skills and experience of managing diverse people, he has managed operations comprising both scale & complexity and has driven transformational change agenda for the organisation. He has also won the CFONEXT100 Awards for two consecutive years in a row 2018 and 2019 at the Annual CFO Leadership Conclave, India. Pawan took over the role of Chief Financial Officer of Marico Limited effective September 10, 2020.

Pawan was recognised by The Financial Express CFO Awards 2020, under the Large Enterprises Category in Manufacturing Sector. Under his leadership, Marico has been ranked in the 'LEADERSHIP' category as assessed by IAS on the IFC-BSE-IAS Indian Corporate Governance Scorecard.



**SANJAY MISHRA**  
Nominee 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 Food 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 AMEA (Asia Middle East and Australia) in 2013. In his role, he was responsible for delivering GTM transformation in key AMEA 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.



**ASHISH GOUPAL**  
Managing Director

Ashish Goupal took over as Managing Director of Marico Bangladesh Limited (MBL) in July 2018. He join Marico Bangladesh after a long and rich career with Marico Group where he was Head of Trade Marketing, Shopper Marketing & Demand Planning for the India business. Ashish started his career as a management trainee with global consumer durable major Samsung in year 2004 and thereafter started his long stint with Marico India in 2006.

During his 16 years stint with Marico India, Ashish excelled and delivered path breaking performance in the areas of Sales, Brand Management, New Product Development, Trade Marketing, Shopper Marketing and Demand Planning. In his career he has successfully driven projects in Business Transformation, Process Transformation and Cost optimization along with global consultants. His deep understanding of business along with rich functional experience helped him in launching several successful innovations in India and Bangladesh.

Ashish has versatile interests, in particular he takes a keen interest in contributing towards developing industry talent and grooming young professionals. He is passionate about the culture, talent and market in Bangladesh. Under Ashish’s leadership Marico Bangladesh has evolved its portfolio to 39 brands including the development and launch of Parachute Just For Baby Range, Studio X male grooming range and Parachute Naturelle Shampoo. Ashish has been associated with Marcus Evans Group-Singapore and with The Economic Times for training industry talent on Rural Marketing, Shopper Marketing & Channel Management. Ashish has a degree in Mechanical Engineering and is an alumnus of Jamnalal Bajaj Institute of Management Studies, batch of 2004.

# BOARD REPRESENTATION

Sl No.	Name of Director	Directorship	Member of Board Committees
1	Mr. Saugata Gupta	Marico Consumer Care Limited	Member of CSR Committee. The Company was amalgamated with Marico Limited w.e.f. January 20, 2021.
		Marico Innovation Foundation	-
		" Halite Personal Care India Private Limited (A Company under Liquidation)"	-
		Marico South East Asia Corporation	-
		Marico Middle East FZE	-
		Marico South Africa Consumer Care (Pty) Limited	-
		JSW Paint Private Limited	Resigned w.e.f. November 11, 2021
		Marico Limited	Member of Stakeholders' Relationship Committee, Member of Corporate Social Responsibility Committee & Member of Risk Management Committee
		Parachute Kalpavriksha Foundation	-
		Ashok Leyland Limited	Member of 1) Nomination and Remuneration Committee & 2) Audit Committee 3) Environmental, Social and Governance Committee
2	Ms. Parveen Mahmud	Delhivery Limited	Appointed as Director w.e.f. October 1, 2021. Chairman of Stakeholders' Relationship Committee, Member of Nomination and Remuneration Committee
		The Advertising Standards Council of India	Appointed as Director w.e.f. December 20, 2021
		Fly Dhaka Airlines Ltd.	Chairman
		Shasha Garments Ltd.	Managing Director
		Shasha Spinnings Ltd.	Director
		Shasha Apparels Ltd.	Director
		Shasha Millners & Textiles Ltd.	Director
		Saburo Indigo Ltd.	Director
		Cider Education Services Ltd.	Director
		Berger Bangladesh Ltd.	Independent Director
		Apex Footwear Ltd.	Independent Director
		Marico Bangladesh Ltd.	Independent Director
		UCEP Bangladesh	Chairman



SI No.	Name of Director	Directorship	Member of Board Committees
		Ghashful	Board Member, Chairman Audit Committee
		RDRS- Bangladesh	Board member
		Friendship	Supervisory Board Member, Chair FAC
		BRAC Stichting International	Acting Chair, Supervisory Board Member, Chair FAC
		BRAC International Holdings BV	Member
			Board Member, Past Chairperson
		BRAC (Association Member)	Board Member
		MIDAS	Director and Member AC
		Palli Karma- Sahayak Foundation (PKSF)	Board member and Member AC
		Manusher Jonno Foundation (MJF)	Board member and Member AC
		Transparency International Bangladesh (TIB)	Director
		Centre for Policy Dialogue ( CPD)	Director
		HerStory Foundation	Director
		Chol Pori	Director and Member AC
		Moner Bondhu	Director
3	Mr. Zakir Ahmad Khan	National Life Insurance Company Limited	Director
		M.I. Cement Factory Limited	
		National Life Insurance Securities Limited	
4	Mr. Ashrafal Hadi	None	
5	Mr. Pawan Agrawal	Marico Limited - Member & Secretary of the Risk Management Committee , Member of Sustainability Committee	
		Marico South Africa Consumer Care (Pty) Limited	
		Marico Middle East FZE	
		Marico South East Asia Corporation	-
		Marico South Africa (Pty) Limited	-
		Marico Malaysia Sdn. Bhd	-
		Apcos Naturals Private Limited, appointed as Director w.e.f. July 21, 2021	
		HW Wellness Solutions Private Limited, Appointed as Director w.e.f. May 23, 2022	
6	Mr. Sanjay Mishra	Zed Lifestyle Private Limited	
		Apcos Naturals Private Limited, Appointed as Director w.e.f. July 21, 2021	
7	Mr. Ashish Goupal	MBL Industries Limited	
		Marico Middle East FZE	
		Marico (Lanka) Private Limited, Appointed as Director w.e.f. April 21, 2022	
		Marico Gulf LLC, Appointed as Director w.e.f May 8, 2022	



## Leading from the Front

From Left to Right

**ALLEN EBENEZER ERIC**  
Director-Marketing

**SABBIR AL HARUN**  
Director- Sales  
(Traditional Trade)

**SHYAMAL KISHORE**  
Director- Human  
Resources

**ASHISH GOUPAL**  
Managing Director



**MD. SAIFUL ALAM**  
Director-  
Manufacturing

**CHRISTABEL  
RANDOLPH**  
Director-Legal &  
Corporate Affairs  
and Company  
Secretary

**ELIAS AHMED**  
Chief Financial  
Officer

**ZAHEDUR  
RAHMAN**  
Director - Supply  
Chain and NPD

**RASHED SARWAR**  
Director-Emerging  
Channels and  
Sales Strategy

# PROFILE OF OUR LEADERSHIP TEAM



**ASHISH GOUPAL**  
Managing Director

Ashish Goupal took over as Managing Director of Marico Bangladesh Limited (MBL) in July 2018. He joins Marico Bangladesh after a long and rich career with Marico Group where he was Head of Trade Marketing, Shopper Marketing & Demand Planning for the India business. Ashish started his career as a management trainee with global consumer durable major Samsung in year 2004 and thereafter started his long stint with Marico's India in 2006.

During his 16 years stint with Marico India, Ashish excelled and delivered path breaking performance in the areas of Sales, Brand Management, New Product Development, Trade Marketing, Shopper Marketing and Demand Planning. In his career he has successfully driven projects in Business Transformation, Process Transformation and Cost optimization along with global consultants. His deep understanding of business along with rich functional experience helped him in launching several successful innovations in India and Bangladesh.

Ashish has versatile interests, in particular, he takes a keen interest in contributing towards developing industry talent and grooming young professionals. He is passionate about the culture, talent and market in Bangladesh. Under Ashish's leadership Marico Bangladesh has evolved its portfolio to 39 brands including the development and launch of Parachute Just For Baby Range, Studio X male grooming range and Parachute Naturale Shampoo. Ashish has been associated with Marcus Evans Group-Singapore and with The Economic Times for training industry talent on Rural Marketing, Shopper Marketing & Channel Management. Ashish has a degree in Mechanical Engineering and is an alumnus of Jamnalal Bajaj Institute of Management Studies, batch of 2004.



**SABBIR AL HARUN**  
Director- Sales  
(Traditional Trade)

Sabbir has taken over the responsibility of Director - Sales (Traditional Trade) in August, 2020. Currently he is leading entire Sales Field team comprising of 115 members and another 3500 indirect members through its more than 200 distributors, nationwide covering a retail universe of about 1.2mln. He is also Responsible for overall Trade Marketing Strategy, Shopper Marketing, Merchandising Strategy of core brands & Capability Development of Sales Function. The Regional Heads and Head of Trade Marketing report to him. He joined Marico in April 2020 as Head of Sales Operations, Channels and NPD. During that time, he helped the business grow by implementing innovative emerging channel strategies and strengthening distribution system.

Prior to join Marico, Sabbir worked in Unilever Bangladesh Limited for 15 years. During his career with Unilever, he worked in different roles in Field and Head office where he had successfully driven crucial agendas to develop business & distribution. He was very instrumental in growing talents within team. He had also successfully driven business of renowned brands during his stint as "Trade Category Manager" in Unilever.

Sabbir completed his BBA and MBA from Dhaka University. He is passionate about reading books as well as loves traveling new places and try different cuisines.



**RASHED SARWAR**

Director-Emerging Channels  
and Sales Strategy

Rashed has joined Marico Bangladesh Limited in November, 2020 and taken over the responsibility of Director – Sales (Emerging Channels & Sales Strategy). Rashed is responsible for developing Emerging channel business & leading the transformation of Sales Function. He is rigorously working for flawless execution of Sales strategies in the granular level.

Prior joining in Marico Bangladesh Limited, he played the role of “National Sales Operations Manager” at International Beverages Private Limited (Coca-Cola). He was very instrumental in streamlining Distribution System, Developing efficiency of distributors / Field force and growing talents in his immediate role. He also had successful stints in Pacific Telecom Limited (Citycell) & Unilever Bangladesh Limited.

Rashed did his Master’s of Business Administration from International Islamic University in Chittagong. He is a passionate traveler, enthusiastic Biker & Swimmer.



**ALLEN EBENEZER ERIC**

Director-Marketing

Allen joined Marico Bangladesh in October 2019 and is responsible for driving a successful Marketing function. A passionate marketer, his experience spans over 17 years in brand management and sales, across two FMCG organizations – Marico and Emami. Starting his career as a Management Trainee in Marico in 2005, he held different Sales and Marketing roles in India over 9 years, and spent 5 years at Emami Limited, where he led the Fair and Handsome and Pain Management Portfolios (Zandu Balm, Mentho Plus Balm, Fast Relief) for India.

His well-rounded marketing experience spans extensive work on heritage Brands, successful new Brand launches, stabilization, scale-up and growth in Organization eco-systems; and NPDs, operating across blue-ocean, penetration categories to complex, competitive categories among both urban and rural consumer demographics. His systematic experience on development of sound, long-term brand strategies has led to building effective, consistent, strong brands; and excellence in execution has led to sustainable, profitable growth of brands over the years.

A collaborative leader, he has structured, built and nurtured large teams with a blend of experience and fresh talent; he enjoys mentoring and enabling them for early responsibilities, larger roles and consistent outcomes over time.

He has led differentiated work that have received prestigious international recognition, including two Recommended Cases and two Editor’s Choice Best Practice papers at WARC, a WARC Asia Strategy Prize, a hat-trick at the Appies Asia Pacific Marketing Congress, Singapore and six Effies.

He did his Masters in Business Management from XLRI Jamshedpur, and Mechanical Engineering from Tamil Nadu College of Engineering, Coimbatore. A driving enthusiast and violinist, he enjoys reading and writing.



**MD. SAIFUL ALAM**  
Director-Manufacturing

Saiful brings with him 21+ years of rich experience and currently Heads the Manufacturing Function in Marico Bangladesh. He is responsible for the entire manufacturing operations including third party operations, packaging vendor management and projects & manufacturing capability building initiatives in MBL. He has been instrumental in leading the manufacturing team towards process excellence. It was under Saiful's Leadership that Marico set up its Crushing and Refinery Plant in Bangladesh. He has also handled several greenfield & brownfield projects in his 9+ Year's tenure in Marico Bangladesh. Being Senior Management, he determines the strategic direction of the organizations' manufacturing unit with the goal of increasing efficiency and profitability. He is leading the set up MBL's 3rd Manufacturing Unit in Mirsarai Economic Zone with a planned Investment of 227.1 Crore BDT.

Saiful has diverse experience of working with global MNCs like Nestle Bangladesh Limited and led production functions in India for 3 years 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.



**SHYAMAL KISHORE**  
Director- Human Resources

Shyamal joined Marico Bangladesh Limited in April 2021. He is responsible for driving the people strategy at the company and establishing frameworks to retain, develop and attract talent to the organization and making Marico Bangladesh an employer of choice.

Shyamal holds post graduate degree in HR from the Tata Institute of Social Sciences, Mumbai and is a graduate in computer engineering from Bharati Vidyapeeth University, Pune. Shyamal has varied experience in HR & Sales across a variety of sectors and locations. He started his career with Coca-Cola as a Management Trainee, handled Industrial Relations at Varanasi factory and went on to handle HR Business partner role at Mumbai. He subsequently worked with Future Group, as Head of HR for Staples Future. He went on to handle Head of Sales role at Future Consumer, where he was responsible for setting up General Trade Distribution for Future Consumer Limited. He later worked for a start-up named Delhivery, the pioneer in e-commerce supply chain solutions and the first logistics tech unicorn in India, where he was Solutions Director for Enterprise Sales.

Shyamal has built expertise across verticals, from handling Industrial Relations, managing unions, negotiating long term settlements, driving high performance culture, enhancing people productivity, and making HR future ready through digitization & automation. He is an evangelist of people being the key differentiator to business and passionate about developing a people first culture. His experience across global MNC, large conglomerate and start-up brings in a diverse and well-rounded perspective.

Shyamal is an avid sports buff and follows cricket religiously. He is a certified advanced scuba diver, loves swimming and playing tennis & badminton. Shyamal is also a founder member of Our Bit Charitable Trust, which promotes health, happiness, and development in resource poor settings.



**ZAHEDUR RAHMAN**  
Director - Supply Chain  
and NPD

Zahed is a veteran supply chain leader with 24+ years' experience in the FMCG industry and currently heads the Supply Chain Function of Marico Bangladesh. Zahed has a proven track record in delivering strategic supply chain interventions within challenging environments and complex operations. During his varied experience across all facets of supply chain, Zahed has led diverse teams small & large, recruited young talent and experienced professionals for the organization and developed them to unleash their potential. A strong advocate of training & development interventions, he has contributed significantly in creating high performing teams capable of delivering stretched KPIs and developed strategic and people leadership capabilities. Zahed has worked with diverse internal & external stakeholders across geographical boundaries and has led many complex functional and cross-functional projects/programs, driven change management across organizations.

Zahed has worked with global corporations and local conglomerates including British American Tobacco Bangladesh, GlaxoSmithKline Bangladesh, ACI Group, DBL Group, Transcom Group.

Zahed has completed his BSc in Electrical Engineering from BUET and his MBA from IBA. He enjoys reading, traveling and spending quality time with his family.



**ELIAS AHMED**  
Chief Financial Officer

Elias Ahmed spearheads MBL Finance and is responsible to lead the Finance & IT functions and is a key member of the 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 20 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 Master of Business Administration (MBA) from University of Dhaka and obtained Master 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 permanent Member of Dhaka Boat Club. He is also a member of Finance & Audit Committee at Uttara Club Ltd.



**CHRISTABEL RANDOLPH**  
Director-Legal & Corporate  
Affairs and Company Secretary

Christabel joined Marico Bangladesh in May 2016 as Head of Legal and was subsequently appointed as the Company Secretary. She also leads the corporate affairs and regulatory affairs agenda of the business including corporate social responsibility, public relations and ethics & compliance. Christabel is a qualified Advocate, with experience of practice before the District Courts and High Court Division of the Supreme Court of Bangladesh.

A professional for the last 13+ years, Christabel has a rich base of legal experience spanning litigation, advisory, alternative dispute resolution, critical due diligence projects, compliance management and policy advocacy.

Her recent assignment, before joining Marico was with British American Tobacco Bangladesh (BATB). She has also worked with World Health Organization as their Legal Consultant and as Country Legal Consultant for International Development law Organization (IDLO) and BRAC. Prior to her assignment with BATB, Christabel was an Associate at Dr. Kamal Hossain & Associates. She is also on the Executive Committee of the School of Hope and Vice-President, Committee of Intellectual Property Enforcement (CIPE). Christabel is also an active member of the FMCG Sub-Committee of the Foreign Investors Chamber of Commerce & Industries (FICCI), Commercial Legislation Sub-Committee of Metropolitan Chamber of Commerce & Industries (MCCI) and Legislative Committee of Bangladesh Employers Federation (BEF). Christabel completed her bachelors and masters in law from the University of Dhaka and subsequently pursued her advanced masters in Law and Economics as an Erasmus Mundus Scholar under the European Commission.

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



# AWARDS AND ACCOLADES

## CORPORATE GOVERNANCE EXCELLENCE AWARDS

Marico Bangladesh received 3 awards for corporate governance excellence from the Institute of Chartered Accounts Bangladesh (ICAB), Institute of Chartered Secretaries Bangladesh (ICSB) and Institute of Cost Management Accountants Bangladesh (ICMAB). Marico received the Silver Award for “Best Corporate” under the multinational manufacturing category from the Institute of Cost & Management Accounts (ICMAB), Silver Award for “Corporate Governance Excellence” by the Institute of Chartered Secretaries Bangladesh (ICSB) and the Certificate of Merit for “Best Presented Annual Report” by Institute of Chartered Accountants Bangladesh (ICAB).



ICAB AWARD



ICSB AWARD



ICMAB AWARD

### A Better Tomorrow™ CSR Award

Marico received Honorable Mention at the Daily Star and CSR Window Summit & Awards 2021 for its SWAPNO program work in “financial inclusion” of ultra-poor women.



### MOST LOVED HAIR OIL BRAND

**Parachute Advanced** continues its winning streak as the Most Loved Hair Oil Brand in Bangladesh, as per Best Brand Award Bangladesh 2020, organised by the Bangladesh Brand Forum, in partnership with Nielsen. It is the No 1 Best Loved Brand in the Hair Oil category and the 8th Best Loved Brand across all Categories in Bangladesh.



### COMMWARD FOR STUDIO X SHAMPOO

Our male grooming brand Studio X along with our creative agency partners FCB Bitopi & bFilms was awarded the Silver Award at the Bangladesh Brand Forum Commward 2021 for “Excellence in Creative Communication”.

### ECONOMIC TIMES “BEST BRAND”

Marico Bangladesh received recognition of “Best Brand” as a corporate in the Economic Times “Best Brand Awards 2021”. The award recognises Marico as a brand powerhouse producing successful portfolios in its core categories as well as in new product launches.



# LEADERSHIP MESSAGES

# CHAIRMAN'S LETTER



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**Saugata Gupta**  
Chairman

“We believe in creating shared value. We are committed to becoming a future-ready organization that creates value for all stakeholders, from its employees and business partners to the communities in which it operates. We are focused on creating a powerhouse of adaptive leaders, relentlessly pursuing our culture of innovation, and making good on our sustainability commitments.” - Saugata Gupta



## Dear Valued Shareholders,

I am pleased to write to you as always and I would like to express our gratitude to all our valued shareholders for your continued confidence in Marico to deliver exceptional business performance year-on-year and maximize shareholder value. The financial year 2021-22 (FY'22) continued to be a difficult year for all of us. Yet your company withstood the adversity of multiple black swan events and delivered double-digit revenue and profit growth. It is on this note, on behalf of the Board, I take pleasure in welcoming you all to the 22nd Annual General Meeting of your company and present to you the Annual Report for FY'22.

The second and third waves of the COVID-19 pandemic with variants of increased virulence continued to besiege the first half of FY'22. Despite the widespread disruption during the year under review, your Company demonstrated impressive resilience and agility to deliver both topline and bottom-line growth. This has only reinforced our faith in the lasting strength of the strategic building blocks of your Company, namely brands, people, and culture.

Your Company delivered another strong year, with 15% revenue growth on the back of 6% underlying volume growth, and 14% net profit growth and closed with a profit after tax of BDT 355 Crore. In FY'22 we declared a healthy dividend of 800% since listing and contributed BDT 415 crores to the national exchequer.

As we face a dynamic, ambiguous and volatile operating environment, tapping into emerging trends and launching products while competitively growing your Company's core businesses was crucial in enabling us to deliver growth at a consolidated level. We had 3 new product launches in our value-added hair oils portfolio, launched a range of facewashes under our Parachute SkinPure skin care portfolio and also extended our baby-care portfolio with the launch of Just For Baby shampoo. Our portfolio now stands at 42 brands in 10 categories serving the consumers of Bangladesh. Your company continues to operate through the heritage brands Parachute, Parachute Advansed, Nihar and Saffola. We have been successful in all our major launches of FY'22 as consumptions slowly return to pre-pandemic levels.

"Parachute Advansed" was recognized as the Most Loved hair oil brand in the country by Bangladesh Brand Forum and Nielsen and is amongst the top 10 most loved brands in the country. Our international male grooming brand "Studio X" was also recognized by Bangladesh Brand Forum for excellence in consumer communication at the 2021 CommWards. These recognitions are testament to

the enduring loyalty and confidence of consumers in the quality of our products and our ability to connect with consumers across categories.

We have commenced construction of our 3rd manufacturing unit in the Bangabandhu Shilpanagar within the Mirasarai SEZ where we have committed to invest BDT 2.27 billion. This is an investment for future growth as we aspire to be proud ambassadors of Made In Bangladesh delivering greater variety and world-class products to the consumers of Bangladesh and increase our exports.

Our strength lies in our people and in our brands. Talent and Culture are among the five key transformational areas that make Marico a future-ready organisation. We have a clear diversity and inclusion agenda and leadership commitment towards developing local talent. People from different backgrounds, regions and ethnicities bring with them their unique skills, insights and experiences. This diverse population expands the pool of innovative ideas, leading to new avenues of commercialisation and inclusive growth. We are proud that 98% of our workforce is local talent and we have an 80% millennial population within it. The strength of female workforce in our factories is almost 22%.

With the pandemic challenging our traditional notions of "work", Marico is now more committed to providing a safe, flexible work environment for our members and adaptive leadership thinking to attract and retain diverse talent. Mental health and well-being along with structured, continuous engagement, learning and recognition programs were crucial in nurturing our talent. With our uncompromising focus on "safe workplace" we have carried out extensive sensitisation programs coupled with a zero-tolerance policy towards incidences of racial, gender, religious and sexual discrimination.

We believe at Marico Bangladesh we have world-class talent capable of delivering super-normal results and thriving in a fast-track career. During the pandemic we have learnt that with the changing demographics and structures at the workplace, continuous communication, empowerment, agility and collaboration are critical pillars of a future-fit culture. The unique culture at Marico has earned us the recognition as one of the Top 10 Employers of Choice in the country and 3rd in the FMCG Sector according to Nielsen's Campus Track survey.

As a responsible corporate citizen and a firm believer in conscious capitalism, Marico has long focused on adopting environmentally and ethically sustainable

operations that create value for all stakeholders. In our ambition of 'road to zero' meaning zero impact on environment, we were able to reduce fuel consumption by 24.55% at Shirirchala plant and 18.4% at Mouchak plant. We are also progressing in our journey towards carbon neutrality with our operations producing 14.18 MT less carbon dioxide per year.

Contributing to the coordinated efforts against the pandemic was crucial to our purpose of making a difference as we partnered with BRAC, SAJIDA Foundation and UCEP to distribute hygiene kits among the most vulnerable sections of the community and frontline workers. We continued our impactful social responsibility program with SWAPNO, and together with our COVID relief initiatives, invested BDT 223 million under our corporate social responsibility commitments. We were recognized by The Daily Star "A Better Tomorrow" CSR Awards for our partnership in the SWAPNO program and its impact on financial inclusion of ultra-poor women. As you know, your company commits 1% of its profits towards CSR programs.

The outlook for Bangladesh by global institutions is cautiously optimistic considering the post COVID supply disruptions and impending global recession due to the Russia-Ukraine war. The operating environment remains fragile for the foreseeable future primarily due to inflation induced constrictions on consumption and exacerbated pressure on margins due to global supply chain volatility.

Your Company will continue to focus on nurturing and building responsible, authentic and trusted brands for our

consumers and making them more accessible through agile and resilient execution. On the operations front, our supply chains have been tested under extreme conditions during the past two years of the pandemic. While the industry could have to weather global disruptions and companies could have to deal with short-term margin pressures in the future, our learnings from COVID have made us far more resilient. We will maintain a rigorous focus on managing structural costs and continue investing in long-term capability—leadership capability, digital capability and innovation. We are focused on creating a powerhouse of adaptive leaders, relentlessly pursuing our culture of innovation, and making good on our sustainability commitments.

In conclusion, I would like to extend my sincere gratitude to our esteemed shareholders, regulators, industry peers, CSR partners and the consumers of Bangladesh for their sustained trust in Marico. We firmly believe that if you do good for the society, it will do good for you. The year under review is testament to this belief. We are confident that through a collaborative approach with all our partners in the value chain, we will continue to deliver business growth and create sustainable value for all.

With warm regards,



**Saugata Gupta**  
Chairman

# FROM THE DESK OF THE MANAGING DIRECTOR



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**Ashish Goupal**  
Managing Director

“In the last year, we lived out our talent value proposition of Go Beyond, Grow Beyond and Be the Impact. We continued to go beyond in developing our talent, grow amidst a challenging environment, and amplify our impactful social responsibility initiatives. We aspire to continue unleashing our potential and deliver meaningful growth for all our stakeholders. I would like to thank all our members for their ownership and drive in going beyond, growing beyond and being the impact.”



## Dear Shareholders,

As we cautiously emerge from the covid pandemic and return to some semblance of normalcy, I sincerely hope that all of you and your families are safe and well. Despite another year plagued by the second and third waves of the covid pandemic, unified in our One Marico spirit we have been able to deliver yet another year of impactful growth. We have grown in profits, portfolios, talent, and purpose-led initiatives. We continue to be one of the fastest growing FMCG companies in Bangladesh.

In FY'22, amidst the pandemic, we had 5 new product launches, we grew our revenue by 15.3% and profits by 14.3%. The household penetration of our brands stands at around 88.4%. We commenced the construction of our 3rd manufacturing unit in the Bangabandhu Shilpanagar and expect to go into commercial operations by January 2023.

Our people continue to be the true driving force of our business during these challenging times, and they worked tirelessly to find innovative and agile ways of ensuring business continuity. The safety, security and wellbeing of our people are our first priority enabling us to 'go beyond' and 'grow beyond'.

Your Company was one of the first companies to implement complete work from home measures including for those members working in our sales team. We paid all salaries in advance and there were no job or salary cuts. It was important for our members and everyone across our value chain to know that Marico will take care of them, and their livelihoods are secure.

We closely monitored the evolution of the pandemic and market dynamics. Sensing the consumer urgency to return to normalcy we continued to build our beauty and wellness portfolio while also expanding our hygiene range. We were uncompromising on our agility, excellence in execution, aggressive cost management and financial discipline to deliver both volume and value growth.

Creating world-class quality products for Bangladeshi consumers, building our brands and our strong distribution network are the key strategic pillars underlying our business growth. We launched Nihar Naturals Lovely Hair Oil, Red King Men's Cooling Oil expanding our value-added hair oils portfolio. To further strengthen our footprint in the personal care category, we launched our Parachute SkinPure facewash range. We expanded our international baby care range with the launch of the first creamy baby shampoo in the Bangladesh market. The growth in our non-hair oil categories contributed to our overall profitability and strengthened the value mix in our business.

We continued our sales transformation journey and capability development initiatives to enable distribution expansion, range selling, and omni-channel presence. The challenges on account of supply chain disruptions were managed smoothly and expeditiously through data-driven demand & supply planning and the support of the government, particularly, the Bangladesh Investment Development Authority (BIDA), the Ministry of Commerce and the Department of Factories & Establishments (DIFE).

We continued to attract and retain diverse talent and implemented newer processes to encourage diversity and inclusion in our workforce. The entire leadership team has taken 'Diversity Pledges' to do their part in promoting inclusion in the workforce and we have a central Diversity & Inclusion Council to drive this agenda with focus. We continued to invest in creating fit-for-future structures in marketing, sales and supply chain. With the return to physical work, we re-energized our members with in-person cutting-edge learning interventions like design thinking, social media masterclasses and other programs customized to member requirements.

To reinforce our Code of Conduct and commitment to upholding the highest standards of ethical business operations we carried on year-long sensitization sessions on business integrity, safe workplaces, and prevention of sexual harassment. We partnered with BRAC to roll-out comprehensive safeguard trainings for all our members. Having a motivated workforce and engaging work-culture, more so when we are all working virtually, made all the difference to our business performance.

Our values are at the core of our actions and drive our performance. One of our fundamental values is transparency and openness which is at the heart of corporate governance. We were awarded for corporate governance excellence by the Institute of Chartered Accountants Bangladesh (ICAB), Institute of Chartered Secretaries Bangladesh (ICSB) and the Institute of Cost & Management Accountants Bangladesh (ICMAB).

Our commitment to social responsibility and the development of Bangladesh through our partnership with the government and UNDP in the SWAPNO program remain steadfast. We renewed our partnership in the program for a third-cycle till December 2023 and undertook various initiatives to support underprivileged and vulnerable groups during the pandemic. We provided food support for 1000 out-of-work families in Gazipur during the third wave of the pandemic in 2021. We partnered with BRAC, UCEP and SAJIDA Foundation



to distribute more than 50,000 hygiene kits across Bangladesh to slum dwellers, free medicare hospitals, school-returning underprivileged students and other vulnerable groups.

In financial year 2021-22 Marico invested BDT 223 million in CSR programs. We earned Honorable Mention at The Daily Star 'A Better Tomorrow' CSR Awards for our SWAPNO program and its impact on financial inclusion of ultra-poor women. We also started our employee volunteering program under our talent pillar of "Be the Impact" by partnering with Green-Savers to plant trees to enhance our climate resilience and provide livelihood options to families and communities.

Despite the macroeconomic stress caused by the global stagflation there are indicators for a robust economic recovery and consumption growth. We aim to continue our growth trajectory with our best-in-class offerings, partnering in the sustainable development of the country and continue being proud ambassadors of 'Made in Bangladesh' with our exports to Nepal, India, and the Middle-East.

I extend my heartfelt gratitude to all our members for their passion for "being the impact" and demonstrating resilience and ownership during these very challenging times to deliver transformational growth. I also express my sincere thanks to all our valued shareholders for their continuing confidence in the Company and management

to deliver long-term value. The guidance from our Board of Directors has been invaluable in shaping our success and continued growth. Finally, we are grateful to the millions of consumers in Bangladesh who have placed their trust in us across our core categories and new launches. Without their continued loyalty to our products and faith in new offerings our growth story would not be possible.

We adapted to the 'new normal' with agility as we cautiously resumed work and met the challenges of the post-covid world head on to deliver an impactful year of growth in our profits and purpose. The year ahead will present its own set of challenges and opportunities. I firmly believe if we approach each new step forward with a passion for creating impact with our winning brands, execution excellence, sustainable business practices and growing our capabilities I am confident we will succeed.

Best Regards,



**Ashish Goupal**  
Managing Director





# VALUE CREATION

# VALUE CREATION

At Marico we approach value creation from three principal lenses: our impact, our spectrum of engagement with stakeholders and managing key material matters.

## OUR IMPACT

As a multi-stakeholder organisation fostering sustainable value, we uniquely impact all our stakeholder groups.



MEMBERS



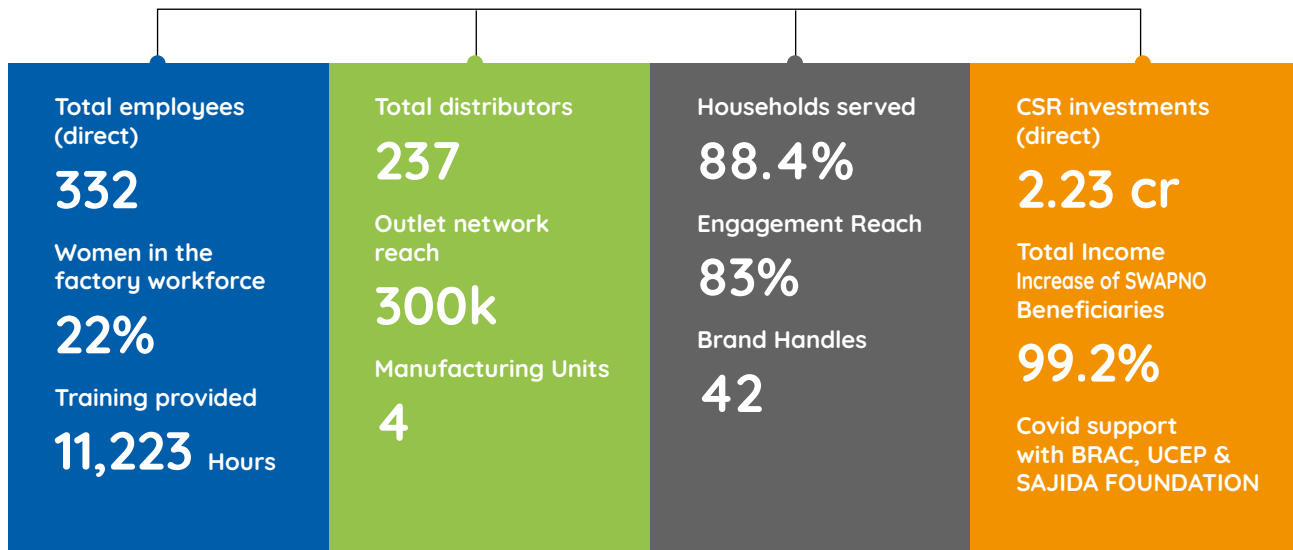
NETWORK



CONSUMERS



COMMUNITY









All figures are for the year 2021-22

## ENGAGING WITH OUR STAKEHOLDERS






We are deepening our engagement across all our stakeholder groups for ensuring sustainable value creation for everyone. Our stakeholders are defined by their respective roles, levels of participation, contribution to our value chain as well as their ability to influence and impact our business. They are our consumers, shareholders, employees, business partners, regulators and the Government, and communities.

Each stakeholder plays a vital and unique role in our value creation journey. These relationships are integral to our business, and we strive to strengthen them via regular outreach and engagement initiatives. We create value in different ways for our various stakeholders and they, in turn, deliver value to us. Engagement with each group takes different forms and frequencies, detailed below.







### CONSUMERS

Why we engage	Our value propositions	Engagement platforms	Key risks	Opportunities	Actions on ground
<p>Our consumers drive demand for our products and provide insights that help us determine future trends. Most essentially, they keep us in business.</p> 	<ul style="list-style-type: none"> <li>Large multi-category portfolio of trusted brands comprising 150 SKUs</li> <li>Wide product reach with everyday shelf availability</li> <li>Strong value propositions anchored on product best-in-class quality and affordability</li> </ul> 	<ul style="list-style-type: none"> <li>Consumer surveys</li> <li>Direct feedback through consumer care lines</li> </ul> 	<ul style="list-style-type: none"> <li>Changing consumer lifestyles, preferences and behaviours</li> <li>Loss of consumers</li> </ul> 	<ul style="list-style-type: none"> <li>Expand into new unexplored categories to diversify the business</li> <li>Develop new innovative products/brand extensions based on consumer feedback</li> </ul> 	<p>Launch of Parachute SkinPure range of facewashes, Just For Baby Shampoo and Red King Men's Cooling Oil.</p> <p>On-going 'Safe Baby Care' campaign brings real life tips from one mom to another.</p> 







## SHAREHOLDERS

Why we engage	Our value propositions	Engagement platforms	Key risks	Opportunities	Actions on ground
<p>Shareholders provide financial strength with continued access to capital</p> 	<p>Attractive returns and growth on investments, supported by transparent disclosures and good governance.</p> 	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Corporate website</li> <li>Interactions with our corporate investor relations team</li> </ul> 	<ul style="list-style-type: none"> <li>Loss of investor confidence</li> <li>Unaligned expectations</li> </ul> 	<p>Strengthen communication with investors to improve transparency and provide clarity on the Company's performance, strategies and forward outlook.</p> 	<ul style="list-style-type: none"> <li>Dividend Distribution Policy for transparent, process-driven resolution of shareholder wealth distribution.</li> <li>Created value through 800% cash dividend for 2021-22, including interim cash dividend of 600%</li> </ul> 







## MEMBERS

Why we engage	Our value propositions	Engagement platforms	Key risks	Opportunities	Actions on ground
<ul style="list-style-type: none"> <li>Our members embody the spirit and aspirations of Marico and are the backbone of productivity and innovation.</li> <li>By nurturing a diverse group of talent, we are building the knowledge and skills needed to maintain our market leading position.</li> </ul> 	<ul style="list-style-type: none"> <li>Engaging workplace environment</li> <li>Competitive remuneration, career progression and healthy work-life balance</li> <li>Equal opportunities, safe working environment, and learning and development opportunities</li> </ul> 	<ul style="list-style-type: none"> <li>Member engagement sessions</li> <li>Health and wellness programs</li> <li>Townhalls and other virtual meetings</li> <li>Safeguarding Training</li> <li>Diversity &amp; Inclusion Council, Framework and Initiatives</li> </ul> 	<ul style="list-style-type: none"> <li>Competition for talent</li> <li>Changing expectations of a millennial workforce</li> </ul> 	<ul style="list-style-type: none"> <li>Young, talented and energetic workforce</li> <li>Adoption of new work models that lead to improved well-being and performance</li> <li>Lean, merit-based and performance-driven work culture</li> </ul> 	<ul style="list-style-type: none"> <li>Provided complete employment security with early salaries, bonuses, profit participation, timely increments and promotions during both years of covid-19</li> <li>Phased re-opening and Vaccination advocacy to ensure members can safely return to work</li> <li>Variety of trainings, awareness and FGD sessions to ensure an enabling and safe workplace for members</li> </ul> 







**BUSINESS PARTNERS**

Why we engage	Our value propositions	Engagement platforms	Key risks	Opportunities	Actions on ground
<p>We depend upon our business partners, including our logistics and freight solution providers and our distribution partners as critical stakeholders to reach our products to end consumers.</p> 	<ul style="list-style-type: none"> <li>• Clear terms of trade through written contracts</li> <li>• Transparency and timely payments</li> <li>• Assurance of business continuity</li> <li>• Adherence to Code of Business Ethics</li> </ul> 	<ul style="list-style-type: none"> <li>• Direct interactions with our teams</li> <li>• Ongoing training and awareness-building sessions</li> </ul> 	<ul style="list-style-type: none"> <li>• Unforeseen business disruptions</li> <li>• Loss of key supply chain partners</li> </ul> 	<ul style="list-style-type: none"> <li>• Upskill for business enhancement</li> <li>• Gain sharing through opportunities in efficiency</li> <li>• Foster local employment that also has a positive impact on the grassroots livelihoods</li> </ul> 	<ul style="list-style-type: none"> <li>• Guidance on social and legal compliance</li> <li>• Automation of freight management solutions</li> <li>• Timely disbursement of payments</li> <li>• Supply chain and buyer finance solutions</li> <li>• Mobile financial payments</li> </ul> 

**REGULATORS/GOVERNMENT**

Why we engage	Our value propositions	Engagement platforms	Key risks	Opportunities	Actions on ground
<p>The Government and regulatory bodies provide guidance on compliance of regulatory matters, govern ease of doing business.</p> 	<ul style="list-style-type: none"> <li>• Ethical business conduct</li> <li>• Revenue contributions</li> <li>• Innovative partnerships</li> </ul> 	<ul style="list-style-type: none"> <li>• Engagement sessions individually and through trade bodies</li> <li>• Site visits</li> </ul> 	<ul style="list-style-type: none"> <li>• Changing regulations</li> <li>• Lack of clarity in regulatory procedures leading to non-compliance and reputational damage</li> </ul> 	<ul style="list-style-type: none"> <li>• Embrace new regulations to ensure full compliance</li> <li>• Harness opportunities arising from priorities in the national agenda</li> </ul> 	<ul style="list-style-type: none"> <li>• Advocacy and engagement for quality products with Bangladesh Standards &amp; Testing Institution</li> <li>• Aided enforcement against counterfeit and spurious products threatening consumer safety and brand equity</li> <li>• Exchequer contributions rose by 2% during the year</li> </ul> 

## COMMUNITY

Why we engage	Our value propositions	Engagement platforms	Key risks	Opportunities	Actions on ground
<p>Our citizenship and CSR programs help meet community needs, support the attainment of the SDGs and serve our aspiration of being partners in progress of Bangladesh</p> 	<ul style="list-style-type: none"> <li>Livelihood and community sustenance</li> <li>Flagship project under SWAPNO in partnership with UNDP and the government</li> <li>Various Covid relief programs</li> </ul> 	<ul style="list-style-type: none"> <li>Community engagement and development programs</li> </ul> 	<ul style="list-style-type: none"> <li>Probable negative impacts leading to erosion of reputation</li> </ul> 	<p>Drive community-based initiatives to nurture the development of backward, vulnerable and underprivileged communities.</p> 	<ul style="list-style-type: none"> <li>Commitment of 1% of profits for CSR programs</li> <li>Additional contribution of products to last-mile, vulnerable communities like slum-dwellers, underprivileged hospitals and children through UCEP, SAJIDA Foundation so that “No One is Left Behind”</li> <li>Food relief to 1000 out-of-work families in Gazipur</li> </ul> 

## MANAGING KEY MATERIAL MATTERS

Material matters are those that substantively affect our ability to create value over time.

Stakeholders provide Marico with critical resources that enable the Company to generate competitive sustainable value over the short, medium and long term. Engaging with our stakeholders allows us to understand their viewpoints and expectations. The feedback thus generated helps us to develop effective strategies for sustainable long-term value creation through the refinement of our products and services and our go-to-market strategies.

We review our material matters during our annual planning cycle, our strategic reviews and monthly

work-plans. The management team makes an initial assessment – drawing on their experience, judgement, and their own engagement with stakeholders – and agree which matters may be material and the response measures to address the materiality.

### IDENTIFICATION OF KEY MATERIAL MATTERS

The issues identified through stakeholder engagement are analysed, prioritised and categorised based on their ability to affect Marico’s ability to create long-term value, summarized as follows:

Material Matter	Related material stakeholder issues	Opportunities for Marico
Continue earning the trust and loyalty of our customers	<ul style="list-style-type: none"> <li>• Offer products with deep value propositions meeting intrinsic end-user needs</li> <li>• Protect purchasing power of our customers through ensuring pricing discipline</li> <li>• Ensure on-shelf availability of our products across the nation</li> </ul>	<ul style="list-style-type: none"> <li>• Venture into strategic product extensions, for example in untapped categories like baby care</li> <li>• Ensure a portfolio relevance and play on both long-term and short-term niches</li> </ul>
Relationship with suppliers and business partners	<ul style="list-style-type: none"> <li>• Maintaining mutually-beneficial relationships with our suppliers and business partners</li> <li>• Ensuring robust and transparent procurement practices</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing best practices in business</li> <li>• Prioritising purchases and engagement amongst local suppliers</li> </ul>
ESG (environmental, social, governance) considerations	<ul style="list-style-type: none"> <li>• Strong emphasis on our environmental, social and governance (ESG) practices to drive sustainability in our business operations</li> </ul>	<ul style="list-style-type: none"> <li>• Embrace integrated thinking in matters alluding to our ESG principles</li> <li>• Further identify global best practices in ESG and incorporate across our operations</li> </ul>
Employee engagement and retention	<ul style="list-style-type: none"> <li>• Employee training and skills development, while fostering a culture of learning and empowerment</li> <li>• Occupational health and safety</li> <li>• Focus on providing a challenging and inspiring workplace environment to a millennial workforce</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage the multi-disciplinary skills of our talent</li> <li>• Capitalise on the insights and experiences of our Board and leadership team for strategic stewardship, especially during challenging times</li> <li>• Provide meaningful member experiences centering on leadership development as well as physical and mental wellness</li> </ul>
Responsible corporate behaviour and conduct	<ul style="list-style-type: none"> <li>• Compliance with the laws of the land and strive for enhanced standards of governance</li> <li>• Strengthen our corporate citizenship by committing to social responsibility programs with both financial and non-financial contribution</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding and implementing best practices from other Marico group companies and global best practices</li> <li>• Adhere to a values-based governance culture and strict adherence to our Code of Conduct</li> <li>• Automation and use of technology for compliance monitoring and in-house legal solutions</li> </ul>

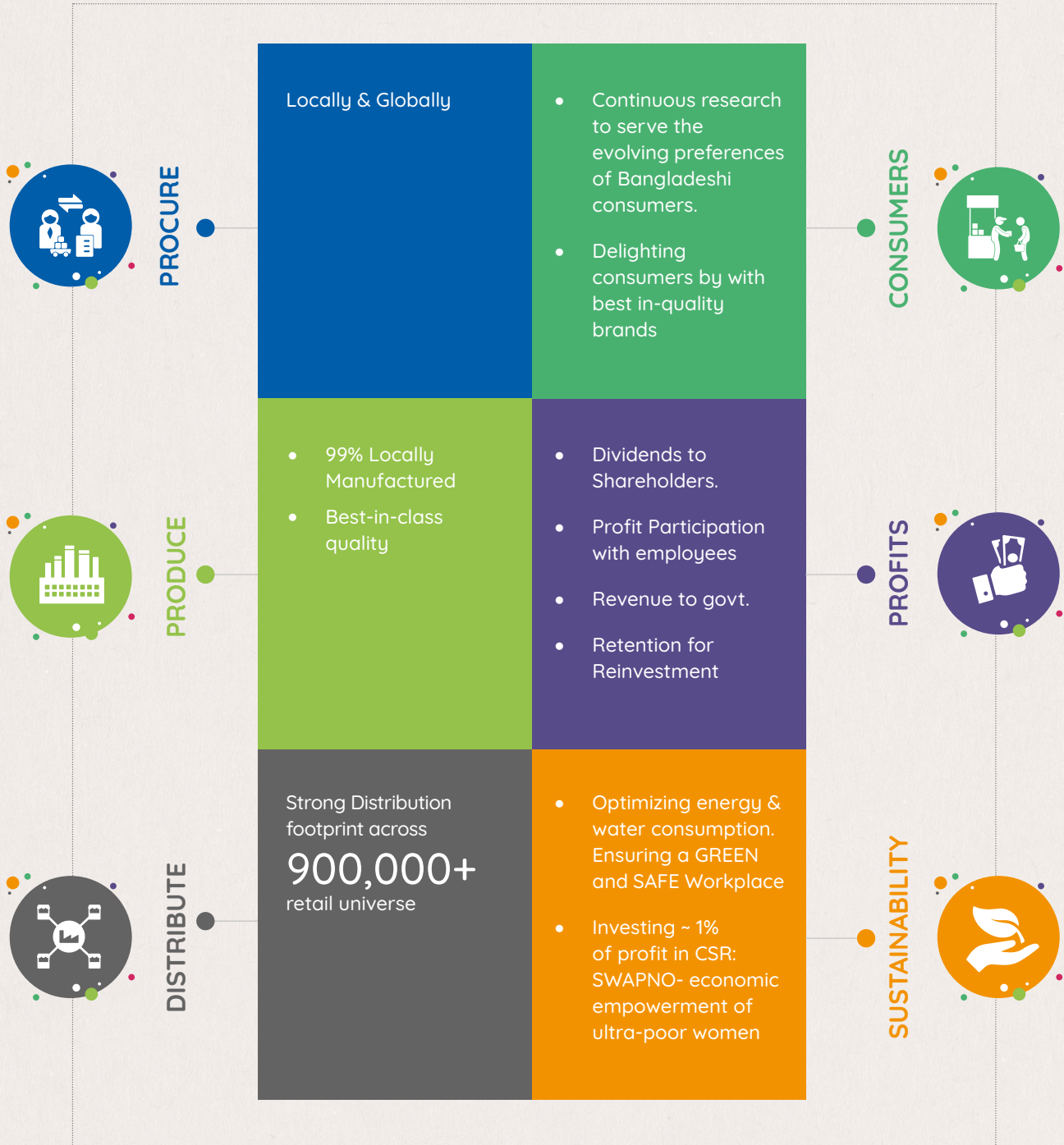




# OUR CAPITALS

# OUR BUSINESS MODEL

At Marico, we intend to maximize value for all our stakeholders by driving sustainable growth and making a difference in the lives of all our stakeholders. Our value creation model diagram expresses the impact of each of our capitals on our organisation as well as on the key Sustainable Development Goals (SDGs) as we commit to grow together with Bangladesh in a sustainable manner.





**HUMAN CAPITAL**  
The talent, passion, commitment and skills of our employees.

**Best employment experience**

- Diverse range of skills development and training programs
- Challenging and inspiring workplace environment



**MANUFACTURED CAPITAL**  
Our manufacturing and production assets across our two plants.

**Robust efficiency focus**

- Ensure most optimal asset utilisation
- Lead through process/technological innovation



**FINANCIAL CAPITAL**  
Debt and equity financing and cash flow from operations.

**Strong commercial performance**

- Improve profit margins through focus on premiumisation
- Ensure stable leverage at all times



**INTELLECTUAL CAPITAL**  
Our portfolio of brands, experience, market strategies, technologies, etc.

**Growth through market penetration**

- Strategic portfolio positioning rooted in customer health, wellness and wellbeing
- Strategic brand extensions to meet the stated and unstated needs of customers



**SOCIAL AND RELATIONSHIP CAPITAL**  
Commitment of 1% net profit investment in social programs.

**Citizenship programs**

- Explore ways to enhance our social impact
- Show solidarity with our communities and broader society at all times



**Natural CAPITAL**  
Our use of energy, land paper, water and other resources.

**Focus on technology excellence**

- Enhance efficiency in the use of natural resources through relentless efforts
- Continual pursuit of doing more with less

# OUR FINANCIAL CAPITAL

## OVERVIEW

The consistent flow of income generated by our operations is key to Marico's long-term sustainability. A large portion of our earnings in FY'22 was invested into capacity expansion, new product developments and creating value for our stakeholders. Creating value for our stakeholders includes delivering dividends to shareholders, providing income to employees, and investing in the development of communities. Additionally, we also use our financial capital to drive innovation by investing in research and development, capacity-building, etc.

## MESSAGE FROM OUR CFO



**Elias Ahmed**  
Chief Financial Officer

**"In FY 2021-22 we invested into capacity expansion, new product developments and creating value for our stakeholders**



Marico has enjoyed a position of strength for years in Bangladesh, expanding its portfolio and producing world-class products that have become household brands. With this foundation, our Company has enjoyed continued growth in sales and profitability based on our inherent strengths, such as the depth of our management expertise and knowledge, our unrivalled brand strength, and an enviable distribution system.

Though the financial year 2021-22 continued to witness the shocks and disruptions of the COVID-19 pandemic, we focused on adopting a business-as-usual stance against a highly challenging external macro environment. Our key financial objective for the year was to sustain liquidity and manage cash-flows to ensure smooth day-to-day operations and support our expansion plans, construction of our 3rd manufacturing

unit at Bangabandhu Shilpanagar while also investing in employee welfare, health, safety and hygiene across our operations. As consumers continued to seek out trusted brands our portfolios witnessed both volume and value growth and we also launched new products which fortified our presence in relevant categories.

Meeting of our performance targets for the year expanded our dividend distribution capacity and, with the interim dividend of 600% cash, our Board has announced a final cash dividend of 200%, taking the total dividend to 800% for 2021-22.

We thank you for your investment in Marico.

**Elias Ahmed**  
Chief Financial Officer

## FINANCIAL REVIEW FY22

BDT in Crore	FY 2022	FY 2021	Growth %
Revenue	1,303.2	1,130.7	15.3%
Cost of sales	(596.1)	(465.2)	28.1%
Gross profit	707.1	665.4	6.3%
Other income	1.7	6.3	-72.9%
General and administrative exp	(119.0)	(107.4)	10.8%
Mkt, selling and distribution exp	(125.4)	(135.8)	-7.7%
Operating profit	464.4	428.5	8.4%
Net finance income	9.0	13.0	-31.3%
Profit before con. to WPPF	473.4	441.5	7.2%
Contribution to WPPF	23.7	22.1	7.2%
Profit before tax	449.7	419.4	7.2%
Income tax expenses	(94.3)	(108.6)	-13.1%
Profit for the year	355.4	310.9	14.3%
Other comprehensive income/(loss)	1.9	(2.5)	175.2%
Earnings per share (EPS)	112.8	98.7	

## VALUE-ADDED STATEMENT

### Two year's Value Added Statement

	2022		2021	
	Taka	%	Taka	%
<b>Value added</b>				
Turnover (net)	13,032,188,243		11,306,519,256	
Less: Bought in Materials & Services	(6,192,006,385)		(5,098,671,390)	
	6,840,181,859		6,207,847,866	
Indirect tax with turnover	1,904,542,315		1,739,203,102	
Other Income/(expense)	16,994,987		62,604,620	
Net finance income	89,621,688		130,485,458	
<b>Available for distribution</b>	<u>8,851,340,849</u>	100.00%	<u>8,140,141,046</u>	100.00%
<b>Distributions</b>				
Employees	961,948,678	10.87%	862,095,189	10.59%
Government	4,150,697,990	46.89%	4,078,501,985	50.10%
Shareholders	2,520,000,000	28.47%	2,835,000,000	34.83%
<b>Value reinvested and retained</b>				
Depreciation and amortization	166,209,267	1.88%	115,651,708	1.42%
Reserves & surplus	1,052,484,914	11.89%	248,892,164	3.06%
	<u>8,851,340,849</u>	100.00%	<u>8,140,141,046</u>	100.00%

## EVA STATEMENT

Particulars	2022	2021
Net operating profit after tax	3,700,932,938	3,198,953,444
Total capital employed	2,811,368,755	1,791,091,976
WACC %	10.45%	10.35%
WACC	293,788,035	185,378,020
EVA=NOPAT-WACC	3,407,144,903	3,013,575,424
EVA Growth	13.06%	33.24%



3D View of our 3rd Factory at Bangabandhu Shilpanagar



Contribution to Govt. Labour Welfare Foundation

# OUR MANUFACTURED CAPITAL

## OVERVIEW

Marico's physical production and storage assets comprise its 2 factories, 2 outsourced manufacturing units, 5 depots and 4 warehouses. Adopting an asset-light strategy, we also have engagement with 10 contract manufacturers for our key packaging material which includes branded bottles, jars, tubes, caps etc. As a pioneering FMCG multinational, our unique position is based on our ability to assure consumer value anchored on world-class quality and affordability across our range of brands. Through our manufactured capital, we also play our role in caring for the environment by manufacturing responsibly using sustainable materials and new technologies, which enables us to deliver high-quality products in an efficient, timely and ethical manner.

## Our Manufacturing Highlights

### Act Now!

Our journey towards Operation Excellence in FY'22 has been remarkable. Factory team undertook systematic problem-solving approach to improve process excellence, reduce losses, increase plant efficiency, implement automation, and eliminate waste to elevate our manufacturing excellence to the next level. A total of 24 higher-order production and quality enhancement projects were completed, resulting in increased plant

efficiency and reduced losses. The manufacturing excellence projects have delivered a savings of BDT 4.08 crore. In the continuous improvement journey through Act Now!, our manufacturing team has delivered 295 number of KAIZENS that solve problems & improve process of daily operations which resulted in a 71% productivity increase over last year.



The signature event of Act Now! "ProSolve Competition"



### Production Efficiencies

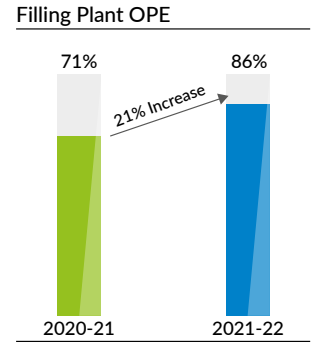
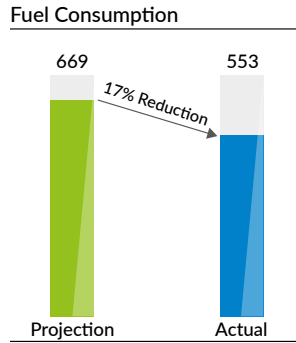
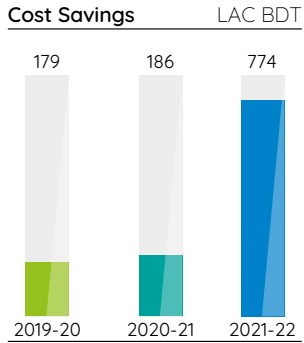
With the ongoing pandemic, the challenges in FY'22 were higher than FY'21 as for the first-time our factories had to shut down in compliance with the government mandate to contain the spread of covid infections. Regardless, with efficient team collaboration and reliability of excellent output, the situation was addressed with zero business loss. The efficiencies in each of the four operating plants achieved new heights to deliver amidst these challenging times. The newly added extrusion blow moulding (EBM) plant, operated with outstanding efficiency since it

was commissioned. Our Shirichala factory achieved a new milestone with the addition of food portfolio in our operations.

We continued our focus on automation to reduce dependency on manual operations, improve quality and decrease any contamination risk. Our factories implemented 5 major automation initiatives along with several minor automation initiatives stabilizing both our integrated oil production and honey filling operations with an outstanding achievement of 80% OEE.

Our production efficiency is a key factor of cost efficiency as well with our Shirirchala factory delivering BDT 7.74 crore of savings from automation, production efficiencies and process innovations. Our manufacturing excellence

is further exemplified by the reduction in fossil fuel consumption by 17% in addition to delivering production and cost efficiencies and furthering our sustainability agenda.



### Capacity Creation for Crushing Operations

Our manufacturing capital was amplified to support the aggressive growth aspirations of the company. A key element of this was capacity expansion of our Copra crushing operations. During FY'22 we implemented initiatives to expand crushing capacity to 240 metric tons per day which is a 100% growth over FY'21. The entire expansion is expected to be completed by first quarter of FY'23.



Some Snapshots of Crushing Expansion Project Work



### Capacity Creation for manufacturing talcum powder

At Mouchak Factory, BDT 4.82 cr was invested to ensure state-of-the-art pharmaceutical grade manufacturing facility for baby talcum powder to support the portfolio expansion under our Just-For-Baby range of products. Given the travel restrictions due to the ongoing global pandemic the plant installation was handled exclusively by our factory team with remote help from original machine manufacturer.





### Capacity creation for manufacturing hair color

We invested BDT 1cr for in-house production of our new range and formats of HairCode Egypt hair color products. In this case too, the entire production line installation and commissioning was handled completely by our own factory team with remote support from the original machine manufacturer.



### Capacity Creation for Injection Stress Blow Moulding (ISBM)

In another milestone achievement, our manufacturing team installed an ISBM plant at Mouchak Factory for blowing PET bottle with an investment of BDT 8.3 Crore. This unique technology at our own factory ensures delivery on time of our value added hair oil portfolio under Parachute Advanced franchise while also eliminating any quality risks.



### Covid preparation for continuous factory operations

Marico was able to run manufacturing operations with zero-day loss of production by ensuring the safety and security of factory workforce in accordance with government and WHO health & safety mandates. We also carried out special drives for maintaining awareness and motivation to continue hygiene practices and get vaccinated. Our factory teams also supported our CSR initiatives by distributing hand-sanitizers and hygiene materials to frontline service providers.



Hand Sanitizer Distribution in Government Offices



### Industrial Relations and Engagement

Ensuring a positive workplace one of the bedrocks of our code of conduct and an engaged work-force is critical for manufacturing excellence. We strive to maintain meaningful member connection & motivation with our permanent and outsourced factory workforce. Engagement activities are an essential component of our industrial relations agenda.



Women's Day Celebration 2022



Anti-Eve Teasing & Narcotics Awareness Session by Industrial Police



Worker's Annual Picnic



Blood Donation Program



Basanto Boron & Pitha Ushob



Clean Environment Celebration

# OUR HUMAN CAPITAL

## OVERVIEW

Our members are the heart of the organization, and all that Marico has achieved over the years. We are committed to creating an enabling corporate culture that fosters an environment of innovation, disruption, creativity and entrepreneurial spirit within the organization. We strive to nurture the strengths and abilities of our people, helping them to become stronger and support their aspirations of leaving a positive mark on the society, while also unlocking and nurturing their true potential.

While the last two years have been filled with challenges and hardships, our grit, resilience and spirit that has enabled us to come out stronger. During periods of uncertainty, Marico continued to grow with our entire ecosystem of suppliers, distributors, shareholders, business associates, customers, consumers and members.

Our human capital is developed and amplified by our investment in building a safe, enriching and rewarding workplace, rigorous learning and development initiatives, fostering mediums of constant and open communication and a sharp focus on diversity & inclusion.

## AN ENGAGED CULTURE

We have recalibrated our engagement platforms and culture pillars to enable in line with our new TVP. We believe that the culture of the organization plays a pivotal role in shaping the overall tone within the organization. The changes in both external and internal environment during the pandemic has caused us to rethink and reform our engagement strategy. This year, we place the utmost importance on member connect, member health & wellness, and celebration & recognition. With the help of all our efforts, we ended the year with an average dipstick survey score of 81% vs a Global benchmark of 78%.

### Be The Impact - Partnering with Green Savers

In today's socially conscious environment, employees and customers place a premium on working for and spending their money on businesses that give back to the society. At Marico Bangladesh we take pride in the work that we do beyond business.

In addition to our existing CSR agenda, this year, to mark the launch of our new Talent Value Proposition, we have partnered with Green Savers, a non-profit organization, to donate a tree to a marginalized family on behalf of each Marico member, providing the family with a source of food and income.



## New Ways of Member Connect

To keep our members engaged and connected in the 'new normal', we utilized various channels and platforms such as our virtual quarterly townhalls, monthly informal connect sessions, cross functional games and new initiatives for special interest areas guided by our unleashing potential behaviors. The details of some of the signature experiences are as follows.

**Quarterly Townhall:** Marico Bangladesh's quarterly townhall is our virtual organizational connect session where the CEO shares business updates, functional highlights, and recognizes extraordinary performance.

**Marico Team No. 1:** To increase cross-functional connect, nurturing healthy competition, while also enhancing business acumen of our members, we launched Marico Team No.1! Marico Bangladesh's first ever online game show where our functional teams go head-to-head with other departments on topics related to Marico's business and brands and fight to win exciting gifts.



### Cha er Shathe Adda

During the COVID-19 pandemic, we received feedback from our members that they missed the bonding, coffee corner conversations and informal chit chat with their favorite colleagues. We listened to this need for

community and designed a monthly virtual informal connect for our members which gave them a platform to share updates, functional highlights and engage in non-work-related activities typically through various segments such as games, celebrating birthdays and work anniversaries.

With changing times and the transition back to working from office, this year Cha er Shathe adda sessions have moved to an in-person format at our office cafeteria.

### Member Health & Wellness

As a company operating in the beauty and wellness space, we believe we have a shared responsibility in ensuring our members' physical and mental health. To help our members better adjust to the new normal, we have partnered with experts and organized physical, mental & financial wellbeing sessions.



Managing Personal Finance



Yoga to your Desk



Relaxing Meditation to Boost Productivity

### Creating a Culture of Celebration

**Marico Bangladesh Virtual OC:** Our annual OC was a bit different this year as we opted for a virtual celebration. The event featured annual business highlights, followed by recognizing the exemplary contributions of our members. This year a total of 129 Marico Awards were given to members under two major categories.

**Marketing Awards:** Our marketing award recognizes and celebrates the phenomenal work done by our very own marketing team and their partners throughout the year. At this forum, we presented 21 exclusive awards in 11 different categories, judged by 4 prominent guests, to determine the most innovative campaigns of the year!



**Sales Conference:** We organized the Sales conference to reflect on our performance, discuss learnings, and map out our goals and expectations for the future.



**Functional Team Outings:** After two years of virtual connect sessions and working from home, our functional teams went on outings just like the old times! Each team went to different offsite locations with all the members of their respective functions to unwind, enhance their team bonding and get to know each other even better!



**New Age of Hybrid Celebrations**

We celebrated two of the biggest Bengali festivals Pohela Boishakh and Pohela Falgun. However, in this new age of hybrid celebrations, we ensured that even during our festivities we keep in mind the health and safety of our members. This year we opted for a virtual celebration of Pohela Falgun but were able to celebrate Pohela Boishakh at our Head Office and Factories.



## TALENT DEVELOPMENT

We are committed to empowering our members through various learning and skill development programs which will enable them to excel in current roles and prepare for higher order roles. This year, we arranged several such sessions in a combination of virtual and physical modality for our members.

**Leaders Talk:** Launched this year, Leaders Talk is a series that aims to increase function specific knowledge sharing and create a culture of collaboration across different organizations. This year, we invited 6 different functional leaders who provided our members with insight into their personal career journey and gave them invaluable inspiration and perspective to craft their own path.

**Future Ready Skills Workshop:** With the return back to hybrid and almost-normal ways of working, we redesigned our learning plan to enable members to upskill and reskill for their roles at Marico and help them prepare for the changing landscape of work. Our skills workshops had a blend of both technical skills and 'future ready' skill sessions such as Design Thinking, Power BI, Agile Project Management, and Emotional Intelligence.

**Sales Development Center:** We initiated an assessment center for our sales members to evaluate and groom our home-grown talent and prepare them for higher order roles by, identifying developing & strong areas, give developmental inputs.

The process involved identification of Key Talent, evaluating their performance rating, finalizing the modality based on role competency, a presentation with objective assessment, and final interview with Partners. The process resulted in a significant number of internal movement. Some notable positions that have been filled are Area Sales Manager, Channel Manager, Alternative Channel Manager, and Trade Marketing Manager.

**Job Shadow Program:** We launched the Job Shadow Program in our Sales function to smoothen out the transition of good performers to take on new higher order roles. The process involves a 2 month long attachment with an existing senior member followed by a learning review and finally a review with the CEO. Once placed in the new role, the member is mentored by a senior HO Sales member for the next 4 -5 months. In addition to this, they also receive external training and other functional skill training.

## MARICO BANGLADESH ON CAMPUS

With the aim of enabling the next generation of professionals to prepare for the ever-changing corporate landscape, we provide a multitude of campus programs which allow students at different stages of their academics to learn from industry leaders. These programs include:

**IGNITE Campus Ambassador Program:** This year, Marico Bangladesh launched its very first Campus Ambassador Program – IGNITE, a one-year program which enabled 2nd and 3rd year students to represent Marico Bangladesh on their respective campus while providing them with learning opportunities, corporate mentorship and career counseling from industry experts.



**Marico Masterclass:** Marico Members connected with students across the top universities in Bangladesh to share their knowledge through interactive learning sessions. This year, through Marico Masterclass, we were able to engage with over 100 students from 12 different campuses to help them gain industry insight and provide them with guidance.

**Impact 90 - revamped:** Given that we were gradually and cautiously returning to work during FY'22, we revamped our Flagship Internship Program - Impact 90 has been revamped to ensure a more holistic learning experience for our interns. The new program structure focuses on providing the interns with a learning experience working hands-on critical projects and a post internship evaluation. Basis the evaluation, interns get the opportunity to be absorbed into the organization when there are suitable vacancies.

Marico Bangladesh Limited has ranked 8th Employer of Choice across all sectors and the 3rd in the FMG sector, as per the Nielsen campus track survey 2021.

Marico Bangladesh Limited has ranked **8th Employer of Choice** across all sectors and the **3rd** in the FMCG sector.

## MARICO BANGLADESH ON SOCIAL MEDIA

In FY'22, we dialed up our social media presence and outreach through our 'Marico Bangladesh Limited' page on LinkedIn which garnered an organic followership of more than 50,000 which has significantly contributed to our internal hiring. Currently, 97% of Marico Bangladesh's hiring has been done internally via the internal sourcing, referrals, and social media!

**97% of Marico Bangladesh's hiring has been done internally via the internal sourcing, referrals, and social media!**

## DIVERSITY & INCLUSION

As we continue in our transformation journey, we are committed to exhibit the unleashing potential behaviors and translate them into meaningful action. Our culture code emphasizes to create excellence in whatever we do, seek & ask for help without any bias, foster open and transparent communication, enable each other, build shared success and above all, to make mistakes but rise above our failures. Our leaders will continue to support and reinforce these behaviors to make Marico Bangladesh Limited the best place to work.



**marico**

### My Inclusion Pledge

"Marico strives to foster a positive and enabling work environment for all its members irrespective of race, religion, marital status, gender, age, nationality, ethnicity, ability or any other personal characteristic. Our values reinforce our commitment to be an organization ensuring equal opportunity, respect, dignity, fairness and human rights for all our members. Building and sustaining a discrimination and harassment free workplace where members can be their best, personally and professionally is at the core of our culture. This enhances productivity, innovation, competitive advantage and stakeholder value creation."

**ASHISH GOUPAL**  
CHIEF EXECUTIVE OFFICER



**marico**

**"I HAVE ALWAYS BEEN TREATED WITH EQUALITY AND RESPECT WITHIN AND BEYOND MY TEAM..."**

**JINAT AHMAD**  
Assistant Accounts Manager  
Finance

**#BreakTheBias**

# OUR INTELLECTUAL CAPITAL

## OVERVIEW

Our intellectual capital rests on our brands and the intellectual property that resides therein, our innovative excellence in our supply chain and distribution processes through which we service customers and consumers. Our intellectual capital is vital in solidifying our market position and competitive advantages. Our team leverages the strength of our brand portfolio, operational innovation, distinctive marketing, branding, sales strategies, and unique supply chain management solutions to deliver high quality market-leading products that transform into everyday household essentials. Our investment and enhancement in intellectual capital truly reflects two pillars of our value proposition of “Go Beyond, Grow Beyond”.

## Brand and Marketing Highlights

### Brand Building and Product Innovation

The year under review saw a range of consumer-centric launches providing daily-use essential products under the following brands and portfolios:

### New Product Launches

#### Parachute SkinPure Facewash

Parachute SkinPure portfolio of skin care products started its journey in October 2019 with Parachute SkinPure Body Lotion, Parachute SkinPure Petroleum Jelly, and Parachute SkinPure Beauty Olive Oil. Shortly thereafter, Parachute SkinPure Aloe Vera Gel was added to the portfolio. The brand leverages the power of natural ingredients in delivering skin care needs and desires of consumers.

In Q4, FY22, Parachute SkinPure extended the portfolio with a new range of facewashes with 3 natural ingredients: Goat Milk, Aloe Vera, and Orange. With the launch of Goat Milk Brightening Facewash in February 2022, Parachute SkinPure becomes one of the first brands in the country to use goat’s milk as an ingredient for a facewash. The properties of goat’s milk help to create a glowing and brightening skin. The Aloe Vera Brightening Facewash aids in controlling oil production and skin brightening. While Orange Brightening Facewash contains citric properties that help deal with pimples and brighten the skin. All three variants of Parachute SkinPure Face Wash contain natural, skin-benefiting ingredients. The product has no harmful substances like paraben or sulphate.



#### Parachute Just for Baby Shampoo



Parachute Just for Baby comes with a complete range of baby’s body and hair care needs Made Safe™ Certified with 100% safe ingredients. As part of Marico’s efforts to become a one-stop destination for baby care products, Parachute Just for Baby was launched in February 2019. Our continued focus on the Baby Care category, the flagship baby care brand launched Bangladesh’s first unique Creamy Baby Shampoo in Q3, FY’22. With this new addition to its baby care range, the Parachute Just For Baby portfolio comprises nine products. The shampoo is designed with ‘No Tears’ formula to gently cleanse the baby’s scalp and keep their hair soft. Currently the baby care range comprises of Baby Lotion, Baby Oil, Baby Wash, Baby Soap, Baby Powder, Baby Face Cream, Rash Cream, Baby Toothpaste and now Baby Shampoo.





### Red King Men's Cooling Oil

In Q1, FY'22, Marico entered the cooling oil category with the launch of a new brand, Red King Men's Cooling Oil. The brand comes with a breakthrough packaging innovation of a *Power Tube with Cooling Crystals*. The product is primarily targeted towards aiding in stress reduction and relaxation of physically exhausting or mentally stressful routines for long hours. As an innovative brand, Red King Men's Cooling Oil aims to enable sound sleep through stress alleviating oil massage.

This innovative oil is enriched with the goodness of 18 ingredients including natural herb extracts. When poured out, the oil comes through the *Power Tube with Cooling Crystals* which enhances its relaxing efficacy, delivering a power cooling experience after an exhausting day. It is also non-sticky and consists of a pleasant aroma.

### Nihar Lovely Arabian Perfumed Hair Oil

Marico launched a new Arabian perfumed hair oil Nihar Naturals Lovely in Q1, FY'22. Infused with Arabian inspired perfume that keeps hair fragrant all day long, Nihar Lovely Hair Oil is non-sticky and is enriched with the nourishment of coconut oil and castor oil that helps control hair fall and makes hair lovely. This new launch caters to the perfumed hair oil need of consumers.

With the strong equity of Nihar Naturals, famed celebrity and actress Tanjin Tisha joined as Brand Ambassador of Nihar Lovely and starred in the product's launch campaign. As the face of the brand, Tanjin Tisha recommends Nihar Lovely for its enchanting Arabian perfume.



### Pack Refresh of HairCode

HairCode, the leading hair care brand in the men's styling category was a pioneer in the Egyptian hair care market. HairCode, the trusted hair colour brand in the country, refreshed its packaging of Herbal Powder Hair Colour in Q4, FY'22.

### HairCode Egypt™ Mehedi Crème Color

HairCode Egypt Mehedi Crème Color was launched in Q4, FY'22 for as a solution for coloring hair and beard. This product is a unique category innovation and HairCode is the first brand to launch Mehedi Color in ready-to-use crème format. It saves consumer the time and hassle of preparing Mehedi color at home and does not need to be mixed with water or ground. It is ready-to-use and can be applied immediately after opening the pack, which gives users natural mehedi color in just 30 minutes. HairCode Mehedi Crème Color has the goodness of natural mehedi combined with the nourishment of hibiscus. The revolutionary format will help Mehedi users to get the desired vibrant Mehedi color on hair and beard without any extra effort and in a single application. Also, it gives 3 different color shades in 15, 30 and 60 minutes as shown on pack.



Consumer Campaigns

Parachute Advanced



Parachute Advanced continues to be the leader in hair care. The brand stands on the promise of “Strong Hair”, a deep desire of women. The brand has focused on the strong roots and strong bonds that make women beautiful.

A new thematic film on “Strong Roots Make You Beautiful” was launched in Q4, FY’22. The brand has continued to build equity on the back of contextually relevant campaigns on the theme “Strong Hair, Strong Bonds” during special occasions like Mother’s Day and Friendship Day.



Parachute Advanced Aloe Vera Hair Oil

Parachute Advanced Aloe Vera Hair Oil, the latest addition to the Parachute Advanced portfolio was launched in 2018. The product has the goodness of aloe vera and coconut oil which makes hair soft and silky.

To further build on the brand’s key benefit of soft hair and drive home the benefits to consumers, Parachute Advanced Aloe Vera launched a special campaign demonstrating the softness and intimacy in human relationships through the soft and silky touch of hair which reflects the brand’s key proposition.

Parachute Advanced Beliphool Hair Oil

Parachute Advanced Beliphool continues to be the leading value-added hair oil brand in Bangladesh. This brand stands for young, aspiring girls’ desire for perfection and the preparation required for it. In continuation of the thematic route, the brand launched its new online video commercial reflecting young girls in preparation for their perfect future, and a special Sister’s Day digital film to reflect the support sisters have for each other as they strive for their own version of perfection.

Parachute Advanced Beliphool celebrated the cherished bond of sisterhood through a special video featuring the renowned actor Jannatul Ferdous Oishee. Participants of the campaign shared the video on their social media feeds, adding the hashtags #MyPerfectSister and #PABeliphool in the caption. 20 lucky participants with the highest number of reactions on their posts were selected as winners for an exquisite lunch with their sisters.



Sister’s Day Campaign



Parachute Naturale Shampoo

Parachute Naturale Shampoo was launched in Q1, FY’21. The Brand was launched with 3 exciting variants: Nourishing Care, Anti Hair-Fall and Damage Repair. The brand rolled out campaigns highlighting the route of “Say Yes to Parachute Naturale Shampoo” to further strengthen the brand’s natural shampoo proposition.

The variants are paraben-free, dermatologically tested and enriched with the benefits of natural ingredients such as Coconut Milk Protein. The Nourishing Care variant is enriched with Aloe Vera, Damage Repair variant is enriched with Hibiscus and Anti Hair-Fall variant is enriched with Henna.



## Male Grooming: Studio X – Impress with American Style

Studio X is Marico's entry into Men's grooming category and has a range of products comprising shampoo, facewash, brightening cream, hair gel and soap. To create a powerful international identity among consumers, Studio X built the brand proposition as an "International Styling Expert". Recommended by American styling experts, "Impress with American Style" is the new consumer connect proposition for men seeking an international grooming range.

## Saffola Honey

Saffola Honey was launched in FY'21. Saffola Honey delivers great nutrition value and immunity boosting benefits to consumers. As one of the most trusted international brands in the region, Saffola Honey has continued its journey with its proposition of purity – which is further substantiated by state-of-the-art NMR testing and certification of each batch in Germany to ensure the 100% purity in each jar of Saffola honey.



## Mediker SafeLife Hand Wash

Marico Bangladesh launched Mediker SafeLife Hand Wash and Soap to support the health and hygiene needs of the country. Mediker SafeLife portfolio has the broader purpose of helping the consumers to practice essential daily hygiene especially considering the heightened risk of various infections. Mediker SafeLife launched a clutter-breaking unique communication with a superhero character that easily communicates the powerful germ protection that the Mediker SafeLife range of hygiene products offer.

## Sales Highlights

### Distribution and Go-to-Market Excellence

Marico Bangladesh Limited has become a role model of distribution excellence in the recent years by expanding its distribution coverage with the singular vision of - **'Ensure right service in the right outlets'**. In last couple of years, the Company has been able to transform its Go-To-Market (GTM) structure significantly which delivered optimum gains in the business. A sharp focus on capability building is a critical pillar of our distribution excellence and ensuring a robust value chain which adheres to social and legal compliance. Another pillar of our distribution excellence is effective resource management which has enabled consistent business growth. This concrete and clear strategy has culminated in a strong GTM structure capable of handling range and ensuring successful distribution of new products to end users with efficiency. The recent extension of product lines in Skin care and Value-added hair oil can be a good demonstration of its power of execution and service efficacy.



### A. Go-to-Market Initiative

Strong distribution and proper retailing have been a key strength of our sales team. In FY'22, the Company moved to a channel exclusive distribution model to better support nurturing of new brands and placing the right product mix in outlets. This approach has established a distribution network based on channel exclusivity as part of our strategic GTM development.

Additionally, our alternative GTM model has been delivering phenomenal growth. Our rural GTM model is also a corner stone for our national distribution network expansion. We have added around a significant percentage of outlets from our rural GTM network to a direct service model. Rural GTM has helped us to service deep rural markets with our diversified portfolio.



### B. Trade Marketing Initiative

In the context of the ongoing global pandemic and its effects on national distribution systems it was imperative to re-imagine our trade marketing efforts to deliver value for our retailers as well as ensure availability of our products for consumers. Our trade marketing has played an instrumental role by ensuring distribution through various innovative programs for all members in our extended sales force and our distribution value chain. While distribution was interrupted in many parts of the country due to district-based lockdowns to contain the spread of covid infection, our relationship-building initiatives with wholesalers and signature programs like Milon Mela helped to ensure uninterrupted distribution. We continued and strengthened our year-long signature programs like Marico Priority Shop to ensure trade partnership and presence and availability of our new launches in retail.



### C. NPD and Channel Initiative

Marico has extended its product portfolio by foraying in new categories with its brands like Parachute SkinPure, Parachute Naturale, Just For Baby and Studio X. In the cosmetics channel, MBL covers 100% outlets which has ensured double digit value growth in FY'22. The e-commerce industry has witnessed exponential growth driven by change in shopping mediums necessitated by the pandemic conditions. Our e-commerce presence and marketing has been consistent to deliver growth and has grown approximately 90% in FY'22. Marico has a vibrant presence in over 36 e-commerce platforms. Sharp e-commerce specific campaigns such as double-digit campaign (10.10, 11.11, 12.12), Festival Campaigns (Eid, New Year) served to ensure uninterrupted promotion of new launches on these platforms.



### D. Institutional Customer Service

In FY'22 we continued to rigorously develop our institutional or B-2-B sales partnerships. We have developed specific selling models for institutional customers which has delivered efficiencies on margins and decreased delivery timelines. Aside from a robust general trade business, the institution sales business witnessed impressive growth.



### E. IT Infrastructure and Data-Driven Business Analytics

In FY'22 we have put in rigorous efforts to build best-in-class IT infrastructure to enable adequate visibility of sales performance, KPI tracking, business transparency with our customers and ensure VAT compliance. We undertook numerous advanced software integration in our distribution system to enhance total productivity. We have implemented automation in calculation and settlement of claims in our efforts to demonstrate full commitment to customer centricity and business partnership.



### F. Capability Development Initiative

We have leveraged a variety of development tools including digital, gamification, audio-visual, in-person trainings to ensure structured, timely and focused capability building. We have implemented platforms to support and enable employee growth within the intended skill set or competency true to our TVP pillar of 'Grow Beyond'.

We specifically invested in best-in-class training and development interventions for field managers and distributors' field force with a focus on improving daily ways of working, range selling, channel servicing and programmes, category emphashis, brand-building and GTM excellence.

The disruptive business results is testament to our efforts in creating an execution powerhouse through GTM excellence, partnership and capability development.

# Supply Chain Highlights

## Efficient Servicing of Business

In today's volatile and fast-paced business environment, agile, cost-efficient, and socially responsible supply chain practices are indispensable to growing sustainably and responsibly.



### A. Championing Strategic Savings Initiative - MarVal

With abundance of turbulent supply chain challenges ranging from global container shortage, supplier syndication, record price inflation to material crisis, stock out periods and many more, Marico delivered benchmark supply chain management with resilience, strategic planning, and timely execution capabilities to manage supply and cost. MBL Supply Chain led strategic cost savings initiative (MarVal) and delivered ever highest annualized savings which was instrumental in delivering the P&L aspiration of the business and shareholders' equity.

With innovations and initiatives in packaging design and structure optimization, specification optimization, advance strategic buying, formulation optimization, sourcing localization, process automation etc. our supply chain was a critical contributor to our profit and growth ambition amidst a very challenging year.



### B. Ensuring right product at the right place

With newly optimized *Distribution and Customer Service Setup* ensuring we deliver the right product to the right place has never been easier. With inventory norm planning for customers, despatch planning, superior depot designs and collaboration within sales and manufacturing functions, we successfully navigated supply disruption during Covid-19. Our consumer centricity drove us to ensure service to root level customers so that daily essential personal care products are easily accessible and available all over the country.



### C. Championing New Product Development and Launches

Our new product launches have been growth engines and strengthened our foothold as a leading player in the FMCG industry. Disruptive consumer preferences demand agile supply chain management that can pivot new launches on time and in full. Utilizing project management best practices, effective collaboration, detailed planning principles MBL Supply Chain delivered strategic and business NPDs that enabled the Company to achieve its value growth aspirations.



### D. Future-Fit Capabilities

In recent decades the world has experienced extra-ordinary levels of technological and economic paradigm shifts and it is only predicted to continue. Continuous improvement and capability development programs provide safety net and necessary headwind to the organization to stay relevant and grow. Predictive analytics and capabilities on sourcing, supplier quality and partnership, risk management is critical having a future-fit supply chain. With these specific focus areas we invested in carefully planned and sharp capability development workshops, trainings, and programs for our supply chain talent. Our future-fit capability development programs ranged from technical to leadership level interventions to ensure continued supply chain excellence and leadership.

# OUR NATURAL CAPITAL

## SUSTAINABILITY AT MANUFACTURING UNIT

Sustainable manufacturing is the creation of manufactured products through economically-sound processes that minimize negative environmental impacts while conserving energy and natural resources.

Minimising environmental footprint while delivering socially inclusive and responsible growth forms the core of Marico’s business DNA. As part of our ongoing 5-year sustainability roadmap (2017-2022), we have made every possible effort to stay true to our commitments. We are aiming to produce goods with minimum use of energy and natural resources, maximum profit, while

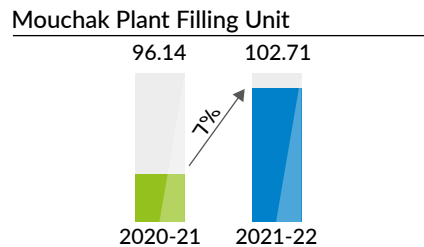
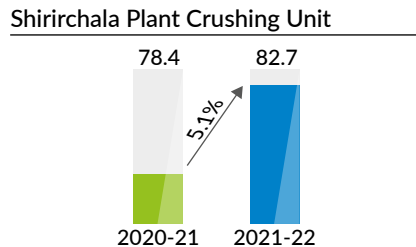
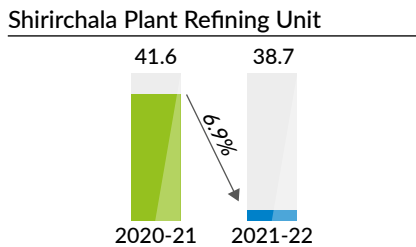
ensuring societal health and safety throughout the product life cycle.

Marico is committed to the global agenda of Sustainable Development Goals, with a specific and focused framework for achieving them within the parameters of our business operations. As a part of this commitment, we are working towards ensuring that its internal operations are sustainable. We aim to reduce environmental impact and be a positive contributor to environmental sustainability.

## SUSTAINABILITY AT MANUFACTURING UNIT

Our energy conservation initiatives focus on optimising energy consumption by installing energy efficient systems and technologies as well as transitioning to renewable sources. This is in line with our commitments towards transitioning to carbon neutral operations for all facilities and mitigating value chain climate impact.

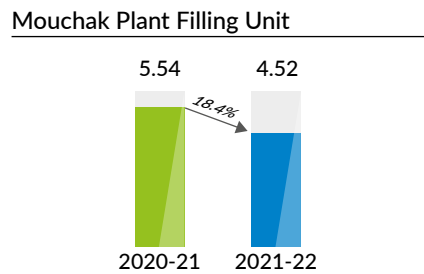
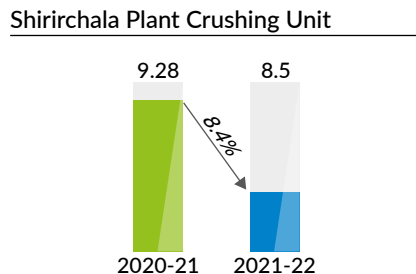
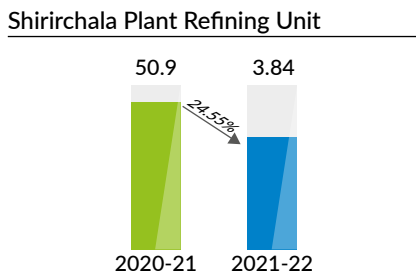
### Specific Power Consumption KWH/KL



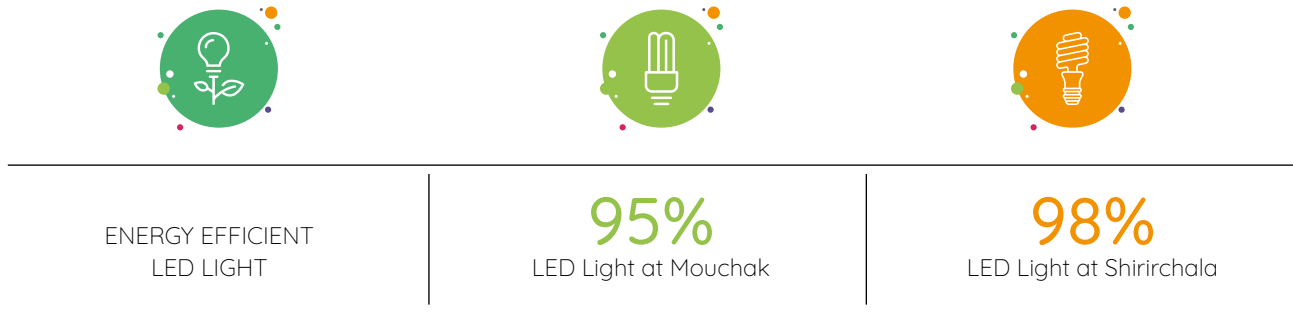
Higher SPC due to higher level of oil extraction or reduction in OIC.

Higher SPC due to 11% production growth of water-based products.

### Specific Fuel Consumption L/MT



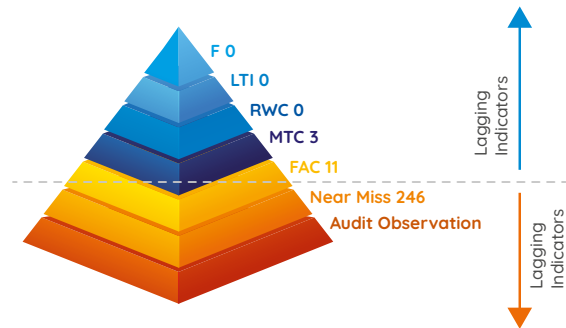
In terms of conservation of energy, both Shirirchala and Mouchak plant have done a significant improvement for the financial year of 2021-22. Both of the plants have lower energy footprint than the previous year. In Shirirchala plant Specific Power Consumption in refining unit reduced to 41.6 KWH/MT to 38.7 KWH/MT. Both the Shirirchala plant crushing unit and Mouchak plant filling unit have a growth in power consumption which is justified due to the improvement of the process for better oil extraction and 11% production growth in Mouchak plant comparing to the previous year. Specific fuel consumption in both plants for all operation has reduced significantly. In Shirirchala plant refining unit SFC reduced by 24.55% than the previous year due to better energy management and use of more energy efficient equipment. In Shirirchala plant crushing unit fuel consumption reduced to 9.28 L/MT to 8.5 L/MT. 18.4% reduction of fuel consumption observed in the Mouchak plant as well with a reduction of 1.02 L/MT.



## SAFETY PERFORMANCE

### Safety Pyramid

The Pyramid represents an overview of MBL SHE Performance for 2021-22. Lagging indicators above the dotted line shows us our improvement areas. There were 11 first aid cases, and 3 medical treatment cases. All the incidents below the dotted line represent incidents that were adequately prevented and mitigated. It is our aim to investigate every single of these incidents and ensure that preventive actions are put correctly in place in to stop reoccurrence.



### Management Review

The management review meeting on SHE performance is carried out by the SHE committee in every month to evaluate the statistics of the previous month's SHE performance as well as abnormalities.



Accreditations



**International Standard Accreditations  
 ISO 45001:2018 & ISO 14001:2015**

Training

Emphasizing the importance of Safety, Health & Environment, we provide external and internal SHE training to assure that all members maintain essential competencies in relation to health and safety at work. A total of 210 training man hours SHE training were conducted during 2021-22.





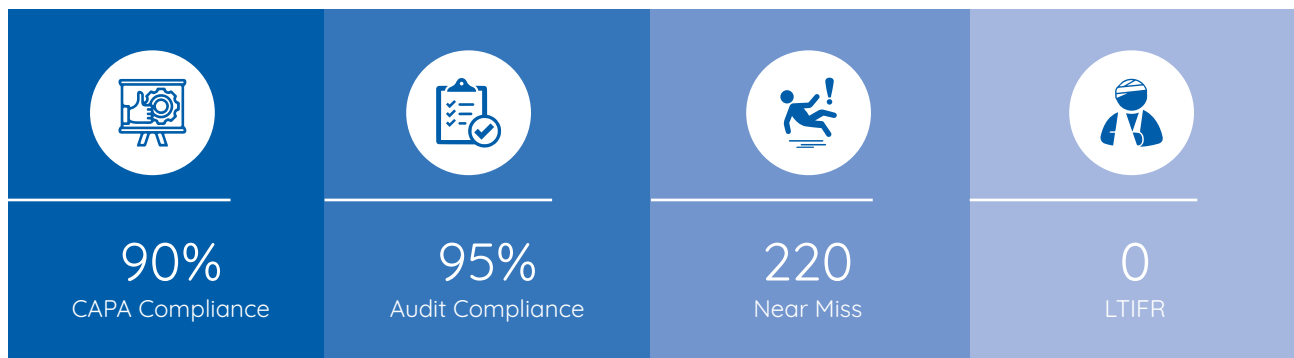
## SAFETY PERFORMANCE

Safety of our members, products and our business – is a basic pre-requisite for our sustainability. We remain focused on our long-term objective of “zero accidents”. To achieve this, Marico is continuously striving to improve workplace safety by providing SHE awareness training, conducting regular internal & external audits, developing management system based on international standard, conducting emergency drill on a regular interval, and practicing in enhancing process safety. We regularly

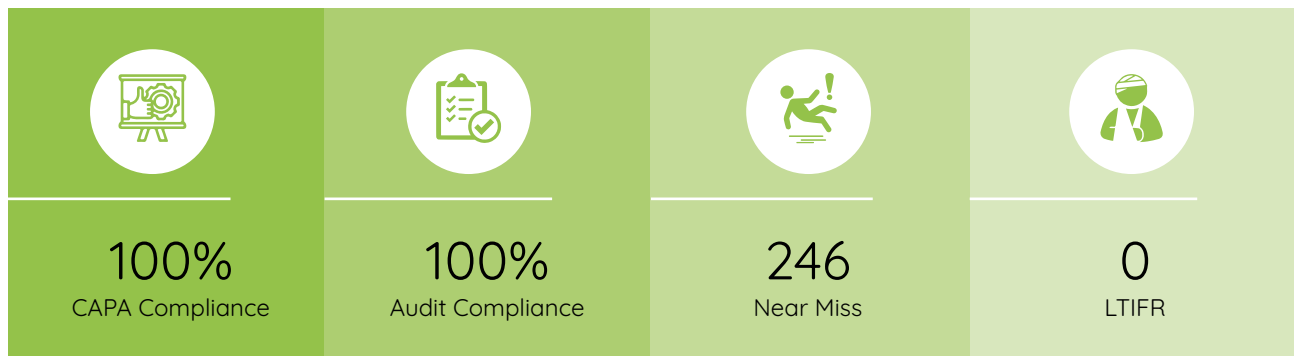
review whether our Safety, Health and Environment (SHE) standards are being strictly adhered to.

Marico has a Safety, Health & Environment (SHE) Committee, responsible for safe practices at each manufacturing site. Committee members review processes and performance on a periodic basis. All of our sites are ISO 45001 and ISO 14001 certified. We are happy that our efforts for safety framework and performance resulted in zero fatalities during the reporting period.

### SHE GOAL 2021 to 2022



### SHE GOAL ACHIEVED



### Story Behind “ZERO” LTIFR

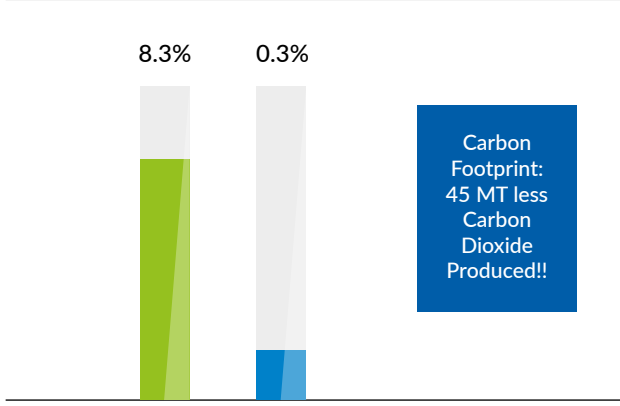


## ENVIRONMENTAL FOOTPRINT REDUCTION: *REDUCE, RE-USE, RECYCLE*

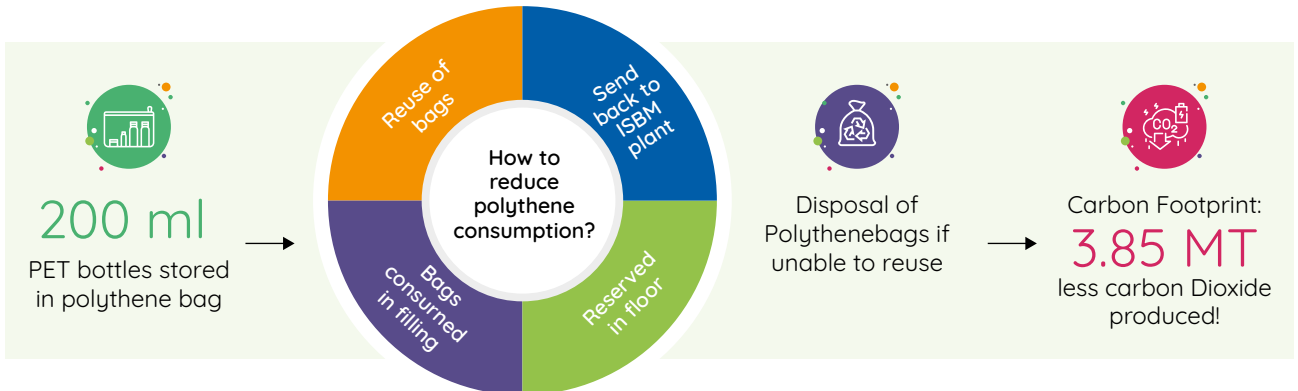
### Substitution of plastic bubble poly wrapping with corrugated fiber paper protection



Scrap generation % Reduction for Shampoo

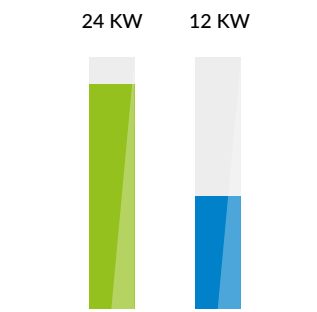


### Reduction and Reusing Plastic Bags in Operations

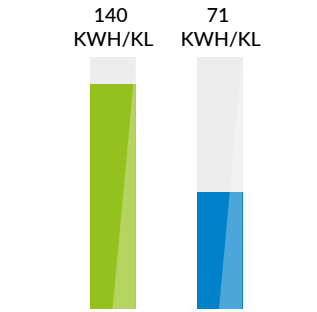


## JOURNEY TOWARDS CARBON NEUTRALITY

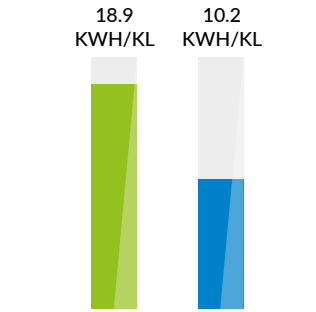
Mouchak Water Based Plant Tunnel



Petroleum Jelly Manufacturing



Hot Water Generator



**14.18 MT**  
less Carbon Dioxide will be produced/year

# OUR SOCIAL AND RELATIONSHIP CAPITAL

## Living our Purpose

“To transform in a sustainable manner, the lives of those we touch, by nurturing and empowering them to maximize their true potential.”

At Marico, our core philosophy is to Make a Difference. The power of our business lies in our purpose of delivering inclusive growth which would make a meaningful difference to the communities around us. We partner with our stakeholders to create lasting economic value, improve quality of life, and support the attainment of the Sustainable Development Goals (SDG). We have a vibrant community volunteering program as well which is integral to engaging with the communities surrounding our manufacturing operations.

### Be the Impact

Marico commits 1% of its profits towards social responsibility (CSR) and corporate citizenship programs and in the last year invested BDT 223 mn in CSR initiatives.

#### SWAPNO PROGRAM—A BENCHMARK PARTNERSHIP WITH UNDP EMPOWERING ULTRA-POOR WOMEN

Marico renewed its partnership with the United Nations Development Program (UNDP) for a third cycle till 31 December 2023. The SWAPNO program empowers ultra-poor women-led households in Bangladesh to graduate out of poverty through sustainable livelihoods, financial inclusion & literacy, digital inclusion, health & nutrition, and leadership development. SWAPNO has the following geographical and demographic impact:

Districts	22
Upazilas	106
Unions	1030
Beneficiaries (Households)	64980

#### PRO-POOR COVID SPECIFIC INTERVENTIONS

As the covid pandemic saw more aggressive strains with increased virality causing second and third waves, our CSR efforts were expanded and re-directed to battling the effects in ultra-poor communities with covid specific interventions. In response to Government's COVID-19 Vaccination Campaign, SWAPNO raised awareness of its beneficiaries regarding the benefits of vaccination. The project assisted the beneficiaries to do online registration by using Government owned SUROKKHA App, created easy access to get the registration card and finally linked with the Upazila/Union health service providers to take the vaccine smoothly.



194,292  
hygiene kits

(Soap, Mask, hand sanitizer, PPE, hand gloves etc.) distributed among beneficiaries and surrounding communities



94,500  
Covid awareness

Materials Printed and Distributed among beneficiaries and surrounding communities



5,828  
households

Classified as poor and ultra-poor received food support



6,000  
households

Classified as poor and ultra-poor got cash grants support

### INNOVATIONS IN THE SWAPNO PROGRAM



SWAPNO beneficiary using Hydroponic technology

There have been numerous innovations piloted within the SWAPNO program for the diversification of livelihood options for beneficiaries which would positively impact surrounding communities. To support SWAPNO beneficiaries with climate resilient and low-cost fodder production, the project has introduced Hydroponic technology in Kurigram as pilot in year 2020. Hydroponic is a popular technology to produce horticulture crops and livestock fodder without soil within a minimum space. Based on the successful piloting in Kurigram, SWAPNO has expanded this technology to Gaibandha, Jamalpur and Lalmonirhat districts in this reporting quarter 2021.

The program has piloted micro-health insurance in Jamalpur District and two types of insurance policies have been developed - Swapno Suraksha Policy and Swapno Shathi Policy. This has provided the beneficiaries



with the financial support incurred for the hospitalization or in-house treatment. All claim supporting documents are sent to the insurance company through the SWAPNO office and the final amount is paid to the beneficiaries' mobile wallets through bKash. A total of 1,587 women beneficiaries covered under micro-health insurance coverage.

Production of Low-cost Sanitary Napkins for women and adolescent girls was another innovation out of the program. The Kallyani Nari Kollyan Samitee, a SWAPNO beneficiary led women-cooperative in Kurigram district sold 22,170 packets of sanitary napkins. They have sold these packets through buying selling points, clinics, and pharmacies in their locality and earned BDT 12,17,650.00 (USD 1,4325.29).

### Ambassadorship for SDG-17

The SWAPNO program is a tri-partite partnership and has been lauded by many stakeholders as a benchmark in public-private-development-sector partnership in achieving the Sustainable Development Goals (SDGs). The wealth of knowledge and expertise that UNDP brings ensures that our impact parameters are well-defined, and implementation is robust and transparent. Marico has in turn led the dialogue for a private sector platform or alliance with UNDP. Given Marico's expertise in sales and marketing with our consumer brands Parachute, HairCode, Just for Baby, Nihar etc reaching all corners

of Bangladesh, we work closely to design value chain integration of our SWAPNO beneficiaries with FMCG and other industries. A total of 99 linkage workshops were organized with the participation of 2,096 (51% female participation) community participants and government and non-government health service providers. This effective collaboration helped 1,618 beneficiaries and their family members receive health services facilities from Union, Upazila, and districts hospitals/health care institutions.

## CORPORATE CITIZENSHIP AT MARICO

Marico's people-first approach has touched the lives of numerous frontline workers during the unprecedented times brought on by the Covid-19 pandemic.

### Marico And Gazipur Local Administration provide relief for 1000 ultra-poor Families

Marico Bangladesh Limited, in collaboration with Gazipur Local Administration, has provided a second cycle of provide food support to 1,000 underprivileged and low-income families.

### Marico Provides Hygiene Support to School-Returning Students



After more than a year closure schools were cautiously re-opening while covid incidence remained high. During this time Marico donated 40,000 Mediker SafeLife hand sanitizers to UCEP Bangladesh to distribute nationally among low-income disadvantaged school children returning to school. Marico also donated another 5,000 Mediker SafeLife handsanitizers to Ghashful Foundation which works exclusively with school-going children of extreme marginalized communities of slum-dwellers and Dalits. Through the hygiene support Marico aimed not only to provide free essential hygiene products but also carried out communication and awareness initiatives to consistently promote essential hygiene practices.

### Marico Provides Emergency Hygiene Support to Underprivileged Persons

Marico collaborated with SAJIDA foundation and BRAC to provide hygiene kits comprising soap and hand-sanitizers to urban slum-dwellers and hospitals for underprivileged persons during the peak of the second and third wave of covid.



### Marico Provides Emergency Hygiene Support to Bangladesh Police

Marico donated Tk. 9 lac worth of hand-sanitizers to Bangladesh Police who were greatly impacted as frontline workers during the second and third wave of the pandemic.





# STATUTORY REPORTS

# DIRECTORS' REPORT

## A MESSAGE TO OUR SHAREHOLDERS

The Board of Directors ('the Board') of Marico Bangladesh Limited is proud to present to you the 12th Annual Report of the Company after being listed on the Dhaka & Chittagong stock exchanges.

## FINANCIAL PERFORMANCE FOR THE YEAR ENDED MARCH 31, 2022

BDT in Crore	FY 2022	FY 2021	Growth %
Revenue	1,303.2	1,130.7	15.3%
Cost of sales	(596.1)	(465.2)	28.1%
<b>Gross profit</b>	<b>707.1</b>	<b>665.4</b>	<b>6.3%</b>
Other income	1.7	6.3	-72.9%
General and administrative exp	(119.0)	(107.4)	10.8%
Mkt, selling and distribution exp	(125.4)	(135.8)	-7.7%
<b>Operating profit</b>	<b>464.4</b>	<b>428.5</b>	<b>8.4%</b>
Net finance income	9.0	13.0	-31.3%
Profit before con. to WPPF	473.4	441.5	7.2%
Contribution to WPPF	23.7	22.1	7.2%
<b>Profit before tax</b>	<b>449.7</b>	<b>419.4</b>	<b>7.2%</b>
Income tax expenses	(94.3)	(108.6)	-13.1%
<b>Profit for the year</b>	<b>355.4</b>	<b>310.9</b>	<b>14.3%</b>
Other comprehensive income/(loss)	1.9	(2.5)	175.2%
<b>Earnings per share (EPS)</b>	<b>112.8</b>	<b>98.7</b>	

## PRINCIPAL BUSINESS ACTIVITIES OF COMPANY

Manufacturing and marketing of fast-moving consumer goods ('FMCG') continued to remain the core business activities of Marico Bangladesh Limited. The Company is the manufacturer and marketer of renowned brands such as Parachute, Parachute Advansed, Just For Baby, Nihar, Parachute SkinPure, Parachute Naturale, Mediker SafeLife, Saffola Active, Studio X, HairCode and Livon. The Company had a vibrant year of portfolio diversification with multiple new product launches and extensions the hair oil, skin care, hygiene and baby care categories. Marico's portfolio of winning brands are well-placed to become prominent players in the market and further the growth story.

## INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY

The scope of 'Fast Moving Consumer Goods' (FMCG) industry has expanded over the years and include products which are daily essentials as well as those which

are aspirational and typically sold/traded rapidly in the market. Cost of goods sold is favorable compared to other industries. Bangladesh's GDP is expected to grow by 6.9% in fiscal year 2022, according to the latest Asian Development Bank report. However, country's inflation is expected to increase to 6% in FY22 from 5.6% in 2021 which may put pressure on private consumption. Overall there is cautious optimism for economic outlook of 2022 and consequently conservative growth projections in the FMCG industry.

The World Bank reduced Bangladesh's economic growth projection to 6.7 percent for the next 2022-23 fiscal year considering the multiplier effects of the Russia-Ukraine war. However, with the completion of the Padma bridge and improvement in connectivity throughout the country, disposable income and consumption of consumer products is expected to increase. Global forecasts predict that FMCG market will grow at a CAGR of 5.4% and emerging markets will continue to drive the

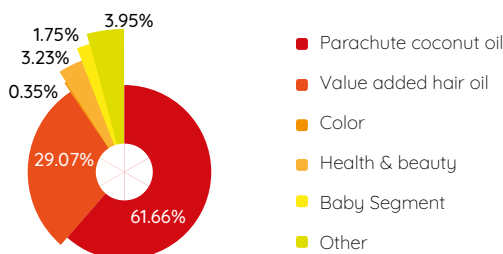
growth. Increase in per capita income, introduction of new distribution and retail channels and the millennial population will dictate consumer preferences and shifts in product offerings and market behavior. Preference for aspirational personal care products, growth in rural consumption, fruition of better logistics and infrastructure development and low labor cost may make Bangladesh a favorable investment destination for new FMCG entrants or may witness further investment by existing players.

**SEGMENT-WISE PERFORMANCE**

During the year ended 31 March 2022, the company continued its drive for portfolio diversification with new launches in hygiene, hair care, skin care and baby care categories. The Company launched its Red King Men’s Cooling Oil and Arabian Perfumed Nihar Lovely Hair Oil. The Company also extended its international baby care range under Parachute Just For Baby with baby shampoo. The Company strengthened its presence in the skin care category this year with the launch of Parachute SkinPure range of facewashes. The new introductions are an indication of our consumer-centricity and efforts to play in the markets with a right to win for Marico. Given the human capital and intellectual capital of the Company, it is also foraying into traditionally red-ocean markets as well with an aspiration to grow and succeed. In FY 22 the Company’s household penetration stood at approximately 88.4%.

Marico posted BDT 1,303 cr total revenue for the year ended 31 March 2022 with 15.3% growth compared to last year. The growth was driven by PCNO, VAHO, Beauty & Health and Baby Care segments. Over the years the Company has made a significant shift in the volume and value mix of its portfolio to lower dependence on the branded coconut oil segment. Contribution of other segments in volume & value mix increased as strong initiatives has been taken to strengthen the non-coconut oil market share as well as maintaining the leadership in the coconut oil category with stable growth. The segment performance of is set out in Note 18 to the financial statements and represented below:

**Segment-Wise Revenue Contribution**



**RISKS AND CONCERNS**

The Board regularly monitors, assesses and identifies potential risks, threats to sustainability and profitability and negative impact on environment. The Company adheres to an Enterprise Risk Management (ERM) framework which the Board reviews at regular intervals and also assesses litigation, regulatory and fraud risks. Details of Risks and concerns including internal and external risk factors are discussed in the ‘Enterprise Risk Management’ section on page 116, 117 in this Annual Report.

**SPECIAL NOTE ON RISKS AND CONCERNS**

In the year under review, the Covid-19 global pandemic and mobility/travel restrictions continued to persist causing slow shipments, worldwide shortages and affecting consumer patterns. Coupled with the corrosive effects of the Russia-Ukraine war in the last quarter, the entire global supply chain has been witnessing exacerbated stress. Fueled by the e-commerce boom, container shipping freight rates are reaching record highs and transport capacity is being held up in congested ports. The Company is continually monitoring this volatile and uncertain scenario and taking measures under the ERM framework to cushion against macro-economic shocks including increased rigour in hedging to manage exchange rate volatility, raw material inventory management and optimizing freight costs. The agile implementation of contingency plans ensured none to minimal impact on business operations in FY 22. The Board and management is cautiously optimistic for the FY 23 outlook given the macroeconomic environment and are of the view that the risk mitigation plans will ensure continuation or sustainability of the business or product lines.

**DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN**

**Cost of Sales:**

Revenue for the year ended 31 March 2022 increased by 15.3% and Cost of Sales increased 28.1% compared to last year. The increase in costs due to covid related measures and increase in raw material prices contributed to the increase in cost of sales.

**Gross Profit:**

Gross profit for the year ended 31 March 2022 in absolute terms has grown by 6.3%. Strong volume growth of the core portfolio supplemented by the launch of new products and efficient management of costs contributed to the profit growth.



## Net Profit:

Net profit for the year ended 31 March 2022 was 27.3% in compared to 27.5% in FY'21. Net Profit increased by 14.3% compared to LY in absolute term. Higher revenue growth and efficient cost management resulted in the growth of net profit.

\*Year ended on 31 March 2022 and figures in BDT Cr

BDT in Crore	FY 2022	FY 2021	Growth %
Revenue	1,303.2	1,130.7	15.3%
Cost of sales	(596.1)	(465.2)	28.1%
<b>Gross profit</b>	<b>707.1</b>	<b>665.4</b>	<b>6.3%</b>
Other income	1.7	6.3	-72.9%
General and administrative exp	(119.0)	(107.4)	10.8%
Mkt, selling and distribution exp	(125.4)	(135.8)	-7.7%
<b>Operating profit</b>	<b>464.4</b>	<b>428.5</b>	<b>8.4%</b>
Net finance income	9.0	13.0	-31.3%
Profit before con. to WPPF	473.4	441.5	7.2%
Contribution to WPPF	23.7	22.1	7.2%
<b>Profit before tax</b>	<b>449.7</b>	<b>419.4</b>	<b>7.2%</b>
Income tax expenses	(94.3)	(108.6)	-13.1%
<b>Profit for the year</b>	<b>355.4</b>	<b>310.9</b>	<b>14.3%</b>

## RELATED PARTY TRANSACTION

In the year FY'22, the Company had related party transactions with its parent company, Marico Limited, India and Marico Middle East FZE, Marico Southeast Asia associated companies and subsidiaries of the parent company. The value of the transactions with Marico Middle East for the purchase of raw materials exceeds the 1% of the revenue of the preceding financial year, i.e. FY'21. Note 27 of the financial statements include, details of the transactions with the related parties. The approval of shareholders regarding related party transactions in FY'23 will be sought at the 22nd Annual General Meeting in accordance with BSEC notification no. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021.

At the same time management also anticipates that related party transactions in FY'23 (2022-23) for the purchase or sale of raw material, packaging material and import of machineries may exceed the thresholds set out in BSEC notification no. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021 and as such will also seek the approval of shareholders at the 22nd AGM in accordance with the Notification.

## DIRECTORS' STATEMENT ON FINANCIAL REPORTING

The Directors, in accordance with the Corporate Governance Code 2018 confirm the following to the best of their knowledge:

- a. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b. Proper books of account of the issuer company have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements, and any departure therefrom has been adequately disclosed.
- e. There is no significant doubt upon the issuer company's ability to continue as a going concern
- f. There are no significant deviations from the last year's operating results. Key operating and financial data of the preceding five years have been summarized in the table below at pg 97.

### Internal Controls

The system of internal control is sound in design and has been effectively implemented and monitored. The Board ensures that the control framework is commensurate with the size, scale and complexity of the business. The Audit Committee comprises of professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference. The signatory matrix is authorized by the Board in accordance with the Segregation of Duties to strictly ensure authorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. An extensive program of internal audits and management reviews supplement the process of internal financial control framework. Documented policies, guidelines and procedures are in place for all critical business processes. The internal audit function monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the internal audit reports, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions proposed to remedy

the observations are presented to the Audit Committee of the Board. In addition, the Company has identified and documented the key risks and controls for each process that has a relationship to the financial operations and reporting. At regular intervals, internal audit function tests identified key controls. The Company also has a robust compliance management framework to monitor and ensure legal & regulatory compliance. The said framework is also tested for adequacy and effectiveness to safeguard the company from any compliance risk. The Company has further automated internal controls through IT solutions and also has a robust information and cyber security framework to ensure the efficient functioning and safety of automated internal control framework.

### Minority Shareholder Protection

The minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress. The Company maintains effective investor relations and shareholder management processes, through which the management, in particular, the Company Secretary, the Chief Financial Officer and the Managing Director, continuously interacts with its shareholders across various channels.

The Company has also formulated its Dividend Policy which was approved by the Board and published on the website of the Company to ensure easy access of all shareholders. The Dividend Distribution Policy is also presented in page 135 of this Report in accordance with BSEC Directive dated 14 January 2021. The Dividend Policy will enable shareholders to understand the internal and external factors pertaining to dividend declaration and payout. The Company ensures that critical information about the Company is available to all shareholders by duly circulating disclosures, price sensitive information and by uploading all such information at the Company's website under the Investors section. Detailed disclosures on material decisions and related party transactions are presented in this report for review and approval by shareholders at the annual general meeting.

### Key Operating and Financial Data of Preceding Five Years

The Company has delivered consistent growth and the last 5 years' results evidence the strong footprint of the Company in the FMCG industry. The table below illustrates the last 5 years' revenue and profitability status.

\*Year ended on 31 March and figures in BDT million

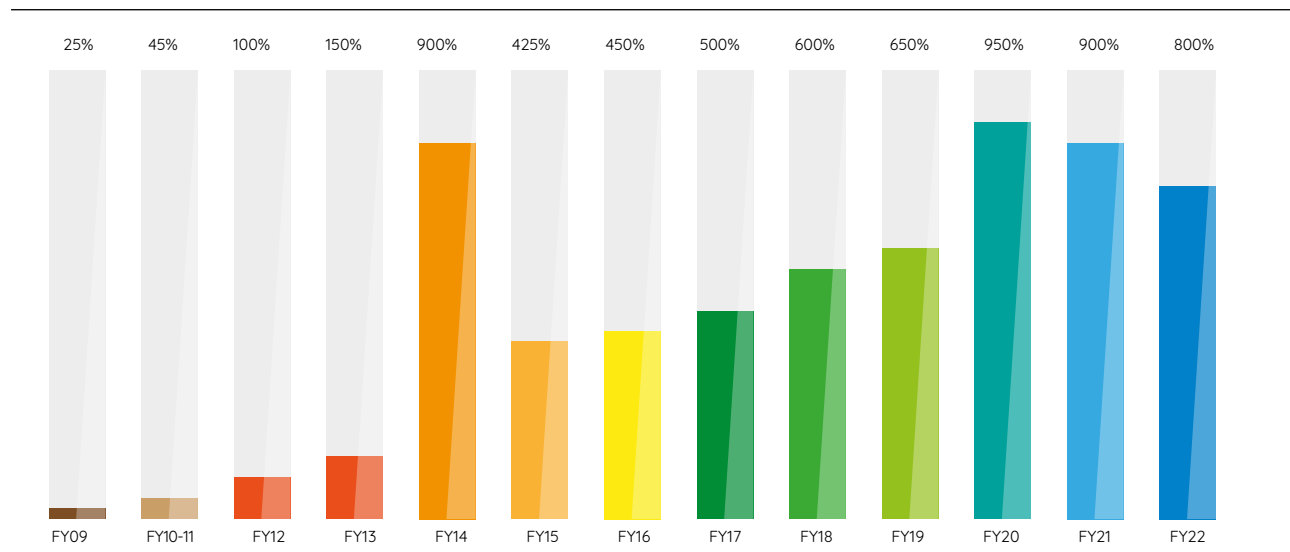
Particulars	2022	2021	2020	2019	2018
Revenue	1,303	1,131	980	877	782
Cost of sales	(596)	(464)	(412)	(447)	(423)
Gross profit	707	667	567	430	359
Other income	2	6	0	0	1
General and admin expenditure	(119)	(109)	(96)	(79)	(76)
Mkt, selling and distribution expenditure	(125)	(136)	(115)	(77)	(58)
Other expense	(0)	(0)	(0)	-	-
Operating profit	464	429	338	259	214
Finance income	13	15	24	18	14
Finance cost	(4)	(2)	(5)	(2)	(3)
Net finance income	9	13	19	16	11
Profit before contribution to WPPF	473	442	357	275	224
Contribution to WPPF	(24)	(22)	(19)	(15)	(12)
Profit before tax	450	419	357	275	224
Income tax expense	(94)	(109)	(93)	(73)	(60)
Profit for the year	355	311	265	202	164

## TOTAL EQUITY OF THE COMPANY

The equity capital comprised 31,500,000 equity shares of BDT 10 each, Share Premium of BDT 252,000,000 and Retained Earnings of BDT 2,122,057,310.

## DISTRIBUTION OF EQUITY TO SHAREHOLDERS

### Dividend Disbursement



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 that shareholders' value is maximized. At the same time, the Company has also considered your views and concerns of ensuring adequate reserves and exercising discretion in declaring dividend out of retained earnings, which is reflected in the dividend declaration for FY'22.

In FY'22, the Company declared interim cash dividends amounting to 600% and recommended a final dividend of 200% at the 118th Board Meeting held on April 27, 2022, totaling 800% cash dividend for FY 21-22 proportionate to the business performance for the year. The company's Dividend Distribution Policy is presented in this report and also available on the Company's website. A statement of unclaimed dividend is also presented.

### Events subsequent to the Statement of Financial Position

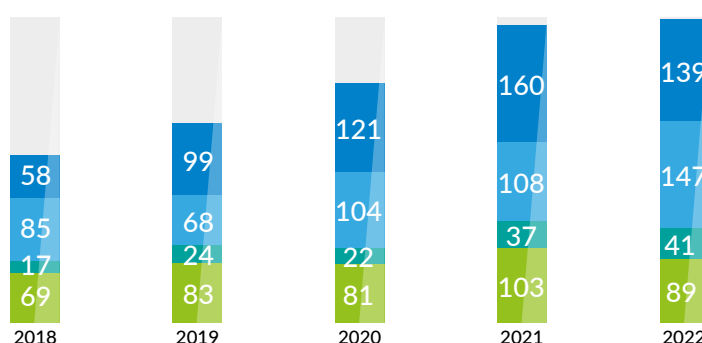
For the year ended 31st March 2022, the Board of Directors recommended final cash dividend @ 200% per share at the 118th Board meeting held on April 27, 2022. Apart from that, there are no other material events identified after year closing with the statement of financial position.

### CONTRIBUTION TO NATIONAL EXCHEQUER

During the reporting period, your company paid BDT 415 Crores to the National Exchequer on account of Corporate Income Tax, Customs Duties, Supplementary Duties and Value Added Tax (VAT).

#### Contribution to national exchequer

■ VAT other than import stage ■ SD manufacturing stage ■ VAT, CD, SD, RD at import stage ■ Income tax



Details	2018	2019	2020	2021	2022
Total (BDT Crores)	228	274	327	408	415

### BOARD OF DIRECTORS' MEETING AND ATTENDANCE

The number of Board meetings held during the year 2021-22 and attendance of Directors is presented below:

Names	Representation in the Board	Number of Board Meetings		Attendance at Last AGM
		Held	Attended	
Saugata Gupta	Chairman- Nominee Director	4	4	Yes
Ashish Goupal	Managing Director- Executive Director		4	Yes
Parveen Mahmud	Independent Director		4	Yes
Zakir Ahmad Khan	Independent Director		4	Yes
Ashrafal Hadi	Independent Director		3	Yes
Pawan Agrawal	Nominee Director		4	Yes
Sanjay Mishra	Nominee Director		4	Yes

Mr. Ashrafal Hadi retired from the Board of Directors during the year under review.

## BOARD OF DIRECTORS

As at 31 March 2022, the Board of Directors of the Company comprises 7 (Seven) members including 3 (three) Independent Directors. Names and profiles, including the qualifications of each Director are stated in detail at the 'Directors' Profile' section on page 34-37 of this Annual Report.

## PATTERN OF SHAREHOLDING

The shareholding pattern of the Company as on March 31, 2022 is presented in the "Stock Performance" presented at page 29 of this Annual Report.

## APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

Mr. Saugata Gupta, non-executive/nominee Director and Chairman of the Board will retire from office by rotation at the 22nd Annual General Meeting (AGM) and, being eligible, offers himself for re-election in accordance with Section 91 of the Companies Act and Article 99 of the Articles of Association of the Company. The profile of Mr. Saugata Gupta and his other directorships are stated in detail in pages 38 of this Report.

Ms. Sheela Rahman and Mr. Rajat Diwaker were appointed to the Board at its 118th & 119th Meetings. The appointments will be placed before the shareholders for their approval at the 22nd AGM of the Company.

## REMUNERATION OF DIRECTORS

The amount of total remuneration paid to Directors including Independent Directors has been presented at Note: 00 in the Notes to the financial statements.

## CODE OF CONDUCT

The Company's Code of Conduct (CoC) has been reviewed by the Nomination & Remuneration Committee and adopted by the Board which applies to all members of the company including the Board of Directors and Key Management Personnel. A robust orientation program conducted by the Director-Legal & Corporate Affairs was imparted to new members on the Board of Directors and new joiners in the Company.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management Discussion and Analysis has been duly signed by the Managing Director/Chief Executive Officer

(CEO) of the Company and is presented at page 101 of this Annual Report.

## CERTIFICATE BY CEO AND CFO

The Managing Director/CEO and Chief Financial Officer/CFO of the Company certifies the financial reports presented in this report. The Certificate of the CEO and CFO has been presented on page 119 of this Annual Report.

## REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE

A Certificate of Compliance as provided by M/s. Al-Muqtadir Associates, Chartered Secretaries, has been presented at page 120 of this Annual Report. Furthermore, Status of Compliance as per the Code has been presented at page 121 of this Annual Report.

## SHAREHOLDING INFORMATION

The distribution of shareholding and market value of shares are presented in the Stock Performance section at pages 29 & 30 respectively.

## STATUTORY AUDITORS

A. Qasem & Co (AQC), member firm of ECOVIS will be completing their first year of Audit for the Company at the 22nd Annual General Meeting (AGM). In this context, Management has proposed to the general body to approve the re-appointment of AQC as statutory auditors in accordance with Section 210 of the Companies Act 1994 to hold office from the conclusion of the 22nd AGM until the next AGM at a consolidated fee of BDT 17,15,000 including Statutory Audit Fee, year-end review of group pack and group reporting, quarterly review of group pack and group reporting (of all 3 quarters), quarterly full-scope audit (of all 3 quarters) and all other relevant matters incidental thereto.

## OTHER REGULATORY DISCLOSURES:

Pursuant to the Corporate Governance Code, the Board also reports that:

- There was no extraordinary gain or loss during the financial year
- The Company's Initial Public Offering (IPO) was in the year 2009. No further issue of any instrument was made during the year

- There is no significant variance between the quarterly financial performance and annual financial statements
- The Company has delivered outstanding performance in the last financial year vs agreed operating plan and the financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity
- Proper books of account of the Company have been maintained
- No bonus or stock dividend has been declared as interim dividend during the year

### Acknowledgment

The Board takes this opportunity to express their heartfelt thanks to all stakeholders including its shareholders, consumers, business partners, banks and financial institutions, regulatory bodies and auditors, for their immense support and contribution towards the success of the Company.

On behalf of the Board



**Saugata Gupta**  
Chairman of the Board

# MANAGEMENT DISCUSSION AND ANALYSIS

FY'22 was a year of challenges and successes. The Company delivered benchmark growth in volume and value amidst the surge of covid during the second and third waves of infection and prevailing macro-economic instability. During these tumultuous times the Company delivered profitability, invested in future capacity and ensured healthy dividend payments. This performance was driven by growth of the core categories, launch of new products, augmenting distribution fundamentals and accelerated capability development.

At a full year Level, MBL has registered 15.3% revenue growth with an index volume growth of 5.7% (base business volume excluding export). Marico maintained

its leadership in the coconut oil (CNO) category and in the value-added hair oils (VAHO) category which grew by 10.1% at a full year level. The VAHO growth has been mainly driven by Beliphool, Parachute Advanced Extra Care and has been further boosted by new launches—Red King Men's Cooling Hair Oil and Nihar Naturals Lovely. The product portfolio has seen rapid diversification with the successful launch of a complete skin care range under Parachute SkinPure including facewash, body lotion, petroleum jelly, beauty olive oil and aloe gel. The baby care portfolio was extended with creamy baby shampoo while hair cleansing saw impressive growth with Parachute Naturale range of shampoos.

## Revenue

The category wise revenue is as follows:

Particulars	FY'22	FY'21	FY'22	FY'21
	BDT Crs		Contribution of total revenue	
CNO	804	699	61.7%	61.8%
VAHO	379	322	29.1%	28.5%
Colours	4	6	0.3%	0.5%
Beauty & Health	42	39	3.2%	3.5%
Baby Care	22	17	1.7%	1.5%
Others	52	48	4%	4.2%
<b>Total</b>	<b>1303</b>	<b>1,131</b>	<b>100%</b>	<b>100%</b>

The revenue mix has been evolving as the non-coconut oil (CNO) revenue contribution has increased steadily with the portfolio diversification. This is attributable to expansion of MBL VAHO portfolio boosted by the steady growth of our personal care/beauty & health range and baby care segment.

## Gross Margin

For FY'22, MBL has reported gross profit 54.3% which is 4.7% lower than LY. However gross profit in absolute terms has grown by 6.3% compared to LY primarily because of higher volume & favorable topline impact.

## Marketing, Selling & Distribution exp

For FY'22, Marketing, Selling & distribution expense as a percentage of revenue has decreased by 2.3% (9.6% in FY22 vs 12.0% in FY21) compared to LY- which in absolute terms translated to a decrease of 7.7%. During the year spends were rationalized to hedge margins against external shocks and investments were focused on new launches and brand-building in the non-coconut oil

portfolio of the business.

## General & Administration Exp

Expense as percentage to topline stood at 9.1% which is a slight reduction from last year. However, in FY'22, general and admin expenditure increased by 11% in absolute terms primarily in employment cost due to inflationary adjustment and additional resourcing.

## Profit after Tax

Profit for the year grew by 14.3% compared to LY in absolute term driven by favorable corporate tax rate and growth in volumes. MBL reported a net margin of 27.3% in FY22 compared to 27.5% in LY.

## Statement on Corporate Governance Conditions

### a. Accounting policies and estimation for preparation of financial statements

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) and the Companies Act 1994 following the accounting policies and estimations as relevant. The Company also complied with the

requirements of Bangladesh Securities and Exchange Rules 1987 and regulations from various Government bodies. The Company has consistently applied various accounting policies and estimations to all periods presented in these financial statements. The integral parts of the financial statements for the year ended 31 March 2022 with relevant accounting policies and estimations have been set out in Note 43. Any revision to the accounting policies is being applied retrospectively to all the previous years and change to any financial estimation is being reflected prospectively.

### b. Changes in accounting policies and estimation

FY	2022	2021	2020	2019	2018
Turnover	1,303.2	1,131	980	877	781
Gross Profit	707.1	667	567	430	359
Net Profit	355.4	311	265	202	164
EPS	112.8	98.69	84.01	64.23	52.15
Net Asset	268	164	139	130	149
Cash & Cash equivalent	50	40	42	38	28

Cash flow movement (BDT Cr.)	2022	2021	2020	2019	2018
Cash generated from operating activities	445	421	361	361	199
Income tax paid	(92)	(107)	(77)	(64)	(58)
Interest paid	(8)	(2)	(2)	(1)	-
Interest received	8	17	18	16	13
Net cash flow generated from or (used in) operating activities	360	330	301	267	154
Net cash flow generated from or (used in) investing activities	50	68	42	(89)	(1)
Net cash flow generated from or (used in) financing activities	(300)	(265)	(340)	(168)	(143)
Net increase (decrease) in cash & cash equivalent	10	(2)	4	10	10
Opening cash & cash equivalent	40	42	38	28	17
Closing cash & cash equivalent	50	40	42	38	27

The financial statements of Marico Bangladesh Limited for the year ended 31 March 2022 have been prepared having no change in accounting policy and/or estimation. Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). There have been no significant changes in the accounting policies applied to the financial statements.



### c. Comparative analysis for current financial year with immediate preceding five years (BDT cr)

The Company has been enjoying a persistent growth in yearly turnover during the tenure of five years from 2018 to 2022 under analysis. The company has reported a revenue growth of 15.3% and profit growth 14.3% compared to previous year. The Company has also reported EPS growth of 87% as compared to last year.

### d. Industry Scenario

The peer companies within the FMCG industry includes Unilever Bangladesh, SQUARE Toiletries Limited, Hemas Bangladesh, Moushumi Industries, Dabur Bangladesh, Emami Bangladesh, Reckitt Benckiser among others. However only Reckitt Benckiser Bangladesh Limited (RB) is listed with the stock exchanges among peer companies to enable an industry benchmarking. RB reported a negative growth of 7.3% in turnover and a profit growth of 9.3% as disclosed in their latest annual financial statements for the year ended 31 December 2021.

Particulars	Reckitt Benckiser Bangladesh LTD		Marico Bangladesh Ltd.	
	for the period ending		for the period ending	
(BDT in Crore)	31-Dec-21	31-Dec-20	31-Mar-22	31-Mar-21
Turnover	494.2	533	1303.2	1,131
Gross profit	269.7	302	707.1	667
Net Profit	80.8	74	355.4	311
Cash & Cash Equivalent	162	178	50	40
EPS	171	156.38	112.82	98.69

### e. Briefly explain the financial and economic scenario of the country and the globe

Global financial and multilateral institutions are forecasting an impending recession owing to the aftermath of the covid-19 pandemic and recurrent waves which is now exacerbated by the Russia-Ukraine war. Commodities prices and financial markets all over the world have witnessed significant volatility since the war erupted. The war has magnified the slowdown in the global economy, which is entering what could become a protracted period of feeble growth and elevated inflation, according to the World Bank's latest Global Economic Prospects report. Global growth is expected to slump from 5.7 percent in 2021 to 2.9 percent in 2022—significantly lower than 4.1 percent that was anticipated in January. The war in Ukraine, lockdowns in China, supply-chain disruptions, and the risk of stagflation are hammering growth. World Bank and global financial institutions predict that for many countries, recession will be hard to avoid.

Amidst this rather grim global economic outlook, the prospects for Bangladesh are more positive. Bangladesh's export receipts registered a 31% year-on-year (YoY) growth to \$33.84 billion in the first eight months (July-February) of the current 2021-22 fiscal year. Despite repeated waves of Covid-19, Bangladesh economy has managed to return to the recovery phase aided by appropriate policies and

28 stimulus packages. We have seen FDI pouring into the automobile and electronics and various manufacturing sectors. Reforms are also being made to the capital markets. Bangladesh has had one the best vaccine rollouts in South and the most vulnerable group of citizens have already received two doses of vaccination. According to the Nikkei index Bangladesh has demonstrated the best covid management and response strategies in South Asia. The recent sectoral trends suggest that the government's real GDP target for FY22 can be achieved subject to improving the Covid-19 situation with no major external or internal shocks. The Russia-Ukraine war had led to a fall in the supply of dollars, while demand remained high leading to falling currency value of Bangladeshi Taka. Bangladesh has made a strong economic recovery from the COVID-19 pandemic; however growth faces new headwinds as global commodity prices increase amid the uncertainty created by the war in Ukraine. Bangladesh is pushing for preferential facilities from OECD countries and with mega infrastructure projects like the Padma Bridge and Metrorail coming to fruition, the economic mobility is expected to get a boost and cushion against recession or similar shocks emerging in the global outlook.

### f. Risks and concerns

The financial statements have been prepared for the year ended 31 March 2022. In order to manage operational and sourcing risks arising from the covid-19 pandemic

the Company triggered comprehensive business contingency plans and the strict implementation of health & safety protocols. Finance risks are addressed with secured contracts and buyer financing arrangements as well as foreign exchange hedging policies. Given the devaluation of the taka arising out of the disruptions in global supply chain and ensuing inflation the Company is putting in additional measures in place in terms of sourcing, inventory management, cash-flow management to protect business performance against the macro-economic shocks. Having strong internal control systems, management has ensured good governance and footprint of Marico Business in Bangladesh. The Company has a formalized risk management framework and process under the governance and supervision of the Audit Committee.

We perceive that proactive management of these risks is of fundamental significance to ensure our business growth. We regularly identify functional and entity level risks and do extensive reviews to ensure the risks are rightly identified and proper mitigation plans are in place for the same. The entity level risks for the business have been discussed in detail under section of “Enterprise Risk Management Framework” at page .... Of this report.

### Future Outlook

Bangladesh is projected to have a 6.9% GDP growth for FY 2022-23 owing to strong export growth and a rebound in domestic demand as per Global Economic Prospects report of the World Bank. According to IMF estimates the Bangladesh economy has crossed the USD 1 Trillion milestone. The IMF projected robust markers for Bangladesh economy propelled by the covid resilience and recovery efforts and higher remittance inflows. According to the Bangladesh Bureau of Statistics (BBS) inflation has been on the rise since August 2021 as prices of both food and non- food items have registered upward increase on year to year and in December, 2021 inflation increased, going above 6%.

We have reviewed our annual operating plans to account for the effects of the pandemic and are also reviewing our strategy from quarter to quarter to adjust to changes as they materialize. Marico has commenced construction of its 3rd and largest manufacturing unit in at Bangabandhu Shilpanagar in the Mirsarai special economic zone (SEZ). It is expected that the unit will go into commercial operations in January 2023. The unit will cater to the growth aspirations of Company’s hair oil portfolio as well as inventory for raw and packaging material. The enhanced capacity and strategic location will enable Marico to better serve its consumers all

over Bangladesh. The Company has also expanded its export operations to Middle East markets and is further augmenting its export portfolio to shampoos and skin care products.

While liquidity is not a challenge for the business, efficient management of overheads and production costs is going to be a priority for the next year particularly considering the volatile global scenario. In terms of portfolio the Company is committed to building its new brands and strengthening category foothold of new launches. The Company has a rigorous focus on its go-to-market strategy to ensure execution excellence in servicing the market with a range of portfolios. Leveraging real time data and analytics and increased automation will be key drivers in unlocking efficiencies in the entire supply chain.

While consumer preferences evolve and consumption may fluctuate due to inflationary pressures, reinforcing trust from consumers in core categories and maintain a balanced portfolio of consumer essentials will continue to remain critical strategic pillars of the business. Like most other countries worldwide, Bangladesh now has a thriving e-commerce industry worth approximately USD 1.6 billion and will double to \$3 billion by 2023. Keeping ahead of this curve, Marico is investing more in digital marketing and innovative ways of consumer connect through social media. As a channel, ecommerce and cosmetics will gain increased relevance especially considering the newer portfolios of the business. Retaining trust and relevance in core categories and portfolio expansion into the identified categories of the future remains one of the key pillars of Marico’s long-term strategy. At the same time with our distribution strength, we will endeavor to ensure continuous availability of stock across channels and flexibility in our supply chain.

Last but not least we are committed to growing and developing talent, across levels through impactful learning and development interventions. Employee welfare, health, safety and an energizing, safe culture are also critical pillars to achieve our vision of doubling our business by 2025.

Despite the several challenges of the external environment we believe by exhibiting a higher degree of agility and nimbler decision-making we will be able to stay ahead of the curve and continue to expand the consumer franchise.



**Ashish Goupal**  
Managing Director

# AUDIT COMMITTEE REPORT

The Audit Committee (“the Committee”) is a sub-committee of the Board which is appointed by and responsible to the Board of Directors of the Company according to the conditions of the “Code of Corporate Governance” of the Bangladesh Securities and Exchange Commission dated June 03, 2018 (“the Code”). This report is presented in accordance with the Code which sets out the role of the Committee and the functions carried out during the year ended March 31, 2022 (“the year under review”).

The Committee is a central pillar of effective corporate governance and fulfills its oversight responsibilities mandated by law and its Charter approved by the Board. The 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 responsibilities are:

- To oversee the financial reporting process
- To oversee appointment, remuneration, and evaluation of auditors
- To evaluate internal financial controls, internal audit function, and risk management systems
- To evaluate the standards of corporate governance, transparency and disclosures

The Audit Committee through its independent oversight of the Company’s financial reporting, non-financial corporate disclosures assists the 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 Committee met four times last year. During the year under review, all recommendations made by the Committee were accepted by the Board.

## Composition and Meetings

During the period under review, the Committee comprised of 5 Members of whom 3 are Independent Directors and other 2 are Non-Executive Directors. The Chairman of the Committee is an Independent Director. Ms. Parveen Mahmud is the Chairperson of the Committee. The Managing Director is a permanent invitee to the Committee. The Company Secretary functions as the Secretary to the Committee. Subsequent to the period under review, there were changes to the Committee arising out of the expiry of term of Mr. Ashraf Hadi and resignation of Mr. Sanjay Mishra. The meetings of the Committee are also attended by the Chief Financial Officer, Head of Internal Audit and by External Auditors on invitation. All Committee Members 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 Committee	Number of Meetings of the Committee during FY 21	
			Held	Attended
Ms. Parveen Mahmud	Independent Director	Member	4	4
Mr. Ashraf Hadi (till 24 April 2022)	Independent Director	Chairperson		3
Ms. Zakir Ahmad Khan	Independent Director	Member		4
Mr. Sanjay Mishra	Nominee Director	Member		4
Mr. Pawan Agrawal	Nominee Director	Member		4

## 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 company’s performance year-on-year and quarter-on-quarter, 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 all 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 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 Charter of the Committee and make necessary revisions for the year. The Committee affirms 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 commensurate with the size, scale and complexity of its operations. The Committee reviews whether Management is adhering to the appropriate compliance culture by communicating the importance of internal controls and risk management to ensure that all members have a 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 Systems (MIS).
- To review adequacy of systems and processes for monitoring legal and regulatory compliance to safeguard against legal and reputational risk

### Internal Audit

- To monitor and review the effectiveness of the Company's internal audit function and to be

satisfied that Internal Auditors has the competency and qualifications to complete its mandates and approve audit plans.

- To monitor and evaluate whether the audit functions are conducted independently from the Management.
- To ensure that Internal Auditors have open access to all activities, records, property and personnel, necessary to perform its duties.
- To review and assess the annual internal audit plan and evaluate its consistency with the Risk Management Framework of the Company.
- To review the findings and recommendations made by the Internal Auditors and ensure that the appropriate action is being taken to implement the same and to further ensure that the appropriate tracking is maintained on the agreed audit action points.
- To recommend to the Board any broader reviews deemed necessary as a consequence of the issues or concerns identified and raise/ensure special audit, whenever necessary.

### External Audit

- To recommend to the Board, for it to place before the Shareholders for their approval, the appointment of the external auditor of the Company and to approve their remuneration and terms of engagement.
- To appraise the external auditor's audit plan, nature and scope of the audit plan, audit report and evaluation of internal controls.
- To 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 their engagement to provide non-audit services.
- To review their statement on Risk Management and Internal Control of the Company for inclusion in the Annual Report.
- To review their findings and recommendations arising from the audits, to ensure that appropriate action is being taken.

### Major activities during the year:

The Committee carried out its functions in accordance with the “Audit Committee Charter”, governed by the BSEC Code on Corporate Governance, in key areas of the annual financial reporting cycle. During the year under review, the Committee carried out the following activities:

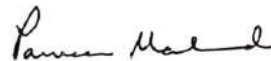
- Reviewed the quarterly, half yearly and annual financial statements of the Company, considered the financial and business performance of the Company and the relevant announcements to the Securities & Exchange Commission, Stock Exchanges by the Board of Directors
- Ensured that the preparation, presentation 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 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 automation opportunities and progress with regard to 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

- Reviewed the investments of the Company i.e. FDR, CAPEX etc.
- Reviewed compliance of the company to key financial and treasury policies
- Reviewed the contingent liability status of the Company and provisions against the same
- Reviewed Litigation Update of the Company
- Reviewed the National Budget and it’s implications on the company and industry
- Reviewed updates of the SEZ project pertaining to the construction of the 3rd manufacturing unit of the Company at every quarter
- Reviewed the related party transaction status at every quarter
- Reviewed the legal & regulatory updates material to corporate governance and the operations of the business

The Committee is of the opinion that adequate controls, procedures, risk management and compliance monitoring 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 Committee meetings were placed subsequently before the Board for its approval, on a regular basis, which contained all issues along with various suggestions and recommendations to the Management and the Board.

On behalf of the Committee,



**Parveen Mahmud**

Chairperson

# NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee (“the Committee”) is a sub-committee of the Board which is independent but appointed by and accountable to the Board of Directors of the Company and to the shareholders according to the conditions of the “Corporate Governance Code, 2018” of the Bangladesh Securities and Exchange Commission dated June 03, 2018 (“the Code”). This report is presented in accordance with the Code which sets out the role of the Committee and the functions carried out during the year ended March 31, 2022 (“the year under review”).

## Composition and Meetings

The Committee as at 31 March 2022, comprises of 3 (Three) permanent members and 2 (Two) advisory (non-voting) Members. The Chairman of the Board, who is also a non-executive director, is a permanent invitee to the Committee. The Chairman of the Committee is Mr. Zakir Ahmad Khan, an Independent Director. The Company Secretary functions as the Secretary to the Committee. All permanent members of the Committee are non-executive directors.

Names	Representation in the Board	Representation in the Committee	Number of Meetings of the Committee during FY21*	
			Held	Attended
Mr. Zakir Ahmad Khan	Independent Director	Chairman	4	4
Mr. Sanjay Mishra	Nominee Director	Permanent member		4
Mr. Pawan Agrawal	Nominee Director	Permanent member		4
Mr. Amit Prakash	External Member	Advisory (non-voting) Member		3
Mr. Ashish Goupal	Managing Director	Advisory (non-voting) Member		4

\*During the year, the Committee held 4(four) meetings, complying with condition 6(4)(a) of the Corporate Governance Code.

## Responsibilities and Duties

The Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives/key managerial personnel (KMPs) as well as the remuneration philosophy of the Company. The Committee oversees, among others, the following matters and makes recommendations for review/approval to the Board:

- (i) The criteria for determining qualifications, positive attributes and independence of a director
- (ii) Policy relating to the remuneration of directors and KMPs considering the following:
  - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable persons to run the company successfully;
  - (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to directors, KMPs involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals
- (iii) Policy on Board Diversity
- (iv) The plan in relation to identification of persons who are qualified to become directors and who may be appointed as KMPs, and recommend their appointment and removal to the Board
- (v) The criteria for evaluation of performance of independent directors and the Board

- (vi) The plan or proposal relating to the company's needs for employees at different levels and the recruitment, development and succession criteria/principles
- (vii) The annual exercise on the review and recommendations on the company's human resources and training policies
- (viii) review and recommending revisions of the Code of Conduct to the Board

### Major Activities During The Year

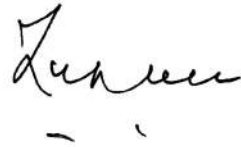
The Committee carried out its functions in accordance with its Charter and applicable laws in key areas of the annual financial reporting cycle. During the year under review, the Committee carried out the following activities:

- Reviewed the goals and achievements of the Managing Director/CEO against the operating plans for FY'22
- Reviewed the Talent Value Proposition and roll-out plans of the organization
- Reviewed Cases under the unified Code of Conduct
- Reviewed the covid preparedness and vaccination status of members of the organization
- Reviewed and recommended to the Board to accept the resignation of Mr. Ashish Goupal as Managing Director
- Reviewed and recommended to the Board the appointment of Mr. Rajat Diwakar as Managing Director

- Reviewed and recommended to the Board the appointment of Mr. Ashish Goupal as Non-Executive/ Nominee Director on the Board of Directors
- Reviewed and appointed Mr. Fahatul Islam as Head of Internal Audit & Compliance
- Reviewed and revised the remuneration of independent directors effective from 1 July 2022
- Noted the expiry of the term of Mr. Ashraful Hadi as Independent Director on the Board
- Reviewed the Key Managerial Personnel appointments
- Reviewed and approved amendments to the Marico Share Dealing Rules 2009

The minutes of the Committee meetings were placed subsequently before the Committee for its approval, on a regular basis, which contained all issues along with discussions and recommendations to the Management and the Board. The matters recommended by the Committee to the Board were considered by the Board and resolutions of the Board were recorded capturing the Committee's recommendations.

On behalf of the Committee,



**Mr. Zakir Ahmad Khan**  
Chairman

# STATEMENT OF CORPORATE GOVERNANCE

Marico Bangladesh endeavours to ensure benchmark corporate governance processes and practices. The Company has a strong legacy of following fair, transparent and ethical governance practices. Our Corporate Governance policy is based on the belief that: good governance results in better business results

- good governance results in better business results
- good governance converts plans into performance
- good governance maximizes shareholder value

At Marico, good governance practices form part of business strategy, which includes, inter alia, focus on long term value creation and protecting stakeholders' interests by applying due care and diligence in business decisions. 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.

At Marico, our business is driven on the bedrock of strong ethics and sound corporate governance. Our corporate governance philosophy stems from our value of openness and transparency which is fundamental to our decision-making process and one of our core management tenets. Our corporate governance is further strengthened by the adoption of a uniform Code of Conduct for the Board members and senior management, the Board processes, the Rules on

Prevention of Insider Dealing, Dividend Distribution Policy, our Code of Business Ethics and transparent disclosures.

In FY'22 Marico was presented the Silver Award for "Corporate Governance Excellence" by the Institute of Chartered Secretaries Bangladesh (ICSB), the Silver Award for "Best Corporate" under the multinational manufacturing category by Institute of Cost Management Accounts (ICMAB), and the Certificate of Merit for "Best Presented Annual Report" by Institute of Chartered Accountants Bangladesh (ICAB) in recognition of its governance, reporting and disclosure practices.

This statement presents the Company's governance framework and the structures and processes that strive to ensure a continued commitment to sound governance.

## Corporate Governance Framework

A high-level of ethics, compliance and governance culture is fundamental to the effective delivery of our business and ensures long-term business growth. Our governance principles are:

- adherence to the letter and spirit of the law
- complete transparency in our operations
- ethical and value-driven decision making
- pro-active communication with our stakeholders

We have a tri-faceted governance framework which is as follows:



### Governance by Shareholders

Shareholders appoint and authorize the Board of Directors, approve the audited financial accounts, appointment of Statutory auditors and hold the Board accountable in their oversight and conduct of business.



### Governance by Board & Sub-Committees

The Board and its Committees take up specific responsibilities as per the law and their charters to determine the right level of delegation, control measures, approve strategies, investments and targets for the business. The Board also closely supervises the talent pipeline of KMPs and human resource processes to ensure a holistic approach to people and business leadership. The Board exercises oversight over the executive management to ensure that they fulfil their duties in accordance with the recommendations and targets set by the Board.



### Governance by Executive Leadership Team

The Executive Leadership Team or Management Team of the Company leads the day-to-day affairs and management of the business with full compliance to the laws of the land, the mandates of the Board and adherence to the Code of Conduct of the Company.



The governance framework aims to deliver management effectiveness, reduction in risk and promotion of a value-driven 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.

### Statutory Adherence

The legal and regulatory standards underlying this framework are the Companies Act 1994, the Listing Regulations of the Dhaka and Chittagong Stock Exchanges, Notifications on Financial Reporting and Corporate Governance issued by the Bangladesh Securities and Exchange Commission (BSEC) 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. There is also a robust process of compliance management of the entire operations where compliance is recorded, audited and certified at the granular level to ensure full adherence to the laws of the land.

### Code of Conduct

Marico has a uniform Code of Conduct (CoC) that applies to all business units within the Marico group and to all directors (executive and non-executive), members, interns, apprentices, secondees and third parties or business associates who act on behalf of the Company. Marico’s sustainable growth story rests on an empowering work culture based on trust and accountability. The Code makes sure that all businesses conducted by Marico in any capacity are done in an ethical and sustainable manner while being beneficial

to all our stakeholders. It helps us take the right decisions, especially during challenging or conflicting/ambiguous moments. The CoC defines what is expected from members and associates alike. The CoC is a set of guidelines highlighting the desired behaviors and actions from all the actors in our corporate governance ecosystem to:

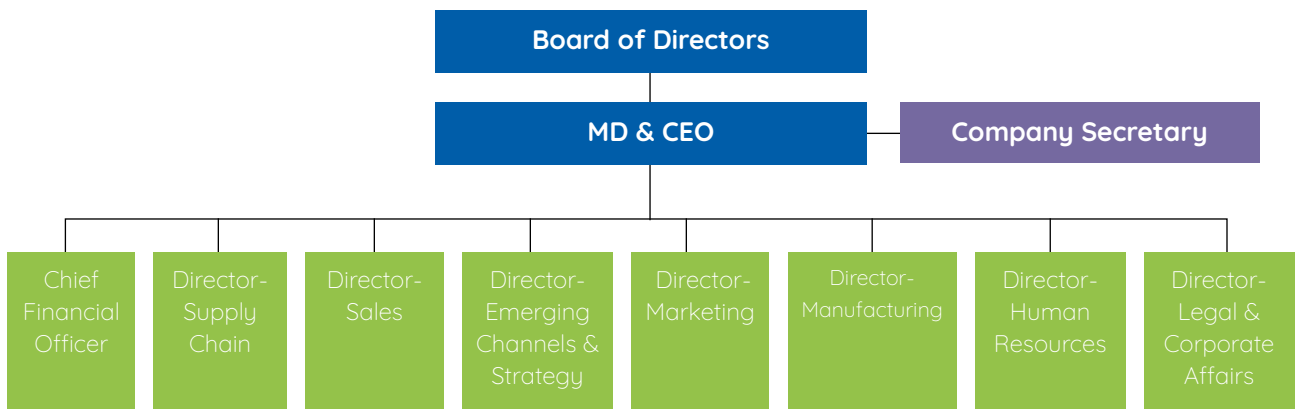
- conduct our business in an ethical manner and
- ensure highest levels of governance across the organization
- enable discrimination & harassment free work environment.
- create a work environment that is conducive to members & associates alike, based on our values and culture

In the event of a conflict between any provision of the CoC and the law of land, the law will always prevail and the management will take immediate steps to align the provisions of the CoC with applicable laws. The outline of Marico’s CoC and functioning is presented at page 139 of this report.

### Role and Responsibilities

The authorities having critical roles in the overall governance programs and contributing to the process of Corporate Governance are:

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



## 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, as of March 31, 2022, 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 in accordance with the criteria recommended by the Nomination & Remuneration Committee and 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' profiles have been presented at page 34-37 in this Annual Report.

## The Chairman

The Companies Act at regulation 54 in schedule-I provides that the directors may elect a Chairman from amongst them who will preside over the general meetings of the Company. Accordingly, the Board of Directors of Marico Bangladesh is headed by a Chairman. All meetings of the Company and the Board are presided over by the Chairman. The Articles of Association of the Company authorizes him with a second and casting vote.

Mr. Saugata Gupta is the Chairman of Marico Bangladesh Limited, a role he has assumed since 2013.

## Chairman and CEO Distinguished

As mentioned, the Board is headed by a Chairman, while the Management Team is led by the Managing Director /CEO who is a different individual. The Chairman is a non-executive director. The roles of the Chairman and Chief Executive Officer/Managing Director are clearly established, set out in writing in the Articles and practiced by the Board to ensure transparency and better governance. The Chairman leads the Board and is responsible for ensuring the effectiveness of the Board and its governance processes, while the Managing Director is the authoritative head for day-to-day management in the Company.

## Roles and Responsibilities of the Chairman

- The Chairman's responsibility is defined through the Articles guided by the Board, the Company's Code of Conduct and the Code of Corporate Governance.

- However, the primary role of the Chairman is to preside over meetings of the Board and Company (AGM/EGM) and to ensure that the principles of good governance are established in the Company.
- As Chairman of the Board or Chairman of any Committee formed by the Board he does not personally possess the jurisdiction to apply policy making or executive authority, nor does he participate in or interfere into the administration or operational and routine affairs of the Company.
- The Chairman ensures that the Board is functioning in accordance with the Memorandum and Articles of Association of the Company as well as other applicable laws and conventions.
- As authorised by the Articles, the Chairman, if so warranted under the circumstances, may exercise his second and casting vote in the meeting to arrive at a decision.
- The Chairman also maintains relationships with the relevant stakeholders in consultation with the Board as well as the CEO/Managing Director, representing the Company as a good/responsible corporate citizen.
- The Chairman may assume any responsibility if the Board so assigns within the purview of the relevant laws and the Articles of Association.

## Responsibilities of the Board

The Board carries out decision-making role in critical matters, monitoring role to prevent corporate failure and the relational role to balance the interests of all stakeholders. Accordingly, strong governance frameworks are established not only to ensure maximum shareholder value but also to contribute positively to the society at large and ensure maximum value for all stakeholders in the eco-system of the Company. 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 policies and guidelines
- perform risk assessment and ensure integrity of company's financial reporting

### Committee(s)

To effectively dispense its obligations, the Board has constituted various committees that are listed below. Each committee has its terms of reference as a charter.

Committee	Constitution	Broad Responsibilities
Audit Committee	<ul style="list-style-type: none"> <li>• 3 Independent Directors</li> <li>• 2 Non-executive Nominee Directors</li> </ul> <p>Chair: Ms. Parveen Mahmud, Independent Director</p>	<ul style="list-style-type: none"> <li>• Oversee financial reporting process</li> <li>• Oversee appointment, remuneration, and evaluation of auditors</li> <li>• Evaluate internal financial controls, internal audit function, and risk management systems</li> <li>• Oversee the programs, partnerships and implementation of corporate social responsibility (CSR) programs of the Company</li> </ul>
Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>• 1 Independent Director</li> <li>• 2 Non-executive Nominee Directors</li> </ul> <p>Chair: Mr. Zakir Ahmad Khan, Independent Director</p>	<ul style="list-style-type: none"> <li>• Identifying persons who are qualified to become Directors and KMPs</li> <li>• Review and approve the remuneration philosophy for Directors, KMPs and other employees</li> <li>• Review and approve policies on Board diversity and effectiveness</li> <li>• Oversee the talent management and HR processes and principles of the Company</li> </ul>

The Board currently has two sub-committees which are the Audit Committee and Nomination & Remuneration Committee. The Audit Committee has delegated responsibilities to assist the Board in ensuring fair & transparent financial reporting as well as a prudent control environment to protect against financial and non-financial failures, abuses or fraud. The Nomination & Remuneration Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of managing performance, remuneration and overall corporate culture and talent management principles. The duties and responsibilities of the Committees 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 and Corporate Governance Code 2018. The Committee comprises 3 Independent Directors and 2 Non-Executive Nominee

Directors. The Managing Director is a permanent invitee to the Committee. The Board has appointed Ms. Parveen Mahmud, Independent Director as Chairman of the Committee in accordance with the Code. All members of the Audit Committee are 'financially literate' as per regulatory requirement and can analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. The Managing Director, the Chief Financial Officer, the Head of Internal Audit & Compliance and the Company Secretary attend all meetings of the Committee and Internal Auditors of the Company and representatives of external auditors attend the meetings upon invitation by the Audit Committee. The key responsibilities and activities of the Audit Committee are elaborated in the Audit Committee Report which is presented at page ..... Of this Report. Additionally, the Committee also ensures adherence to the Secretarial Standards issued by the Institute of Chartered Secretaries Bangladesh.

### Board Nomination & Remuneration Committee

The Nomination & Remuneration Committee ("NRC") is constituted according to the conditions of the Corporate

Governance Code 2018. The Committee comprises 1 Independent Director, 2 Non-Executive Nominee Directors and 2 non-voting Advisory Members. The Board has appointed Mr. Zakir Ahmed Khan, Independent Director as Chairperson of the Committee in accordance with the Code. All members of the NRC are eligible to effectively discharge their duties and responsibilities as members of the Committee. The key responsibilities of the Committee are elaborated in the Nomination & Remuneration Committee Report which is presented at page 108, 109 in this Report.

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.

### 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. In addition to the legal framework guiding the discharge of functions of the management team, the Marico values underlie and function as the moral compass of the organization. The implementation of the Board's plans, strategies and policies are carried out by the management team lead by the Managing Director. At the time of this report, the management team comprises the following members:

- Mr. Ashish Goupal, Managing Director
- Mr. Elias Ahmed, Chief Financial Officer
- Mr. Sabbir Al Harun, Director -Sales
- Mr. Rashed Sarwar, Director-Emerging Channels and Sales Strategy
- Mr. Allen Ebenezer Eric, Director-Marketing
- Mr. Md. Saiful Alam, Director- Manufacturing
- Mr. Zahedur Rahman, Director-Supply Chain
- Mr. Shyamal Kishore, Director- Human Resources
- Ms. Christabel Randolph, Director - Legal & Corporate Affairs and 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. The management team is accountable to the Board for achieving the business performance as per the annual operating plan approved by the Board and delivering maximum return for all stakeholders.

### Board and Committee Meetings

The composition & meetings of the Board and Committees are stated in the Director's Report and Committees' Reports respectively.

### Shareholder Meetings

The Company values and places great emphasis on shareholder meetings. The Annual General Meetings give the Board and management the opportunity to connect with shareholders and get their feedback on the performance and governance of the business. The Company ensures timely and adequate notices and disclosures for all shareholder meetings. Given the covid-19 pandemic, the Company held the 20th Annual General Meeting via digital platform which enabled shareholders to participate effectively and place their questions and comments to the Board. The 22nd Annual General Meeting will also be held via digital platform.



### Our Corporate Responsibility Principles

- Commitment to conduct business in an honest, ethical and lawful manner. A Code of Conduct guides ethical decisions for all members of the Board which dictates our ethical behavior and manifests our value system that promotes business transparency and builds shareholder trust.
- Commitment to protect the health and safety of our members, the environment, and our communities.
- Commitment to provide a workplace where all employees can fulfill their potential based on merit and ability and unleash their potential in a safe and harassment free workplace

- To transform in a sustainable manner the lives of all those we touch, by nurturing and empowering them to maximize their true potential which is reflected in our commitment to sustainable development and to constantly add value for 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

### Internal Audit

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

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

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

### Financial Reporting

The Financial reporting system is the backbone of a successful information structure. Marico has strong financial reporting procedures in place. Financial statements are prepared in accordance with the applicable laws including:

- The Companies Act 1994
- The Securities and Exchange Rules 1987
- The Listing Regulations of the Stock Exchanges
- International/Bangladesh Financial Reporting Standards (IFRS/BFRS) and other applicable financial legislations.
- The Financial Reporting guidelines of the Financial Reporting Council and BSEC

The management is responsible for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error. Accounting estimates are made which are rational as per circumstances, with use of correct accounting policies and interpretations. The reports are then reviewed accordingly by respective authorities on a regular basis and the Audit Committee of the Board exercises close oversight in this process.

At every quarter, external auditors review the quarterly financial statements and after thorough scrutiny, the financial reports are placed before the Board for final review and adoption.

### Commitments

Marico Bangladesh has started its operation in the country more than 20 years ago, and within this time the Company has achieved significant milestones and established itself as key player in the consumer packaged goods industry of Bangladesh. The company has expanded remarkably through its flagship brands, Parachute, Parachute Advansed, Just for Baby, Nihar Naturals, Saffola and Livon. Over the years, the Company has successfully created a diversified portfolio by foraying into skin care, male grooming, baby care and food categories.

The Company is not only focused on strengthening business performance but on growing competencies and sustainable business practices. The Company's strength in corporate governance has resulted in Marico becoming a respected and reputed 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 stock 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, fuelled by the presence of Independent Directors. Half of the Board is made up 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 by moving towards an integrated reporting framework and to continually add value to all the stakeholders of the Company.

### External/Statutory Auditors

The annual audit of the Company is governed by the Companies Act 1994, Securities and Exchange Rules 1987, Financial Reporting guidelines issued by BSEC and the Financial Reporting Council. As per these regulations, auditors are appointed by the Shareholders at each Annual General Meeting (AGM) and their remuneration is also fixed by the Shareholders at the AGM. Appropriate

structure is in place as per corporate governance best practices to ensure independence of statutory auditors. The statutory auditors are rotated every three years in compliance with BSEC guidelines. The Audit Committee meets the statutory auditors to ensure that they are acting independently and reviews the financial statements before submission to the Board for approval. Non-audit services likely to deter independence are not obtained from the statutory auditors. In addition to the audit of annual financial statements, the auditors also carry out audit of half-yearly financial statements of the Company. A. Qasem & Co, Chartered Accountants is the statutory auditor and they have no involvement with any other services of the Company. They will be retiring at the 22nd Annual General Meeting (AGM) of the Company having completed their 1st term of audit with the Company.

**Risk Management**

At Marico, we are guided by our robust Enterprise Risk Management (ERM) process that is linked to strategy

formulation and execution in a systematic manner of addressing the top risks facing the Company. The purpose of this process is to identify potential events that may substantially impact the Company and take commensurate initiatives to either protect from or capitalise upon the risk. Thus, we use our ERM to drive consistency and resilience in our risk methodology. The principal risks faced by the Company are mapped out below.

As a player in the dynamic consumer products market, Marico is exposed to a range of external as well as internal risks that have the potential to significantly impact its performance. Our risk management architecture allows us to efficiently manage risks while ensuring competitive returns. We identify, assess, mitigate, monitor and report principal risks that could have a material impact on our business. Risk management is a continuous process and an integrated part of business management. A summary of our principal risks and treatment strategies is provided below.

**Risk management objectives**



**Support sound governance and decision-making**



**Mitigate the impact of risk events**



**Capitalize on potential opportunities**

**Risk Management Process**

The Company has a robust risk management process which is overseen by the Audit Committee of the Board in accordance with an approved risk management framework which takes into account the materiality or impact of the risk event and likelihood of occurrence.

	Risk	Management Plan
1	Operations Risk	These relate to risks that can destabilize the production and supply of products to the market. MBL has two factories in the Gazipur area which is prone to labour unrest due to surrounding garments industries. In order to protect against this risk the management ensures a rigorous program of engagement, dialogue and capability building of all factory personnel. There is a process of monitoring and recording factory compliance & pro-active dialogue with regulators to safeguard against compliance lapses that can trigger the risk.

	Risk	Management Plan
2	Market Risk	Market risks include those that can make the products or operating model of the business irrelevant due to the introduction of new technologies, changing consumer behaviour or disruption by competition in the form of predatory pricing or disproportionate media spends all of which can threaten the Company's profitability. Unfair competition and brand infringements also pose a risk to the equity of the brand and impact business value. The company has in place a process of reviewing possible scenarios for key categories during its Monthly Operational Review (MOR). Additionally the Company has a robust brand protection and intellectual property management strategy to pro-actively safeguard its winning brands and carry out prompt enforcement against infringers.
3	Contingency Risk due to covid-19	<p>With the unfolding of the Covid-19 global pandemic certain risks materialized in FY 21 which caused risks to health &amp; safety of persons, which were unique in nature and unanticipated under the Risk Management Framework. The risks were primarily operational and sourcing related with supply chain disruptions due to series of lockdowns imposed in the country and globally.</p> <p>The Management has identified critical areas of disruption and triggered continuity plans were periodically reviewed by the Audit Committee.</p> <p>The mitigation measures included comprehensive health &amp; safety protocols at factories, depots, warehouses, offices and distribution houses. Specific permissions from regulators to continue operations, leveraging online commerce and mobile financial payments to secure revenue among others.</p>
4	Financial Risk	Financial risk includes credit risks, liquidity risks, currency risks and interest rate risks. To mitigate against these risks, management has put in place regular review of investment of the company and financial health of institutions. A formal Board-approved hedging policy is in place that is reviewed periodically considering macro-economic scenarios to guard against exchange rate fluctuations. Additionally, we closely monitor external environment to note any change event likely to trigger risk.
5	Litigation Risk	The company has on-going litigations, some of which have been described in the contingent liability status at page 179 of this report. An adverse order in any of those litigations could expose the business to financial liability, penalties, and reputational risk. The company has a litigation management strategy approved by the Audit Committee and regularly reviewed. Additionally, the Legal Function closely tracks change in laws, precedents by the higher judiciary and other external events likely to trigger the risk materializing.
6	Sourcing Risk	This refers to the disruptions in supply chain that can result in a shortage of critical raw material. Copra which is a key raw material for 60% of the portfolio has in recent times seen pressure due to volatility in global markets and supply chains. To address this risk the Company has put in place systems and processes for sourcing and inventory management with the support of the central procurement team at its parent company and this risk is reviewed every month during the monthly operational review.
7	People Risk	In today's knowledge-based economy, attracting and retaining people with the right skills are imperative for long-term success. To mitigate against the risk of losing key talent the Company has a unique talent value proposition which enables attraction and retention and positioning among the top employers of choice. At the same time Management ensures a structured and differentiated learning & development agenda for all key talent, succession planning and effective talent review to enable meaningful career growth.

## Code of Conduct

Marico has a uniform Code of Conduct (CoC) that applies to all business units within the Marico group and to all directors (executive and non-executive), members, interns, apprentices, secondees and third parties or agents who act on behalf of the Company. The Code makes sure that all businesses conducted by Marico in any capacity are done in an ethical and sustainable manner while being beneficial to all our stakeholders. It helps us take the right decisions, especially during challenging or conflicting/ambiguous moments. The CoC defines what is expected from members and associates alike. The CoC is a set of guidelines highlighting the desired behaviors and actions from our members to:

- conduct our business in an ethical manner and
- ensure highest levels of governance across the organization
- enable discrimination & harassment free work environment
- create a work environment that is conducive to members & associates alike, based on our values and culture

In the event of a conflict between any provision of the CoC and the law of land, the law of the land will always prevail, and the management will take immediate

steps to align the provisions of the CoC with applicable laws.

## Reporting and Compliance of Corporate Governance

As required, status of compliance with the conditions laid down in the BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 is presented at page 121. Further, to ensure adequate regulatory discharge, a Compliance Certificate is also obtained from licensed practicing professional M/s. Al-Muqtadir Associates, Chartered Secretaries who has certified that the Company has duly complied with all the regulatory and governance requirements as stipulated by the Bangladesh Securities and Exchange Commission (BSEC). The compliance auditor is also required to be appointed by the shareholders at the general meeting of the Company. As required, copy of the certificate of compliance is also presented in this Annual Report at page 120.

On behalf of the Board,



**Ashish Goupal**  
Managing Director





## Declaration by MD and CFO

Date: June 12, 2022

The Board of Directors  
Marico Bangladesh Limited

**Subject: Declaration on Financial Statements for the year ended on 31<sup>st</sup> March, 2022**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2016-158/207/Admin/80, Dated June 03, 2018 & under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Marico Bangladesh Limited for the year ended on 31<sup>st</sup> March, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure therefrom has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief:
  - (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 collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (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 in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

(Ashish Goupal)  
Managing Director  
(CFO)

(Elias Ahmed)  
Chief Financial Officer

Marico Information classification: Official

**Marico Bangladesh Limited**

Corporate Office :  
THE GLASS HOUSE  
6<sup>th</sup> Floor, Plot : 02, Block : SE (B)  
Gulshan Avenue, Dhaka-1212, Bangladesh  
Tel : +88 (02) 222297139  
Fax : +88 (02) 222297140

Registered Office :  
House No : 01, Road No : 01  
Sector No : 01, Uttara, Dhaka-1230  
Web : www.marico.com/bangladesh

## Annexure-B



**Al-Muqtadir Associates**  
Chartered Secretaries & Consultants

efforts umpteenth : প্রয়াস অন্তহীন

**Business Office :**  
House # 412, Apartment - 8  
Road: 08, Block - D  
Bashundhara R/A, Dhaka - 1229  
Bangladesh

Phone : 01730 340 340  
e-mail: muqtadir@muqtadirbd.com  
g-mail: akamuqtadir@gmail.com  
VAT Reg: 19041063900  
BIN No : 000179575-0202

### Report to the Shareholders of Marico Bangladesh Limited on compliance with the Corporate Governance Code

[As required under code I(5) (xxvii) of the BSEC Code of Corporate Governance]

We have examined the compliance status to the Corporate Governance Code by **Marico Bangladesh Limited** for the year ended on 31st March 2022. This code relates to the gazette notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code 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 Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance Code as well as provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of the Corporate Governance Code.

We state that we have obtained all the information and explanations or representations, which we have required, and after due scrutiny and verification thereof, we report that in our opinion and subject to the remarks and observations as reported in the connected Compliance Statement :

- The Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- Proper books and records have been kept by the Company as required under the Companies Act 1994, the securities laws and other relevant laws, and
- The standard of governance in the Company is satisfactory.

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2022.

**Al-Muqtadir Associates**  
Chartered Secretaries & Consultants



Dhaka, June 28, 2022

A.K.A. Muqtadir FCS  
CEO & Chief Consultant

# STATEMENT OF COMPLIANCE

## ANNEXURE-C

### As per condition No. 1(5) (xxvii)

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
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);	√		As at March 31, 2022 the Board of Marico Bangladesh Limited (MBL) comprised of 7 Directors.
<b>1(2)</b>	<b>Independent Directors</b>			
1(2) (a)	At least one-fifth (1/5) of the total number of directors	√		As at March 31, 2022 there are three Independent Directors on Board, viz: Mr. Zakir Ahmad Khan, Ms. Parveen Mahmud and Mr. Ashraful Hadi which is more than 1/5 <sup>th</sup> of the total number of Directors.  Mr. Ashraful Hadi completed his second term on 24 April 2022.
1(2)(b)(i)	Does not hold any share or holds less than 1% shares of the total paid-up shares of the Company	√		As declared by the Independent Directors
1(2)(b)(ii)	Not a sponsor/not connected with any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds 1% or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members are also not allowed to hold more than 1% shares of the total paid-up shares of the Company	√		As above
1(2)(b)(iii)	Not an executive of the Company in immediately preceding 2 (two) financial years	√		As above
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated Companies	√		As above
1(2)(b)(v)	Not a member or TREC holder/director/officer of any stock exchange	√		As above
1(2)(b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of any stock exchange or an intermediary of the capital market	√		As above

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(2)(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any concerned statutory audit firm or any firm that is already engaged with the Company	√		As above
1(2)(b)(viii)	Not an independent director in more than 5 (five) listed companies	√		As above
1(2)(b)(ix)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a NBF	√		As above
1(2)(b)(x)	Not been convicted for a criminal offence involving moral turpitude	√		As above
1(2)€	Shall be appointed by the Board and approved by the shareholders in the AGM	√		In practice.
1(2)(d)	The post cannot remain vacant for more than 90 (ninety) days	√		No post remained vacant for more than 90 (ninety) days.
1(2)€	The tenure of office shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. A former independent director may be reappointed for another tenure after a time gap of 3 years from his/her completion of consecutive two tenures. The independent directors shall not be subject to retirement by rotation	√		The Independent Directors (IDs) are in their regular term of office.  Mr. Zakir Ahmad Khan and Ms. Parveen Mahmud were appointed to the Board on September 22, 2020 and are currently in their first term of office.  Mr. Ashraful Hadi completed his second term on 24 April 2022.
<b>1(3)</b>	<b>Qualification of Independent Directors</b>			
1(3)(a)	shall be a knowledgeable individual with integrity and able to ensure compliance with relevant laws as well as able to make meaningful contribution to the 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)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million/ any listed company/a member of any national or international chamber of commerce or business association or	√		Do
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company;	√		Do

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 <sup>th</sup> grade of the national pay scale having minimum bachelor degree in economics/commerce/business or law	N/A		Do
1(3)(b)(iv)	University Teacher having educational background in Economics or Commerce or Business Studies or Law;	N/A		Not Applicable
1(3)(b)(v)	Practicing advocate at least in the High Court Division of Bangladesh Supreme Court/CA/CMA/CFA/CCA/CS/equivalent qualification	√		The qualification and background of the IDs are commensurate to the requirements of the position and are stated in the Directors' Profile.
1(3)€	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		All independent directors have more than Ten years of experiences
1(3)(d)	Relaxation in special cases as to qualifications of independent director	N/A		No such instance
<b>1(4)</b>	<b>Duality of chairperson of the Board of Directors and Managing Director or Chief Executive office</b>			
1(4)(a)	The posts of Chairman of the Board and Chief Executive Officer are to be filled by different individuals.	√		The Chairman of the Board and CEO are different individuals and the Chairman is elected from amongst the Directors. Mr. Saugata Gupta is the Chairman and Mr. Ashish Goupal is the Managing Director.
1(4)(b)	MD shall not hold same position in any other listed company	√		No such instance
1(4)€	Chairperson shall be a non-executive director	√		In Practice
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		Role and Responsibilities of the Chairperson are clearly described in the Corporate Governance Report and those of the Managing Director are defined in the Articles of Association
1(4)€	In the absence of regular chairperson, the other members shall elect a non-executive director to chair that particular meeting	√		In Practice
<b>1(5)</b>	<b>Directors' Report to Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry	√		Disclosed in the Director's Report page 93
1(5)(ii)	The segment-wise or product-wise performance	√		As above
1(5)(iii)	Risks and concerns	√		As above
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		As above
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications (gain or loss)	√		As above

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(5)(vi)	A detailed discussion on related party transactions	√		As above
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	√		As above
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.	√		As above
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	√		As above
1(5)(x)	Remuneration paid to the directors including independent directors	√		As above
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	√		As above
1(5)(xii)	Maintenance of proper books of accounts	√		As above
1(5)(xiii)	Adoption of appropriate & consistent accounting policies and estimates	√		As above
1(5)(xiv)	Follow of IAS, IFRS in preparation of the financial statements and any departure there from has been adequately disclosed	√		As above
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		As above
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		As above
1(5)(xvii)	A statement that there is no significant doubt 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 there of shall be disclosed	√		As above
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		As above
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		As above
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	√		The Company Declared Interim Cash Dividend of 600% and recommended 200% final cash dividend. A total of 800% cash dividend has been declared for the year ended on 31 <sup>st</sup> March 2022

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		Disclosed in the Director's Report
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director	√		Disclosed in the Director's Report
1(5)(xxiii)	<b>A report on the pattern of shareholding disclosing the aggregate number of shares held by :-</b>			
(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	N/A		Disclosed in Annexure-I page 133 of the Director's Report
(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		Disclosed in the Director's Report
(c)	Executives and	√		Disclosed in the Director's Report
(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	√		Disclosed in the Director's Report
1(5)(xxiv)	<b>In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-</b>			
(a)	a brief resume of the director	√		Stated in the Profile of the Board
(b)	nature of his or her expertise in specific functional areas and	√		Stated in the Profile of the Board
(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board	√		Stated in the Profile of the Board
1(5)(xxv)	<b>A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:</b>			
(a)	accounting policies and estimation for preparation of financial statements	√		Presented in Management's Discussion and Analysis at page 102
(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		Presented in Management's Discussion and Analysis
(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		Presented in Management's Discussion and Analysis
(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		Presented in Management's Discussion and Analysis
(e)	briefly explain the financial and economic scenario of the country and the globe	√		Presented in Management's Discussion and Analysis

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company and	√		Presented in Management's Discussion and Analysis
(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		Presented in Management's Discussion and Analysis
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A and	√		Attached with the Director's Report
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		Attached with the Director's Report
<b>1(6)</b>	<b>Meeting of the Board</b> Shall conduct Board meetings and record the minutes as per BSS	√		Duly conducted the Board meetings and recorded the minutes as per BSS and the BSEC Notifications pertaining to meetings on digital platform.
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	Code of conduct for the Chairman, other Board members and Chief Executive Officer	√		In Practice
1(7)(b)	Availability of Code of Conduct on the website of the Company	√		The Code of Conduct available on the website of the Company at <a href="https://marico.com/bangladesh/about-us/code-of-conduct">https://marico.com/bangladesh/about-us/code-of-conduct</a>
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company:</b>			
2(a)	Same provisions shall be applicable for composition of the Board of the holding and the Board of the subsidiary	N/A		
2(b)	At least one independent director on the Board of the holding Company shall be a director on the Board of the subsidiary Company	N/A		
2(c)	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		
2(d)	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		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		



Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
3(1)	<b>MD or CEO, CFO, Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-</b>			
3(1)(a)	Appointment of MD or CEO, CFO, HIAC and CS	√		Complied
3(1)(b)	Different individuals are in the position of MD or CEO, CFO, HIAC and CS	√		Mr. Ashish Goupal is the Managing Director, Mr. Elias Ahmed is the Chief Financial Officer, Ms. Christabel Randolph is the Company Secretary and Mr. Fahatul Islam is the Head of Internal Audit & Compliance (replacing Mr. Atiar Rahman during the year).
3(1)(c)	The MD or CEO, CS, CFO and HIAC don't hold any executive position in any other company at the same time	√		In Practice
3(1)(d)	Clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		In Practice
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		In Practice
3(2)	Attendance in the meetings of the Board of MD or CEO, CS, CFO and HIAC	√		In Practice
3(3)(a)	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to certify to the Board that the financial statements-</b>			
3(3)(a)(i)	Does not contain materially untrue statement and omit any material fact in the financial statements certified by MD & CFO	√		In Practice
3(3)(a)(ii)	True & fair view of financial statements certified by MD & CFO	√		In Practice
3(3)(b)	Certification of MD and CFO regarding financial statements	√		Given in the Annual Report at page 119
3(3)(c)	Annual Report contains certification of MD & CFO on financial statements	√		Do
<b>4</b>	<b>Board of Directors' Committee</b>			
4(i)	An Audit Committee	√		In Practice
4(ii)	A Nomination & Remuneration Committee	√		In Practice
<b>5</b>	<b>Audit Committee</b>			
5(1)(a)	The Company shall have an Audit Committee as a subcommittee of the Board of Directors	√		In Practice
5(1)(b)	Assistance of the Audit Committee to the Board	√		In Practice
5(1)(c)	Responsible to the Board and the duties of the Audit Committee shall be clearly set forth in writing	√		There is an Audit Committee with roles and responsibilities clearly defined in its Charter

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
5(2)	<b>Audit Committee composition:</b>			
(a)	at least 3 members	√		The Audit Committee is comprised of 5 (Five) members
(b)	All members are to be non-executive directors except chairman of the board and one member shall be an independent director	√		In Practice. The Committee is comprised of 3(three) Independent Directors and 2(two) non-Executive directors. The Managing Director is a permanent invitee to the committee.
(c)	Financial literacy & minimum 10 years' experience of members	√		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.
5(2)(d)	Vacancy of office of audit committee member, in case of his/ her expiry or inability to hold office	√		Mr. Ashraf Hadi, Independent Director, completed his second term on the Committee which expired on 24 April 2022 soon after the period under review.
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		In Practice
5(2)(f)	At least 1 (one) independent director in quorum of the committee	√		In Practice
5(3)(a)	An independent director shall be Chairman of the committee	√		Ms. Parveen Mahmud, Independent Director is Chairperson of the Committee
5(3)(b)	Chairman in the absence of regular Chairman of the Committee	√		There were no such instance during FY 2020-21.
5(3)(c)	Audit Committee Chairman's presence in Annual General Meeting	√		In Practice
5(4)(a)	At least its four meetings in a financial year	√		Total 4 meetings were held in the year
5(4)(b)	Quorum: two members or 2/3 of total audit committee member	√		In Practice
5(5)(a)	Oversee the financial reporting process	√		In Practice
5(5)(b)	Monitor choice of accounting policies and Principles	√		In Practice
5(5)(c)	Monitor Internal Audit & Compliance Process	√		In Practice
5(5)(d)	Oversee hiring and performance of external Auditors	√		In Practice
5(5)(e)	Meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		In Practice

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval	√		In Practice
5(5)(g)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		In Practice
5(5)(h)	Review the adequacy of internal audit Function	√		In Practice
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		In Practice
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		In Practice
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		In Practice
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		In Practice
5(5)(m)	Oversee about the uses/applications of funds raised through IPO or RPO or Rights Share Offer	N/A		There was no IPO/RPO/Rights issue in 2020-21 or in the recent past.
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
5(6)(a)(i)	Reporting to the Board of Directors	√		Audit Committee reports to the Board and key agenda such as approval of financial statements, review of major investments and litigation decisions are adopted at the audit committee prior to placing the same before the Board.
5(6)(a)(ii)(a)	Report on conflicts of interests	√		In practice
5(6)(a)(ii)(b)	Report on suspected or presumed fraud or irregularity or material defect in internal audit/financial statements	√		In Practice
5(6)(a)(ii)(c)	Report on suspected infringement of laws & regulatory compliances	√		In Practice
5(6)(a)(ii)(d)	Any other matter deems necessary to disclose	√		In Practice
5(6)(b)	Report on unreasonably ignored rectification to the Commission	√		No such situation arose during the year.
5(7)	Reporting to the Shareholders and General Investors	√		The Audit Committee Report, signed by the Chairman is presented in this Annual Report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
6(1)(a)	NRC as a sub-committee of the Board	√		Already in place
6(1)(b)	Assists the Board in formulating NRC policy	√		The NRC duly discharged its responsibilities
6(1)(c)	Clearly defined terms of reference of NRC	√		There is a clearly defined terms of reference and charter of the NRC duly reviewed and approved by the Board.
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2)(a)	At least three members including an independent director	√		The NRC is comprised of 3 (Three) permanent members and 2 (Two) advisory (non-voting) Members, and the Chairman of the Board is the permanent invitee to the Committee.
6(2)(b)	All members of the Committee shall be non-executive directors	√		In Practice
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board	√		In Practice
6(2)(d)	The Board reserve the authority to remove and appoint any member of the Committee;	√		In Practice
6(2)(e)	The Board shall fill the vacancy in case of death, resignation, disqualification, or removal of any member	√		No such instance arose during the year
6(2)(f)	The Chairperson may appoint external expert for advice or suggestion	√		No such requirement arose during the year
6(2)(g)	The company secretary shall act as the secretary of the Committee	√		In Practice
6(2)(h)	Quorum: with at least an independent director	√		In Practice
6(2)(i)	No remuneration other than director fees/ honorarium for any member	√		In Practice
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	Chairman: an independent director	√		In Practice. Mr. Zakir Ahmad Khan, Independent Director is the Chairman of the Committee
6(3)(b)	In the absence of regular Chairman, Chairman from other members	√		No such instance arose during the year
6(3)©	Chairman's presence in annual general meeting	√		In Practice
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	At least one meeting in a financial year	√		In practice. The NRC met 4 times in the last year.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
6(4)(b)	Any emergency meeting upon request by any member of the NRC	√		No such instance arose during the year
6(4)©	Quorum: Higher of two members or 2/3 of total members including at least one independent director	√		All meetings fulfilled the necessary quorum requirement.
	Confirmation of minutes in the next meeting of the NRC	√		In Practice
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5)(a)	Shall be independent and responsible or accountable to the Board and to the shareholders	√		In Practice
6(5)(b)	<b>NRC shall oversee, among others, following matters and make report with recommendation to the Board:-</b>			
6(5)(b)(i)				
6(5)(b)(i)(a)	The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	√		In practice
6(5)(b)(i)(b)	Clear relationship among remuneration, performance & benchmarks	√		In Practice
6(5)(b)(i)(c)	Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	√		In Practice
6(5)(b)(ii)	Devising a policy on Board's diversity	√		In Practice
6(5)(b)(iii)	Identification of directors and top level executives and recommendation for appointment and removal	√		In Practice
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	√		In Practice
6(5)(b)(v)	Identifying needs for employees and determine their selection, transfer or replacement and promotion criteria	√		In Practice
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	√		In Practice
6(5)(c)	Nomination and remuneration policy, the evaluation criteria and activities of NRC during the year in its annual report.	√		Disclosed in the Annual Report
<b>7</b>	<b>External or Statutory Auditors</b>			
7(1)(i)	Not involved in appraisal or valuation services or fairness opinions	√		As declared by the Auditors
7(1)(ii)	Not involved financial information systems design and implementation	√		Do

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
7(1)(iii)	Not involved in book-keeping or other services related to the accounting records or financial statements	√		Do
7(1)(iv)	Not involved as broker-dealer services	√		Do
7(1)(v)	Not involved in actuarial services	√		Do
7(1)(vi)	Not involved in internal audit services or special audit services	√		Do
7(1)(vii)	Not involved in any service that the Audit Committee determines	√		Do
7(1)(viii)	Not involved in audit or certification services on compliance of corporate governance	√		Do
7(1)(ix)	Not involved in any other service that creates conflict of interest	√		Do
7(2)	No partner or his/ her family or employees of the external audit firms hold any share at least during audit work	√		Do
7(3)	Auditors' or their representative presence in the AGM	√		In Practice
<b>8</b>	<b>Maintaining a website by the Company</b>			
8(1)	An official website linked with the website of the stock exchange	√		The official website of the company for the benefit of its shareholders and public at large is <a href="https://marico.com/bangladesh">https://marico.com/bangladesh</a>
8(2)	A website functional from the date of listing	√		In practice
8(3)	Available detailed disclosures on its website as required under the listing regulations of the stock exchange(s).	√		All shareholder information since listing is available in the "Investor Relations" section of the website
<b>9</b>	<b>Reporting and Compliance of Corporate Governance.-</b>			
9(1)	Compliance certificate on Corporate Governance Code of the Commission in the Annual Report.	√		Required Certification has been obtained from M/s Al-Muqtadir Associates, Chartered Secretaries, for the year 2021-22 which is presented in this Annual Report
9(2)	The compliance auditor shall be appointed by the shareholders in the AGM	√		The Board at its 114 <sup>th</sup> meeting appointed M/s Al-Muqtadir Associates, Chartered Secretaries as compliance auditor for the financial years 2020-21 and 2021-22 and the appointment was placed before the shareholders at the 21 <sup>st</sup> Annual General Meeting
9(3)	Annexure-C attached in the directors' report	√		Required Annexure-C is presented in this Annual Report at page 121

# SHAREHOLDING PATTERN

## ANNEXURE-I

### (a) Shareholding details of Parent or Subsidiary or Associated Companies as on 31st March, 2022

Name	Status	Number of shares held*
Marico Limited	Parent Company	28,350,000

\* Out of which, 1 (One) Share is held by Mr. Harsh Mariwala, Promoter/Sponsor of the Company

### (b) Shareholding details of Director, CEO, CFO, CS and HIAC and their spouses and minor children as on 31st March, 2022

Name	Position	Number of shares held
Ms. Parveen Mahmud	Independent Director	Nil
Mr. Zakir Ahmad Khan	Independent Director	Nil
Mr. Ashraful Hadi	Independent Director	Nil
Mr. Saugata Gupta	Director	1
Mr. Sanjay Mishra	Director	1
Mr. Pawan Agrawal	Director	Nil
Mr. Ashish Goupal	Managing Director	Nil
Mr. Elias Ahmed	CFO	Nil
Ms. Christabel Randolph	Company Secretary	Nil
Mr. Atiar Rahman	Head of Internal Audit & Compliance (till 19th March 2022)	Nil

### (c) Shareholding details of top 5 salaried executives of the Company as on 31st March, 2022

Name	Position	Number of shares held
Mr. Md. Saiful Alam	Director - Manufacturing	Nil
Mr. Allen Ebenezer Eric	Director - Marketing	Nil
Mr. Md. Habibur Rahman	Director - Supply Chain (till 9 September 2021)	Nil
Mr. Shyamal Kishore	Director - Human Resources	Nil
Mr. Baldev Das Mall	Head - Commercial	Nil
Mr. Zahedur Rahman	Director - Supply Chain (from 1 December 2021)	Nil

### (d) Shareholders holding ten percent or more voting interest in the Company

Name	Status	Number of shares held
Marico Limited	Parent Company	28,350,000

# DIVIDEND PATTERN

## ANNEXURE-II

The cash dividend granted by the Company since its listing on the Stock Exchanges is described below:-

	Q1	Q2	Q3	Mid-Q	Q4	H2	EXT Q5	EXT Q6	Total
FY'09						25%			25%
FY 10-11						20%		25%	45%
FY'12			100%						100%
FY'13		100%				50%			150%
FY'14	150%	200%	500%			50%			900%
FY'15	150%		225%			50%			425%
FY'16		300%	100%		50%				450%
FY'17	150%	300%			50%				500%
FY'18	-	250%	250%		100%				600%
FY'19	150%	250%		200%	50%				650%
FY'20	250%	200%	300%		200%				950%
FY'21	300%	200%	200%		200%				900%
FY' 22	200%	200%	200%		200%				800%

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 that shareholders' value is maximized.

This year our Board of Directors declared respectively 200% interim cash dividends on Q1, Q2 and Q3 earnings disclosure, all of which have been subsequently paid and the Board has announced a final cash dividend of 200% on earnings disclosure of Q4, which if approved by the shareholders at the 21st AGM will take the dividend tally to 800%. The dividend declared in FY 22 reflects the Company's approach of balancing wealth distribution with working capital needs and maintaining healthy retained earnings.



# DIVIDEND DISTRIBUTION POLICY

## 1. Objective

The objective of this Dividend Distribution Policy (**“the Dividend Distribution Policy”**) is to ensure the right balance between the quantum of dividend paid and profits retained in the business for various purposes. In addition, this Policy will also ensure that the distribution of dividend is implemented pursuant to the applicable legislation in the interests of the shareholders and the Company and will also address the management of unclaimed dividends.

## 2. Scope and Legal Basis

This Dividend Policy sets out the principles applicable to the declaration and distribution of dividend to be made by the Company in accordance with its Articles Of Association and applicable laws.

This Policy has been prepared pursuant to the Directive dated 14th January 2021 bearing reference No. BSEC/CMRRCD/2021-386/03 issued by the Bangladesh Securities and Exchange Commission (BSEC). In accordance with the BSEC Directive dated 7th March 2021 bearing reference No. BSEC/CMRRCD/2021-388/07 compliance under the Directive dated 14th January 2021 will commence from 1st July 2021.

## 3. Philosophy

The philosophy of the Company is to maximize shareholders’ wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter declare and distribute profits in the form of Dividend to the shareholders.

## 4. Definitions

Unless repugnant to the context:

**“Act”** shall mean the Companies Act, 1994 including the Rules made thereunder, as amended from time to time.

**“Applicable Laws”** shall mean the Companies Act, 1994 and rules made thereunder, the Securities and Exchange Laws, the Stock Exchanges’ Listing Regulations and such other Rules, Regulations, Directive, Circular and Order

relating to declaration, entitlement, and distribution of Dividend.

**“Company”** shall mean Marico Bangladesh Limited.

**“Chairman”** shall mean the Chairman of the Board of Directors of the Company.

**“Board”** or **“Board of Directors”** shall mean the Board of Directors of the Company.

**“Dividend”** means any sum payable or distributed to members/shareholders out of profits or reserves of the Company available for that purpose, for a particular period, against each share the member/shareholder owns.

**“MD & CEO”** shall mean Managing Director and Chief Executive Officer of the Company.

**“Policy or this Policy”** shall mean this Dividend Distribution Policy.

## 5. Interpretation

In this Policy, unless the contrary intention appears:

- (a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- (b) a reference to a clause number includes a reference to its sub-clauses;
- (c) words in singular number include the plural and vice versa;
- (d) Words and expressions used and not defined in this Policy but defined in Companies Act, 1994 or rules made thereunder or Securities and Exchange Commission Act, 1992 or regulations made thereunder or Depositories Act, 1999 and Articles of Association of the Company shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

## 6. Principles of declaration of Dividend

Dividend shall be declared on per share basis on the Ordinary shares of the Company. Presently, the Authorised Share Capital of the Company is divided into equity/ordinary shares of face value BDT 10 each. The Company has no other class of shares. The Board shall recommend or declare the amount of dividend on each share based on financial parameters set out below:

### 6.1 Internal Factors

- (a) Consolidated net operating profit after tax;
- (b) Working capital requirements;
- (c) Capital expenditure requirements;
- (d) Resources required to fund acquisitions and / or new businesses
- (e) Cash flow required to meet contingencies;
- (f) Outstanding borrowings
- (g) Past Dividend Trends

### 6.2 External Factors

- (a) Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws.

### 6.3 The shareholders of the Company may not expect Dividend under the following circumstances:

- (a) Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- (b) Significantly higher working capital requirements adversely impacting free cash flow;
- (c) Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- (d) Whenever it proposes to utilise surplus cash for buy-back of securities; or
- (e) In the event of inadequacy of profits or whenever the Company has incurred losses.
- (f) Any rules, Directive or guidance issued by BSEC on declaration or distribution of dividend.

The Board may consider not declaring Dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. The Board will provide rationale in the Annual Report in the event of not declaring Dividend.

### 7. Procedure for Declaration and Distribution of Dividend

- 7.1 The Chief Financial Officer (CFO) in consultation with the MD & CEO, and the Company Secretary of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.

- 7.2 Where Dividend declaration or recommendation is proposed for consideration of the Board it shall be a specific agenda for consideration.

- 7.3 Pursuant to the provisions of applicable laws and this Policy, interim Dividend (if any) declared by the Board of Directors may be paid to the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company. No larger Dividends shall be declared than is declared or recommended by the Board of Directors. However, the Company in Annual General Meeting may declare a smaller Dividend.

- 7.4 The stock-broker or a merchant banker or a portfolio-manager of the margin client or customer shall request the Company within 7 (seven) days from the Record Date to pay the Dividends into respective account maintained by the stock broker or a merchant banker or a portfolio manager of the margin client or customer. All such requests shall be made to the designated email address of the Company for this purpose and may also be delivered to the Company by any other means.

- 7.5 The Company shall pay all Dividends in accordance with this Policy through BEFTN.

- 7.6 The Company shall ensure compliance to applicable laws and this Policy in relation to Dividend declaration and distribution by the Company.

### 8. Unpaid or Unclaimed Dividend

Pursuant to the Directive No. BSEC/CMRRCD/2021-386/03 dated 14.01.2021, the Company shall maintain a Bank Account namely "Unclaimed Dividend Account", where unpaid or unclaimed Dividend shall be kept for a period of 3 (three) years from the date of declaration or approval date or record date. After elapse of the afore-mentioned period, if any Dividend remains unpaid or unclaimed or unsettled, such Dividend along with accrued interest shall be transferred to a Fund maintained by Bangladesh Securities Exchange Commission.

### 9. Procedure for claiming unpaid Dividend

- 9.1 The Company has a mechanism in place for claiming unpaid or unclaimed Dividend which is as follows:

- 9.1.1 Shareholders are required to make an "Application for Unpaid Dividend" in the format set out in this Policy.

For the ease of shareholders, the Application Form is available on the Company website and at its office.

9.1.2 Shareholders may apply in person at the Corporate Office of the Company or submit their application over email to [secretarial.mbl@marico.com](mailto:secretarial.mbl@marico.com)

9.1.3 Unpaid Dividends will be paid to the shareholders, upon verification of the relevant BO ID information, cell phone number and email address maintained with the Central Depository of Bangladesh Limited (CDBL)

9.1.4 Unpaid Dividends will be paid through issuance of Dividend warrant/BEFTN/other banking channels within 15(Fifteen) working days.

9.2 For the avoidance of doubt, all Dividend payments from the Company shall be subject to applicable taxes and shall not bear any interest or whatsoever.

## 10. Disclosure of Dividend Information

The Company maintains a record of unpaid or unclaimed Dividend. Summary of such record shall be available in the Annual Report and in the Quarterly Financial

Statements. The Company shall also publish such record in its website in accordance with the Directive No. BSEC/CMRRCD/2021-386/03 dated 14.01.2021.

## 11. General

This Dividend Policy would be subject to revision/ amendment in accordance with changes in applicable laws or the guidelines issued by BSEC or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Board shall review this Policy annually. Upon recommendation of the Board, the Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

# SUMMARY OF UNCLAIMED DIVIDEND

## Year-wise summary of unclaimed/ unpaid dividend transferred to Capital Market Stabilization Fund (CMSF)

SL no	Financial Year	Dividend Type	Rate of Dividend	Total Dividend	Record Date	Transfer to CMSF(Capital Market Stabilisation Fund)	Transferred Date of CMSF	
1	2009	Final	25%	78,750,000	13-Dec-09	1,483,419	24-Nov-21	
2	2011	Interim	25%	78,750,000	2-Nov-10	611,264	11-Jan-22	
		Final	20%	63,000,000	8-May-11	584,212	11-Jan-22	
3	2012	Interim	100%	315,000,000	1-Feb-12	2,148,331	24-Nov-21	
4	2013	Interim	100%	315,000,000	4-Nov-12	434,628	20-Sep-21	
		Interim	50%	157,500,000	2-Jul-13	711,408		
6	2014	Interim	150%	472,500,000	4-Aug-13			673,040
7	2015	Interim	150%	472,500,000	7-Aug-14	57,406		
6	2014	Interim	150%	472,500,000	6-Nov-13			673,040
		Interim	500%	1,575,000,000	12-Mar-14			
7	2015	Final	50%	157,500,000	2-Jul-14	57,406		
		Interim	225%	708,750,000	29-Jan-15	303,527		31-Aug-21
8	2016	Final	50%	157,500,000	18-Jun-15	62,241		27-Oct-21
		Interim	300%	945,000,000	8-Nov-15	385,458		31-Aug-21
9	2017	Interim	100%	315,000,000	15-Feb-16	119,718	31-Aug-21	
		Final	50%	157,500,000	17-Aug-16	128,168	31-Aug-21	
		Interim	150%	472,500,000	22-May-16	212,010	31-Aug-21	
10	2018	Interim	300%	945,000,000	10-Nov-16	449,055	31-Aug-21	
		Final	50%	157,500,000	17-Jul-16	85,073	27-Oct-21	
		Interim	250%	787,500,000	14-Nov-17	377,884	31-Aug-21	
11	2019	Interim	250%	787,500,000	12-Feb-18	403,909	31-Aug-21	
		Interim	250%	787,500,000	7-Jun-18	113,425	31-Aug-21	
		Final	100%	315,000,000	9-Aug-18	183,894	31-Aug-21	

## Year-wise summary of unclaimed/unpaid dividend as on 31 March 2022

SL no	Financial Year	Dividend Type	Rate of Dividend	Total Dividend	Record Date	Unclaimed Dividend as on 31 March 2022
1	2019	Interim	250%	787,500,000	15-Nov-18	211,283
		Interim	200%	630,000,000	18-Apr-19	294,780
		Final	50%	157,500,000	30-May-19	
2	2020	Interim	250%	787,500,000	20-Aug-19	
		Interim	200%	630,000,000	12-Nov-19	288,947
		Interim	300%	945,000,000	18-Feb-19	4,104,001
3	2021	Final	200%	630,000,000	18-Jun-20	262,971
		Interim	300%	945,000,000	16-Aug-20	345,353
		Interim	200%	630,000,000	17-Nov-20	201,303
4	2022	Interim	200%	630,000,000	15-Feb-21	566,582
		Final	200%	630,000,000	27-May-21	815,740
		Interim	200%	630,000,000	18-Aug-21	751,988
		Interim	200%	630,000,000	11-Nov-21	332,866
		Interim	200%	630,000,000	27-Feb-22	
		Final	200%	630,000,000	26-May-22	
Unclaimed Dividend as on 31 March 2022						8,138,333

\*Total value of Unclaimed dividend represent balance after all adjustments.

# MARICO CODE OF CONDUCT



Marico has a uniform Code of Conduct (CoC) that applies to all business units within the Marico group and to all directors (executive and non-executive), members, interns, apprentices, secondees and third parties or business associates who act on behalf of the Company.

Marico’s sustainable growth story rests on an empowering work culture based on trust and accountability. The

unique culture at Marico is based on our values which is the DNA of our organization, immersed in every member across hierarchies and geographies. The Code makes sure that all businesses conducted by Marico in any capacity are done in an ethical and sustainable manner while being beneficial to all our stakeholders. It helps us take the right decisions, especially during challenging or conflicting/ambiguous moments. The CoC defines what is expected from members and associates alike. The CoC is a set of guidelines highlighting the desired behaviors and actions from our members to:

- conduct our business in an ethical manner and
- ensure highest levels of governance across the organization
- enable discrimination & harassment free work environment.
- create a work environment that is conducive to members & associates alike, based on our values and culture

In the event of a conflict between any provision of the CoC and the law of land, the law will always prevail and the management will take immediate steps to align the provisions of the CoC with applicable laws.

## Core Elements of the CoC



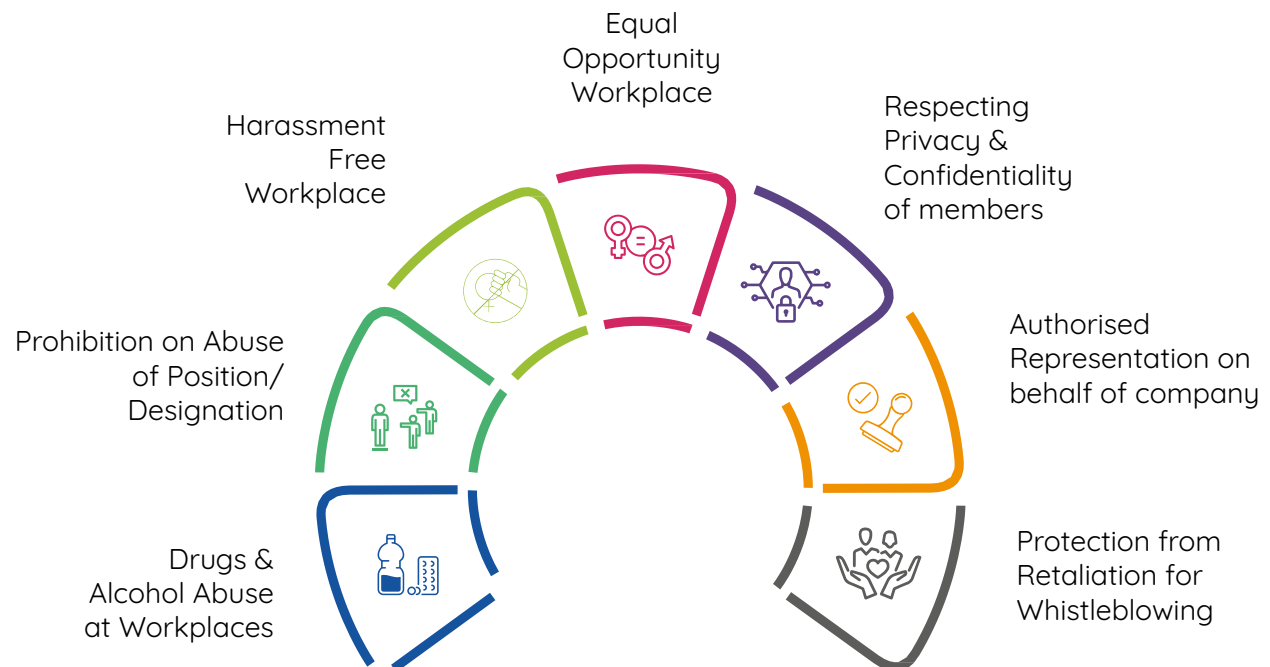
## Business Integrity Encompasses



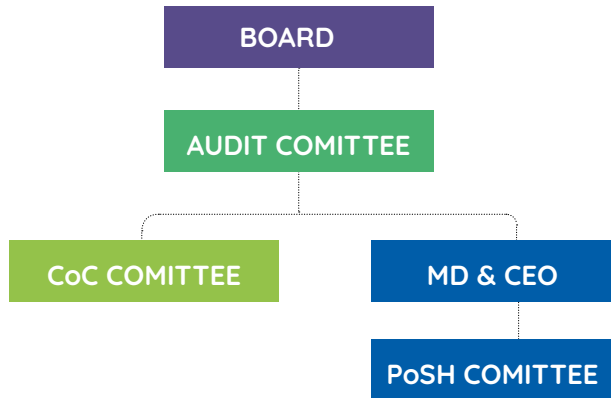
## Company Assets, Financial Integrity & Confidentiality Includes

COMPANY ASSETS	FINANCIAL INTEGRITY	CONFIDENTIALITY
<ul style="list-style-type: none"> <li>• Usage of Company Assets</li> <li>• Electronic Usage</li> </ul>	<ul style="list-style-type: none"> <li>• Maintenance of accurate records</li> <li>• Dissemination of financial information</li> <li>• Employment records</li> <li>• Adherence to company's policies &amp; SOPs involving use of company's funds</li> <li>• Prohibition of Insider Trading</li> </ul>	<ul style="list-style-type: none"> <li>• Confidential Information</li> <li>• Information Security</li> </ul>

## Workplace Integrity Encompasses



## Administration & Governance of Code



Administration & Governance of the CoC is ensured at the highest level with the Nomination & Remuneration Committee exercising regular oversight over the functioning of the CoC, issues reported and actions taken

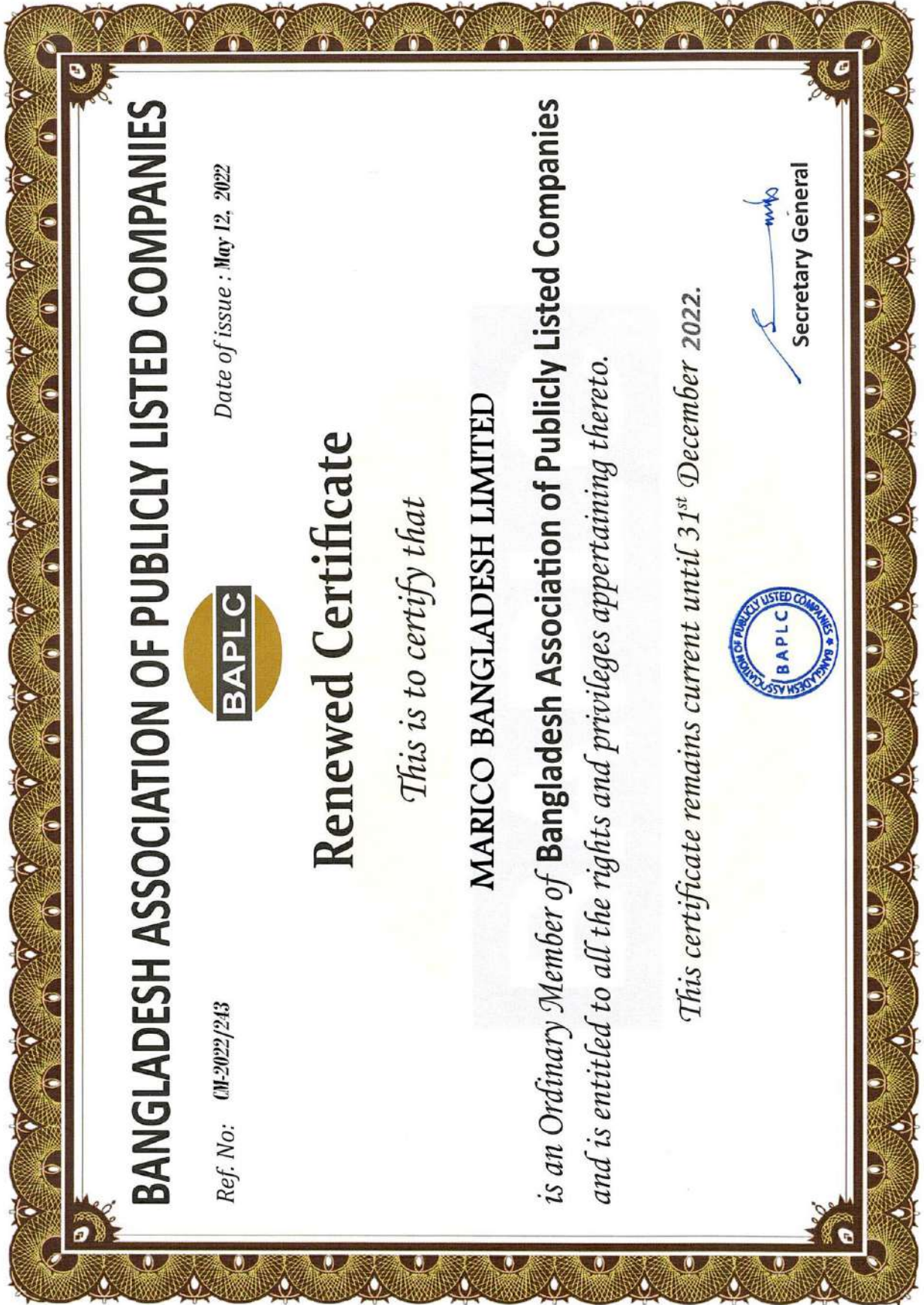
The Prevention of Sexual Harassment Committee was formed in 2009 in accordance with the Directives issued by the Hon'ble High Court Division in Petition No. 5916 of 2008.

Marico was one of the first among multinational and listed companies to frame a Prevention of Sexual Harassment Policy and implement the internal committee mechanism as per the High Court Directive



A 360° Ethics & Compliance Program is run to educate members, business associates and vendors towards preventing breaches and encouraging reporting of the same

# BAPLC CERTIFICATE



## BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2022/243

Date of issue : May 12, 2022



### 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 31<sup>st</sup> December 2022.*





Secretary General



# ANNUAL REPORT CHECKLIST

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# SHAREHOLDERS' INFORMATION

# NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING

NOTICE is hereby given to all Members/Shareholders of **Marico Bangladesh Limited** that the 22nd Annual General Meeting (AGM) of the Company will be held on **Tuesday, 26<sup>th</sup> July 2022 at 10.00 A.M.** via digital platform hosted from the Corporate Office of the Company to transact the following businesses:

## AGENDA

### Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2022 together with the Reports of the Directors and the Auditors thereon.
2. To approve Final Dividend for the year ended March 31, 2022 as recommended by the Board of Directors of the Company.
3. To approve appointments to the Board including appointment(s) of Managing Director and Independent Director.
4. To elect/re-elect Directors due to rotation & retirement.
5. To re-appoint A. Qasem & Co as Statutory Auditors of the Company and fix their remuneration for the financial year ending March 31, 2023.

### Special Business

6. Pursuant to BSEC notification no. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021, to consider and approve the related party transactions between the Company and its associated company, Marico Limited and Marico Middle East, as set out in Note 27 of the Auditor's Report & Financial Statements of the Company to approve related party transactions in the Financial Year 2022-23, for sale or purchase of assets in excess of 1% and for the sale or purchase of raw material, packaging material or finished goods in excess of 10% of the Company's revenue for Financial Year 2021-22, in the normal course of business and on an arm's length basis.

Dhaka

**Date: 2 June 2022**

Corporate Office:

**Marico Bangladseh Limited**

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

Gulshan Avenue, Dhaka-1212

By Order of the Board

For, **Marico Bangladesh Limited**



**Chirstabel Randolph**

Company Secretary

### NOTES:

1. Members whose names appear in the member/Depository Register of the company as recorded in the CDBL database on the Record Date i.e. Thursday, May 26, 2022 are eligible to attend the 22nd Annual General Meeting (AGM) and receive the final dividend approved at the AGM.
2. A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead. The "Proxy Form", duly filled, signed and stamped at BDT 20 must be sent through email to the Company's secretarial department at **secretarial.mbl@marico.com** no later than 72 hours before commencement of the AGM.
3. Members/Shareholders are requested to update their respective BO Accounts with their relevant information

including 12-digit Taxpayers' Identification Number (TIN), bank account details including routing number, e-mail address, cell phone number and mailing address, through their respective Depository Participants.

4. Pursuant to the Bangladesh Securities and Exchange Commission's Directives dated 23rd March 2021 under Reference Number: BSEC/CMRRCD/2009-193/12 the 22nd Annual General Meeting will be a virtual meeting conducted via live webcast through digital platform.
5. The Company will send the Annual Report 2022 with Proxy Form and Attendance Slip in soft format to the e-mail of the shareholders as per their BO account details maintained with CDBL. In case of non-receipt of Annual Report 2022 sent through email, shareholders may collect the same from the company's website: **[www.marico.com/bangladesh](http://www.marico.com/bangladesh)**.
6. The joining details and Frequently Asked Questions (FAQs) will be available in the Annual Report and published on the Investor Relations section of the Company's website at: <https://marico.com/bangladesh>. It will also be communicated to the e-mail address and cell phone number of Shareholders' as per the details in their BO accounts.
7. Members/Shareholders can join virtual AGM from Laptop, PC, Mobile or Tab with following link at **<https://agmbd.live/marico2022>** or by scanning the QR Code below.



#### **Proposed Ordinary Resolution for Agenda No. 6**

**“RESOLVED THAT,** approval is hereby granted for the related party transactions between the Company and its associated companies, Marico Limited and Marico Middle East, as set out in the Auditor's Report & Financial Statements of the Company;

**FURTHER RESOLVED THAT,** approval is further granted for related party transactions in the Financial Year 2022-23, for sale or purchase of assets in excess of 1% and for the sale or purchase of raw material, packaging material, finished goods or services in excess of 10% of the Company's revenue for Financial Year 2021-22, in the normal course of business and on an arm's length basis.”

#### **Explanatory Statement for Agenda No. 6**

The Company carries out a number of transactions with its parent and associated companies in the normal course of business and on an arm's length basis including the purchase of raw material, packaging material, finished goods, machinery or equipment as well as recharges for services, sale of finished goods and packaging materials and remittance of royalty and technical assistance fees. The purchase from associated companies is done to achieve economies of scale, technical and strategic gains, supply assurance and consistent quality. Considering its growth plans, the Company envisages that transactions with related parties being Marico Middle East (MME), Marico Limited (ML), Marico South-East Asia (SEA), would either individually or in the aggregate, likely exceed the 10% threshold in the case of sale or purchase of raw materials and may exceed the 1% threshold for the purchase of assets being machinery and equipment particularly as the Company progresses towards the commercial operations of its 3rd manufacturing unit at Bangabandhu Shilpanagar. Hence approval is being sought from the Shareholders for the aforesaid related party transaction(s) proposed to be entered into by the Company in the financial year 2022-23. The Board, as such, recommends the above ordinary resolution for members' approval.

# FREQUENTLY ASKED QUESTIONS (FAQS) ON VIRTUAL SHAREHOLDER MEETING

## 1. Why is this Annual General Meeting (AGM) only virtual?

Pursuant to the Bangladesh Securities and Exchange Commission's Notification No. SEC/SRMIC/94-231/91 dated March 31, 2021, a listed company can arrange and hold virtual shareholder meeting, which can be conducted via live webcast by using digital platform. Considering the health and safety of all our valued shareholders, members and others who plan to attend the AGM, Marico Bangladesh will hold its 22nd AGM virtually by using digital platform. We believe virtual AGM will increase the ability to engage with all the shareholders, regardless of their number of shares, resources or physical location.

## 2. How can I participate in the AGM?

You are eligible to participate in the AGM, if you were a shareholder of Marico Bangladesh as on the "Record Date" i.e. 26 May 2022 You will be able to participate in the AGM online from your laptop, desktop, tablet and smartphone. The link for joining the virtual AGM is: <https://agmbd.live/marico2022> or you can even scan this QR Code



For logging in to the system, you need to put your 16-digit BO ID number, total number of shares held on the "Record Date", and other credentials as a proof of your identity. The link of the webcast will also be available at the "Investor Information" section of the Company's website <https://marico.com/bangladesh>. The link will also be sent to all our valued shareholders over SMS.

## 3. How can I submit questions/comments prior to and during the meeting?

The virtual AGM portal will be live 24 hours before the commencement of AGM. You can log-into the portal and leave your questions or comments in writing or upload voice recording for the Board. You can also submit your questions/comments in writing to the Company's designated investor relations email address: [secretarial.mbl@marico.com](mailto:secretarial.mbl@marico.com) and during the AGM by typing it out in the "chat" option of the webcast.

## 4. How will the Company address our questions/comments?

During the live Q&A session on the AGM Day, the Board and the Management will try to answer the relevant questions, which will be submitted through the system and/or email prior to or during the meeting. However, Marico Bangladesh reserves the right to edit and reject questions it deems profane, irrelevant or otherwise inappropriate.

## 5. Who is entitled to vote?

Each holder of shares of Marico Bangladesh Limited as on the "Record Date" i.e. 26 May 2022 is entitled to vote at the AGM. The results of voting will be broadcasted in real time in respect of the specific agenda item.

## 6. What is the voting requirement to approve each of the Agenda?

Each agenda will be passed by majority of votes cast from members attending the meeting. Each agenda receiving more votes in "FAVOUR" than votes "AGAINST" will be passed.

## 7. What is the deadline for voting my shares?

Your vote must be received before the polls close for each agenda item during the AGM.

## 8. What If I have technical difficulties or trouble accessing the virtual meeting?

If you encounter any difficulties accessing the virtual meeting through the link prior to or during the AGM, please call +8801673780730 or +8801708461016 for support.

# VIRTUAL SHAREHOLDER MEETING

Pursuant to the Bangladesh Securities and Exchange Commission's Notification No. SEC/SRMIC/94-231/91 dated March 31, 2021, a listed company can arrange and hold virtual shareholder meeting, which can be conducted via live webcast by using digital platform. Accordingly, in the light of prevailing COVID-19 situation in Bangladesh, Marico Bangladesh will hold its 22nd AGM 2022 virtually by using digital platform and online shareholder tools that -

- Facilitate shareholder attendance and participation.
- Enable shareholders to participate fully, and equally, from any location around the world.



We believe the virtual shareholder meeting will increase the ability to engage with all the shareholders, regardless of their number of shares, resources, or physical location.



## Access

Marico Bangladesh values the importance of effective communication with its Shareholders. The Company recognizes the rights of Shareholders and the Shareholders' interest are primarily ensured through Marico's AGM.

Accordingly, we have designed our virtual format to enhance, rather than constrain, Shareholder access, participation and communication.



## Q&A

The Company does not place restrictions on the type or form of questions that may be asked; however, the Company reserves the right to edit profanity or other inappropriate language for publication.

During the live Q&A session of the meeting, the Chair or the Management will try to answer the questions as they come in.



## Vote

The Shareholders will be able to cast their vote on the Agenda items and the results will be broadcasted in real time at the time of approval on the specific agenda item.

We believe good Corporate Governance involves openness and trustful cooperation between all stakeholders involved in the Company, including the owners of the Company - the Shareholders. We have carefully designed the 22nd AGM of the Company to provide continuous and meaningful Shareholder engagement and participation. Our committed Board of Directors and Management Team value these interactions and invest significant time and resources to ensure that it has an open line of communication with Shareholders.



# GENERAL SHAREHOLDER INFORMATION

<b>AGM-Date, time</b>	10:00 a.m. Tuesday, July 26, 2022 Virtually held by using digital platform through the following link <a href="https://agmbd.live/marico2022">https://agmbd.live/marico2022</a>
<b>Financial Year</b>	April 01, 2021 – March 31, 2022
<b>Record Date</b>	Thursday, May 26, 2022
<b>Dividend Paid &amp; Recommended</b>	Interim Cash Dividend @ 600% on Face Value Final Cash Dividend @ 200% on Face Value
<b>Dividend Payment Date</b>	Paid within 30 days from Record Date for all interim cash dividend and proposed 200% Final Cash Dividend will be paid within 30 days of approval at AGM
<b>Listing on Stock Exchanges</b>	Dhaka Stock Exchange Limited (DSE) Chittagong Stock Exchange Limited (CSE) Listing fees up to December 31, 2021 has been paid.
<b>Stock/Scrip Code</b>	DSE – MARICO CSE – MARICO
<b>ISIN number</b>	BD0481MRICO6
<b>Category</b>	Pharmaceuticals & Chemical
<b>Investors' enquiry</b>	+8802222297139 Email: <a href="mailto:secretarial.mbl@marico.com">secretarial.mbl@marico.com</a> Website: <a href="http://marico.com/bangladesh">http://marico.com/bangladesh</a>



## 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

TWENTY FIRST ANNUAL GENERAL MEETING ON TUESDAY, JULY 26, 2022 AT 10:00 A.M

BO ID																		
-------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

No. of Shares held														
--------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I/We \_\_\_\_\_ of \_\_\_\_\_  
 being a shareholder/shareholders 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 **TWENTY SECOND ANNUAL GENERAL MEETING** of the company to be virtually held by using digital platform through the  
 following link <https://agmbd.live/marico2022> and at any adjournment(s) thereof.

Signed this \_\_\_\_/\_\_\_\_/ 2022



Signature of Proxy \_\_\_\_\_

Signature of Member \_\_\_\_\_

**Notes:**

1. A shareholder 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 shareholder.
3. This form in order to be effective must be duly stamped @ BDT20, completed and signed and the scan copy of the same must be sent through email to [secretarial.mbl@marico.com](mailto:secretarial.mbl@marico.com) 48 hours before the commencement of the meeting at 10:00 A.M. on Tuesday, July 26, 2022.



# AUDITOR'S REPORT & FINANCIAL STATEMENTS

# Independent Auditor's Report

## To the Shareholders of Marico Bangladesh Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Marico Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 31 March 2022, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 31 March 2022. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

- **Revenue recognition**

**Referring to the Note 18 and Note 40.15 to the financial statements,** Revenue of BDT 13,032 million is recognized in the statement of profit or loss of Marico Bangladesh Limited. This material item is subject to considerable inherent risk due to the risk of being overstated at the end of the reporting period on account of variation in the timing of transfer of control by the management in order to meet expectations of the shareholders and also to achieve performance targets. Accordingly, there could be potential misstatements that revenue made during the period end are not recognised in the correct reporting period.

#### How our audit addressed the key audit matter:

In light of the fact that the high degree of complexity and high volume of transactions give rise to an increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Our audit approach included testing of the controls and substantive audit procedures.

- Assessed key controls related to the reporting of revenue; starting from the contract approval to the recognition of sales and subsequent balance of the customer and cash receipt.
- Assessed the invoicing and measurement systems up to entries in the general ledger.

- Analysed and tested customer contracts, invoices and receipts on a sample basis.
- Tested the sales transactions at the year-end on a sample basis by reviewing the relevant supporting documents to ensure the completeness of revenue recognition in the current and subsequent accounting period.
- Performed substantive year end cut-off testing by selecting samples of revenue transactions recorded at and after year end, and verified the underlying supporting documents.
- Scrutinised sales returns and reversals, which were recorded in the general ledger subsequent to year end to identify any significant unusual items.

Furthermore, we assessed the accounting effects of new business and price models. We read and analysed the disclosures made in the financial statements.

• **Uncertain Tax Position:**

**Referring to Note 26 & Note 29 of the financial statements,** the Company is subject to periodic review by local tax authorities on a range of tax matters during the normal course of business including indirect taxes and transaction related tax matters that could eventually require payments of taxes and possible additional charges. Judgement is required in assessing the level of provisions and disclosure of contingent liabilities, required in respect of uncertain tax position that reflects management's best estimates of the most likely outcome based on the facts available.

This was a key audit matter because of the amounts involved and because of the estimation of the likely impact and the final outcome of these matters.

The Company records provisions for uncertain liabilities, including tax contingencies, when it is more likely than not that a liability has been incurred, and the amount can be reliably estimated.

**How our audit addressed the key audit matter:**

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Obtained a listing of all ongoing tax litigations
- Discussing with the management regarding tax matters, tax jurisdictions and tax communications;
- Evaluated management's judgment regarding the expected resolution of matters
- Sought and obtained confirmations from external legal counsel of the company
- Analysis of responses in letters independently obtained from the tax consultant and external counsels of the Company on various matters
- Obtained and read the disclosures made in the accompanying financial statements

**Other matters**

The financial statements of Marico Bangladesh Limited for the year ended as at 31 March 2021, were audited by another auditor who expressed an unmodified opinion on the statement on 02 May 2021.

**Other information included in the Company's 2022 Annual Report**

Other information consists of the information included in the Company's 2022 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2022 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### 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:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made do verification thereof;
- ii) 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 these books;
- iii) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv) The expenditure incurred was for the purposes of the company's business.

**A. Qasem & Co.**  
Chartered Accountants  
RJSC Firm Registration NO: 2-PC 7202



**Akhtar Sanjida Kasem, FCA, FCMA, CFE**  
Partner  
Enrolment Number: 643  
DVC: 2204280643AS256935

Place: Dhaka  
Date: 27 April 2022

## Marico Bangladesh Limited

## Statement of financial position

As at 31 March 2022

	Notes	31 March 2022	31 March 2021
		BDT	BDT
<b>Assets</b>			
Property, plant and equipment	5.A	981,096,486	771,868,265
Intangible assets	6	51,883	226,084
Right-of-use asset	7	292,715,995	164,593,633
Deferred tax asset	26.B	13,850,105	19,167,902
Advances, deposits and prepayments	8	73,743,809	133,405,058
Investment property	5.C	12,825,500	-
Other financial assets	9	726,235	304,664,442
<b>Non-current assets</b>		<b>1,375,010,013</b>	<b>1,393,925,383</b>
Inventories	10	2,332,427,872	1,980,451,778
Advances, deposits and prepayments	8	748,075,043	412,773,542
Other financial assets	9	2,086,909,585	1,574,484,466
Cash and cash equivalents	11	505,194,161	396,404,261
Assets held for sale	5.B	-	35,865,465
<b>Current assets</b>		<b>5,672,606,660</b>	<b>4,399,979,513</b>
<b>Total assets</b>		<b>7,047,616,674</b>	<b>5,793,904,896</b>
<b>Equity</b>			
Share capital	12	315,000,000	315,000,000
Share premium		252,000,000	252,000,000
Retained earnings		2,122,057,310	1,069,572,396
<b>Total equity</b>		<b>2,689,057,310</b>	<b>1,636,572,396</b>
<b>Liabilities</b>			
Employee benefit obligation	14	43,669,953	32,262,856
Lease liabilities	15	78,641,492	122,256,724
<b>Non-current liabilities</b>		<b>122,311,445</b>	<b>154,519,580</b>
Loans and borrowings	13	-	250,000,000
Employee benefit obligation	14	24,414,204	21,018,917
Trade and other payable	16	3,548,037,256	3,082,900,365
Lease liabilities	15	49,476,669	44,634,210
Current tax liabilities	17	614,319,789	604,259,428
<b>Current liabilities</b>		<b>4,236,247,919</b>	<b>4,002,812,920</b>
<b>Total liabilities</b>		<b>4,358,559,364</b>	<b>4,157,332,500</b>
<b>Total equity and liabilities</b>		<b>7,047,616,674</b>	<b>5,793,904,896</b>

Footnotes: 1. Independent auditor's report in page 1 to 4.

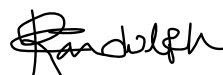
2. The notes 1 to 40 form an integral part of these financial statements.

**A.Qasem & Co.**  
Chartered Accountants  
RJSC Firm Registration NO: 2-PC 7202



**Akhtar Sanjida Kasem, FCA, FCMA, CFE**  
Partner  
Enrolment Number: 643  
DVC: 2204280643AS256935

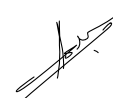
Place: Dhaka  
Date: 27 April 2022



**Christabel Randolph**  
Company Secretary



**Parveen Mahmud**  
Director



**Ashish Goupal**  
Managing Director



**Elias Ahmed**  
Chief Financial Officer



# Statement of profit or loss and other comprehensive income

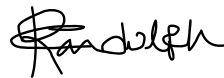
For the year ended 31 March 2022

	Notes	For the year ended	
		31 March 2022	31 March 2021
		BDT	BDT
Revenue	18	13,032,188,243	11,306,519,256
Cost of sales	19	(5,960,795,907)	(4,652,260,050)
<b>Gross profit</b>		<b>7,071,392,336</b>	<b>6,654,259,206</b>
Other income	22.1	17,087,007	63,392,805
General and administrative expenses	20	(1,190,388,541)	(1,073,905,421)
Marketing, selling and distribution expenses	21	(1,253,654,958)	(1,358,266,457)
Other expense	22.2	(92,020)	(788,185)
<b>Operating profit</b>		<b>4,644,343,824</b>	<b>4,284,691,947</b>
Finance income	23.1	126,636,587	149,398,274
Finance costs	23.2	(37,014,899)	(18,912,816)
Net finance income		89,621,688	130,485,458
<b>Profit before contribution to workers participation fund &amp; welfare fund</b>		<b>4,733,965,512</b>	<b>4,415,177,405</b>
Contribution to workers participation fund & welfare fund	24	236,698,275	220,758,870
<b>Profit before tax</b>		<b>4,497,267,237</b>	<b>4,194,418,535</b>
Income tax expenses	26	(943,410,886)	(1,085,738,503)
<b>Profit for the year</b>		<b>3,553,856,351</b>	<b>3,108,680,032</b>
<b>Other comprehensive income</b>			
Remeasurements of defined benefit liability	14.3	18,628,563	(13,931,056)
Related tax	26.B	-	(10,856,812)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>18,628,563</b>	<b>(24,787,868)</b>
<b>Total comprehensive income for the year</b>		<b>3,572,484,914</b>	<b>3,083,892,164</b>
<b>Earnings per share</b>			
Basic earnings per share (per value of Tk 10)	25	<b>112.82</b>	<b>98.69</b>

Footnotes: 1. Independent auditor's report in page 1 to 4.

2. The notes 1 to 40 form an integral part of these financial statements.

**A.Qasem & Co.**  
Chartered Accountants  
RJSC Firm Registration NO: 2-PC 7202



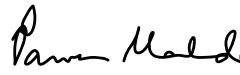
Christabel Randolph  
Company Secretary



Ashish Goupal  
Managing Director



**Akhtar Sanjida Kasem, FCA, FCMA, CFE**  
Partner  
Enrolment Number: 643  
DVC: 2204280643AS256935



Parveen Mahmud  
Director



Elias Ahmed  
Chief Financial Officer

Place: Dhaka

Date: 27 April 2022

## Marico Bangladesh Limited

## Statement of changes in equity

For the period ended 31 March 2022

	Notes	Attributable to owners of the Company			
		Share capital	Share premium	Retained earnings	Total
		BDT	BDT	BDT	BDT
Balance at 1 April 2020		315,000,000	252,000,000	820,680,232	1,387,680,232
<b>Total comprehensive income for the period</b>					
Profit for the period		-	-	3,108,680,032	3,108,680,032
Other comprehensive income		-	-	(24,787,868)	(24,787,868)
<b>Total comprehensive income for the period</b>		-	-	<b>3,083,892,164</b>	<b>3,083,892,164</b>
<b>Transactions with owners of the Company</b>					
<b>Contributions and distributions</b>					
Final dividend for the year 2019-2020	32	-	-	(630,000,000)	(630,000,000)
First interim dividend for the year 2020-2021	32	-	-	(945,000,000)	(945,000,000)
Second interim dividend for the year 2020-2021	32	-	-	(630,000,000)	(630,000,000)
Third interim dividend for the year 2020-2021	32	-	-	(630,000,000)	(630,000,000)
<b>Total transactions with owners of the Company</b>		-	-	<b>(2,835,000,000)</b>	<b>(2,835,000,000)</b>
<b>Balance at 31 March 2021</b>		<b>315,000,000</b>	<b>252,000,000</b>	<b>1,069,572,396</b>	<b>1,636,572,396</b>
<b>Balance at 1 April 2021</b>		<b>315,000,000</b>	<b>252,000,000</b>	<b>1,069,572,396</b>	<b>1,636,572,396</b>
Profit for the period		-	-	3,553,856,351	3,553,856,351
Other comprehensive income		-	-	18,628,563	18,628,563
<b>Total comprehensive income for the period</b>		<b>315,000,000</b>	<b>252,000,000</b>	<b>3,572,484,914</b>	<b>3,572,484,914</b>
<b>Transactions with owners of the Company</b>					
<b>Contributions and distributions</b>					
Final dividend for the year 2020-2021	32	-	-	(630,000,000)	(630,000,000)
First interim for the year 2021-2022	32	-	-	(630,000,000)	(630,000,000)
Second interim for the year 2021-2022	32	-	-	(630,000,000)	(630,000,000)
Third interim for the year 2021-2022	32	-	-	(630,000,000)	(630,000,000)
<b>Total transactions with owners of the Company</b>		-	-	<b>(2,520,000,000)</b>	<b>(2,520,000,000)</b>
<b>Balance at 31 March 2022</b>		<b>315,000,000</b>	<b>252,000,000</b>	<b>2,122,057,310</b>	<b>2,689,057,310</b>

Footnotes: 1. Independent auditor's report in page 1 to 4..

2. The notes 1 to 40 form an integral part of these financial statements..

**Marico Bangladesh Limited**  
**Statement of cash flows**  
For the period ended 31 March 2022

	Notes	For the year ended	
		31 March 2022	31 March 2021
		BDT	BDT
<b>Cash flows from operating activities</b>			
Collection from customers and others		13,062,730,254	11,385,285,072
Payment to suppliers and for operating expenses		(8,604,981,806)	(7,177,510,122)
<b>Cash generated from operating activities</b>		<b>4,457,748,448</b>	<b>4,207,774,950</b>
Interest paid		(8,627,922)	(2,111,958)
Interest received		84,266,200	168,546,826
Income tax paid	17.2	(928,032,728)	(1,069,600,995)
<b>Net cash from operating activities</b>		<b>3,605,353,998</b>	<b>3,304,608,823</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(313,759,008)	(241,574,664)
Acquisition of intangible assets		(1,200,000)	-
Proceeds from disposal of PPE		37,481	459,660
Encashment of/(Investment in) fixed deposits	9.2	(184,197,196)	(447,974,722)
Investment in treasury bond		-	11,334,400
<b>Net cash used in investing activities</b>		<b>(499,118,723)</b>	<b>(677,755,326)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from loans and borrowings		(250,000,000)	250,000,000
Dividend paid	32	(2,520,000,000)	(2,835,000,000)
Payment of lease liability	15	(227,445,375)	(66,040,838)
<b>Net cash used in financing activities</b>		<b>(2,997,445,375)</b>	<b>(2,651,040,838)</b>
Net increase in cash and cash equivalents		108,789,900	(24,187,341)
Effect of exchange rate fluctuations on cash held		-	184,588
Opening cash and cash equivalents	11	396,404,261	420,407,014
<b>Closing cash and cash equivalents</b>	11	<b>505,194,161</b>	<b>396,404,261</b>

Footnotes: 1. Independent auditor's report in page 1 to 4.  
2. The notes 1 to 40 form an integral part of these financial statements.

## Marico Bangladesh Limited

# Notes to the financial statements

For the period ended 31 March 2022

## 1. Reporting entity

### 1.1 Company profile

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 corporate address of the Company is at The Glass House, Level 6-7, Plot 2, Block SE(B), Gulshan 1, Dhaka 1212. The Company was initially registered as a private limited company and subsequently converted into a public limited company on 21 September 2008. The Company was listed with both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 16 September 2009.

### 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 Advanced, 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

In accordance with the requirement of the gazette notification issued by The Financial Reporting Council (FRC) on 22 November 2020, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The Company also complied with the requirements of following laws and regulations from various Government bodies:

- i. Bangladesh Securities and Exchange Rules 1987;
- ii. The Companies Act, 1994;
- iii. The Income Tax Ordinance, 1984; and
- iv. The Value Added Tax and Supplementary Duty Act, 2012;

The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

Details of the Company's accounting policies including changes during the year, if any, are included in note 40.

### 2.2 Authorisation for issue

These financial statements are authorised for issue by the Board of Directors in its 118th Board of Directors meeting held on 27 April, 2022.

### 2.3 Reporting period

The financial period of the Company covers period ended on 31 March 2022.

## 2.4 Comparative and reclassification

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

## 3. 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.

## 4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### (a) Judgements

Information about judgements related to lessee accounting under IFRS 16 made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is described in note 40.04 & 40.17:

### (b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 March 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 26 B	Deferred tax assets
Note 5 A	Property plant equipment
Note 5 C	Investment property
Note 6	Intangible assets
Note 10	Inventories
Note 14	Employee benefit obligation
Note 17	Current tax liabilities
Note 29	Contingent liabilities

## 5. Property, plant and equipment

See accounting policy in Note 40.02

### A. Reconciliation of carrying amount

	Freehold land	Plant and machinery	Factory building	Office building	Office equipment	Computers	Furniture and fixtures	A.C and refrigerators	Assets Under construction	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
<b>Cost</b>										
Balance at 1 April 2020	176,749,959	988,462,243	231,650,100	168,607,073	56,585,940	27,744,524	75,250,895	22,411,149	26,079,575	1,773,541,458
Additions	-	-	-	-	-	-	-	-	242,364,021	242,364,021
Transfer from asset under construction	-	79,822,078	-	38,512,790	17,143,100	7,514,418	10,213,098	2,377,323	(155,582,807)	-
Disposals/ adjustments	-	(3,466,687)	(457,950)	-	(695,700)	-	(464,542)	(304,434)	-	(5,389,313)
Investment property adjustment	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>176,749,959</b>	<b>1,064,817,634</b>	<b>231,192,150</b>	<b>207,119,863</b>	<b>73,033,340</b>	<b>35,258,942</b>	<b>84,999,451</b>	<b>24,484,038</b>	<b>112,860,789</b>	<b>2,010,516,166</b>
Balance at 1 April 2021	176,749,959	1,064,817,634	231,192,150	207,119,863	73,033,340	35,258,942	84,999,451	24,484,038	112,860,789	2,010,516,166
Asset held for sale adjustments in Opening Balance	-	-	-	136,844,485	-	-	23,356,261	-	-	160,200,746
Additions-Other than Mirsharai unit	-	-	-	-	-	-	-	-	311,449,966	311,449,966
Additions- Mirsharai unit	-	-	-	-	-	-	-	-	40,981,893	40,981,893
Transfer from asset under construction	-	277,065,906	771,880	26,170,433	28,272,028	4,016,570	1,345,150	3,622,789	(341,264,755)	-
Transfer to investment property	-	-	-	(138,784,967)	-	-	(23,356,261)	-	-	(162,141,228)
Disposals	-	(337,654)	(195,702)	-	(963,712)	(100,667)	(1,476,882)	(812,799)	-	(3,887,416)
<b>Balance at 31 March 2022</b>	<b>176,749,959</b>	<b>1,341,545,886</b>	<b>251,768,328</b>	<b>251,349,814</b>	<b>100,341,657</b>	<b>39,174,844</b>	<b>84,867,719</b>	<b>27,294,028</b>	<b>124,027,893</b>	<b>2,357,120,127</b>
<b>Accumulated depreciation and impairment loss</b>										
Balance at 1 April 2020	-	733,240,855	203,433,245	60,056,105	48,386,890	20,430,063	51,262,294	9,735,473	-	1,126,544,925
Depreciation for the year	-	66,615,174	6,323,743	7,122,203	12,991,453	5,412,363	12,435,524	3,348,042	-	114,248,502
Impairment loss (reversal of impairment) of PPE	-	1,536,148	-	-	-	-	876,973	-	-	2,413,121
Disposals	-	(2,705,521)	(457,950)	-	(626,200)	-	(464,542)	(304,434)	-	(4,558,647)
<b>Balance at 31 March 2021</b>	<b>-</b>	<b>798,686,656</b>	<b>209,299,038</b>	<b>67,178,308</b>	<b>60,752,143</b>	<b>25,842,426</b>	<b>64,110,249</b>	<b>12,779,081</b>	<b>-</b>	<b>1,238,647,901</b>

	Freehold land	Plant and machinery	Factory building	Office building	Office equipment	Computers	Furniture and fixtures	A.C and refrigerators	Assets under construction	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance at 1 April 2021	-	798,686,656	209,299,038	67,178,308	60,752,143	25,842,426	64,110,249	12,779,081	-	1,238,647,901
Asset held for sale adjustments in Opening Balance	-	-	-	105,997,772	-	-	18,337,509	-	-	124,335,281
Depreciation for the year	-	94,950,572	1,471,719	28,730,638	14,398,317	5,131,611	16,124,499	4,027,715	-	164,835,071
Impairment loss (reversal of impairment) of PPE	-	5,898,787	-	-	(4,761,389)	-	-	-	-	1,137,398
Transfer to investment property	-	-	-	(125,959,467)	-	-	(23,356,261)	-	-	(149,315,728)
Disposals	-	(337,654)	(155,155)	(842,276)	(81,180)	(1,396,204)	(803,814)	-	-	(3,616,283)
<b>Balance at 31 March 2022</b>	<b>-</b>	<b>899,198,361</b>	<b>210,615,602</b>	<b>75,947,251</b>	<b>69,546,795</b>	<b>30,892,857</b>	<b>73,819,793</b>	<b>16,002,982</b>	<b>-</b>	<b>1,376,023,640</b>

**Carrying amounts**

<b>At 31 March 2021</b>	<b>176,749,959</b>	<b>266,150,978</b>	<b>21,893,112</b>	<b>139,941,555</b>	<b>12,281,197</b>	<b>9,416,516</b>	<b>20,889,202</b>	<b>11,704,957</b>	<b>112,860,789</b>	<b>771,868,265</b>
<b>At 31 March 2022</b>	<b>176,749,959</b>	<b>442,347,525</b>	<b>21,152,726</b>	<b>155,402,563</b>	<b>30,794,861</b>	<b>8,281,987</b>	<b>11,047,926</b>	<b>11,291,046</b>	<b>124,027,893</b>	<b>981,096,486</b>

**B. Assets held for sale**

Opening balance	35,865,465
Transfer to property, plant and equipment (cost portion)	(160,200,746)
Transfer to property, plant and equipment (depreciation portion)	124,335,281
Closing balance	<b>35,865,465</b>

**Disaggregation of closing balance**

Office building	-	30,846,713
Furniture and fixtures	-	5,018,752
	-	<b>35,865,465</b>

**C. Investment property**

See accounting policy in Note 40.05

Office building	138,784,967
Furniture and fixtures	23,356,261
Depreciation for the year (Office building)	(125,959,467)
Depreciation for the year (Furniture and fixtures)	(23,356,261)
	<b>12,825,500</b>

\*\* Due to change of management decision from selling the property (Uttara office building) to rent the property, the relevant assets have been transferred from Asset held for sales category to investment property.

	Notes	31 March 2022	31 March 2021
		BDT	BDT
<b>6. Intangible assets</b>			
See accounting policy	40.03		
<b>Cost</b>			
Opening balance		22,061,875	22,061,875
Additions		1,200,000	-
Disposals		-	-
<b>Closing balance</b>		<b>23,261,875</b>	<b>22,061,875</b>
<b>Accumulated amortisation</b>			
Opening balance		21,835,791	20,432,585
Amortisation during the year		1,374,200	1,403,206
Disposals		-	-
<b>Closing balance</b>		<b>23,209,991</b>	<b>21,835,791</b>
<b>Carrying amount</b>		<b>51,884</b>	<b>226,084</b>
<b>7. Right-of-use asset</b>			
See accounting policy	40.04		
<b>Cost</b>			
Opening balance		241,332,175	212,831,176
Additions-other than Mirsharai unit		6,722,593	53,661,570
Additions-Mirsharai unit		172,800,922	-
Disposal		(792,461)	(25,160,571)
<b>Closing balance</b>		<b>420,063,229</b>	<b>241,332,175</b>
<b>Accumulated depreciation</b>			
Opening balance		76,738,542	37,432,890
Adition/ Adjustment		51,139,195	46,434,480
Disposal		(530,503)	(7,128,828)
<b>Closing balance</b>		<b>127,347,234</b>	<b>76,738,542</b>
<b>Carrying amount</b>		<b>292,715,995</b>	<b>164,593,633</b>
<b>8. Advances, deposits and prepayments</b>			
<b>Advances</b>			
Advance for capital goods		57,509,956	53,561,536
Advance to suppliers and others		737,479,714	459,992,329
		<b>794,989,670</b>	<b>513,553,865</b>
<b>Deposits</b>			
Security deposits		11,125,498	12,359,983
		<b>11,125,498</b>	<b>12,359,983</b>
<b>Prepayments</b>			
Prepaid expenses		15,703,685	20,264,752
		<b>821,818,852</b>	<b>546,178,600</b>
<b>8.1 Current and non-current classification of advances, deposits and prepayments</b>			
Current		748,075,043	412,773,542
Non-current		73,743,809	133,405,058
		<b>821,818,852</b>	<b>546,178,600</b>



	Notes	31 March 2022	31 March 2021
		BDT	BDT
<b>9. Other financial assets</b>			
Fixed deposits	9.2	1,942,382,196	1,737,974,722
Trade receivables		52,229,788	65,033,298
Loans to employees		1,537,577	6,814,738
Accrued interest		91,486,259	69,326,150
		<b>2,087,635,820</b>	<b>1,879,148,908</b>
<b>9.1 Current and non-current classification of other financial assets</b>			
Current		2,086,909,585	1,574,484,466
Non-current		726,235	304,664,442
		<b>2,087,635,820</b>	<b>1,879,148,908</b>
<b>9.2 Fixed deposits</b>			
BRAC Bank Limited		300,000,000	200,000,000
The City Bank Limited		150,000,000	-
IPDC Finance Limited		309,379,333	200,000,000
IDLC Finance Limited		394,817,863	280,000,000
Commercial Bank of Ceylon		388,185,000	557,974,722
Woori Bank		-	500,000,000
Bank Alfalah		400,000,000	-
		<b>1,942,382,196</b>	<b>1,737,974,722</b>
<b>10. Inventories</b>			
See accounting policy	40.06		
Raw materials		1,406,999,188	1,039,689,041
Packing materials		278,205,653	224,187,805
Finished goods		391,631,323	304,234,340
Stores and spares		25,261,419	21,970,493
Materials in transit		230,330,289	390,370,099
		<b>2,332,427,872</b>	<b>1,980,451,778</b>
<b>11. Cash and cash equivalents</b>			
See accounting policy	40.07		
Cash at bank	11.1	497,055,828	380,267,615
Balance with bank for unclaimed dividend		8,138,333	16,136,646
		<b>505,194,161</b>	<b>396,404,261</b>
<b>11.1 Cash at bank</b>			
BRAC Bank Limited		44,520,844	53,487,789
Citibank N.A.		1,607,081	903,681
Islami Bank Bangladesh Limited		6,689,940	10,431,030
Sonali Bank Limited		2,754,523	5,695,235
Standard Chartered Bank		425,793,218	169,738,861
The Hongkong and Shanghai Banking Corporation Ltd.		7,719,415	4,665,448
Eastern Bank Limited		1,071,792	133,664,596
Dutch Bangla Bank Limited		250,000	201,000
The City Bank Limited		6,649,014	1,479,975
		<b>497,055,828</b>	<b>380,267,615</b>

	Notes	31 March 2022	31 March 2021		
		BDT	BDT		
<b>12. Share capital</b>					
See accounting policy	40.09				
<b>Authorised</b>					
40,000,000 ordinary shares of Tk 10 each		<b>400,000,000</b>	<b>400,000,000</b>		
<b>Issued, subscribed and paid up</b>					
Issued for cash		41,500,000	41,500,000		
Issued for consideration other than cash		273,500,000	273,500,000		
		<b>315,000,000</b>	<b>315,000,000</b>		
<b>12.1 Composition of shareholding</b>					
<b>Details</b>		<b>No. of share</b>	<b>% of Holding</b>		
		<b>31 March 2022</b>	<b>31 March 2021</b>		
		<b>31 March 2022</b>	<b>31 March 2021</b>		
Marico Limited, India		28,350,000	28,350,000	90.00%	90.00%
Institutions		2,534,052	2,790,979	8.04%	8.86%
General Shareholders		615,948	359,021	1.96%	1.14%
		<b>31,500,000</b>	<b>31,500,000</b>	<b>100.00%</b>	<b>100.00%</b>
<b>12.2 Classification of shareholders by holding</b>					
<b>Holdings</b>		<b>No. of shareholders</b>	<b>% of Holding</b>		
		<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Less than 500 shares		3055	3190	0.59%	0.33%
500 to 5,000 shares		205	206	0.99%	0.46%
5,001 to 10,000 shares		42	38	0.92%	0.33%
10,001 to 20,000 shares		23	15	0.68%	0.66%
20,001 to 30,000 shares		8	8	0.66%	0.53%
30,001 to 40,000 shares		6	5	0.54%	0.32%
40,001 to 50,000 shares		5	4	0.58%	0.72%
50,001 to 100,000 shares		10	9	2.03%	1.27%
100,001 to 1,000,000 shares		4	5	3.01%	5.38%
Over 1,000,000 shares			1	90.00%	90.00%
		<b>3358</b>	<b>3481</b>	<b>100.00%</b>	<b>100.00%</b>
<b>12.3 Share premium</b>		<b>31 March 2022</b>	<b>31 March 2021</b>		
<b>Holdings</b>		<b>BDT</b>	<b>BDT</b>		
Share premium on paid up share capital		252,000,000	252,000,000		
		<b>252,000,000</b>	<b>252,000,000</b>		
<b>12.4 Dividends</b>					
The following dividend was declared and paid by the Company in the year		(2,520,000,000)	(2,835,000,000)		
		<b>(2,520,000,000)</b>	<b>(2,835,000,000)</b>		
After the reporting date, the following dividend was proposed/declared/recommended by the board of directors. The dividend has not been recognised as liabilities in accordance with IAS 10.					
BDT 20 per qualifying ordinary share		630,000,000	630,000,000		
		<b>630,000,000</b>	<b>630,000,000</b>		

	Notes	31 March 2022	31 March 2021
		BDT	BDT
<b>13. Loans and borrowings</b>			
Short term loan		-	250,000,000
		<b>-</b>	<b>250,000,000</b>
<b>14. Employee benefit obligation</b>			
See accounting policy	40.11		
Provision for gratuity		41,704,422	28,672,978
Provision for leave encashment		26,379,735	24,608,795
		<b>68,084,157</b>	<b>53,281,773</b>
Current		24,414,204	21,018,917
Non-Current		43,669,953	32,262,856
		<b>68,084,157</b>	<b>53,281,773</b>
<b>14.1 Employee benefits - gratuity</b>			
Net defined benefit asset		(56,847,711)	(77,216,166)
<b>Total employee benefit asset</b>		<b>(56,847,711)</b>	<b>(77,216,166)</b>
Net defined benefit liability		98,552,133	105,889,144
<b>Total employee benefit liability</b>		<b>98,552,133</b>	<b>105,889,144</b>
<b>Total employee benefit liability</b>		<b>155,399,844</b>	<b>28,672,978</b>
<b>14.2 Current and non-current classification of employee benefits- gratuity</b>			
Current		21,276,959	19,484,302
Non-Current		20,427,463	9,188,676
		<b>41,704,422</b>	<b>28,672,978</b>

**14.3 Movement in net defined benefit (asset) liability**

	Defined benefit obligation		Fair value of plan assets		Net defined (asset) liability	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Balance at 1 April</b>	105,889,144	76,253,851	-	-	105,889,144	76,253,851
<b>Included in Profit or Loss</b>						
Interest expense/ (Income)	7,941,686	7,669,619	(5,806,797)	-	2,134,889	7,669,619
Current Service Cost	29,732,911	21,204,091	-	-	29,732,911	21,204,091
	<b>143,563,741</b>	<b>28,873,710</b>	<b>(5,806,797)</b>		<b>137,756,944</b>	<b>28,873,710</b>
<b>Included in OCI</b>						
Actuarial (gain)/loss arising from:						
-Demographic assumption	(10,398,351)	-	-	-	(10,398,351)	-
-Financial assumption	(4,088,673)	18,742,524	-	-	(4,088,673)	18,742,524
-Experience adjustment	(9,357,403)	(4,644,021)	-	-	(9,357,403)	(4,644,021)
Return on plan asset excluding interest income	-	-	5,215,864	(167,447)	5,215,864	(167,447)
	<b>(23,844,427)</b>	<b>14,098,503</b>	<b>5,215,864</b>	<b>(167,447)</b>	<b>(18,628,563)</b>	<b>13,931,056</b>
<b>Other</b>						
<b>Contribution paid by the employer</b>	-	(3,813,104)	(77,423,959)	(86,572,535)	(77,423,959)	(90,385,639)
<b>Benefits paid</b>	(21,167,181)	(9,523,816)	21,167,181	9,523,816	-	-
	<b>(21,167,181)</b>	<b>(13,336,920)</b>	<b>(56,256,778)</b>	<b>(77,048,719)</b>	<b>(77,423,959)</b>	<b>(90,385,639)</b>
<b>Balances as at 31 March</b>	<b>98,552,133</b>	<b>105,889,144</b>	<b>(56,847,711)</b>	<b>(77,216,166)</b>	<b>41,704,422</b>	<b>28,672,978</b>

	31 March 2022	31 March 2021
<b>14.4 Defined benefit obligation</b>		
<b>(i) Actuarial assumption</b>		
The followings were the principal actuarial assumptions at the reporting date:		
Discount rate	7.5%	7.5%
Salary increase rate	11.4%	12.0%
Employee turnover rate	14.5%	11.0%

Assumptions regarding future mortality have been used based on published statistics and mortality tables. As there is no published mortality table in Bangladesh and hence the Indian Assured Lives Mortality rate (2006-08) ultimate based on the mortality experience of assured lives in India is being used as a reasonable approximation. This table is based on the experience of assured lives in India during the years 2006 to 2008.

	31 March 2022	31 March 2021
	BDT	BDT
<b>14.5 Provision for leave encashment</b>		
Opening balance	24,608,796	16,124,365
Provision for leave encashment	11,064,487	14,802,279
Payment during the period	(9,293,548)	(6,317,848)
	<b>26,379,735</b>	<b>24,608,796</b>
Current	3,137,245	1,534,615
Non-Current	23,471,221	23,074,180
	<b>26,608,466</b>	<b>24,608,795</b>

## 15. Lease liabilities

See accounting policy

40.17

The Company leases many assets, including properties, warehouses, depots sales offices and land. Total number of lease assets is twenty and average terms of period of lease is four to fifty years. The incremental borrowing rate (IBR) ranges from 3.90% to 10.40%. The factory leases were entered into many years ago as combined leases of land and buildings. The following table sets out a maturity analysis of lease payables, showing the undiscounted lease payments to be paid after the reporting date.

Less than one year	49,476,673	44,634,210
One to two years	53,963,404	48,886,907
Two to three years	8,149,986	52,280,711
Three to four years	11,144,568	5,873,811
Three to four years	5,383,534	9,831,760
More than five years	-	5,383,535
	<b>128,118,165</b>	<b>166,890,934</b>
<b>Lease liabilities included in the statement of financial position</b>		
Current	49,476,669	44,634,210
Non-Current	78,641,492	122,256,724
	<b>128,118,161</b>	<b>166,890,934</b>
<b>Amounts recognised in profit or loss</b>		
Interest on lease liabilities	9,411,049	11,787,340
Expenses related to short-term leases	-	8,554,647
	<b>9,411,049</b>	<b>20,341,987</b>

	Notes	31 March 2022	31 March 2021
		BDT	BDT
<b>Amounts recognised in the statement of cash flows</b>			
Lease rental		227,445,375	53,040,839
Security deposit		-	13,000,000
Total cash outflow for lease liabilities and interest payments		<b>227,445,375</b>	<b>66,040,839</b>
<b>16. Trade and other payables</b>			
Trade payables	16.1	1,320,963,934	937,295,045
Other payables	16.2	2,227,073,322	2,145,605,320
		<b>3,548,037,256</b>	<b>3,082,900,365</b>
<b>16.1 Trade payables</b>			
<b>Intercompany trade payable</b>			
Payable against raw material		468,683,405	441,206,707
Payable against packing material		3,330,329	7,151,743
		<b>472,013,734</b>	<b>448,358,450</b>
<b>Third party trade payable</b>			
Payable against raw material		154,777,316	73,916,649
Payable against services		579,892,305	290,128,764
Payable against packing material		113,941,766	119,247,904
Payable against finished goods		338,813	5,643,278
		<b>848,950,200</b>	<b>488,936,595</b>
		<b>1,320,963,934</b>	<b>937,295,045</b>
<b>16.2 Other payables</b>			
<b>Intercompany other payable</b>			
Royalty payable		122,503,570	107,135,382
General and technical assistance fees payable		175,229,505	86,039,653
Payable against capital goods		3,396,608	14,593,598
		<b>301,129,683</b>	<b>207,768,633</b>
<b>Third party other payable</b>			
Payable against expenses		501,301,644	565,367,923
Payable against business promotion expense		789,221,105	824,676,798
Import duty and related charges payable		183,188,039	115,589,691
Withholding tax and VAT payable		6,692,649	37,518,458
Workers' profit participation and welfare fund		236,698,275	220,758,871
Festival bonus		8,226,709	5,533,485
Advance from customers		108,859,723	106,211,149
Payable against capital goods		45,290,470	7,474,338
Unclaimed dividend		8,138,333	16,136,646
Audit fees payable		850,000	1,400,000
Interest accrued on loans		-	892,072
Supplementary duty		37,476,693	36,277,256
		<b>1,925,943,639</b>	<b>1,937,836,687</b>
		<b>2,227,073,322</b>	<b>2,145,605,320</b>

	Notes	31 March 2022	31 March 2021
		BDT	BDT
<b>17 Current tax liabilities</b>			
Provision for income tax	17.1	6,755,639,460	5,817,546,371
Advance income tax	17.2	(6,141,319,671)	(5,213,286,943)
		<b>614,319,789</b>	<b>604,259,428</b>
<b>17.1 Provision for income tax</b>			
Opening balance		5,817,546,371	4,749,128,795
Provision for current period/year		1,041,906,778	1,068,417,576
Provision for prior year:			
Assessment year 2021-2022		(103,813,689)	-
		<b>6,755,639,460</b>	<b>5,817,546,371</b>
<b>17.2 Advance income tax</b>			
Opening balance		5,213,286,943	4,143,685,948
Payment during the year:			
Payment for current period/year		640,883,657	656,592,012
Payment for prior year:			
Assessment year 2015-2016		826,880	42,515,295
Assessment year 2016-2017		-	1,972,778
Assessment year 2017-2018		14,120,614	-
Assessment year 2020-2021		-	368,520,910
Assessment year 2021-2022		272,201,577	-
		<b>6,141,319,671</b>	<b>5,213,286,943</b>

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

"Accounting year/period ended"	"Assessment year"	"Provision for income tax (Amount in Taka)"	"Advance income tax (Amount in Taka)"	Status
31 March 2022	2022-23	1,041,906,778	640,883,657	
31 March 2021	2021-22	964,603,887	928,793,589	Return submitted
31 March 2020	2020-21	908,685,698	859,770,282	Return submitted
31 March 2019	2019-20	715,903,898	714,242,632	At High Court
31 March 2018	2018-19	603,956,939	560,411,195	Open at DCT level
31 March 2017	2017-18	511,139,076	496,953,399	Open at DCT level
31 March 2016	2016-17	536,229,894	518,801,912	Open at CT level
31 March 2015	2015-16	502,672,641	482,334,513	Open at CT level
31 March 2014	2014-15	475,304,697	468,166,315	At High Court
31 March 2013	2013-14	279,549,372	234,442,800	At TAT*
31 March 2012	2012-13	206,588,040	236,519,377	At TAT*
30 September 2008	2009-10	9,098,540	-	At TAT*
		<b>6,755,639,460</b>	<b>6,141,319,671</b>	

\*Taxes Appellate Tribunal

	Note	For the year ended	
		31 March 2022	31 March 2021
		BDT	BDT
<b>18. Revenue</b>			
See accounting policy	40.15		
Parachute coconut oil		8,035,153,540	6,989,061,972
Value added hair oil (VAHO)		3,788,084,915	3,217,578,897
Color		45,498,638	59,956,898
Health & Beauty		420,450,050	394,293,853
Baby Segment		228,307,108	167,018,736
Others		514,693,992	478,608,900
		<b>13,032,188,243</b>	<b>11,306,519,256</b>
*Others include male grooming, byproduct & others			
<b>18.1 Breakup of local/export revenue</b>			
Revenue from domestic operation		12,798,159,091	11,204,414,624
Revenue from export		234,029,152	102,104,632
		<b>13,032,188,243</b>	<b>11,306,519,256</b>
<b>19. Cost of sales</b>			
Opening stock of finished goods		304,234,340	204,518,577
Cost of goods manufactured	19.1	6,048,192,890	4,751,975,812
		<b>6,352,427,230</b>	<b>4,956,494,389</b>
Closing stock of finished goods		(391,631,323)	(304,234,340)
		<b>5,960,795,907</b>	<b>4,652,260,050</b>
<b>19.1 Cost of goods manufactured</b>			
Materials consumed	19.1.1	5,650,524,138	4,413,812,216
Factory overhead	19.1.2	397,668,752	338,163,596
		<b>6,048,192,890</b>	<b>4,751,975,812</b>
<b>19.1.1 Materials consumed</b>			
Opening stock of raw materials, packing materials and others		1,676,217,439	1,427,583,748
Purchases during the period		5,915,103,248	4,662,445,906
Closing stock of raw materials, packing materials and others		(1,940,796,549)	(1,676,217,438)
		<b>5,650,524,138</b>	<b>4,413,812,216</b>
<b>19.1.2 Factory overhead</b>			
Communication expenses		486,688	538,298
Cost of outsourced human resources		96,494,547	89,744,207
Depreciation		103,983,953	76,519,076
Entertainment		9,441,400	6,790,880
Power expenses		74,690,325	68,309,362
Printing and stationery		945,875	1,461,912
Repairs and maintenance		19,710,098	18,316,910
Salaries and allowances		68,690,696	56,280,402
Security charges		7,842,239	6,349,264
Travelling and conveyance		5,893,249	5,298,638
Warehouse rent		9,489,683	8,554,647
		<b>397,668,752</b>	<b>338,163,596</b>

	Note	For the year ended	
		31 March 2022	31 March 2021
		BDT	BDT
<b>20. General and administrative expenses</b>			
Salaries and allowances		568,704,447	525,638,034
Gratuity		31,660,008	28,873,710
Rent, rates and taxes		11,247,572	8,381,941
Professional and legal charges		26,886,850	35,442,134
Security charges		1,800,846	1,565,877
Stamp and license fees		11,652,170	12,021,425
Directors' remuneration and fees		35,086,351	30,544,174
Repair and maintenance		20,509,289	14,701,731
Communication expenses		3,015,348	4,879,625
Subscription to trade association		235,220	527,095
Entertainment		29,464,244	20,562,533
Printing and stationery		4,142,835	2,727,234
Vehicle running expenses		33,779,238	19,736,649
Travelling and conveyance		18,353,362	8,104,928
Audit fees		1,487,500	1,300,000
Insurance premium		21,467,541	22,208,026
Bank charges		3,716,484	7,737,860
AGM and public relation		8,269,536	7,958,380
Conference and training		12,749,964	6,059,731
Electricity and gas charges		860,237	503,495
Amortisation		1,374,200	1,403,206
Royalty		122,503,570	107,135,381
Depreciation		60,851,114	37,729,427
Depreciation on right-of-use asset		51,139,195	46,434,480
General and technical assistance fees		87,142,865	86,547,962
CSR expense		22,288,555	32,767,263
impairment loss /(Reversal of impairment) of PPE		-	2,413,121
		<b>1,190,388,541</b>	<b>1,073,905,421</b>
<b>21. Marketing, selling and distribution expenses</b>			
Advertisement, travelling and communication expense		999,384,285	1,076,441,043
Business promotion expenses		20,411,085	24,288,337
Other selling & distribution expenses		67,922,456	63,821,099
Entertainment-Mkt		1,398,620	4,864,870
Free sample		10,302,808	14,294,598
Freight- outward		86,703,702	90,198,969
Market research expenses		67,532,002	84,357,541
		<b>1,253,654,958</b>	<b>1,358,266,457</b>
<b>22. Other expense/(income)</b>			
Other income	22.1	(17,087,007)	(63,392,805)
Other expense	22.2	92,020	788,185
		<b>(16,994,987)</b>	<b>(62,604,620)</b>



	Note	For the year ended	
		31 March 2022	31 March 2021
		BDT	BDT
<b>22.1 Other income</b>			
Gain on sale of PPE		(129,503)	(417,179)
Gain on lease modification		-	(23,065,477)
Gain on cessation of liability		-	(1,590,874)
Refund from insurance		(1,029,984)	-
Gain on disposal of T Bond		-	(11,334,400)
Insurance claim		(1,867,578)	(17,086,621)
Sale of RM PM		(473,179)	(33,060)
Rental income		(1,025,000)	-
Scrap sales		(12,561,763)	(9,865,194)
		<b>(17,087,007)</b>	<b>(63,392,805)</b>
<b>22.2 Other expense</b>			
Loss on sale of PPE		92,020	788,185
		<b>92,020</b>	<b>788,185</b>
<b>23. Net finance income</b>			
Finance income		126,636,587	149,398,274
Finance costs		(37,014,899)	(18,912,816)
		<b>(89,621,688)</b>	<b>(130,485,458)</b>
<b>23.1 Finance income</b>			
See accounting policy	40.16		
Interest on fixed deposits		106,201,333	125,251,890
Interest on call deposits		20,435,254	23,795,137
Interest on staff loan		-	146,700
Good borrower rebate		-	204,547
		<b>126,636,587</b>	<b>149,398,274</b>
<b>23.2 Finance costs</b>			
See accounting policy	40.16		
Interest on overdraft and loans		7,735,850	2,962,773
Foreign exchange (gain)/loss		19,868,000	4,162,703
Interest on lease		9,411,049	11,787,340
		<b>37,014,899</b>	<b>18,912,816</b>
<b>24. Contribution to WPPF</b>			
Profit before contribution to WPPF		4,733,965,512	4,415,177,405
Applicable contribution rate		5%	5%
		<b>236,698,276</b>	<b>220,758,870</b>

The Company operates a fund for workers as workers' profit participation and welfare fund and provides 5% of its profit before workers' profit participation fund (WPPF) and tax as per provision of the Bangladesh Labour Act 2006.

	Note	For the year ended	
		31 March 2022	31 March 2021
		BDT	BDT
<b>25. Earnings per share</b>			
See accounting policy	40.20		
<b>25.1 Basic earnings per share</b>			
Profit attributable to ordinary shareholders (net profit after tax)		3,553,856,351	3,108,680,032
Weighted average number of ordinary shares outstanding during the period		31,500,000	31,500,000
Earnings per share (EPS) in Taka		<b>112.82</b>	<b>98.69</b>
<b>25.2 Diluted earnings per share</b>			
As per IAS-33 "Earnings Per Share", the calculation of diluted earning per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti dilutive effect on earning per share. The Company has no dilutive instruments and hence reporting of diluted earning per share is not applicable.			
<b>26 Income tax expenses</b>			
See accounting policy	40.14		
<b>Amounts recognised in profit or loss</b>			
Current tax expense		1,041,906,778	1,068,417,576
Current period		(103,813,689)	
Adjustment for prior periods		<b>938,093,089</b>	<b>1,068,417,576</b>
Deferred tax expense		5,317,797	17,320,927
		<b>943,410,886</b>	<b>1,085,738,503</b>

**A. Reconciliation of effective tax rate**

		For the year ended			
		31 March 2022		31 March 2021	
		%	BDT	%	BDT
Profit before income tax			4,497,267,237		4,194,418,534
Income tax using the corporate tax rate	22.5%		1,011,885,128	25.0%	1,048,604,634
Factors affecting the tax charge for current period:					
Short/(higher) fiscal depreciation and amortisation over that of accounting	0.02%		966,021	-0.09%	(3,689,161)
Disallowance for excess perquisites	0.29%		13,099,251	0.29%	12,128,937
Short/(higher) of gratuity payment over gratuity provision	0.00%		-	-0.37%	(15,428,416)
Short/(higher) of leave encashment payment over provision	0.01%		398,462	0.05%	2,121,108
Disallowance for contribution to CSR project	0.06%		2,786,069	0.12%	4,915,089
Impairment loss of property, plant and equipment	0.01%		255,915	0.01%	603,280
Allowance for exemption of export income	-0.21%		(9,517,369)	-0.12%	(4,860,969)
Short/(higher) of lease rent payment over depreciation on RoUA	0.03%		1,565,666		
Other inadmissible expenses	0.46%		20,467,633.84	0.52%	21,687,153
Foreign exchange loss	-		-	0.02%	1,040,676
Depreciation on leased assets	-		-	0.28%	11,608,620
Interest on lease liabilities	-		-	0.07%	2,946,835
Actual rent on leased assets	-		-	-0.32%	(13,260,210)
Adjustment for prior years	-2.31%		(103,813,689)	0.00%	-
Deferred tax expense	0.12%		5,317,796.95	0.41%	17,320,927
<b>Total income tax expense</b>	<b>20.98%</b>		<b>943,410,885</b>	<b>25.89%</b>	<b>1,085,738,503</b>

## B. Movement in deferred tax balances

31 March 2022	Net balance at 1 April			Recognised in profit /loss			Recognised in OCI			Net			Balance as at 31 March		
	BDT			BDT			BDT			BDT			BDT		
Property, plant and equipment	(12,069,256)			9,150,288			-			(2,918,968)			(2,918,968)		
Provision for leave encashment	(6,152,199)			216,759			-			(5,935,440)			(5,935,440)		
RoU assets and lease liability under IFRS 16	(946,447)			(4,049,249)			-			(4,995,696)			-		(4,995,696)
<b>Net deferred tax (assets)/liabilities</b>	<b>(19,167,902)</b>			<b>5,317,798</b>			<b>-</b>			<b>(13,850,104)</b>			<b>(8,854,408)</b>		<b>(4,995,696)</b>

31 March 2021	Net balance at 1 April			Recognised in profit /loss			Recognised in OCI			Net			Balance as at 31 March		
	BDT			BDT			BDT			BDT			BDT		
Property, plant and equipment	(10,351,960)			552,090			-			(9,799,870)			(9,799,870)		
Intangible assets	(2,177,019)			(92,367)			-			(2,269,386)			(2,269,386)		
Provision for gratuity	(21,993,959)			11,137,147			10,856,812			-			-		
Provision for leave encashment	(4,031,091)			(2,121,108)			-			(6,152,199)			(6,152,199)		
RoU assets- Impact of IFRS 16	43,849,572			(3,073,286)			-			40,776,286			-		40,776,286
Lease liabilities- Impact of IFRS 16	(52,641,184)			10,918,451			-			(41,722,733)			(41,722,733)		
<b>Net deferred tax (assets)/liabilities</b>	<b>(47,345,641)</b>			<b>17,320,927</b>			<b>10,856,812</b>			<b>(19,167,902)</b>			<b>(59,944,188)</b>		<b>40,776,286</b>

## 27. Related party transactions

### 27.1 Parent and ultimate controlling party

Marico Limited, India has 90% shareholding of the Company. As a result, the parent of the Company is Marico Limited, India. The ultimate controlling party of the Company is Marico Limited, India.

### 27.2 Transactions with key management personnel

	31 March 2022	31 March 2021
	BDT	BDT
Directors' remuneration and fees	35,086,351	30,544,174
	<b>35,086,351</b>	<b>30,544,174</b>

Compensation for the Company's key management personnel includes salaries & meeting fees. These expenses are included in administrative expenses.

### 27.3 Other 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 IAS 24 Related party disclosure.

#### 27.3.1 Transactions with parent company

Name of the related parties	Relationship	Nature of transaction	Transaction amount		Balance as at	
			31 March 2022	31 March 2021	31 March 2022	31 March 2021
			BDT	BDT	BDT	BDT
Marico Limited, India	Parent company	Purchase of raw materials, packing materials and finished goods	223,593,328	69,327,054	166,408,080	25,404,308
		Purchase of Asset	3,199,425	60,393,486	3,396,608	14,593,597
		Sales of FG and SFG	-	384,841	-	-
		Royalty	122,503,570	107,135,381	122,503,570	107,135,381
		Dividend	2,268,000,000	2,551,500,000	-	-
		General and technical assistance fees	87,142,865	86,547,962	175,229,505	86,039,654
		Sales of RM	880,373	-	-	-

#### 27.3.2 Transactions with other related parties

Name of the related parties	Relationship	Nature of transaction	Transaction amount		Balance as at	
			31 March 2022	31 March 2021	31 March 2022	31 March 2021
			BDT	BDT	BDT	BDT
Marico Middle East FZE	Associated company	Purchase of raw materials (RM)	2,046,223,062	2,302,086,094	305,605,654	422,954,142
		Purchase of FG	-	1,246,188	-	-
Marico South East Asia	Associated company	Reimbursement of expenses	-	55,730	-	-
		Sales of RM	2,599,715	-	-	-

## 28. Disclosures as per BSEC notification no. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018

### 28.1 Calculation of net asset value per share

	As at	
	31 March 2022	31 March 2021
	BDT	BDT
Net asset	2,689,057,309	1,636,572,396
Number of shares	31,500,000	31,500,000
Net asset value (NAV) per share	<b>85.37</b>	<b>51.95</b>

		For the year ended	
		31 March 2022	31 March 2021
		BDT	BDT
<b>28.2</b>	<b>Calculation of net operating cash flow per share (NOCFPS)</b>		
	Net cash from operating activities	3,605,353,998	3,304,608,823
	No. of shares	31,500,000	31,500,000
	Net operating cash flow per share (NOCFPS)	<b>114.46</b>	<b>104.91</b>
<b>28.3</b>	<b>Reconciliation of net profit with cash flows from operating activities</b>		
	Profit after tax	3,553,856,351	3,108,680,032
	Adjustment for:		
	Depreciation	215,974,262	160,682,982
	Amortisation	1,374,200	1,403,206
	Interest expense	7,735,850	2,962,773
	Effect of exchange rate fluctuations on cash held	-	(184,588)
	Interest on lease	9,411,049	11,787,340
	Gain on lease modification and cancelation	-	(23,065,477)
	(Reversal of) impairment expense	-	2,413,121
	Interest income	(126,636,587)	(149,398,274)
	Gain on sale of PPE	(37,484)	371,006
	Tax expense	943,410,886	1,085,738,503
	Gain on disposal of treasury bond	-	(11,334,400)
		<b>4,605,088,528</b>	<b>4,190,056,224</b>
	Changes in operating assets and liabilities:		
	Inventories	(351,976,096)	(348,349,453)
	Advances, deposits and prepayments	(271,691,833)	(26,218,662)
	Other financial assets	18,080,670	82,101,469
	Employee benefit obligation	33,430,948	(53,027,499)
	Trade and other payable	424,816,228	363,212,871
	<b>Cash generated from operating activities</b>	<b>4,457,748,448</b>	<b>4,207,774,950</b>
	Interest paid	(8,627,922)	(2,111,958)
	Interest received	84,266,200	168,546,826
	Income tax paid	(928,032,728)	(1,069,600,995)
	<b>Net cash flows from operating activities</b>	<b>3,605,353,998</b>	<b>3,304,608,823</b>

## 29. Contingent liabilities

The Company has contingent liability of approximately BDT 1,131,100,000 as on 31 March 2022 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.

The Company has ordinary letter of credit amount of Taka 18,768,345.38 Standard Chartered Bank and Taka 3,000,000 with CITI Bank NA. Shipping guarantee of Taka 1,470,359.23 with Standard Chartered Bank, Taka 528,447.17 with Hongkong and Shanghai Banking Corporation and Taka 3,000,000 with CITI Bank NA.

## 30. Production Capacity

Main product	Unit of measure	Installed capacity	
		31 March 2022	31 March 2021
Parachute Coconut Oil (PCNO)	KL	36,500	36,500
Copra Crushing	MT	72,000	36,000
Copra Crushing	MT	18,000	18,000
Value Added Hair Oil (VAHO)	MT	17,160	15,600
Water based product	MT	12,000	12,000
Edible Oil	MT	4,000	4,000

**31. Commitment**

	31 March 2022	31 March 2021
	BDT	BDT
i) Capital commitment	326,364,655	281,606,861
ii) Other commitment	1,180,256,797	1,127,506,863

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

**32. Dividends declared and remitted**

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.

The company remitted following amounts, net of tax in foreign currency to Marico Ltd. India, a non resident shareholder of the Company.

Dividend for	Dividends declared	Dividends remitted	
		31 March 2022	31 March 2021
Final dividend for FY 2019-2020	(630,000,000)	-	510,300,000
First interim dividend for FY 2021-2021	(945,000,000)	-	765,450,000
Second interim dividend for FY 2020-2021	(630,000,000)	-	510,300,000
Third interim dividend for FY 2020-21	(630,000,000)	-	510,300,000
Final dividend for the year 2020-2021	(630,000,000)	510,300,000	-
First interim for the year 2021-2022	(630,000,000)	510,300,000	-
Second interim for the year 2021-2022	(630,000,000)	510,300,000	-
Third interim for the year 2021-2022	(630,000,000)	510,300,000	-
		<b>2,041,200,000</b>	<b>2,296,350,000</b>

**33. 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.

**34. 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.

**35. Number of employees**

The number of employees engaged for the whole year or part there of who received a total salary of TK 36,000 p.a. and above is 383 (previous year:417), among them 83 employees left Marico and 300 (Previous year: 311) existed at 31 March 2022.

**36. Subsequent events**

The Board of Directors of Marico Bangladesh Limited at its 118th meeting held on 27 April 2022 has declared 200% final cash dividend i.e. Tk. 20 per share, amount to total Taka 630,000,000 for the period ended at 31 March 2022 (i.e. total 800% Cash Dividend including 600% Interim Cash Dividend which has already been paid out).

## 37. Financial instruments - fair values and financial risk management

## 37.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. 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 2022

Particulars	Notes	Carrying amount													
		Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other financial liabilities	Total	BDT	BDT	BDT	BDT			
Financial assets measured at fair value		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value															
Fixed deposits	9	-	-	-	-	1,942,382,196	-	-	-	-	-	-	-	1,942,382,196	-
Loan to employees	9	-	-	-	-	1,537,577	-	-	-	-	-	-	-	1,537,577	-
Trade receivables	9	-	-	-	-	52,229,788	-	-	-	-	-	-	-	52,229,788	-
Cash and cash equivalents	11	-	-	-	-	505,194,161	-	-	-	-	-	-	-	505,194,161	-
		-	-	-	-	<b>2,501,343,722</b>	-	-	-	-	-	-	-	<b>2,501,343,722</b>	-
Financial liabilities measured at fair value															
Financial liabilities not measured at fair value															
Loans and borrowings	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	16	-	-	-	-	-	-	-	-	-	-	-	-	3,548,037,256	-
Lease liabilities	15	-	-	-	-	-	-	-	-	-	-	-	-	128,118,161	-
		-	-	-	-	-	-	-	-	-	-	-	-	<b>3,676,155,417</b>	-
														<b>3,676,155,417</b>	

## 37. Financial instruments - fair values and financial risk management (continued)

## 37.1 Accounting classifications and fair values (continued)

31 March 2021

Particulars	Notes	Carrying amount										Total	
		Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other financial liabilities						
		BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Financial assets measured at fair value		-	-	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value													
Fixed deposits	9	-	-	-	-	1,737,974,722	-	-	-	-	-	-	1,737,974,722
Loan to employees	9	-	-	-	-	6,814,738	-	-	-	-	-	-	6,814,738
Trade receivables	9	-	-	-	-	65,033,298	-	-	-	-	-	-	65,033,298
Cash and cash equivalents	11	-	-	-	-	396,404,261	-	-	-	-	-	-	396,404,261
		-	-	-	-	<b>2,206,227,019</b>	-	-	-	-	-	-	<b>2,206,227,019</b>
Financial liabilities measured at fair value													
Financial liabilities not measured at fair value													
Loans and borrowings	13	-	-	-	-	-	-	-	-	250,000,000	-	-	250,000,000
Trade and other payables	16	-	-	-	-	-	-	-	-	3,082,900,365	-	-	3,082,900,365
Lease liabilities	15	-	-	-	-	-	-	-	-	166,890,934	-	-	166,890,934
		-	-	-	-	-	-	-	-	<b>3,499,791,299</b>	-	-	<b>3,499,791,299</b>



## 37.2 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

### 37.2.1 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	Notes	31 March 2022	31 March 2021
		BDT	BDT
Fixed deposits	9	1,942,382,196	1,737,974,722
Loans to employees	9	1,537,577	6,814,738
Trade receivables	9	52,229,788	65,033,298
Cash and cash equivalents	11	505,194,161	396,404,261
		<b>2,501,343,722</b>	<b>2,206,227,019</b>

## 37.2 Financial risk management (continued)

### 37.2.2 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:

	Notes	Carrying amount	Contractual cash flows					
			Expected cash flow	6 months or less	6-12 months	1- 2 years	2- 5 years	More than 5 years
			BDT	BDT	BDT	BDT	BDT	BDT
<b>31 March 2022</b>								
Loans and borrowings	13	-	-	-	-	-	-	-
Trade and other payables	16	3,548,037,256	3,548,037,256	3,548,037,256	-	-	-	-
Lease liabilities	15	128,118,161	128,118,165	27,628,104	28,352,033	57,413,676	14,724,352	-
		<b>3,676,155,417</b>	<b>3,676,155,421</b>	<b>3,575,665,360</b>	<b>28,352,033</b>	<b>57,413,676</b>	<b>14,724,352</b>	<b>-</b>
<b>31 March 2021</b>								
Loans and borrowings	13	250,000,000	250,000,000	250,000,000	-	-	-	-
Trade and other payables	16	3,082,900,365	3,082,900,365	513,816,727	2,569,083,638	-	-	-
Lease liabilities	15	166,890,934	166,890,934	7,232,159	37,402,052	48,886,907.00	67,986,282.00	5,383,534
		<b>3,499,791,299</b>	<b>3,499,791,299</b>	<b>771,048,886</b>	<b>2,606,485,690</b>	<b>48,886,907</b>	<b>67,986,282</b>	<b>5,383,534</b>

**37.2.3 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 2022 are as follows:

	31 March 2022	31 March 2021
	USD	USD
Import of goods and services	(4,335,687)	(771,798)
Bank balance	2,179,283	508,702
	<b>(2,156,404)</b>	<b>(263,096)</b>

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

	Average rate		Year-end spot rate	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Exchange rate (BDT/USD)	85.37	84.82	86.22	84.71

**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.

	Profit/(loss)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
	BDT	BDT	BDT	BDT
<b>31 March 2022</b>				
USD (1% movement)	<b>(1,859,165)</b>	<b>1,859,165</b>	<b>(1,859,165)</b>	<b>1,859,165</b>
<b>31 March 2021</b>				
USD (1% movement)	<b>(222,869)</b>	<b>222,869</b>	<b>(222,869)</b>	<b>222,869</b>

**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 2022, the interest rate profile of the Company's interest bearing financial instruments was:

	31 March 2022	31 March 2021
	BDT	BDT
<b>Fixed rate instruments</b>		
Financial assets		
Fixed deposit receipts	<b>1,942,382,196</b>	<b>1,737,974,722</b>
Financial liabilities	-	-
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-

### 38. Basis of measurement

The financial statements of the Company have been prepared on historical cost basis except for net defined benefit (asset)/liability for which the measurement basis is the fair value of plan assets less the present value of the defined benefit obligation, as explained in note 40.11.

### 39. Standards issued but not yet effective

In January 2018, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards without any modification, this adoption does not have any impact on the financial statements of the Company.

A number of new standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are effective from 1 April 2020.

- Amendments To References To Conceptual Framework in IFRS Standards.
- IFRS 17: Insurance Contracts.
- IAS 1 and IAS 8: Definition of Material
- IAS 1: Classification of Liabilities as Current or Non-current
- IAS 16: Proceeds before Intended Use
- IAS 37: Costs of Fulfilling a Contract
- IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41: Taxation in fair value measurements
- IAS 8: Definition of Accounting Estimates

### 40. 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
40.01	Foreign currency transactions
40.02	Property, plant and equipment
40.03	Intangible assets
40.04	Right of use asset
40.05	Investment Property
40.06	Inventories
40.07	Cash and cash equivalent
40.08	Financial instruments
40.09	Share capital
40.10	Dividend to the equity holders
40.11	Employee benefits
40.12	Accruals
40.13	Provisions
40.14	Income tax
40.15	Revenue
40.16	Finance income and finance cost
40.17	Lease liabilities
40.18	Impairment
40.19	Contingencies
40.20	Earnings per share
40.21	Events after the reporting period

**40.01 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 (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 (BDT) at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

**40.02 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%
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.

**vi) Capitalisation of borrowing costs**

As per the requirements of IAS 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.

**40.03 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 IAS 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 asset (Computer Software) is 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.

**40.04 Right of use asset**

The Company recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Company's accounting policies.

**40.05 Investment Property**

Investment property is land or a building (including part of a building) or both that is:

- held to earn rentals or for capital appreciation or both;
- not owner-occupied;
- not used in production or supply of goods and services, or for administration; and
- not held for sale in the ordinary course of business.

Investment property may include investment property that is being redeveloped.

An investment property is measured initially at cost. For subsequent measurement an entity must adopt either the fair value model or the cost model as its accounting policy for all investment properties.

Under the cost model, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses. Fair value is disclosed. Gains and losses on disposal are recognised in profit or loss.

**40.06 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.

**40.07 Cash and cash equivalent**

Cash and cash equivalents comprise cash balances and call deposits with maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the company in the management of its short term commitments.

**40.08 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**ii. Classification and subsequent measurement**

Financial assets – policy applicable from 1 April 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**40.08 Financial instruments (continued)****Financial assets – business model assessment: policy applicable from 1 April 2018**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

### Financial assets - subsequent measurement and gains and losses: policy applicable from 1 April 2018

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets includes cash and cash equivalents, trade and other receivables and short term investment.

#### (a) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

#### (b) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

### 40.08 Financial instruments (continued)

#### (c) 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 carried as financial assets at amortised cost. 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.

#### iii. Financial liability

All financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

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

Financial liabilities include trade and other payables etc.

#### (a) Trade and other payables

The Company recognises trade and intercompany payables 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 economic benefits.

#### (b) Loans and borrowings

The Company derecognises loans and borrowings when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises loans and borrowings when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

### 40.09 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.

**40.10 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.

**40.11 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 plan (Gratuity)**

The Company operates an 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 28 September 2015 and the trust deed.

**40.12 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.

**40.13 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 provisions are reversed.

**40.14 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 2021 i.e. 22.5%.



## 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.

## 40.15 Revenue

The Company has initially applied IFRS 15 Revenue from contracts with customers from 1 April 2018. The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, IFRS 15 establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

## 40.16 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.

## 40.17 Lease liabilities

The lease liabilities is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liabilities is subsequently increased by the interest cost on the lease liabilities and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

## 40.18 Impairment

### i. Financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

#### 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.

## 40.19 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.

## 40.20 Earnings per share

The Company presents 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.

## 40.21 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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