



**MARICO BANGLADESH LIMITED**  
ANNUAL REPORT 2015

**MAKE A DIFFERENCE**





# A n n u a l R e p o r t 2 0 1 5



## ENHANCEMENT

We have set the stage for our augmentation fostered by our passion and drive to soar high in all aspects of the business spectrum.

# WELCOME TO MARICO BANGLADESH LIMITED

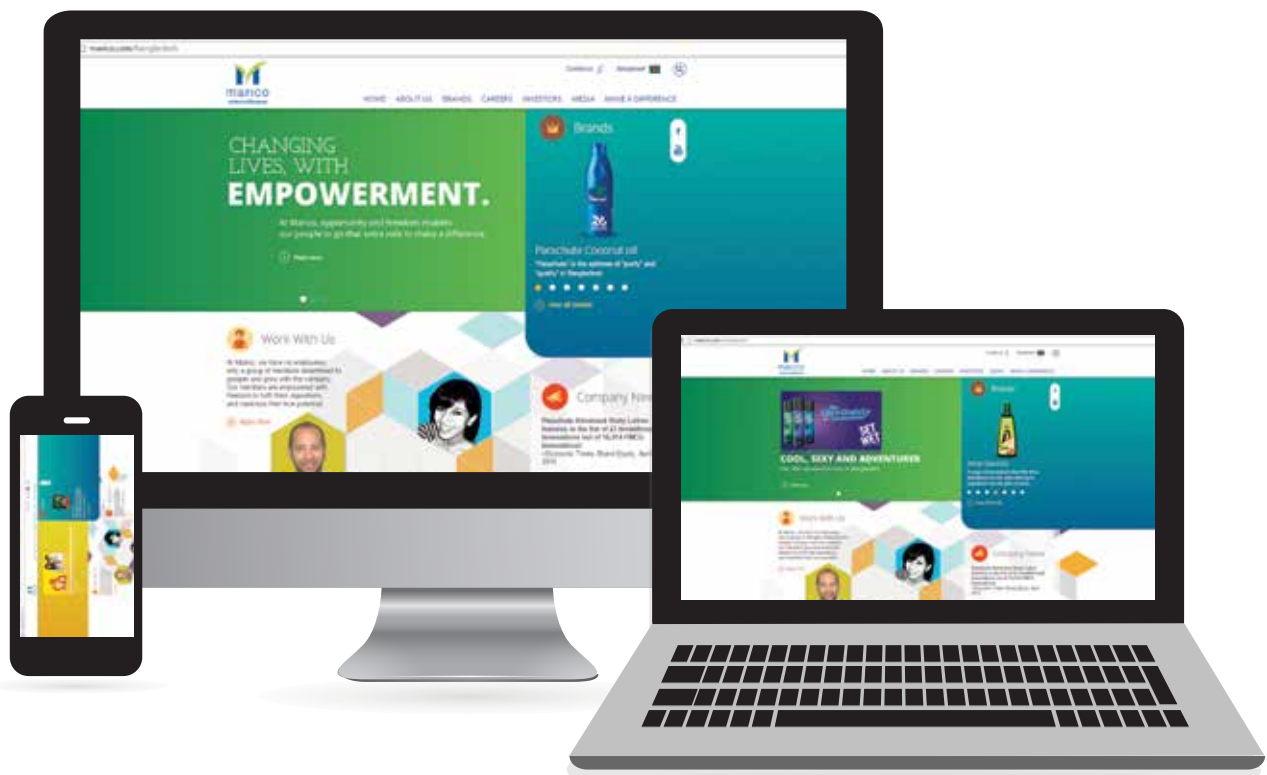
We are one of the leading FMCG companies in the beauty and wellness space of Bangladesh. Committed to making a difference in all we do, we touch the lives of 1 out of every 2 Bangladeshis through our wide array of brands.

## Useful Link

Find more information online:

**[marico.com/Bangladesh](http://marico.com/Bangladesh)**

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



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Saugata Gupta	Chairman
Ms. Rokia Afzal Rahman	Independent Director
Mr. Masud Khan	Independent Director
Mr. Aditya Shome	Managing Director
Mr. B. Sridhar	Director
Mr. Vivek Karve	Director
Mr. Rohit Jaiswal	Director

## AUDIT COMMITTEE

Mr. Masud Khan	Chairman
Mr. B. Sridhar	Member
Mr. Vivek Karve	Member
Mr. Aditya Shome	Member

## MANAGEMENT TEAM

Mr. Aditya Shome	Managing Director
Mr. Iqbal Chowdhury	Director-Finance
Mr. Sidhartha Das	Director-HR
Mr. Md. Nazim Uddin	Head-Supply Chain
Mr. Md. Saiful Alam	Head-Manufacturing
Mr. Aditya Singh	Director-Marketing

## COMPANY SECRETARY

Mr. Monzurul Alam

## REGISTERED & CORPORATE OFFICE

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

Tel: +880 28931202

Fax: +880 28932322

## DATE OF INCORPORATION

September 6, 1999

## OUR FACTORIES

**Factory 1:**  
Mouchak, Kaliakoir, Gazipur

**Factory 2:**  
Shirichala, Mahona Bhabanipur, Gazipur

## AUDITORS

A. Qasem & Co., Chartered Accountants

## LEGAL ADVISORS

Dr. Kamal Hossain & Associates  
Corporate Counsel

## PRINCIPAL BANKERS

Standard Chartered Bank  
HSBC  
Citibank N.A  
BRAC Bank Ltd.  
Islami Bank Bangladesh Ltd.

## STOCK INFORMATION

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

## INVESTOR RELATIONS

Tel: +880 28931202 Ext: 135

Fax: +880 28932322

Email: info@maricobangladesh.net

## WEBSITE

www.marico.com/bangladesh

# COMPANY PROFILE

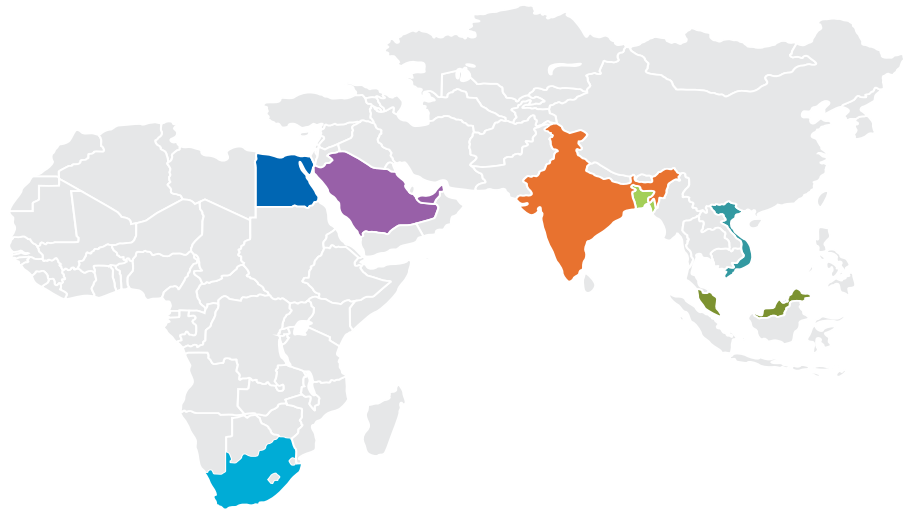
## Snapshot

From hair nourishment to skin care, we are deeply passionate about our growing family of brands and the markets we are in. This, in turn, advances our agenda of delivering consistent above-market results for our shareholders.



### A WINNING LEGACY

We are a subsidiary of a leading Indian consumer products company, Marico Limited. Founded in 1990 by the incumbent Group Chairman Harsh Mariwala, Marico has expanded its footprint across 25 emerging markets in Asia and Africa while serving consumers' evolving beauty and wellness needs.



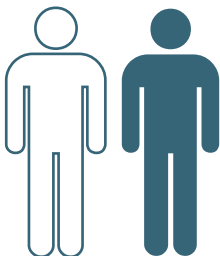
- Bangladesh
- India
- Vietnam
- Middle East
- Egypt
- South Africa
- Malaysia



### A "Glocal" Organization

We leverage our strong experience in global markets to build local capabilities and provide tailored brand experience for our consumer base in Bangladesh. Such "glocal" strategy adds impetus to our objective of building market leadership position in different product categories.

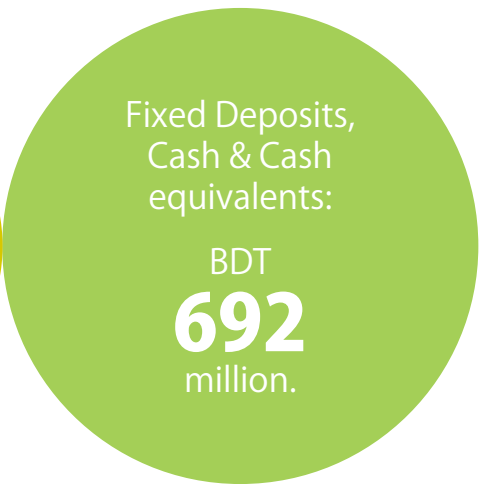
## Quick Facts



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



Our flagship brand Parachute is among the top 10 most trusted brands in Bangladesh.



**21%**

CAGR\* in our **Net Profit** since our Listing

**11%**

CAGR\* in our **Turnover** since our Listing in DSE & CSE in 2009

**232**

BDT (Crores)

Contribution to **National Exchequer**

\*CAGR is calculated for the period between October 1, 2009 to March 31, 2015





## Our Vision

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

Being a company of immense promise and possibilities, we are guided by an underlying dedication to help our stakeholders realize their true potential. This shared vision gives us a unified sense of purpose and destination, and makes us committed to being the best in everything we do.



## Our Mission

**Make a difference.**

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



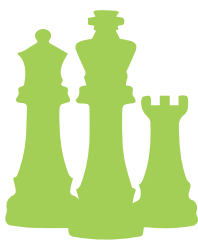
## Strategic Objectives:

Staying true to our promise of growth and transformation, we have embraced the Group-wide strategic roadmap "Winnovation 2018" which envisages building a winning organization on the foundation of innovation and market leadership. For us, Marico Bangladesh Ltd., the newly conceived strategic direction will be manifested through the following objectives:

- Build on past successes and learnings
- Go towards leadership position in product categories
- Create best-in-class workplace for members
- Derive benefit from the synergies of Marico Group
- Win through innovation with consumers

"Winnovation 2018" is underpinned by five cross-cutting pillars on which we will focus in order to galvanize momentum towards delivering on our strategic objectives:

## Strategic Pillars



GTM Strategy



Innovation



IT



Talent Value Proposition



Value Management

## Marico Bangladesh's Business:



## Our Brands

CATEGORY	BRANDS
Branded Coconut Oil (PCNO)	Parachute
Value Added Hair Oil (VAHO)	Parachute Advansed Beliphool Nihar Naturals Shanti Badam Amla Parachute Advansed Extra Care Enriched Coconut Hair Oil Parachute Advansed Enriched Hair Oil Parachute Advansed Cooling Hair Oil
Hair Dye	HairCode HairCode Active HairCode Keshkala
Hair Serum	Livon Silky Potion
Edible Oil	Saffola Active
Male Grooming (Deo)	Set Wet Set Wet Infinity
Skin Care	Parachute Advansed Body Lotion



# OUR Values

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

## CONSUMER CENTRIC

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

## TRANSPARENCY & OPENNESS

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

## OPPORTUNITY-SEEKING

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

## BIAS FOR ACTION

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

## EXCELLENCE

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

## BOUNDARYLESSNESS

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

## INNOVATION

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

## GLOBAL OUTLOOK

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

## THINK CONSUMER

Consumer-Centric

## TO

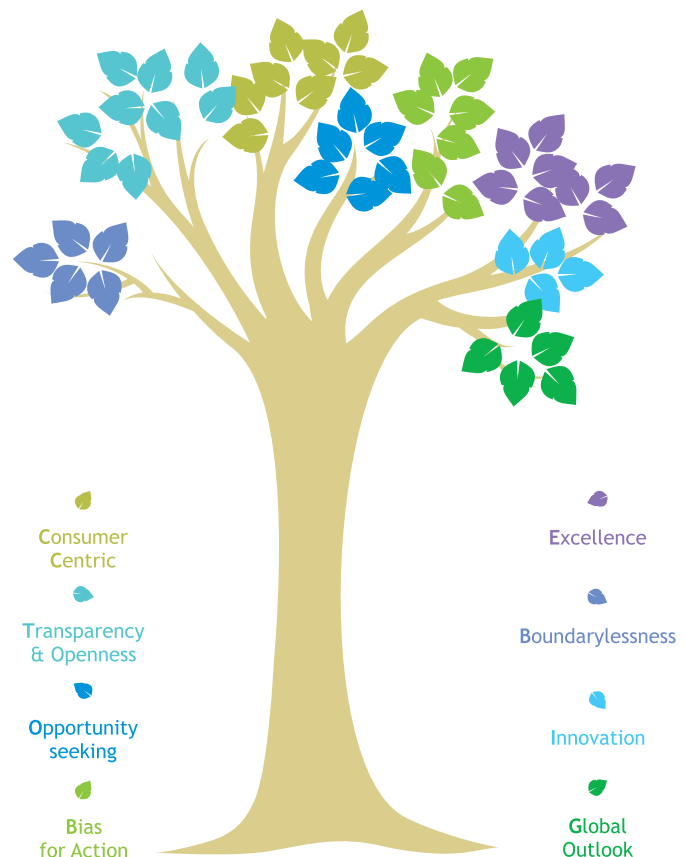
Transparency & Openness | Opportunity-seeking

## BE

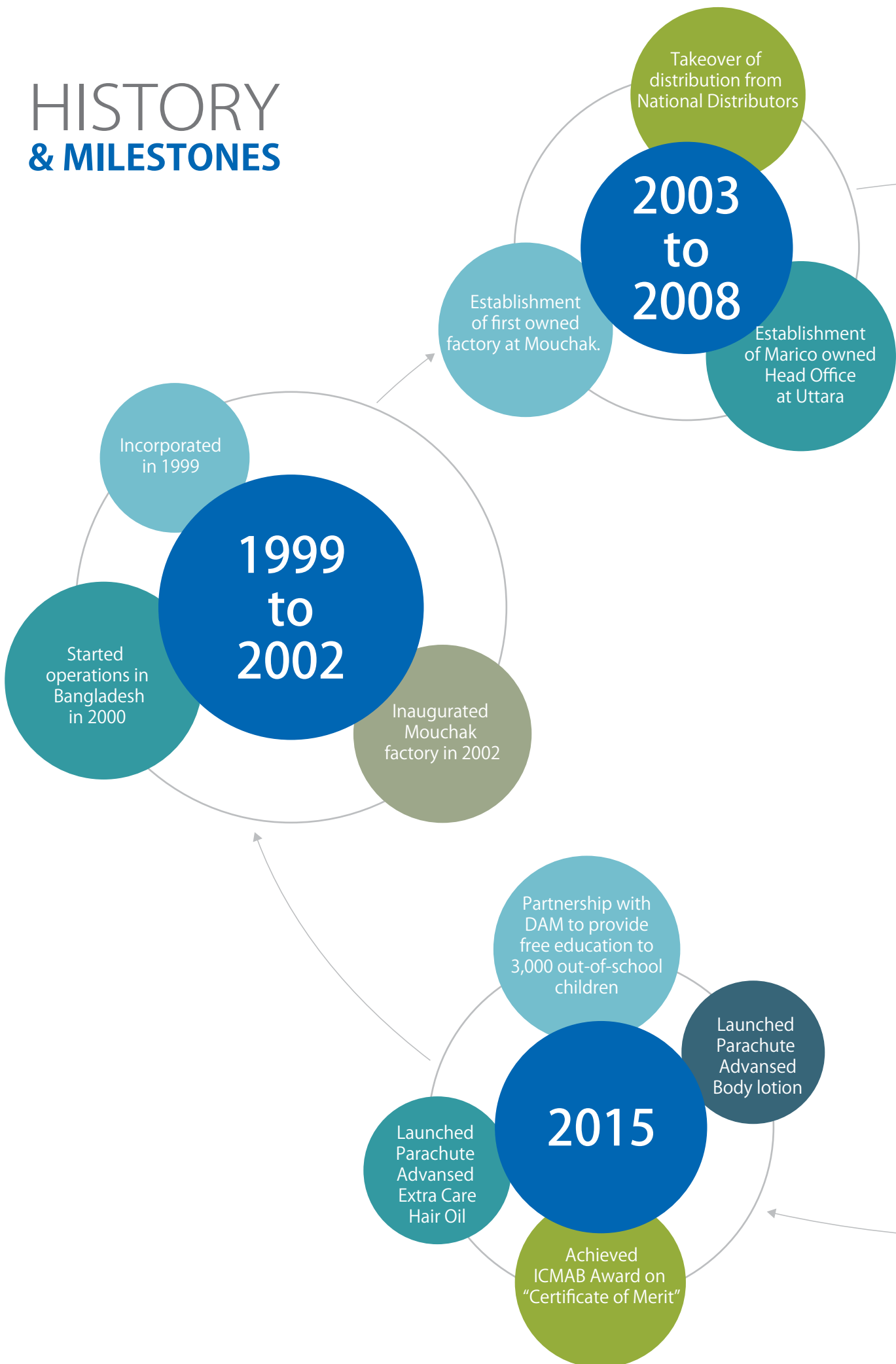
Bias for Action | Excellence

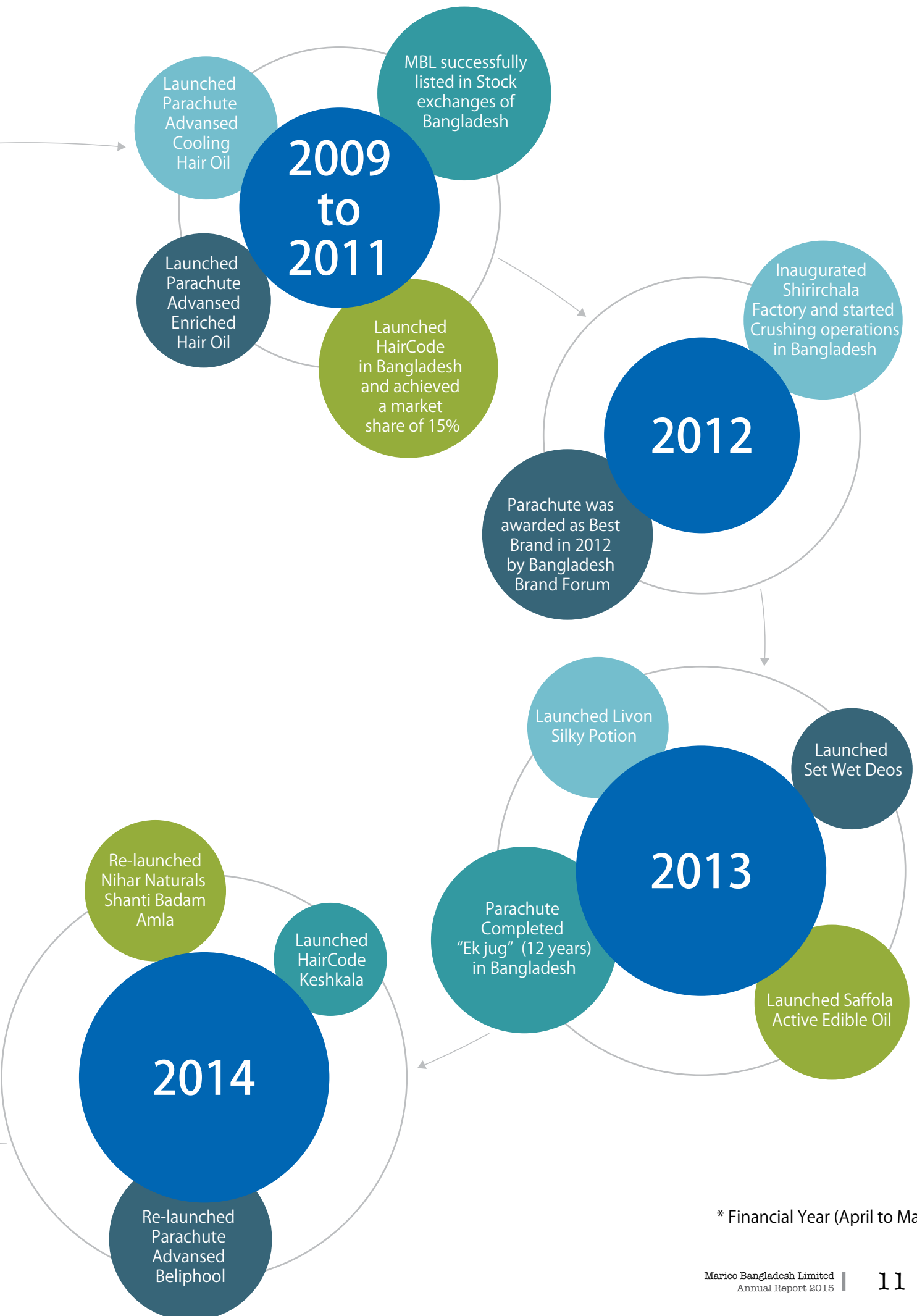
## BIG

Boundarylessness | Innovation | Global Outlook



# HISTORY & MILESTONES

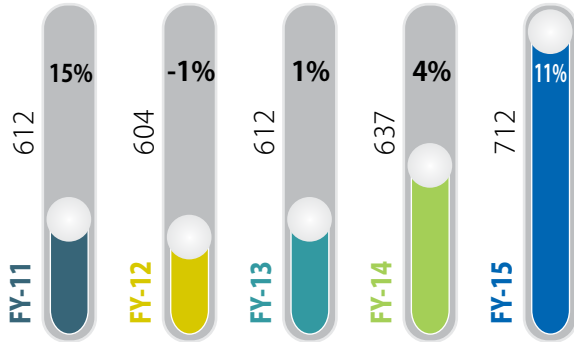




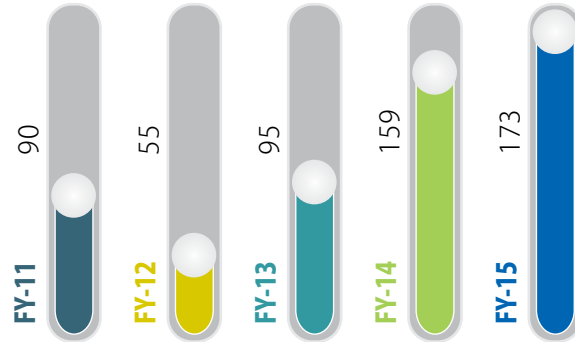
\* Financial Year (April to March)

# FINANCIAL HIGHLIGHTS

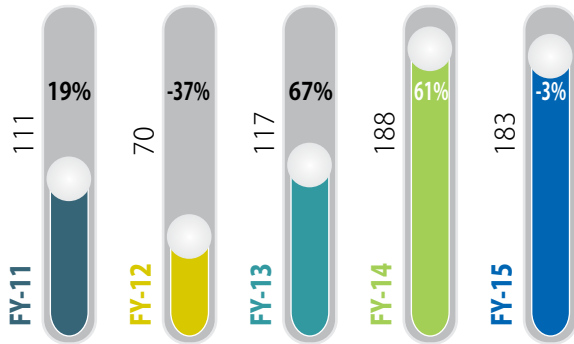
## \*Turnover (in BDT Crore)



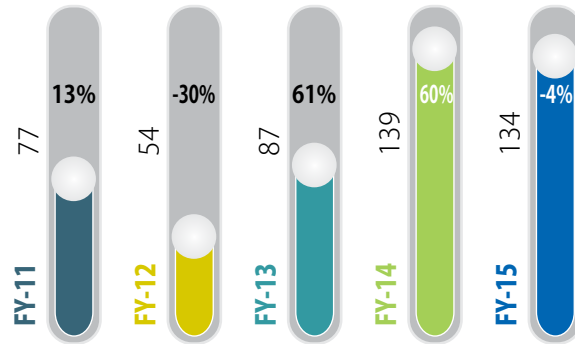
## Profit from Operations (in BDT Crore)



## \*Profit Before Tax (in BDT Crore)



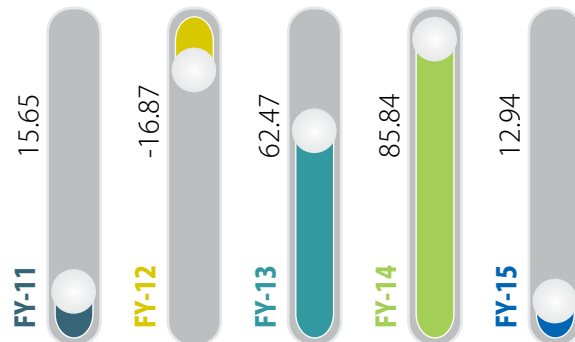
## \*Profit After Tax (in BDT Crore)



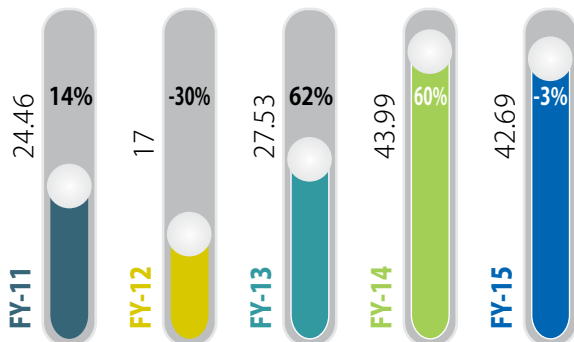
## NAV per share (BDT)



## NOCF per share (BDT)



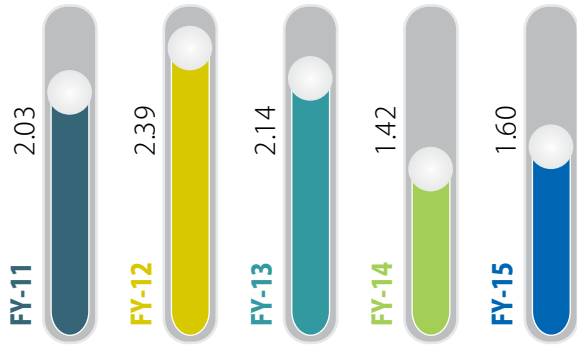
## \*EPS (BDT)



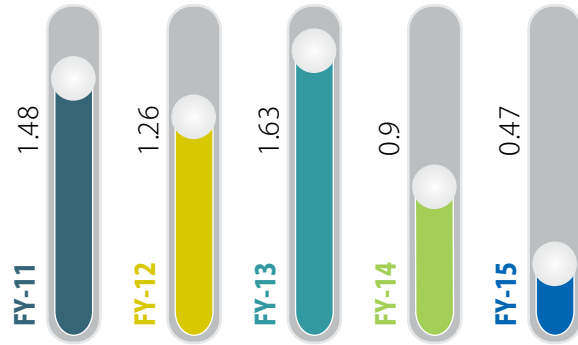
\*Applicable Growth Percentages are also shown with the respective graphs

# KEY RATIOS

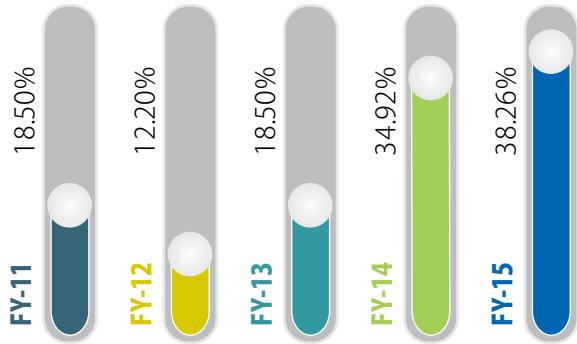
## Current Ratio



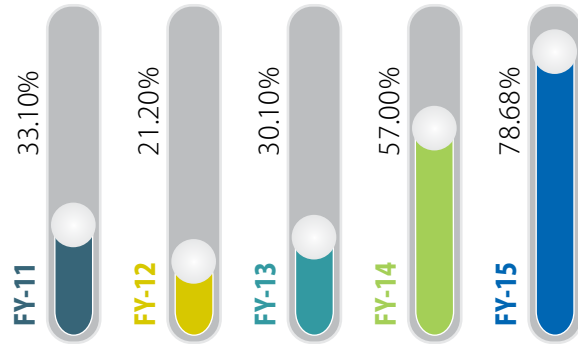
## Quick Ratio



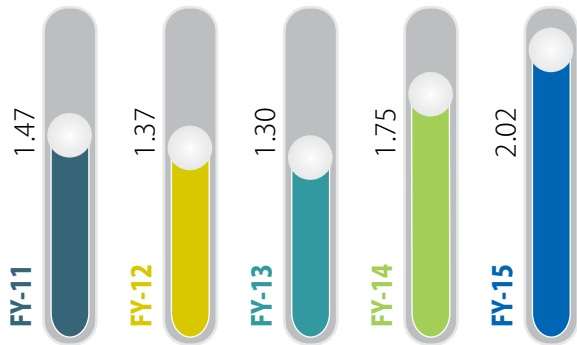
## Return on Assets



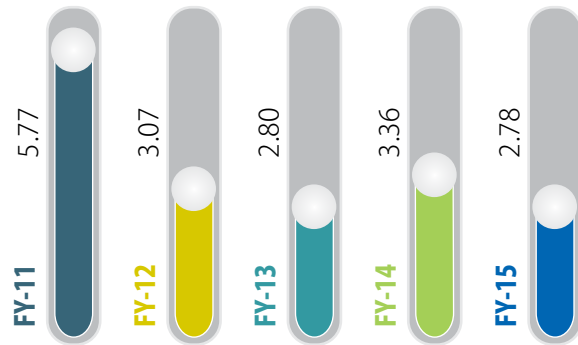
## Return on Equity



## Asset Turnover Ratio



## Inventory Turnover Ratio



# AT A GLANCE

## Q1 (April to June' 14)

### Launch of Parachute Coconut Oil 350ml



A new pack size (350ml) of Parachute Coconut Oil was launched in June 2014 as part of our ongoing initiative to establish the optimal product line mix to meet different consumer needs while strategically upselling existing 200 ml consumers to a higher price point.

### Livon Style Icon' 14



An online, Facebook-based contest "Livon Style Icon" was successfully executed to build engagement with Livon's core target segment (young female teens, who are digital natives). The campaign generated considerable social media buzz, thereby building greater brand awareness among the target segment. The contest concluded with a spectacular Grand Finale where the Top 10 contestants competed to win the ultimate title.

### Dividend Declaration

Following Q1 earnings disclosure, our Board of Directors declared 150 percent interim cash dividend for the shareholders.

## Q2 (July to September' 14)

### Launch of Set Wet Infinity

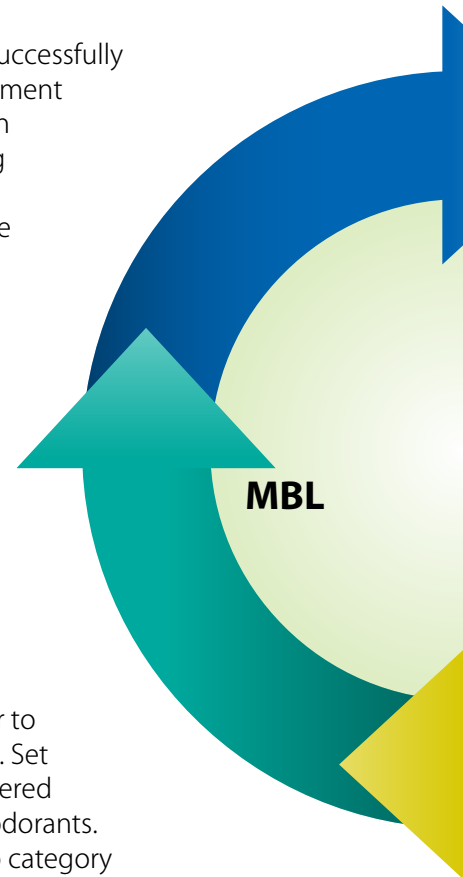


Set Wet Infinity- a new gasless, liquid based deodorant that offers longer lasting fragrance - was launched in September to provide greater value and enhanced benefits to consumers. Set Wet Infinity (available in two variants "Cool" and "Devil") catered to consumers' preference for greater functionality from deodorants. Currently, Set Wet is one of the strongest players in the Deo category in Bangladesh and offers multiple variants in both aerosol and non-aerosol form.

### Launch of Parachute Advansed Body Lotion



We forayed into a new category – Body Lotion – with the launch of Parachute Advansed Body Lotion, which uses 100 percent natural moisturizers (such as coconut milk) to offer an effective, 24-hour moisturization solution. While capitalizing on Parachute's brand equity, the brand witnessed immensely favorable market response during its launch.





## Q3 (October to December' 14)

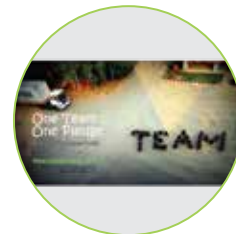
### Progoti Sales Representative (PSR) Project

In South Bengal area, we deployed 88 field-based sales representatives (dubbed as PSRs) to reach far-flung, hitherto uncovered villages with a population size of 3,000 to 5,000. Moreover, in North Bengal, we started outlet survey in 2 districts where our Hybrid PSRs rolled out operations from the subsequent quarter.



### Quality Week 2014

We celebrated Quality Week from December 8 to 12, 2014 under the theme "One Team, One Pledge: Quality" to reinforce our commitment to quality and pave the way for future quality improvement initiatives. The overwhelming response and participation of our members was a true reflection of our continuous drive to improve performance standards and capability building for long-term success of our business.



### DAM-Marico CLC Project

As a part of our CSR activity we have formed partnership with Dhaka Ahsania Mission (DAM) to provide free education opportunities to more than 3,000 out-of-school children from disadvantaged backgrounds by building 75 CLCs (Children Learning Centres).

### Dividend Declaration

Following Q3 earnings announcement, our Board of Directors declared the year's second interim cash dividend of 225 percent for the shareholders.

## Q4 (January to March' 15)

### Launch of Parachute Advansed Extra Care Hair Oil

We extended our VAHO portfolio line with the launch of Parachute Advansed Extra Care Hair Oil, enriched with selected natural ingredients - Methi, Amloki and Aloevera in a base of coconut oil. Launched with hard-hitting communication backed by massive media and visibility drive, the brand has gained momentum in the Enriched Coconut Hair Oil segment. The brand promises to further strengthen our position in the VAHO category.



### The prestigious ICMAB Award

In January 2015, Marico Bangladesh added another accolade to its collection, when it was awarded as one of the winners of the ICMAB Best Corporate Award-2014 achieving "Certificate of Merit".

### Launch of Set Wet Macho & Set Wet Pocket Pack

We introduced a new variant – Macho – to our Set Wet line. This new variant provides a masculine fragrance that complements the style of the male consumers. Its launch reflects our continued effort to add variety within the Set Wet line to keep the brand excitement alive. A new pocket pack (75ml) of Set Wet was also launched. With our ever expanding Deo portfolio, we are expecting to strengthen our market position in the male grooming industry.



### Final Dividend Recommendation

Following Q4 earnings disclosure, our Board of Directors recommended another 50 percent cash dividend, thereby taking the total dividend declaration for FY2014-15 to 425 percent.

FY 2015

# BOARD OF DIRECTORS PROFILE



**Saugata Gupta**  
Chairman

Saugata Gupta is currently the Chairman of Marico Bangladesh Limited, a role he has assumed since 2013. He is also at the helm of Marico Limited and leads the Company's operations both in India and in the International markets. Saugata, who is now the Managing Director of Marico Limited, joined the organization in January 2004 as Head of Marketing.

Saugata started his career with Cadbury India, where he spent 9 years in various roles in Sales and Marketing with his last role being Marketing Manager - Chocolates. Prior to joining Marico, Saugata was Chief of Marketing and Group Sales at ICICI Prudential and was part of the startup team that was instrumental in establishing ICICI Prudential as the largest private sector Insurance firm in the country. In the year 2007, he was elevated to become the CEO of Marico's India business. In April 2013, under Saugata's leadership as the CEO of Marico Limited- the unified FMCG business, Marico restructured its Consumer Product Business (CPB) in India and International Business Group (IBG). In March 2014, Saugata was appointed as the Managing Director of the Company.

Saugata's illustrious career consists of 22 years of experience primarily in FMCG sector. He has an engineering degree from IIT Kharagpur and a Management degree from IIM Bangalore.



**Rokia Afzal Rahman**  
Independent Director

Ms. Rokia Afzal Rahman joined as an Independent Director in October 2014. A leading woman entrepreneur and a former Adviser to the Caretaker Government of Bangladesh, Ms. Rahman started her agro-based Company in 1980 and further diversified her business into insurance, media, financial institution and real estate.

She is currently the Vice President of International Chamber of Commerce-ICC Bangladesh and Trustee Board Member of Transparency International Bangladesh- TIB. Ms. Rahman is founder President of Bangladesh Federation of Women Entrepreneurs- BFWI and former President of Metropolitan Chamber of Commerce and Industries- MCCI, Dhaka.

Her commitment to development brought her to the Boards of a number of development organizations. She is also Chair and Managing Director of R. R. Group of Companies; Chair and Managing Director of Arlinks Group of Companies. Ms. Rahman did her Post Graduate Diploma in Banking from Pakistan.



**Masud Khan**

Independent Director

Mr. Masud Khan joined MBL as an independent Director in October 2014. He is an experienced professional with 35 years of work experience in leading multinational companies in senior Management positions and has been serving as a Director in several Company Boards.

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

Mr. Khan is currently the Finance Director at Lafarge Surma Cement Limited and is responsible for Finance and IT. He did his Bachelor of Commerce with honours from St. Xaviers' College under University of Kolkata and qualified both as Chartered and Cost Accountant from Indian Institutes with distinction.



**Aditya Shome**

Managing Director

Aditya Shome is the Managing Director of Marico Bangladesh Limited (MBL), a position he holds since the beginning of Year 2013. Before that, Aditya was the CFO and Executive Director of MBL. Earlier, as part of the inception team of the company's Egypt operations, Aditya donned a number of hats, including that of Head of Finance and Commercial (MENA), and was instrumental in its success. Aditya brings to Marico his diverse experience gained through holding Management positions in a cross section of industries, including petro-chemicals, FMCG and engineering products.



**B. Sridhar**

Director

Sridhar currently heads Marico's International Units comprising of Marico Bangladesh Limited, EM SEANS, and Marico Middle East & Africa. He is responsible for delivery of top line and bottom line of the these units. Sridhar's career encompasses 20 years of experience in which he has led Sales, Business Finance and Supply Chain for Marico's India business and was responsible for developing and deploying the strategic road map for these functions. Before joining Marico, he was associated with companies like Tata Steel and Pepsi. Sridhar holds a B-Tech in Electronics from IT BHU and a MBA from XLRI Jamshedpur.

**Vivek Karve**

Director

In April 2014, Vivek Karve took over the charge as Chief Financial Officer of Marico Ltd. (India). His role covers Corporate Finance, Business Finance and Commercial for Marico Group. Vivek joined Marico in 2000, as a Manager in Corporate Finance.

Vivek is a Chartered Accountant (1994), a Cost Accountant (1993) and has a Bachelor's Degree in Commerce from the Mumbai University (1991). He has more than 20 years of experience in Finance, Banking and IT across four organizations - Marico, Siemens Information Systems, ICICI and P&G.

**Rohit Jaiswal**

Director

Mr. Rohit Jaiswal, the current Regional Head of Marico Middle East & North Africa (MENA), was the Managing Director of Marico Bangladesh Limited (MBL) till 23rd April 2013.

Even before the start of his career Rohit established himself in the group of Elites, he pursued graduation in the field of commerce and graduated as the University topper with a Gold Medal. Later, he went on to pursue Management degree from the Indian Institute of Management – Bangalore.

His 15 years of experience in Customer Management & Marketing is undoubtedly a valuable asset for Marico .

# DIRECTORS'

## REPRESENTATION IN OTHER COMPANIES

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

Sl No.	Name of Director	Directorship	Member of Board Committees
1	Mr. Saugata Gupta	Marico Consumer Care Limited Marico Innovation Foundation Broadcast Audience Research Council The Indian Society of Advertisers Marico Middle East FZE Marico South Africa Consumer Care (Pty) Limited Marico South Africa (Pty) Limited International Consumer Products Corporation Thuan Phat Foodstuff Joint Stock Company Beaute Cosmetique Societe Par Actions	Audit Committee - Marico Consumer Care Limited
2	Ms. Rokia Afzal Rahman	R.R. Cold Storage Ltd. Imaan Cold Storage Ltd. R. R. Estates Ltd. Aris Holdings Ltd. Arlinks Limited Media world Ltd. (Owning Company of "The Daily Star") MIDAS Financing Ltd. Mediastar Ltd. (Owning Company of "Prothom Alo") ABC Radio MIDAS Investment Ltd. BRAC Grameenphone Manusher Jonno Foundation (MJF) Banchte Shekha, Jessore <b>Member of Board of Trustees</b> Transparency International Bangladesh (TIB)	-
3	Mr. Masud Khan	GSK Bangladesh Limited Singer Bangladesh Limited	Audit Committee Chairman- GSK Bangladesh Limited
4	Mr. Aditya Shome	MBL Industries Limited	-
5	Mr. B. Sridhar	Marico Middle East FZE MEL Consumer Care SAE Egyptian American Investment and Industrial Development Company S.A.E Marico Egypt For Industries (SAE) Marico Malaysia Sdn. Bhd.	-
6	Mr. Vivek Karve	Marico Consumer Care Limited MBL Industries Limited Marico Malaysia Sdn. Bhd	-
7	Mr. Rohit Jaiswal	MBL Industries Limited Marico Middle East FZE MEL Consumer Care SAE Egyptian American Investment and Industrial Development Company S.A.E Marico Egypt For Industries (SAE)	-

# LEADING FROM THE FRONT



**Md. Saiful Alam**  
Head-Manufacturing

**Sidhartha Das**  
Director-HR

**Aditya Singh**  
Director-Marketing



**Aditya Shome**  
Managing Director

**Md. Nazim Uddin**  
Head-Supply Chain

**Mohammad Iqbal Chowdhury**  
Director-Finance

# MAKE A DIFFERENCE

As an organization, we embody our mission - "Make a Difference" – to create a positive impact for and through our stakeholders – everyday, everywhere.



## MEMBERS

We take pride on our value driven and empowering work culture where we put forth winning endeavors. At Marico Bangladesh Limited, everyone is regarded as a member and they are constantly encouraged to maximize their true potential to "make a difference" and thereby stretch that extra mile to achieve their goals.

In FY'15, we significantly invested in building the capabilities of our members across functions and at different levels of the organization through structured training and development programs; so that they excel in their roles and drive business results. Moreover, in order to acknowledge the contribution of the members and to inculcate the ownership of Marico Values, we celebrate the "Values Week" every year. Such initiatives foster an inclusive environment where our members can thrive to become self-starters and push the boundaries of possibility.



## ASSOCIATES

We believe in forging win-win partnership with all our stakeholders' viz. suppliers, third party manufacturers and distributors; in order to deliver sustainable profitable growth for our business. We believe it is important that we continually invest in the capability enhancement of the associates since it sets ourselves well for future growth.

In FY'15, we initiated efforts to create financially strong distributors through consolidation, thereby improving their returns on investment. Also, we have partnered with the distributors in successfully rolling out fully automated PDAs for their field force which we believe will go a long way in assisting them in their effective and smooth conduct of the business.

We have also extended building support to our vendors so that they can embark on their quality journey thereby drawing better cost efficiencies and reliability. Such active collaboration with our associates help us put in place a robust value chain that can drive growth and help us all to succeed even during challenging times.



## CONSUMERS

Consumers are at the center of everything we do. Our brands' key value proposition lies in making a big difference to the way our consumers look and feel. For this very reason, we are constantly endeavoring to create brands that adapt to the changing lifestyle needs of consumers.

In FY2014-15, we introduced 2 brands– namely, Parachute Advanced Extra Care and Parachute Advanced Body Lotion - in Bangladesh to meet the varied demands of different target segments while effectively diversifying our portfolio. While our hair oil segment has been strengthened through the introduction of Extra Care, we have forayed into new category by extending coconut oil equity into body lotion. Such a balanced portfolio makes us excellently positioned to enrich the lives of our consumers and create a lasting impact.





## INVESTORS

Sustainable value creation of our investors has always been our primary objective and this is possible through our efforts in driving business growth and investments in business. This however cannot be possible unless we stay focused with our steps taken in the area of implementation of sharper commercial processes and practices and also by strengthening our Corporate Governance.

In FY'15, we further strengthened our already robust Corporate Governance framework by institutionalizing a Governance Committee to oversee our corporate affairs and our adherence to Code of Conduct.



## SOCIETY

As responsible corporate citizens of Bangladesh, contribution towards the society and making a positive impact to the communities around us is an integral part of our ethos and culture. Our Corporate Social Responsibilities (CSR) have always been aimed at making a lasting impact for the betterment of our society.

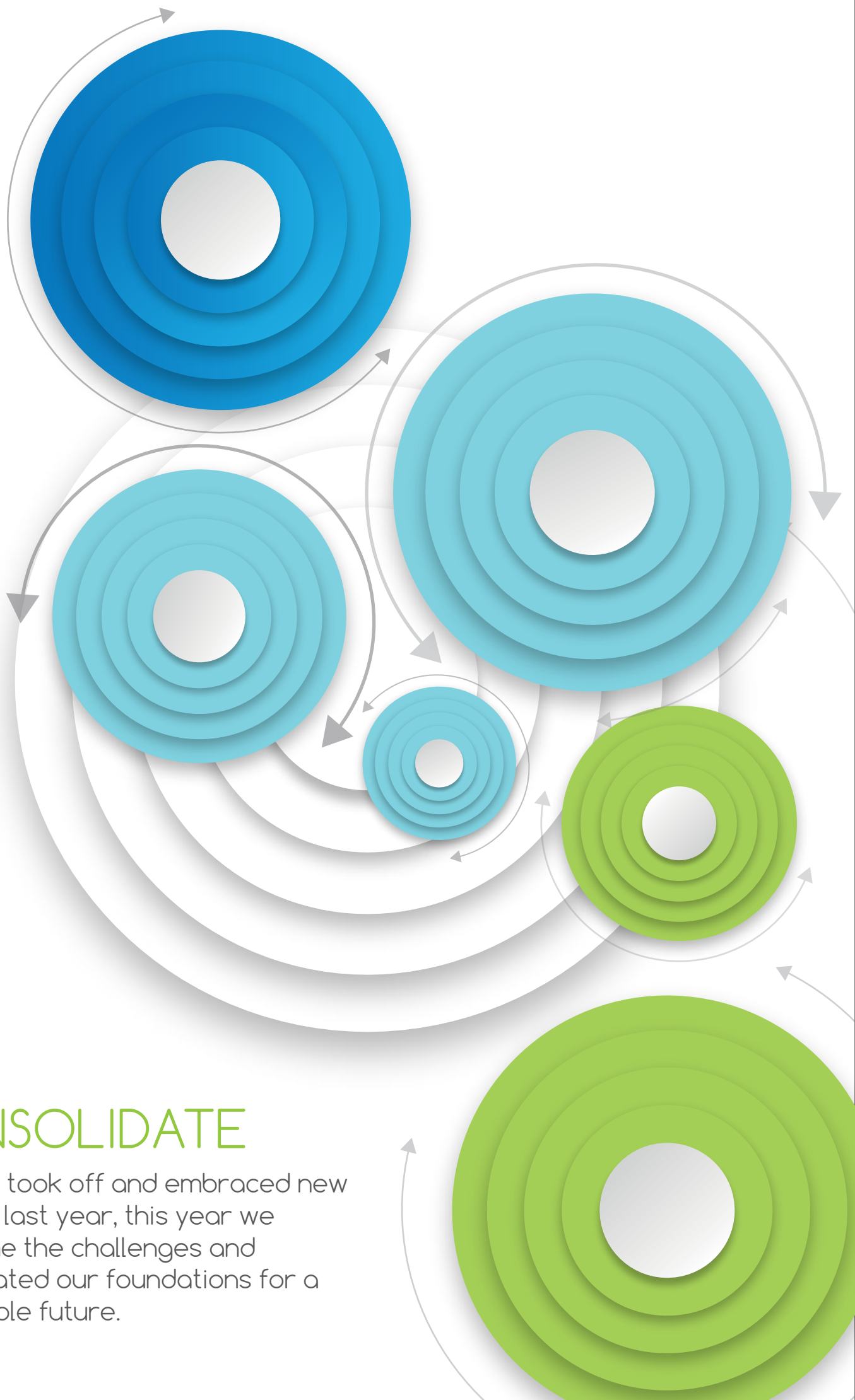
During the last financial year, we have entered into an arrangement with "Dhaka Ahsania Mission- Children Learning Centre (DAM-CLC)" project wherein we partner them in building 75 CLCs through which, free education opportunities is being provided to more than 3000 out of school children from disadvantaged backgrounds.



## GOVERNMENT

Our responsible corporate citizenship is also manifested through our high tax payouts every year. We rank amongst the top tax contributors in the FMCG industry of the country.

In FY2014-15, the Company contributed BDT 232 crores to the National Exchequer by way of supplementary duty, value added tax and other levies. This represents an increase of BDT 88 crores over the last financial year. As a percentage to sales, for every 1 taka of product produced and sold in Bangladesh, 32 paisa is being contributed by Marico towards the welfare of the country. The Company will continue to support Government proposals that establish a sustainable level of tax contribution to the National Exchequer while ensuring a sustainable growth for the industry and promoting a level playing field among market players.



## CONSOLIDATE

While we took off and embraced new horizons last year, this year we overcame the challenges and consolidated our foundations for a sustainable future.

# CHAIRMAN'S LETTER TO SHAREHOLDERS



**SAUGATA GUPTA**

Chairman

As we usher in the first wave of impressive topline results brought forth by our ongoing series of all-encompassing changes and decisive leadership, we have become even more committed to advancing our strategic agenda of growth-oriented transformation to keep our long-term shareholder value proposition intact.

## Dear Shareholders,

With your support and trust, Your Company – Marico Bangladesh Limited – has delivered on its promise of growth-oriented transformation yet again in FY2014-15 and concluded the year with an impressive turnover growth of over 11%, well surpassing market expectations. Our strong performance materialized even against the backdrop of a charged political climate, low consumer confidence level and overall weak business sentiment – thereby signalling the robustness of our growth strategy.

Notwithstanding the remarkable topline performance, we witnessed a 3 percent moderation in our net profits this year, snapping a two-year streak of double-digit bottomline growth. The moderation was largely attributable to intense cost pressures stemming from unprecedented market price increase of our key raw material (namely, copra) and from exacting macroeconomic conditions. As cost pressures begin to ease, we are well-placed to take advantage of the opportunities presented by our long-term strategic direction and translate them into concrete bottomline performance.

In essence, FY2014-15 was a year of consolidation for Your Company, a year in which we strategically forayed into new categories and markets. This was apparent by the series of new products (Parachute Advanced Body Lotion, Parachute Advanced Extra Care and Set Wet Infinity) that we rolled out in this financial year in our effort to create a wider but focused portfolio. Our continued investments behind our brands render us the opportunity to maintain our sustainable presence in the beauty, grooming and wellness space of Bangladesh.

Our flagship brand, Parachute Coconut Oil, remains on growth track while maintaining its undisputed leadership position in the coconut oil market of Bangladesh. Furthermore, the continued growth momentum exhibited by our Value Added Hair Oil (VAHO) portfolio has been nothing short of phenomenal – insofar that our VAHO portfolio now contributes over 13% to our business turnover while being a key source of diversification and growth for our business.

Aided by the introduction of Parachute Advanced Body Lotion and the extension of Set Wet Deo range, we have also made significant strides towards building our presence in the Non-Hair Oil category in this year. In addition, our HairCode portfolio continues to lead the powdered hair dye market while our Saffola Active Edible Oil is gaining increased traction in the health space of Bangladesh.

Over the years, we have inculcated a value-driven, high-performance culture that thrives on operational excellence. This has been manifest through several key initiatives of this year as well – such as through our signing of a special agreement with the Rural Electrification Board (REB) to ensure dedicated connection with uninterrupted electricity supply in our Shirichala copra crushing plant or through our institutionalization of strong Corporate Governance standards to maintain investors' confidence.

Your Company takes pride in acknowledging that strong financial performance is only an enabler and not an end in itself. Finally, our raison d'être is to "make a difference" to all our stakeholders, including the society. Hence, we have recently mobilized resources and efforts to become a responsible corporate citizen through structured CSR initiatives – this is evident by our new partnership with Dhaka Ahsania Mission to bring free, quality education to underprivileged children in the country.

During the year, we have been supported by continued confidence of our shareholders – which

was evident by the strong rally of Your Company's stock in Dhaka Stock Exchange and Chittagong Stock Exchange. Our stock prices have been bullish throughout the year, reaching a new all-time high of BDT 1468 per share.

Although we are circumspect about the short-term macroeconomic outlook, our commitment towards delivering on our growth targets over the longer run is unwavering. This, in turn, will add impetus to our goal of creating sustained shareholder value over the long term.

Along with our members, I would like to extend my sincere gratitude to our esteemed shareholders. I look forward to yet another exciting year of strong financial performance from Your Company.

I would also like to express my sincere appreciation towards our consumers, regulators and business associates for their constant encouragement and towards our members for their continuous dedicated endeavors to make a difference.

I look forward to receiving your continued support and encouragement.

With warm regards,



**Saugata Gupta**  
Chairman

# MANAGEMENT DISCUSSION & ANALYSIS

(including MD's Review)



## ADITYA SHOME

Managing Director

The decisive management interventions of previous years have finally started yielding tangible financial results. We will continue with our investments in brand building and growth projects – underpinned by a focus on efficiency and operational improvements – to drive long-term shareholder value.

### Dear Shareholders,

I am pleased to inform you that the FY 2014-15 has been a dynamic year for Marico Bangladesh, a year in which we have broken through stagnation. In the years to come, we will remember FY2014-15 as an instrumental year in Marico Bangladesh's history in which we overcame the challenges of the previous year and have gone from strength to strength.

We have not only advanced our robust drive to maximize value to the business, but also continued in our journey of creating growth opportunities for the future through continued investments in brands and operational excellence.

Marico Bangladesh has carried on with investments in brand building and has continually put emphasis on product reach expansion, thereby ensuring its presence in every corner of Bangladesh. Like the previous year, this year too has been a year of investments in new brands for the Company - which has resulted in further diversification of our product portfolio to meet the varied demands of our consumers.

The financial performance of Marico Bangladesh reflects breakthrough as the Company has achieved impressive topline growth of over 11%

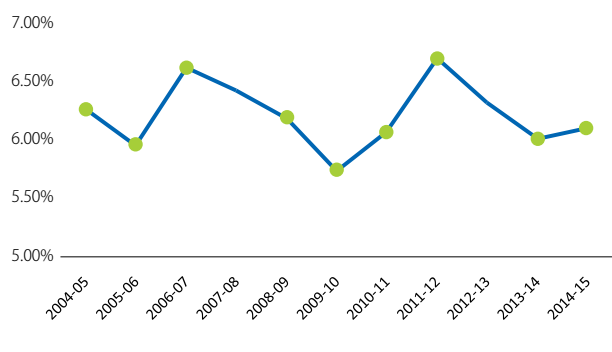
which is an indication that the Company has leveraged opportunities presented by its strong distribution channels despite persistent and prolonged volatility across the country. Although our Company delivered excellent topline performance, we have faced significant challenges in the form of supply chain disruptions emanating from the turbulent political environment and intense cost pressures due to a hike in worldwide copra prices at a time. This, in turn, led to a slight (3 percent) moderation of our net profits. However, as we continue to materialize our growth projects and sharpen our focus on brand building and expansion into new categories, we are confident of a turnaround in our bottom-line results.

The following Management Discussion & Analysis (prepared in line with the requirements of Section 184 of The Companies Act, 1994, BSEC Notifications, Listing Regulations of Dhaka Stock Exchange and Chittagong Stock Exchange) will provide detailed insights into our business environment, key management interventions, and operational and financial performance for the period between April, 2014 and March, 2015. In some cases, forward-looking outlook has been presented to support the analysis. It is important to understand that various factors (such as changes in government regulation or competitors' moves) may lead to the deviation of actual results from the forward-looking estimates.

### FMCG Industry Performance in an Erratic Economy

Bangladesh's GDP growth rate has been projected to be only 6.1% (quite below the previously anticipated growth rate of 7 percent) in Fiscal Year 2014-15. This reflects the adverse impact on the economy due to prolonged political unrest of last two years and the intensely VUCA business landscape in which we operated last year – a landscape marred by volatility, uncertainty, complexity and ambiguity. The Bangladesh economy has experienced formidable multi-dimensional economic challenges – characterized by dull business sentiment - due to severe disruptions in production, transport and service delivery in the second half of FY2014-15.

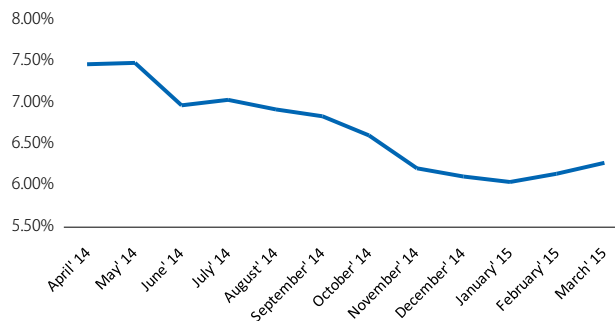
#### GDP Growth Rate



Source: World Bank

In fact, disruptions in economic activity – in the form of a prolonged trail of shutdowns and blockades resulted in a loss of 148 man-days for us, putting renewed challenges for our supply chain and adversely impacting the overall trade sentiment.

#### Inflation Rate



Source: Bangladesh Bank

Although the year started with higher level of inflation at almost 7.5%, it started to drop in the following nine months. By the end of March 2015, twelve-month average inflation stood at 6.27% indicating a slight upward trend from December 2014, when the inflation level was 6.11%. This increase in inflation came at a period of renewed unrest and supply chain disruptions due to strikes and blockades.

While positive indications exist in terms of declining inflation, stable exchange rate and higher foreign exchange reserves, a conducive political environment remains a key imperative for macroeconomic stability and a key enabler for our growth momentum.

This year's adverse macroeconomic scenario had a negative impact on the entire FMCG industry including our Company. The political unrest has hit the entire business cycle of all FMCG players, including procurement, production, sales and distribution and the country due to low business confidence relaying its effect on both the trade and consumer ends.

The environmental challenges brought forth by this year have tested our resilience and provided us with an opportunity to build our organizational capabilities to deal with uncertainties beyond our control. The lessons derived from past year have put us in a strong position to capture the long-term potential of the FMCG industry of Bangladesh. We are confident of a rebound in the macroeconomic environment – which, in turn, will drive our growth journey ahead.

### Outlook for FMCG Industry

Bangladesh is primed for strong economic growth in the absence of further political disruptions. Despite this year's temporary setback, we are highly confident of the long-term performance of the FMCG industry as

the key demand drivers for domestic consumption remain intact:



## Risks & Risk Management

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

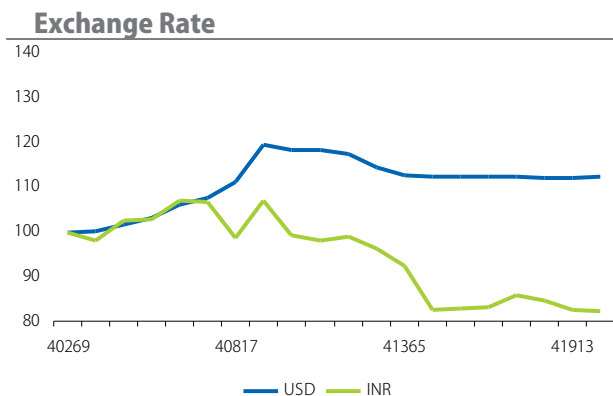
## RISKS

### Exchange Rate Risk

Our cash inflow is not directly affected by fluctuations in the exchange rate, since our products are sold only in the domestic market. However, most of our major raw materials are imported and are priced in foreign currency (mostly US dollar and Indian Rupee). As a result, unfavorable exchange rate movements - causing an increase in our cost of production - can have a negative impact on our operating margin and financial outcome.

### Movement of BDT against relevant Currencies

Indexed Value in BDT Exchange Rate (April 2010 = 100)



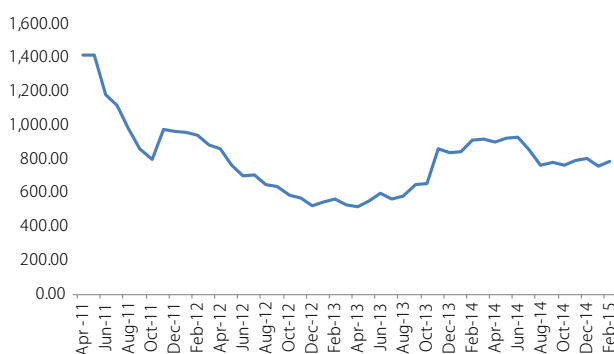
Source: IMF, Bangladesh Bank

### Risk Combat Strategy

Over the years, we have taken deliberate endeavors to localize our production and to source raw materials from domestic suppliers wherever possible. To some degree, this strategy has lessened the exchange rate risk exposure. Nonetheless, a noteworthy volume of our raw material viz. copra still needs to be imported. Consistent forecasting of exchange rate movement and position building on our import volume through optimum exchange rate dynamics is the key in minimizing our exchange rate risks.

**Input Risk**

Raw materials, particularly copra, comprise bulk of our production costs. Copra prices have witnessed significant volatility in the past years and a hike in copra prices can have a direct negative effect on our production costs. Moreover, we are also dependent on the adequate availability of copra in the countries from which we import in order to guarantee the smooth running of our production.

**Copra Prices (US\$/mt)**

Source: World Bank

**Risk Combat Strategy**

We are expanding the number of countries from which we import copra and other raw materials to guarantee continuous supply. Despite the fact that India remains the prime centre from which we import copra, other countries, (for example, Indonesia, Sri Lanka and the Philippines) are likewise quickly becoming important in our sourcing portfolio. Both quality and cost determine the choice of the countries from which we import. The effort to branch out to numerous countries for our sourcing needs additionally gives some cushion against adverse country-specific copra price movements.

**Competition Risk**

Barriers to entry in the FMCG industry of Bangladesh still remain low. Manufacturing processes are quite simple, start-up capital requirements are not significantly high and numerous sub-contractors to carry out the manufacturing are available throughout the country. Both local and multinational players can enjoy these benefits, making it highly competitive for any existing firm to sustain the market share. Moreover, there is a growing threat in the FMCG industry from an illegal, unorganized sector which competes through fake and counterfeit products. This in turn leads to a loss in revenues for companies operating legally.

**Risk Combat Strategy**

Like the last year, we have continued to increase our investment in brand building to expand and sustain our market share for both existing and new brands. Accompanied with this, prudent pricing and our strong distribution network has cemented the way for building long-term consumer loyalty. Simultaneously, we have undertaken concrete efforts to reduce counterfeit through coordinated strategy with peer companies and the assistance of Regulatory Bodies to drive out fake, look-alike items from the market.

**Internal Control Systems and their Adequacy**

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

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



Ernst & Young LLP has been carrying out internal audits for Marico for the last three years. In addition, local firms such as Ancabin, Ahmed Mashuque & Co. performed different audits throughout the year. The work of internal auditors is coordinated by an internal team at Marico. This combination of Marico's internal team and expertise of professional firm ensures independence as well as effective value addition.

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

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

## Segment Performance

### Parachute Coconut oil

Parachute Coconut Oil continues to stand out as the highest standard of "Purity" and "Quality" in Bangladesh amidst other coconut oil brands. The brand still maintains its strong leadership position in the nation with its commitment in providing consumers with the best quality coconut oil made from the finest coconuts available. Available in more than 7.7 lac outlets, Parachute strives to make the product accessible to all consumers of Bangladesh. In FY15, Parachute delivered impressive turnover growth of 9% - backed by further steady gains in its household penetration rate - which is reflective of its high brand loyalty and undisputed leadership position.

Not only does Parachute pledge to provide consumers with a quality product, it also aims to cater to consumers' different needs in terms of both price and size. Hence, in Q1 FY15 a new 350ml SKU of Parachute was launched at a highly strategic price of Tk. 190. The pack launch was followed by a nationwide campaign involving television commercials and billboards. Since its launch, the 350ml pack has garnered positive response from the market.

The year saw the brand continue its "Anti-Loose activation campaign" to persuade consumers to switch from anti-loose to branded oils. Results following the activation were very encouraging, resulting in steady gains of market share of Parachute in loose-oil entrenched markets.

In recognition of the brand's efforts in making a positive impact on consumers' lives, Parachute was once again chosen as one of the top ten most trusted brands of Bangladesh by Bangladesh Brand forum in 2014. In the future, Parachute will continue to leverage its strong brand equity to sustain its leadership position in the consumer goods space of Bangladesh.



### Value Added Hair Oil (VAHO)

FY 14-15 has witnessed strong growth momentum (amounting to a phenomenal 38% growth in value) from our Value Added Hair Oils portfolio, which now contributes over 13% of the total business turnover and is the second driver to the organization's growth and development. Despite the political instability that swept across the country in Q4 '15, there has been a continuous momentum of growth in our VAHO portfolio this year, which was further fuelled by the introduction of the newest addition - Parachute Advanced Extra Care Enriched Coconut Hair Oil - to our lineage of successful brands.

Based on consumer needs and backed by strong insights, Marico launched New Parachute Advanced Extra Care Hair Oil at the beginning of Q4 FY15 - defying the political ruckus that presented itself all throughout.

Backed by massive media and visibility drive and a hard-hitting communication campaign, the brand was successfully placed in the market and has already gained a strong market share in Enriched Coconut Hair Oil segment within a short period.

More importantly, our largest VAHO brand– Parachute Advanced Beliphool – has successfully driven new trials and registered high growth.

Since its re-launch in Feb '14, Nihar Naturals Shanti Badam Amla Hair Oil has witnessed steady gains in the market share and it is now one of the leading players in the Amla Hair Oil segment.

## Non-Hair Oil Category

Our diversification strategy is gaining significant traction – as evident by our evolving segment-wise turnover mix. In FY2014-15, our non-hair oil category – delivered commendable 69 percent growth, helping us to expand our market footprint in key strategic categories across the grooming and wellness space.



## Hair Dye

In FY14-15, our Dye portfolio comprising of HairCode Herbal Hair Dye, HairCode Active (its faster acting variant) & HairCode Keshkala (an oil based hair dye) continued its growth in the hair dye category. HairCode as a brand continues to render us the market leadership position in the powder dye segment. Despite political instability, our HairCode portfolio delivered an impressive growth this year and now provides a variety of options to meet consumer needs more comprehensively.

As consumer grooming needs continue to gain relevance, the long-term effects of products begin to play a more influential role in their choice of brand. In this evolving segment, the need for a safe and herbal solution for hair dye continues to be a strong category driver. The HairCode dye portfolio manages to strike the fine balance between effective grey coverage while offering the differentiated benefit of being more natural. HairCode strives to be the number one solution for helping consumers look young.

## Set Wet

Male grooming continues to be an emerging trend with considerable scope for further growth. Set Wet deodorant's range of six exciting masculine fragrances, represents our first foray into this evolving new segment. Only two years since its launch, Set Wet has now become one of the key players in this highly competitive deodorant market, contributing a healthy 33% turnover of the non-hair oil category section.



In FY14-15, We launched a 75ml trial pack for two of our most popular Set Wet variants. We also introduced Set Wet Infinity, a new product that provides a gasless, liquid-based longer-lasting deo for consumers seeking greater value and enhanced benefits.



### Parachute Advanced Body Lotion

The launch of Parachute Advanced Body Lotion in FY14-15, marked our foray into the high-potential lotion segment. Parachute Advanced Body Lotion- infused with the natural moisturization of coconut milk - provides an effective, 24-hour moisturization solution. The brand was met with great acceptance by consumers in its first year of launch.

### Livon

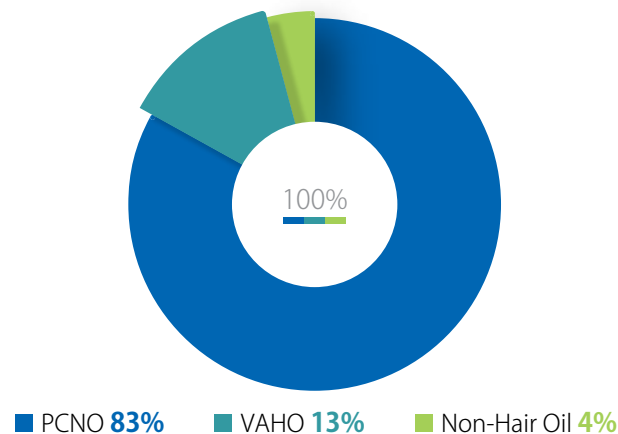
Livon, a post-wash hair serum with a unique CutiSoft formula that detangles hair, was targeted to move Marico up the value pyramid and provide consumers with a comprehensive basket of offerings for varied hair care needs to enhance overall experience from Marico Brands. Livon already has a loyal consumer base and is continuously working on enhancing consumer reach. This year Livon has been successful to further extend its visibility across cosmetic outlet channels.



### Saffola Active

Saffola Active, with health benefits of blended rice bran and soybean oil, caters to a growing segment of health conscious consumers. Supported by an outreach campaign that aims to educate potential consumers about its health credentials, Saffola Active has witnessed a highly positive traction in its sales volume this year. Saffola Active has enhanced our presence in the wellness space of Bangladesh. As consumer needs for wellness products continue to evolve, "health" turns from a niche concept to a mainstream reality. Such a trend towards healthy lifestyle poses bright prospects for Saffola Active over the long term.

### Contribution of our categories



### Financial Performance

#### Growth in Turnover by 1172 bps

For the last few years Marico Bangladesh Limited has continued to show an upward trend in its turnover figures. In FY2014-15, there has been quite a significant peak in the trend as the turnover growth figures almost doubled compared to that of last year. This is mainly due to the higher acceptance rate of our products by consumers in different categories.

#### A Healthy Net Profit Margin of 1889 bps

The drastic rise in world copra prices, our key raw-material, resulted in a significant rise in our cost of production. In addition, the prolonged political turmoil impeded sales of our products and disrupted our supply chain activities. Still, with strong determination and optimism, we ramped up our growth investments and diversified our portfolio even further and were able to fetch a healthy net profit margin of 1889 bps.

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

The FY2014-15 has witnessed Marico Bangladesh Limited reaching its all-time highest turnover of BDT 712 crore - a growth of 11% compared to our last fiscal year. Our efficient use of capital is easily reflected by a 78.7% of Return on Equity ratio, which has significantly grown from the 57% of last year. The profit after tax stood at BDT 134 crore, a small dip of 3% compared to FY14, that resulted from uncontrollable cost pressures explained at the beginning of this analysis. A summary of the key highlights is given below:

Particulars	FY14-15	FY13-14
Cost of Goods Sold	54%	51%
Gross Profit	46%	49%
Marketing and S&D Expense	13%	13%
Other Operating Expense	9%	11%
Operating Margin	24%	25%
PBT	26%	29%
PAT	19%	22%
Return on Assets	38%	35%
Return on Equity	79%	57%

*The above percentages are to turnover for the respective years.*

## Human Resources

The mission of our Human Resource Function is to attract the best of the talent, groom them and retain them for driving and achieving the business deliverables. The HR Function is also the creator and custodian of the culture of the organization and uphold the highest standards of governance. This year the function took multiple initiatives to achieve their mission by focusing to strengthen organization culture, attract and build talent, connect with members and potential talent and implement of the governance standards. The key highlights are outlined below:

### Culture Building

We believe that culture is a key differentiator and a source of competitive advantage. Every year, we take considerable effort to educate members on Marico's core cultural tenets and values to encourage them to live the Marico Values. This is done through Values Workshops, Values Conversations with Leaders and Living the Values booklet.

### Maricognize

We strongly believe that "celebrating small wins" is a stepping stone to achieve "big bets". In January 2014, we took a giant leap to drive a culture of recognition through a unique web-based recognition program "Maricognize". The program provides a platform for members to connect, inspire and celebrate achievements and contributions. Maricognize has helped increase the frequency of recognition for members, enabling them to feel more engaged at work.



### Talent Attraction and Development

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

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

- Performance Management System: Management by Results (MBR) is our performance management process that aligns individual and team goals with the organizational thrust areas.
- Talent Development: Personal Development Planning (PDP) is a career development process, distinct from performance management process. It provides a platform to members to discuss their career aspirations, identify their strengths and development areas and work towards enhancing individual competence. The process also helps in creating a Talent Pipeline and Succession Plan for key roles in our organization. This year we have also launched online learning system. This facilitates the members to undertake learnings on various subjects as per his time availability and comfort.
- Leadership Development: We invest in leadership development at front line, middle and senior leadership levels through job rotation, classroom training and coaching.



### Code of Conduct

In March 2014, we launched our updated Code of Conduct (CoC), a revision over the earlier CoC that was launched in 2009. A strong need to have an updated CoC was felt in the context of the changing business landscape, social and regulatory environment and the increased size and complexity of our business. The underlying philosophy of this code is to conduct the business in an ethical manner as well as create a work environment that is conducive to members and associates alike, based on our values and beliefs.

During FY2014-15, we carried out several rounds of organization-wide workshops to sensitize our members on the updated CoC. The CoC is a fundamental tenet of our Governance practice, and effective adherence to the CoC ensures that our members can partake in our journey to deliver sustainable shareholder value.

### Business Outlook

We have taken a proactive position towards capturing the long-term potential of the FMCG sector of Bangladesh. In FY2014-15, we further sharpened our strategic focus by embracing the newly minted Group-wide “Winnovation 2018” roadmap. As part of our strategic planning exercise, we have identified the foundational cross-cutting pillars (namely, go-to-markets strategy, IT, innovation, talent and value maximization) on which we will exert our focus to create a more effective, efficient and competitive organization by 2018.

We are very confident and optimistic that this strategic direction will add momentum to our objective of augmenting shareholder value. Analyzing changes in consumer tastes, needs and buying preferences and studying the ever-changing dynamics of the market, we have introduced key strategic additions to our brand portfolio – we believe that our consistent investment in both existing and new brands will catalyze future development of our business.

### Taking a Stance for Sustainable Business Growth

Marico Bangladesh Limited has been providing and maintaining innovative and sustainable measures to continuously improve the performance standards and capability building in order to achieve long-term success. We are always in the search to identify early opportunity signals in the environment to generate growth options. And it is this proactive approach that has led us to diversify our portfolio even further in this year of 2014-15 and achieve a significant growth in terms of revenue. I am confident that the decisive strategic direction will drive a continuation of strong financial results and sustained, long-term increases in the value of our Company.



**Aditya Shome**

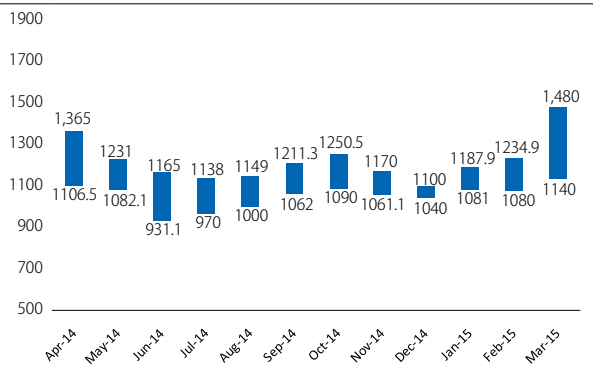
Managing Director

# OUR SHARE

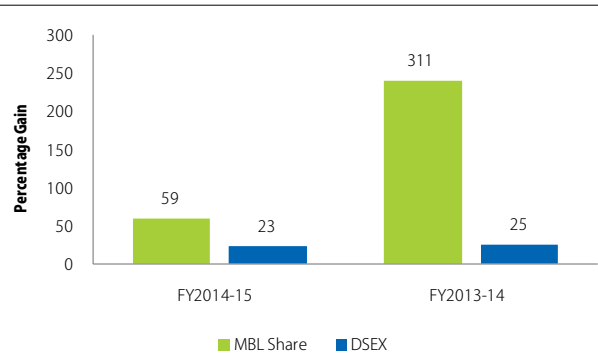
## Your Capital Gain in Share rises further

Continuing the positive momentum from last year, FY2014-15 saw MBL's share gaining a healthy 59%, which easily outperformed DSEX's gain of 23%. This reflects the market's confidence in the positioning of our brands and in our potential to capture the underlying strength of the nation's consumer goods industry. In addition, declaration of consistent quarterly dividends resulting from strong quarterly earnings paves the way for higher demand of our shares. Due to all these factors, FY2014-15 witnessed MBL's share price reaching an all-time high of BDT 1,480 on March 25, 2015.

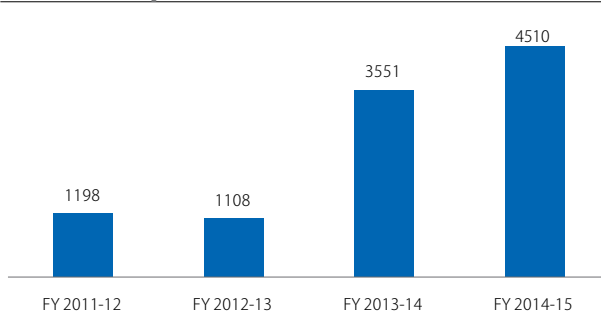
### High Low Share Price



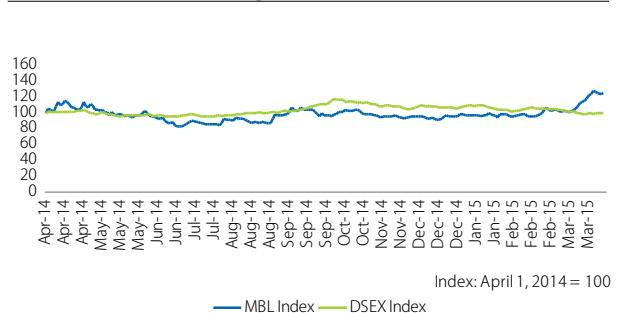
### Capital Gain %



### Market Capitalization at Year-End (BDT Crore)



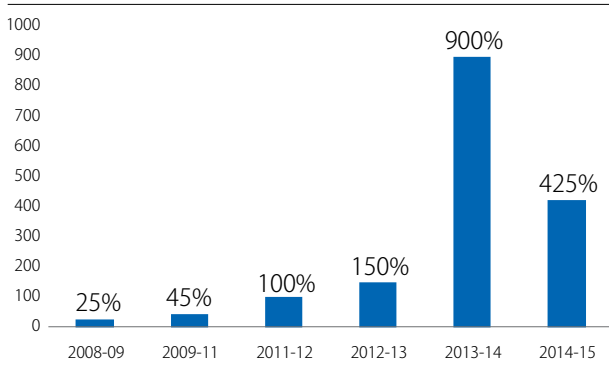
### Share Price Development across FY2014-15



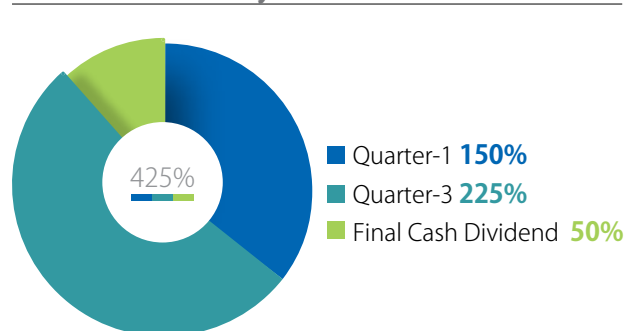
## Consistent Dividend Disbursements

Following Q1 and Q3's earnings disclosure, our Board of Directors declared 150% and 225% respectively – all of which have been subsequently paid. Bullish momentum of our stock continued throughout the year and following the disclosure of Q4 earnings, the Board has announced a final cash dividend of 50% which if approved, will take the total cash dividend tally to 425% for the year.

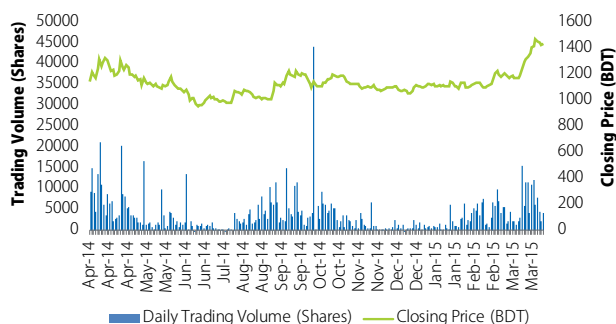
### Dividend Disbursements



### Dividends for the year



## Daily Trading Volume



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

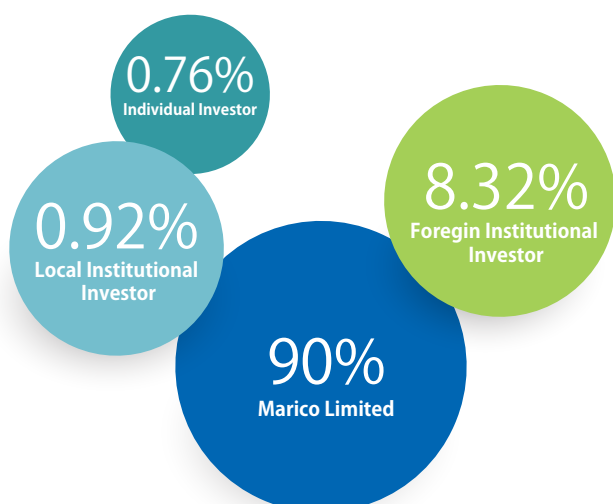
## Why a Marico Share?

Marico Bangladesh Limited, throughout FY2014-15, has always been present among the top 15 companies in terms of earnings per share (EPS). The demand of our shares is also reflected by the healthy average daily trading volume of 3,382 shares on Dhaka Stock Exchange. Mirroring the persistent rise of our share price every year, the year-end market capitalization of MBL shares has also displayed an impressive upward trend.

## Share Ratios

		FY2014-15	FY2013-14	FY2012-13
Basic Earnings per Share	BDT	42.69	43.99	27.53
Cash Generated from Operating Activities per Share	BDT	13	86	62
Year-End Price	BDT	1431.7	1127.3	351.7
Year High	BDT	1480	1229.9	439.8
Year Low	BDT	931.3	299.0	350.5
Dividend per Share	BDT	42.5	90	15
Dividend Payout Ratio	%	100	205	55
Dividend Yield	%	3	8	4
Shareholders' Equity per Share	BDT	54.35	54.16	100.18
Price-Earnings Ratio at Year-End		33.54	25.63	12.78
Average Trading Volume per Trading Day	shares	3382	9985	3070
Year-End Market Capitalization	BDT crores	4510	3551	1108
Capital Gain	%	59	311	25

## The Shareholding Structure



Our share register as at March 31, 2015, shows that Marico Bangladesh Limited has 1,942 shareholders. Our parent company, Marico Limited (India), owns 90% of our shares while the rest 10% are owned by public and institutional investors. For greater transparency, the distribution of the latter 10% is shown in the illustration.

## Other Shareholder Disclosures

### Investor Relations

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

### Redressal of Investor Complaint:

Our Investor Relations team places high degree of importance to investor queries and complaints. Every possible step for timely resolution of issues and grievances are taken to ensure investor satisfaction. The mechanism of the Redressal of Investor Complaints is explained below.

Investors are encouraged to address their queries via e-mail:  
[info@maricobangladesh.net](mailto:info@maricobangladesh.net)  
Investors can also register their complaints and queries through an application addressed to The Company Secretary.

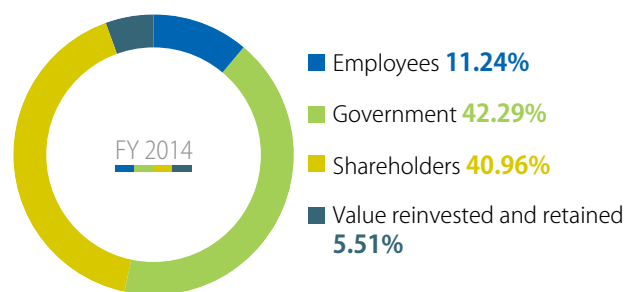
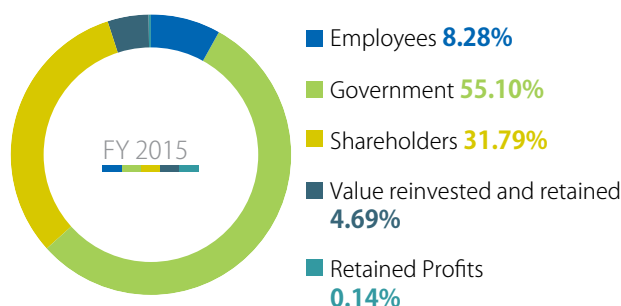
Investor Relations team acknowledges the complaint and contacts the investors to confirm their identity:  
-Shareholder's BO ID  
-Shareholder's Name

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



## Value Added Statement 2014-15

	2015		2014	
	Taka	%	Taka	%
Value added				
Turnover	7,117,757,407		6,370,783,669	
Less: Bought in Materials & Services	(3,489,106,738)		(3,827,970,211)	
	3,628,650,669		2,542,813,458	
Value Added Tax	480,748,795		548,000,000	
Other Income	844,066		3,696,318	
Net finance income	100,680,684		288,455,452	
Available for distribution	4,210,924,214	100	3,382,965,228	100
Distributions				
Employees	348,683,964	8.28	380,197,670	11.24
Government	2,320,055,635	55.10	1,430,838,843	42.29
*Shareholders	1,338,750,000	31.79	1,385,607,855	40.96
Value reinvested and retained				
Depreciation and amortization	197,415,080	4.69	186,320,860	5.51
Retained Profits	6,019,535	0.14	-	
	4,210,924,214	100.00	3,382,965,228	100.00



\* Distribution for 2015, BDT 133.87 Crore (including proposed dividend) was from the wealth created during the current period.

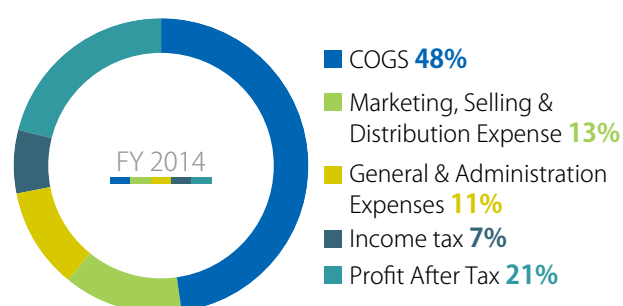
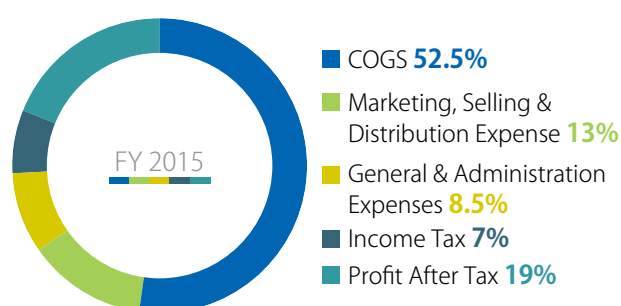
\* Distribution for 2014 was BDT 283.50 Crore (including proposed dividend) out of which BDT 138.56 Crore was from the value created during 2014. The rest of the distribution was from accumulated retained earnings from earlier years.

## Economic Value Added Statement 2014-15

	2015	2014
	Taka	Taka
Net Operating Profit After Tax (NOPAT)	1,244,088,851	1,097,152,403
Total Capital Employed	1,520,180,245	1,263,884,483
Weighted average cost of Capital (WACC) in %	9.1%	8.7%
Weighted average cost of Capital (WACC)	138,336,402	109,957,950
EVA = NOPAT-WACC	1,105,752,449	987,194,453

## Vertical Analysis of Income Statement

Details	2015	2014
Sales Revenue	99%	96%
Net Finance Income & Other Income	1%	4%
	100%	100%
COGS	52.5%	48%
Marketing, Selling & Distribution Expense	13%	13%
General & Administration Expenses	8.5%	11%
Income Tax	7%	7%
Profit After Tax	19%	21%
	100%	100%



## Vertical Analysis of Balance Sheet

Details	2014-15	2013-14
Non-Current Assets	23%	25%
Current Assets	77%	75%
Total Assets	100%	100%
Total Equity	51%	46%
Non-Current Liabilities	1%	1%
Current Liabilities	48%	53%
	100%	100%



অ্যাডভান্সড

এক্সট্রা  
কেয়ার

এনরিচড কোকোনাট হেয়ার অয়েল



নতুন

চুল পড়া কমাতে লক্ষণীয়ভাবে  
মাত্র ৪৫ দিনেই!

মেথি, আমলকি ও অ্যালোভেরা-র এক্সট্রা পুষ্টি



\*Based on consumer testing | Hair fall refers to hair fall due to breakage | Results may vary

# CORPORATE CULTURE



14TH ANNUAL GENERAL MEETING

Our goal is to build a talented workforce – filled with exceptional members – who can drive our mission of “making a difference”. Towards this goal, we strive to create an enabling, inclusive corporate culture that can foster the talent, creativity and entrepreneurial spirits of our members – which, in turn, is key to delivering our business results.

## ORGANIZATIONAL COMMUNICATIONS



Organizational Communications 2014

We rely on a top-down, bottom-up management approach to foster transparency and openness across all layers of the organization. In step with this approach, we organize an annual event called “Organization Communications” where Senior Management team updates with the members on the performance of last year and the vision/plans for the years ahead. The day concludes with an Open House where members are allowed to ask relevant questions to Senior Management team to get further clarity on the overall strategic vision.

## SALES & MARKETING CONFERENCE



ANNUAL SALES & MARKETING CONFERENCE 2015



We organize Annual Sales & Marketing Conference to reflect on our performance of the previous year, discuss our critical experiences and lessons, and then map out our goals and expectations for the year ahead. Through this conference, our Sales & Marketing teams receive clear directions from the Senior Management team on their deliverables to ensure alignment with the organization’s strategic pivots.

## MARICO IDOL

In FY'15, we organized the intra-organization talent hunt "Marico Idol" to discover the hidden talents amongst our members through an in-house audition. Selected members then went on to perform and showcase their talent in the annual Organization Communications event.



## CELEBRATIONS



POHELA BOISHAKH CELEBRATIONS 2015



OUR BEST DRESSED MALE & FEMALE

Our members celebrated last Bangla New Year amidst a lot of festivity and enthusiasm. Prizes were handed out to the best dressed male and female – which was followed by the performances of the Marico Idols.

## TEAM BUILDING

A day-long excursion at "The Base Camp" was organized for members of each department to help mingle and have fun with their team mates in an informal atmosphere. Exuberant activities were carried out by the members to strengthen their team spirit.



## VALUES WEEK

Consumer Centric, Transparency and Openness, Bias for Action, Excellence, Bounderylessness, Opportunity Seeking, Innovation, and Global Outlook are the values that we as an organization champion and embrace. Each year "Values Week" is organized where these fundamental organizational values are practiced and recognized. Through this event, members also get the opportunity to appreciate their peers for their efforts that are aligned with our broader organizational values.



ONE OF THE WINNERS OF VALUES WEEK 2015

## VALUES WORKSHOP

All our members enthusiastically participated in this year's Values Workshop to understand the core values of our organization and to put these into action in their everyday work life.



## CAMPUS RECRUITMENT 2014

We encourage fresh graduates to join our organization since we believe they bring in fresh perspectives and newer ideas and over time can be molded into future business leaders of our organization. In FY'15 as well, we have engaged in several Campus recruitment drives at top-tier universities to hire talented graduates for placement in different departments.



# CORPORATE SOCIAL RESPONSIBILITY

Responsible corporate citizenship has always been an integral part of our raison d'être. For this reason, we have institutionalized a robust CSR framework that regularly appraises our performance through the lens of the triple bottom line (profit, people and planet) and ensures that we deliver on our sustainability agenda.

## SOCIAL ENGAGEMENT

### Dhaka Ahsania Mission (DAM)

As part of our continued efforts to create a positive lasting impact on the society, we have recently formed a partnership with DAM (Dhaka Ahsania Mission) to bring the light of education to underprivileged communities. Through this partnership, we will provide free access to quality education to out-of-school children who unfortunately had to drop out of mainstream schooling due to life's hardships. This partnership will build and operate 75 Children Learning Centres, thereby providing education to 3,000 children in the Melandah Upazila of Jamalpur district, which has historically suffered from very low literacy rate.



*Learners seen happy after getting their new text books*

### EMPOWERING RURAL WOMEN

We have been a proud partner of JITA, a social enterprise, funded by Care International and Danone Communities. Through this partnership, we employ a unique sales distribution model to create income and self-employment opportunities for underprivileged, rural women. This initiative creates a win-win situation for all the parties involved – on one hand,

it empowers rural women by providing a sustainable income generating platform; on the other hand, the initiative allows us to get a pool of direct sellers to reach the inaccessible consumers in remote villages.



### PROGOTI SALES REPRESENTATIVE (PSR) PROJECT

In FY2014-15, we started the unique PSR Project through which out-of-work men were given the opportunity to become our sales representatives. Through our pilot project, we have developed a team of 88 PSRs – who, in turn, received a new avenue of income and a free bicycle, enabling them to reach previously uncovered villages in far-flung rural areas of the country. The project response has been extremely positive, encouraging us to scale it up at the national level. The coming year would witness significant amount of focus and investment in this initiative.



## ENVIRONMENTAL STEWARDSHIP

We remain ever mindful of the resource limits of our planet. As a result, we are always improving our products and processes to unlock efficiencies and reduce our environmental footprint. Our commitment to leadership in sustainability is reflected by the recent ISO 14001:2004 and OHSAS 18001:2007 certifications from Bureau Veritas Bangladesh received by our Shirirchala factory. More importantly, we are integrating sustainability throughout our value chain and into every activity of our product life cycle (starting from product manufacturing to disposal). Our notable endeavors in the arena of environmental stewardship and sustainability include:

- Adopting resource-conserving production techniques to reduce consumption of resources (such as water) and production of wastes
- Developing new packaging designs to reduce consumption of plastic by our vendors
- Sustainable sourcing of our key raw materials, especially copra
- Integrating parameters – such as copra yield – into our KPIs to drive our focus on resource efficiency while ensuring that we “create more with less”
- Optimizing our distribution network to reduce fuel consumption and subsequent greenhouse gas emissions by our transportation vehicles
- Creating safe working conditions in both our factories and those of our vendors



# WINNING THROUGH CONSUMERS

Consumers remain at the centre of everything we do. To foster intimacy with our consumers, we are focused on what we excel – that is, creating brands that inspire and excite consumers. At the same time, the mass proliferation of communication channels divides and diverts consumers' attention like never before. Hence, it is equally important for us to develop and execute an effective marketing communication strategy that can deliver our brands' unique value propositions to consumers in a compelling, albeit cost-effective, way.

## DIVERSIFIED NEEDS CREATE DIVERSIFIED PORTFOLIO

Keeping in mind the change in consumer preference for greater functionality from deos, two new longer-lasting variants (Cool and Devil) of Set Wet Infinity were successfully launched in September 2015.



Similarly, in order to extend the equity of Parachute and diversify the brand portfolio Parachute Advanced Body Lotion was test launched in Bangladesh. The launch witnessed positive market response, with the product currently being present in over 11,000 outlets of Dhaka, Mymensingh and Chittagong. Continued diversification of our product portfolio remains an integral part of our efforts to create consumer satisfaction and build brand loyalty.

## BEST BOISHAKHI MOMENTS

We rolled out an activation campaign around Pohela Boishakh for Nihar Shanti Amla in April'15. The event - titled as "Nihar Shanti Amla Best Boishakhi Moments 1422" - took place in 6 places of Dhaka and Chittagong and reached out to more than 100,000 consumers.



## CONSUMER ENGAGEMENT

We continue to make consumer engagement a priority, and strive to create consumer satisfaction and brand loyalty. Towards this goal, SET WET launched a screening campaign of Asian Cup matches through LED screens placed at University campuses throughout the country– which, in turn, helped to develop greater brand recognition among a key target segment (young men).



## INCREASING OUR DIGITAL REACH

Our consumers are becoming more mobile and embracing digital technologies in their lives. Keeping into account such trends, we have increased our focus on leveraging the power of digital and social media platforms to increase our reach to consumers. In particular, SET WET continues to engage consumers



through innovative campaigns on its official Facebook page. We had launched many innovative engagement-based contests, where selected consumers were awarded for their participation. Such contests and subsequent active participation by consumers help us to generate social media buzz for our brands, thereby creating high brand awareness among the target market.

### SAFFOLA ACTIVE AWARENESS CAMPAIGNS

Saffola is working actively on raising awareness about the health benefits of blended oil. Saffola information booths were set up in various social and corporate events. Massive awareness campaigns were run in Modern Trade throughout the year. Our desire to let our consumers know the health benefits of Saffola are not only limited through these physical activations but also through effective digital communication via our active Facebook page.



### LIVON STYLE ICON

Livon, which is targeted to young females, developed an engagement-based online contest "Livon Style Icon" on Facebook in June 2014 to create greater brand awareness. The contest harnessed the power of social media and word-of-mouth marketing to connect with the its target market (young teens). At the same time, the contest was able to create brand ambassadors among the target market to create better relevance and association with the brand. This contest was also tagged with an on- ground activation in college campuses where both the brand and the campaign was promoted while driving free trials of Livon.

The event was covered in all media and received high online reach amongst the young females.



### MARICO CARES EXTRA

Towards the end of FY'15, Marico Bangladesh Limited launched New Parachute Advanced Extra Care Enriched Coconut Hair Oil. Backed by strong consumer insights, the hair oil is launched with a vision to further strengthen Marico's position in the Value Added Hair Oils segment.

This hair oil is the first-of-its-kind in Bangladesh, with the unique claim to visibly reduce hair-fall.



# SUSTAINABILITY

## DEVELOPMENT

By working in partnership with others, by challenging the way things are and by being prepared to change the way we do business, we aim to find innovative solutions that create value for society as well as our shareholders and allow us to be a successful, sustainable business. To grow our business in a sustainable and responsible way, we strive to be a purpose-focused organization, which achieves sustainable profitable growth by making a difference to all the stakeholders of the business and by enabling them to realize their true potential.

## PURPOSE

### CONSUMERS

Consumers desire a partnership - they don't want merely a transaction. An organization has to think about consumers to become big. This belief is embedded in our core values.



### ASSOCIATES

We believe in forging win-win partnerships with all our associates – suppliers, third-party manufacturers and distributors – in order to deliver sustainable, profitable growth for our business.



### EMPLOYEES

We have a value driven, empowering work culture where we regularly recognize and reward the contribution from our employees. This, in turn, stems from our underlying belief that our people are our key source of competitive advantage.



### SHAREHOLDERS

Our unwavering search for growth and investment in sustainability, results in long-term value creation for our shareholders. We have always followed the guiding principle of open and transparent communication while dealing with our shareholders. Hence, we have set high standards of Corporate Governance and Business Ethics in the industry and our practices are considered as a benchmark by our peers. These high standards always drive us to make reasonable promises to the investors in terms of business performance and then strive to over deliver.



### ENVIRONMENT

Our Shirirchala factory has obtained ISO 14001:2004 and OHSAS 18001:2007 certifications from Bureau Veritas Bangladesh, reflecting the best practices that we have undertaken to minimize environmental, occupational and safety hazards and to create optimum working conditions in our production units. Climate change, global warming and environmental degradation pose grave challenges to the society. We believe in taking the lead and setting an example of how business goals may be pursued while caring for the Planet.



### SOCIETY

We want to emerge as one of the most active corporate citizens of Bangladesh and contribute to the communities around us. Over the years, we have strengthened our focus to drive social change through our products and CSR initiatives. In the last fiscal year (FY2014-15), we have been part of the program "Dhaka Ahsania Mission-Children Learning Centre (DAM-CLC)" project where we have contributed for 75 CLCs which will provide free education to 3,000 out-of-school children from disadvantaged background



# KEEP YOUR SKIN MOISTURIZED FOR 24 HOURS

NOURISH AND TRANSFORM YOUR SKIN  
WITH THE GOODNESS OF COCONUT MILK  
AND 100% NATURAL MOISTURIZERS.

Experience irresistibly soft smooth skin with the coconut milk  
nourishment of Parachute Advanced Body Lotion.

Its 100% Natural Moisturizers nourish the skin from deep  
within, doubling the skin's moisture level and provide instant  
relief from dryness.



**BODY  
LOTION**

# REPORT ON CORPORATE GOVERNANCE

## TO THE SHAREHOLDERS

This report on Corporate Governance portrays the approach of your Company, Marico Bangladesh Limited, towards Corporate Governance principles and demonstrates how your Company's conduct is at par with best practices. This report explains the Board's oversight responsibilities and how the Board acts to promote the best interests of the Company's stakeholders. Your Company aims to ensure high standard of Corporate Governance to increase effectiveness, reduce risks and promote a sound and disciplined corporate culture. Strong Corporate Governance facilitates your Company to manage its business responsibly with regard to Transparency, Accountability and Compliance.

Over the years, a robust Corporate Governance framework has been instrumental for your Company to promote integrity within its culture and to ensure that business grows with proper adherence to external regulations. Dedicated towards standing true to the highest level of integrity and creating highest standard of business conduct, your Company believes that Corporate Governance is not an end in itself but a catalyst in the process towards maximization of shareholder value. Therefore, shareholder value as an objective is embedded into all aspects of Corporate Governance. We believe that good Corporate Governance produces direct economic benefit to the organization. Our Corporate Governance is therefore, a set of principles which ensures how we are governed in the best interest of all the stakeholders.

### Corporate Governance Framework

Corporate Governance framework provides a strong platform for evaluating how Management's responsibilities fit with the Board's oversight

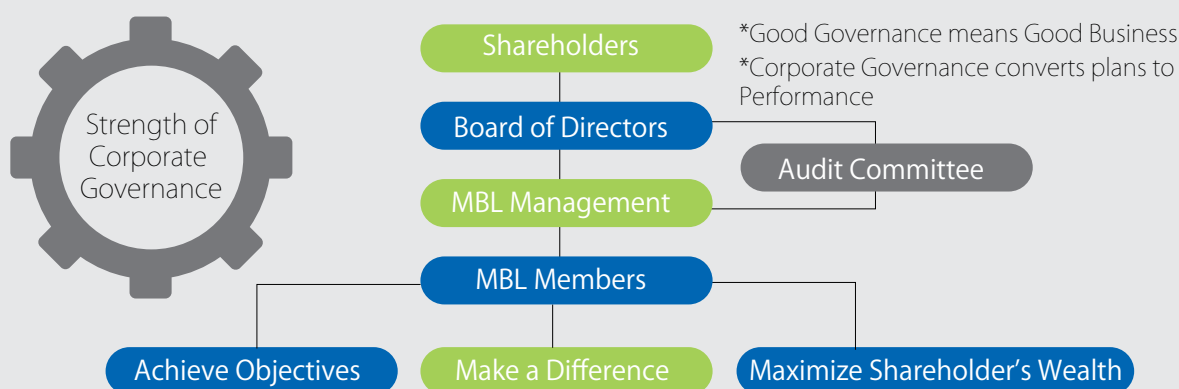
responsibilities. Your Company's Corporate Governance framework exists to ensure its relevance, effectiveness and sustainability in addressing present and future business challenges. The parties having critical roles in the overall governance programs and contributing to the process of Corporate Governance are:

- Board of Directors: responsible for oversight and directions;
- Executive Management: responsible for driving governance and risk management practices
- Business Units and Supporting Functions: where the risk activities occur and ownership lies.

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

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

Structure of Marico Bangladesh's Corporate Governance:



## BOARD COMPOSITION

The Board of the Company consists of Seven Directors, comprising of four Non-Executive Nominee Directors, two Independent Directors and one Executive Director i.e. the Managing Director. The Board selects its members and leaders via an inclusive and thoughtful process, aligned with company strategy. The Board has favourable knowledge, skills and vast experience in the corporate arena. The Directors' Report - along with the profile of each Director - has been enclosed with the Annual Report.

## RESPONSIBILITIES OF THE BOARD

The Board establishes structures and processes to fulfill its responsibilities that consider the perspectives of Investors, Regulators and Management, among others. The major responsibilities of the Board are as follows:

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

## COMMITTEE(S)

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

## BOARD AUDIT COMMITTEE

The Board has constituted an Audit Committee for the Company according to the conditions of BSEC guidelines. The committee comprises one Non-Executive Independent Director (NEID) and two Non-Executive Nominee Directors and one Executive Director. The Board has appointed an

Independent Director as Chairman of the Committee as per guidelines of BSEC. Members of the Audit Committee are 'financially literate' as per regulatory requirement and are able to analyze and interpret Financial Statements to effectively discharge their duties and responsibilities as members of the Audit Committee. The Finance Director, Internal Auditors of the Company and representatives of the external auditors attend all the meetings upon invitation by the Audit Committee. The key responsibilities of the Audit Committee are elaborated in the Audit Committee Report which is attached in the Annual Report.

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

## MARICO BANGLADESH LIMITED'S MANAGEMENT TEAM

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

Managing Director

Finance Director

Human Resources Director

Marketing Director

Head of Supply Chain

Head of Operations

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

## INTERNAL AUDIT

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

- The internal control over financial reporting based on the framework and criteria established in internal control-integrated framework and
- Management of significant risk areas.
- The head of Internal Audit has direct access to the Audit Committee. A Management's Report

on Internal Control over Financial Reporting has been attached in Annexure-I of the Corporate Governance Report.

### BOARD AND COMMITTEE MEETINGS

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

#### Our Corporate Responsibility Principles:

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

### COMMITMENTS

Your Company has started its operation in the country about 15 years ago, and since then it has achieved significant milestones and established itself as a strong player in the consumer goods industry of Bangladesh. The company has expanded its presence in the country remarkably in these years, especially through the market share boosted by its flagship brand, Parachute. Your Company now aspires to expand its brand portfolio to further strengthen its

foothold in the consumer goods space. This is evident by the slew of new brands that have been rolled out in the last couple of years.

Since inception, your Company has grown across all facets and it is now poised to enter the next orbit of growth. Your Company's unwavering endeavors are a testimony of how far it has come and how far it is willing to go ahead in the upcoming years. Strong Corporate governance has enabled your Company to become a trustworthy business entity in the country. Your Company is committed and dedicated to further strengthening its Corporate Governance standards and to continually increase value for all the stakeholders of the company.

#### External/Statutory Auditors:

M/s. A. Qasem & Co., Chartered Accountants, is acting as statutory auditor and they are not involved with any other services of the Company.

#### Reporting and Compliance of Corporate

##### Governance:

The Company has obtained a certificate from practicing Chartered Secretary, M/s. Al-Muqtadir Associates. The copy of the Certificate has been annexed with the Directors' Report (Annexure-V).

Status of Compliance with Bangladesh Securities and Exchange Commission's Notification SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 is duly reported and the checklist is attached in the Annexure – I of Directors' Report.

On behalf of the Board,



**Aditya Shome**

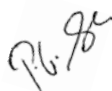
Managing Director.

# ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

## ANNEXURE: I

### Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. With the participation of the Chief Financial Officer and Head of Internal Audit, management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework and the criteria established in Internal Control – Integrated Framework, issued by the Audit Committee. Based on this evaluation, Management has concluded that internal control over financial reporting was effective as of March 31, 2015. The Company's auditor, A. Qasem & Co, Chartered Accountants, statutory auditors enlisted with The Institute of Chartered Accountants of Bangladesh (ICAB), has issued an audit report on the Financial Statements.



**Prasad Shinde**

Head of Internal Audit

## ANNEXURE: II

### General Body Meetings: Annual General Meetings

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

## ANNEXURE: III

### Means of Communication

Price sensitive information, quarterly, half-yearly and annual results for Marico Bangladesh Limited are published in two daily newspapers one English and another in Bengali newspaper. All official financial results and price sensitive information are communicated by the Company through its corporate website - [www.marico.com/bangladesh](http://www.marico.com/bangladesh). The Management Discussion and Analysis Report form part of the Annual Report.



# AUDIT COMMITTEE REPORT

The Audit Committee is a sub-committee of the board which is appointed by and responsible to the Board of Directors of Marico Bangladesh Limited to fulfill its oversight responsibilities. The Audit committee was formed in compliance with Bangladesh Securities and Exchange Commission (BSEC) notification on Corporate Governance. The Audit committee plays a critical role in enhancing audit quality, building confidence in the integrity of financial reporting and creating an environment that promotes transparency. The committee's primary purpose is to provide independent oversight of the company's financial reporting, non-financial corporate disclosures, internal control systems and compliance to governing rules and laws etc.

## COMPOSITION AND MEETINGS

The Committee comprises of four members, of whom 3 are Non-Executive Directors. The Chairman of the Committee is appointed by the Board of Directors and is a Non-Executive Independent Director. The Company Secretary functions as the Secretary of the Committee. Meetings of the Committee are attended by the Finance Director, Head of Internal Audit and the External Auditors on invitation. All members of the Committee are financially literate and able to interpret Financial Statements and assess the adequacy of the internal control processes.

Names	Representation in the Board	Representation in the Audit Committee	Number of Board Meetings	
			Held	Attended
Ms. Rupali Chowdhury	Independent Director	Chairman till March 19, 2015	5	4*
Mr. Masud Khan	Independent Director	Chairman from March 19, 2015	5	1*
Mr. B. Sridhar	Nominee Director	Member	5	1
Mr. Vivek Karve	Nominee Director	Member	5	2
Mr. Aditya Shome	Managing Director	Member	5	5

\*Mr. Masud Khan was elected as Chairman of the Audit Committee after The Ex-Chair, Ms. Rupali Chowdhury completed her tenure as Independent Director.

## RESPONSIBILITIES AND DUTIES

### Financial Reporting

- Review the quarterly, half-yearly and annual Financial Statements of the Company along with management, focusing particularly on any significant changes to accounting policies and practices before submission to the Board for approval.

### Related Party Transactions

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

### Audit Reports

- Prepare the annual Audit Committee report and submit to the Board which includes summary of its activities and review the Board's statements on compliance with the BSEC Codes of Corporate Governance for inclusion in the Annual Report.

### Internal Control

- Evaluate whether management is adhering to the appropriate compliance culture by communicating the importance of internal control and risk management to ensure that all employees have clear understanding of their respective roles and responsibilities.

- Consider whether internal control strategies recommended by internal and external auditors have been implemented timely by the management thereby ensuring that the system of internal control is soundly apprehended, effectively administered and regularly monitored.
- Recommend to the Board on steps to improve the system of internal control derived by the committee from the findings of the internal and external auditors.
- Review the arrangements made by the management for developing and maintaining a suitable Management Information System (MIS).

### Internal Audit

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

### External Audit

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

### Major activities during the year:

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

During the year 2014, the Audit Committee carried out the following activities:

- Reviewed the quarterly, half yearly and annual Financial Statements of the Company, in light of the financial performance of the Company and the relevant announcements to the Stock Exchanges by the Board of Directors.
- Ensured that the preparation, presentation and submission of Financial Statements have been made in accordance with the prevailing laws, standards and regulations by assessing the external auditors report on all critical accounting policies, significant judgment and practices used by the company in producing the Financial Statements.

- Enhanced good practices in financial reporting and risk management and reviewed related party transactions for foreign remittance.
- Reviewed the annual audit plans and effectiveness of the audit process and the Internal Audit reports which encompassed the audit issues, audit recommendations and Management's responses to these recommendations.
- Discussed with Management about the improvement actions in the areas of internal controls, systems and efficiency enhancements.
- Conducted follow-up audits to review the implementation of the recommendations and ensured all major areas were covered thereby ensuring the establishment of adequate internal controls and compliance with laws and regulations.
- Reviewed the external auditors' findings and observation, areas of concern highlighted and the management's response thereto and ensured that the external auditors remain independent and that appropriate action is being taken on time.
- Appraised the performance of the external auditors and made recommendations to the Board on their appointment and fees.
- Reviewed compliance of Code of Conduct of the Company.
- Reviewed Corporate Governance Compliance Report of Marico Bangladesh Limited for the year ended 31 March 2015 as submitted by Al-Muqtadir Associates, Chartered Secretaries & Consultants.
- Reviewed other matters & incidents of significance as per Audit Committee Charter.

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

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

On behalf of the Audit Committee,



**Masud Khan,**  
Chairman,  
Audit Committee

# DIRECTORS' REPORT

## TO THE SHAREHOLDERS

Your Board of Directors ('Board') is pleased to present the Sixth Annual Report of Your Company, Marico Bangladesh Limited, for the year ended March 31, 2015 ("the year under review", "the year" or "FY15") after being listed on the stock exchanges.

As per the requirements of the compliance in section 184 of the Companies Act 1994, Stock Exchanges regulations and Bangladesh Securities & Exchange Commission Order No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012, your Company is presenting the Directors' Report. The key financial results and other developments taking place during April 2014 – March 2015 in Marico Bangladesh Limited's business in Bangladesh are discussed in this report.

## PRINCIPAL BUSINESS ACTIVITIES OF YOUR COMPANY

Manufacturing and marketing of Fast Moving Consumer Goods (FMCG) continued to remain the prime business activities of Marico Bangladesh Limited. The Company is the manufacturer and marketer of renowned brands such as Parachute, Parachute Advanced Enriched Hair Oil, Parachute Advanced Beliphool, Parachute Advanced Cooling Hair oil, Parachute Advanced Extra Care Hair Oil, Nihar Naturals Shanti Badam Amla, Hair Code, HairCode Active, HairCode Keshkala, Parachute Advanced Body Lotion, Saffola Active, Livon, Set Wet and Set Wet Infinity.

## EXPANSION OF YOUR COMPANY'S PORTFOLIO

In FY2014-15, Your Company diversified its product portfolio even further through the launch of three new products – namely, Parachute Advanced Extra Care Hair Oil, Set Wet Infinity and Parachute Advanced Body Lotion. With each of these new products, the Company expects to build or strengthen its position in different market segments, thereby creating new avenues of growth for the Company.

## RELATED PARTY TRANSACTION

In the year FY2014-15, related parties with the Company were Marico Limited, the parent company, and Marico Middle East FZE, a subsidiary of the parent company. Note 25 of the Financial Statements includes details of the transactions with the related parties.

## DIRECTORS' DECLARATION AS TO FINANCIAL STATEMENTS

The Statement of the Directors' Responsibilities and Management's Report on Internal Control over Financial Reporting for Financial Statements are given on page 69 and page 54 of the report to Directors' Report Annexure-II and Corporate Governance Report Annexure-I respectively.

Keeping both internal policies and regulatory framework into account, your Company's Code of Conduct establishes high standards of Corporate Governance practices – which, in turn, allows Your Company to completely adhere to the country's laws and regulations. As per Bangladesh Securities and Exchange Commission's Notification No-SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012, the Directors are pleased to confirm the following:

- The Financial Statements, together with the accompanying notes, have been drawn up in conformity with the Companies Act, 1994 and Bangladesh Securities and Exchange Rules, 1987. These statements present fairly the Company's state of affairs, the results of its operations cash flow and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the Financial Statements.
- The systems of internal controls are sound and have been effectively implemented and monitored.
- There are no significant doubts about the Company's ability to continue as a going concern.
- The significant deviations from last year in operating results of the Company have been highlighted in the report and reasons thereof have been explained.
- The CEO and CFO have certified to the board that:
  - They have reviewed the Financial Statements

and affirm that: These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading. These statements together present a true and fair value of the company's affairs and are in compliance with existing accounting standards and applicable laws.

- There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

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

#### Directors of the Company:

Board of Directors	Category
Saugata Gupta	Nominee Director
Rokia Afzal Rahman	Independent Director
Masud Khan	Independent Director
Aditya Shome	Managing Director
B Sridhar	Nominee Director
Vivek Karve	Nominee Director
Rohit Jaiswal	Nominee Director

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

#### Restructuring in Board of Directors during the year:

- Directors Mr. Ghulam Mostafa and Ms. Rupali Chowdhury have completed their second tenure as Independent Directors for a maximum time period of 3 years and hence have automatically ceased to be on the Board of the Company w.e.f Q4 Board meeting of FY2014-15
- Mr. Masud Khan and Ms. Rokia Afzal Rahman have been appointed as New Independent Directors of the company w.e.f. October 23, 2014 till the ensuing Annual General Meeting (AGM) of the Company.

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

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

#### Directors' retirement and proposed for re-election

Mr. Saugata Gupta and Mr. B Sridhar will retire at the ensuing AGM to be held on August 13, 2015. The Board of Directors has recommended for their re-appointment at the ensuing AGM.

#### Remuneration to Directors:

The remuneration, performance and related bonus of Executive Directors are reviewed and approved by the Marico Board. The Executive Directors and some senior employees of the Company are entitled to Share Value Plan of Marico Group. Independent Directors are paid attendance fees of BDT 2,500 per meeting as sitting fees. The information of the remuneration paid to the Directors during the year are given in Notes-20 of the Financial Statements.

#### Results of operation for last five years

Financial Year Ended Mar 31, 2015 (FY15)

BDT in Crore Except Per Share Amounts	FY 15	FY 14	FY 13	FY 12	FY 11
Turnover	712	637	612	604	612
Net Earnings	134	139	87	54	77
Net Earnings Per Share	42.69	43.99	27.53	17	24.46
Dividend Per Share	42.5	90	10	12	4.5*
Operating Cash flow per Share	12.94	85.84	62.47	-16.87	15.65
Return on Assets	38%	35%	19%	12%	19%
Return on Equity	79%	57%	30%	21%	33%

\*18 Months Period

#### Management Discussion & Analysis

An Annexure to this Report contains a detailed Management Discussion and Analysis, which, inter alia, covers the following:

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

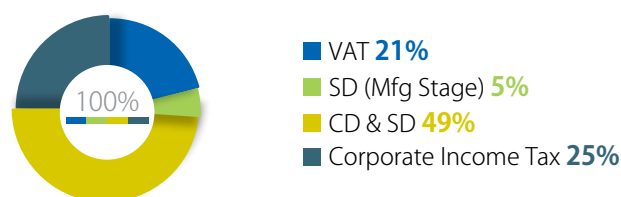
In addition, a Review of Operations of your Company has been given in this report.

### Contribution to National Exchequer

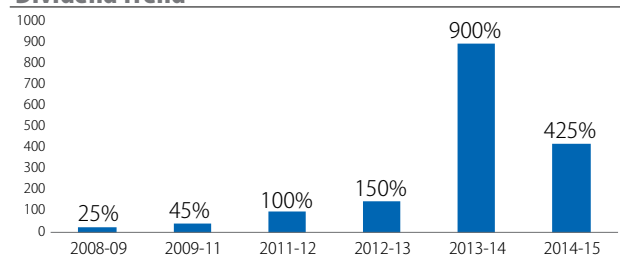
During the reporting period, your company paid BDT 232 Crores to the National Exchequer in the form of Corporate Income Tax, Customs Duties, Supplementary Duties and VAT.

Summary	BDT (Crores)
VAT	48
SD (Manufacturing Stage)	12
CD & SD	114
Corporate Income Tax	58
<b>Total</b>	<b>232</b>

### Breakdown of Contribution to National Exchequer for FY 14-15



### Dividend Trend



### Distribution to Equity Shareholders

The upward trend in Your Company's Dividend disbursement is evident by the chart. FY2013-14 witnessed a massive dividend payout of 900% from Your Company to celebrate a key milestone (completion of "Ek Jug" – that is, 12 years – of Your Company's operations in Bangladesh) with its esteemed shareholders. In FY2014-15, Your Company continued to reward its shareholders for their support by declaring its second highest ever dividend disbursement – amounting to 425% - for FY2014-15.

### Declaration of Interim Cash Dividends

The Board has declared interim cash dividends of 150% and 225% for Q1 and Q3 respectively – all of which have been subsequently paid.

### Final Dividend for FY15

The Board of Directors has recommended a final cash dividend of 50% on each equity share of BDT 10. In

aggregate, the Board has declared cash dividend of 425% including interim dividend for the financial year 2014-15.

### Reserves

The total reserves of the company stood at BDT 140 Crore, details of which are shown in the Statement of Financial Position, as share premium and retained earnings to the Financial Statements.

### Events subsequent to the Statement of Financial Position

For the year ended March 31, 2015, the Board of Directors recommended final cash dividend of 50% per share at 86th Board Meeting held on April 22, 2015. Apart from that, there are no other events identified after the statement of financial position date which might be material.

### Shareholder Information & Substantial Shareholders

The distribution of shareholding is provided in Annexure IV of the Directors' Report and market value of shares is given on page 36.

### Statutory Auditors

M/s. A. Qasem & Co., Chartered Accountants and Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting. The firm has completed its tenure of office for three years as statutory Auditor of the Company. As per BSEC notification, the Board has, on the basis of Audit Committee suggestion, recommended appointment of "M/s. Hoda Vasi Chowdhury & Co.", as the new Statutory Auditor of the Company for the year 2015 and to continue up to the conclusion of the next AGM at Annual Fees of BDT 400,000/- (excluding VAT).

### Acknowledgement

The Board takes this opportunity to express their heartfelt thanks to all stakeholders - such as employees, customers, consumers, banks and financial institutions, regulatory bodies, auditors, BSEC, DSE, CSE, CDBL, business associates and finally the shareholders - for their immense support and contribution towards the success of the Company.

On behalf of Board of Directors

**Aditya Shome**  
Managing Director

# ANNEXURE TO THE DIRECTOR'S REPORT:

## ANNEXURE: I

Status of compliance with the conditions by Securities and Exchange Commission (SEC) Bangladesh, Notification on Corporate Governance

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

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM	✓		Nominated and approved by the Board in the 84th BOD meeting on 23rd October, 2014. Approval for Shareholders will be placed in the upcoming 15th AGM dated August 13, 2015.
1.2 (iv)	The post cannot remain vacant for more than 90 (ninety) days	✓		Complied
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	✓		The Company has laid down a detailed code of conduct for all known as 'Marico's Code of Conduct (CoC)' which is applicable for the Directors as well.
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 term only	✓		The Independent Directors (IDs) are in their first term of office.
<b>1.3 Qualification of Independent Director (ID):</b>				
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		The qualification and background of IDs have been stated in the Board of Directors' Profile.
1.3 (ii)	The person should be a Business Leader/ Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences.	✓		The qualification and background of IDs have been stated in the Board of Directors' Profile.
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of Commission.	N/A		
1.4	Chairman of the Board and Chief Executive Officer: The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		Chairman of the Board is Mr. Saugata Gupta and CEO is Mr Aditya Shome. The roles and responsibilities of the Chairman of the Board and the CEO are defined in the Articles of the Company.
<b>1.5 The Directors' Report to the Shareholders:</b>				
1.5 (i)	Industry outlook and possible future developments in the industry	✓		Discussed in MD's Discussion and Analysis
1.5 (ii)	Segment-wise or product-wise performance	✓		Discussed in MD's Discussion and Analysis
1.5 (iii)	Risks and concerns	✓		Discussed in MD's Discussion and Analysis
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		Discussed in MD's Discussion and Analysis
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	✓		The Directors' report complies with the guideline.



Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.5 (vi)	Basis for related party transactions	✓		The Directors' report complies with the guideline.
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	N/A		The Company did not go for RPO, Rights Offer, etc. during the year.
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	N/A		The Company did not go for RPO, Rights Offer, etc. during the year.
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.	✓		Complied
1.5 (x)	Remuneration to directors including independent directors	✓		Complied
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.	✓		Complied
1.5 (xii)	Proper books of account of the issuer company have been maintained.	✓		Complied
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		Complied
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the Financial Statements and any departure there-from has been adequately disclosed.	✓		Complied
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		Discussed in MD's Discussion and Analysis
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		Complied
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		Complied
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		The Directors' Report complies with the guideline.
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	N/A		The Company Declared an Interim Cash Dividend of 375% during the year.
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		Stated in Annexure -III of the Directors' report which comply with the guideline.

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.5 (xxi)	The pattern of shareholding shall be reported to disclose aggregate number of shares (along with name wise details where stated below) held by:	✓		Stated in Annexure-IV of the Directors' report which comply with the guideline.
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	✓		Complied
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	✓		Complied
1.5 (xxi) c)	Executives;	✓		Complied
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	✓		Complied
1.5 (xxii) In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-				
1.5 (xxii) a)	A brief resume of the director	✓		The Directors' Report complies with the Guidelines as stated in The Directors' Report
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas	✓		The Directors' Report complies with the Guidelines as stated in The Directors' Report
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		The Directors' Report complies with the Guidelines as stated in The Directors' Report
<b>2 CHIEF FINANCIAL OFFICER, HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY :</b>				
2.1	Appointment: The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		The Company has appointed CFO, CS and Head of Internal Audit. There are clearly defined roles, responsibilities and duties which have been approved by Board as per requirement of BSEC notification.
<b>2.2 Requirement to attend the Board Meetings:</b>				
	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		Complied
<b>3 AUDIT COMMITTEE:</b>				
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		4 Directors of the Board make up the Audit Committee
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the Financial Statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		Complied

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		Audit Committee Charter is approved by the Board.
<b>3.1 Constitution of the Audit Committee</b>				
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		The Audit Committee is comprised of 4 (four) members.
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		Complied
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience. Explanation: The term "financially literate" means the ability to read and understand the Financial Statements like Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if he/ she possesses professional qualification or Accounting/ Finance graduate with at least 12 years of corporate management/professional experiences.	✓		All the existing members of the Audit Committee are 'financially literate' and they have 'related financial management experience' as per BSEC notification.
3.1(iv)	When the term of service of the Committee member expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		There were no such situations during FY 2014-15
3.1(v)	The company secretary shall act as the secretary of the Committee.	✓		Complied
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		Complied
<b>3.2 Chairman of the Audit Committee</b>				
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be the Chairman of the Audit Committee, who shall be an independent director.	✓		Mr. Masud Khan has been appointed as the Chairman of the Audit Committee effective from 19 March 2015. Before his Appointment, the Committee Chair was Ms Rupali Chowdhury who was also an Independent Director.
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		The Chair of the Audit Committee attended all the meetings including the AGM.

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
<b>3.3 Role of Audit Committee: Role of audit committee shall include the following:-</b>				
3.3(i)	Oversee the financial reporting process.	✓		Complied
3.3(ii)	Monitor choice of accounting policies and principles.	✓		Complied
3.3(iii)	Monitor Internal Control Risk management process.	✓		Complied
3.3(iv)	Oversee hiring and performance of external auditors.	✓		Complied
3.3(v)	Review along with the management, the annual Financial Statements before submission to the board for approval.	✓		Complied
3.3(vi)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the board for approval.	✓		Complied
3.3(vii)	Review the adequacy of internal audit function.	✓		Complied
3.3(viii)	Review statement of significant related party transactions submitted by the management.	✓		Complied
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		Complied
3.3(x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/ Rights Issue, the company shall disclose to the Audit Committee about the uses/ applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	N/A		No money was raised through IPO, RPO, Rights Issue, etc. during the year.
<b>3.4 Reporting of the Audit Committee</b>				
3.4.1	Reporting to the Board of Directors			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		Audit Committee informs the Board periodically through its minutes which are placed at Board Meetings.
3.4.1(ii) The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:				
3.4.1(ii) a)	Report on conflicts of interests	✓		There was no reportable case of conflict of interest in 2014.
3.4.1(ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	✓		No such situation arose during the year.
3.4.1(ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations	✓		No such situation arose during the year.
3.4.1(ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	✓		No such situation arose during the year.

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	✓		Complied.
3.5	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		The Audit Committee report is disclosed in page no. 55 of Annual Report and signed by the Chairman of the Audit Committee.
<b>4 EXTERNAL/STATUTORY AUDITORS:</b> The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-				
4 (i)	Appraisal or valuation services or fairness opinions.	✓		Complied
4 (ii)	Financial information systems design and implementation.	✓		Complied
4 (iii)	Book-keeping or other services related to the accounting records or Financial Statements.	✓		Complied
4 (iv)	Broker-dealer services.	✓		Complied
4 (v)	Actuarial services.	✓		Complied
4 (vi)	Internal audit services.	✓		Complied
4 (vii)	Any other service that the Audit Committee determines.	✓		Complied
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		The audit firm has declared as such that none of them hold any share in the Company.
<b>5 SUBSIDIARY COMPANY:</b>				
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	N/A		Marico Bangladesh Limited does not have any subsidiaries.
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	N/A		Marico Bangladesh Limited does not have any subsidiaries.
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	N/A		Marico Bangladesh Limited does not have any subsidiaries.

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

**ANNEXURE: II****DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS**

The Directors of the company are responsible for the integrity and accuracy of the Financial Statements. The board believes that the Financial Statements for the year ended on March 31, 2014 have been prepared in conformity with Bangladesh Accounting Standard (BAS), BFRS/IFRS, Companies Act, 1994, BSEC guidelines, Stock Exchanges Listing Regulations appropriate in the circumstances. In preparing the Financial Statements, Management with the consultation of the Board makes informed judgments and estimates where necessary to reflect the expected effects of events and transactions that have not been completed. The Company's disclosure controls and procedures ensure that material information required to be disclosed is recorded, processed, summarized and communicated to management and reported within the required time periods. In meeting its responsibility for the reliability of the Financial Statements, management relies on a system of internal accounting control. This system is designed to provide reasonable assurance that assets are safeguarded and transactions are executed in accordance with the management's authorization and recorded properly to permit the preparation of Financial Statements in accordance with BAS/BFRS/IFRS. The design of this system recognizes that errors or irregularities may occur and that estimates and judgments are required to assess the relative cost

and expected benefits of the controls. Directors believe that the Company's internal accounting controls provide reasonable assurance that errors or irregularities that could be material to the Financial Statements are prevented or would be detected within a timely period. The Audit Committee of the Board of Directors is responsible for overseeing the Company's financial reporting process. The Audit Committee meets with management and sees the report of the Company's internal auditors periodically to review the work of each and to monitor the discharge by each of its responsibilities. The independent auditors are engaged to express an opinion on the Company's Financial Statements and on the Company's internal control over financial reporting. Their opinions are based on procedures that they believe to be sufficient to provide reasonable assurance that the Financial Statements contain no material errors and that the Company's internal controls are effective.

On behalf of the Board



**Aditya Shome**

Managing Director

**ANNEXURE: III**

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

5 meetings of the Board of Directors were held during the period April 1, 2014 to March 31, 2015. The attendance record of all directors is as under:

Names	Representation in the Board	Number of Board Meetings		Attendance at Last AGM
		Held	Attended	
Mr. Saugata Gupta	Chairman	5	2	Yes
Ms. Rokia Afzal Rahman	Independent Director	5	1*	N/A*
Mr. Masud Khan	Independent Director	5	1*	N/A*
Mr. Aditya Shome	Managing Director	5	5	Yes
Mr. B. Sridhar	Nominee Director	5	2	Yes
Mr. Vivek Karve	Nominee Director	5	2	Yes
Mr. Rohit Jaiswal	Nominee Director	5	-	No

*\*Mr. Masud Khan & Ms. Rokia Afzal Rahman were appointed after Ms. Rupali Chowdhury & Mr. Ghulam Mostafa completed their tenure as Independent Directors- Ms. Rupali Chowdhury & Mr. Ghulam Mostafa attended all (4) the meetings during that time which also includes the AGM.*

**ANNEXURE: IV**

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

Shareholders' Category		No. of Shareholders	No. of Shares Held
a) Parent/Subsidiary/Associated Companies and other Related Parties			
Marico India Ltd., India	Parent Company	1	28,349,993
b) Directors, Managing Director and their Spouses			
Mr. Harsh Mariwala	Nominee Shareholder	1	1
Mr. Saugata Gupta	Director	1	1
Mr. B. Sridhar	Director	1	1
Mr. Vivek Karve	Director	1	1
Mr. Aditya Shome	Director	1	1
Mr. Rohit Jaiswal	Director	1	1
c) Top Five Executives		Nil	Nil
d) Shareholders Holding 5% or More Voting Interest (apart from Parent Company)		Nil	Nil



## ANNEXURE: V

# CERTIFICATE OF COMPLIANCE ON CORPORATE GOVERNANCE



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

Phones : 01730 340 340  
01552 108 522  
e-mails : akamuqtadir@gmail.com  
muqtadir@muqtadirbd.com  
URL : www.muqtadirbd.com  
VAT Reg : 19041063900

## Certificate of Compliance to the Shareholders of Marico Bangladesh Limited

(As required under the BSEC Corporate Governance Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance by **Marico Bangladesh Limited** for the year ended 31st March 2015. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

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

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

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

Dhaka, June 19, 2015

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





Marico Bangladesh Limited  
**AUDITORS' REPORT  
AND FINANCIAL  
STATEMENTS**

As at and for the year ended 31 March 2015



★ Since 1953 ★

# A. Qasem & Co.

Chartered Accountants

## Gulshan Pink City

Suites # 01-03, Level : 7, Plot # 15, Road # 103,  
Gulshan Avenue, Dhaka - 1212, Bangladesh.

Phone : 880-2-8881824-6

Fax : 880-2-8881822

E-mail : aqasem@aqcbd.com

## INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MARICO BANGLADESH LIMITED

### Report on the Financial Statements

We have audited the accompanying Financial Statements of Marico Bangladesh Limited which comprise the statement of financial position as at 31 March 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

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

### Opinion

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Marico Bangladesh Limited as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

### Report on Other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (c) the statement of financial position, and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- (d) the expenditure incurred was for the purposes of the Company's business.

**A. Qasem & Co.**

Chartered Accountants

Dhaka, 22 April, 2015

## STATEMENT OF FINANCIAL POSITION

as at 31 March 2015

A. Qasem &amp; Co.

Chartered Accountants

	Note	31 March 2015 Taka	31 March 2014 Taka
<b>Assets</b>			
Property, plant and equipment	4	731,713,275	883,065,869
Capital work in progress		-	11,148,115
Intangible assets	5	7,284,910	6,017,123
Deferred tax assets	6	33,726,602	24,240,760
Long-term advances and deposits	7	5,167,416	4,578,517
<b>Non-current assets</b>		<b>777,892,203</b>	<b>929,050,384</b>
Inventories	8	1,822,852,895	919,281,100
Accrued interest		14,021,076	75,131,935
Advances, deposits and prepayments	9	47,175,777	77,917,336
Short-term investment	10	500,000,000	1,232,516,250
Cash and cash equivalents	11	191,990,392	442,266,619
<b>Current assets</b>		<b>2,576,040,140</b>	<b>2,747,113,240</b>
<b>Total assets</b>		<b>3,353,932,343</b>	<b>3,676,163,624</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	12	315,000,000	315,000,000
Share premium		252,000,000	252,000,000
Retained earnings		1,145,170,637	1,139,151,102
<b>Total equity</b>		<b>1,712,170,637</b>	<b>1,706,151,102</b>
<b>Liabilities</b>			
Provision for gratuity	13	20,465,488	15,685,982
Provision for leave encashment	14	6,428,033	6,493,103
<b>Non-current liabilities</b>		<b>26,893,521</b>	<b>22,179,085</b>
Provision for gratuity	13	2,646,276	2,005,460
Provision for leave encashment	14	1,310,915	1,323,176
Trade and other payables	15	1,245,243,909	1,491,120,583
Current tax liabilities	16	365,667,085	453,384,218
<b>Current liabilities</b>		<b>1,614,868,185</b>	<b>1,947,833,437</b>
<b>Total liabilities</b>		<b>1,641,761,706</b>	<b>1,970,012,522</b>
<b>Total equity and liabilities</b>		<b>3,353,932,343</b>	<b>3,676,163,624</b>

The annexed notes 1 to 33 form an integral part of these Financial Statements.

  
Company Secretary

  
Director

  
Managing Director

As per our annexed report of same date.

Dhaka, 22 April 2015

  
A. Qasem & Co.  
Chartered Accountants

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

**A. Qasem & Co.**

Chartered Accountants

for the year ended 31 March 2015

	Note	31 March 2015 Taka	31 March 2014 Taka
<b>Revenue</b>	17	7,117,757,407	6,370,783,669
Cost of sales	18	(3,811,531,905)	(3,176,055,199)
<b>Gross profit</b>		3,306,225,502	3,194,728,470
Marketing, selling and distribution expenses	19	(942,770,401)	(888,099,270)
General and administrative expenses	20	(636,462,886)	(722,873,457)
Other income	21	844,066	3,696,318
<b>Profit from operation</b>		1,727,836,281	1,587,452,061
Net finance income	22	100,680,684	288,455,452
<b>Profit before tax</b>		1,828,516,965	1,875,907,513
Income tax expense	23	(483,747,430)	(490,299,658)
<b>Profit for the year</b>		1,344,769,535	1,385,607,855
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		1,344,769,535	1,385,607,855
<b>Earnings per share</b>			
Basic earnings per share (par value of Tk 10)	24	42.69	43.99

The annexed notes 1 to 33 form an integral part of these Financial Statements.

  
Company Secretary

  
Director

  
Managing Director

As per our annexed report of same date.

Dhaka, 22 April 2015

  
**A. Qasem & Co.**  
Chartered Accountants

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2015

**A. Qasem & Co.**

Chartered Accountants

	Share capital	Share premium	Retained Earnings	Total Equity
	Taka	Taka	Taka	Taka
<b>Balance at 1 April 2013</b>	315,000,000	252,000,000	2,588,543,247	3,155,543,247
Comprehensive income for the year ended 31 March 2014	-	-	1,385,607,855	1,385,607,855
Final dividend for 2012-2013	-	-	(157,500,000)	(157,500,000)
1st Interim dividend for 2013-2014	-	-	(472,500,000)	(472,500,000)
2nd Interim dividend for 2013-2014	-	-	(630,000,000)	(630,000,000)
3rd Interim dividend for 2013-2014	-	-	(1,575,000,000)	(1,575,000,000)
<b>Balance at 31 March 2014</b>	<u>315,000,000</u>	<u>252,000,000</u>	<u>1,139,151,102</u>	<u>1,706,151,102</u>
<b>Balance at 1 April 2014</b>	315,000,000	252,000,000	1,139,151,102	1,706,151,102
Comprehensive income for the year ended 31 March 2015	-	-	1,344,769,535	1,344,769,535
Final dividend for 2013-2014	-	-	(157,500,000)	(157,500,000)
1st Interim dividend for 2014-2015	-	-	(472,500,000)	(472,500,000)
2nd Interim dividend for 2014-2015	-	-	(708,750,000)	(708,750,000)
<b>Balance at 31 March 2015</b>	<u>315,000,000</u>	<u>252,000,000</u>	<u>1,145,170,637</u>	<u>1,712,170,637</u>

**STATEMENT OF CASH FLOWS**

for the year ended 31 March 2015

**A. Qasem & Co.**

Chartered Accountants

	31 March 2015	31 March 2014
	Taka	Taka
<b>Cash flows from operating activities</b>		
Collection from customers	7,149,084,037	6,444,865,658
Payment to suppliers and for operating expenses	(6,325,870,698)	(3,828,215,975)
Interest paid	(2,502,325)	(600,812)
Interest received	167,912,236	269,748,919
Income tax paid	(580,950,405)	(181,993,063)
<i>Net cash from operating activities</i>	<u>407,672,845</u>	<u>2,703,804,727</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(49,532,157)	(215,790,788)
Acquisition of intangible assets	(3,904,959)	(7,220,547)
Disposal of property, plant and equipment	1,721,794	1,773,094
Encashment of short-term investments	732,516,250	334,648,548
<i>Net cash from investing activities</i>	<u>680,800,928</u>	<u>113,410,307</u>
<b>Cash flows from financing activities</b>		
Dividend paid	(1,338,750,000)	(2,835,000,000)
Short-term finance	-	(38,534,964)
<i>Net cash used in financing activities</i>	<u>(1,338,750,000)</u>	<u>(2,873,534,964)</u>
Net decrease in cash and cash equivalents	(250,276,227)	(56,319,930)
Opening cash and cash equivalents	442,266,619	498,586,549
<b>Closing cash and cash equivalents</b>	<u>191,990,392</u>	<u>442,266,619</u>

# NOTES TO THE FINANCIAL STATEMENTS

**A. Qasem & Co.**

*Chartered Accountants*

## 1 Reporting entity

Marico Bangladesh Limited (MBL) is a listed company incorporated on 6 September 1999 in Bangladesh under the Companies Act 1994. The Company is a subsidiary of Marico Limited, India. Its shares are traded in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

### 1.1 Registered Office

The address of the Company's registered office is House # 01, Road # 01, Sector # 01, Uttara Model Town, Dhaka-1230.

### 1.2 Nature of business activities

The Company manufactures and markets products under the brands such as Parachute, Nihar, Saffola, Hair Code, Livon, Parachute Advanced, Beliphool, Parachute Body Lotion and Set-wet in Bangladesh. The Company sells its products through its own distribution channels comprising of sales depots located in Gazipur, Chittagong, Bogra, Jessore and Comilla. The Company started its commercial operations from 30 January 2000.

## 2 Basis of preparation

### 2.1 Statement of compliance

These Financial Statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### 2.2 Authorisation for issue

The Financial Statements were authorised for issue by the Board of Directors in the 86th Board of Directors Meeting held on 22 April 2015.

### 2.3 Basis of measurement

The Financial Statements have been prepared under the historical cost convention.

### 2.4 Functional and presentation currency

These Financial Statements are presented in Bangladeshi Taka (BDT), which is the Company's functional currency. All financial information presented in BDT/Taka has been rounded off to the nearest integer.

### 2.5 Reporting period

The Financial Statements of the Company covered one year from 1 April 2014 to 31 March 2015.

### 2.6 Use of estimates and judgments

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount 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 accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 2.7 Basis of fair value measurement

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

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

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability,



**A. Qasem & Co.***Chartered Accountants*

either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

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

Further information about the assumptions made in measuring fair values is included in the following note:

Note 30: Financial instruments - Fair values and financial risk management

**2.8 Comparative information**

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

**2.9 Materiality and aggregation**

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

**3 Significant accounting policies**

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these Financial Statements.

**3.1 Foreign currency transactions**

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

**3.2 Property, plant and equipment****i) Recognition and measurement**

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

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Parts of an item of property, plant and equipment having different useful lives, are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal to the carrying amount of the property, plant and equipment and is recognised with other income in profit or loss.

**ii) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company and its costs can be measured reliably.

**A. Qasem & Co.***Chartered Accountants***iii) Depreciation**

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 recognised in profit or loss on straight line method over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated. Considering the estimated useful lives of the assets the following rates have been applied in current and comparative years:

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation is charged from the month of acquisition of property, plant and equipment and no depreciation is charged in the month of disposal.

**iv) Impairment**

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

**3.3 Intangible assets**

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

**Amortisation**

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

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

**3.4 Net finance income**

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss using the effective interest method.

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Finance costs comprise interest expense on borrowings and foreign exchange gain or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**3.5 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.

**3.5.1 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. Current tax payable also includes any tax liability arising from the declaration of dividends.

**3.5.2 Deferred tax**

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

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

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

**3.6 Revenue**

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

**3.7 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.

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

**3.8 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.

**A. Qasem & Co.***Chartered Accountants***3.9 Employee benefits****i) Short-term employee benefits**

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

**ii) Defined benefit plans**

The Company operates unfunded gratuity scheme and leave encashment scheme, provision in respect of which is made annually covering all its eligible employees. These schemes are 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.

The Company recognises all expenses and all actuarial gains and losses arising from defined benefit plan in profit and loss.

**iii) Workers' profit participation and welfare fund**

Workers' profit participation and welfare fund ("the fund") qualifies as defined contribution plan. The fund has been made @ 5% of profit as per provision of the Bangladesh Labor Law 2006 in line with changes of the Law in July 2013.

**3.10 Contingencies**

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.

**3.11 Earnings per share**

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share 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, adjusted for own shares held. 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, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

**3.12 Financial instruments**

Non-derivative financial instruments comprise accrued interest, short-term investment, cash and cash equivalents, trade and other payables.

**A. Qasem & Co.***Chartered Accountants***Accrued interest**

Interest accrued on fixed deposits which will be received at the end of maturity period is classified as held to maturity financial asset which is a part of original instrument of fixed deposits.

**Short-term investment**

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

**Cash and cash equivalents**

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

**Trade and other payables**

Trade and other payables consist of payable against raw material, packing material, payable against transport and service, payable against royalty, technical and assistance fees, payable against ASP and SLI activities, purchase of capital goods and for FOH expenses. These payables are classified as other financial liabilities.

**3.13 Events after the reporting period**

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

## 4. Property, plant and equipment

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Year 2015 Particulars	Cost				Accumulated depreciation				Carrying value
	As at 1 April 2014	Addition during the year	Disposal/ Adjustment during the year	As at 31 March 2015	As at 1 April 2014	Charged for the year	Adjustment for the year	As at 31 March 2015	As at 31 March 2015
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Plant and machinery	546,155,363	7,658,385	-	553,813,748	187,299,595	99,456,236	-	286,755,831	267,057,917
Freehold land	176,749,959	-	-	176,749,959	-	-	-	-	176,749,959
Vehicles	37,932,178	-	4,266,990	33,665,188	25,413,291	6,127,264	3,367,419	28,173,136	5,492,052
Factory equipment	4,152,054	686,950	-	4,839,004	3,561,598	385,849	-	3,947,447	891,557
Moulds	62,350,403	13,545,034	424,031	75,471,406	27,772,614	17,120,002	424,031	44,468,585	31,002,821
Factory building	171,804,875	5,636,838	-	177,441,713	42,826,425	35,073,281	-	77,899,706	99,542,007
Office building	193,910,204	-	-	193,910,204	49,032,983	22,542,279	-	71,575,262	122,334,942
Laboratory equipment	5,360,853	69,680	-	5,430,533	2,077,004	1,013,491	-	3,090,495	2,340,038
Office equipment	19,320,316	10,732,922	2,291,067	27,762,171	14,841,336	5,615,956	2,208,272	18,249,020	9,513,151
Computers	9,554,113	3,098,907	497,721	12,155,299	6,421,856	2,171,431	463,850	8,129,437	4,025,862
Furniture and fixtures	42,949,068	3,053,729	2,724,987	43,277,810	30,562,446	3,916,788	2,416,367	32,062,867	11,214,943
A.C., refrigerator and water coolers	9,993,071	267,733	413,790	9,847,014	7,357,440	1,355,331	413,783	8,298,988	1,548,026
<b>Total</b>	<b>1,280,232,457</b>	<b>44,750,178</b>	<b>10,618,586</b>	<b>1,314,364,049</b>	<b>397,166,588</b>	<b>194,777,908</b>	<b>9,293,722</b>	<b>582,650,774</b>	<b>731,713,275</b>

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Year 2014 Particulars	Cost			Accumulated depreciation			Carrying value	
	As at 1 April 2013 Taka	Addition during the year Taka	Disposal/ Adjustment during the year Taka	As at 31 March 2014 Taka	As at 1 April 2013 Taka	Charged for the year Taka	Adjustment for the year Taka	As at 31 March 2014 Taka
Plant and machinery	442,238,376	103,951,987	35,000	546,155,363	91,763,032	95,563,786	27,223	187,299,595
Freehold land	174,712,066	2,037,893	-	176,749,959	-	-	-	-
Vehicles	41,247,878	-	3,315,700	37,932,178	18,663,178	9,003,123	2,253,010	25,413,291
Factory equipment	3,561,671	590,383	-	4,152,054	2,743,834	817,764	-	3,561,598
Moulds	37,252,535	26,497,829	1,399,961	62,350,403	16,157,732	13,014,843	1,399,961	27,772,614
Factory building	119,079,789	52,725,086	-	171,804,875	10,822,333	32,004,092	-	42,826,425
Office building	167,473,589	26,436,615	-	193,910,204	27,583,107	21,449,876	-	49,032,983
Laboratory equipment	4,538,319	822,534	-	5,360,853	985,772	1,091,232	-	2,077,004
Office equipment	14,972,758	4,470,697	123,139	19,320,316	11,195,361	3,713,968	67,993	14,841,336
Computers	7,442,995	2,586,418	475,300	9,554,113	5,415,168	1,447,348	440,660	6,421,856
Furniture and fixtures	31,456,983	11,506,333	14,248	42,949,068	25,060,098	5,515,805	13,457	30,562,446
A.C., refrigerators and water coolers	9,431,528	1,174,593	613,050	9,993,071	6,460,015	1,495,599	598,174	7,357,440
<b>Total</b>	<b>1,053,408,487</b>	<b>232,800,368</b>	<b>5,976,398</b>	<b>1,280,232,457</b>	<b>216,849,630</b>	<b>185,117,436</b>	<b>4,800,478</b>	<b>397,166,588</b>
								<b>883,065,869</b>

2015	2014
Taka	Taka

**4.1 Depreciation allocated to:**

Cost of sales (Note 18)	160,270,064	148,625,244
General and administrative expenses (Note 20)	34,507,844	36,492,192
	<u>194,777,908</u>	<u>185,117,436</u>

Year 2015	Cost				Accumulated depreciation			Carrying value
	As at 1 April 2014	Addition during the year	Disposal/ Adjustment during the year	As at 31 March 2015	As at 1 April 2014	Charged for the year	Adjustment for the year	As at 31 March 2015
Particulars	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Intangible assets	7,220,547	3,904,959	-	11,125,506	1,203,424	2,637,172	-	3,840,596
								7,284,910

Year 2014	Cost				Accumulated depreciation			Carrying value
	As at 1 April 2013	Addition during the year	Disposal/ Adjustment during the year	As at 31 March 2014	As at 1 April 2013	Charged for the year	Adjustment for the year	As at 31 March 2014
Particulars	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Intangible assets	-	7,220,547	-	7,220,547	-	1,203,424	-	1,203,424
								6,017,123



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**6 Deferred tax assets**

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

	Carrying value as at 31 March	Tax base as at 31 March	Temporary Difference Taxable (deductible)
<b>YEAR 2015</b>			
Property, plant and equipment	562,084,968	472,656,207	89,428,761
Deferred revenue expense	-	20,291,645	(20,291,645)
Provision for gratuity	(23,111,764)	-	(23,111,764)
Royalty payable	(182,294,450)	-	(182,294,450)
Net deductible temporary difference			(136,269,098)
Income tax rate *			24.75%
Deferred tax asset (A)			(33,726,602)
<b>YEAR 2014</b>			
Property, plant and equipment	706,312,994	595,254,194	111,058,800
Deferred revenue expense	-	16,572,911	(16,572,911)
Provision for gratuity	(17,691,442)	-	(17,691,442)
Provision for leave encashment	(7,816,279)	-	(7,816,279)
Royalty payable	(166,920,632)	-	(166,920,632)
Net deductible temporary difference			(97,942,464)
Income tax rate *			24.75%
Deferred tax asset (B)			(24,240,760)
Deferred tax expense (A-B)			(9,485,842)

\* The Company has declared more than 30% interim dividend and thus its tax rate is 24.75% for the relevant assessment years.

**7 Long-term advances and deposits**

	2015 Taka	2014 Taka
Advance for capital goods	2,331,504	3,122,373
Security deposits	2,835,912	1,456,144
	5,167,416	4,578,517

**8 Inventories**

Raw materials	1,378,515,052	518,681,356
Packing materials	38,719,047	34,018,116
Finished goods	287,803,616	235,402,145
Raw materials in transit	117,815,180	131,179,483
	1,822,852,895	919,281,100

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**9 Advances, deposits and prepayments****Advances**

Loans to employees  
Advance for services

**Deposits**

VAT current account  
Supplementary duty  
Security deposits

**Prepayments**

Prepaid expenses

**10 Short-term investment**

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

**10.1 Fixed deposits with original maturity of more than three months****Fixed deposits with:**

Commercial Bank of Ceylon PLC  
Delta Brac Housing Finance Corporation Ltd.  
Dhaka Bank Limited  
IDLC Finance Limited  
Islami Bank Bangladesh Limited  
Prime Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited

**11 Cash and cash equivalents**

Cash in hand

Cash at banks:

BRAC Bank Limited  
Citibank N.A.  
Commercial Bank of Ceylon PLC  
Dutch Bangla Bank Limited  
Islami Bank Bangladesh Limited  
Prime Bank Limited

	2015 Taka	2014 Taka
	6,169,332	8,013,924
	21,430,594	43,897,564
	27,599,926	51,911,488
	9,786,060	15,455,200
	1,894,574	1,687,066
	2,492,400	3,270,000
	14,173,034	20,412,266
	5,402,817	5,593,582
	47,175,777	77,917,336
	500,000,000	1,232,516,250
	100,000,000	500,000,000
	100,000,000	-
	-	150,000,000
	130,000,000	170,000,000
	170,000,000	-
	-	100,000,000
	-	312,516,250
	500,000,000	1,232,516,250
	119,360	312,711
	19,352,758	21,069,661
	2,144,300	14,174,551
	-	729,867
	-	133,525
	2,834,400	3,532,754
	605,000	80,980

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	2015	2014
	Taka	Taka
Sonali Bank Limited	14,059	6,000
Standard Chartered Bank	5,179,790	(7,509,647)
The Hongkong and Shanghai Banking Corporation Limited	6,575,996	13,183,027
	36,706,303	45,400,718
Fixed deposits with original maturity of three months or less (Note 11.1)	155,164,729	396,553,190
	191,990,392	442,266,619
<b>11.1 Fixed deposits with original maturity of three months or less</b>		
Fixed deposits with:		
Standard Chartered Bank	155,164,729	396,553,190
<b>12 Share capital</b>		
<b>Authorised</b>		
40,000,000 ordinary shares of Tk 10 each	400,000,000	400,000,000
<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
	315,000,000	315,000,000

**12.1 Composition of shareholding**

	2015		2014	
	No. of shares	Percentage	No. of shares	Percentage
Marico Limited, India	28,350,000	90%	28,350,000	90%
Other shareholders	3,150,000	10%	3,150,000	10%
	31,500,000	100%	31,500,000	100%

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**12.2 Classification of shareholders by holding**

Holdings	Number of holders		% of total holding	
	2015	2014	2015	2014
Less than 500 shares	1796	1813	0.37	0.41
500 to 5,000 shares	109	132	0.46	0.50
5,001 to 10,000 shares	9	7	0.22	0.16
10,001 to 20,000 shares	8	6	0.34	0.25
20,001 to 30,000 shares	4	2	0.33	0.15
30,001 to 40,000 shares	2	3	0.23	0.34
40,001 to 50,000 shares	1	3	0.16	0.45
50,001 to 100,000 shares	2	2	0.49	0.40
100,001 to 1,000,000 shares	10	10	7.41	7.35
Over 1,000,000 shares	1	1	90.00	90.00
	1942	1979	100.00	100.00

**13 Provision for gratuity**

	2015 Taka	2014 Taka
Opening balance	17,691,442	15,956,603
Add: Provision made during the year	7,201,039	2,639,854
	24,892,481	18,596,457
Less: Paid during the year	(1,780,717)	(905,015)
	23,111,764	17,691,442
<b>Current and non-current classification:</b>		
Current liability	2,646,276	2,005,460
Non-current liability	20,465,488	15,685,982
	23,111,764	17,691,442

**14 Provision for leave encashment**

	2015 Taka	2014 Taka
Opening balance	7,816,279	9,404,119
Add: Provision made during the year	5,007,353	762,943
	12,823,632	10,167,062
Less: Paid during the year	(5,084,684)	(2,350,783)
	7,738,948	7,816,279
<b>Current and non-current classification:</b>		
Current liability	1,310,915	1,323,176
Non-current liability	6,428,033	6,493,103
	7,738,948	7,816,279

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**15 Trade and other payables****Trade payables**

Payable against raw material (Note 15.1)  
 Payable against packing material  
 Payable against services

	2015 Taka	2014 Taka
Payable against raw material (Note 15.1)	117,177,909	166,269,580
Payable against packing material	34,535,172	35,165,949
Payable against services	100,594,779	37,806,585
	<u>252,307,860</u>	<u>239,242,114</u>

**Other payables**

Workers' profit participation and welfare fund  
 Royalty payable  
 Bank guarantee commission payable  
 General and technical assistance fees payable  
 Advance from customers  
 Withholding tax and VAT payable  
 Payable against business promotion expenses  
 Payable against advertisement expenses  
 Audit fees payable  
 Payable against capital goods  
 Import duty and related charges payable  
 Payable against expenses

Workers' profit participation and welfare fund	96,237,735	98,731,974
Royalty payable	182,294,450	166,920,632
Bank guarantee commission payable	8,893,986	8,893,986
General and technical assistance fees payable	97,864,679	60,052,215
Advance from customers	27,535,640	58,862,270
Withholding tax and VAT payable	12,734,101	172,003,752
Payable against business promotion expenses	254,010,523	354,088,225
Payable against advertisement expenses	162,652,085	90,289,744
Audit fees payable	412,000	412,000
Payable against capital goods	897,416	6,470,264
Import duty and related charges payable	41,293,635	69,267,858
Payable against expenses	108,109,799	165,885,549
	<u>992,936,049</u>	<u>1,251,878,469</u>
	<u>1,245,243,909</u>	<u>1,491,120,583</u>

**15.1 Payable against raw material**

Marico Limited, India  
 Marico Middle East FZE  
 International Consumer Products Corporation  
 Other vendors

Marico Limited, India	6,578,844	92,112,894
Marico Middle East FZE	108,520,514	73,232,121
International Consumer Products Corporation	-	32,203
Other vendors	2,078,551	892,362
	<u>117,177,909</u>	<u>166,269,580</u>

**16 Current tax liabilities**

Provision for income tax (Note 16.1)  
 Less: Advance income tax (Note 16.2)

Provision for income tax (Note 16.1)	1,505,618,013	1,525,985,360
Less: Advance income tax (Note 16.2)	(1,139,950,928)	(1,072,601,142)
	<u>365,667,085</u>	<u>453,384,218</u>

**16.1 Provision for income tax**

Opening balance  
 Add: Provision for current year

Opening balance	1,525,985,360	1,080,417,993
Add: Provision for current year	501,419,093	475,304,697

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	2015 Taka	2014 Taka
Provision for prior years		
Assessment year 2012-2013	24,972,662	-
Assessment year 2009-2010	9,098,540	-
	2,061,475,655	1,555,722,690
Less: Prior years' adjustment for		
Assessment year 2011-2012	(385,390,142)	(22,028,373)
Assessment year 2010-2011	(220,061,336)	(7,708,957)
Assessment year 2009-2010	49,593,836	-
	<u>1,505,618,013</u>	<u>1,525,985,360</u>
<b>16.2 Advance income tax</b>		
Opening balance	1,072,601,142	920,345,408
Add: Payment made during the year for		
Assessment year 2015-2016	236,210,635	-
Assessment year 2014-2015	344,739,770	123,708,249
Assessment year 2013-2014	-	26,471,485
Assessment year 2011-2012	-	22,028,373
Assessment year 2010-2011	-	9,784,957
	<u>1,653,551,547</u>	<u>1,102,338,472</u>
Less: Adjustment during the year		
Assessment year 2011-2012	(359,055,794)	(22,028,373)
Assessment year 2010-2011	(154,544,825)	(7,708,957)
	<u>1,139,950,928</u>	<u>1,072,601,142</u>

**16.3 Year wise break up of provision for current tax and balance of advance income tax**

Accounting year ended	Assessment year	Provision for income tax	Advance income tax
31-Mar-15	AY 2015-16	501,419,093	236,210,635
31-Mar-14	AY 2014-15	475,304,697	468,448,019
31-Mar-13	AY 2013-14	282,689,572	199,086,374
31-Mar-12	AY 2012-13	237,106,111	236,205,900
30-Sep-08	AY 2009-10	9,098,540	-
		<u>1,505,618,013</u>	<u>1,139,950,928</u>

**A. Qasem & Co.**

Chartered Accountants

	2015 Taka	2014 Taka
<b>17 Revenue</b>		
Parachute coconut oil	5,958,318,440	5,563,189,521
Value added hair oil (VAHO)	908,064,767	659,161,139
Haircode	121,445,442	112,036,613
Saffola - Edible oil	18,057,976	6,532,488
Parachute body lotion	16,840,222	-
Others	95,030,560	29,863,908
	<u>7,117,757,407</u>	<u>6,370,783,669</u>
<b>18 Cost of sales</b>		
Opening stock of finished goods	235,402,145	283,400,693
Cost of goods manufactured (Note 18.1)	3,863,933,376	3,128,056,651
	<u>4,099,335,521</u>	<u>3,411,457,344</u>
Closing stock of finished goods	(287,803,616)	(235,402,145)
	<u>3,811,531,905</u>	<u>3,176,055,199</u>
<b>18.1 Cost of goods manufactured</b>		
Materials consumed:		
Opening stock of raw and packing materials	683,878,955	738,155,675
Purchases during the year	4,423,199,264	2,802,128,709
Closing stock of raw and packing materials	(1,535,049,279)	(683,878,955)
	<u>3,572,028,940</u>	<u>2,856,405,429</u>
Factory overhead:		
Salaries and allowances	27,181,510	29,429,788
Cost of outsourced human resources	32,887,373	27,819,855
Power expenses	46,619,941	40,918,650
Repairs and maintenance of plant and machinery	5,287,550	4,096,972
Repairs and maintenance of factory building	169,000	169,000
Depreciation (Note 4.1)	160,270,064	148,625,244
LC charges	2,836,042	2,281,836
Communication expenses	780,029	711,433
Entertainment	2,322,042	2,184,811
Printing and stationery	719,037	673,890

**A. Qasem & Co.***Chartered Accountants*

	<b>2015</b>	<b>2014</b>
	<b>Taka</b>	<b>Taka</b>
Security charges	4,751,421	2,409,582
Travelling and conveyance-Local	5,364,014	5,116,094
Welfare expenses	353,594	120,924
Insurance premium	2,362,819	7,093,143
	<u>291,904,436</u>	<u>271,651,222</u>
	<u>3,863,933,376</u>	<u>3,128,056,651</u>
<b>19 Marketing, selling and distribution expenses</b>		
Advertisement	559,290,044	529,602,272
Business promotion expenses	160,613,234	149,225,190
Collection charges	1,960,471	3,898,312
Distribution expenses	41,723,662	42,637,015
Entertainment	7,276,698	5,588,621
Free sample	1,217,840	7,249,198
Freight- outward	61,014,343	75,810,831
Market research expenses	31,691,681	17,672,897
Redistribution expenses	77,982,428	56,414,934
	<u>942,770,401</u>	<u>888,099,270</u>
<b>20 General and administrative expenses</b>		
Salaries and allowances	198,846,378	225,439,980
Gratuity (Note 13)	7,201,039	2,639,854
Workers' profit participation and welfare fund	96,237,735	98,731,974
Rent, rates and taxes expenses	1,588,554	1,267,478
Professional charges	43,822,572	140,275,933
Security charges	1,733,502	1,496,761
Legal charges	2,994,808	1,711,924
Stamp and license fees	4,426,472	2,756,498
Directors' remuneration	24,560,293	24,103,073
Directors' fees	662,500	527,916
Repair and maintenance	14,877,477	13,467,119
Communication expenses	8,112,103	8,126,273
Subscription to trade association	314,140	98,850
Entertainment	9,690,721	9,541,969
Printing and stationery	3,054,478	1,513,441
Vehicle running expenses	22,324,575	12,061,998
Travelling and conveyance-Local	8,993,051	14,523,747
Travelling and conveyance-Foreign	4,890,783	4,417,125
Audit fees	412,000	412,000



**A. Qasem & Co.**

Chartered Accountants

	2015	2014
	Taka	Taka
Recruitment expenses	3,214,395	554,330
Insurance premium	7,212,492	10,338,562
Books and periodicals	186,583	126,414
Bank charges	2,083,206	2,886,102
Staff welfare expenses	10,465,187	3,405,571
AGM and public relation expenses	1,336,617	1,875,410
Conference and training expenses	1,451,284	7,259,322
Electricity and gas charges	2,345,081	1,883,553
Amortisation (Note 5)	2,637,172	1,203,424
Royalty	70,058,562	56,970,102
Depreciation (Note 4.1)	34,507,844	36,492,192
Listing fees	140,000	140,000
General and technical assistance fees	37,812,464	36,624,562
CSR project (Note 20.1)	8,268,818	-
	<u>636,462,886</u>	<u>722,873,457</u>

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

**21 Other income**

Gain on sale of assets (Note 21.1)	844,066	597,174
Rental income *	-	3,099,144
	<u>844,066</u>	<u>3,696,318</u>

\* Rented 2nd floor of HO was remained vacant from 1 April 2014 and subsequently management has decided to use the floor for its own purpose.

**21.1 Gain on sale of assets**

Year 2015	Original cost	Accumulated depreciation	Book value	Sale value	Gain on sale of assets
	Taka	Taka	Taka	Taka	Taka
Vehicles	4,266,990	3,367,419	899,571	1,947,137	1,047,566
Moulds	424,031	424,031	-	-	-
Office equipment	2,291,067	2,208,272	82,795	74,223	(8,572)
Computers	497,721	463,850	33,871	41,471	7,600
Furniture and fixtures	2,724,987	2,416,366	308,621	98,100	(210,521)
A.C., refrigerators and water coolers	413,790	413,783	7	8,000	7,993
	<u>10,618,586</u>	<u>9,293,721</u>	<u>1,324,865</u>	<u>2,168,931</u>	<u>844,066</u>

**A. Qasem & Co.**

Chartered Accountants

Year 2014	Original cost	Accumulated depreciation	Book value	Sale value	Gain on sale of assets
	Taka	Taka	Taka	Taka	Taka
Plant and machinery	35,000	27,223	7,777	-	(7,777)
Vehicles	3,315,700	2,253,010	1,062,690	1,622,400	559,710
Moulds	1,399,961	1,399,961	-	-	-
Office equipment	123,139	67,993	55,146	51,109	(4,037)
Computers	475,300	440,660	34,640	74,000	39,360
Furniture and fixtures	14,248	13,457	791	12,269	11,478
A.C., refrigerators and water coolers	613,050	598,174	14,876	13,316	(1,560)
	<b>5,976,398</b>	<b>4,800,478</b>	<b>1,175,920</b>	<b>1,773,094</b>	<b>597,174</b>

**22 Net finance income**

	2015 Taka	2014 Taka
Interest on fixed deposits	(104,653,321)	(288,188,080)
Interest on call deposits	(2,148,056)	(1,673,819)
Interest on overdraft and STL	2,502,325	600,812
Foreign exchange loss	3,618,368	805,635
	<b>(100,680,684)</b>	<b>(288,455,452)</b>

**23 Income tax expense**

Current tax expense		
Current year (Note 16.1)	501,419,093	475,304,697
Adjustment for prior years	(8,185,821)	-
Deferred tax (income)/expense (Note 6)	(9,485,842)	14,994,961
	<b>483,747,430</b>	<b>490,299,658</b>

**23.1 Reconciliation of effective tax**

	2015		2014	
	%	Taka	%	Taka
Profit before tax		1,828,516,965		1,875,907,513
Income tax using the domestic corporate tax rate	24.75%	452,557,949	24.75%	464,287,109
<b>Factors affecting the tax charge for current year</b>				
Non deductible expenses		92,416,695		84,206,233
Deductible expenses		(43,555,552)		(73,188,645)
Adjustment for prior years		(8,185,821)		-
Deferred tax (income)/expense		(9,485,842)		14,994,961
<b>Total income tax expenses</b>	<b>26.46%</b>	<b>483,747,430</b>	<b>26.14%</b>	<b>490,299,658</b>

**A. Qasem & Co.**

Chartered Accountants

**24 Earnings per share****24.1 Basic earnings per share**

The computation of EPS is given below:

	2015 Taka	2014 Taka
Earnings attributable to ordinary shareholders (Net profit after tax)	1,344,769,535	1,385,607,855
Weighted average number of ordinary shares outstanding during the year	31,500,000	31,500,000
Earnings per share (EPS) in Taka	42.69	43.99

**24.2 Diluted earnings per share**

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

**25 Related party transactions**

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

Name of the related parties	Relationship	Nature of transactions	Transaction Amount	Balance as at 31 March 2015	Balance as at 31 March 2014
Marico Limited, India	Parent company	Purchase of raw materials	937,252,514	6,578,844	92,112,892
		Royalty	70,058,562	182,294,450	166,920,632
		bank guarantee commission	-	8,893,986	8,893,986
		Dividend	1,204,875,000	-	-
		General and technical assistance fees	37,812,464	97,864,679	60,052,215
Marico Middle East FZE	Subsidiary of parent company	Purchase of raw materials	1,606,105,785	108,520,514	73,232,121
International Consumer products Corporation	Subsidiary of parent company	Purchase of finished goods	-	-	32,203

**26 Capacity**

Major product	Unit of Measure	Budgeted capacity during the year
PCNO	KL	23,400
VAHO	KL	4,800
Copra	Ton	30,500

**A. Qasem & Co.***Chartered Accountants***27 Operating leases - leases as lessee**

Non-cancellable operating lease rentals are payable as follows:

No later than one year

Between two and five years

More than five years

	2015 Taka	2014 Taka
No later than one year	13,890,781	11,494,791
Between two and five years	40,630,360	16,852,768
More than five years	1,308,000	-
	<u>55,829,141</u>	<u>28,347,559</u>

The company leases a number of warehouses, depots and sales offices facilities under operating leases.

During the year an amount of Taka 20,043,536 was recognised as an expense in profit or loss in respect of operating leases.

**28 Capital expenditure commitment**

Estimated amount of contracts remaining to be executed on capital account

	<u>34,509,088</u>	<u>4,277,224</u>
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**29 Contingent Liabilities**

29.1 L/C amount for import of raw materials which were not received till the reporting date.

Outstanding L/C

	2015 USD	2014 USD
Outstanding L/C	<u>1,525,714</u>	<u>4,238,412</u>

29.2 Contingent liability in respect of value added tax

	2015 Taka	2014 Taka
Contingent liability in respect of value added tax	<u>409,444,520</u>	<u>69,952,058</u>

These are being vigorously defended by the Company and the directors do not consider that it is appropriate to make provision in respect of any of these claims.

## A. Qasem & Co.

Chartered Accountants

### 30 Financial instruments - Fair values and financial risk management

#### 30.1 Accounting classifications and fair values

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

31 March 2015

Particulars	Carrying amount							Fair value				
	Held for trading	Designated at fair value	Fair value-hedging instruments	Held-to-maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	14,021,076	-	-	-	14,021,076	-	-	-	-
Short-term investment (Note 10)	-	-	-	500,000,000	-	-	-	500,000,000	-	-	-	-
Cash and cash equivalents (Note 11)	-	-	-	-	191,990,392	-	-	191,990,392	-	-	-	-
	-	-	-	<b>514,021,076</b>	<b>191,990,392</b>	-	-	<b>706,011,468</b>	-	-	-	-
<b>Financial liabilities measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables (Note 15)	-	-	-	-	-	-	1,245,243,909	1,245,243,909	-	-	-	-
	-	-	-	-	-	-	<b>1,245,243,909</b>	<b>1,245,243,909</b>	-	-	-	-

# A. Qasem & Co.

Chartered Accountants

31 March 2014

Particulars	Carrying amount							Fair value				
	Held for trading	Designated at fair value	Fair value-hedging instruments	Held-to-maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	75,131,935	-	-	-	75,131,935	-	-	-	-
Short-term investment (Note 10)	-	-	-	1,232,516,250	-	-	-	1,232,516,250	-	-	-	-
Cash and cash equivalents (Note 11)	-	-	-	-	442,266,619	-	-	442,266,619	-	-	-	-
	-	-	-	<b>1,307,648,185</b>	<b>442,266,619</b>	-	-	<b>1,749,914,804</b>	-	-	-	-
<b>Financial liabilities measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables (Note 15)	-	-	-	-	-	-	1,491,120,583	1,491,120,583	-	-	-	-
	-	-	-	-	-	-	<b>1,491,120,583</b>	<b>1,491,120,583</b>	-	-	-	-

**A. Qasem & Co.**

Chartered Accountants

**30.2 Financial risk management****i) 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**

	2015 Taka	2014 Taka
Accrued interest	14,021,076	75,131,935
Short-term investment (Note 10)	500,000,000	1,232,516,250
Cash and cash equivalents except cash in hand (Note 11)	191,871,032	441,953,908
Total financial assets	<u>705,892,108</u>	<u>1,749,602,093</u>

**ii) 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:

Exposure of liquidity risk	Carrying amount	Cash flows	Upto 1 year	Above 1 year
	Taka	Taka	Taka	Taka
<b>Year 2015</b>				
Trade and other payables (Note 15)	1,245,243,909	1,245,243,909	1,245,243,909	-
Total financial liabilities	1,245,243,909	1,245,243,909	1,245,243,909	-
<b>Year 2014</b>				
Trade and other payables (Note 15)	1,491,120,583	1,491,120,583	1,491,120,583	-
Total financial liabilities	1,491,120,583	1,491,120,583	1,491,120,583	-

**A. Qasem & Co.***Chartered Accountants***iii) 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.

The company's exposures to foreign currency risk at 31 March 2015 are as follows:

	2015	2014
	USD	USD
Import of goods and services	(2,782,741)	(5,173,334)
Bank balance	87,666	90,058
	<u>(2,695,075)</u>	<u>(5,083,276)</u>

**31 Value of import calculated on CIF Basis**

	1 April 2014 to 31 March 2015
	Taka
Raw materials	3,896,311,938
Capital goods	17,189,803
	<u>3,913,501,741</u>

**32 Number of employees**

The number of employees engaged for the whole period or part thereof who received a total salary of Tk 36,000 p.a. and above was 189 (previous year: 140) among them 32 employees left from Marico Bangladesh Limited and total 157 employees existed as at 31 March 2015.

**33 Subsequent events**

For the year ended 31 March 2015 the Board of Directors recommended final cash dividend @ 50% per share at 86th Board of Directors Meeting held on 22 April 2015.

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





নতুন প্যাক

এখন সাশ্রয়ী মূল্যে পান একটু বেশি!

এসে গেল নতুন  
৬৫০ মিলি প্যাক  
মাত্র ৳১৯০



১০০% বিশুদ্ধ সর্বোৎকৃষ্ট  
নারিকেল তেল

# GENERAL SHAREHOLDER INFORMATION

## DETAILS OF AGM:

AGM–Date, time and Venue	: 10.00 a.m. Thursday, August 13, 2015, Radisson Blu Airport Road, Dhaka, Bangladesh
Financial Year	: April 01, 2014 – March 31, 2015
Record Date	: Thursday, June 18, 2015
Dividend Paid & Recommended	: Interim Cash Dividend @ 375% on Face Value Final Cash Dividend @ 50% on Face Value
Dividend Payment Date	: Paid within 30 days from decision of board meeting for all interim cash dividend and proposed 50% Cash Dividend will be paid within 30 days of approval at AGM
Listing on Stock Exchanges	: Dhaka Stock Exchange Limited (DSE) Chittagong Stock Exchange Limited (CSE) Listing fees up to December 31, 2015 has been paid.
Stock/Scrip Code	: DSE – MARICO CSE – MARICO
ISIN number	: BD0481MRICO6
Category	: Pharmaceuticals & Chemical
Investors' enquiry	: +88(02)8931202, Ext – 100 <a href="http://marico.com/bangladesh">http://marico.com/bangladesh</a>

# NOTICE OF THE 15<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given to all Shareholders of Marico Bangladesh Limited that the 15th Annual General Meeting of the Company will be held on Thursday, August 13, 2015 at 10.00 A.M. at Radisson Blu Water Garden Hotel, Airport Road, Dhaka 1206, Bangladesh to transact the following businesses:

## AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2015 together with the Reports of the Directors and the Auditors thereon.
2. To declare Dividend for the year ended March 31, 2015.
3. To elect/re-elect Directors due to rotation & retirement.
4. To appoint new Statutory Auditors of the Company and fix their remuneration.

Place: Dhaka

Date: April 22, 2015

### Registered Office:

**Marico Bangladesh Limited**

House 1, Road 1, Sector 1

Uttara, Dhaka-1230

By Order of the Board

For, **MARICO BANGLADESH LIMITED**



**Monzurul Alam**

Company Secretary

## NOTES:

1. Shareholders whose names appear on the Shareholders/Depository Register as on the "Record Date" i.e. June 18, 2015 are eligible to attend the Annual General Meeting (AGM) and receive dividend.
2. A Shareholder entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead.
3. The "Proxy Form", duly filled and stamped with BDT 20 must be deposited at the Company's Office located at House 1, Road 1, Sector 1, Dhaka – 1230 not later than 48 hours before commencement of the AGM.
4. Admission to the meeting venue will be on production of the attendance slip attached with the Annual Report.
5. In case of non-receipt of Annual Report 2015 of the Company sent through courier, Shareholders may collect the same from the Company's Registered Office within August 12, 2015. No additional Annual Report will be distributed at AGM venue. Soft copy of the Annual Report is available in Investor Relations section of the Company's website: [www.marico.com/bangladesh](http://www.marico.com/bangladesh)
6. If there are any changes in the following, Shareholders are cordially requested to update the relevant information with their respective **Depository Participant**:

Address

Phone #

ETIN #

Bank A/C #

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

শান্তি

বাদাম আমলা হেয়ার অয়েল

সাধারণ আমলা তেলের তুলনায়  
৫০০% বেশি  
ভিটামিন ই<sup>#</sup>-র পুষ্টি!



নতুন



আরও বেশি পুষ্টি! আরও বেশি শক্তি!



# MARICO BANGLADESH LIMITED

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

## ATTENDANCE SLIP

FIFTEENTH ANNUAL GENERAL MEETING ON THURSDAY, AUGUST 13, 2015 AT 10:00 A.M.

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

No. of Shares held																			
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I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the **FIFTEENTH ANNUAL GENERAL MEETING** of the Company to be held at Radisson Blu Water Garden Hotel Dhaka, Airport Road, Dhaka Cantonment, Dhaka 1206, Bangladesh at 10:00. A.M Thursday, August 13, 2015.

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

Member's / Proxy's signature

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



# MARICO BANGLADESH LIMITED

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

## PROXY FORM

FIFTEENTH ANNUAL GENERAL MEETING ON THURSDAY, AUGUST 13, 2015 AT 10:00 A.M.

BO ID																			
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No. of Shares held																			
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I/We \_\_\_\_\_ of \_\_\_\_\_ being

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

of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the **FIFTEENTH ANNUAL GENERAL MEETING** of the company to be held at Radisson Blu Water Garden Hotel Dhaka, Airport Road, Dhaka Cantonment, Dhaka 1206, Bangladesh at 10:00 A.M. Thursday, August 13, 2015 and at any adjournment(s) thereof.

Signed this \_\_\_\_/ \_\_\_\_/ 2015



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

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

### Notes:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A Proxy need not be a Member.
3. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the registered Office of the Company, not later than 48 hours before the commencement of the meeting i.e. not later than at 10:00 A.M. on August 11, 2015.





# স্বাস্থ্যাজ্জ্বল ও সুন্দর চুলের জন্য



\*as compared to earlier Parachute Beliphool Lite formulation

## Marico Bangladesh Limited

House No. 01, Road No. 01

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