

DIRECTORS' REPORT

A message to our Shareholders

The Board of Directors ('the Board') of Marico Bangladesh Limited is pleased to present to you the 14th Annual Report of the Company after being listed on the Dhaka & Chittagong stock exchanges.

Financial performance for the year ended March 31, 2024

BDT in Cr	FY 2024	FY 2023	Growth %
Revenue	1,452.4	1,413.6	2.7%
Cost of sales	(609.9)	(681.1)	-10.5%
Gross profit	842.5	732.5	15.0%
Other income	4.0	2.5	63.9%
General and administrative exp	(129.9)	(122.2)	6.3%
Mkt, selling and distribution exp	(101.5)	(98.9)	2.6%
Operating profit	615.1	513.8	19.7%
Net finance income	1.4	15.9	-91.2%
Profit before con. to WPPF	616.5	529.7	16.4%
Contribution to WPPF	(30.8)	(26.5)	16.4%
Profit before tax	585.7	503.2	16.4%
Income tax expenses	(125.0)	(115.9)	7.9%
Profit for the year	460.6	387.2	19.0%
Other comprehensive income/(loss)	1.7	1.7	0.5%
Earnings per share (EPS)	146.2	122.9	19.0%

PRINCIPAL BUSINESS ACTIVITIES OF COMPANY

Marico Bangladesh Limited is dedicated to the manufacturing and promotion of fast-moving consumer goods (FMCG), constituting the cornerstone of its operational endeavors. Renowned for its illustrious array of brands, including Parachute, Parachute Advansed, Just For Baby, Nihar, Parachute SkinPure, Parachute Naturale, Saffola Active, HairCode, and Livon, the company upholds a legacy of excellence in delivering quality products to consumers.

Throughout the fiscal year, Marico Bangladesh embarked on a dynamic journey of portfolio expansion, marked by the introduction of several innovative products and extensions across the hair oil and skincare segments. These strategic maneuvers not only underscore the company's commitment to pioneering advancements but also to fortify the stature of its esteemed brands, positioning them as formidable contenders in the market.

With an unwavering dedication to innovation and market leadership, Marico Bangladesh stands poised to seize new opportunities and sustain its trajectory of success within the ever-evolving landscape of the FMCG industry.

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY

In the ever-evolving landscape of Fast Moving Consumer Goods (FMCG), a tapestry of opportunities and challenges unfolds against the backdrop of global economic dynamics. Bangladesh, poised for growth amidst its growing GDP, faces the dual specters of inflation and exchange rate volatility, echoing the cautionary notes sounded by international financial institutions. Amidst these economic crosscurrents, the FMCG sector stands at a pivotal juncture, poised to chart its course amidst uncertainty. With projections hinting at a 3.2% CAGR for the global FMCG market, emerging markets like Bangladesh emerge as fertile ground for expansion. Factors such as rising disposable incomes, coupled with a

growing millennial population, catalyze shifts in consumer preferences and market dynamics.

As the FMCG industry in Bangladesh contemplates its trajectory, a mosaic of possibilities comes to the fore. The advent of innovative distribution channels, alongside the burgeoning e-commerce landscape, promises to reshape consumer access and engagement. Moreover, the growing affinity for aspirational personal care products underscores a paradigm shift in consumer behavior, propelling the industry towards new horizons.

However, amidst these promising trends lurk challenges that demand sharp navigation. Rising production costs, driven by inflationary pressures and exchange rate fluctuations, underscore the imperative for operational efficiency and cost optimization. Moreover, heightened competition and evolving regulatory landscapes necessitate agility and resilience from FMCG players seeking to thrive in this dynamic market.

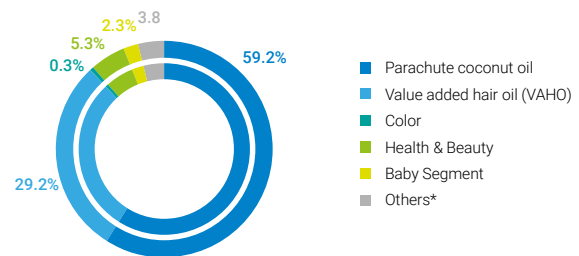
In this context, the future of the FMCG industry in Bangladesh hinges on its capacity to leverage emerging opportunities while mitigating inherent risks. Strategic investments in innovation, supply chain optimization, and consumer-centric approaches will be instrumental in driving sustainable growth and fostering resilience amidst an evolving economic landscape. As FMCG companies embrace these imperatives, they stand poised to unlock new avenues of success and establish a path towards a vibrant and prosperous future.

SEGMENT-WISE PERFORMANCE

During the year ended 31 March 2024, the company continued its drive for portfolio diversification with new launches in different categories. The Company strengthened its presence through launching a new product line for Parachute Just for Baby, titled "Milky Glow." Additionally, we have introduced a new variant for Parachute Naturale Shampoo called Egg Shine Shampoo, and a new variant, Vitamin C Facewash, has been added to the Parachute SkinPure portfolio. In response to consumer needs, we have refreshed the packaging for Red King Fast Cooling Oil and Parachute Extra Care Anti Hair Fall Oil. Lastly, Parachute Coconut Oil, trusted by consumers, has launched three new SKUs. 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'24 the Company's household penetration stood at approximately 89.7%.

Marico posted BDT 1452.42 Cr total revenue for the year ended 31 March 2024 with 2.7% 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 have been taken to strengthen the non-coconut oil market share as well as maintaining the leadership in the coconut oil category. The segment performance is set out in Note 22 in the financial statements and represented below:

Segment-Wise Revenue Contribution (BDT Crores)



RISKS AND CONCERNS

With steadfast commitment to transparency and foresight, the Board of Directors meticulously scrutinizes and evaluates potential risks and threats that may impinge upon the sustainability and profitability of the company, as well as its environmental footprint. Embracing a proactive stance, the company adheres to a robust Enterprise Risk Management (ERM) framework, meticulously crafted to identify, assess, and mitigate risks across all facets of its operations.

Under the purview of this framework, the Board conducts regular reviews to gauge the efficacy of existing risk mitigation strategies and to identify emerging challenges that warrant attention. Paramount among these considerations are litigation, regulatory, and fraud risks, which are subject to rigorous assessment to ensure comprehensive risk mitigation measures are in place.

By nurturing a culture of vigilance and accountability, the company endeavors to fortify its resilience in the face of uncertainty, safeguarding its stakeholders' interests while charting a sustainable path towards long-term prosperity.

Details of Risks and concerns including internal and external risk factors are discussed in the 'Enterprise Risk Management' section on pages 135 to 136 in this Annual Report.

SPECIAL NOTE ON RISKS AND CONCERNS

Against the backdrop of a fragile global economic landscape, exacerbated by prolonged conflict in Europe, the resilience of the global supply chain continues to face significant tests. Compounded by the substantial depreciation of the Bangladeshi Taka against the US Dollar, settling material bills remains an ongoing challenge for the company. In response to this uncertain scenario, the company remains vigilant, employing proactive measures within the Enterprise Risk Management (ERM) framework to buffer against macro-economic shocks.

Through close collaboration with banking partners, the company is diligently managing raw material inventory and optimizing freight costs to navigate the prevailing challenges. The swift execution of contingency plans in the preceding fiscal year ensured minimal disruption to business operations, underscoring the company's robust risk management protocols.

Looking ahead to FY'25, the Board and management maintain a cautious yet optimistic outlook, mindful

of the prevailing macroeconomic environment. With comprehensive risk mitigation plans in place, the company is poised to sustain its operations and navigate through uncertainties, reaffirming its commitment to long-term sustainability and growth.

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

Cost of Sales:

Revenue for the year ended 31 March 2024 increased by 2.7% and the cost of sales decreased by 10.5% due to favorable movement of material prices in global market.

Gross Profit:

Gross profit for the year ended 31 March 2024 in absolute terms has grown by 15%. Efficient management of costs along with improved brand mix contributed to the profit growth.

Net Profit:

Net profit for the year ended 31 March 2024 was BDT 460.6 Cr. It increased by 19% compared to last year in absolute term. Higher revenue and efficient cost management resulted in the growth of net profit.

*Year ended on 31 March 2024 and figures in BDT Cr

BDT in Cr	FY 2024	FY 2023	Growth %
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RELATED PARTY TRANSACTION

In the year FY'24, the Company had related party transactions with its parent company, Marico Limited, India, Marico Middle East FZE, Marico for Consumer Care Products SAE (Erstwhile Wind Co) and other subsidiaries of the parent company. The value of the transactions with Marico Middle East for the purchase of raw materials exceeds the 10% of the revenue of the preceding financial year, i.e. FY'23. Note 31 of the financial statements include details of the transactions with the related parties. The approval of shareholders regarding related party transactions in FY'25 will be sought at the 24th 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'25 (2024-25) 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 24th AGM in accordance with the Notification.

DIRECTORS' STATEMENT ON FINANCIAL REPORTING

In accordance with the Corporate Governance Code 2018, the Directors confirm the following based on their understanding:

- a. The financial statements, meticulously prepared by the Company's management, accurately reflect its financial status, operational outcomes, cash flows, and changes in equity.
- b. Comprehensive and accurate books of account have been diligently maintained by the issuer company.
- c. The Company has consistently applied appropriate accounting policies in preparing the financial statements, with prudent judgments made for accounting estimates.
- d. The financial statements have been prepared following International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable, with any deviations from these standards adequately disclosed.
- e. There are no significant concerns about the issuer company's ability to continue its operations as a going concern.

- f. No significant deviations from the previous year's operating results have been noted, ensuring a consistent performance trajectory. Key operational and financial data from the past five years are summarized for analysis and comparison on page 115.

Internal Controls

The internal control framework within our organization stands as a testament to meticulous design and rigorous implementation, overseen closely by our Board to ensure it aligns seamlessly with the company's unique size, scope, and intricacies. Spearheaded by a proficient Audit Committee comprised of seasoned Directors, we engage proactively with statutory and internal auditors, as well as management, to address all matters within our purview swiftly and effectively. Our robust signatory matrix, meticulously crafted and endorsed by the Board in line with Segregation of Duties principles, rigorously governs authorized transactions and dispositions. Operational controls and anti-fraud measures are intricately woven throughout our financial processes, leaving no room for compromise.

To complement our internal financial control framework, we maintain an extensive regimen of internal audits and management reviews. Our policies, guidelines, and procedures are meticulously documented, ensuring consistency and unwavering compliance across critical business processes. The internal audit function stands as a vigilant guardian, continuously monitoring and evaluating the efficacy and adequacy of our internal control systems. This ensures alignment with operational systems, accounting procedures, and overarching policies. We perform self-assessment of IFC and GRC to ensure adequate internal control and proper governance in the process. Upon identification of areas for improvement from IFC/GRC testing, process owners promptly institute corrective measures, reinforcing our control mechanisms. Significant audit findings and proposed corrective actions are rigorously scrutinized by our Audit Committee, ensuring swift and effective remediation wherever necessary. Moreover, we have meticulously identified and documented key risks and controls associated with each process relevant to financial operations and reporting. Periodic testing of identified key controls by our internal audit function ensures their ongoing effectiveness. Our commitment to compliance is unwavering, backed by a robust compliance management framework that ensures adherence to legal and regulatory requirements. This framework undergoes regular assessment to mitigate compliance risks effectively. Additionally, we have leveraged cutting-edge IT solutions to automate internal controls, further enhancing our information and cyber security framework. This ensures the seamless

operation and fortified security of our automated internal control mechanisms, safeguarding our operations against potential threats.

Minority Shareholder Protection

Safeguarding the rights of minority shareholders against any form of exploitation or undue influence remains a top priority for us. We've implemented robust measures to ensure that minority shareholders have effective avenues for recourse in case of any concerns arising from the actions of controlling shareholders, whether direct or indirect. Our dedication to maintaining strong investor relations and effective shareholder management is unwavering. Key members of our management team, including the Company Secretary, Chief Financial Officer, and Managing Director, are committed to maintaining continuous engagement with shareholders through various platforms and channels. In line with our commitment to transparency and accountability, we've developed and approved a comprehensive Dividend Policy. This policy, which is readily available to all shareholders on our company website and in this report,

outlines clear guidelines for dividend declaration and distribution, empowering shareholders with a deeper understanding of these crucial processes. We ensure that all shareholders have timely access to critical information about the company, including disclosures and price-sensitive updates. This information is readily accessible on our website's dedicated Investors section, ensuring transparency and accessibility for all stakeholders. Furthermore, we meticulously document and present detailed disclosures regarding material decisions and related party transactions in this report. These disclosures undergo thorough review and approval by shareholders at our annual general meetings, reaffirming our commitment to transparency and accountability at every level of governance.

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.

Key Operating and Financial Data of Preceding Five Years

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*Year ended on 31 March 2024 and figures in BDT Cr

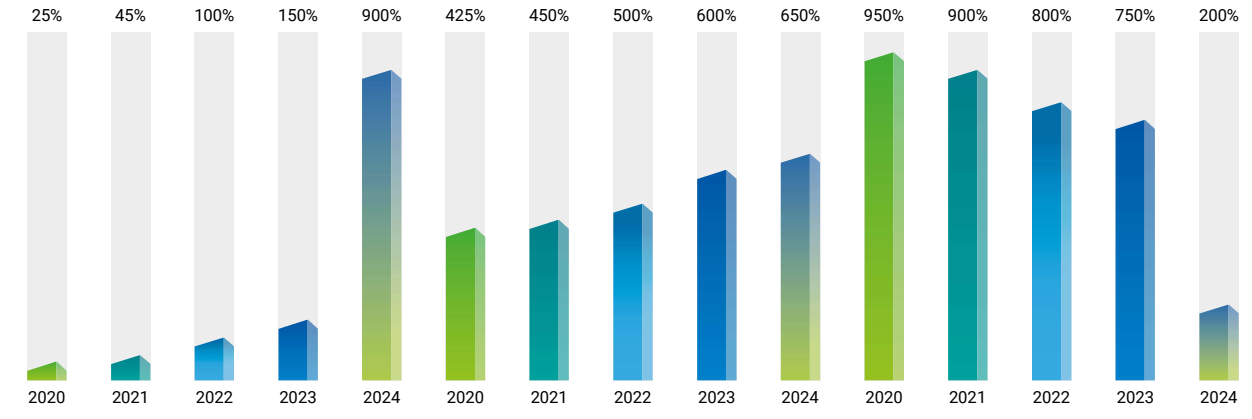
Particulars	2024	2023	2022	2021	2020
Revenue	1,452	1,414	1,303	1,131	980
Cost of sales	(610)	(681)	(596)	(464)	(412)
Gross profit	842	733	707	667	567
Other income	4	3	2	6	0
General and admin expenditure	(130)	(122)	(119)	(109)	(96)
Mkt, selling and distribution expenditure	(102)	(99)	(125)	(136)	(115)
Other expense	(0)	(0)	(0)	(0)	(0)
Operating profit	615	514	464	429	338
Finance income	58	16	13	15	24
Finance cost	(57)	(0)	(4)	(2)	(5)
Net finance income	1	16	9	13	19
Profit before contribution to WPPF	616	530	473	442	357
Contribution to WPPF	(31)	(26)	(24)	(22)	(19)
Profit before tax	586	503	450	419	357
Income tax expense	(125)	(116)	(94)	(109)	(93)
Profit for the year	461	387	355	311	265

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 7,643,067,522.

DISTRIBUTION OF EQUITY TO SHAREHOLDERS

Dividend Disbursement



In FY24 , the Company declared Final cash dividends amounting to 200%.

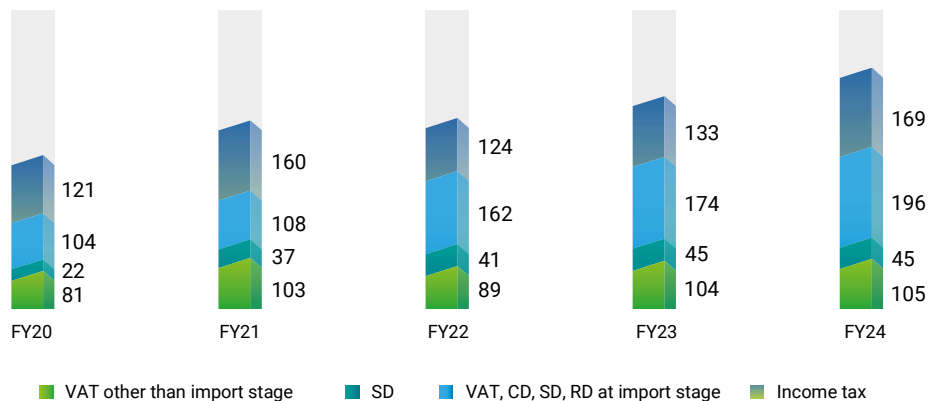
EVENTS SUBSEQUENT TO THE STATEMENT OF FINANCIAL POSITION

The Board of Directors of Marico Bangladesh Limited at its 128th meeting held on 29 April 2024 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 2024.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the reporting period, your company paid BDT 516 Crores to the National Exchequer on account of Corporate Income Tax, Customs Duties, Supplementary Duties and Value Added Tax (VAT) with a growth of 13% over last year.

Contribution To National Exchequer



Details	2020	2021	2022	2023	2024
Total (BDT Crores)	327	408	415	456	516

BOARD OF DIRECTORS

As at 31 March 2024, 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 pages 35 to 41 of this Annual Report.

BOARD OF DIRECTORS' MEETING AND ATTENDANCE

The number of Board meetings held during the year 2023-24 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		5	Yes
Rajat Diwaker	Managing Director- Executive Director		2	Yes
Sumitava Basu	Country Head- Executive Director		2	No
Parveen Mahmud	Independent Director	5	5	Yes
Zakir Ahmad Khan	Independent Director		4	Yes
Sheela R Rahman	Independent Director		5	Yes
Pawan Agrawal	Nominee Director		4	Yes
Ashish Goupal	Nominee Director		5	Yes

Mr. Sumitava Basu was appointed to the Board at its 126th Meeting w.e.f 31st December 2023. Mr. Rajat Diwaker retired from the Board of Directors during the year under review.

PATTERN OF SHAREHOLDING

The shareholding pattern of the Company as on March 31, 2024 is presented at page 150 of this Annual Report.

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

Mr. Ashish Goupal, non-executive/nominee Director of the Board will retire from office by rotation at the 24th 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. Ashish Goupal and his other directorships are stated in detail in page 40 of this Report.

REMUNERATION OF DIRECTORS

The amount of total remuneration paid to Directors including Independent Directors has been presented at Note: 31.2 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/Country Head/Chief Executive Officer (CEO) of the Company and is presented at pages 119 to 121 of this Annual Report.

CERTIFICATE BY CEO AND CFO

The Managing Director/Country Head/CEO and Chief Financial Officer/CFO of the Company certifies the financial reports presented in this report. The Certificate of the Country Head and CFO has been presented on page 137 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 138 of this Annual Report. Furthermore, Status of Compliance as per the Code has been presented at pages 139 to 149 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 to 32 respectively.

STATUTORY AND COMPLIANCE AUDITORS

- A. A. Qasem & Co (AQC), member firm of ECOVIS will be completing their third year of Audit for the Company at the 24th Annual General Meeting (AGM). In this context, based on the suggestions of the Audit Committee, the Board has recommended the appointment of Hoda Vasi Chowdhury & Co as statutory auditors in accordance with Section 210 of the Companies Act 1994 to hold office until the conclusion of the 25th AGM at a consolidated fee of BDT 18,90,000 excluding VAT.
- B. As required under the BSEC CG Code, the Compliance Auditor will be appointed at the 24th Annual General Meeting.

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 fair 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

Major activities of the Board of Directors during the year :

During the year under review, the Committee carried out the following core activities:

- Provided 'collective wisdom' to the Company,
- Conducted 5 (five) meetings during the year,

- Reviewed and approved the quarterly and annual accounts of the Company as recommended by the Audit Committee,
- Appropriated profit and recommended dividend for the year,
- Reviewed and approved the report of the Audit Committee,
- Reviewed and approved the report of the Nomination and Remuneration Committee (NRC),
- Reviewed and approved the 'Management Discussion & Analysis' statement prepared by the Management of the Company,
- Reviewed the Auditors Report submitted by the statutory auditors,
- Reviewed and approved the Due Diligence Declaration jointly made by the MD/Country Head and CFO,
- Reviewed and approved the Status of Compliance of the CG Codes,
- Reviewed the 'Certificate of Compliance' from the CG Compliance Auditor,
- Reviewed and approved the Directors' Report of the year,
- Reviewed and approved the Annual Report of the Company to be placed before the ensuing 24th Annual General Meeting,
- Reviewed and approved the employee benefit, as recommended by the Nomination and Remuneration Committee (NRC),
- Reviewed and approved the yearly evaluation reports of the Directors.

Acknowledgement

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

Overview of FY 24

FY 24 presented Marico Bangladesh Limited (MBL) with a unique blend of unprecedented challenges and commendable achievements. Amidst the dual challenge of high inflation and significant adverse currency exchange rate movements, MBL demonstrated remarkable resilience and growth. The company not only grew its profits but also invested in future capacities and maintained consistent dividend payments. This stellar performance was driven by growth in core categories, the launch of new products, expanded distribution, and accelerated capability development.

Financial Performance

Revenue Growth

Marico Bangladesh Limited achieved a commendable 6.7% revenue growth in FY 24. The company sustained its leadership position in the coconut oil (CNO) category and saw a 5% growth in the value-added hair oils (VAHO) category. This growth is particularly notable given the challenging macroeconomic environment. The strong revenue performance was primarily fueled by robust sales of flagship products like Parachute Advanced, Beliphool, Parachute Naturale, and Just for Baby. Additionally, the successful launch of new products such as Parachute Advanced Onion, Glo-On, and Hair Code color shampoo significantly boosted the overall revenue.

Revenue Breakdown by Category

Category	Full Year				
	Sales value in Cr		Growth %	Contribution %	
	FY24	FY23		FY24	FY23
Parachute coconut oil	859.3	857.6	0%	59%	61%
Value added hair oil (VAHO)	423.6	404.5	5%	29%	29%
Color	4.0	4.5	-12%	0%	0%
Health & Beauty	76.5	59.7	28%	5%	4%
Baby Segment	33.6	27.7	21%	2%	2%
Others*	55.4	59.6	-7%	4%	4%
Total	1,452.4	1,413.6			

The revenue mix continues to evolve, with non-coconut oil (CNO) revenue contributions steadily increasing due to portfolio diversification and expansion into personal care, beauty, health, and baby care segments. The slight decline in the CNO category's contribution to the total revenue underscores the company's strategic shift towards a more diversified product portfolio, which is essential for long-term sustainable growth.

Gross Margin

The Gross Margin for FY'24 was reported at 58.1%, marking a 6% increase from the previous year. This improvement in gross margin is a testament to MBL's efficient cost management practices and effective pricing strategies.

The absolute gross profit saw a significant 15% increase compared to the last year, highlighting the company's ability to enhance profitability despite external economic pressures. The strategic sourcing of raw materials, coupled with optimized production processes, contributed to this notable improvement in gross margins.

Expense Analysis

Marketing, Selling & Distribution Expenses

During FY'24, marketing, selling, and distribution expenses increased by 2.6%. This increase was primarily driven by higher provisions under SLI FFOH, reflecting the company's strategic investment in brand building and

market penetration efforts. The controlled growth in these expenses indicates a balanced approach towards expanding market reach while maintaining cost efficiency.

General & Administration Expenses

General and administrative expenses for FY'24 were 6.3% higher compared to the previous year. This increase was driven by several factors including annual salary increments, higher professional and legal charges, increased rental expenses, enhanced CSR activities, and elevated bank charges. Despite these increases, the company managed to keep the rise in general and administrative expenses within a reasonable range, showcasing effective expense management practices.

Profit After Tax

The profit for the year grew by 4.3% compared to the previous year, driven by revenue growth and efficient expense management. MBL reported a net margin of 18.9% in FY'24, compared to 27.5% in the previous year. This reduction in net margin is largely attributable to the increased cost of goods sold and heightened administrative expenses. Nevertheless, the company's ability to deliver profit growth amidst such challenges underscores its strong operational capabilities and strategic foresight.

Corporate Governance and Compliance

Statement on Compliance

MBL has complied with the conditions outlined in the BSEC Notification No. SEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018. A Compliance Certificate from licensed practicing professional Al-Muqtadir Associates, Chartered Secretaries, confirms that MBL has met all regulatory and governance requirements stipulated by the Bangladesh Securities and Exchange Commission (BSEC). This certificate is presented in this Annual Report, reinforcing the company's commitment to maintaining high standards of corporate governance and regulatory compliance.

Accounting Policies and Estimations

The financial statements of MBL have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Guidelines issued by the BSEC, and the Companies Act 1994. The accounting policies and estimations applied are consistent and relevant, ensuring compliance with the Bangladesh Securities and Exchange Rules 2020 and other governmental regulations. This adherence to stringent accounting standards underscores the

company's commitment to transparency and accuracy in financial reporting.

Comparative Financial Analysis (BDT Cr)

Performance Overview (2018-2024)

MBL has consistently reported revenue and profit growth over the past six years. For the current financial year, the company reported a revenue growth of 6.28% and a profit growth of 4.3%, with an EPS growth of 19% compared to the last year. This consistent growth trajectory highlights the company's robust business model and effective strategic execution.

Industry Benchmarking

The peer companies within the FMCG industry include various notable firms, with Reckitt Benckiser Bangladesh Limited (RB) being the listed peer company for benchmarking. RB reported a growth of 24.48% in turnover and a profit growth of 15.54%, providing a useful benchmark for MBL's performance.

The comparative analysis indicates that MBL outperformed in absolute turnover and net profit, reflecting its dominant market position and operational efficiency. However, the higher EPS reported by RB suggests room for MBL to further optimize its earnings per share.

Economic Scenario

Global Economic Outlook

Global financial institutions are predicting another year of uncertainty and recessionary pressures due to the ongoing war in Europe. This conflict has led to significant volatility in commodity prices and financial markets worldwide. The World Bank forecasts a global GDP growth of 2.7% in 2024, the lowest annual growth rate since the global financial crisis, except for the 2020 pandemic period. This challenging global economic environment is expected to have cascading effects on emerging markets, including Bangladesh.

Bangladesh Economic Outlook

Bangladesh's GDP is projected to grow by 6.6% in FY 2024. However, the country faces economic headwinds due to inflation, energy shortages, import restrictions, and monetary policy tightening. The completion of large-scale infrastructure projects like the Padma Bridge and Metrorail is expected to positively impact economic growth. Nonetheless, the overall economic environment remains challenging, with inflation projected to rise from 9% in FY2023 to 9.9% in FY2024.

Risks and Concerns

MBL addresses financial risks with secured contracts, buyer financing arrangements, and foreign exchange hedging policies. The company has a formalized risk management framework under the governance of the Audit Committee to ensure business continuity amidst macroeconomic challenges. Proactive management of these risks is crucial to ensure sustained business growth. Regular identification and review of functional and entity-level risks are conducted to ensure proper mitigation plans are in place.

Future Outlook

Despite macroeconomic adversities, MBL remains committed to growth and expansion. The construction of a new manufacturing unit in Bangabandhu Shilpanagar, which commenced production in Q2 of FY24, marks a significant milestone in the company's growth journey. This strategic investment has already begun enhancing MBL's production capacity and operational efficiency, enabling the company to better serve its consumers across Bangladesh.

Strategic Initiatives

MBL will continue to focus on portfolio expansion, digital marketing, and consumer engagement through social media. The company aims to reinforce trust in core categories and ensure the availability of stock across channels. Leveraging real-time data and analytics, along

with increased automation, will be key drivers in unlocking efficiencies across the supply chain.

Talent Development

Marico is deeply committed to growing and developing talent across all levels through impactful learning and development interventions. Employee welfare, health, safety, and fostering an energizing and safe work culture are critical pillars in achieving the vision of doubling business by 2025.

Conclusion

Marico Bangladesh Limited remains poised for growth despite macroeconomic challenges. The company's strategic initiatives, robust risk management, and commitment to innovation and efficiency will drive its continued success. By exhibiting a higher degree of agility and continuously expanding the consumer franchise, MBL is well-positioned to navigate the challenges of the macroeconomic environment and sustain its growth trajectory.



Sumitava Basu
Country Head

Declaration by

ANNEXURE-A

MANAGING DIRECTOR/COUNTRY HEAD AND CFO

Date: April 28, 2024
The Board of Directors
Marico Bangladesh Limited

Subject: Declaration on Financial Statements for the year ended on 31st March 2024

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 31st March 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from 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 31st March 2024 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,



Sumitava Basu
Country Head



Shafiq Musharraf FCA
Chief Financial Officer (CFO)

CERTIFICATE

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

efforts umpteenth : প্রচলন অসম্পূর্ণ

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

[As required under code 1(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 2024. This code relates to the gazette notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd June 2018 (as amended) 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 2024.

AI-Muqtadir Associates
Chartered Secretaries & Consultants



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



Dhaka, July 01, 2024

Statement of

ANNEXURE-C

COMPLIANCE

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, 2024 the Board of Marico Bangladesh Limited (MBL) comprised of 7 Directors.
1(2)	Independent Directors			
1(2) (a)	At least 2 (two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s): Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company	✓		As at March 31, 2024 there are three Independent Directors on Board, viz: Mr. Zakir Ahmad Khan, Ms. Parveen Mahmud and Ms. Sheela Rahman which is more than 1/5th of the total number of Directors.
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
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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(2)(b)(ix)	Not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution; and"	√		As above
1(2)(b)(x)	Not been convicted for a criminal offence involving moral turpitude	√		As above
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		Appointed at AGM
1(2)(d)	The post cannot remain vacant for more than 90 (ninety) days	√		No such case in the year
1(2)(e)	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 are currently in their second term while Ms. Sheela Rahman was appointed by the Board as Independent Director on 5 June 2022 and she is currently in her first term of office.
1(3)	Qualification of Independent Directors			
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 registered 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 or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service;			Not Applicable
1(3)(b)(iv)	University Teacher having educational background in Economics or Commerce or Business Studies or Law;			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			No such instance
1(4)	Duality of chairperson of the Board of Directors and Managing Director or Chief Executive office			
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 non-executive Directors. Mr. Saugata Gupta is the Chairman and Mr. Sumitava Basu is the Managing Director/Country Head.
1(4)(b)	MD shall not hold same position in any other listed company	√		No such instance
1(4)(c)	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)(e)	In the absence of regular chairperson, the other members shall elect a non-executive director to chair that particular meeting	√		In Practice
1(5)	Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry	√		Disclosed in the Director's Report pages 111 to 118
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 200% cash dividend for the year ended on 31st March 2024
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	√		As above
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares held by :-			
(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	√		Disclosed in Annexure-1 of annual 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)	√		As above
(c)	Executives and	√		As above

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	√		As above
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
(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	√		As above
(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board	√		As above
1(5)(xxv)	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:			
(a)	accounting policies and estimation for preparation of financial statements	√		Presented in Management's Discussion and Analysis at pages 119 to 121
(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	√		As above
(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	√		As above
(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		As above
(e)	briefly explain the financial and economic scenario of the country and the globe	√		As above
(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company and	√		As above
(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	√		As above
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	√		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;	√		As above
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
1(6)	Meeting of the Board 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.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	Code of conduct for the Chairman, other Board members and Chief Executive Officer	√		The Code of Conduct as recommended by NRC is available.
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 https://marico.com/bangladesh/about-us/code-of-conduct
2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Same provisions shall be applicable for composition of the Board of the holding and the Board of the subsidiary			Not Applicable
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			Not Applicable
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			Not Applicable
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			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
3(1)	MD or CEO, CFO, Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)-			
3(1)(a)	Appointment of MD or CEO, CFO, HIAC and CS	√		Duly appointed by the Board
3(1)(b)	Different individuals are in the position of MD or CEO, CFO, HIAC and CS	√		As at March 31, 2024, Mr. Sumitava Basu is the Managing Director/Country Head, Mr. Shafiq Musharraf is the Chief Financial Officer, Mr. Musfiful Haider is the Company Secretary and Mr. Tanmoy Kumar Ghosh is the Head of Internal Audit & Compliance.
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: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√		They do not hold any position in any other Company
3(1)(d)	Clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		The roles and responsibilities are separately defined
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).	√		No such case in the reporting year

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
3(2)	Attendance in the meetings of the Board of MD or CEO, CS, CFO and HIAC	✓		In Practice
3(3)(a)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to certify to the Board that the financial statements-			
3(3)(a)(i)	Does not contain materially untrue statement and omit any material fact in the financial statements certified by MD & CFO	✓		The declaration of the CEO & CFO is presented in the Annual Report
3(3)(a)(ii)	True & fair view of financial statements certified by MD & CFO	✓		Do
3(3)(b)	Certification of MD and CFO regarding financial statements	✓		Do
3(3)(c)	Annual Report contains certification of MD & CFO on financial statements	✓		Do
4	Board of Directors' Committee			
4(i)	An Audit Committee	✓		In Practice
4(ii)	A Nomination & Remuneration Committee	✓		In Practice
5	Audit Committee			
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	✓		The Audit Committee performs as per BSEC Guidelines
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 as per BSEC Guidelines
5(2)	Audit Committee composition:			
(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/ Country Head 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)	Fill up the vacancy of office of audit committee member, in case of his/ her expiry or inability to hold office	✓		In Practice
5(2)(e)	The company secretary shall act as the secretary of the Committee	✓		In Practice

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
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, acted as Chairman of the Audit Committee
5(3)(b)	Chairman in the absence of regular Chairman of the Committee	✓		There were no such instance during FY 2023-24.
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
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			Not Applicable. There was no IPO/RPO/ Rights issue in 2023-24 or in the recent past.
5(6)	Reporting of the Audit Committee			
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.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
5(6)(a)(ii)(a)	Report on conflicts of interests	√		No such case in the reporting year
5(6)(a)(ii)(b)	Report on suspected or presumed fraud or irregularity or material defect in internal audit/financial statements	√		Do
5(6)(a)(ii)(c)	Report on suspected infringement of laws & regulatory compliances	√		Do
5(6)(a)(ii)(d)	Any other matter deems necessary to disclose	√		Do
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
6	Nomination and Remuneration Committee (NRC)			
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 as per BSEC Guidelines
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.
6(2)	Constitution of the NRC			
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)	At least 02 (two) 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 reporting 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
6(3)	Chairperson of the NRC			
6(3)(a)	Chairman: an independent director	√		In Practice. Mr. Zakir Ahmad Khan, Independent Director is the Chairman of the NRC

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
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
6(4)	Meeting of the NRC			
6(4)(a)	At least one meeting in a financial year	✓		In practice. The NRC met 5 times in the last year.
6(4)(b)	Any emergency meeting upon request by any member of the NRC	✓		No such instance arose during the year
6(4) c	Quorum: Higher of two members or 2/3 of total members including at least one independent director	✓		All meetings fulfilled the necessary quorum requirement.
6(4) d	Confirmation of minutes in the next meeting of the NRC	✓		In Practice
6(5)	Role of the NRC			
6(5)(a)	Shall be independent and responsible or accountable to the Board and to the shareholders	✓		The NRC performed as per BSEC Guidelines
6(5)(b)	NRC shall oversee, among others, following matters and make report with recommendation to the Board:-			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
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	✓		The NRC performed as per BSEC Guidelines
6(5)(b)(i)(b)	Clear relationship among remuneration, performance & benchmarks	✓		Do
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	✓		Do
6(5)(b)(ii)	Devising a policy on Board's diversity	✓		Do
6(5)(b)(iii)	Identification of directors and top level executives and recommendation for appointment and removal	✓		Do
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	✓		Do
6(5)(b)(v)	Identifying needs for employees and determine their selection, transfer or replacement and promotion criteria	✓		Do
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	✓		Do
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
7	External or Statutory Auditors			
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
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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
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
8	Maintaining a website by the Company			
8(1)	An official website linked with the website of the stock exchange	✓		The official website of the company is https://marico.com/bangladesh which is linked with the Stock Exchanges
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
9	Reporting and Compliance of Corporate Governance			
9(1)	Compliance certificate on Corporate Governance Code of the Commission in the Annual Report.	✓		Required Certification has been obtained from Al-Muqtadir Associates, Chartered Secretaries, for the year 2023-24 which is presented in this Annual Report at page 138
9(2)	The compliance auditor shall be appointed by the shareholders in the AGM	✓		In practice
9(3)	Annexure-C attached in the directors' report	✓		Required Annexure-C is presented in this Annual Report at pages 139 to 149

Shareholding

ANNEXURE-1

PATTERN

(a) Shareholding details of Parent or Subsidiary or Associated Companies as on 31st March 2024

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 2024

Name	Position	Number of shares held
Ms. Parveen Mahmud	Independent Director	Nil
Mr. Zakir Ahmad Khan	Independent Director	Nil
Ms. Sheela Rahman	Independent Director	Nil
Mr. Saugata Gupta	Nominated Director	1
Mr. Ashish Goupal	Nominated Director	Nil
Mr. Pawan Agrawal	Nominated Director	Nil
Mr. Sumitava Basu	Country Head	Nil
Mr. Shafiq Musharraf	Chief Financial Officer	Nil
Mr. Musficul Hadier	Company Secretary	Nil
Mr. Tanmoy Kumar Ghosh	Head of Internal Audit & Compliance	Nil

(c) Shareholding details of top 5 salaried executives of the Company as on 31st March 2024

Name	Position
Allen Ebenezer Eric	Director - Marketing
Zahedur Rahman	Director - Supply Chain
Md. Saiful Alam	Director - Manufacturing
K M Sabbir Ahmed	Director - Human Resource
Sumit Sewanee	Head - Commercial Finance

(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

ANNEXURE-2

PATTERN

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%
FY 23	750%								750%
FY 25					200%				200%

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.

During the year, the Board of Directors has announced a final cash dividend of 200% which will be disbursed if approved by the shareholders at the 24th AGM. The dividend declared in FY 24 reflects the Company's approach of balancing wealth distribution with working capital needs and maintaining healthy retained earnings.