

MAKE A DIFFERENCE



ANNUAL REPORT 2021
MARICO BANGLADESH LIMITED



WELCOME TO MARICO BANGLADESH LIMITED

Marico Bangladesh Limited started its journey 20 years ago and today is one of the fastest growing consumer products companies in Bangladesh. Listed on both the Dhaka and Chittagong stock exchanges since 2009, the Company has consistently delivered shareholder value as a blue-chip stock. Committed to making a difference in all we do, we touch the lives of 1 out of every 2 Bangladeshis with our wide array of brands.

Useful Link

Find more information online:
marico.com/bangladesh

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



MARICO'S GLOBAL FOOTPRINT



TABLE OF CONTENTS



ABOUT OUR REPORT

Welcome to Marico Bangladesh	
Marico's Global Footprint	
Growing Together	4
Welcome Note from our Chairman	5
About This Report	6
Corporate Information	8

WHO WE ARE

We are Marico	10
Growing Together	12
Our Corporate Conduct	13
- Statement of purpose	14
- Strategic framework	14
- Core values	15
Our Brands	16
Our Journey	18
Key Business Highlights of the Year	20

PERFORMANCE REVIEW

Key Financial Highlights	23
Our 5-year Financial Highlights	25
Key Ratios	28
Stock Market Performance	29
Vertical Analysis of Income Statement	32
Vertical Analysis of Balance Sheet	32

AT THE HELM OF AFFAIRS

Profile of our Board of Directors	34
Board Representations of Directors	40
Profile of our Leadership Team	44
Awards and Accolades	49

LEADERSHIP MESSAGES

Chairman's Letter	52
From the Desk of the Managing Director	55

VALUE CREATION

Our Impact	59
Engaging with our Stakeholders	60
Managing Key Material Matters	63

OUR CAPITALS

Our Business Model	66
Our Financial Capital	68
Our Manufactured Capital	71
Our Human Capital	75
Our Intellectual Capital	79
Our Natural Capital	85
Our Social and Relationship capital	87

STATUTORY REPORTS

Directors' Report	91
Management Discussion and Analysis	99
Report of the Audit Committee	103
Report of the Nomination & Remuneration Committee	106
Statement of Corporate Governance	108
Due Diligence Certificate by MD & CFO	117
Corporate Governance Certificate	118
Statement of Compliance	119
Shareholding pattern	132
Dividend Pattern	133
Dividend Distribution Policy	134
Marico Code of Conduct	138
BAPLC Certificate	142

SHAREHOLDERS' INFORMATION

Annual Report Checklist	144
21st AGM Notice	147
FAQ on Virtual AGM	149
General Shareholder Information	151
Proxy Form	152

AUDITORS' REPORT & FINANCIAL STATEMENTS

Auditors' Report	154
Statement of Financial Position	158
Statement of Comprehensive Income	159
Statement of Changes in Equity	160
Statement of Cash Flows	161
Notes on the Financial Statements	162



GROWING TOGETHER

Marico Bangladesh Limited (hereinafter “MBL”, “Marico Bangladesh”) is led by its purpose of making a difference in the lives of all those we touch. United by this philosophy, the year under review can best be summarized as “Growing Together”.

Guided by our strategic framework and core values, together we faced one the most unprecedented crises in recent history, the Covid-19 pandemic, delivering growth and profitability, secured the health & safety of our members and extended workforce and expanded our portfolio of winning brands. While 2020-21 has not been an easy year, it has made us a stronger and more resilient business, better prepared for fast-changing consumer demands and a rapidly evolving business environment. As a multi-stakeholder enterprise rooted in responsibility, we have responded with speed and agility to not only fulfil our essential public service obligation in serving our consumers but also stood in solidarity with Bangladesh through our inclusive community relief and corporate citizenship programs.

Above all, the year strengthened our commitment to ensure sustainable business stewardship and reinforced our resolve to demonstrate that our purpose-led and impact-driven business delivers sustainable performance today and well into the future.



WELCOME NOTE FROM OUR CHAIRMAN



Saugata Gupta
Chairman

“ I extend a warm welcome to all our valuable stakeholders to Marico Bangladesh’s Annual Report for the financial year 2020-21.

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

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

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

Saugata Gupta
Chairman

ABOUT THIS REPORT



Report objectives

Through our 2020-21 Annual Report, we aim to share balanced and transparent information about our business operations, giving shareholders and other stakeholders insights into our operations to make informed assessments of our value creation activities, our performance and our prospects.

This report provides readers with material information and insights about our performance for the fiscal year from 1 April 2020 to 31 March 2021 (FY 2020-21). In terms of external factors, risks and opportunities, we take a longer-term view. This enables readers to effectively assess Marico's value creation abilities, sustainability and prospects. The investor relations section on our website contains our annual reports, supplemented by additional information on governance and shareholding. Please visit: <https://marico.com/bangladesh/investors>



The scope and boundary of this report

This report is guided by the reporting principles enshrined in the IIRC's (International Integrated Reporting Council's) Integrated Reporting <IR> framework and other best practices. It aims to share balanced, comprehensive, and transparent information about our business, culture and financial performance. Covering our activities for the financial year ended 31 March 2021, this report states the Company's purpose, its strategic intent and business performance, considering our external environment, stakeholder interests and key risks facing the business. In terms of reporting boundaries, we have factored in all business operations of the Company. The report's scope examines both internal and external impacts on the business as well as trends, opportunities and risks that could influence the Company's value creation abilities over time.




Materiality


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




Business model resilience in a rapidly changing consumer and business environment



Good governance and regulatory complexity



Role of Marico in social responsibility and sustainability



Managing operations during COVID-19 and strengthening balance sheet



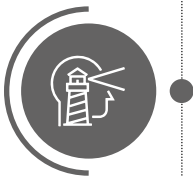
Assurance

The Board has applied its collective mind to present Marico Bangladesh's Report and acknowledges its responsibility to ensure the integrity of this Report through good governance practices and internal reporting procedures. The financial disclosures and reports were approved by the Board on 27 April 2021.



Feedback and comments

We welcome your feedback on this annual report. Please email us your views at secretarial.mbl@marico.com



Forward-looking statements

This Annual Report contains certain forward-looking statements with the use of words or phrases such as 'might', 'forecast', 'anticipate', 'project', 'may', 'believe', 'predict', 'expect', 'continue', 'will', 'estimate', 'target' and other similar expressions with respect to the financial conditions, results, operations and business of Marico Bangladesh Limited. These statements and forecasts involve risk and uncertainty because they relate to forecast information, such as improvements in business performance or mention certain decisions that we may undertake and occur in the future. These statements do not guarantee future operating, financial or other results due to risks and uncertainties and thus it is important to note that this Annual Report 2020-21 shall not be construed as a profit forecast, nor shall the statements herein be interpreted as to be providing any guarantee that potential results mentioned in these forward-looking statements will be achieved.

CORPORATE INFORMATION

Board Of Directors

Mr. Saugata Gupta	Chairman
Ms. Rokia Afzal Rahman	Independent Director (till September 22, 2020)
Mr. Masud Khan	Independent Director (till September 22, 2020)
Ms. Parveen Mahmud	Independent Director (from August 31, 2020)
Mr. Zakir Ahmad Khan	Independent Director (from August 31, 2020)
Mr. Ashraful Hadi	Independent Director
Mr. Sanjay Mishra	Director
Mr. Vivek Karve	Director (till September 10, 2020)
Mr. Pawan Agrawal	Director (from September 10, 2020)
Mr. Ashish Goupal	Managing Director

Management Team

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

Company Secretary

Ms. Christabel Randolph

Head of Internal Audit & Compliance

Mr. Atiar Rahman

Statutory Auditor

Rahman Rahman Huq

Legal Advisors

Dr. Kamal Hossain and Associates

Tanjib Alam & Associates

Mustafizur Rahman Khan and Associates

Principal Bankers

Standard Chartered Bank

HSBC

Citibank NA

Stock Information

Dhaka Stock Exchange

Chittagong Stock Exchange

Stock Code: MARICO

ISIN: BD0481MRICO6

Sector: Pharmaceuticals & Chemicals

Investor Relations

Telephone: +8802222297157 Ext: 601

Fax: +88029897140

Email: secretarial.mbl@marico.com

Date of Incorporation

September 6, 1999

Our Factories

Factory 1:

Mouchak, Kaliakoir, Gazipur

Factory 2:

Shirirchala, Mahona Bhabanipur, Gazipur

Registered Office

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

Corporate Office

The Glass House, Level-06, Plot.02,

Block: SE (B), Gulshan Avenue, Dhaka-1212.

Telephone: +8802222297157

Fax: +88029897140

Website

www.marico.com/bangladesh



WHO WE ARE

WHAT WE STAND FOR AND OUR BUSINESS

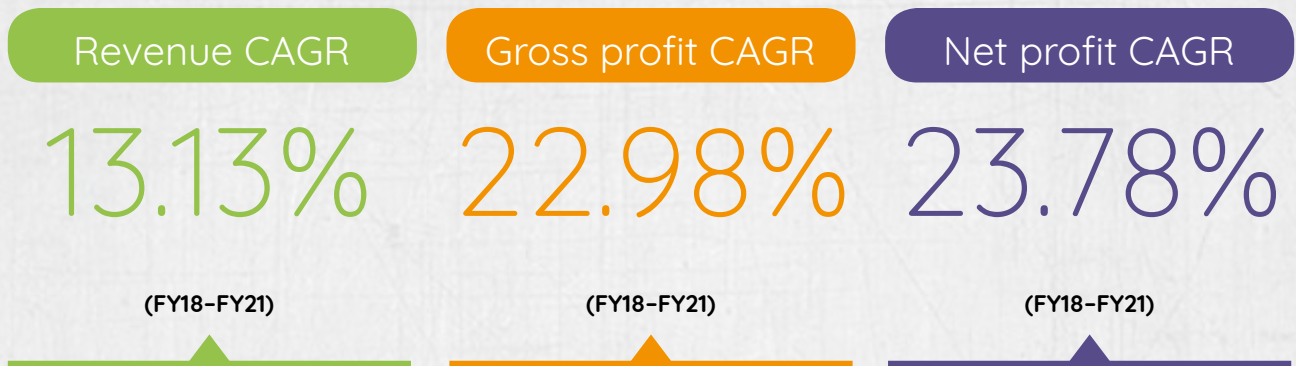


WE ARE MARICO

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

Marico Bangladesh is amongst the top-3 and one of the fastest-growing FMCG (fast-moving consumer goods) companies in Bangladesh with a vibrant multi-product brand portfolio across haircare, skincare, baby care, male grooming, hygiene and food categories. The Company’s flagship brand Parachute is a beloved household name in Bangladesh with leadership in the coconut oil category and also commands leadership in value-added hair oil

category with its Parachute Advanced range of hair oils. Marico Bangladesh, established in the year 1999, is a subsidiary of Marico Limited, an emerging markets FMCG multinational with presence in 26 countries across Asia and Africa. As proud ambassadors of Made in Bangladesh, 99% of our portfolio is manufactured in Bangladesh while we also export to Nepal, India and Vietnam.



Marico Bangladesh is truly a Bangladeshi Business



With a vibrant brand portfolio



29

Brands in the personal care and foods categories



152

Product SKUs which open up wide choice for our consumers



Leadership

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



Trusted

Flagship brand Parachute Advanced is amongst the “10 Most Trusted Brands” and also the “Most Loved Hair Oil Brand” in Bangladesh

And a winning team



150 Years of collective FMCG experience of our Leadership Team



311 Employees, out of which 98% are Bangladeshi nationals



3,500* Indirect employment creation through our operations



9% Women in our workforce

That embraces a humane approach to business



1%

Commitment of net profit in social responsibility and citizenship programs



22

Districts in Bangladesh reached with our flagship CSR program- SWAPNO



408cr

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

*Including employees of distributors, outsourced workers and contract manufacturers

GROWING TOGETHER

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

As we witnessed the covid-19 pandemic unfold we came together in “One Marico” spirit to deliver double-digit revenue and profit growth, launch 10 new products all the time while enabling our members to work from the safety of their homes and ensuring all health protocols at our manufacturing locations. With our ‘People First’ approach we were able to care for and connect with our members across our value chain as well as our consumers.

Key measures



Initiated work-from-home for all members with full IT support



Ensured complete employment security with early salaries, full bonuses, annual increments and promotions as usual



Organised regular online and where possible on-site trainings, awareness and wellness sessions across our offices and supply chain



Provided personal protective equipment (PPE), implemented precautionary measures, including thermal temperature screening, additional washing facilities, regular sanitisation of premises and meals for our workforce



Vehicle support for factory personnel and sanitisation of all incoming and outgoing vehicles across all our premises



Provided comprehensive humanitarian support to all our factory workers, distributors’ employees



Provided cash support to all direct and indirect employees across our sales operations to purchase personal protective gear and hygiene materials

OUR CORPORATE CONDUCT

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

Our Values

Our values drive value

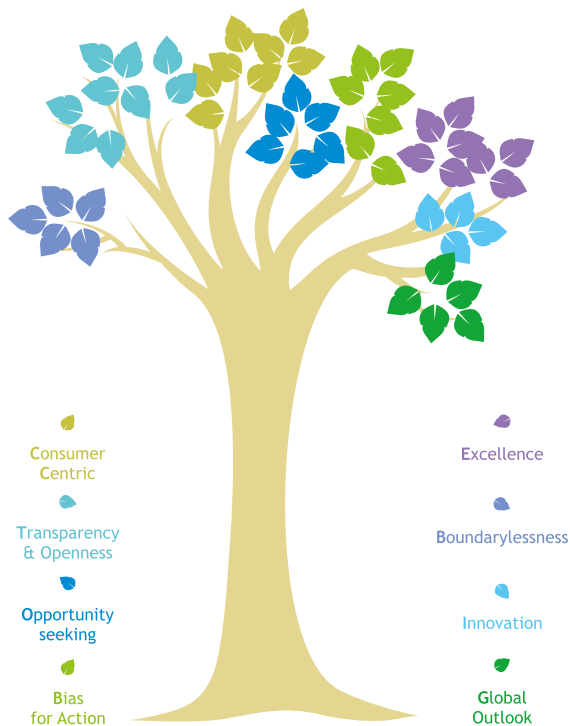
Guided by our values, we are able to fulfill our purpose, unleash our potential and grow together.

THINK
CONSUMER
 Consumer-Centric

TO
 Transparency & Openness | Opportunity-seeking

BE
 Bias for Action | Excellence

BIG
 Boundarylessness | Innovation | Global Outlook



- 
Consumer-centric
 Keeping focus on the consumer as a partner in creating and delivering solutions.
- 
Transparency and openness
 Allowing diversity of opinion by listening without bias and by exchanging critique with mutual respect and trust for each other.
- 
Opportunity-seeking
 Identifying early opportunity signals in the marketplace to generate growth options.
- 
Bias for action
 Preference for quick and thoughtful action, as opposed to delayed action through unnecessary analysis.
- 
Excellence
 Continuous improvement of performance standards and capability-building for sustained long-term success.
- 
Boundarylessness
 Seeking support and influencing others beyond the function and organisation to achieve better outcomes/decisions without diluting accountability.
- 
Innovation
 Experimenting and embracing calculated risk-taking to increase success probability of radical/pioneering ideas to achieve quantum results.
- 
Global outlook
 Sensitivity and adaptability to cultural diversity and learning from different cultures.

Our Statement Of Purpose

Making a difference in the lives of all those we touch

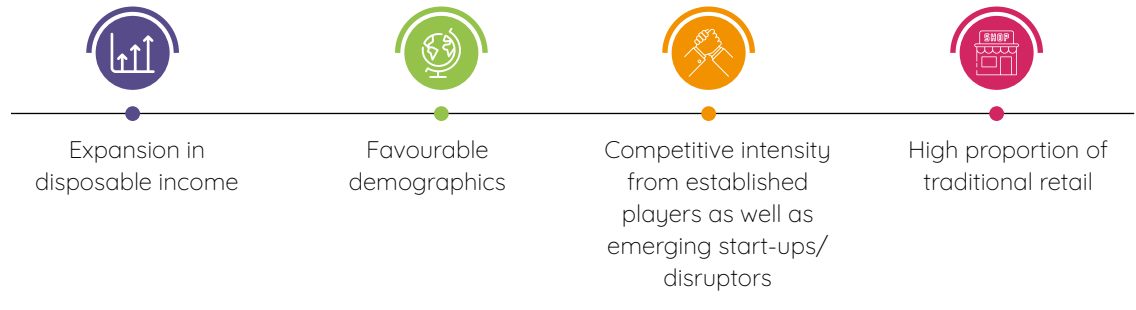


At Marico, we aim to transform in a sustainable manner the lives of all those we touch by nurturing and empowering them to maximise their true potential. The power of business is in its purpose, not its profits. At Marico we are guided by the responsibility of defining, creating and distributing value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

Our Strategic Framework

Leveraging our strategic competencies for empowering and enriching our stakeholders.

Our strategic framework is rooted in four broad macro-economic parameters

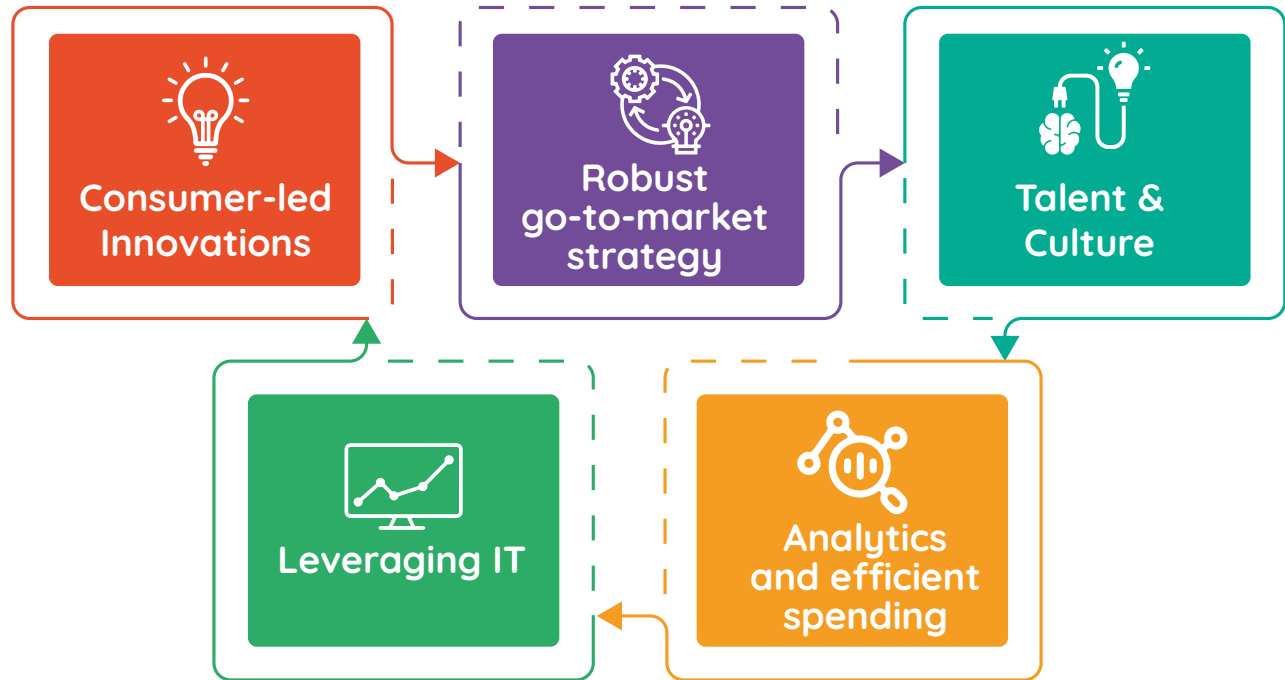


Considering the above, our strategic priority reflects our focus on growing our core categories, while simultaneously diversifying our portfolio. With an emphasis on speed and agility, technology has been a critical enabler particularly to adapt to the volatile operating environment due to the covid-19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

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



Our strategic pillars



OUR BRANDS

CATEGORY	POWER BRANDS
Branded Coconut Oil (BCNO)	Parachute Coconut Oil
Value Added Hair Oil (VAHO)	Parachute Advansed
	Parachute Advansed Beliphool
	Parachute Advansed Extra Care
	Parachute Advansed Aloe Vera
	Nihar Naturals Shanti Badam Amla
Hair Dye	Nihar Naturals Joba Amla
	Nihar Naturals 5 Seeds
	Nihar Lovely
Hair Serum	Hair Code Powder
Male Grooming	Livon
	Studio X No Gas Perfume Spray
	Studio X Hair Gel
	Studio X Face Wash
	Studio X Styling Shampoo
	Studio X Soap
Skin Care	Studio X Power Brightening cream
	Parachute SkinPure Body Lotion
	Parachute SkinPure Petroleum Jelly
	Parachute SkinPure Aloe Vera Gel
	Parachute SkinePure Beauty Olive Oil
	Parachute SkinPure Coco Olive Soap

CATEGORY	POWER BRANDS
Baby Care	Parachute Just for Baby Oil
	Parachute Just for Baby Lotion
	Parachute Just for Baby Wash
	Parachute Just for Baby Soap
	Parachute Just for Baby Baby Powder
	Parachute Just for Baby Toothpaste
	Parachute Just for Baby Rash Cream
Hygiene	Parachute Just for Baby Face Cream
	Mediker Safe Life Hand Sanitizer
	Mediker Safe Life Hand Wash
Edible Oil & foods	Mediker SafeLife Veggie Wash Vegetable Cleanser
	Saffola Active
Hair Cleaning	Saffola Honey
	Parachute Naturale Shampoo
	Parachute Naturale Conditioner



OUR JOURNEY

1999
2003

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

2002: Innauguration of Manufacturing Operation

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

2009
2013

2009: MBL gets Listed in Dhaka & Chittagong Stock Exchanges

2012: MBL sets up 2nd Factory in Shirirchala

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

2004
2008

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

2008: MBL sets up own Head Office at Uttara

2008: Transition to own distribution from National Distributors

2014
2018

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

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

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

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

2018: Marico awarded Best Presented Annual Report

2018: Parachute Advansed awarded as SUPERBRAND

2019
2021

2019: Marico launched Parachute Just For Baby range

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

2019: Marico launched Parachute SkinPure Range

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

Marico launched Mediker SafeLife Hygiene range

Marico launched Parachute Naturale Shampoo range

Marico launched Saffola Honey

2021: Marico won Silver at the ICMA Best Corporate Award

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

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

KEY BUSINESS HIGHLIGHTS OF THE YEAR

Despite the challenges that dominated the year 2020-21, we continued to focus on accelerating consumer-centric innovation and product launches, actively engaging in community support while also earning recognition for our reporting initiatives and practices.



APRIL 2020

Launched Mediker SafeLife hand sanitiser and handwash range to promote safe and confident handwashing, an activity that became critical in the fight against the pandemic.



MAY 2020

Launched Parachute Naturale Shampoo range foraying into extended hair care & cleansing category



JUNE 2020

Supplemented our hygiene range under Mediker SafeLife by introducing Veggie Wash, a cleaning solution that helped remove germs, chemicals, and dirt from fruit and vegetables, without leaving any residue, after-taste or smell.



OCTOBER 2020

Announced plans to invest Tk. 227 cr to establish 3rd manufacturing unit in the Mirsarai Economic Zone



DECEMBER 2020

Launched the first German NMR-certified 100% Pure Saffola Honey to cater to consumer needs for high-quality immunity-building aids.



JANUARY 2021

Bronze Award for Corporate Governance Excellence at the 7th ICSB National Award in the Manufacturing category.



FEBRUARY 2021

Silver Award at the ICMA Best Corporate Award 2019 for reporting best-practices in the MNC Manufacturing Category



MAY 2021*

Recognized as TOP CSR Contributor 2020 by Social Responsibility Asia

*The report was inaugurated in May 2021 but covers the period from January to December 2020

PERFORMANCE REVIEW

ACHIEVING SUSTAINABLE PROGRESS OVER TIME



KEY FINANCIAL HIGHLIGHTS

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

Profit and loss statement - absolutes

Revenue	Gross profit	Operating profit
Tk. 1131 cr	Tk. 667 cr	Tk. 428 cr
2019-20: Tk. 980 cr	2019-20: Tk. 566 cr	2019-20: Tk. 357 cr
Profit before tax	Net profit	Earnings/share
Tk. 419 cr	Tk. 311 cr	Tk. 98.69
2019-20: Tk. 357 cr	2019-20: Tk. 265 cr	2019-20: Tk. 84.01

Profit and loss statement - derivatives

Gross profit margin	Operating profit/sales	Net profit margin
58.97%	37.90%	27.49%
2019-20: 57.89%	2019-20: 34.49 %	2019-20: 27.01%



Shareholder value creation

Dividend per share

Tk. 90*

2019-20: Tk. 95
* Announced

Dividend payout

900%

2019-20: 950%

NAV/share

Tk. 51.95

2019-20: Tk. 44.05

Market cap (DSE)

Tk. 6543 cr

2019-20: Tk. 4922 cr

ROCE

234%

2019-20: 217%

Debt-equity

2.54

2019-20: 2.61

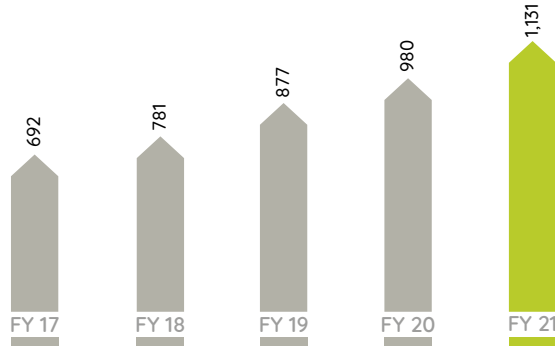
Liquid balances

Tk. 39.6 cr

2019-20: Tk. 42.0 cr

OUR 5-YEAR FINANCIAL HIGHLIGHTS

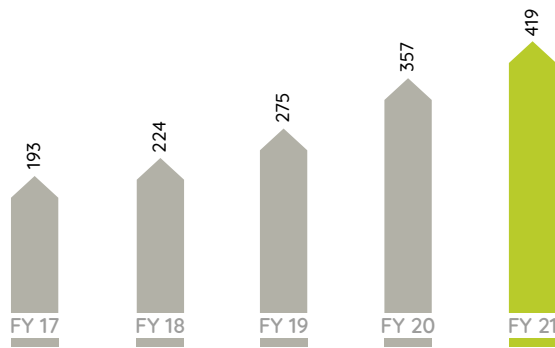
Turnover (BDT Crores)



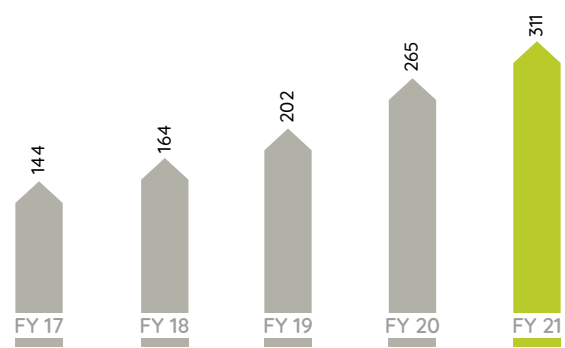
Profit from Operations (BDT Crores)



PBT (BDT Crores)



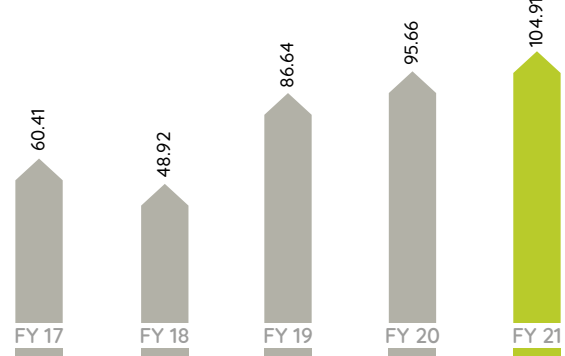
PAT (BDT Crores)



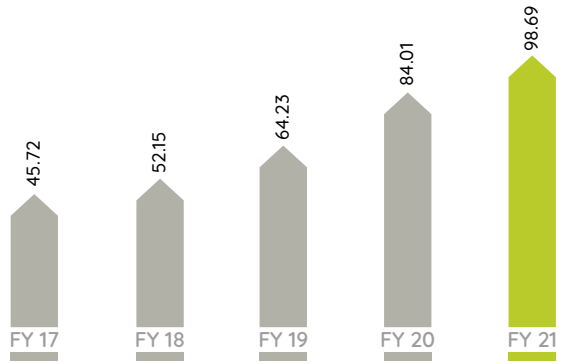
NAV Per Share (BDT)



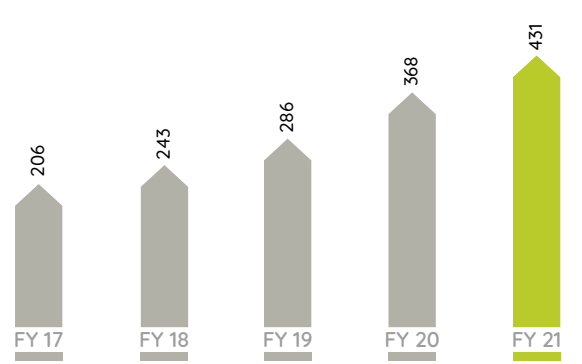
NOCF per share (BDT)



EPS (BDT)



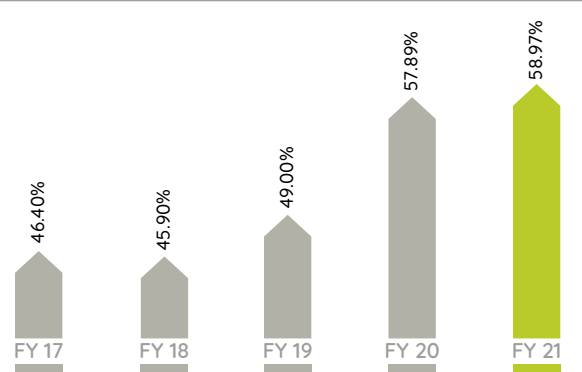
EBITDA (BDT Crores)



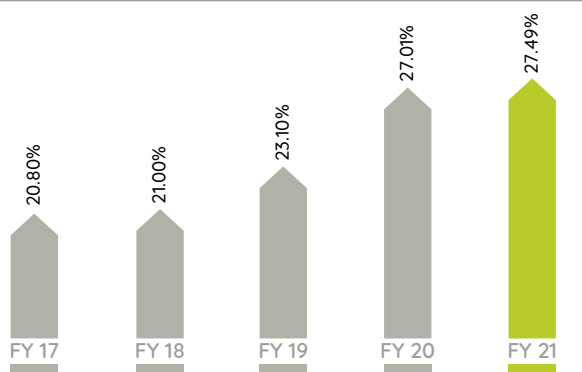
EBITDA % Margin



Gross Margin %



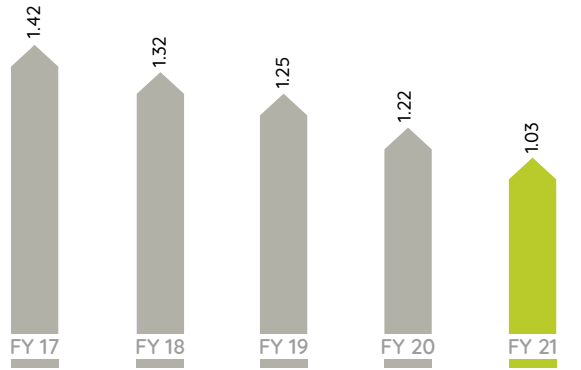
Net Margin %



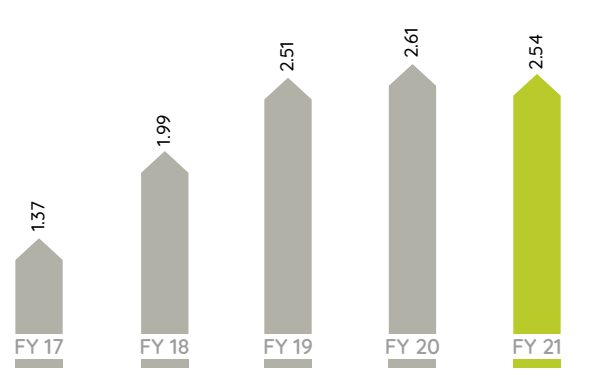
Return on Equity (ROE)



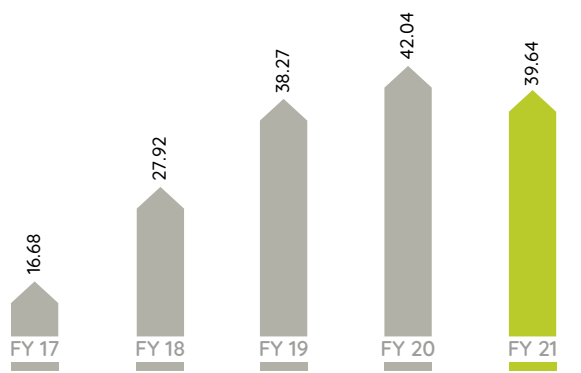
Current Ratio



Debt Equity Ratio

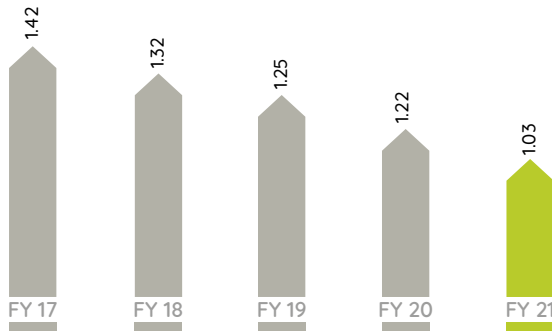


Cash & Cash Equivalent (BDT Crores)



KEY RATIOS

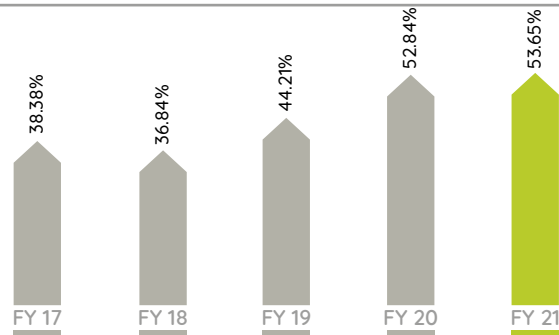
Current Ratio



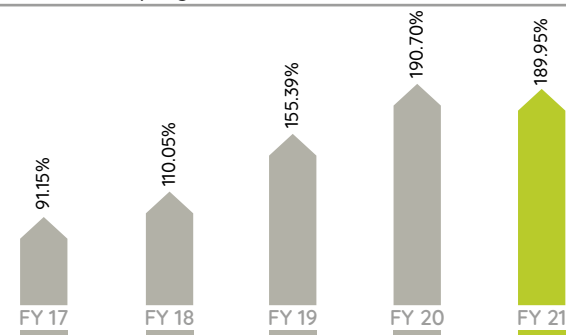
Quick Ratio



Return on Assets



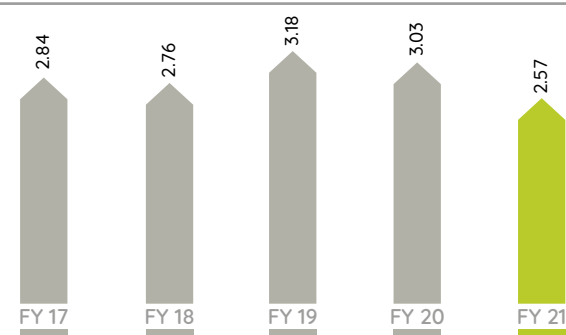
Return on Equity



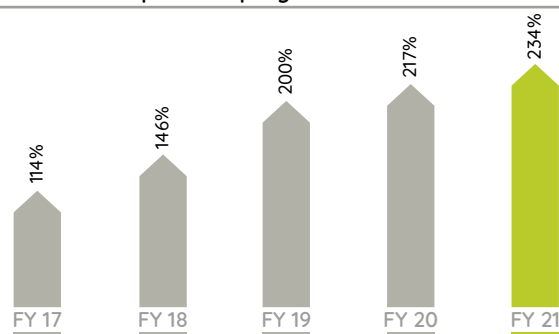
Asset Turnover Ratio (times)



Inventory Turnover Ratio



Return on Capital Employed

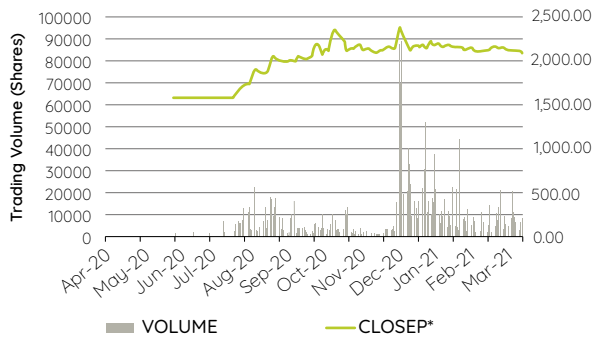


STOCK PERFORMANCE

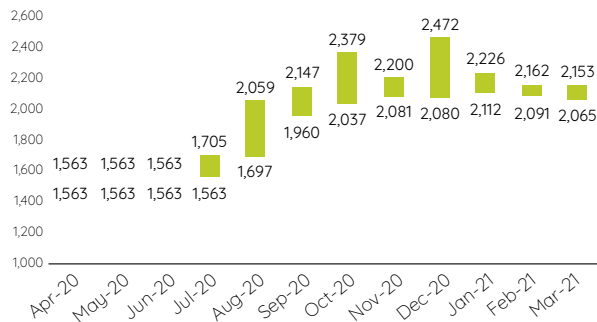
Marico's Scrip performance

Our share held its positive momentum throughout the final three quarters of FY 2020-21. Due to the nationwide general holidays during the first quarter (i.e., April-June 2020), there was no or insignificant trading. MBL share price witnessed high growth in October 2020 and December 2020. Overall, the share price has had strong performance despite COVID-19 impacting the capital market. This reflects the market's confidence in our brands, our growing performance in the consumer goods industry and our governance. During FY'21 our shareholders continued to attain healthy dividends with three quarterly and final dividend. Total dividend payout in FY'21 was 900%, which is the second highest dividend payout in our history, amidst the COVID-19 pandemic.

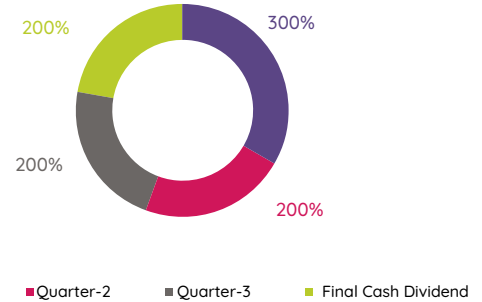
Daily Trading Volume



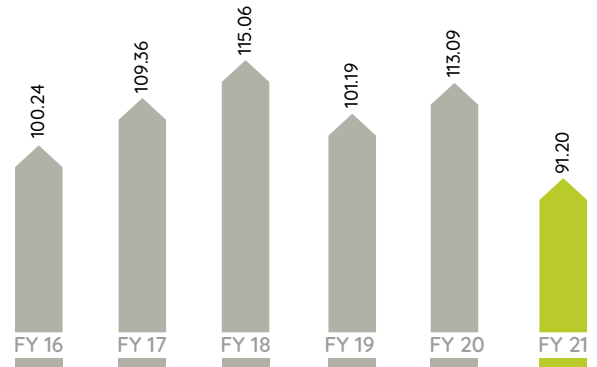
High Low Share Prices per month (BDT)



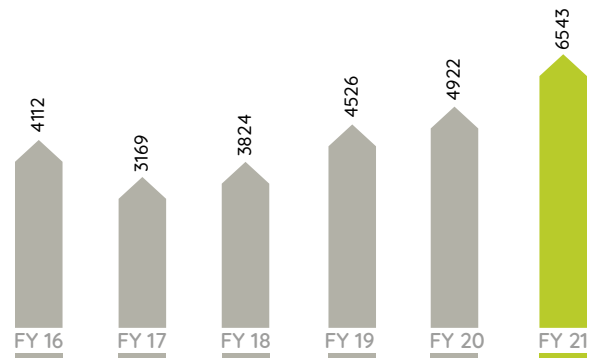
Dividends for the Year



Dividend Payout Ratio %



Market Capitalization at Year-End (BDT Corore)



MBL Share: Brief Overview

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

Healthy Dividend Disbursements

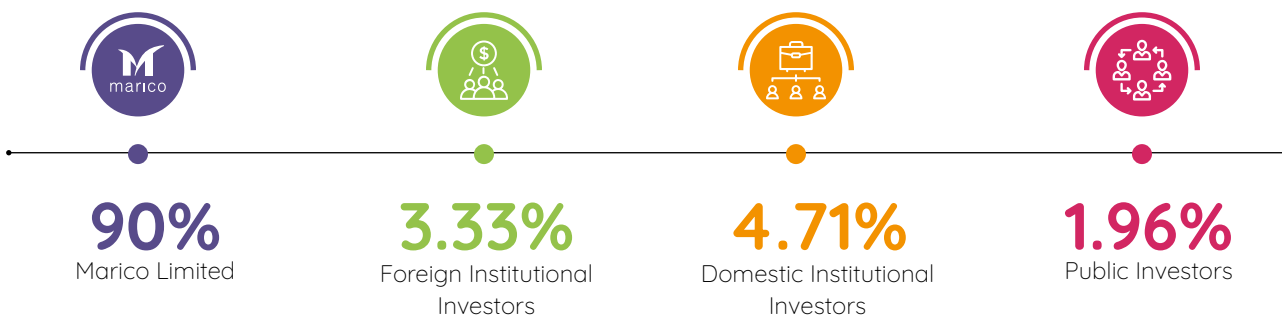
Our Board of Directors declared respectively 300%, 200% and 200% interim cash dividends on Q1, Q2 and Q3 earnings disclosure, all of which have been subsequently paid and the Board has announced a final cash dividend of 200% on earnings disclosure of Q4, which if approved, by the shareholders will take the total cash dividend tally to 900% for the year.

Share Ratios

		FY21	FY20	FY19	FY18	FY17	FY16
Basic Earnings per Share	BDT	98.69	84.01	64.23	52.15	45.72	44.89
Cash Generated from Operating Activities per Share	BDT	104.91	95.66	86.64	48.92	60.41	68.30
Year-End Price	BDT	2,077.00	1,562.50	1,437.00	1,214.00	1,006.00	1,305.40
Year High	BDT	2,472.20	1,841.90	1,699.00	1,250.00	1,364.00	1,770.00
Year Low	BDT	1,562.70	1,373.00	1,095.00	991.00	899.00	1,132.10
Dividend per Share	BDT	90.00	95.00	65.00	60.00	50.00	45.00
Dividend Payout Ratio	%	91.20	113.09	101.19	115.06	109.36	100.24
Dividend Yield	%	4.33	6.08	4.52	4.94	4.97	3.45
Shareholders' Equity per Share	BDT	51.95	44.05	41.34	47.38	50.16	54.25
Price-Earnings Ratio at Year-End	BDT	21.05	18.60	22.37	23.28	22.00	29.08
Average Trading Volume per Trading Day	Shares	7,705.85	4,622.00	3,672.00	2,281.00	4,167.00	1,808.00
Year-End Market Capitalization	BDT (crores)	6,542.55	4,921.88	4,526.55	3,824.10	3,168.90	4,112.02

Shareholding Structure

(as on March 31, 2021)



*Based on the list of shareholders obtained from the Central Depository Bangladesh Limited (CDBL) as on March 31, 2021.

Our share register as on March 31, 2021 shows that Marico Bangladesh Limited has 3482 shareholders. Marico Limited, parent company of Marico Bangladesh Limited, owns 90% of our shares while the rest 10% are owned by public and institutional investors. For greater transparency, the distribution of the latter 10% is shown as per the above illustration.

Other Shareholder Disclosures

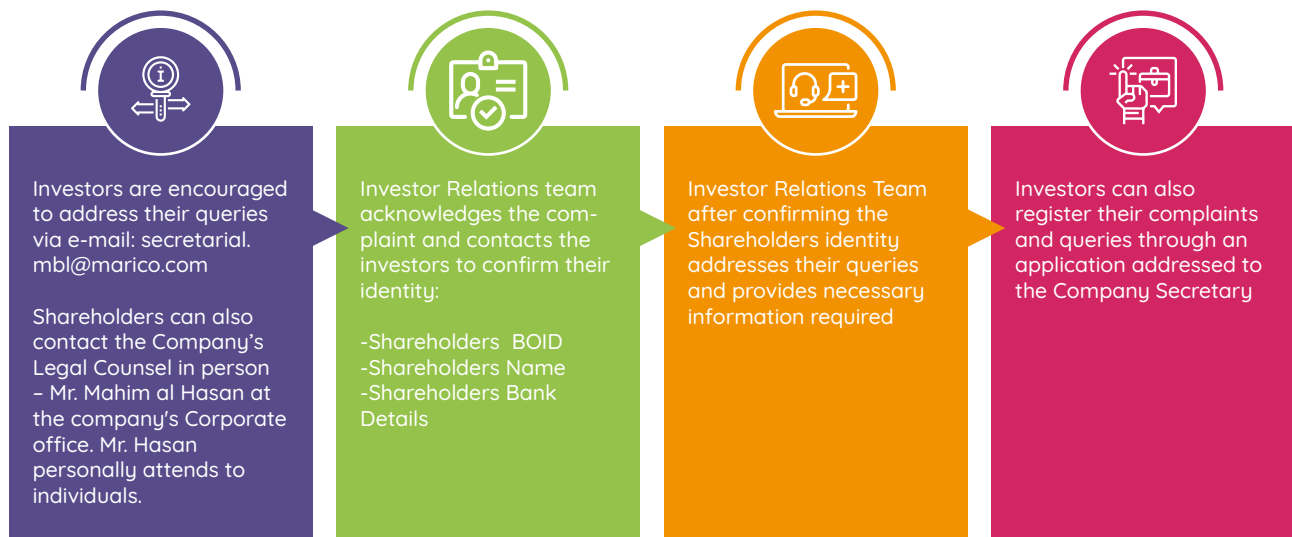
Investor Relations

The Company has an effective investor relations process with the philosophy of providing transparent, timely information and responses to our valued shareholders. The Company also interacts with the investment community through periodic calls, individual meetings and ensures necessary information about the Company is available to all the investors by regularly updating the

'Investor Relations' section of its website. The Company has framed its Dividend Policy to ensure smoother dividend disbursement and efficient handling of dividend related queries from shareholders. Moreover in order to obtain regular updates and query about the latest developments about the Company's business and shares, our shareholders and investor community can send an email to secretarial.mbl@marico.com or call the corporate office of the Company at +88029897180 ext. 661.

Redressal of Investor Complaint

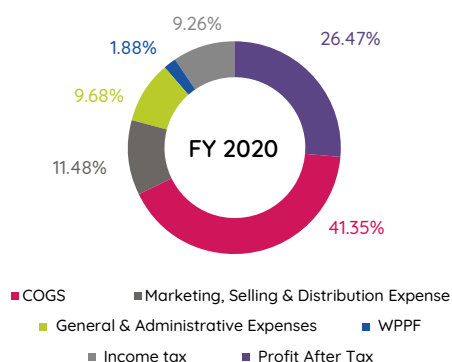
Our Investor Relations team places high priority towards investor queries and complaints. We take every step possible to promote transparency and resolve issues of our investors in an expedient manner. General queries of shareholders are related to receipt of dividends. Our Redressal Mechanism is as follows:



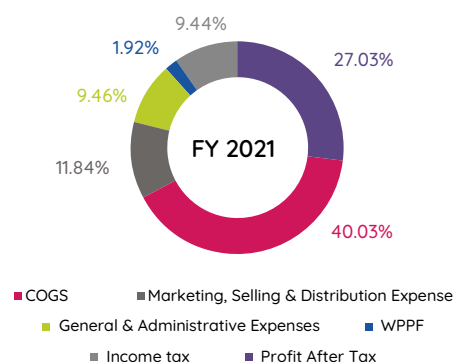
VERTICAL ANALYSIS OF INCOME STATEMENT

Details	FY'21	FY'20
Sales Revenue	98.32%	97.99%
Net Finance Income & Other Income	1.68%	2.01%
	100.00%	100.00%
COGS	40.34%	41.35%
Marketing, Selling & Distribution Expense	11.81%	11.48%
General & Administrative Expenses	9.46%	9.56%
WPPF	1.92%	1.88%
Income tax	9.44%	9.26%
Profit After Tax	27.03%	26.47%
	100.00%	100.00%

Vertical Analysis of Income Statement



Vertical Analysis of Income Statement



Vertical Analysis of Balance Sheet

Details	FY'21	FY'20
Non-Current Assets	29%	18%
Current Assets	71%	82%
Total Assets	100%	100%
Total Equity	28%	28%
Non-Current Liabilities	3%	5%
Current Liabilities	69%	67%
Total Equity & Liabilities	100%	100%

AT THE HELM OF AFFAIRS

RESPONSIBLE STEWARDSHIP IN CHALLENGING TIMES



PROFILE OF OUR BOARD OF DIRECTORS



SAUGATA GUPTA
Chairman of the Board

Mr. Saugata Gupta is the Chairman of Marico Bangladesh Limited, a role he has assumed since 2013. He is also at the helm of Marico and leads the Company's operations both in India and its International Business. Saugata joined Marico in January 2004 as Head of Marketing and was elevated to CEO of the India business in 2007. In April 2013, Marico restructured its Consumer Product Business (CPB) in India and International Business Group (IBG) under Saugata's leadership as the CEO of Marico Limited, the unified FMCG business. Thereafter, in March 2014, he was appointed as the Managing Director of the company.

Saugata started his career with Cadbury (now Mondelez) where he spent 9 years in various roles in Sales and Marketing in India and the United Kingdom. Subsequently, he went on to become the Chief of Marketing and Group Sales at ICICI Prudential and was part of the startup team that was instrumental in establishing ICICI Prudential as the largest private sector insurance firm in the country.

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

Saugata was ranked #4 and #47 in the FMCG sector and Pan-India respectively in the Business Today-PWC list of India's Top 100 CEOs in 2017 and was ranked as 'India's Most Valuable CEOs' by BusinessWorld in 2016. He was also featured on the top 100 Business Leaders List 2020 by Impact Digital Power 100.

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



ROKIA AFZAL RAHMAN
Independent Director
(till September 22, 2020)

Mrs. Rokia Afzal Rahman is the Vice President of International Chamber of Commerce - ICC Bangladesh. She is the Chairman of R.R. Group & Arlinks Group of Companies, R. R. Trust. He is the Chairperson of Mediaworld Limited (owning company of "The Daily Star") and MIDAS Financing Limited. She is a director of Mediastar Limited (the owning company of "Prothom Alo") and Ayna Broadcasting Corporation Limited (FM Radio Station - ABC Radio). She is also an independent director of Bangladesh Lamps Limited and Marico Bangladesh Limited.

She is a former Adviser (Minister) to the Caretaker Government of Bangladesh. She served as a Board Member of the Central Bank of Bangladesh, and the President of Bangladesh Employers Federation - BEF. She was also a Director of Reliance Insurance Limited. She is the former President of Metropolitan Chamber of Commerce and Industries - MCCI, Dhaka.

Mrs. Rokia Afzal Rahman is the Chairperson of Banchte Shekha, Jessore - working for the underprivileged and extremely poor. She is a board member of Subarta Trust - ensuring effective care & services for elderly persons. She is also a board member of MRDI (Management and Resource Development Initiative). Mrs. Rahman served on the board of BRAC.

She is the founder President of Bangladesh Federation of Women Entrepreneurs (BFWE). In 1994, the first Women Entrepreneurs Association (WEA) was formed in Bangladesh with Rokia Afzal Rahman as founder President. In 1996 Mrs. Rahman formed Women in Small Enterprises (WISE) to further promote women into small enterprises and industries.

Mrs. Rahman is former chairman of Presidency University. She has received several international and national awards.

Mr. Masud Khan is the Chairman of Unilever Consumer Care Bangladesh Limited and Chief Advisor to the Board of Crown Cement Group Bangladesh. He is a seasoned professional with 41 years' work experience in leading multinational and local companies in Bangladesh. Prior to joining Crown Cement Group, he worked in LafargeHolcim Bangladesh as Chief Financial Officer for 18 years. Earlier, he worked for British American Tobacco in finance and related fields for 20 years both at home and abroad.

He is also an independent director of Berger Paints Bangladesh Limited, Singer Bangladesh, Community Bangladesh Bank Limited and Viyellatex Limited. His articles on professional and industry issues regularly feature in newspapers and international and local magazines. He is a thought-leader on industry issues and his views are followed closely by print and electronic media. He has been a lecturer at the Institute of Chartered Accountants of Bangladesh for the past 40 years.

Mr. Khan did his Bachelor of Commerce with Honours from St Xaviers' College under University of Kolkata. Thereafter, he qualified with distinction both as a Chartered as well as a Cost and Management Accountant from the Indian Institutes being a silver medalist at all India level in the Chartered Accountancy Examination in the year 1977.



MASUD KHAN
Independent Director
(till September 22, 2020)



PARVEEN MAHMUD
Independent Director
(from August 31, 2020)

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

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

Economics, University of Dhaka. He also served as a part time Lecturer in the Department of Finance, University of Dhaka.

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



ZAKIR AHMAD KHAN
Independent Director
(from August 31, 2020)



ASHRAFUL HADI
Independent Director

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

Mr. Vivek Karve is a Chartered Accountant (1994), a Cost Accountant (1993) and a B. Com. from the University of Bombay (1991). He has more than 25 years of experience in Finance, Banking, and IT across four organizations - Marico, Siemens Information Systems, ICICI and P&G.

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

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



VIVEK KARVE
Nominee Director
(till September 10, 2020)



PAWAN AGRAWAL
Nominee Director
(from September 10, 2020)

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

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

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

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

Prior to Marico, Sanjay was working with PepsiCo where he started as Sales Director – Traditional Trade for India in 2009. He became the Market Unit General Manager (West) India, in 2010, and rose up the corporate ladder to his last position as Senior Director – GTM and Sales Capability at PepsiCo AMEA (Asia Middle East and Australia) in 2013. In his role, he was responsible for delivering GTM transformation in key AMEA markets. Prior to PepsiCo, he was Vice President – Merchandising with Spencers Retail Limited in India in 2006, where he was instrumental in expanding Spencers' footprint. He also led the initiative of getting international retail food chain "Au Bon Pain", a Boston based Bakery Café Chain to India in tie-up with his company and led various new ventures. He started off his career with Dunlop India in 1995.

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



SANJAY MISHRA
Nominee Director



ASHISH GOUPAL
Managing Director

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

During his 15 years stint with Marico, Ashish excelled and delivered path breaking performance in the areas of Sales, Brand Management, New Product Development, Trade Marketing, Shopper Marketing and Demand Planning. In his career he has successfully driven projects in Business Transformation, Process Transformation and Cost optimization along with global consultants. His deep understanding of business along with rich functional experience helped him in launching several successful innovations in India and Bangladesh.

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

BOARD REPRESENTATION

Sl No.	Name of Director	Directorship	Member of Board Committees
1	Mr. Saugata Gupta	Marico Consumer Care Limited	Member of CSR Committee
		Marico Innovation Foundation	-
		Halite Personal Care India Private Limited (A Company under Liquidation)	-
		Marico South East Asia Corporation	-
		Marico Middle East FZE	-
		Marico South Africa Consumer Care (Pty) Limited	-
		JSW Paint Private Limited	-
		Marico Limited	Member of Stakeholders' Relationship Committee, Member of Corporate Social Responsibility Committee & Member of Risk Management Committee
		Parachute Kalpavriksha Foundation	-
	Ashok Leyland Limited	Member of 1) Nomination and Remuneration Committee & 2) Risk Management Committee	
2	Masud Khan	Unilever Consumer Care Bangladesh Limited	Chairman of the Board and Nominee Director
		Berger Paints Bangladesh Limited	Member of the Audit Committee
		Singer Bangladesh Limited	
		Community Bank Bangladesh Limited	
		Viyellatex Limited	
		R.R. Cold Storage Ltd.	
3	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")	
		DNET	
		MIDAS Financing Ltd.	
		Mediastar Ltd. (Owning Company of "Prothom Alo")	
		ABC Radio	
		Banchte Shekha, Jessore	
		Management and Resources Development Initiative (MRDI)	
		4	Mr. Zakir Ahmad Khan
Southeast Bank Green Foundation			
National Life Insurance Company Limited			
M.I. Cement Factory Limited			
Policy Research Institute			

Sl No.	Name of Director	Directorship	Member of Board Committees
5	Ms. Parveen Mahmud	Shasha Spinning Ltd.	
		Shasha Apparels Ltd.	
		Shasha Garments Ltd.	
		Shasha Millners & Textiles Ltd.	
		Saburo Indigo Ltd.	
		Berger Bangladesh Ltd.	Member of 1) Audit Committee, 2) HR Committee
		Apex Footwear Ltd.	Member of 1) Audit Committee, 2) HR Committee
		Palli Karma Sahayak Foundation (PKSF)	
		Brac International	Member of Audit Committee
		Manusher Jonno Foundation (MJF)	Member of Audit Committee
		DAM Foundation for Economic Development (DFED)	Member of Audit Committee
		Rangpur Dinajpur Rural Services (RDRS)- Bangladesh	
		MIDAS	
		UCEP	
		Friendship	
		Her Story Foundation	
		Ghashful	
		Moner Bondhu	
		Heroes for All	
		Cider International School	
Chattogram Syeda Anjuman Ara Girls School, Chauddagram, Cumilla			
Transparency International Bangladesh (TIB)	Member of Audit Committee		
Centre for Policy Dialogue (CPD)			
Bishsho Shanitto Kendro (BSK)			
Grameen Health Care Services Ltd.			
Grameen Shamogri Ltd.			
6	Mr. Ashraful Hadi	None	
7	Mr. Pawan Agrawal (w.e.f. September 10, 2020)	Marico South Africa Consumer Care (Pty) Limited	Marico Limited - Member & Secretary of the Risk Management Committee
		Marico Middle East FZE	
		Marico South East Asia Corporation	-
		Marico South Africa (Pty) Limited	-
		Marico Malaysia Sdn. Bhd	-
8	Mr. Sanjay Mishra	Zed Lifestyle Private Limited	
9	Mr. Ashish Goupal	MBL Industries Limited	
		Marico Middle East FZE	
10	Mr. Vivek Karve (until September 10, 2020)	Process Intelligence and Dynamics Private Limited	Marico Limited - Member & Secretary of the Risk Management Committee
		Mahindra Insurance Brokers Limited (appointed on January 5, 2021)	
		Management and Resources Development Initiative (MRDI)	



Leading from the Front

▶ Sitting from Left to Right

▶ **Md. Saiful Alam**
Manufacturing Director

▶ **Ashish Goupal**
Managing Director

▶ **Rashed Sarwar**
Director-Sales
(Emerging Channels & Sales Strategy)

▶ **Allen Ebenezer Eric**
Director-Marketing

▶ Standing from Left to Right

▶ **Elias Ahmed**
Chief Financial Officer

▶ **Christabel Randolph**
Director-Legal &
Corporate Affairs

▶ **Md. Habibur Rahman**
Director-Supply Chain

▶ **Sabbir Al-Harun**
Director-Sales

PROFILE OF OUR LEADERSHIP TEAM



ASHISH GOUPAL
Managing Director

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

During his 15 years stint with Marico, Ashish excelled and delivered path breaking performance in the areas of Sales, Brand Management, New Product Development, Trade Marketing, Shopper Marketing and Demand Planning. In his career he has successfully driven projects in Business Transformation, Process Transformation and Cost optimization along with global consultants. His deep understanding of business along with rich functional experience helped him in launching several successful innovations in India and Bangladesh.

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

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

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

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



SABBIR AL HARUN
Director- Sales
(Traditional Trade)



RASHED SARWAR
Director-Emerging Channels
and Sales Strategy

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

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

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

Allen joined Marico Bangladesh in October 2019 and is responsible for driving a successful Marketing function. A passionate marketer, his experience over 15 years in brand management and sales spans two FMCG organizations – Marico and Emami. Starting his career as a Management Trainee in Marico in 2005, he held different Sales and Marketing roles over 9 years, and spent 5 years at Emami Limited, where he led the Fair and Handsome and Pain Management Portfolios (Zandu Balm, Mentho Plus Balm) for India.

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

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

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



ALLEN EBENEZER ERIC
Director-Marketing



MD. SAIFUL ALAM
Director-Manufacturing

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

Saiful has diverse experience of working with global MNCs like Nestle Bangladesh Limited and led production functions in India for 3 years during his association with Nestle, gaining experience of a different culture and society.

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

Mohammad Habibur Rahman is currently the Director of Supply Chain and NPDP (New Product Development) and possesses a rich experience of over 18+ years in this arena spanning several industries including retail, building materials, FMCG in both renowned local and multinational companies. He joined Marico Bangladesh in March, 2015 as General Manager of Supply Chain. He is responsible for heading the overall demand & supply planning, sourcing & procurement, inbound logistics, new product development & Technology Operations, Outbound Logistics & Customer Service teams within the Supply Chain Function to ensure quality & effective support to the business in terms of business growth and consistent supply in the market.

Among his several achievements at Marico, Habib had driven RM/PM procurement savings above BDT 4.5 cr+. and overall savings and cost avoidance of approx. BDT 8 cr. He also played a key role in strengthening the S&OP Governance process as well as adaptations of GRC policy at country level to ensure compliance and risk minimization. The supply chain function had been awarded under three categories at National Level by BSCMS and IPDC finance under his leadership. He had also spearheaded numerous Supply Chain IT Automation Projects and was instrumental to restructure the Supply Chain Function.

Prior to joining Marico, Habib had worked in reputed companies such as Unilever, Lafarge Surma Cement as well as a renowned local conglomerate ACI Logistics in several verticals of Supply Chain.

Habibur Rahman holds a BSc in Mechanical Engineering from BUET (Bangladesh University of Engineering & Technology) and Executive MBA from IBA (Institute of Business Administration) University of Dhaka. He has also received International Certification in Supply Chain from ISCEA, USA as a Certified Supply Chain Manager and he has achieved CPLM degree (Certified Professional in Logistics Management) as well from the same institute. He is an avid reader, keeps interest in sports as well as loves travelling to new places.



MOHAMMAD HABIBUR RAHMAN
Director - Supply Chain and NPDP



ASHISH MANE

Director- Human Resources

Ashish Mane in his current role is responsible for driving the Human Resource strategy at the Company and involves working closely with the Management Committee team in co-creating structures to leverage new pockets of growth and establishing frameworks to retain, develop and attract talent to the organization and making Marico Bangladesh an employer of choice.

Ashish has a varied experience in the HR function and holds a postgraduate degree from the Tata Institute of Social Sciences, Mumbai and is a graduate in Chemical Engineering from Institute of Chemical Technology, Mumbai. He has worked across a variety of sectors including manufacturing, information technology, FMCG and OTC and built expertise across verticals, from handling industrial relations issues, driving high performance culture and building a talent strategy.

Elias Ahmed spearheads MBL Finance and is responsible to lead the Finance & IT functions and is a key member of the corporate branding for Marico Bangladesh Limited. He acts as an advisor to the Senior Management and the Board on the issues pertaining to the regulatory affairs & compliances as well.

Elias has more than 20 years' experience working in various multinational companies and in a local conglomerate. In his most recent role he was Finance Director in Coats Bangladesh Limited, a subsidiary of Coats Group plc, the number-1 sewing thread manufacturer in the world. Prior to that he worked as country CFO in Avery Dennison Bangladesh (a US based fortune 500 company of Avery Dennison Corporation). Prior to Avery Dennison, he worked in Bangladesh Edible Oil Limited, Standard Chartered Bank, Novartis Bangladesh Limited, Novartis Asia Pacific Regional Office in Singapore and in Beximco Pharmaceuticals Limited in various roles.

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

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



ELIAS AHMED

Chief Financial Officer



CHRISTABEL RANDOLPH
Director-Legal & Corporate
Affairs and Company Secretary

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

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

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

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

AWARDS AND ACCOLADES

Corporate Governance Excellence Awards

Marico Bangladesh received 2 awards for corporate governance excellence from the Institute of Chartered Secretaries Bangladesh (ICSB) and Institute of Cost Management Accountants Bangladesh (ICMAB). Marico

received the Bronze Award in the manufacturing category at the 7th National ICSB Awards and the Silver Award in the manufacturing category at the ICMAB Best Corporate Award 2019.



Top CSR contributor 2020

Social Responsibility (SR) Asia awarded Marico Bangladesh as top CSR (corporate social responsibility) contributor in the FMCG sector. Marico was given this award following a 2019-2020 CSR Survey published by SR Asia in which CSR practices, commitments and strategy across industries were studied.

Most Loved Hair Oil Brand

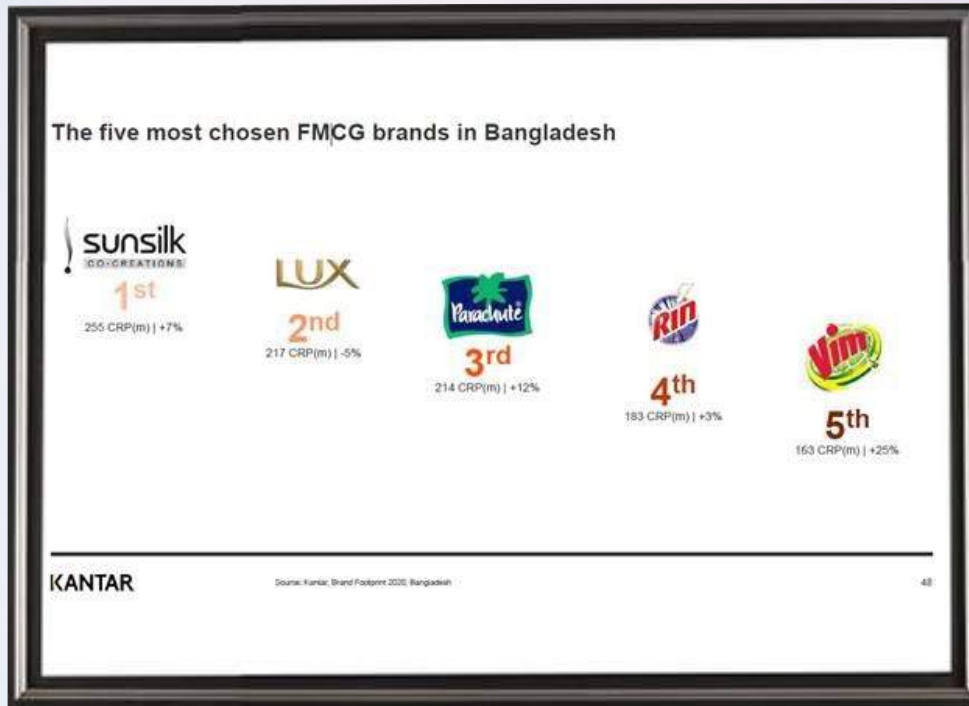
Parachute Advanced continues its winning streak as the Most Loved Hair Oil Brand in Bangladesh, as per Best Brand Award Bangladesh 2020, organised by the Bangladesh Brand Forum, in partnership with Nielsen. It is the No 1 Best Loved Brand in the Hair Oil category and the 8th Best Loved Brand across all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



BEST BRAND AWARD Bangladesh 2020			
CATEGORY WINNERS			
CATEGORY NAME	The Most Loved Brand	Most Loved Brand 02	Most Loved Brand 03
Hair Oil		kumarika	
Hand Sanitizer	Savlon		
Hot Beverages (Tea)	MIRAZPURI		SOLAR
Ice Cream			
Juice	Frooto	Mango	Mangrove
Liquid Handwash		Savlon	
Liquid Antiseptic	Savlon		
Mobile Financial Services	iKash		
Mobile Handset	SAMSUNG		NOKIA

3rd Most Chosen Brand In Bangladesh

Parachute was the 3rd Most Chosen Brand in Bangladesh across categories in FMCG, as per Kantar's Brand Footprint 2020 study.



Supply chain excellence awards

Marico won 3 awards at the Bangladesh Supply Chain Excellence Awards 2020 (BSCEA) hosted by IDPC Finance and Bangladesh Supply Chain Management Society. Marico won the awards in three categories of Supply Chain Finance Management, Supply Chain Planning process and Customer Service, Warehousing & Distribution



LEADERSHIP MESSAGES

EXECUTING OUR STRATEGY TO DELIVER RESULTS



CHAIRMAN'S LETTER

“ We live by the mantra ‘people first, business next, profit last’. If you focus on people, results will follow. We encourage a culture of empowerment and trust where we can embrace ambiguity and grow together delivering long-term value for all our stakeholders.

- Saugata Gupta

Saugata Gupta
Chairman

Dear Valued Shareholders,

I am pleased to write to you as always and I would like to express our gratitude to all our valued shareholders for your continued confidence in Marico to deliver exceptional business performance year-on-year and maximize shareholder value. The financial year 2020-21 (FY'21) was a very difficult one for all of us. Yet your company withstood the adversity of a global pandemic and delivered double-digit revenue, profit and volume growth. It is on this note, on behalf of the Board, I take pleasure in welcoming you all to the 21st Annual General Meeting of your company and present to you the Annual Report for FY'21.

The ongoing COVID-19 pandemic besieged most of FY'21, and on behalf of the Board, I take this opportunity to send our thoughts and prayers to all stakeholders affected by this crisis, including the families, friends and relatives of the valued members of your Company. We have not suffered a global health crisis of this magnitude in generations and express our heartfelt gratitude to all those front-line workers – including in our own business – who have worked tirelessly to help keep others safe and provide essential goods and services to all. I am hopeful that soon this crisis will be behind us, but until then, we must all care for each other by following health protocols and COVID discipline including getting vaccinated at the earliest available opportunity.

Marico stands united and committed to making a difference in the lives of all our stakeholders and the entire community at large. It is the tremendous grit and fighting spirit of our people that has allowed your company to deliver meaningful growth on a year-on-year basis. At Marico, our People always come first and focusing on the well-being of all our members in our ecosystem ensured that our people were safe with no loss of lives or livelihoods. Despite the widespread disruption during the year under review, your Company demonstrated impressive resilience and agility to deliver both topline and bottom-line growth. This has only reinforced our faith in the lasting strength of the strategic building blocks of your Company, namely brands, people, and culture.

Your Company delivered another strong year, with an 15.4% revenue growth, 17.7% profit growth along with a 12.7% volume growth and closed with a profit after tax of BDT311 Crore which is a 17.5% growth over last year. In FY'21 we declared the second highest dividend of 900% since listing and contributed BDT 408 crores to the national exchequer.

As we face a dynamic, ambiguous and volatile operating environment, tapping into emerging trends and launching

products while competitively growing your Company's core businesses was crucial in enabling us to deliver growth at a consolidated level. We had 10 new product launches including an international hygiene range under Mediker SafeLife and our portfolio now stands at 29 brands in 10 categories serving the consumers of Bangladesh.

Your company continues to operate through the heritage brands Parachute, Parachute Advansed, Nihar and Saffola. We have been successful in all our major launches of FY'21 addressing changing consumer sentiments and trade expectations. Our flagship brand, Parachute continued to grow volume and our Value-Added Hair Oils (VAHO) portfolio has seen double-digit growth in the last year derived from multiple need-spaces & sharp propositions.

"Parachute Advansed" was recognized as the *Most Loved Hair Oil Brand* in the country. Earlier it was awarded as one of the most Consistent Brands of the Decade and also recognized as a *SUPERBRAND* by Bangladesh Brand Forum. In FY'21, the Kantar Brand Footprint Report recognized "Parachute" among the *Top 5 most chosen brands* in Bangladesh. These recognitions are testament to the enduring loyalty and confidence of consumers in the quality of our products and the stature of our brands.

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

Our strength lies in our people and in our brands. Talent and Culture are among the five key transformational areas that make Marico a future-ready organisation. We have a clear diversity and inclusion agenda and leadership commitment towards developing local talent. We partnered with the Daily Star to craft the Chief Executive (CEO) show featuring a series of leadership lessons from CEOs across sectors. We are proud that 98% of our workforce is local talent and we have an 81% millennial population within it. The strength of female workforce in our factories is almost 17%.

With an almost exclusively virtual existence during this pandemic year, focusing on mental health and wellbeing of our members was equally crucial in nurturing our talent. We rolled out structured and frequent engagement initiatives and recognition platforms to enable our

members to continue to unleash their potential. We believe at Marico Bangladesh we have world-class talent capable of delivering super-normal results and thriving in a fast-track career. This unique culture at Marico has earned us the recognition as one of the *Top 10 Employers Of Choice* in the country according to Nielsen's campus survey.

As a responsible corporate citizen and a firm believer in conscious capitalism, Marico has long focused on adopting environmentally and ethically sustainable operations that create value for all stakeholders. In our ambition of 'road to zero' meaning zero impact on environment, we were able to reduce power consumption by 7.5% and increasing our energy efficiency at Mouchak and Shirirchala factory to 80% and 98% respectively.

Contributing to the national efforts against Covid was crucial to our purpose of making a difference and we contributed to the Prime Ministers' Welfare Fund, provided food support to communities surrounding our factories in Gazipur, contributed to relief efforts of trade associations and aided media personnel at the peak of the pandemic. We continued our impactful social responsibility program with SWAPNO and together with our covid relief initiatives invested BDT 320 million under our corporate social responsibility commitments. As you know, your company commits 1% of its profits towards CSR programs.

The outlook for Bangladesh by global institutions is encouraging with projections of a resilient recovery. However, the operating environment is fragile for the foreseeable future with newer variants of the virus

emerging, multiple waves of infection and lockdowns as well as vaccination challenges. We are aware that business rules in the post-covid world are on track to change, and we are reviewing our strategies closely to play in the new normal. Your Company will continue to focus on nurturing and building responsible, authentic and trusted brands for our consumers and making them more accessible through agile and resilient execution. We will maintain a collaborative approach with all our partners in the value chain and stay true to our commitment to the community to create sustainable value for all.

In conclusion, I would like to extend my sincere gratitude to our esteemed shareholders, regulators, industry peers, CSR partners and the consumers of Bangladesh for their sustained trust in Marico. We live by the mantra 'people first, business next, profit last'. If you focus on people, results will follow. The year under review is testament to this belief. We encourage a culture of empowerment and trust where we can embrace ambiguity and grow together delivering long-term value for all our stakeholders. While the future holds many new challenges, with your support, I am confident of delivering strong business performance as we grow from strength to strength.

With warm regards,

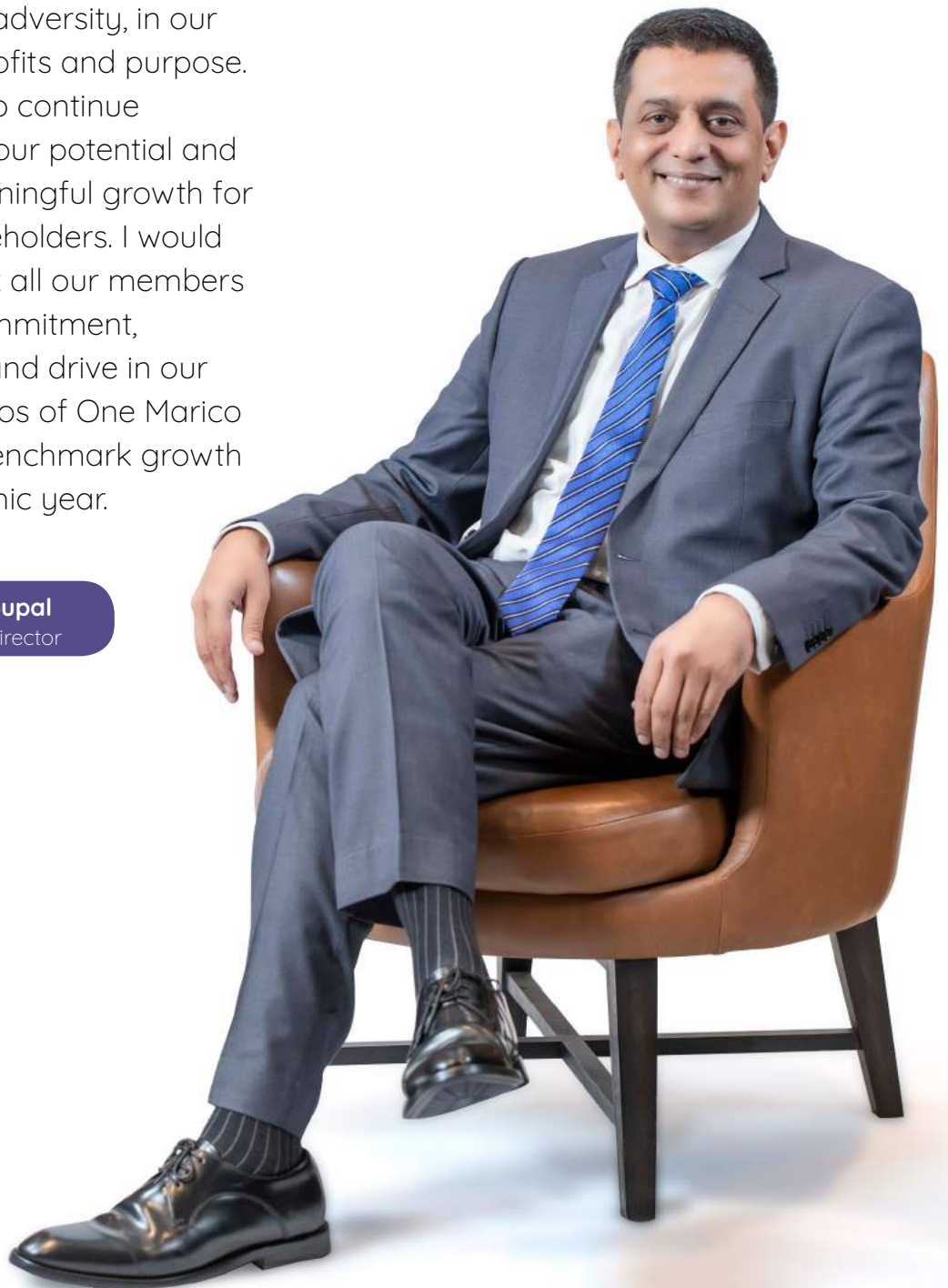


Saugata Gupta
Chairman

FROM THE DESK OF THE MANAGING DIRECTOR

“ In the last year, our people were the heart and centre of all our endeavours. It was a year of growing together in the face of adversity, in our portfolio, profits and purpose. We aspire to continue unleashing our potential and deliver meaningful growth for all our stakeholders. I would like to thank all our members for their commitment, ownership and drive in our unifying ethos of One Marico to deliver benchmark growth in a pandemic year.

Ashish Goupal
Managing Director



Dear Shareholders,

I write to you at a time when we are still going through waves of the coronavirus pandemic as new variants keep emerging. I sincerely hope that all of you and your families are safe and well. The last year has been difficult for all of us with loss of lives and livelihoods not just in Bangladesh but globally. Despite the new challenges arising out of the pandemic we have come together as One Marico and grown profits, products, and purpose-led initiatives. Today we can proudly say we are one of the fastest growing FMCG companies in Bangladesh.

In FY'21, amidst the pandemic, we had 10 new product launches, we grew our revenue by 15.4% and profits by 17.5%. The household penetration of our brands stands at 87%. Marico experienced a 6.7% volume growth in the core coconut oil (CNO) category while the value-added hair oils (VAHO) category grew by 16.8% at a full year level.

Our people have been the true driving force of the business during this challenging time, and they worked tirelessly to find innovative and agile ways of ensuring business continuity. While no one could have predicted the scale and speed at which the pandemic would impact us, we had business contingency measures in place well in advance. We were very clear that 'people come first'. There is no way we could have addressed this pandemic and continued business without putting people at the heart and centre of all our covid management efforts. We took care of the safety of the entire supply chain.

Your Company was one of the first companies to implement complete work from home measures including for those members working in our sales team. We paid all salaries in advance and there were no job or salary cuts. It was important for our members and everyone across our value chain to know that Marico will take care of them, and their livelihoods are secure. We paid unconditional humanitarian allowances to our factory and distribution workforce. We ensured covid screening and testing, insurance coverage for covid and related hospitalization for all employees.

With regards to business contingency management, we re-modelled our distribution and sales network. We strictly implemented all health protocols mandated by the government and World Health Organization at our factories, depots, warehouses, and distribution operations across locations to minimize risks of infections. We remained focused on adapting to evolving consumer needs in the areas of health, immunity, and hygiene, while focusing on agility, excellence in execution, aggressive cost management and financial discipline.

Our results are driven by our consistent efforts behind creating world-class quality products for Bangladeshi consumers, building our brands and our strong distribution network. While adapting to new ways of working and a digital existence we made every effort to retain this consistency. We launched our health & hygiene portfolio comprising hand-sanitizer, hand-wash, and veggie wash with our international brand Mediker SafeLife to address personal hygiene and food safety concerns of consumers. We launched Saffola Honey to address the consumer need of immunity building aids. To further strengthen our footprint in the personal care category, we launched our Parachute Naturale range of shampoos. We expanded our international baby care range with the launch of baby toothpaste, baby face cream and baby rash cream. The growth in these non-hair oil categories contributed to our overall profitability and strengthened the value mix in our business.

We continued our sales transformation journey and capability development initiatives to enable distribution expansion, range selling and omni-channel presence. We leveraged partnerships with banks and financial institutions to support our distributors and suppliers with financing programs during the pandemic. For smooth revenue collection we used specialized services from banks like, agent banking, and mobile banking. During this time in urban areas e-commerce continued to drive growth. The challenges on account of supply chain disruptions were managed smoothly and expeditiously with the support of the government, particularly, the Bangladesh Investment Development Authority (BIDA), the Ministry of Commerce and the Department of Factories & Establishments (DIFE). Our superlative supply chain management during the pandemic earned us *3 awards at the Bangladesh Supply Chain Excellence Awards 2020*.

We continued to attract and retain diverse talent and implemented newer processes to encourage diversity and inclusion in our workforce. We continued to invest in creating fit-for-future structures in marketing, sales and supply chain. Leveraging online methods, we delivered a series of learning & development programs customized to member requirements. We also launched a full suite of empowered learning allowing members to pursue online courses of their choice with the support of the company. We invested a lot of time and energy behind development and engagement of our members. We ran two internal initiatives #ThankingOurHeroes and #Changemakers to recognize innovative and impactful initiatives of members. Having a motivated workforce and engaging work-culture, more so when we are all

working virtually, made all the difference to our business performance.

Our values are at the core of our actions and drive our performance. One of our fundamental values is transparency and openness which is at the heart of corporate governance. As part of our good corporate governance practices, we led and arranged multiple dialogues with stakeholders for tackling supply chain restorations post-covid, advocacy on better regulations and standards of compliance. Internally we ran a robust program of awareness and sensitization on our Code of Conduct as well as other responsible standards of behavior on social media and digital spaces. We were awarded for *corporate governance excellence* by the Institute of Chartered Secretaries Bangladesh and the Institute of Cost & Management Accountants Bangladesh.

Our commitment to social responsibility and the development of Bangladesh through SDG-forward CSR initiatives remains a core focus of our endeavors. We continued our SWAPNO program and undertook various community initiatives to support the government efforts in the fight against covid. We contributed BDT 5 million to the Prime Ministers' Welfare Fund. We also committed to contribute all profits of the first six months of sales from our Mediker Safelife hand-sanitizer and hand-washes to the Prime Ministers Welfare Fund. We provided food support for 5000 out-of-work families in Gazipur during the peak of the pandemic in 2020. In financial year 2020-21 Marico invested BDT 320 million in CSR programs. Marico was recognized as the *Top CSR Contributor* in the FMCG Sector in 2020 by Social Responsibility (SR) Asia.

We announced an investment of BDT 2.27 billion in the Bangabandhu Shilpanagar in the Mirasarai special economic zone (SEZ) to set up our 3rd manufacturing unit to cater to our growth aspirations. We believe Bangladesh is poised for growth and a resilient recovery

from this pandemic. We aim to grow together with the country, partnering in the sustainable development and continue being proud ambassadors of 'Made in Bangladesh' with our exports to Nepal, India, and Vietnam.

In the last year, our people were the heart and centre of all our endeavours. It was a year of growing together in the face of adversity, in our portfolio, profits and purpose. We aspire to continue unleashing our potential and deliver meaningful growth for all our stakeholders. I would like to thank all our members for their commitment, ownership and drive in our unifying ethos of One Marico to deliver benchmark growth in a pandemic year. I also express my sincere thanks to all our valued shareholders for their continuing confidence in the Company and management to deliver long-term value. The guidance from our Board of Directors have been invaluable in shaping our success and continued growth. Last but not least, we are grateful to the millions of consumers in Bangladesh who have placed their trust in us earning us the recognition of *Most Loved* and *Most Trusted* brand through the years. Without their continued loyalty to our products and offerings our growth story would not be possible.

'Normal' is going to be re-defined in the future, post-covid world. The 'new normal' will present its own set of challenges and opportunities. I firmly believe if we approach each new step forward with a passion for winning in the marketplace, a commitment to quality and building new capabilities, and a mindset that prizes innovation I am confident we will succeed.

Best Regards,



Ashish Goupal
Managing Director

VALUE CREATION

CREATING VALUE FOR OUR STAKEHOLDERS

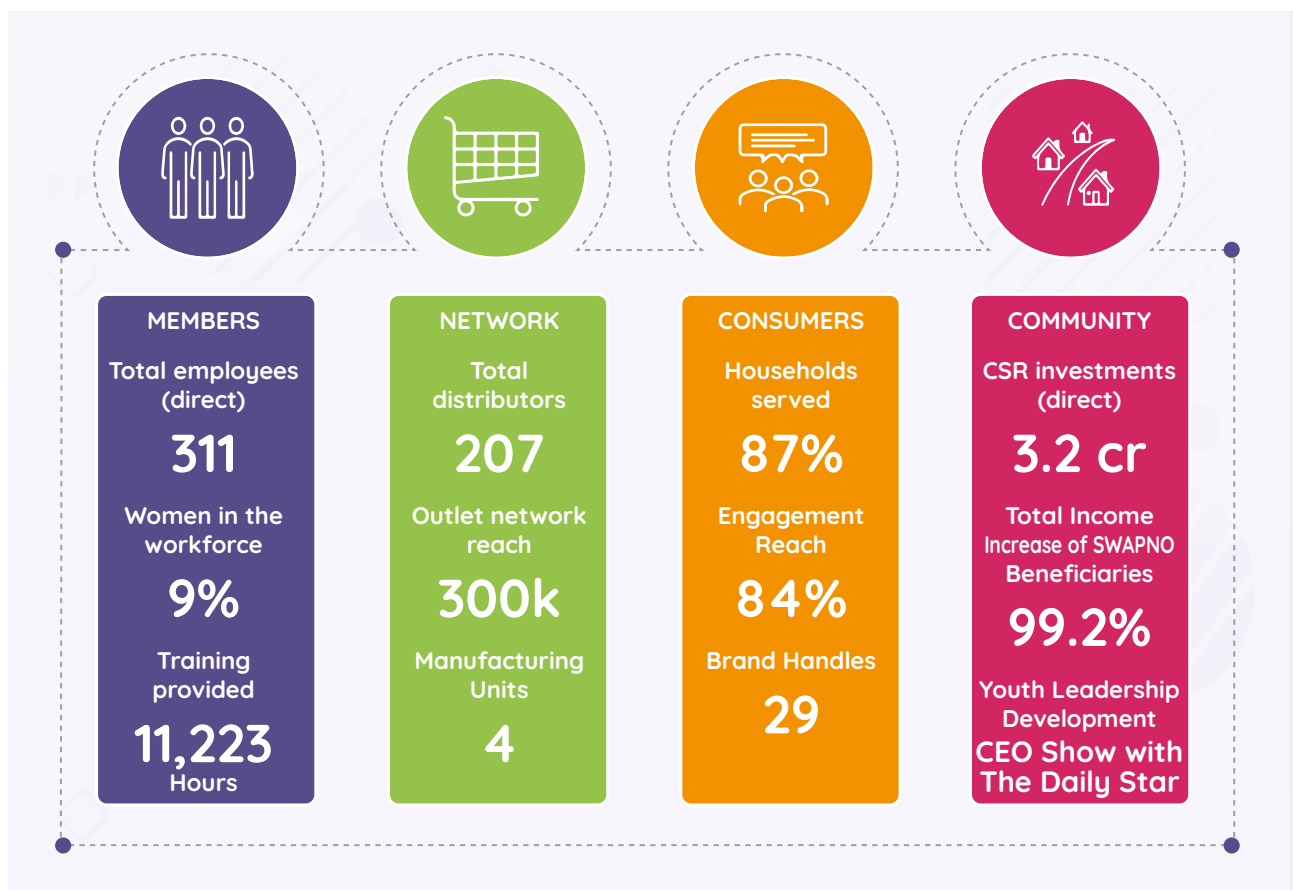


VALUE CREATION

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

Our Impact

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



All figures are for the year 2020-21

Engaging with our stakeholders







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

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

CONSUMERS

Why we engage	Our value propositions	Engagement platforms	Key risks	Opportunities	Actions on ground
<p>Our consumers drive demand for our products and provide insights that help us determine future trends. Most essentially, they keep us in business.</p>	<ul style="list-style-type: none"> • Large multi-category portfolio of trusted brands comprising 152 SKUs • Wide product reach with everyday shelf availability • Strong value propositions anchored on product best-in-class quality and affordability 	<ul style="list-style-type: none"> • Consumer surveys • Direct feedback through consumer carelines 	<ul style="list-style-type: none"> • Changing consumer lifestyles, preferences and behaviours • Loss of consumers 	<ul style="list-style-type: none"> • Expand into new unexplored categories to diversify the business • Develop new innovative products/brand extensions based on consumer feedback 	<p>Launch of Saffola Honey and Mediker SafeLife hygiene range of products in response to immunity-building and hygiene needs, respectively, against Covid-19, during the year</p> <p>Mediker SafeLife Hand-Sanitizer was launched with a “No Profit” pledge to ensure the most affordable and accessible solution for consumers</p>







SHAREHOLDERS

 Why we engage	 Our value propositions	 Engagement platforms	 Key risks	 Opportunities	 Actions on ground
Shareholders provide financial strength with continued access to capital	Attractive returns and growth on investments, supported by transparent disclosures and good governance.	<ul style="list-style-type: none"> Annual general meeting Corporate website Interactions with our corporate investor relations team 	<ul style="list-style-type: none"> Loss of investor confidence Unaligned expectations 	Strengthen communication with investors to improve transparency and provide clarity on the Company's performance, strategies and forward outlook.	<ul style="list-style-type: none"> Activated business contingency plan due to Covid-19 for ensuring business continuity Created value through 900% cash dividend for 2020-21, including interim cash dividend of 700%







MEMBERS

 Why we engage	 Our value propositions	 Engagement platforms	 Key risks	 Opportunities	 Actions on ground
<ul style="list-style-type: none"> Our members embody the spirit and aspirations of Marico and are the backbone of productivity and innovation. By nurturing a diverse group of talent, we are building the knowledge and skills needed to maintain our market leading position. 	<ul style="list-style-type: none"> Engaging workplace environment Competitive remuneration, career progression and healthy work-life balance Equal opportunities, safe working environment, and learning and development opportunities 	<ul style="list-style-type: none"> Member engagement sessions Health and wellness programs Townhalls and other virtual meetings 	<ul style="list-style-type: none"> Competition for talent Changing expectations of a millennial workforce 	<ul style="list-style-type: none"> Young, talented and energetic workforce Adoption of new work models that lead to improved well-being and performance Lean, merit-based and performance-driven work culture 	<ul style="list-style-type: none"> Provided complete employment security with early salaries, bonuses, profit participation, timely increments and promotions Placed top priority on health, safety and wellbeing Provided unconditional humanitarian allowances due to Covid-19 to indirect workforce







BUSINESS PARTNERS

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

COMMUNITY

 Why we engage	 Our value propositions	 Engagement platforms	 Key risks	 Opportunities	 Actions on ground
<p>Our citizenship and CSR programs help meet community needs, support the attainment of the SDGs and serve our aspiration of being partners in progress of Bangladesh</p>	<ul style="list-style-type: none"> • Livelihood and community sustenance • Flagship project under SWAPNO in partnership with UNDP and the government • Various Covid relief programs 	<ul style="list-style-type: none"> • Community engagement and development programs 	<ul style="list-style-type: none"> • Probable negative impacts leading to erosion of reputation 	<p>Drive community-based initiatives to nurture the development of backward, vulnerable and underprivileged communities.</p>	<ul style="list-style-type: none"> • Commitment of 1% of profits for CSR programs • Additional contribution of BDT 5mIn to Prime Minister's Relief Fund • Food relief to 5000 out-of-work families in Gazipur

REGULATORS/GOVERNMENT

					
Why we engage	Our value propositions	Engagement platforms	Key risks	Opportunities	Actions on ground
<p>The Government and regulatory bodies provide guidance on compliance of regulatory matters, govern ease of doing business.</p>	<ul style="list-style-type: none"> Ethical business conduct Revenue contributions Innovative partnerships 	<ul style="list-style-type: none"> Engagement sessions individually and through trade bodies Site visits 	<ul style="list-style-type: none"> Changing regulations Lack of clarity in regulatory procedures leading to non-compliance and reputational damage 	<ul style="list-style-type: none"> Embrace new regulations to ensure full compliance Harness opportunities arising from priorities in the national agenda 	<ul style="list-style-type: none"> Ushered in national technical standards for Hand-Sanitizers through Bangladesh Standards & Testing Institution Collaborated in FMCG private sector taskforce under the aegis of Bangladesh Investment Development Authority (BIDA) for expediting supply chain restoration post-covid Aided enforcement against counterfeit and spurious products threatening consumer safety and brand equity Worked with Ministry of Commerce for specific directives to enable supply of essential commodities during covid-19 induced country-wide lockdowns Exchequer contributions rose by 24.54% during the year

Managing Key Material Matters

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

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

We review our material matters during our annual planning cycle, our strategic reviews and monthly work-plans. The management team makes an initial assessment – drawing on their experience, judgement, and their own engagement with stakeholders – and agree which matters may be material and the response measures to address the materiality.

IDENTIFICATION OF KEY MATERIAL MATTERS

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

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

OUR CAPITALS

OUR 6 CAPITALS TO CREATE VALUE



OUR BUSINESS MODEL

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





HUMAN CAPITAL

The talent, passion, commitment and skills of our employees.



Best employment experience

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



MANUFACTURED CAPITAL

Our manufacturing and production assets across our two plants.



Robust efficiency focus

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



FINANCIAL CAPITAL

Debt and equity financing and cash flow from operations.



Strong commercial performance

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



INTELLECTUAL CAPITAL

Our portfolio of brands, experience, market strategies, technologies, etc.



Growth through market penetration

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



SOCIAL AND RELATIONSHIP CAPITAL

Commitment of 1% net profit investment in social programs.



Citizenship programs

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



NATURAL CAPITAL

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



Focus on technology excellence

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

OUR FINANCIAL CAPITAL



Overview

The consistent flow of income generated by our operations is key to Marico's long-term sustainability. While a large portion of our earnings are channelled back into new developments, they are also used to create value for our stakeholders. This includes delivering dividends to shareholders, providing income to employees, and investing in the development of communities. Additionally, we also use our financial capital to drive innovation by investing in research and development, capacity-building, etc.

Financial Review, FY21

BDT in Crore	FY 21	FY 20	Growth %
Revenue	1,131	980	15.4%
Cost of sales	(464)	(413)	12.2%
Gross profit	667	566	17.7%
General and administrative exp	(109)	(96)	13.8%
Mkt, selling and distribution exp	(136)	(115)	18.3%
Operating profit	428	357	20.1%
Net finance income	13	19	-32.5%
Profit before con. to WPPF	442	376	17.4%
Contribution to WPPF	(22)	(19)	17.4%
Profit before tax	419	357	17.4%
Income tax expenses	(109)	(93)	17.3%
Profit for the year	311	265	17.5%
Earnings per share (EPS)	98.69	84.01	17.5%

Message from our CFO



It was a year where our brand strength came to the fore as consumers started to shift to trusted branded products. We also launched a couple of COVID-relevant products that had respectable contribution to sales.

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

Though the financial year 2020-21 was one of unprecedented tumult on account of the COVID-19 pandemic, we focused on adopting a business-as-usual stance against a highly challenging external macro environment. Our key financial objective for the year was to ensure liquidity sustainment to not only ensure smooth day-to-day operations, but also to ensure all

sorts of support, including advanced salary payments, allowances, etc., while also investing in health, safety and hygiene across our operations. It was also a year where our brand strength came to the fore as consumers started to shift to trusted branded products. We also launched a couple of COVID-relevant products that had respectable contribution to sales.

Meeting of our performance targets for the year expanded our dividend distribution capacity and, with the interim dividend of 700% cash, our Board has announced a final cash dividend of 200%, taking the total dividend to 900% for 2020-21.

We thank you for your investment in Marico.

Elias Ahmed
Chief Financial Officer

Value-added statement

Two year's Value-Added Statement

	2021		2020	
	Taka	%	Taka	%
Value added				
Turnover (net)	11,306,519,256		9,795,911,357	
Less: Bought in Materials & Services	(5,098,671,390)		(4,978,814,635)	
	6,207,847,866		4,817,096,722	
Indirect tax with turnover	1,739,203,102		1,739,203,102	
Other Income/(expense)	62,604,620		7,693,167	
Net finance income	130,485,458		193,245,424	
Available for distribution	8,140,141,046	100.00%	6,757,238,416	100.00%
Distributions				
Employees	862,095,189	10.59%	782,038,562	11.57%
Government	4,078,501,985	50.10%	3,274,951,830	48.47%
Shareholders	2,835,000,000	34.83%	2,520,000,000	37.29%
Value reinvested and retained				
Depreciation and amortization	115,651,708	1.42%	94,703,546	1.40%
Reserves & surplus	248,892,164	3.06%	85,544,478	1.27%
	8,140,141,046	100.00%	6,757,238,416	100.00%

EVA statement

	2021	2020
Net operating profit after tax	3,198,953,444	2,640,997,430
Total capital employed	1,791,091,976	1,641,270,208
WACC %	10.35%	11.65%
WACC	185,378,020	191,207,979
EVA=NOPAT-WACC	3,013,575,424	2,449,789,450
EVA Growth	23.01%	29.01%

OUR MANUFACTURED CAPITAL



Overview

Marico's physical production and storage assets comprise its 2 factories, 2 outsourced manufacturing units and 5 depots and 3 warehouses, respectively. Further, adopting an asset-light strategy, we also have relationship with three contract manufacturers. As a pioneering FMCG multinational, our unique position comprises our ability to assure consumer value anchored on quality and affordability across our range of brands. Through our manufactured capital, we also play our role in caring for the environment by manufacturing responsibly using sustainable materials and new technologies, which enables us to deliver high-quality products in an efficient, timely and ethical manner.

Our Manufacturing Highlights

Act Now!

Our journey of our Operation Excellence in FY21 proceeded unabated despite the pandemic year. Factory team undertook systematic problem-solving approach to improve process excellence, reduce losses, increase plant efficiency, implement automation, and eliminate the non-value adding activities in the process to take the manufacturing into the next level. Total 18 numbers, s Level 2 (ProSolve-2) projects and 4 numbers Level 3

(ProSolve-3) projects were completed that resulted in increased plant efficiency and reduced losses. These problem-solving projects have delivered a savings of BDT 10 mln. In continuous improvement journey through Act Now!, our manufacturing team has delivered 172 number of kaizens that solves problems of daily operations activities.



The trademark event of Act Now! "ProSolve Competition 3.0" where project leaders present individual problem-solving projects and winners are recognized with awards and certificates.

Production Efficiencies

FY21 was a challenging year for factory operations. During pandemic, manpower dependent operations by maintaining social distancing was implemented to decrease the risk of contamination while ensuring production efficiency in the given circumstances. To meet this challenge, factory teams approached it as a year for automation. A good number of projects were taken that embraces automated process resulting in minimum manpower presence at site who could maintain effective social distancing. These initiatives not only resulted in COVID contamination risk reduction, but also delivered outstanding cost savings by the year end.

With high variation of CCNO quality in the market, maintaining refinery OPE was a big challenge. After extensive analysis of

different carbon grades, higher MB carbon was introduced to the process. Earlier, the carbon used was of 80 MB grade which we upgraded to 150 MB. This not only caused increase of plant OPE but also created a potential yearly savings opportunity of BDT 125 mln. As always, process excellence remains one of the core strengths of the manufacturing team. For crushing unit, material and machinery changeover loss was reduced by 36% resulting in cost-savings of BDT 3.6 mln. In the refinery unit, the focus was on sustainability by reducing fuel consumption. Factory teams took an advance problem solving level 3 project (PS-3) and used waste heat in order to reduce the fuel consumption. This resulted in immediate impact and reduced the SFC by 20%.

Capacity Creation

Marico manufacturing achieved another crucial milestone in capacity creation by erection of HDPE bottle in-house blowing operation at Shirirchala. The company invested BDT 7.04 Cr for this capacity creation to protect against supply and quality risks of our flagship brand Parachute Coconut Oil.



At Mouchak Factory, BDT 4.82 cr was invested to ensure state-of-the-art manufacturing facility for baby talcum powder under our Just For Baby range. Given the pandemic the installation was handled exclusively by Factory team with remote help from original machine manufacturer.

Covid Preparation for continuous factory operation.

Marico was able to run factory operations with zero-day loss of production by ensuring the safety and security of factory workforce. We have shown zero tolerance in worker safety management.



Covid-19 preparation to run factory operation As part of Fight Against Covid, External Audit was done 8 times on Factory Emergency Preparedness on Covid. Audit Score was 100% for both factories all 8 times.

Regulatory Partnership & Factory Visits





Deputy Secretary from Ministry of Industry Mr. Sarowar visited Mouchak Factory & Inspected the Factory Operations

Engagement Activities

Factory team organized several engagement activities to keep employee morale elevated and ensure meaningful member connect. International Women's Day 2021 was celebrated at the Factory with enthusiastic participation of our female workforce.



Women Day Celebration 2021



Anti-Eve teasing & Narcotics Session by Industrial Police



Two-man day long Routine surveillance audit-01 based upon standard of ISO 14001:2015 and ISO 45001:2018

OUR HUMAN CAPITAL



Overview

Our human capital is represented by the skills, diversity, passion, enthusiasm, ideas, youthfulness and experience of our employees. They are instrumental in driving our innovative strategies and long-term growth. We invest in the development and well-being of our people, which contributes to their productivity and performance enhancement that helps us achieve our goals and targets. As part of our growing focus on talent futurisation, our human resources development strategy is anchored on equipping our people with a diverse set of skills that enables innovation and creativity and will allow them to thrive today and also into the future.

Our People & Culture Highlights

Driven by purpose and our commitment to unleashing potential to make a difference, in 2020 Marico Bangladesh was recognized as one of the top **Employers of Choice** in the country

At Marico we firmly believe our strength lies in our members and our brands. Our member first approach and empowered culture is the core of our business success.

This year amidst the unprecedented circumstances, we came together stronger and more united than ever before. The tremendous efforts of our members enabled us to continue to work, being safe and agile. We experimented and quickly scaled up new ways of working through reshaping our business in a way that we were ready for any uncertainty. Our sense of belonging and pride in what we do reflected in the engagement dipstick survey score average of 93%.



93%

Of our workforce are highly engaged and proud to be a part of Marico Bangladesh Limited (dipstick survey)



How We Engaged

Our behavior is guided by our culture code which enables us to nurture a corporate culture that is open, flexible, and inclusive. Over the last two years during our transformation journey, we grew almost double in terms of the workforce strength. Our workforce has become more diverse and multigenerational. The myriad changes in both external and internal environment over the last year made us rethink the engagement strategy. We focused on our key thrust areas; member connect, member health & wellness, and celebration & recognition.



New Ways of Member Connect

We tied member connections across the company through diverse channels and different ways via quarterly virtual townhalls, monthly virtual team informal connect (cha er shathe adda session) and through surveys, forums and new initiatives for special interest areas guided by our unleashing potential behavior 'Open & transparent communication'. A synergy was maintained between leaders, team & family connect throughout the year.

Leadership Connect

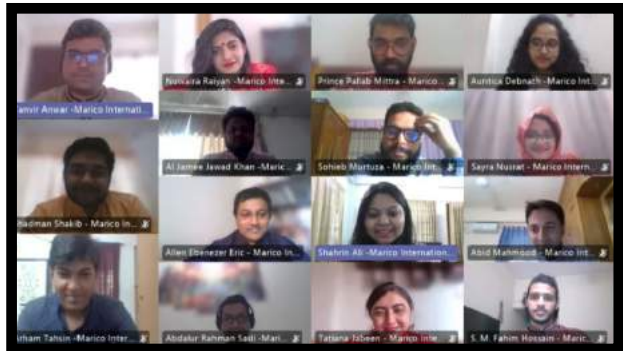
 <p>• Maintaining active communications across the company is a priority for Marico Bangladesh Limited leadership team. During the pandemic, we quickly realized that being transparent about our business reality can yield desired business performance, while generating trust and confidence in the leadership. Initially monthly and later quarterly basis townhall was facilitated by our Managing Director, Ashish Goupal. By design it is engaging and instigates open house questions from members across country.</p>	 <p>• Our leaders also completed respective skip level (one to one conversation) with the respective members instilling inspiration, confidence and ensuring diverse perspective. Feedback channels are open and respected in the organization.</p>
	 <p>• Inspire is a platform created to bring outside in perspective and encourage our members to go beyond. This year we invited 10 CXOs from diverse industries to share their incredible journey with us. Their wisdom and extraordinary stories provoked many of us to rethink about our purpose and actions.</p>

Connecting Team with Cha er Shathe Adda

When we say we miss ‘home’ or ‘office’ it’s always those faces, our best teammates or favorite human behind those words rather than the physical structure. Pandemic made us learn technology to connect beyond expectation from anywhere or any point in time but ‘real connect’ always remained in question!

We strategically designed a virtual informal connect for our members which enabled them to share, express and engage in non-work-related activities. This also plays a pivotal role in knowing new members of the team, appreciating team challenges, celebrating special occasions, and rewarding small victories that we achieve

every month. Abundance of laughter and fun comes through unique, surprising team games in each Adda session.



Connecting Family with First Ever Virtual Family Week

We celebrated Marico for what it is today by virtually connecting with our members and their family members through exciting and engaging events of Virtual Family Week. We brought famous spelling bee and art competition for our junior Mariconians, while adult family members were engaged in cooking competition followed by a Saffola cooking show with a renowned celebrity chef. Throughout the week, our extended family members also got to participate in various online games and quizzes. On the gala night, we connected all the members to enjoy the live grand show with their family.



Member Health & Wellness

Bringing our best versions to work means being fit, healthy and happy. Our culture promotes positive physical and mental health of our members to be able to maximize their true potentials. In this battle with Covid-19, we played a frontline role. Our members and extended workforce, associates, and partners gave up a lot to play their part in ensuring business continuity. This year, keeping member's health and safety at the forefront, we have partnered with 4 of Bangladesh's best hospitals and experts for physical, mental & social wellbeing. The services were extended in the capacity of physical examination, online counselling, awareness, and educative sessions to the respective units as per the requirement.

We have been exemplary in management of the crisis thanks to the pro-active planning that included full employment and pay for all employees until the end of June 2020. At the same time, the leadership team rolled

out measures to protect the health of the employees and help them through the difficult period created by the Covid-19 pandemic.



All our frontline members, including extended workforce were equipped and mandated to wear PPE when working out of home.



We partnered with 6 government authorized labs for home sample collection of our members.



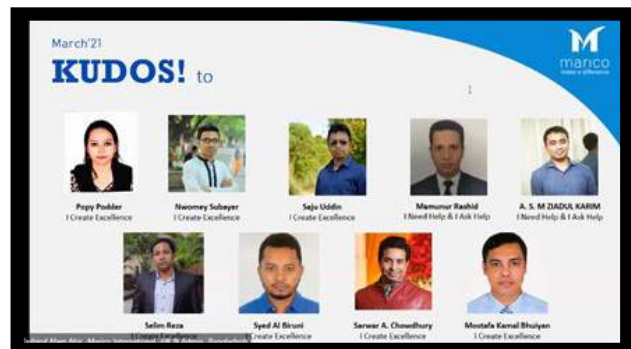
Reported 100% compliance in COVID related preparedness audit at both our factories.

Creating a Culture of Celebration & Recognition

Marico Bangladesh Limited was recognized as the **Top Performing Unit** in the Marico Award 2020 hosted globally.

Member wellbeing and recognition are directly tied together. During the crisis times, we realized that timely recognition, gratitude and celebrating small wins can go a long way. Members exhibiting the unleashing potential behaviors across the organization were recognized on monthly, quarterly, and yearly basis.

We hosted the second edition of the Marketing Awards virtually this time, where 52 teams presented their exemplary works in 11 categories. Those presentations were evaluated by Rupali Chowdhury, Managing Director - Berger Paints Bangladesh Limited and Govind Pandey, CEO - TBWA India.



While we recognized the great works that our members have done to enable our great business performance, we also took the opportunity to recognize the standards of governance and compliance that our members have demonstrated by hosting the first ever MD's Compliance Award event. There were 6 categories and 1 business

unit recognition in this Compliance Award event.

Our **One Marico One Spirit** internal communication campaign recognized and published all these stories of remarkable team collaboration which fueled our success.

Reimagine Learning in New Normal

We are committed to the growth and development of each of our members to unleash their true potentials. Our thorough performance management processes and learning programs bridge skill gaps and equip our members to lead in their respective and future roles.

Business Acumen Session: Our virtual monthly basis yearlong Brand & Sales Alap has a direct impact on business. These two platforms are designed to minimize the knowledge gap for Marketing & Sales team and enhance the collaboration to drive business performance.

Toastmaster: We have partnered up with the international platform, Toastmaster to create the first corporate toastmasters club in Bangladesh – Marico Bangladesh Toastmasters Club. This club has enhanced our members communication & leadership skills in a unique and engaging way and is helping us to create more confident leaders of tomorrow.

Empowered learning: The initiative called “Marico Ninjas” provides members with a learning credit and enabling them to choose internally acclaimed online courses in alignment with their development areas. Robust communication surrounding the initiative including weekly trending courses, highlighting enrolled



members and their courses, screensavers made it quite successful on its first year of launch. These extensive learning programs chosen right, not only enables our members to upskill and reskill for their roles at Marico but are helping them prepare for the changing landscape of work.

We redesigned our learning activities to make sure our members have the necessary skills to fulfil critical needs of the business functions such as analytical skills, consumer behavior, digital skills etc. We also prioritized helping member adjust into the new normal post Covid-19; promoting remote working skills, supporting our leadership, and helping members deal with issues around mental wellbeing and building resilience.

Impact through unleashing potential

Our efforts to enable graduates to kick start their careers and be the trailblazers of tomorrow continued this year as well. We have taken multiple initiatives with the theme of unleashing the potential of the next generation young leaders.

Marico Masterclass: Our senior managers virtually connected with the students from top 10 business schools and contribute to the academic curriculum by engaging students in the experiential learning. We focused on technical skills which created a strong impact as these learning directly impacts students' employability.

Impact 90: The flagship Internship program of Marico was launched for the final year students including a first ever virtual roadshow with fun contests. More than

400 students joined from 18 universities nationwide. Receiving a record-breaking 258 applications in a day was a testament to our talent brand.

A signature initiative **changemakers** was run to collect future fit growth ideas from the members across Marico Bangladesh Limited which yielded 160 impactful ideas to win the future.

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

OUR INTELLECTUAL CAPITAL



Overview

Marico has created a strong brand of innovative excellence. In this context, our intellectual capital is vital in solidifying our market position and competitive advantages. Our team leverages the strength of our brand portfolio; operational innovation; distinctive marketing, branding, sales strategies, and unique freight management solutions to deliver high quality market-leading products that transform into everyday household essentials.

Brand and Marketing Highlights

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

A. New Product Launches



Parachute Naturale Shampoo

Parachute Naturale Shampoo was launched in Bangladesh with 3 exciting variants: Nourishing Care, Anti Hair-Fall and Damage Repair. All the variants are formulated with no added paraben, dermatologically tested and enriched with the benefits of natural ingredients such as Coconut Milk Protein. The Nourishing Care variant is enriched with Aloe Vera, Damage Repair variant is enriched with Hibiscus and Anti Hair-Fall variant is enriched with Henna. The brand rolled out campaigns highlighting the unique proposition in the signature route of “Say Yes to Parachute Naturale Shampoo” in the launch year.



Hijab Fresh Anti-Hair Fall Shampoo: A new variant catered to women who wear Hijab was launched in Quarter 4. This shampoo is enriched with the goodness of natural ingredients like coconut milk protein and green tea which helps reduce hair fall. It has a unique perfume release formula that releases a fresh fragrance for up to two days.



Parachute Just for Baby Face Cream, Baby Rash Cream and Baby Toothpaste

As part of our efforts to become a one-stop destination for baby care products, Parachute Just for Baby was launched in February 2019. With continued focus on the Baby category, the flagship baby care brand, launched 3 new products: Baby Face Cream, Baby Rash Cream and Baby Toothpaste, taking the number of products in the portfolio to eight. The Baby Rash Cream is designed to help repair and protect the baby’s skin from diaper rash, inflammation, itchiness, dryness, while the Baby Face Cream moisturises the baby’s face, keeping it healthy, soft and supple all day long. The Baby Toothpaste is specially formulated for baby teeth with a fluoride-free formula, which is gentle on baby’s teeth and gums.

Saffola Honey

At a time of heightened awareness about consuming nutrient rich, pure, immunity boosting food, the role of honey along with other nutritious and immuno-rich super foods have become stronger. As one of the most trusted International brands in the region, Saffola launched 100 percent pure Saffola Honey. Building on the rich heritage of Saffola’s scientific expertise, every batch of Saffola Honey is tested and certified using the latest NMR (Nuclear Magnetic Resonance) test in a German laboratory, the gold standard test for the quality of honey, to ensure zero adulteration, no added sugar and no compromise with consumer’s immunity.



Mediker SafeLife Hand Sanitiser, Hand Wash and Veggie Wash

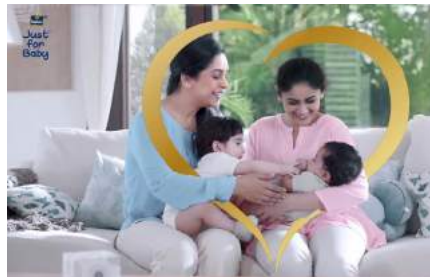
Marico entered the hygiene category with the launch of Mediker SafeLife Hand Sanitiser and Hand Wash. As an international expert in protection, the brand taps into the opportunity of hygiene and cleansing. The portfolio was expanded with the launch of the first vegetable wash in the country, Mediker SafeLife Veggie Wash, a unique fruit and vegetable wash.

Hair Code Mehedi Brown Powder Hair Colour

Hair Code, the No 1 Hair Colouring Brand in the country, built on its leadership by launching a new shade of Mehedi Brown, addressing the needs of consumers. It has the goodness of Mehedi and reinforces consumers with 2X Soft and Shiny Hair.



B. Consumer Campaigns



Parachute Just for Baby

Parachute Just for Baby is a complete safe baby care range in Bangladesh. In the third year of launch, the brand has gained the trust of lakhs of Mothers. On the basis of consumer testimonials and insights, building on this trust, the new communication for the brand “So safe, it is recommended by lakhs of mothers” was launched. The brand has taken a pledge to spread safe baby care to every mother in the country by offering a range of products developed according to international safety standards.

Parachute SkinPure Range

Parachute SkinPure Aloe Vera Gel connected with consumers with the proposition “photo perfection”, resonating with the desire of women to look good. The product addresses this desire by giving mark-free, soft, glowing skin. Parachute SkinPure Natural White Body Lotion launched a new communication on the thought of being ready to move out freely. The product, enriched with the goodness of coconut milk and sandalwood gives naturally glowing, beautiful skin and enables women in their desire to be protected from the elements such as the sun.





Parachute Advanced

Parachute Advanced continues to be the leader in hair care. The brand stands on the promise of “Strong Hair”, a deep desire of women. The brand launched a communication platform “Strong Hair, Strong Bonds”. The proposition came alive through three contextual campaigns that leveraged important occasions: Mother’s Day, Friendship Day and Women’s Day. For the first time, Parachute Advanced also launched exclusive limited edition packs for the campaigns. For Women’s Day, Parachute Advanced featured 3 women pilots from Biman Bangladesh, the flagship national airline, to inspire women on the thought, “Strong Hair, Strong Bonds, Strong Women”. Renowned Celebrity, Masuma Rahman Nabila interviewed the 3 pilots in a special online talk show to build their stories as inspiration for aspiring women.

Parachute Advanced Beliphool Hair Oil

Parachute Advanced Beliphool has been the leading Value-Added Hair Oil Brand in the Portfolio. To continue resonating with the aspiring young women who have large dreams for their futures, the brand built a new thematic campaign around “Be Perfect”, which portrays Parachute Advanced Beliphool’s role to prepare for the perfection they desire. Jannatul Ferdous Oishee, former Miss Bangladesh and a well-known celebrity, came on board as the Brand Ambassador and featured extensively on the brand’s digital campaigns.



Nihar Naturals Anti-Hair Fall 5 Seeds Hair Oil

Nihar 5 Seeds Anti-Hair Fall Hair Oil is a product innovation with a unique cap design containing 5 seeds that aid reduction in HairFall. The brand signed up renowned celebrity Mehazabien Chowdhury as the Brand Ambassador, and a new communication featuring the Brand Ambassador on the thought, “HairFall Down, Beauty Meter Up” went live to connect to consumers.

Sales Highlights

Creating an Execution Powerhouse



A. Go-to-Market Initiative

Driving strong distribution and ensuring proper retailing were key strength of our sales team for last few years. Keeping that in mind, extending direct coverage to untapped areas was one of the major Go-to-Market (GTM) agendas of last year. GTM team planned to expand our coverage at a massive scale and ended the year with 16% coverage expansion. This was a huge success for GTM team as new outlets are contributing a significant amount towards our total business. To enable our Field Force to nurture nascent brands more efficiently and to ensure higher share of shelf, we have strongly invested in ensuring “Differentiated Trade Servicing” in top contributing towns.

Rural Bangladesh has seen phenomenal growth over the last few years which we cover through Alternative GTM Model. Since the inception of the alternative model, major contributing sellers identified and brought under direct coverage which grew 1.5 times faster than national growth and our direct coverage has expanded to more than 92% of the total business. Granular focus was also given to quality of sales, and service to trade to enable them to contribute more business. To ensure viability of GTM strategies Marico sales team have worked closely and invested in capability development of new distributors, and field force. Sales automation also helped the process to be more efficient and effective.



B. Trade Marketing Initiative

The year started with a unique challenge of pandemic, and we ensured that sales members and extended sales force followed health and safety guidelines as per government and WHO recommendations. Despite the pandemic, we have played an instrumental role by managing the distribution through various innovative programs for all members in the sales team along with distribution partners. While distribution got interrupted in many parts of the country due to lockdown, our relationship with Wholesale and signature programs like Milon Mela has helped to ensure a smooth distribution. Moreover, yearlong signature programs like Amar Dokan have ensured our new brands presence in retail and availability in outlets.



C. NPD and Channel Initiative

During the ongoing pandemic, we have witnessed a phenomenal growth spurt in E-Commerce. We closely partner with 25+ E-Commerce Platforms in Bangladesh and benefit from relevant consumer data and insight for our brands. It helped us design successful & effective campaigns in E-Commerce. Our E-Commerce business has experienced more than 300% Growth in FY '21.



D. Nurturing Institution Business

With the pace of our expanding our brand portfolio in general trade environment, Institution Sales team has showed rigor in creating solid B2B base in FY 2020-21. Institution team has been instrumental in establishing new and existing brands to key institution customers. They have focused both on Hair Oil and Non-Hair Oil categories and generated significant number of sales in FY 2020-21.



E. Building State of the art IT Infrastructure

User Friendly and seamless IT infrastructure has been instrumental to support regular business operation. Our IT team has created best-in-class IT infrastructure in FY 2020-21 to ensure proper visibility of Distributor field force performance, KPI tracking and create transparency of business with our customers and support them in being compliant with the laws of the land.



F. Capability Development Initiative

Building capability of the Sales team is a fundamental strategic pillar our business development agenda. To enrich the transformation journey in making Marico Bangladesh the leading personal care company, several capability interventions were launched over the last year. The Capability Development team has facilitated 853 man-days of capability enhancement programs by launching 21 training interventions for Sales Members & Field Force focusing on range selling, driving channels and programs, driving focus category, nurturing nascent brands, executing GTM excellence. The team also uses various audio-visual aids, and innovative modules like gamification to carry out the interventions.





Sales Leadership Team Planning Meeting.

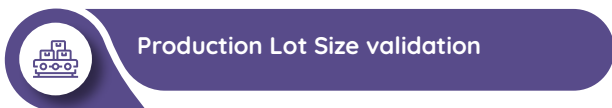


Winners receiving awards from Director - Sales.

Supply Chain Highlights

A. Business Wastage reduction initiatives:

To adapt to the competitive market dynamics, managing business wastage has been a key strategic focus. Marico Bangladesh supply chain team drove this strategic agenda with ZERO WASTE focus and initiated the War against Waste by implementing different health check tools throughout the value chain. Planning team has rolled out several projects for streamlining supply assurance with zero waste approach:



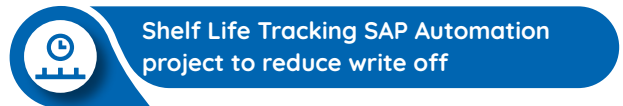
Production Lot Size validation



Write off Avoidance taskforce



SKU/Brand Rationalization



Shelf Life Tracking SAP Automation project to reduce write off

B. Successes in Outbound Logistics and Customer Service

During the ongoing Pandemic, we have introduced “Distribution Network Redesign and Cost Optimization with fastest execution” to strengthen Warehousing and distribution system.



New Depot

- 35% Storage Capacity increased
- Multiple Load & unload Bay and truck parking space.
- High Surface load & unload Bay.
- Distance nearer to both Factories.



Key Advantage

- It has helped managing inventory, easier picking & sorting of stocks, faster dispatch and receiving of stock
- More simultaneous load & unload of stock improving efficiencies
- Enhanced convenience for lifting of stock
- Reduce turnaround time of Factory supplies



C. Supporting New Product Developments

Our Supply Chain played a critical role in the “on time and in full” execution of NPDs (New Product Development) during the tumultuous pandemic period. All raw and packaging material for NPDs were made available for smooth launching while simultaneously driving cost-savings to support profitability of NPDs. Key cost saving initiatives included alternate vendor development, localization projects etc.

D. Procurement Success

- **Savings Initiatives-** We have step changed savings initiatives and strategic buying activity throughout the year which has strengthened the bottom line despite rising cost of raw and packaging materials and freight amidst covid induced supply chain constraints
- **Project Resilience-** Project resilience was rolled out to create a strong and sustainable supply base. This was the single largest project in terms of savings delivery.
- **Pandemic Support-** Ensured Seamless support during pandemic with zero supply interruption.
- **IT Enablers-** We have Strengthen IT landscape with analytical and tracking tools.

OUR NATURAL CAPITAL

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



ROAD TO ZERO

Zero Impact on environment



16.67% WOMEN EMPOWERMENT

Total 16.67% female worker at our manufacturing units



OUR VISION

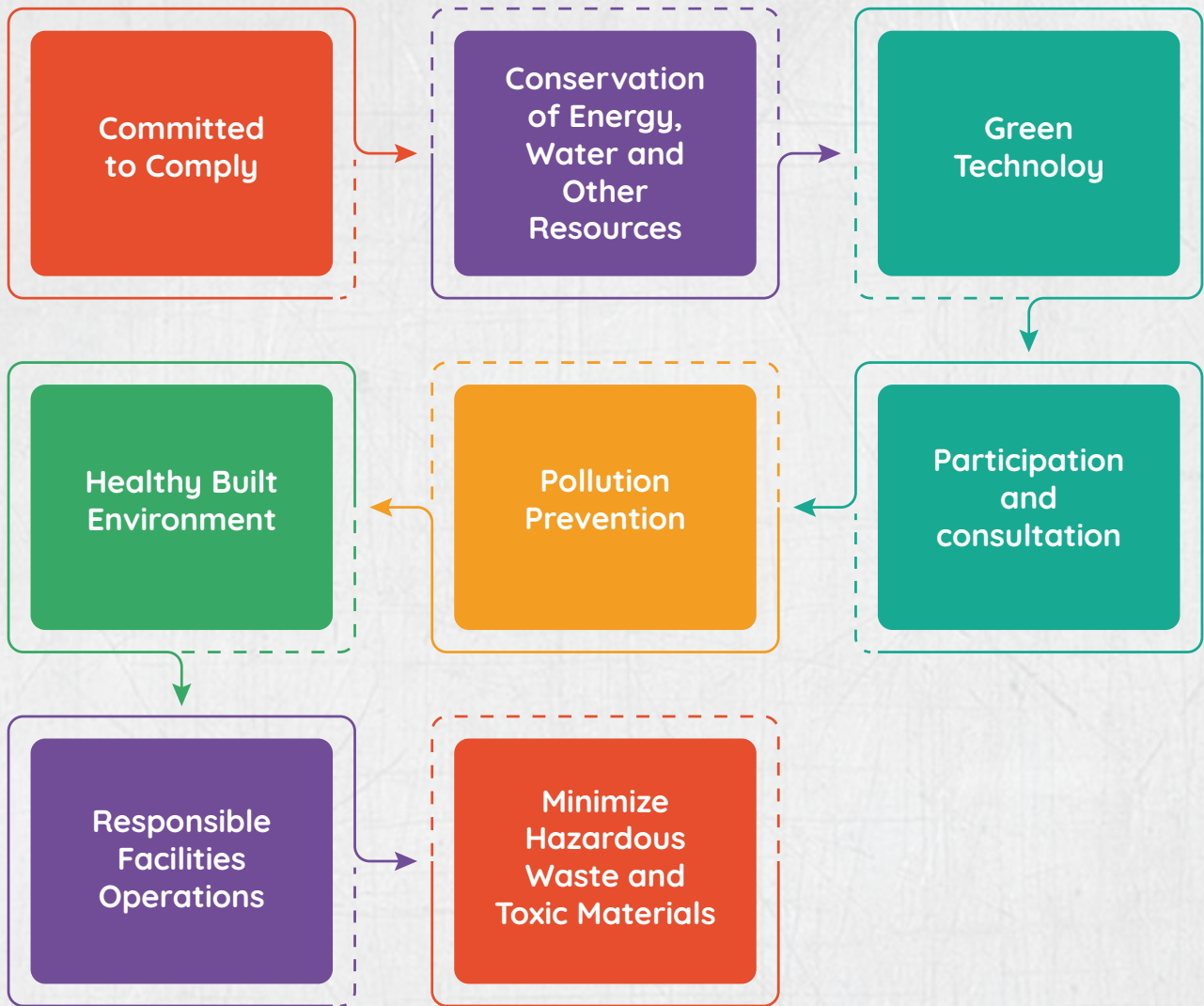
We endeavor to achieve excellence, innovation and performance in a sustainable manner. People and the environment are the industry's most important resources. Marico is embedding sustainability across its business, setting aggressive sustainability targets and investing in disruptive innovation all in service of driving company growth, delivering performance innovation for acting as a catalyst for change.



OUR AMBITION

- Demonstrate global leadership to proactively manage our environmental impact across all our activities and products.
 - Create positive societal impact and promote ethical behavior in all markets across our value chain.
-

Key Points of Sustainability in Manufacturing



OUR SOCIAL AND RELATIONSHIP CAPITAL

Living our Purpose

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

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

Marico commits 1% of its profits towards social responsibility (CSR) and corporate citizenship programs and in the last year invested BDT 320 million in CSR initiatives.

SWAPNO PROGRAM—UNLEASHING THE POTENTIAL OF ULTRA-POOR WOMEN

Marico continued its partnership with the United Nations Development Program (UNDP) and the Govt to deliver the SWAPNO program which targets ultra-poor women-led households. The program is a best-in-class poverty graduation model and Marico is the first private sector partner to undertake such a programmatic approach to poverty alleviation along-side the government and UNDP. SWAPNO focuses on creating productive employment opportunities for its beneficiaries (rather than being merely a safety net programme), aiming at more sustainable poverty-alleviation results.

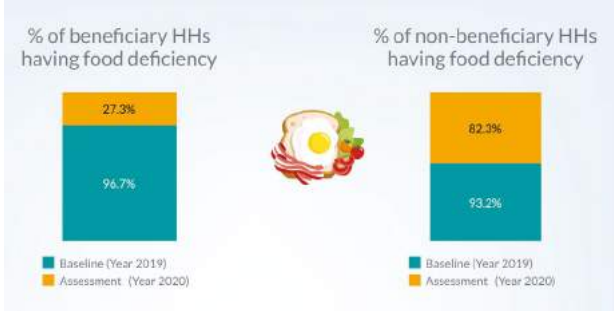
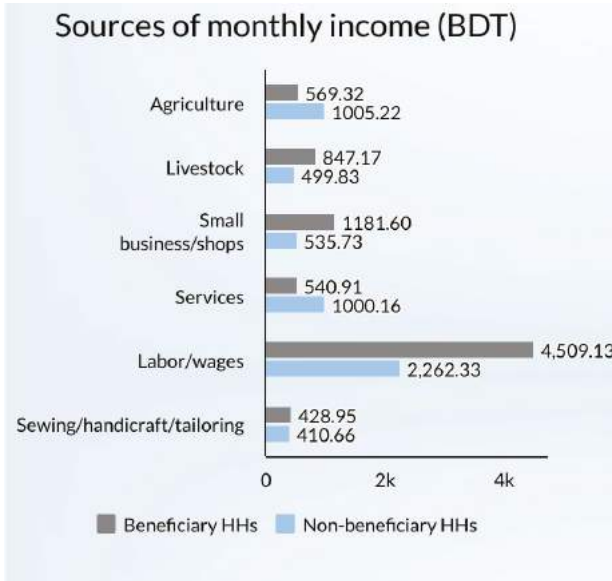
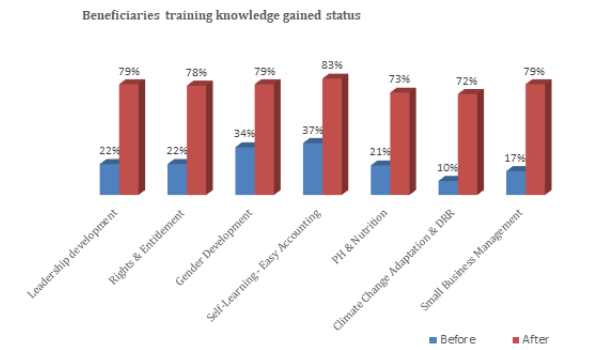
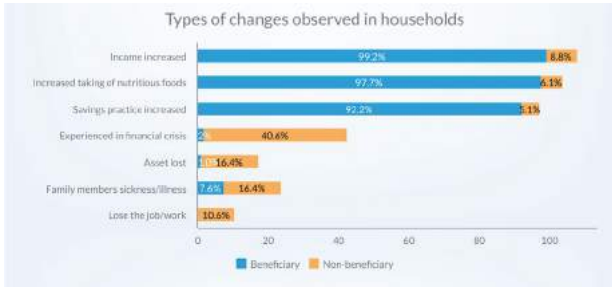
At the same time the program focuses on non-financial and “quality of life” improvement of women including nutrition, financial inclusion, social awareness/education, personal safety/safety from violence, among others.

Since inception the SWAPNO program which has enabled 12,000 beneficiary households to graduate out of poverty and have sustainable livelihoods. In the year 2020, another 3564 female-led households were enrolled in the program. The following infographics highlight the impacts of our program:

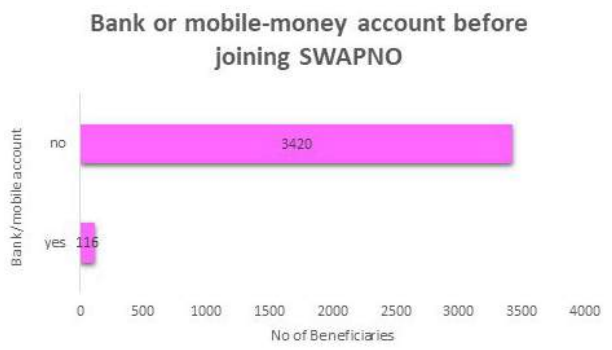


Income Generating Activities by SWAPNO women

Financial Impact **Non-Financial Impact**



95%
respondent claimed (beneficiary & non-beneficiary) they didn't face any violence in last 1 year



Corporate citizenship at Marico

During the COVID period, in addition to our flagship CSR Program-SWAPNO, we devoted our efforts towards business to supporting national efforts and frontline workers. Marico was awarded as TOP CSR CONTRIBUTOR 2020 in the FMCG sector by Social Responsibility Asia basis a study they conducted on CSR practices in Bangladesh during covid period.

Supporting National Efforts: Contribution of BDT 5 million to Prime Minister's Welfare Fund

In order to support the government's efforts in the fight against Covid-19, Marico Bangladesh contributed BDT 5 million to Prime Minister's Relief and Welfare Fund.



With Dr. Ahmad Kaikus, Principal Secretary to the Prime Minister



Brands with a Purpose: Profit Pledge of Mediker Hand-Sanitizer and Hand-Wash

At a time when sales of personal hygiene products were at an all time high, Marico decided to launch its Mediker Hand-Sanitizer and Hand-washes with discounted prices and a profit pledge. All profits from the first 6 months (April to September) sales of Mediker hygiene products would be contributed to the Prime Minister's Welfare Fund to support COVID recovery efforts.

Community Sustenance: Food program for 5000 families in Gazipur

During the initial period of the pandemic Gazipur was one of the most severely COVID affected areas. Marico has both its manufacturing facilities in Gazipur and closely engages with surrounding communities. During the pandemic, to ensure sustenance of low-income families, Marico with the operational support of FBCCI, conducted a month-long food relief program to 5000 families in Gazipur.



Frontline support: Media personnel, the forgotten heroes

Media personnel were risking their lives and were at the frontline during the pandemic to bring us updated news, critical awareness information. Marico provided hand sanitizers to media houses and also contributed to Dhaka Reporters Unity to provide support to media workers whose livelihoods or health have been impacted due to COVID.

STATUTORY REPORTS

GROWING THROUGH GOOD GOVERNANCE



DIRECTORS' REPORT

A message to our Shareholders

The Board of Directors ('the Board') of Marico Bangladesh Limited is proud to present to you the 11th Annual Report of the Company after being listed on the Dhaka & Chittagong stock exchanges.

The Board is submitting this Directors' Report, along with the audited financial statements of the Company for

the year ended 31 March 2021, and the Auditors' Report thereon, prepared in compliance with the requirements of Section 184 of the Companies Act 1994 and the Corporate Governance Code 2018 for your valued consideration, approval and adoption. The key financial results and other events taking place during period of April 2020 to March 2021 is discussed in this report.

Financial performance

BDT in Crore	FY 21	% of Revenue	FY 20	% of Revenue'	Growth %
Revenue	1,131	-	980	-	15.4%
Cost of sales	(464)	41.0%	(413)	42.2%	12.2%
Gross profit	667	59.0%	566	57.8%	17.7%
General and administrative exp	(109)	9.6%	(96)	9.8%	13.8%
Mkt, selling and distribution exp	(136)	12.0%	(115)	11.7%	18.3%
Operating profit	428	37.9%	357	36.4%	20.1%
Net finance income	13	1.2%	19	2.0%	-32.5%
Profit before con. to WPPF	442	39.0%	376	38.4%	17.4%
Contribution to WPPF	(22)	2.0%	(19)	1.9%	17.4%
Profit before tax	419	37.1%	357	36.5%	17.4%
Income tax expenses	(109)	9.6%	(93)	9.5%	17.3%
Profit for the year	311	27.5%	265	27.0%	17.5%
Earnings per share (EPS)	98.7		84.0		17.5%

PRINCIPAL BUSINESS ACTIVITIES OF COMPANY

Manufacturing and marketing of fast-moving consumer goods ('FMCG') continued to remain the core business activities of Marico Bangladesh Limited. The Company is the manufacturer and marketer of renowned brands such as Parachute, Parachute Advansed, Just For Baby, Nihar, Parachute SkinPure, Mediker SafeLife, Saffola Active, Studio X, Hair Code and Livon. The Company continued diversification of its portfolio with new product and brand launches in the hygiene, hair care, baby care and food category. The Company launched its international hygiene brand Mediker SafeLife this year with a range of products. Marico's portfolio of winning brands are well-placed to become prominent players in the market and further the growth story.

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY

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

which are aspirational and typically sold/traded rapidly in the market. Cost of goods sold is favorable compared to other industries. In the last year Bangladesh recorded 5.2% GDP growth which was the highest in South Asia, Asian Development Bank figures show, and this trend is expected to continue. Private consumption, the main engine of growth, is leading the covid recovery phase with Bangladesh's per capita income growing by 9% to \$2,227 and will be supported by normalising activity, moderate inflation and rising garment exports. With a population of around 167 million and with a healthy economic outlook for 2021 the FMCG industry is also poised for significant growth. The industry dynamics are also rapidly evolving with higher exposure to global social media, the expansion of modern retail outlets and the growth of e-commerce.

Bangladesh is projected to be one of the top 3 fastest growing economies by 2050 and grow its GDP by 6.8% in 2021. Global forecasts predict that emerging markets will continue to provide the fastest growth opportunity for

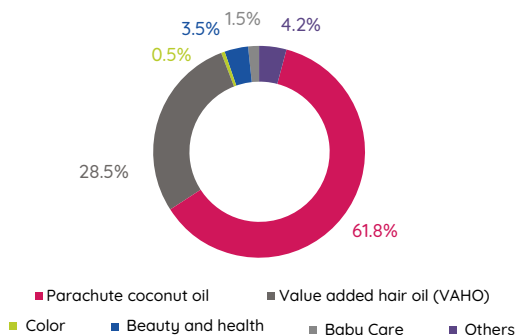
the FMCG industry. A growing middleclass and millennial population will dictate consumer preferences and shifts in product offerings and market behavior. Some factors such as rise in income accompanied by preference for aspirational personal care products, growth in rural consumption, availability of raw materials & low labor cost may make Bangladesh a favorable investment destination for new FMCG entrants or may witness further investment by existing players.

SEGMENT-WISE PERFORMANCE

During the year ended 31 March 2021, the company continued its drive for portfolio diversification with new launches in hygiene, hair care, baby care and food categories. During the pandemic in Bangladesh, the Company launched its international Mediker SafeLife range of hand-sanitizer and hand-washes to address critical consumer needs. The Company thereafter also launched Parachute Naturale shampoos, rash creams and face creams for babies and Saffola 100% pure honey. The new introductions are an indication of our consumer-centricity and efforts to play in the markets with a right to win for Marico. Given the human capital and intellectual capital of the Company, it is also foraying into traditionally red-ocean markets as well with an aspiration to grow and succeed. In FY 21 the Company's household penetration stood at 87%.

Marico posted BDT 1,131 cr total revenue for the year ended 31 March 2021 with 15.4% growth compared to last year. The growth was driven by PCNO, VAHO, Beauty & Health and Baby Care segments. Over the years the Company has made a significant shift in the volume and value mix of its portfolio to lower dependence on the branded coconut oil segment. Contribution of other segments in volume & value mix increased as strong initiatives have been taken to strengthen the non-coconut oil market share as well as maintaining the leadership in the coconut oil category with stable growth. The segment performance of is set out in Note 5 to the financial statements and represented in the below chart:

Segment-Wise Revenue Contribution



RISKS AND CONCERNS

The Board regularly monitors, assesses and identifies potential risks, threats to sustainability and profitability and negative impact on environment. The Company adheres to an Enterprise Risk Management (ERM) framework which the Board reviews at regular intervals and also assesses litigation, regulatory and fraud risks. Details of Risks and concerns including internal and external risk factors are discussed in the 'Enterprise Risk Management' section on page 114 in this Annual Report.

SPECIAL NOTE ON RISKS AND CONCERNS

In the year under review, the Covid-19 global pandemic was prevalent globally and also impacted Bangladesh with the first wave necessitating a government mandated lockdown for almost 6 months. The surge in infections and consequent movement restrictions resulted in disruptions to global and local supply chains across industries. This unprecedented crisis presented several new risks and concerns which was quickly incorporated and addressed under the ERM framework for the short-term given reasonable epidemiological predictions about the duration of the pandemic. The agile implementation of contingency plans and prioritizing health, safety and medical support for our members and extended workforce ensured none to minimal impact on business operations. As a manufacturer of essential products, regulatory permissions and close liaison with industry bodies were ensured to implement standard protocols for safety and business continuity. The Board and management is of the view that the continuation of the pandemic and predicted future waves do not pose any threat to the continuation or sustainability of the business or product lines.

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

Cost of Sales:

Revenue for the year ended 31 March 2021 increased by 15.4% and Cost of Sales increased 12.2% compared to last year. The increase in costs due to covid related measures and increase in raw material prices contributed to the increase in cost of sales.

Gross Profit

Gross profit for the year ended 31 March 2021 increased by 17.7% compared to last year. Strong volume growth of the core portfolio supplemented by the launch of new products and efficient management of costs contributed to the profit growth.

Net Profit

Net profit for the year ended 31 March 2021 was 27.5% in FY'21 compared to 27% in FY'20. Net Profit increased by 17.5% compared to LY in absolute term. Higher revenue growth and efficient cost management resulted in the growth of net profit.

*Year ended on 31 March 2021 and figures in BDT Cr

BDT in Crore	2021	2020	Growth % (2021 Vs 2020)
Revenue	1,131	980	15.4%
Cost of sales	(464)	(413)	12.2%
Gross profit	667	566	17.7%
Other income	6	1	548.1%
General and administrative exp	(109)	(96)	13.8%
Mkt, selling and distribution exp	(136)	(115)	18.3%
Other expense	(0)	(0)	-62.2%
Operating profit	428	357	20.1%
Finance income	15	24	-37.7%
Finance costs	(2)	(5)	-59.3%
Net finance income	13	19	-32.5%
Profit before con. to WPPF	442	376	17.4%
Contribution to WPPF	(22)	(19)	17.4%
Profit before tax	419	357	17.4%
Income tax expenses	(109)	(93)	17.3%
Profit for the year	311	265	17.5%

EXTRAORDINARY ACTIVITIES DURING THE YEAR

At the same time in October 2020, pursuant to approval of the Board, the Company declared its plan to invest BDT 227 cr to set up its 3rd manufacturing unit at Bangabandhu Shilpanagar within the Mirsarai special economic zone (SEZ). The Company filed its application and investment proposal with the Bangladesh Economic Zones Authority (BEZA) for their approval and allocation of a plot.

RELATED PARTY TRANSACTION

In the year FY'21, the Company had related party transactions with its parent company, Marico Limited, India and Marico Middle East FZE, Marico Southeast Asia,

associated companies and subsidiaries of the parent company. The value of the transactions with Marico Middle East for the purchase of raw materials exceeds the 1% of the revenue of the preceding financial year, i.e. FY'20. Note 27 of the financial statements include, details of the transactions with the related parties. The approval of shareholders regarding related party transactions in FY'21 will be sought at the 21st Annual General Meeting in accordance with BSEC notification no. BSEC/CMRRC/2009-193/2/Admin/103 dated 5 February 2020.

At the same time management also anticipates that related party transactions in FY'22 (2021-22) for the purchase or sale of raw material, packaging material and import of machineries may exceed the thresholds set out

in BSEC notification no. BSEC/CMRRCD/2009-193/10/ Admin/118 dated 22 March 2021 and as such will also seek the approval of shareholders at the 21st AGM in accordance with the Notification.

DIRECTORS' STATEMENT ON FINANCIAL REPORTING

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

- a. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b. Proper books of account of the issuer company have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements, and any departure therefrom has been adequately disclosed.
- e. There is no significant doubt upon the issuer company's ability to continue as a going concern
- f. There are no significant deviations from the last year's operating results. Key operating and financial data of the preceding five years have been summarized in the table below at page 95

INTERNAL CONTROLS

The system of internal control is sound in design and has been effectively implemented and monitored. The Board ensures that the control framework is commensurate with the size, scale and complexity of the business. The Audit Committee comprises of professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference. The signatory matrix is authorized by the Board in accordance with the Segregation of Duties to strictly ensure authorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. An extensive program of internal audits and management reviews supplement the process of internal

financial control framework. Documented policies, guidelines and procedures are in place for all critical business processes. The internal audit function monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the internal audit reports, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions proposed to remedy the observations are presented to the Audit Committee of the Board. In addition, the Company has identified and documented the key risks and controls for each process that has a relationship to the financial operations and reporting. At regular intervals, internal audit function tests identified key controls. The Company also has a robust compliance management framework to monitor and ensure legal & regulatory compliance. The said framework is also tested for adequacy and effectiveness to safeguard the company from any compliance risk. The Company has further automated internal controls through IT solutions and also has a robust information and cyber security framework to ensure the efficient functioning and safety of automated internal control framework.

MINORITY SHAREHOLDER PROTECTION

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

The Company has also formulated its Dividend Policy which was approved by the Board and published on the website of the Company to ensure easy access of all shareholders. The Dividend Distribution Policy is also presented in page 134 of this Report in accordance with BSEC Directive dated 14 January 2021. The Dividend Policy will enable shareholders to understand the internal and external factors pertaining to dividend declaration and payout. The Company ensures that critical information about the Company is available to all shareholders by duly circulating disclosures, price sensitive information and by uploading all such information at the Company's website under the Investors section. Detailed disclosures on material decisions and related party transactions are presented in this report for review and approval by shareholders at the annual general meeting.

KEY OPERATING AND FINANCIAL DATA OF PRECEDING FIVE YEARS

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

*Year ended on 31 March and figures in BDT million

Particulars	2021	2020	2019	2018	2017
Revenue	11,307	9,796	8,768	7,815	6,916
Cost of sales	(4,639)	(4,133)	(4,473)	(4,230)	(3,710)
Gross profit	6,668	5,663	4,295	3,585	3,206
Other income	63	1	1	6	2
General and admin expenditure	(1,087)	(956)	(787)	(757)	(700)
Mkt, selling and distribution expenditure	(1,358)	(1,148)	(774)	(580)	(538)
Other expense	(1)	(2)	-	-	(11)
Operating profit	4,285	3,567	2,735	2,254	1,959
Finance income	149	240	181	136	76
Finance cost	(19)	(46)	(23)	(28)	(7)
Net finance income	130	194	158	108	69
Profit before contribution to WPPF	4,415	3,761	2,893	2,362	2,028
Contribution to WPPF	(221)	(188)	(145)	(118)	(101)
Profit before tax	4,194	3,573	2,749	2,244	1,927
Income tax expense	(1,086)	(926)	(726)	(601)	(487)
Profit for the year	3,109	2,647	2,023	1,643	1,440

TOTAL EQUITY OF THE COMPANY

The equity capital comprised 31,500,000 equity shares of BDT 10 each, Share Premium of BDT 252,000,000 and Retained Earnings of BDT 1,069,572,396.

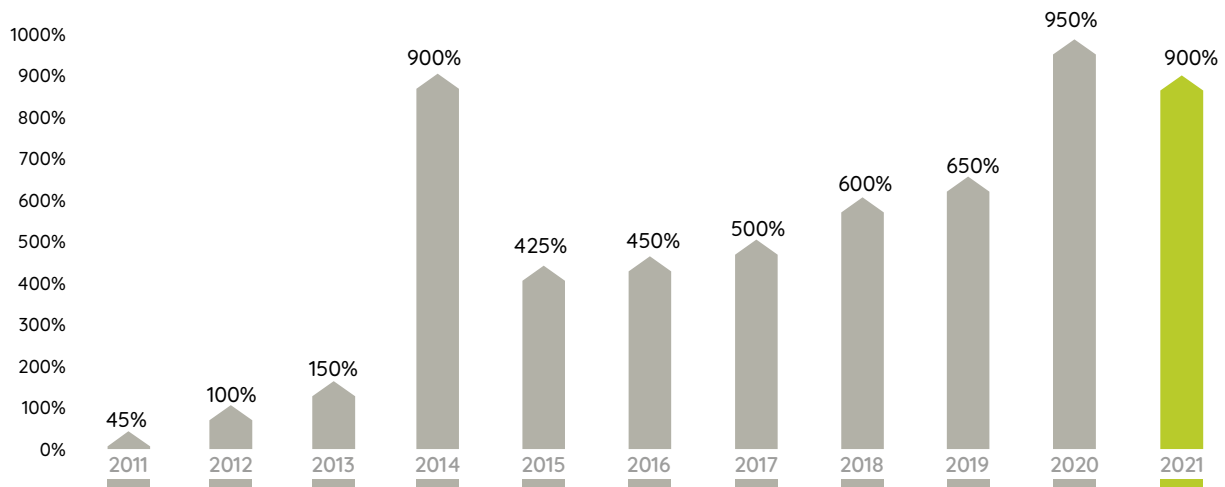
DISTRIBUTION OF EQUITY TO SHAREHOLDERS

Your Company's wealth distribution philosophy aims at sharing its prosperity with its shareholders. The upward trend reflects consistency in the Company's dividend disbursements over the years and commitment to

ensure that shareholders' value is maximized. At the same time, the Company has also considered your views and concerns of ensuring adequate reserves and exercising discretion in declaring dividend out of retained earnings, which is reflected in the dividend declaration for FY'21.

In FY'21, the Company declared interim cash dividends amounting to 700% and recommended a final dividend of 200% at the 114th Board Meeting held on April 27, 2021, totaling 900% cash dividend for FY 20-21 which is the second highest dividend declaration by the Company and proportionate to the business performance for the year.

Dividend Disbursement



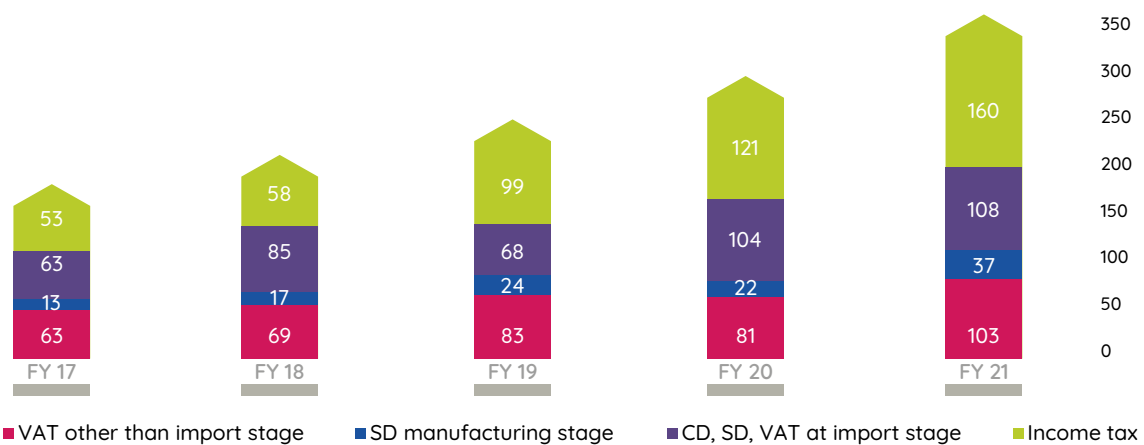
EVENTS SUBSEQUENT TO THE STATEMENT OF FINANCIAL POSITION

For the year ended 31st March 2021, the Board of Directors recommended final cash dividend @ 200% per share at the 114th Board meeting held on April 27, 2021. Apart from that, there are no other material events identified after year closing with the statement of financial position.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the reporting period, your company paid BDT 408 Crores to the National Exchequer on account of Corporate Income Tax, Customs Duties, Supplementary Duties and Value Added Tax (VAT).

Contribution to national exchequer



Details	2017	2018	2019	2020	2021
Total (BDT Crores)	191	228	274	327	408

BOARD OF DIRECTORS

As at 31 March 2021, the Board of Directors of the Company comprises 7 (Seven) members including 3 (three) Independent Directors. During the year under review the Board comprised 9 (nine) members including 5 Independent Directors of whom two subsequently retired upon expiry of their terms. Names and profiles,

including the qualifications of each Director are stated in detail at the 'Directors' Profile' section on page 34-39 of this Annual Report.

BOARD OF DIRECTORS' MEETING AND ATTENDANCE

The number of Board meetings held during the year 2020-21 and attendance of Directors is presented below:

Names	Representation in the Board	Number of Board Meetings		Attendance at Last AGM
		Held	Attended	
Saugata Gupta	Chairman- Nominee Director		6	Yes
Ashish Goupal	Managing Director- Executive Director		6	Yes
Masud Khan	Independent Director		3	Yes
Rokia Afzal	Independent Director		3	Yes
Parveen Mahmud	Independent Director	6	3	No
Zakir Ahmad Khan	Independent Director		3	No
Ashraful Hadi	Independent Director		6	Yes
Pawan Agrawal	Nominee Director		4	No
Sanjay Mishra	Nominee Director		6	Yes
Vivek Karve	Nominee Director		2	Yes

Ms. Parveen Mahmud, Mr. Zakir Ahmad Khan and Mr. Pawan Agrawal were appointed to the Board at its 110th Meeting on 31 August 2020. Mr. Masud Khan, Ms. Rokia Afzal Rahman and Mr. Vivek Karve retired from the Board of Directors during the year under review.

PATTERN OF SHAREHOLDING

The shareholding pattern of the Company as on March 31, 2021 is presented in the "Stock Performance" presented at page 29 of this Annual Report.

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

Mr. Sanjay Mishra, non-executive/nominee Director will retire from office by rotation at the 21st Annual General Meeting (AGM) and, being eligible, offers himself for re-election in accordance with Section 91 of the Companies Act and Article 99 of the Articles of Association of the Company. The profile of Mr. Sanjay Mishra and his other directorships are stated in detail in pages 34-39 of this Report.

Ms. Parveen Mahmud, Mr. Zakir Ahmad Khan and Mr. Pawan Agrawal were appointed to the Board at its 110th Meeting on 31 August 2020. The appointments will be placed before the shareholders for their approval at the 21st AGM of the Company. The profiles of the Ms. Mahmud, Mr. Khan and Mr. Agrawal and other board representations/directorships are stated in detail in pages 34-39 of this Report.

REMUNERATION OF DIRECTORS

The amount of total remuneration paid to Directors including Independent Directors has been presented at Note: 27.2 in the Notes to the financial statements.

CODE OF CONDUCT

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management Discussion and Analysis has been duly signed by the Managing Director/Chief Executive Officer (CEO) of the Company and is presented at page 99-102 of this Annual Report.

CERTIFICATE BY CEO AND CFO

The Managing Director/CEO and Chief Financial Officer/CFO of the Company certifies the financial reports presented in this report. The Certificate of the CEO and CFO has been presented on page 117 of this Annual Report.

REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE

A Certificate of Compliance as provided by M/s. Al-Muqtadir Associates, Chartered Secretaries, has been presented at page 118 of this Annual Report. Furthermore, Status of Compliance as per the Code has been presented at page 119-131 of this Annual Report.

SHAREHOLDING INFORMATION

The distribution of shareholding and market value of shares are presented in the Stock Performance section at pages 132 respectively

STATUTORY AUDITORS

Rahman Rahman Huq (RRH), member firm of KPMG International will be completing their 3 (three) years of Audit for the Company at the 21st Annual General Meeting (AGM) of the Company. In this context and pursuant to Condition No. 2(2) of the Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 prohibiting the appointment of the same firm of chartered accountants as statutory auditors for more than a consecutive period of 3(three) years, the Management has proposed to the general body to approve the appointment of A. Qasem & Co. as statutory auditors in accordance with Section 210 of the Companies Act 1994 to hold office from the conclusion of the 21st AGM until the next AGM at a consolidated fee of BDT 16,25,000 including Statutory Audit Fee, year-end review of group pack and group reporting, quarterly review of group pack and group reporting (of all 3 quarters), quarterly full-scope audit (of all 3 quarters) and all other relevant matters incidental thereto.

OTHER REGULATORY DISCLOSURES

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

- There was no extraordinary gain or loss during the financial year
- The Company's Initial Public Offering (IPO) was in the year 2009. No further issue of any instrument was made during the year
- There is no significant variance between the quarterly financial performance and annual financial statements
- The Company has delivered outstanding performance in the last financial year vs agreed operating plan and the financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity
- Proper books of account of the Company have been maintained
- No bonus or stock dividend has been declared as interim dividend during the year

ACKNOWLEDGEMENT

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

On behalf of the Board

Saugata Gupta

Chairman of the Board

MANAGEMENT DISCUSSION AND ANALYSIS

The last year has seen outstanding business performance with milestone profitability and dividend payment. This performance was driven by growth of the core categories, launch of new products, augmenting distribution fundamentals and accelerated capability development.

At a full year Level, MBL has registered an 15.4% revenue growth with a volume growth of 12.7% (base business volume excluding export). Marico maintained its leadership in the coconut oil (CNO) category with a 6.7% volume growth while the value-added hair oils

(VAHO) category grew by 16.8% at a full year level. The VAHO growth has been mainly driven by Beliphool, Parachute Advansed Extra Care & Parachute Aloe Vera and has been further boosted by new launches--Nihar Naturals 5 Seeds Hair Oil and Nihar Naturals Lovely. The product portfolio has seen rapid diversification with the successful launch of a complete hygiene range under Mediker SafeLife comprising hand-sanitizer, hand-wash and veggie wash. The baby care portfolio was also bolstered with the launch of baby toothpaste, baby face cream and baby rash cream. The Company also launched Parachute Naturale range of shampoos and Saffola Active Honey.

Revenue

The category wise revenue is as follows:

Category	FY'21	FY'20	FY'21	FY'20
	BDT Crs		Contribution of total revenue	
CNO	699	636	61.8%	65.0%
VAHO	322	262	28.5%	26.8%
Colours	6	6	0.5%	0.6%
Beauty & Health	39	14	3.5%	1.5%
Baby Care	17	9	1.5%	0.9%
Others	48	51	4.2%	5.2%
Total	1,131	980	100%	100%

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

Gross Margin

For FY'21, MBL has reported gross profit of 59.0% which is 1.2% higher than FY'20. Strong volume growth is the key contributor of such growth. Gross profit in absolute terms has grown by 17.7% compared to LY.

Marketing, Selling & Distribution exp

For FY'21, Marketing, selling and distribution expense as a percentage of revenue has increased by 0.3% (12.0% in FY21 vs 11.7% in FY20) compared to LY- which in absolute terms translated to an increase of 18.3%. The increase in expenditure is primarily attributable to both media and non-media expenses wherein higher investments were made for advertising and promotion of the brands.

Spends were focused on new launches and to build the non-coconut oil portfolio of the business.

General & Administration Exp

Expense as percentage to topline stood at 9.6% which is a slight reduction from last year. For FY'21, General and Admin exp. increased by 13.8% in absolute terms owing to new sales office rental, salary increment, higher CSR contributions, covid mitigation related expenses etc.

Profit after Tax

Profit after Tax at a full year level grew by 17.5%. The Company reported a net profits of 27.5% in FY'21 compared to 27% in LY.

Statement on Corporate Governance Conditions

a. Accounting policies and estimation for preparation of financial statements

The incumbent financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Standards and the Companies Act 1994 following the accounting policies and estimations as relevant. The Company also complied with the requirements of Bangladesh Securities and Exchange Rules 1987 and regulations from various Government bodies. The Company has consistently applied various accounting policies and estimations to all periods presented in these financial statements. The integral

parts of the financial statements for the year ended 31 March 2021 with relevant accounting policies and estimations have been set out in Note 43. Any revision to the accounting policies is being applied retrospectively to all the previous years and change to any financial estimation is being reflected prospectively.

b. Changes in accounting policies and estimation

The financial statements of Marico Bangladesh Limited for the year ended 31 March 2021 have been prepared having no change in accounting policy and/or estimation. Company's financial statements have been prepared in accordance with International Financial Reporting Standards IFRS. There have been no significant changes in the accounting policies applied to the financial statements.

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

FY	2021	2020	2019	2018	2017
Turnover	1,131	980	877	781	692
Gross Profit	667	566	430	359	321
Net Profit	311	265	202	164	144
EPS	98.69	84.01	64.23	52.15	45.72
Net Asset	164	139	130	149	158
Cash & Cash equivalent	40	42	38	28	17
Cash flow movement (BDT Cr.)	2021	2020	2019	2018	2017
Cash generated from operating activities	421	361	361	199	235
Income tax paid	(107)	(77)	(64)	(58)	(53)
Interest paid	(0.2)	(2)	(1)	-	-
Interest received	17	18	16	13	8
Net cash flow generated from or (used in) operating activities	330	301	267	154	190
Net cash flow generated from or (used in) investing activities	68	42	(89)	(1)	(64)
Net cash flow generated from or (used in) financing activities	(265)	(340)	(168)	(143)	(157)
Net increase (decrease) in cash & cash equivalent	(2)	4	10	10	(31)
Opening cash & cash equivalent	42	38	28	17	48
Closing cash & cash equivalent	40	42	38	27	17

The Company has been enjoying a persistent growth in yearly turnover during the tenure of five years from 2017 to 2021 under analysis. The company has reported a revenue growth of 15.4% and net profit growth 17.5% compared to previous year. The Company has also reported EPS growth of 17.5% as compared to last year.

d. Industry Scenario

The peer companies within the FMCG industry includes Unilever Bangladesh, SQUARE Toiletries Limited, Hemas Bangladesh, Moushumi Industries, Dabur Bangladesh, Emami Bangladesh, Reckitt Benckiser among others. However only Reckitt Benckiser Bangladesh Limited (RB) is listed with the stock exchanges among peer companies to enable an industry benchmarking. RB reported a turnover growth of 29.27% and profit growth of 19.32% as reported in their latest annual financial statements for the year ended 31 December 2020.

Particulars	Reckitt Benckiser Bangladesh LTD		Marico Bangladesh Ltd.	
	for the period ending		for the period ending	
(BDT in Crore)	31-Dec-20	31-Dec-19	31-Mar-21	31-Mar-20
Turnover	533	413	1,131	980
Gross profit	302	225	667	566
Net Profit	74	62	311	265
Cash & Cash Equivalent	178	134	40	42
EPS	156.38	131.06	98.69	84.01

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

World Bank reports that the global economy is poised to stage its most robust post-recession recovery in 80 years in 2021. But the rebound is expected to be uneven across countries, as major economies look set to register strong growth even as many developing economies lag. Global growth is expected to accelerate to 5.6% this year, largely on the strength in major economies such as the United States and China. Growth among emerging market and developing economies is expected to accelerate to 6% this year, helped by increased external demand and higher commodity prices. However, the recovery of many countries is constrained by resurgences of COVID-19, uneven vaccination, and a partial withdrawal of government economic support measures.

However, improved trade balance combined with growth in remittance and FDI have lifted the forex reserves to an all-time high, tax revenue collection has improved, and financial inclusion has accelerated using mobile financial services for disbursement of relief packages. We have seen FDI pouring into the automobile and electronics and various manufacturing sectors. Reforms are also being made to the capital markets. Bangladesh has commenced vaccine roll-outs and is aiming to have the most vulnerable group of citizens vaccinated within 2021. All of this signals a steady recovery and robust economic growth post-covid.

f. Risks and concerns

The financial statements have been prepared for the year ended 31st March 2021. In order to manage operational and sourcing risks arising from the covid-19 pandemic the Company triggered comprehensive business contingency plans and the strict implementation of health & safety protocols. Finance risks are addressed with secured contracts and buyer financing arrangements as well as foreign exchange hedging policies. Having strong internal control systems, management has ensured good governance and footprint of Marico Business in Bangladesh. The Company has a formalized risk management framework and process under the governance and supervision of the Audit Committee.

We perceive that proactive management of these risks is of fundamental significance to ensure our business growth. We regularly identify functional and entity level risks and do extensive reviews to ensure the risks are rightly identified and proper mitigation plans are in place for the same. The entity level risks for the business have been discussed in detail under section of "Enterprise Risk Management Framework" at page 114 Of this report.

Future Outlook

The government and Asian Development Bank have declared an optimistic GDP growth outlook for FY'22. With the roll-out of vaccination programs and gradual

re-opening of borders the global economy is expected to rebound albeit sluggishly. It is expected that the covid-19 crisis will have lasting impacts on organization work-structures, consumer buying habits, channel mix and supply chains. Daily new cases in Bangladesh have been on a declining trend since June 2020 though some spike is expected due to the emergence of newer variants of the virus. We have reviewed our annual operating plans to account for the effects of the pandemic and are also reviewing our strategy from quarter to quarter to adjust to changes as they materialize.

Marico has declared and committed an investment of BDT 227 crore in to set up its 3rd manufacturing unit at Bangabandhu Shilpanagar in the Mirsarai special economic zone (SEZ). The unit will cater to the Company's hair oil production as well as inventory for raw and packaging material. The enhanced capacity and strategic location will enable Marico to better serve its consumers all over Bangladesh. The Company also plans to expand its export operations. It is expected that the unit will go into commercial operations in mid-2022. The investment and construction of the unit will be financed out of the reserves of the Company and there is no plan to avail external financing unless the terms and rates are feasible.

While liquidity is not a challenge for the business but managing costs is going to be a priority for the next year. It is expected that focus on hygiene will remain top of mind for consumers, but beauty and health products will also witness demand with the growth in per capita

income and the consumer aspirations for a return to normalcy. Marico has already entered in the hygiene category with its Mediker SafeLife range of products and launched Saffola Active Honey to address the consumer need for immunity aids. The Company is also expanding its baby care, hair care, skin care and male grooming ranges. It will also be important to establish and reinforce trust from consumers with core categories and maintain a balanced portfolio of consumer essentials. This crisis also presents opportunities to leverage the benefits of a digital business ecosystem with more digital payments and use of technology tools for process simplification and better service to trade. At the same time flexible working patterns will enable a more balanced work-life culture which would motivate and fulfil employees.

Retaining trust and relevance in core categories and portfolio expansion into the identified categories of the future remains one of the key pillars of Marico's long-term strategy. At the same time with our distribution strength, we will endeavor to ensure continuous availability of stock across channels and flexibility in our supply chain. Despite this covid-19 crisis we believe by exhibiting a higher degree of agility and nimbler decision-making we will be able to stay ahead of the curve and continue to expand the consumer franchise.



Ashish Goupal
Managing Director

AUDIT COMMITTEE REPORT

The Audit Committee (“the Committee”) is a sub-committee of the Board which is appointed by and responsible to the Board of Directors of the Company according to the conditions of the “Code of Corporate Governance” of the Bangladesh Securities and Exchange Commission dated June 03, 2018 (“the Code”). This report is presented in accordance with the Code which sets out the role of the Committee and the functions carried out during the year ended March 31, 2021 (“the year under review”).

The Committee is a central pillar of effective corporate governance and fulfills its oversight responsibilities mandated by law and its Charter approved by the Board. The Committee plays a critical role in enhancing audit quality, assurance in the integrity of financial reporting and creating an environment that promotes transparency. The Committee’s primary responsibilities are:

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

The Audit Committee through its independent oversight of the Company’s financial reporting, non-financial corporate disclosures assists the Management with driving internal controls to eliminate or mitigate business risks, ensuring high standards of behavior and conducting the business in a financially sound manner. The Committee met four times last year. During the year under review, all recommendations made by the Committee were accepted by the Board.

Composition and Meetings

The Committee presently comprises of 5 Members of whom 3 are Independent Directors and other 2 are Non-Executive Directors. The Chairman of the Committee is an Independent Director. Mr. Masud Khan acted as Chair of the Committee till 22 September 2020. Thereafter Ms. Parveen Mahmud was appointed Chair. The Managing Director is a permanent invitee to the Committee. The Company Secretary functions as the Secretary to the Committee. The meetings of the Committee are also attended by the Chief Financial Officer, Head of Internal Audit and External Auditors on invitation. All Committee Members are financially literate and able to interpret financial statements and assess the adequacy of the internal control processes.

Names	Representation in the Board	Representation in the Committee	Number of Meetings of the Committee during FY 21	
			Held	Attended
Mr. Masud Khan (till 22 September 2020)	Independent Director	Chairman		1
Ms. Rokia Afzal Rahman (till 22 September 2020)	Independent Director	Member		1
Mr. Ashraful Hadi	Independent Director	Member		3
Ms. Parveen Mahmud (from 22 September 2020)	Independent Director	Chairperson	4	3
Ms. Zakir Ahmad Khan (from 22 September 2020)	Independent Director	Member		2
Mr. Sanjay Mishra	Nominee Director	Member		4
Mr. Pawan Agrawal (From 10 September 2020)	Nominee Director	Member		3
Mr. Vivek Karve (till 10 September 2020)	Nominee Director	Member		1

Responsibilities and Duties

Financial Reporting

- To review the quarterly, half-yearly and annual financial statements of the Company along with management representatives, focusing particularly on any significant changes to accounting policies and practices before submission to the Board for approval, reviewing company's performance year-on-year and quarter-on-quarter, announcements relating to the Company's financial performance and compliance with applicable financial reporting standards and other legal and regulatory requirements;

Related Party Transactions

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

Audit Reports

- To prepare the annual Committee report and submit to the Board, which includes summary of its activities and review the Board's statements on compliance with the BSEC Codes of Corporate Governance for inclusion in the Annual Report.
- To review the Charter of the Committee and make necessary revisions for the year. The Committee affirms that all responsibilities outlined in the charter have been carried out. In addition, the charter is reviewed, and proposed updates presented to the Board for approval. As adherence to best practices, evaluation of Committee activities is carried out, which is a key tool in achieving and maintaining a high degree of effectiveness.

Internal Control

- To evaluate the Company's internal financial controls and risk management framework commensurate with the size, scale and complexity of its operations. The Committee reviews whether Management is adhering to the appropriate compliance culture by communicating the importance of internal controls and risk management to ensure that all members have a clear understanding of their respective roles and responsibilities
- To consider whether internal control strategies recommended by internal and external auditors have been implemented in a timely manner by the management thereby ensuring that the system of internal control is soundly embedded, effectively administered and regularly monitored.

- To recommend to the Board steps to improve the system of internal control derived by the Committee from the findings of the internal and external auditors.
- To review the extent of unit compliance including with internal policies, standards and procedures and the Company's Code of Conduct.
- Review the arrangements made by the Management for developing and maintaining a suitable and robust Management Information Systems (MIS).
- To review adequacy of systems and processes for monitoring legal and regulatory compliance to safeguard against legal and reputational risk

Internal Audit

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

External Audit

- To recommend to the Board, for it to place before the Shareholders for their approval, the appointment of the external auditor of the Company and to approve their remuneration and terms of engagement.
- To appraise the external auditor's audit plan, nature and scope of the audit plan, audit report and evaluation of internal controls.
- To oversee the relationship with the external auditors including:
 - Assessing their independence and objectivity taking into account relevant professional and

regulatory requirements and assisting them in preserving their independence;

- Develop and implement policy on their engagement to provide non-audit services.
- To review their statement on Risk Management and Internal Control of the Company for inclusion in the Annual Report.
- To review their findings and recommendations arising from the audits, to ensure that appropriate action is being taken.

Major Activities During The Year

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

- Reviewed the quarterly, half yearly and annual financial statements of the Company, considered the financial and business performance of the Company and the relevant announcements to the Securities & Exchange Commission, Stock Exchanges by the Board of Directors
- Ensured that the preparation, presentation and submission of financial statements have been made in accordance with the prevailing laws, standards and regulations by assessing the external auditors report on all critical accounting policies, significant judgment and practices used by the Company in producing the financial statements
- Enhanced good practices in financial reporting and reviewed related party transactions for foreign remittance
- Noted conflict of interest declarations and recorded the same
- Reviewed the annual audit plans and effectiveness of the audit process and the Internal Audit reports which encompassed the audit issues, audit recommendations and Management’s responses to these recommendations
- Discussed with management about the improvement actions in the area of internal controls, systems and efficiency enhancements including the automation opportunities and progress with regard to the

Internal Financial Control Framework

- Reviewed the external auditors’ findings of observation, areas of concern highlighted and the management’s response thereto and ensured that the external auditors remain independent and that appropriate action is being taken on time
- Reviewed the investments of the Company i.e. FDR, CAPEX etc.
- Approved the Dividend Distribution Policy of the Company and reviewed the functioning of treasury related policies
- Reviewed the contingent liability status of the Company and provisions against the same
- Reviewed the functioning of the Code of Conduct through a quarterly tracking and reporting mechanism implemented for this purpose
- Reviewed Litigation Update of the Company
- Reviewed the Past Meeting Decision Tracker and implementation status of the action points recommended by the Committee
- Reviewed the functioning of the Trust Funds authored by the Company and nominated management representatives to the Trusteeships
- Reviewed the legal & regulatory updates material to corporate governance and the operations of the business

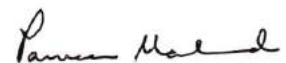
The Committee is of the opinion that adequate controls, procedures, risk management and compliance monitoring systems are in place to provide reasonable assurance that the Company’s assets are safeguarded and that the financial position of the Company is satisfactorily managed.

The minutes of the Committee meetings were placed subsequently before the Board for its approval, on a regular basis, which contained all issues along with various suggestions and recommendations to the Management and the Board.

On behalf of the Committee,



Masud Khan
Chairman



Parveen Mahmud
Chairperson

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee (“the Committee”) is a sub-committee of the Board which is independent but appointed by and accountable to the Board of Directors of the Company and to the shareholders according to the conditions of the “Corporate Governance Code, 2018” of the Bangladesh

Securities and Exchange Commission dated June 03, 2018 (“the Code”). This report is presented in accordance with the Code which sets out the role of the Committee and the functions carried out during the year ended March 31, 2021 (“the year under review”).

Composition and Meetings

The Committee as at 31 March 2021, comprises of 3 (Three) permanent members and 2 (Two) advisory (non-voting) Members. The Chairman of the Board, who is also a non-executive director, is a permanent invitee to the Committee. The Chairman of the Committee is an Independent Director. Ms. Rokia Afzal Rahman acted as

Chairperson of the Committee till 22 September 2020. Subsequent to her retiring from the Board, Mr. Zakir Ahmad Khan was appointed Chairman of the Committee from 22 September 2020. The Company Secretary functions as the Secretary to the Committee. All permanent members of the Committee are non-executive directors.

Names	Representation in the Board	Representation in the Committee	Number of Meetings of the Committee during FY21*	
			Held	Attended
Ms. Rokia Afzal Rahman (till 22 September 2020)	Independent Director	Chairman		2
Mr. Zakir Ahmad Khan (till 22 September 2020)	Independent Director	Chairman		2
Mr. Sanjay Mishra	Nominee Director	Permanent member		4
Mr. Vivek Karve (till 10 September 2020)	Nominee Director	Permanent member	4	2
Mr. Pawan Agrawal (from 10 September 2020)	Nominee Director	Permanent member		2
Mr. Amit Prakash	External Member	Advisory (non-voting) Member		3
Mr. Ashish Goupal	Managing Director	Advisory (non-voting) Member		4

*During the year, the Committee held 4 (four) meetings, complying with the requirement of at least one meeting to be held during the year.

Responsibilities and Duties

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

(i) The criteria for determining qualifications, positive attributes and independence of a director

(ii) Policy relating to the remuneration of directors and KMPs considering the following:

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable persons to run the company successfully;
- (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) Remuneration to directors, KMPs involves a balance between fixed and incentive pay

reflecting short and long-term performance objectives appropriate to the working of the company and its goals

- (iii) Policy on Board Diversity
- (iv) The plan in relation to identification of persons who are qualified to become directors and who may be appointed as KMPs, and recommend their appointment and removal to the Board
- (v) The criteria for evaluation of performance of independent directors and the Board
- (vi) The plan or proposal relating to the company's needs for employees at different levels and the recruitment, development and succession criteria/principles
- (vii) The annual exercise on the review and recommendations on the company's human resources and training policies
- (viii) Review and recommending revisions of the Code of Conduct to the Board

Major Activities During The Year

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

- Reviewed and recommended the authoring of a trust for setting up the Gratuity Fund of the Company
- Noted and recommended to the Board to accept the resignation of Mr. Vivek Karve, Nominee Director from the Board of Directors

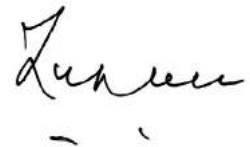


Ms. Rokia Afzal Rahman
Chairperson

- Reviewed and recommended to the Board the appointment of Mr. Pawan Agrawal, Nominee Director to the Board of Directors
- Reviewed and recommended to the Board the appointments of Mr. Zakir Ahmad Khan and Ms. Parveen Mahmud as Independent Directors
- Reviewed the goals and achievements of the Managing Director/CEO against the operating plans for FY'21
- Reviewed and approved the goals and operating plan of the Managing Director/CEO for the FY'22 (Financial year 2021-22)
- Evaluated and approved the Board performance and effectiveness principles
- Reviewed and approved the Diversity and Inclusion strategy and agenda of the Company
- Reviewed and confirmed the appointments of Key Managerial Personnel
- Reviewed the talent management pipeline of Key Managerial Personnel

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

On behalf of the Committee,



Mr. Zakir Ahmad Khan
Chairman

STATEMENT OF CORPORATE GOVERNANCE

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

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

At Marico, good governance practices form part of business strategy, which includes, inter alia, focus on long term value creation and protecting stakeholders' interests by applying due care and diligence in business decisions. Shareholder value as an objective is embedded into all aspects of corporate governance. Our Corporate Governance is therefore a set of principles which ensures we are governed in the best interest of all the stakeholders—the shareholders, society, employees and the government.

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

Board members and senior management, the Board processes, the Rules on Prevention of Insider Dealing and transparent disclosures.

In FY'21 Marico was presented the Bronze Award for “Corporate Governance Excellence” by the Institute of Chartered Secretaries Bangladesh (ICSB) and the Silver Award as “Best Corporate” by the Institute of Cost and Management Accountants (ICMAB) for in recognition of its governance, reporting and disclosure practices.

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

Corporate Governance Framework

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

- adherence to the letter and spirit of the law
- complete transparency in our operations
- pro-active communication with our stakeholders

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



Governance by Shareholders

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



Governance by Board & Sub-Committees

The Board and its Committees take up specific responsibilities as per the law and their charters to determine the right level of delegation, control measures, approve strategies, investments and targets for the business. The Board exercises oversight over the executive management to ensure that they fulfil their duties in accordance with the recommendations and targets set by the Board.



Governance by Management Team

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

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

Statutory Adherence

The legal and regulatory standards underlying this framework are the Companies Act 1994, the Listing Regulations of the Dhaka and Chittagong Stock Exchanges, Notification on Corporate Governance of the Bangladesh Securities and Exchange Commission (BSEC), Corporate Governance Code, 2018 and other applicable laws of the land. Apart from this there is a robust set of internal controls, risk management processes and Code of Conduct further strengthening the Company's corporate governance. There is also a robust process of compliance management where compliance is recorded, audited and certified at the granular level to ensure full adherence to the laws of the land.

Code of Conduct

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

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

In the event of a conflict between any provision of the CoC and the law of land, the law will always prevail and the management will take immediate steps to align the provisions of the CoC with applicable laws. The outline of Marico's CoC and functioning is presented at page 138-141 Of this report.

Role and Responsibilities

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

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

Board Composition

Marico's philosophy to have constructive separation of the management of the Company from its owners manifests itself in the composition of the Board of Directors which, as of March 31, 2021, comprises 7 (seven) directors in the following classes:

- 3 Independent Directors
- 3 Non-Executive Nominee Directors and
- 1 professional being the Managing Director

The Board selects its members and leaders via an inclusive and thoughtful process in accordance with the criteria recommended by the Nomination & Remuneration Committee and aligned with Company strategy. The Board has in-depth knowledge, skills and vast experience in the context relevant to the Company. The Independent Directors ensure protection of interests of all shareholders of the Company. The Directors' profiles have been presented at page 34-39 in this Annual Report.

The Chairman

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

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

Chairman and CEO Distinguished

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

Roles and Responsibilities of the Chairman

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

well as the CEO/Managing Director, representing the Company as a good/responsible corporate citizen.

- The Chairman may assume any responsibility if the Board so assigns within the purview of the relevant laws and the Articles of Association.

Responsibilities of the Board

The Board carries out decision-making role in critical matters, monitoring role to prevent corporate failure and the relational role to balance the interests of all stakeholders. Accordingly, strong governance frameworks are established not only to ensure maximum shareholder value but also to contribute positively to the society at large and ensure maximum value for all stakeholders in the eco-system of the Company. The Board establishes structures and processes to fulfill Board responsibilities that consider the interests of investors, regulators, management and employees among others. The major responsibilities of the Board are as follows:

- Oversee management and set goals and direction
- Evaluate strategy and review management performance
- Review management succession planning
- monitor and manage potential conflicts of interest
- ensure the integrity of financial information
- monitor the effectiveness of board governance practices
- ensure compliance to laws and regulations
- ensure adherence to company policies and guidelines
- perform risk assessment and ensure integrity of company's financial reporting

Committee(s)

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

Committee	Broad Responsibilities
Audit Committee	<ul style="list-style-type: none"> Oversee financial reporting process Oversee appointment, remuneration, and evaluation of auditors Evaluate internal financial controls, internal audit function, and risk management systems Oversee the programs, partnerships and implementation of corporate social responsibility (CSR) programs of the Company
Nomination and Remuneration Committee	<ul style="list-style-type: none"> Identifying persons who are qualified to become Directors and KMPs Review and approve the remuneration philosophy for Directors, KMPs and other employees Review and approve policies on Board diversity and effectiveness Oversee the talent management and HR processes and principles of the Company

The Board currently has two sub-committees which are the Audit Committee and Nomination & Remuneration Committee. The Audit Committee has delegated responsibilities to assist the Board in ensuring fair & transparent financial reporting as well as a prudent control environment to protect against financial and non-financial failures, abuses or fraud. The Nomination & Remuneration Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of managing performance, remuneration and overall corporate culture and talent management principles. The duties and responsibilities of the Committees are clearly defined by the Board. The Committee therefore strictly adheres to a set of terms of reference approved by the Board.

Board Audit Committee

The Audit Committee is constituted according to the conditions of the BSEC guidelines and Corporate Governance Code 2018. The Committee comprises 3 Independent Directors and 2 Non-Executive Nominee Directors. The Managing Director is a permanent invitee to the Committee. The Board has appointed Ms. Parveen Mahmud, Independent Director as Chairman of the

Committee in accordance with the Code. All members of the Audit Committee are 'financially literate' as per regulatory requirement and can analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. The Managing Director, the Chief Financial Officer, the Head of Internal Audit & Compliance and the Company Secretary attend all meetings of the Committee and Internal Auditors of the Company and representatives of external auditors attend the meetings upon invitation by the Audit Committee. The key responsibilities and activities of the Audit Committee are elaborated in the Audit Committee Report which is presented at page 103-105 Of this Report. Additionally, the Committee also ensures adherence to the Secretarial Standards issued by the Institute of Chartered Secretaries Bangladesh.

Board Nomination & Remuneration Committee

The Nomination & Remuneration Committee ("NRC") is constituted according to the conditions of the Corporate Governance Code 2018. The Committee comprises 1 Independent Director, 2 Non-Executive Nominee Directors and 2 non-voting Advisory Members. The Board has appointed Mr. Zakir Ahmed Khan, Independent Director as Chairperson of the Committee in accordance with the Code. All members of the NRC are eligible to effectively discharge their duties and responsibilities

as members of the Committee. The key responsibilities of the Committee are elaborated in the Nomination & Remuneration Committee Report which is presented at page 106-107 in this Report.

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

Management Team

The senior management plays a significant role in managing the business as per the norms of corporate governance, the Company's Code of Conduct and ensures that adequate internal controls are in place and supported through a strong internal control framework. In addition to the legal framework guiding the discharge of functions of the management team, the Marico values underlie and function as the moral compass of the organization. The implementation of the Board's plans, strategies and policies are carried out by the management team led by the Managing Director. The management team comprises the following members:

- Mr. Ashish Goupal, Managing Director
- Mr. Elias Ahmed, Chief Financial Officer
- Mr. Sabbir Al Harun, Director -Sales
- Mr. Rashed Sarwar, Director-Emerging Channels and Sales Strategy
- Mr. Allen Ebenezer Eric, Director-Marketing
- Mr. Md. Saiful Alam, Director- Manufacturing
- Mr. Mohammad Habibur Rahman, Head - Supply Chain and NPD
- Mr. Ashish Mane, Director- Human Resources
- Ms. Christabel Randolph, Director - Legal & Corporate Affairs and Company Secretary

The management team reports to the Board and has the responsibility of implementing the policies and decisions of the Board, overseeing the day-to-day business operations as well as developing, coordinating and implementing business and corporate strategies. The management team is accountable to the Board for achieving the business performance as per the annual operating plan approved by the Board and delivering maximum return for all stakeholders.

Board and Committee Meetings

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

Shareholder Meetings

The Company values and places great emphasis on shareholder meetings. The Annual General Meetings give the Board and management the opportunity to connect with shareholders and get their feedback on the performance and governance of the business. The Company ensures timely and adequate notices and disclosures for all shareholder meetings. Given the covid-19 pandemic, the Company held the 20th Annual General Meeting via digital platform which enabled shareholders to participate effectively and place their questions and comments to the Board. The 21st Annual General Meeting will also be held via digital platform.

Our Corporate Responsibility Principles

- Commitment to conduct business in an honest, ethical and lawful manner. A Code of Conduct guides ethical decisions for all members of the Board which dictates our ethical behavior and manifests our value system that promotes business transparency and builds shareholder trust.
- Commitment to protect the health and safety of our members, the environment, and our communities.
- Commitment to provide a workplace where all employees can fulfill their potential based on merit and ability.
- To transform in a sustainable manner the lives of all those we touch, by nurturing and empowering them to maximize their true potential which is reflected in our commitment to sustainable development and to constantly add value for the benefit of our shareholders, employees, consumers and the society.
- Create value for our stakeholders while continually improving our performance as a good corporate citizen with active engagement in CSR activities

Internal Audit

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

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

Financial Reporting

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

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

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

Commitments

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

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

There is high degree of transparency in the Governance framework, fuelled by the presence of Independent Directors. Almost half of the Board is made up of Independent Directors who have deep involvement in ensuring integrity of financial information & reporting, full and open disclosures and the necessary checks and balances between the Board and Management of the Company. The Independent Directors provide an external and dispassionate insight on the ways of work of the Company and provide valuable guidance to the business. We are committed and dedicated to further strengthening our corporate governance by moving towards an integrated reporting framework and to continually add value to all the stakeholders of the Company.

External/Statutory Auditors

The annual audit of the Company is governed by the Companies Act 1994, Securities and Exchange Rules 1987, Financial Reporting guidelines issued by BSEC and the Financial Reporting Council. As per these regulations, auditors are appointed by the Shareholders at each Annual General Meeting (AGM) and their remuneration is also fixed by the Shareholders at the AGM. Appropriate structure is in place as per corporate governance best practices to ensure independence of statutory auditors. The statutory auditors are rotated every three years in compliance with the guidelines of BSEC. Audit Committee meets the statutory auditors to ensure that auditors are acting independently and reviews the financial statements before submission to the Board for approval. Non-audit services likely to deter independence are not obtained from the statutory auditors. In addition to the audit of annual financial statements, the auditors also carry out audit of half-yearly financial statements of the Company. Rahman Rahman Huq, Chartered Accountants is the statutory auditor and they have no involvement with any other services of the Company. They will be retiring at the 21st Annual General Meeting (AGM) of the Company having completed their 3rd term of audit with the Company.

Risk Management

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

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

Risk management objectives



Support sound governance and decision-making



Mitigate the impact of risk events



Capitalize on potential opportunities

Risk Management Process

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

	Risk	Management Plan
1	Operations Risk	These relate to risks that can destabilize the production and supply of products to the market. MBL has two factories in the Gazipur area which is prone to labour unrest due to surrounding garments industries. In order to protect against this risk the management ensures a rigorous program of engagement, dialogue and capability building of all factory personnel. There is a process of monitoring and recording factory compliance & pro-active dialogue with regulators to safeguard against compliance lapses that can trigger the risk.
2	Market Risk	Market risks include those that can make the products or operating model of the business irrelevant due to the introduction of new technologies, changing consumer behaviour or disruption by competition in the form of predatory pricing or disproportionate media spends all of which can threaten the Company's profitability. Unfair competition and brand infringements also pose a risk to the equity of the brand and impact business value. The company has in place a process of reviewing possible scenarios for key categories during its Monthly Operational Review (MOR). Additionally the Company has a robust brand protection and intellectual property management strategy to pro-actively safeguard its winning brands and carry out prompt enforcement against infringers.
3	Contingency Risk due to covid-19	With the unfolding of the Covid-19 global pandemic certain risks materialized in FY 21 which caused risks to health & safety of persons, which were unique in nature and unanticipated under the Risk Management Framework. The risks were primarily operational and sourcing related with supply chain disruptions due to series of lockdowns imposed in the country and globally.

Risk	Management Plan
	The Management has identified critical areas of disruption and triggered continuity plans were periodically reviewed by the Audit Committee.
	The mitigation measures included comprehensive health & safety protocols at factories, depots, warehouses, offices and distribution houses. Specific permissions from regulators to continue operations, leveraging online commerce and mobile financial payments to secure revenue among others.
4	Financial Risk Financial risk includes credit risks, liquidity risks, currency risks and interest rate risks. To mitigate against these risks, management has put in place regular review of investment of the company and financial health of institutions. A formal Board-approved hedging policy is in place that is reviewed periodically considering macro-economic scenarios to guard against exchange rate fluctuations. Additionally, we closely monitor external environment to note any change event likely to trigger risk.
5	Litigation Risk The company has on-going litigations, some of which have been described in the contingent liability status at Note 31 of the Financial Statements of this report. An adverse order in any of those litigations could expose the business to financial liability, penalties, and reputational risk. The company has a litigation management strategy approved by the Audit Committee and regularly reviewed. Additionally, the Legal Function closely tracks change in laws, precedents by the higher judiciary and other external events likely to trigger the risk materializing.
6	Sourcing Risk This refers to the disruptions in supply chain that can result in a shortage of critical raw material copra which is a key raw material in for 60% of the portfolio. To address this risk the Company has put in place systems and processes for sourcing and inventory management with the support of the central procurement team at its parent company and this risk is reviewed every month during the monthly operational review.
7	People Risk In today's knowledge-based economy, attracting and retaining people with the right skills are imperative for long-term success. To mitigate against the risk of losing key talent the Company has a unique talent attraction and retention program which enables it be positioned among the top employers of choice. At the same time Management ensures a structured and differentiated learning & development agenda for all key talent, succession planning and effective talent review to enable meaningful career growth.

Code of Conduct

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

moments. The CoC defines what is expected from members and associates alike. The CoC is a set of guidelines highlighting the desired behaviors and actions from our members to:

- conduct our business in an ethical manner and
- ensure highest levels of governance across the organization
- enable discrimination & harassment free work environment.

- create a work environment that is conducive to members & associates alike, based on our values and culture

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

Reporting and Compliance of Corporate Governance

As required, status of compliance with the conditions laid down in the BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 is presented at page 119-132 Further, to ensure adequate regulatory discharge, a Compliance Certificate is also obtained from licensed practicing professional M/s. Al-Muqtadir Associates, Chartered Secretaries who has

certified that the Company has duly complied with all the regulatory and governance requirements as stipulated by the Bangladesh Securities and Exchange Commission (BSEC). The compliance auditor is also required to be appointed by the shareholders at the general meeting of the Company. As required, copy of the certificate of compliance is also presented in this Annual Report at page 118

On behalf of the Board,



Ashish Goupal
Managing Director



Declaration by MD and CFO

Date: June 22, 2021

The Board of Directors
Marico Bangladesh Limited

Subject: Declaration on Financial Statements for the year ended on 31st March, 2021

Dear Sirs,

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

- (1) The Financial Statements of Marico Bangladesh Limited for the year ended on 31st March, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure therefrom has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31st March, 2021 and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

(Ashish Goupal)
Managing Director

(Elias Ahmed)
Chief Financial Officer (CFO)

Marico Bangladesh Limited
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Web: marico.com/bangladesh

Registered Office:
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Dhaka-1230, Bangladesh

Annexure-B



Al-Muqtadir Associates
Chartered Secretaries & Consultants

efforts umpteenth : প্রয়াস অন্তহীন

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

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

We have examined the compliance status to the Corporate Governance Code by **Marico Bangladesh Limited** for the year ended on 31st March 2021. This code relates to the gazette notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance Code as well as provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of the Corporate Governance Code.

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

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

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2021.

Al-Muqtadir Associates
Chartered Secretaries & Consultants



Dhaka, June 28, 2021

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

STATEMENT OF COMPLIANCE

ANNEXURE-C

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

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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(1)	Board's size: The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty):	√		As at March 31, 2021 MBL Board is comprised of 7 Directors. During the year under review from August 31, 2020 till September 22, 2020 MBL Board comprised of 9 Directors
1(2)	Independent Directors			
1(2) (a)	At least one-fifth (1/5) of the total number of directors	√		As at March 31, 2021 there are three Independent Directors on the MBL Board, viz: Mr. Zakir Ahmad Khan, Ms. Parveen Mahmud and Mr. Ashrafal Hadi which is more than 1/5th of the total number of Directors.
1(2)(b)(i)	Does not hold any share or holds less than 1% shares of the total paid-up shares of the Company	√		As declared by the Independent Directors
1(2)(b)(ii)	Not a sponsor/not connected with any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds 1% or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members are also not allowed to hold more than 1% shares of the total paid-up shares of the Company	√		Do
1(2)(b)(iii)	Not an executive of the Company in immediately preceding 2 (two) financial years	√		Do
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated Companies	√		Do
1(2)(b)(v)	Not a member or TREC holder/director/officer of any stock exchange	√		Do

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(2)(b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of any stock exchange or an intermediary of the capital market	√		Do
1(2)(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any concerned statutory audit firm or any firm that is already engaged with the Company	√		Do
1(2)(b)(viii)	Not an independent director in more than 5 (five) listed companies	√		Do
1(2)(b)(ix)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a NBF	√		Do
1(2)(b)(x)	Not been convicted for a criminal offence involving moral turpitude	√		Do
1(2)€	Shall be appointed by the Board and approved by the shareholders in the AGM	√		The appointments of Mr. Zakir Ahmad Khan and Ms. Parveen Mahmud were considered and recommended by the Nomination & Remuneration Committee of the Company and thereafter approved by the Board. Their appointment will be placed before the shareholders for approval at the upcoming 21st Annual General Meeting of the Company
1(2)(d)	The post cannot remain vacant for more than 90 (ninety) days	√		No post remained vacant for more. Than 90 (ninety) days
1(2)€	The tenure of office shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. A former independent director may be reappointed for another tenure after a time gap of 3 years from his/her completion of consecutive two tenures. The independent directors shall not be subject to retirement by rotation	√		<p>The Independent Directors (IDs) are in their regular term of office.</p> <p>During the year under review, Mr. Masud Khan and Ms. Rokia Afzal Rahman completed their second tenure of 3 years and ceased to hold office from September 22, 2020.</p> <p>Mr. Ashraful Hadi is currently on his second term.</p> <p>Mr. Zakir Ahmad Khan and Ms. Parveen Mahmud were appointed to the Board with effect from September 22, 2020 subject to the approval of the shareholders and are currently on their first tenure on the Board.</p>

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(3)	Qualification of Independent Directors			
1(3)(a)	shall be a knowledgeable individual with integrity and able to ensure compliance with relevant laws as well as able to make meaningful contribution to the business	√		The qualification and background of the IDs are commensurate to the requirements of the position and are stated in the Directors' Profile.
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million/ any listed company/a member of any national or international chamber of commerce or business association or	√		Do
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company;	√		Do
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th grade of the national pay scale having minimum bachelor degree in economics/commerce/business or law	N/A		Do
1(3)(b)(iv)	University Teacher having educational background in Economics or Commerce or Business Studies or Law;	N/A		Not Applicable
1(3)(b)(v)	Practicing advocate at least in the High Court Division of Bangladesh Supreme Court/CA/CMA/CFA/CCA/CS/equivalent qualification	√		The qualification and background of the IDs are commensurate to the requirements of the position and are stated in the Directors' Profile.
1(3)€	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		All independent directors have more than Ten years of experiences
1(3)(d)	Relaxation in special cases as to qualifications of independent director	N/A		No such instance
1(4)	Duality of chairperson of the Board of Directors and Managing Director or Chief Executive office			
1(4)(a)	The posts of Chairman of the Board and Chief Executive Officer are to be filled by different individuals.	√		The Chairman of the Board and CEO are different individuals and the Chairman is elected from amongst the Directors. Mr. Saugata Gupta is the Chairman and Mr. Ashish Goupal is the Managing Director.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(4)(b)	MD shall not hold same position in any other listed company	√		No such instance
1(4)€	Chairperson shall be a non-executive director	√		In Practice
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		Role and Responsibilities of the Chairperson are clearly described in the Corporate Governance Report and those of the Managing Director are defined in the Articles of Association
1(4)€	In the absence of regular chairperson, the other members shall elect a non-executive director to chair that particular meeting	√		In Practice
1(5)	Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry	√		Disclosed in the Director's Report pages 91 to 98
1(5)(ii)	The segment-wise or product-wise performance	√		As above
1(5)(iii)	Risks and concerns	√		As above
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		As above
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications (gain or loss)	√		As above
1(5)(vi)	A detailed discussion on related party transactions	√		As above
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	√		As above
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.	√		As above
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	√		As above
1(5)(x)	Remuneration paid to the directors including independent directors	√		As above
1(5)(xi)	the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		As above
1(5)(xii)	Maintenance of proper books of accounts	√		As above
1(5)(xiii)	Adoption of appropriate & consistent accounting policies and estimates	√		As above
1(5)(xiv)	Follow of IAS, IFRS in preparation of the financial statements and any departure there from has been adequately disclosed	√		As above

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		As above
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		As above
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		As above
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		As above
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		As above
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	√		The Company Declared Interim Cash Dividend of 700% and recommended 200% final cash dividend. A total of 900% cash dividend has been declared for the year ended on 31 st March 2020
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		Disclosed in the Director's Report
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director	√		Disclosed in the Director's Report
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares held by:-			
(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	N/A		Disclosed in Annexure-I, 132 of the Director's Report
(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		Disclosed in the Director's Report
(c)	Executives and	√		Disclosed in the Director's Report
(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	√		Disclosed in the Director's Report
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
(a)	a brief resume of the director	√		Stated in the Profile of the Board

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
(b)	nature of his or her expertise in specific functional areas and	√		Stated in the Profile of the Board
€	names of companies in which the person also holds the directorship and the membership of committees of the Board	√		Stated in the Profile of the Board
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
(a)	accounting policies and estimation for preparation of financial statements	√		Presented in Management's Discussion and Analysis at pages 99 to 102
(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		Presented in Management's Discussion and Analysis
(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons there of	√		Presented in Management's Discussion and Analysis
(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		Presented in Management's Discussion and Analysis
(e)	briefly explain the financial and economic scenario of the country and the globe	√		Presented in Management's Discussion and Analysis
(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company and	√		Presented in Management's Discussion and Analysis
(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		Presented in Management's Discussion and Analysis
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A and	√		Attached with the Director's Report
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		Attached with the Director's Report
1(6)	Meeting of the Board			
	Shall conduct Board meetings and record the minutes as per BSS	√		Duly conducted the Board meetings and recorded the minutes as per BSS and the BSEC Notifications pertaining to meetings on digital platform.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	Code of conduct for the Chairman, other Board members and Chief Executive Officer	√		In Practice
1(7)(b)	Availability of Code of Conduct on the website of the Company	√		The Code of Conduct available on the website of the Company at https://marico.com/bangladesh/about-us/code-of-conduct
2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Same provisions shall be applicable for composition of the Board of the holding and the Board of the subsidiary	N/A		
2(b)	At least one independent director on the Board of the holding Company shall be a director on the Board of the subsidiary Company	N/A		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	N/A		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	N/A		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		
3(1)	MD or CEO, CFO, Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)-			
3(1)(a)	Appointment of MD or CEO, CFO, HIAC and CS	√		Complied
3(1)(b)	Different individuals are in the position of MD or CEO, CFO, HIAC and CS	√		Mr. Ashish Goupal is the Managing Director, Mr. Elias Ahmed is the Chief Financial Officer, Ms. Christabel Randolph is the Company Secretary and Mr. Atiar Rahman is the Head of Internal Audit & Compliance
3(1)(c)	The MD or CEO, CS, CFO and HIAC don't hold any executive position in any other company at the same time	√		In Practice
3(1)(d)	Clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		In Practice
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		In Practice

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
3(2)	Attendance in the meetings of the Board of MD or CEO, CS, CFO and HIAC	√		In Practice
3(3)(a)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to certify to the Board that the financial statements-			
3(3)(a)(i)	Does not contain materially untrue statement and omit any material fact in the financial statements certified by MD & CFO	√		In Practice
3(3)(a)(ii)	True & fair view of financial statements certified by MD & CFO	√		In Practice
3(3)(b)	Certification of MD and CFO regarding financial statements	√		Given in the Annual Report at page 117
3(3)(c)	Annual Report contains certification of MD & CFO on financial statements	√		Do
4	Board of Directors' Committee			
4(i)	An Audit Committee	√		In Practice
4(ii)	A Nomination & Remuneration Committee	√		In Practice
5	Audit Committee			
5(1)(a)	The Company shall have an Audit Committee as a subcommittee of the Board of Directors	√		In Practice
5(1)(b)	Assistance of the Audit Committee to the Board	√		In Practice
5(1)(c)	Responsible to the Board and the duties of the Audit Committee shall be clearly set forth in writing	√		There is an Audit Committee with roles and responsibilities clearly defined in its Charter
5(2)	Audit Committee composition:			
(a)	at least 3 members	√		The Audit Committee is comprised of 5 (Five) members.
(b)	All members are to be non-executive directors except chairman of the board and one member shall be an independent director	√		In Practice. 3(three) are independent directors and 2(two) members are non-executive directors. The Managing Director is a permanent invitee to the committee.
(c)	Financial literacy & minimum 10 years' experience of members	√		The qualifications and expertise of the members are commensurate to their role and have been duly reviewed by the Board. All members of the Audit Committee are 'financially literate' as declared by them and have 'related financial management experience' as per the BSEC notification.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
5(2)(d)	Vacancy of office of audit committee member, in case of his/ her expiry or inability to hold office	√		Mr. Masud Khan, Independent Director, completed his second term on the Committee which expired on 22 September 2020. Thereafter Ms. Parveen Mahmud, Independent Director, was appointed to the Board on 31 August 2020 and took over as Chairperson of the Committee with effect from 22 September 2020.
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		In Practice
5(2)(f)	At least 1 (one) independent director in quorum of the committee	√		In Practice
5(3)(a)	An independent director shall be Chairman of the committee	√		Mr. Masud Khan, Independent Director, acted as Chairman of the Audit Committee till 22 September 2020. Thereafter Ms. Parveen Mahmud, Independent Director, took over as Chairperson of the Committee with effect from 22 September 2020.
5(3)(b)	Chairman in the absence of regular Chairman of the Committee	√		There were no such instance during FY 2020-21.
5(3)(c)	Audit Committee Chairman's presence in Annual General Meeting	√		In Practice
5(4)(a)	At least its four meetings in a financial year	√		Total 4 meetings were held in the year
5(4)(b)	Quorum: two members or 2/3 of total audit committee member	√		In Practice
5(5)(a)	Oversee the financial reporting process	√		In Practice
5(5)(b)	Monitor choice of accounting policies and Principles	√		In Practice
5(5)(c)	Monitor Internal Audit & Compliance Process	√		In Practice
5(5)(d)	Oversee hiring and performance of external Auditors	√		In Practice
5(5)(e)	Meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		In Practice
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval	√		In Practice

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
5(5)(g)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		In Practice
5(5)(h)	Review the adequacy of internal audit Function	√		In Practice
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		In Practice
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		In Practice
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		In Practice
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		In Practice
5(5)(m)	Oversee about the uses/applications of funds raised through IPO or RPO or Rights Share Offer	N/A		There was no IPO/RPO/Rights issue in 2020-21 or in the recent past.
5(6)	Reporting of the Audit Committee			
5(6)(a)(i)	Reporting to the Board of Directors	√		Audit Committee reports to the Board and key agenda are adopted at the audit committee prior to placing the same before the Board.
5(6)(a)(ii)(a)	Report on conflicts of interests	√		In practice
5(6)(a)(ii)(b)	Report on suspected or presumed fraud or irregularity or material defect in internal audit/financial statements	√		In Practice
5(6)(a)(ii)(c)	Report on suspected infringement of laws & regulatory compliances	√		In Practice
5(6)(a)(ii)(d)	Any other matter deems necessary to disclose	√		In Practice
5(6)(b)	Report on unreasonably ignored rectification to the Commission	√		No such situation arose during the year.
5(7)	Reporting to the Shareholders and General Investors	√		The Audit Committee Report, signed by the Chairman is presented in this Annual Report
6	Nomination and Remuneration Committee (NRC)			
6(1)(a)	NRC as a sub-committee of the Board	√		Already in place
6(1)(b)	Assists the Board in formulating NRC policy	√		The NRC duly discharged its responsibilities
6(1)(c)	Clearly defined terms of reference of NRC	√		There is a clearly defined terms of reference and charter of the NRC duly reviewed and approved by the Board.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
6(2)	Constitution of the NRC			
6(2)(a)	At least three members including an independent director	√		The NRC is comprised of 3 (Three) permanent members and 2 (Two) advisory (non-voting) Members, and the Chairman of the Board is the permanent invitee to the Committee.
6(2)(b)	All members of the Committee shall be non-executive directors	√		In Practice
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board	√		In Practice. Mr. Zakir Ahmad Khan, Independent Director was appointed to the Committee as Chairperson with effect from 22 September 2020.
6(2)(d)	The Board reserve the authority to remove and appoint any member of the Committee;	√		In Practice
6(2)(e)	The Board shall fill the vacancy in case of death, resignation, disqualification, or removal of any member	√		No such instance arose during the year
6(2)(f)	The Chairperson may appoint external expert for advice or suggestion	√		No such requirement arose during the year
6(2)(g)	The company secretary shall act as the secretary of the Committee	√		In Practice
6(2)(h)	Quorum: with at least an independent director	√		In Practice
6(2)(i)	No remuneration other than director fees/honorarium for any member	√		In Practice
6(3)	Chairperson of the NRC			
6(3)(a)	Chairman: an independent director	√		Ms. Rokia Afzal Rahman, Independent Director, acted as Chairperson of the Committee till 22 September 2020. From 22 September 2020 the Board appointed Mr. Zakir Ahmad Khan, Independent Director, as Chairperson of the Committee.
6(3)(b)	In the absence of regular Chairman, Chairman from other members	√		No such instance arose during the year
6(3)©	Chairman's presence in annual general meeting	√		In Practice
6(4)	Meeting of the NRC			
6(4)(a)	At least one meeting in a financial year	√		In practice. The NRC met 4 times in the last year.
6(4)(b)	Any emergency meeting upon request by any member of the NRC	√		No such instance arose during the year

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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
7(1)(v)	Not involved in actuarial services	√		Do
7(1)(vi)	Not involved in internal audit services or special audit services	√		Do
7(1)(vii)	Not involved in any service that the Audit Committee determines	√		Do
7(1)(viii)	Not involved in audit or certification services on compliance of corporate governance	√		Do
7(1)(ix)	Not involved in any other service that creates conflict of interest	√		Do
7(2)	No partner or his/ her family or employees of the external audit firms hold any share at least during audit work	√		Do
7(3)	Auditors' or their representative presence in the AGM	√		In Practice
8	Maintaining a website by the Company			
8(1)	An official website linked with the website of the stock exchange	√		The official website of the company for the benefit of its shareholders and public at large is https://marico.com/bangladesh
8(2)	A website functional from the date of listing	√		In practice
8(3)	Available detailed disclosures on its website as required under the listing regulations of the stock exchange(s).	√		All shareholder information since listing is available in the "Investor Relations" section of the website
9	Reporting and Compliance of Corporate Governance.-			
9(1)	Compliance certificate on Corporate Governance Code of the Commission in the Annual Report.	√		Required Certification has been obtained from M/s Al-Muqtadir Associates, Chartered Secretaries, for the year 2020-21 which is presented in this Annual Report
9(2)	The compliance auditor shall be appointed by the shareholders in the AGM	√		The appointment shall be placed before the shareholders at the upcoming 21st Annual General Meeting
9(3)	Annexure-C attached in the directors' report	√		Required Annexure-C is presented in this Annual Report at page 119-131

SHAREHOLDING PATTERN

ANNEXURE-I

(a) Shareholding details of Parent or Subsidiary or Associated Companies as on 31st March, 2021

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

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

(b) Shareholding details of Director, CEO, CFO, CS and HIAC and their spouses and minor children as on 31st March, 2021

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

(c) Shareholding details of top 5 salaried executives of the Company as on 31st March, 2021

Name	Position	Number of shares held
Mr. Md. Saiful Alam	Director - Manufacturing	Nil
Mr. Allen Ebenezer Eric	Director - Marketing	Nil
Mr. Md. Habibur Rahman	Director - Supply Chain	Nil
Mr. Ashish Mane	Director - Human Resources	Nil
Mr. Mir Shahadat Hossain	Head-Marketing Insights	Nil

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

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

DIVIDEND PATTERN

ANNEXURE-II

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

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

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

This year our Board of Directors declared respectively 300%, 200% and 200% interim cash dividends on Q1, Q2 and Q3 earnings disclosure, all of which have been subsequently paid and the Board has announced a final cash dividend of 200% on earnings disclosure of Q4, which if approved by the shareholders at the 21st AGM will take the dividend tally to 900% for the year which is the second highest total cash dividend payout in our history, amidst the COVID-19 pandemic.

DIVIDEND DISTRIBUTION POLICY

1. Objective

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

2. Scope and Legal Basis

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

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

3. Philosophy

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

4. Definitions

Unless repugnant to the context:

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

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

relating to declaration, entitlement, and distribution of Dividend.

“Company” shall mean Marico Bangladesh Limited.

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

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

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

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

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

5. Interpretation

In this Policy, unless the contrary intention appears:

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

6. Principles of declaration of Dividend

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

6.1 Internal Factors

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

6.2 External Factors

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

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

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

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

7. Procedure for Declaration and Distribution of Dividend

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

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

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

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

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

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

8. Unpaid or Unclaimed Dividend

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

9. Procedure for claiming unpaid Dividend

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

- 9.1.1 Shareholders are required to make an "Application for

Unpaid Dividend” in the format set out in this Policy. For the ease of shareholders, the Application Form is available on the Company website and at its office.

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

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

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

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

10. Disclosure of Dividend Information

The Company maintains a record of unpaid or unclaimed Dividend. Summary of such record shall be available

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

11. General

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

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

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

Application for Unpaid Dividend

The Company Secretary
Marico Bangladesh Limited
Telephone No:
E-mail: secretarial.mbl@marico.com

Date:

Dear Sir/Madam

I/We _____ Shareholder(s) of the Company request you to pay my/our unpaid dividend for the period mentioned below and update my account with the following information for the payment of unpaid dividends.

BO ID	
Allotment Number	
Number of Shares	
Email (As per CDBL)	
Mobile Number (As per CDBL)	
National Identification Number (NID)	
Bank Account Number	
Routing Number	
Name of the Bank and Branch	
Bank Account Beneficiary Name	
Period of unpaid dividend with details	

Yours faithfully,

Signatures of the shareholder(s) as per NID
Address:

Notes:

- (a) The Shareholder must enclose NID and relevant documents evidencing BO ID, Allotment Number, Number of Shares and Bank Information.**
- (b) The Company shall not be liable of any consequences in the event the shareholder furnishes untrue information.**
- (c) The payment of dividend shall be subject to verification.**

MARICO CODE OF CONDUCT



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

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

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

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

Core Elements of the CoC



Business Integrity Encompasses



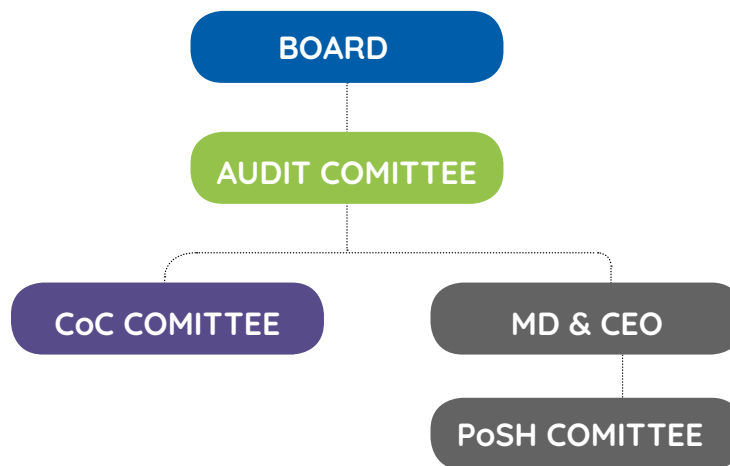
Company Assets, Financial Integrity & Confidentiality Includes



Workplace Integrity Encompasses



Administration & Governance of Code



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

The Prevention of Sexual Harassment Committee is formed in accordance with the Directives issued by the Hon'ble High Court Division in Petition No. 5916 of 2008 which was a public interest litigation requiring all organizations to put in place an internal committee with external members/representation.



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

BAPLC CERTIFICATE



SHAREHOLDERS' INFORMATION

WELCOMING OUR SHAREHOLDERS



ANNUAL REPORT CHECKLIST

Particulars	Page Number
Corporate Objectives, Values & Structure	
Clarity and presentation:	
Vision and Mission	14
Overall strategic objectives	14-15
Core values and code of conduct/ethical principles	13 and 138-141
Profile of the Company	10-11
Director's profiles and their representation on Board of other companies & Organization Chart	34-41
Management Report and analysis including Director's Report / Chairman's Review/ CEO's Review etc.	
A general review of the performance of the company	23-24 and 99-102
Description of the performance of the various activities/ products/ segments of the company and its group companies during the period under review. (Weight age to be given for pictorial/ graphical/ tabular presentations used for this purpose)	91-98
A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks	92, 101 and 113-115
A general review of the future prospects/ outlook.	91-92 and 101-102
Information on how the company contributed to its responsibilities towards the staff (including health & safety)	75-78
Information on company's contribution to the national exchequer & to the economy	11, 63 and 96
Sustainability Reporting	
Social Responsibility Initiatives (CSR)	87-89
Environment related Initiatives	85-86
Environmental & Social Obligation	87-89
Integrated Reporting	59-89
Appropriateness of Disclosure of Accounting policies and General Disclosure	
Disclosure of adequate and properly worded accounting policies relevant to Assets, liabilities, Income and expenditure in line with best reporting standards	191-201
Any specific accounting policies	191-201
Impairment of Assets	165, 168, 170, 183 and 199-200
Changes in accounting policies/Changes in accounting estimates	100
Accounting policy on subsidiaries (if there is no subsidiary, full marks should be granted)	N/A
Segment Information	
Comprehensive segment related information bifurcating Segment revenue, segment results and segment capital employed	92 and 184
Availability of information regarding different segments and units of the entity as well as non-segmental entities/ units	
Segment analysis of <ul style="list-style-type: none"> • Segment Revenue • Segment Results • Turnover • Operating profit • Carrying amount of Net Segment assets 	

Particulars	Page Number
Financial Statements (Including Formats)	
Disclosures of all contingencies and commitments	200
Comprehensive related party disclosures	93-94 and 179-182
Disclosures of Remuneration & Facilities provided to Directors & CEO	97 and 181
Statement of Financial Position / Balance Sheet and relevant schedules	158
Income Statement / Profit and Loss Account and relevant schedules	159
Statement of Changes in Equity / Reserves & Surplus Schedule	160
Disclosure of Types of Share Capital	174-175
Statement of Cash Flow	161
Consolidated Financial Statement (CFS)	N/A
Extent of compliance with the core IAS/IFRS or equivalent National Standards	162-163
Disclosures / Contents of Notes to Accounts	162-201
Information about Corporate Governance	
Board of Directors, Chairman and CEO	34-39 and 97
Audit Committee (Composition, role, meetings, attendance, etc.) Internal Control Management & Risk	103-105
NRC Committee	106-107
Ethics & Compliance	108 and 142
Remuneration and other Committees of Board	103, 106 and 110-111
Human Capital	75-78
Communication to Shareholders & Stakeholders	
- Information available on website	31
- Other information	
Management Review and Responsibility	109-112
Disclosure by Board of Directors or Audit Committee on evaluation of Quarterly Reports	103-105
Any other investor friendly information	29-31, 91-92 and 101-102
Risk Management & Control Environment	
Description of the Risk Management Framework	
Risk Mitigation Methodology	113-115
Disclosure of Risk Reporting	
Stakeholders Information	
Distribution of shareholding (Number of shares as well as category wise, e.g. Promoter group, FII etc.)	30 and 132
Shares held by Directors/Executives and relatives of Directors/ Executives	132
Redressal of investors' complaints	31
Graphical/ Pictorial Data:	
Earnings per Share	23 and 26
Net Assets	25
Stock Performance	29
Shareholders' Funds	30
Return on Shareholders Fund	28

Particulars	Page Number
Horizontal/ Vertical Analysis including following.	
Total Revenue	32
Operating profit	
Profit Before Tax	
Profit after Tax	
EPS	
Statement of Financial Position (Balance Sheet)	
Shareholders Fund	30 and 32
Property Plant & Equipment	32
Net Current Assets	32
Long Term Liabilities/ Current Liabilities	32
Profitability/ Dividends/ Performance and Liquidity Ratios	
Gross Profit Ratio	28
Earning before Interest, Depreciation and Tax	26
Price earning ratio	30
Current Ratios	28
Return on Capital Employed	28
Debt Equity Ratio	24 and 27
Statement of Value Added and Its Distribution	
Government as Taxes	70
Shareholders as dividend	
Employees as bonus/ remuneration	
Retained by the entity	
Market share information of the Company's product/ services	59, 92
Economic value added	70
Presentation of Annual Report & Financial Statements	
Quality of the Report/ Layout of Contents	Qualitative
Cover and printing including the theme on the cover page	Qualitative
Appropriateness and effectiveness of photographs and their relevance	Qualitative
Effectiveness of Charts and Graphs	Qualitative
Clarity, simplicity and lucidity in presentation of Financial Statements	Qualitative
Timeliness in issuing Financial Statements and holding AGMs	
3 months' time to produce the Annual Report and hold AGMA	AGM is scheduled to be held timely on Monday, 26th July, 2021
Delay after the initial period of 3 months	
If the period is over 6 months	
Additional Disclosures	
Corporate Governance Certificate	118
Certificate of Due Diligence by CEO/MD & CFO	117

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE is hereby given to all Members/Shareholders of **Marico Bangladesh Limited** that the 21st Annual General Meeting (AGM) of the Company will be held on **Monday, 26th July at 10.00 A.M.** via digital platform hosted from the Corporate Office of the Company to transact the following businesses:

AGENDA

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2021 together with the Reports of the Directors and the Auditors thereon.
2. To approve and declare Final Dividend for the year ended March 31, 2021 as recommended by the Board of Directors of the Company.
3. To approve appointments to the Board and elect/re-elect Directors due to rotation & retirement
4. To appoint A. Qasem & Co as Statutory Auditors of the Company and fix their remuneration for the financial year ending March 31, 2022.
5. To appoint Al-Muqtadir & Associates as Corporate Governance Auditor pursuant to condition 9(i) of the Corporate Governance Code 2018

Special Business

6. Pursuant to BSEC notification no. BSEC/CMRRCD/2009-193/2/Admin/103 dated 5 February 2020, to consider and approve the related party transactions between the Company and its associated company, Marico Middle East, as set out in Note 27 of the Auditor's Report & Financial Statements of the Company and pursuant to BSEC notification no. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021 to further approve related party transactions in the Financial Year 2021-22, for sale or purchase of assets in excess of 1% and for the sale or purchase of raw material, packaging material or finished goods in excess of 10% of the Company's revenue for Financial Year 2020-21, in the normal course of business and on an arm's length basis.

Dhaka

Date: 26 June 2021

Corporate Office:

Marico Bangladseh Limited

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

Gulshan Avenue, Dhaka-1212

By Order of the Board

For, **Marico Bangladesh Limited**



Chirstabel Randolph

Company Secretary

NOTES:

1. Members/Shareholders whose names appear on the Shareholders/Depository Register on the "Record Date" i.e. Thursday, 27 May 2021 are eligible to attend the 21st Annual General Meeting (AGM) and receive the final dividend approved at the AGM.
2. A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead. The "Proxy Form", duly filled, signed and stamped at BDT 20 must be sent through email to the Company's secretarial department at **secretarial.mbl@marico.com** no later than 72 hours before commencement of the AGM.

3. Members/Shareholders are requested to update their respective BO Accounts with their relevant information including 12-digit Taxpayers' Identification Number (TIN), bank account details, e-mail address, cell phone number and mailing address, through their respective Depository Participants.
4. Pursuant to the Bangladesh Securities and Exchange Commission's Directives dated 23rd March 2021 under Reference Number: BSEC/CMRRCD/2009-193/12 the 21st Annual General Meeting will be a virtual meeting conducted via live webcast through digital platform.
5. The Company will send the Annual Report 2021 with Proxy Form and Attendance Slip in soft format to the e-mail of the shareholders as per their BO account details maintained with CDBL. In case of non-receipt of Annual Report 2021 sent through email, shareholders may collect the same from the company's website: **www.marico.com/bangladesh**.
6. The joining details and Frequently Asked Questions (FAQs) will be available in the Annual Report and published on the Investor Relations section of the Company's website at: **https://marico.com/bangladesh**. It will also be communicated to the e-mail address and cell phone number of Shareholders' as per the details in their BO accounts.
7. Members/Shareholders can join virtual AGM from Laptop, PC, Mobile or Tab with following link at **https://tinyurl.com/maricoagm2021** or by scanning the QR Code below.



Proposed Ordinary Resolution for Agenda No. 6

“RESOLVED THAT, approval is hereby granted for the related party transactions between the Company and its associated company, Marico Middle East, as set out in Note 27 of the Auditor's Report & Financial Statements of the Company;

FURTHER RESOLVED THAT, approval is further granted for related party transactions in the Financial Year 2021-22, for sale or purchase of assets in excess of 1% and for the sale or purchase of raw material, packaging material or finished goods in excess of 10% of the Company's revenue for Financial Year 2020-21, in the normal course of business and on an arm's length basis.”

Explanatory Statement for Agenda No. 6

The Company carries out a number of transactions with its parent and associated companies in the normal course of business and on an arm's length basis including the purchase of raw material, packaging material, finished goods, machinery or equipment as well as recharges for services, sale of finished goods and packaging materials and remittance of royalty and technical assistance fees. The purchase from associated companies is done to achieve economies of scale, supply assurance and consistent quality. Considering its growth plans, the Company envisages that transactions with related parties being Marico Middle East (MME), Marico Limited (ML), Marico South-East Asia (SEA), would either individually or in the aggregate, likely exceed the 1% threshold in the case of sale or purchase of raw materials and may exceed the 10% threshold for the purchase of assets being machinery and equipment. Hence approval is being sought from the Shareholders for the said related party transaction(s) proposed to be entered into by the Company in the financial year 2021-22. The Board, as such, recommends the above ordinary resolution for members' approval.

FREQUENTLY ASKED QUESTIONS (FAQS)

on virtual shareholder meeting

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

Pursuant to the Bangladesh Securities and Exchange Commission's Notification No. SEC/SRMIC/94-231/91 dated March 31, 2021, a listed company can arrange and hold virtual shareholder meeting, which can be conducted via live webcast by using digital platform. Considering the health and safety of all our valued shareholders, members and others who plan to attend the AGM, Marico Bangladesh will hold its 21st AGM virtually by using digital platform. We believe virtual AGM will increase the ability to engage with all the shareholders, regardless of their number of shares, resources or physical location.

Q• 2. How can I participate in the AGM?

You are eligible to participate in the AGM, if you were a shareholder of Marico Bangladesh as on the "Record Date" i.e. 27 May 2021. You will be able to participate in the AGM online from your laptop, desktop, tablet and smartphone. The link for joining the virtual AGM is: <https://tinyurl.com/maricoagm2021>.

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

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

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

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

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

Q• 5. Who is entitled to vote?

Each holder of shares of Marico Bangladesh Limited as on the "Record Date" i.e. 27 May 2021 is entitled to vote at the AGM. The results of voting will be broadcasted in real time in respect of the specific agenda item.

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

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

Q• 7. What is the deadline for voting my shares?

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

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

If you encounter any difficulties accessing the virtual meeting through the link prior to or during the AGM, please call +8801313796384 or +8801719433424 for support.

VIRTUAL SHAREHOLDER MEETING

Pursuant to the Bangladesh Securities and Exchange Commission's Notification No. SEC/SRMIC/94-231/91 dated March 31, 2021, a listed company can arrange and hold virtual shareholder meeting, which can be conducted via live webcast by using digital platform. Accordingly, in the light of prevailing COVID-19 situation in Bangladesh, Marico Bangladesh will hold its 21st AGM 2021 virtually by using digital platform and online shareholder tools that –

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



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



Access

Marico Bangladesh values the importance of effective communication with its Shareholders. The Company recognizes the rights of Shareholders and the Shareholders' interest are primarily ensured through Marico's AGM. Accordingly, we have designed our virtual format to enhance, rather than constrain, Shareholder access, participation and communication.



Q&A

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

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



Vote

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

We believe good Corporate Governance involves openness and trustful cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. We have carefully designed the 21st AGM of the Company to provide continuous and meaningful Shareholder engagement and participation. Our committed Board of Directors and Management Team value these interactions and invest significant time and resources to ensure that it has an open line of communication with Shareholders.

GENERAL SHAREHOLDER INFORMATION

AGM-Date, time	10:00 a.m. Monday, July 26, 2021 Virtually held by using digital platform through the following link https://tinyurl.com/maricoagm2021
Financial Year	April 01, 2020 – March 31, 2021
Record Date	Thursday, May 27, 2021
Dividend Paid & Recommended	Interim Cash Dividend @ 700% on Face Value Final Cash Dividend @ 200% on Face Value
Dividend Payment Date	Paid within 30 days from decision of the Board for all interim cash dividend and proposed 200% Final Cash Dividend will be paid within 30 days of approval at AGM
Listing on Stock Exchanges	Dhaka Stock Exchange Limited (DSE) Chittagong Stock Exchange Limited (CSE) Listing fees up to December 31, 2020 has been paid.
Stock/Scrp Code	DSE – MARICO CSE – MARICO
ISIN number	BD0481MRICO6
Category	Pharmaceuticals & Chemical
Investors' enquiry	+88(02) 29897180, Ext – 681 Email: info@marico.com Website: http://marico.com/bangladesh



MARICO BANGLADESH LIMITED

Registered Office: House-1, Road-1, Sector-1, Uttara, Dhaka-1230, Bangladesh
 Corporate Office: The Glass House, 6th Floor, Plot: 02, Block: SE (B), Gulshan Avenue, Dhaka- 1212

PROXY FORM

TWENTY FIRST ANNUAL GENERAL MEETING ON MONDAY, JULY 26, 2021 AT 10:00 A.M

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

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

I/We _____ of _____
 being a shareholder/shareholders of the above-named Company hereby appoint Mr./Mrs. _____
 of _____ as my/our proxy to vote for me/us on my/our behalf at the
TWENTY FIRST ANNUAL GENERAL MEETING of the company to be virtually held by using digital platform through the following link
<https://tinyurl.com/maricoagm2021> and at any adjournment(s) thereof.

Signed this ____/____/ 2021



Signature of Proxy _____

Signature of Member _____

Notes:

1. A shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A Proxy need not be a shareholder.
3. This form in order to be effective must be duly stamped @ BDT20, completed and signed and the scan copy of the same must be sent through email to secretarial.mbl@marico.com 48 hours before the commencement of the meeting at 10:00 A.M. on Monday July 26, 2021.

AUDITORS' REPORT & FINANCIAL STATEMENTS





Rahman Rahman Huq
Chartered Accountants
 9 & 5 Mohakhali C/A
 Dhaka 1212
 Bangladesh

Telephone +880 2 2222 86450-2
 Fax +880 2 2222 86449
 Email dhaka@kpmg.com
 Internet www.kpmg.com/bd

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Marico Bangladesh Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Marico Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

See note 5 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Revenue recognition has significant and wide influence on financial statements.</p> <p>Revenue is recognised when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognised at the time when the goods are delivered to the customer. The Company makes most of the sales after receiving advance payment. The sales of the Company are derived from a large number of distributors located over the country with relatively small amount of transactions. Revenue is measured at net of discounts and incentives earned by customers.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> We understood, evaluated and validated the key controls related to the Company's sales process from end to end, from contracts approval and sign-off, recording of sales, all the way through to cash receipts and customers' outstanding balances. We have tested the sales cut-off at the close to the period-end to ensure the completeness of revenue recognised in financial statements by reviewing relevant supporting documents regarding the appropriateness of recording sales made in the current and subsequent accounting period

1. Revenue recognition (continued)

<p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>Confirmation documents of dispatching goods were provided by listed transporting agencies based on different locations. There is a risk of differences between the timing of invoicing of products and delivery of the products to the company's customers. Accordingly, there could be potential misstatements that these revenue transactions are not recognised in the correct reporting period.</p> <p>Due to the complexities and the inherent risk of manipulation in revenue recognition, we determined this to be a key audit matter.</p> <p>The company has reported total revenue of BDT 11,307 million (31 March 2020: BDT 9,796 million) in current year.</p>	<ul style="list-style-type: none"> We conducted substantive testing of revenue recorded over the period using sampling techniques, by examining the relevant supporting documents including customer acknowledged sales invoices, VAT Challans and outbound delivery note. We also confirmed customer balances at the statement of financial position date. We have assessed the completeness of trade spends by obtaining relevant supporting documentation or calculation for discounts and rebates settled during the year. We confirmed certain customers' receivable balances at the balance sheet date, selected on a sample basis by considering the amounts outstanding with those customers.
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2. Existence of inventory

See note 19 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Company had inventory of BDT 1,980 million (31 March 2020: BDT 1,632 million) as at 31 March 2021, held at plants, warehouses, depots and third-party locations and across multiple product lines.</p> <p>Inventories are kept and distributed from different location of the Country which increase the susceptibility of lost and misappropriation of inventories. Hence existence of inventories had been considered as key audit matter.</p>	<p>Our audit procedures were designed to confirm the existence of inventories and to challenge the adequacy of the Company's provisions against inventory included:</p> <ul style="list-style-type: none"> Evaluating the design and implementation of key inventory controls operating across the Company, including those at a sample of distribution centres, warehouses and depots; Attending inventory counts and obtaining stock confirmations from third parties to check the existence and reconciling the count results to the inventory listings to test the completeness of data;

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made 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 these 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.

The engagement partner on the audit resulting in this independent auditor's report is M Mehedi Hasan.



M Mehedi Hasan, Partner, Enrolment number: 1000
Rahman Rahman Huq, Chartered Accountants
Firm Registration Number: N/A
Dhaka, 02 May 2021
DVC: 2105031000AS449448

Marico Bangladesh Limited

Statement of financial position

In Taka	Note	31 March	
		2021	2020
Assets			
Property, plant and equipment	14(A)	771,868,265	646,996,533
Intangible assets	15	226,084	1,629,290
Right-of-use assets	16	164,593,633	175,398,286
Deferred tax assets	13(B)	19,167,902	47,345,641
Advances, deposits and prepayments	17	412,773,542	22,687,928
Other financial assets	18	304,664,442	449,448
Non-current assets		1,673,293,868	894,507,126
Inventories	19	1,980,451,778	1,632,102,325
Advances, deposits and prepayments	17	133,405,058	601,458,728
Other financial assets	18	1,574,484,466	1,423,654,628
Cash and cash equivalents	20	396,404,261	420,407,014
Assets held for sale	14(B)	35,865,465	35,865,465
Current assets		4,120,611,028	4,113,488,160
Total assets		5,793,904,896	5,007,995,286
Equity			
Share capital	21	315,000,000	315,000,000
Share premium	21	252,000,000	252,000,000
Retained earnings		1,069,572,396	820,680,232
Total equity		1,636,572,396	1,387,680,232
Liabilities			
Employee benefits	22	32,262,856	85,861,639
Lease liabilities	23	122,256,724	167,728,340
Non-current liabilities		154,519,580	253,589,979
Loans and borrowings	24	250,000,000	-
Employee benefits	22	21,018,917	6,516,576
Trade and other payables	25	3,082,900,365	2,711,929,259
Lease liabilities	23	44,634,210	42,836,393
Current tax liabilities	26	604,259,428	605,442,847
Current liabilities		4,002,812,920	3,366,725,075
Total liabilities		4,157,332,500	3,620,315,054
Total equity and liabilities		5,793,904,896	5,007,995,286

The notes on pages 162 to 201 are an integral part of these financial statements.


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our annexed report of same date.


Auditor
M Mehedi Hasan, Partner
Enrolment Number: 1000
Rahman Rahman Huq

Chartered Accountants, KPMG in Bangladesh, Firm Registration Number:

Dhaka, 02 May 2021

N/A

DVC: 2105031000AS449448

Statement of profit or loss and other comprehensive income

For the year ended 31 March

In Taka	Note	2021	2020
Revenue	5	11,306,519,256	9,795,911,357
Cost of sales	6	(4,638,784,672)	(4,133,231,362)
Gross profit		6,667,734,584	5,662,679,995
Other income	9.1	63,392,805	9,781,005
General and administrative expenses	7	(1,087,380,800)	(955,785,373)
Marketing, selling and distribution expenses	8	(1,358,266,457)	(1,147,745,067)
Other expenses	9.2	(788,185)	(2,087,838)
Operating profit		4,284,691,947	3,566,842,722
Finance income	10.1	149,398,274	239,693,041
Finance costs	10.2	(18,912,816)	(46,447,617)
Net finance income		130,485,458	193,245,424
Profit before contribution to WPPF		4,415,177,405	3,760,088,146
Contribution to WPPF	11	(220,758,870)	(188,004,407)
Profit before tax		4,194,418,535	3,572,083,739
Income tax expense	13	(1,085,738,503)	(925,845,292)
Profit for the year		3,108,680,032	2,646,238,447
Other comprehensive income			
Remeasurements of defined benefit liability	22.4	(13,931,056)	(21,693,272)
Related tax	13(B)	(10,856,812)	5,423,318
Other comprehensive income/(loss) for the year, net of tax		(24,787,868)	(16,269,954)
Total comprehensive income for the year		3,083,892,164	2,629,968,493
Earnings per share			
Basic and diluted earnings per share (per value of Tk 10)	12	98.69	84.01

The notes on pages 162 to 201 are an integral part of these financial statements.


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our annexed report of same date.



Auditor
M Mehedi Hasan, Partner
Enrolment Number: 1000
Rahman Rahman Huq

Chartered Accountants, KPMG in Bangladesh, Firm Registration Number: N/A

Dhaka, 02 May 2021

DVC: 2105031000AS449448

Marico Bangladesh Limited  159

Marico Bangladesh Limited

Statement of changes in equity

For the year ended 31 March 2021

In Taka	Note	Share capital	Attributable to owners of the Company		
			Share premium	Retained earnings	Total
Balance at 1 April 2019		315,000,000	252,000,000	735,135,754	1,302,135,754
Adjustment on initial application of IFRS 16		-	-	(24,424,015)	(24,424,015)
Adjusted balance at 1 April 2019		315,000,000	252,000,000	710,711,739	1,277,711,739
Total comprehensive income for the year					
Profit for the year		-	-	2,646,238,447	2,646,238,447
Other comprehensive income/(loss) for the year		-	-	(16,269,954)	(16,269,954)
Total comprehensive income for the year		-	-	2,629,968,493	2,629,968,493
Transactions with owners of the Company					
Contributions and distributions					
Final dividend for the year 2018-2019	32	-	-	(157,500,000)	(157,500,000)
First interim dividend for the year 2019-2020	32	-	-	(787,500,000)	(787,500,000)
Second interim dividend for the year 2019-2020	32	-	-	(630,000,000)	(630,000,000)
Third interim dividend for the year 2019-2020	32	-	-	(945,000,000)	(945,000,000)
Total transactions with owners of the Company		-	-	(2,520,000,000)	(2,520,000,000)
Balance at 31 March 2020		315,000,000	252,000,000	820,680,232	1,387,680,232
Balance at 1 April 2020		315,000,000	252,000,000	820,680,232	1,387,680,232
Total comprehensive income for the year					
Profit for the year		-	-	3,108,680,032	3,108,680,032
Other comprehensive loss for the year		-	-	(24,787,868)	(24,787,868)
Total comprehensive income for the year		-	-	3,083,892,164	3,083,892,164
Transactions with owners of the Company					
Contributions and distributions					
Final dividend for the year 2019-2020	32	-	-	(630,000,000)	(630,000,000)
First interim dividend for the year 2020-2021	32	-	-	(945,000,000)	(945,000,000)
Second interim dividend for the year 2020-2021	32	-	-	(630,000,000)	(630,000,000)
Third interim dividend for the year 2020-2021	32	-	-	(630,000,000)	(630,000,000)
Total transactions with owners of the Company		-	-	(2,835,000,000)	(2,835,000,000)
Balance at 31 March 2021		315,000,000	252,000,000	1,069,572,396	1,636,572,396

The notes on pages 162 to 201 are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 March

In Taka	Note	2021	2020
Cash flows from operating activities			
Collection from customers and others		11,385,285,072	9,712,840,558
Payment to suppliers and for operating expenses		(7,177,510,122)	(6,099,313,985)
Cash generated from operating activities		4,207,774,950	3,613,526,573
Interest paid		(2,111,958)	(18,266,324)
Interest received		168,546,826	184,735,625
Income tax paid	26.2	(1,069,600,995)	(767,038,160)
Net cash from operating activities		3,304,608,823	3,012,957,714
Cash flows from investing activities			
Acquisition of property, plant and equipment		(241,574,664)	(320,280,709)
Proceeds from sale of property, plant and equipment		459,660	1,142,977
Net proceeds from investments in treasury bond		11,334,400	-
(Investment in)/encashment of fixed deposit	18	(447,974,722)	741,184,316
Net cash from/(used in) investing activities		(677,755,326)	422,046,584
Cash flows from financing activities			
Net proceeds/(repayment) of loans and borrowings		250,000,000	(200,000,000)
Payment of lease liabilities	23	(66,040,838)	(47,728,849)
Dividend paid	21.6	(2,835,000,000)	(3,150,000,000)
Net cash used in financing activities		(2,651,040,838)	(3,397,728,849)
Net increase/(decrease) in cash and cash equivalents		(24,187,341)	37,275,449
Cash and cash equivalents at 1 April	20	420,407,014	382,661,779
Effect of movement in exchange rate on cash held		184,588	469,786
Cash and cash equivalents at 31 March	20	396,404,261	420,407,014

The notes on pages 162 to 201 are an integral part of these financial statements.

Marico Bangladesh Limited

Notes to the financial statements

1. Reporting entity**1.1 Company profile**

Marico Bangladesh Limited (hereinafter referred to as 'MBL' or 'the Company') is a public limited company incorporated on 6 September 1999, vide the certificate of incorporation number C-38527(485)/99 of 1999 in Bangladesh under the Companies Act, 1994 and has its registered address at House # 01, Road # 01, Sector # 01, Uttara Model Town, Dhaka-1230. The corporate address of the Company is at The Glass House, Level 6-7, Plot 2, Block SE(B), Gulshan 1, Dhaka 1212. The Company was initially registered as a private limited company and subsequently converted into a public limited company on 21 September 2008. The Company has been listed with both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 16 September 2009.

1.2 Nature of business

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

2. Basis of preparation**2.1 Statement of compliance**

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as listed entities.

As the FRS is yet to be issued by FRC hence as per the provisions of the FRA (section-69), the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

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

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

Details of the Company's accounting policies including changes during the year, if any, are included in Note 43.

2.2 Authorisation for issue

These financial statements are authorised for issue by the Board of Directors in its 114th Board of Directors meeting held on 27 April 2021.

2.3 Reporting period

The financial period of the Company covers 1 year from 1 April to 31 March and is followed consistently.

2.4 Comparative and reclassification

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

3. Functional and presentation currency

These financial statements are presented in Bangladeshi Taka (Taka/TK/BDT) which is the Company's functional currency. All amounts have been rounded to the nearest Taka, unless otherwise indicated.

4. Use of judgements and estimates

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

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

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 16	Right-of-use assets
Note 23	Lease liabilities

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 March 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 13 (B)	Deferred tax assets
Note 14	Property, plant and equipment
Note 15	Intangible assets
Note 19 & Note 43.5	Inventories
Note 22	Employee benefits
Note 26	Current tax liabilities
Note 31	Contingent liabilities

5. Revenue

See accounting policy in Note 43.13.

In Taka	For the year ended	
	31 March 2021	31 March 2020
Parachute coconut oil	6,989,061,972	6,363,063,211
Value added hair oil (VAHO)	3,217,578,897	2,623,452,312
Color	59,956,898	58,427,272
Beauty and health	394,293,853	143,813,615
Baby care	167,018,736	92,895,028
Others*	478,608,900	514,259,919
	11,306,519,256	9,795,911,357

* Others include male grooming, by-product, food and edible oil.

5.1 Breakup of local/export revenue

In Taka	For the year ended	
	31 March 2021	31 March 2020
Revenue from domestic operation	11,204,414,624	9,739,989,481
Revenue from export	102,104,632	55,921,876
	11,306,519,256	9,795,911,357

6. Cost of sales

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Opening stock of finished goods		204,518,577	266,208,457
Cost of goods manufactured	6.1	4,738,500,435	4,071,541,482
		4,943,019,012	4,337,749,939
Closing stock of finished goods		(304,234,340)	(204,518,577)
		4,638,784,672	4,133,231,362

6.1 Cost of goods manufactured

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Materials consumed	6.1.1	4,413,812,216	3,814,194,001
Factory overhead	6.1.2	324,688,219	257,347,481
		4,738,500,435	4,071,541,482

6.1.1 Materials consumed

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Opening stock of raw materials, packing materials and others		1,427,583,748	825,286,296
Purchases during the period		4,662,445,906	4,416,491,453
Closing stock of raw materials, packing materials and others		(1,676,217,438)	(1,427,583,748)
		4,413,812,216	3,814,194,001

6.1.2 Factory overhead

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Communication expenses		538,298	580,557
Cost of outsourced human resources		89,744,207	60,608,527
Depreciation	14.C	76,519,075	57,562,213
Entertainment		6,790,880	6,342,365
Power expenses		68,309,362	61,040,643
Printing and stationery		1,461,912	1,383,830
Repairs and maintenance		18,316,909	16,056,202
Salaries and allowances		42,805,027	41,303,892
Security charges		6,349,264	5,749,746
Travelling and conveyance		5,298,638	6,120,084
Warehouse rent		8,554,647	599,422
		324,688,219	257,347,481

7. General and administrative expenses

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Salaries and allowances		539,113,408	502,054,025
Gratuity		28,873,710	18,012,145
Rent, rates and taxes		8,381,941	6,386,072
Professional and legal charges		35,442,134	24,220,666
Security charges		1,565,877	2,092,055
Stamp and license fees		12,021,425	7,528,419
Directors' fees		1,027,340	996,670
Directors' remuneration		29,516,834	25,099,806
Repair and maintenance		14,701,731	8,199,777
Communication expenses		4,879,626	5,131,226
Subscription to trade association		527,095	395,309
Entertainment		20,562,535	20,669,251
Printing and stationery		2,727,234	2,504,357
Vehicle running expenses		19,736,650	18,622,305
Travelling and conveyance - local		7,552,089	10,231,233
Travelling and conveyance - foreign		552,840	8,368,217
Audit fees		1,300,000	1,650,000
Insurance premium		22,208,026	8,521,938
Bank charges		7,737,860	3,495,656
AGM and public relation		7,643,379	2,153,868
Conference and training		6,059,731	9,075,016
Electricity and gas charges		503,495	2,291,517
Amortisation		1,403,206	2,017,794
Royalty		107,135,381	92,971,017
Depreciation	14.C	37,729,427	35,123,539
Depreciation on right-of-use asset	16	46,434,480	37,432,890
General and technical assistance fees		86,547,962	72,443,188
Listing fees		315,000	315,000
CSR project*		32,767,263	26,062,155
Impairment loss/(reversal of impairment) of PPE		2,413,121	1,720,262
		1,087,380,800	955,785,373

* Marico Bangladesh Limited is continuing the corporate social responsibility (CSR) project during FY 2021 with UNDP. MBL and UNDP are implementing project "SWAPNO" from 1 September 2018 as per agreed project proposal & extension of that and in line with the policies, strategies and guidelines of Government of Bangladesh (GoB) and MBL. The beneficiaries of the project are underprivileged women. The project is continuing to run as of 31 March 2021.

8. Marketing, selling and distribution expenses

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Advertisement, travelling and communication expenses		1,076,441,043	871,929,639
Business promotion expenses		24,288,337	28,479,181
Entertainment		4,864,870	5,607,991
Free sample		14,294,598	8,588,555
Freight- outward		90,198,969	77,524,049
Market research expenses		84,357,541	90,405,726
Others selling and distribution expenses		63,821,099	65,209,926
		1,358,266,457	1,147,745,067

9. Other income/(expense)

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Other income	9.1	63,392,805	9,781,005
Other expenses	9.2	(788,185)	(2,087,838)
		62,604,620	7,693,167

9.1 Other income

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Gain on sale of property, plant and equipment		417,179	620,017
Insurance claim		17,086,621	304,164
Gain on lease modification and cancellation		23,065,477	-
Gain on cessation of liability		1,590,874	-
Gain on disposal of treasury bond		11,334,400	-
Sale of raw and packing materials		33,060	-
Scrap sales		9,865,194	8,856,824
		63,392,805	9,781,005

9.2 Other expenses

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Loss on sale of property, plant and equipment		(788,185)	(2,087,838)
		(788,185)	(2,087,838)

10. Net finance income

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Finance income	10.1	149,398,274	239,693,041
Finance costs	10.2	(18,912,816)	(46,447,617)
		130,485,458	193,245,424

10.1 Finance income

See accounting policy in Note 43.14(i)

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Interest on fixed deposits		125,251,890	233,792,829
Interest on call deposits		23,795,137	5,534,098
Interest on staff loan		146,700	366,114
Good borrower rebate		204,547	-
		149,398,274	239,693,041

10.2 Finance costs

See accounting policy in Note 43.14(ii)

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Interest on overdraft and loans		(2,962,773)	(17,657,581)
Foreign exchange gain/(loss)		(4,162,703)	(15,892,984)
Interest on lease		(11,787,340)	(12,897,052)
		(18,912,816)	(46,447,617)

11. Contribution to WPPF

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Profit before contribution to WPPF		4,415,177,405	3,760,088,146
Applicable contribution rate		5%	5%
		220,758,870	188,004,407

The Company operates a fund for workers as workers' profit participation and welfare fund and provides 5% of its profit before workers' profit participation fund (WPPF) and tax as per provision of the Bangladesh Labour Act 2006. Please see note 43.9(iv)

12. Earnings per share

12.1 Basic earnings per share

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Profit attributable to ordinary shareholders (net profit after tax)		3,108,680,032	2,646,238,447
Weighted average number of ordinary shares outstanding during the year		31,500,000	31,500,000
Earnings per share (EPS) in Taka		98.69	84.01

12.2 Diluted earnings per share

As per IAS-33 "Earnings Per Share", the calculation of diluted earning per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti dilutive effect on earning per share. The Company has no dilutive instruments that is why the diluted earning per share and basic earning per share is same.

13. Income tax expense

See accounting policy in Note 43.12.

In Taka	Note	For the year ended	
		31 March 2021	31 March 2020
Current tax expense			
Current year		1,068,417,576	908,685,699
Adjustment for prior years		-	3,426,973
		1,068,417,576	912,112,672
Deferred tax expense/(income)		17,320,927	13,732,620
		1,085,738,503	925,845,292

A. Reconciliation of effective tax rate

In Taka	For the year ended			
	31 March 2021		31 March 2020	
	%	Taka	%	Taka
Profit before income tax		4,194,418,535		3,572,083,739
Income tax using the corporate tax rate	25%	1,048,604,634	25%	893,020,935
Factors affecting the tax charge for current period:				
Short of fiscal depreciation and amortisation over that of accounting	-0.09%	(3,689,161)	-0.36%	(13,022,477)
Disallowance for excess perquisites	0.29%	12,128,937	0.23%	8,213,048
Short of gratuity payment over gratuity provision	-0.37%	(15,428,416)	-0.02%	(624,998)
Tax impact of leave encashment provision over actual payment	0.05%	2,121,108	-0.01%	(347,200)
Disallowance for contribution to not government approved CSR project	0.12%	4,915,089	0.11%	3,909,323
Impairment loss of property, plant and equipment	0.01%	603,280	0.01%	430,065
Allowance for exemption of export income	-0.12%	(4,860,969)	-0.07%	(2,608,590)
Other inadmissible expenses	0.52%	21,687,153	0.55%	19,715,593
Adjustment for prior years	0.00%	-	0.10%	3,426,973
Foreign exchange loss	0.02%	1,040,676	0.00%	-
Depreciation on leased assets	0.28%	11,608,620	0.00%	-
Interest on lease liabilities	0.07%	2,946,835	0.00%	-
Actual rent on leased assets	-0.32%	(13,260,210)	0.00%	-
Deferred tax expense	0.41%	17,320,927	0.38%	13,732,620
Total income tax expense	25.89%	1,085,738,503	25.92%	925,845,292

B

Movement in deferred tax balances

31 March 2021	In Taka	Net balance at 1 April 2020	Recognised in profit /loss	Recognised in OCI	Net	Balance as at 31 March	
						Deferred tax assets	Deferred tax liabilities
Property, plant and equipment		(10,351,960)	552,090	-	(9,799,870)	(9,799,870)	-
Intangible assets		(2,177,019)	(92,367)	-	(2,269,386)	(2,269,386)	-
Provision for gratuity*		(21,993,959)	11,137,147	10,856,812	-	-	-
Provision for leave encashment		(4,031,091)	(2,121,108)	-	(6,152,199)	(6,152,199)	-
RoU assets- Impact of IFRS 16		43,849,572	(3,073,286)	-	40,776,286	-	40,776,286
Lease liabilities- Impact of IFRS 16		(52,641,184)	10,918,451	-	(41,722,733)	(41,722,733)	-
Net deferred tax (assets)/liabilities		(47,345,641)	17,320,927	10,856,812	(19,167,902)	(59,944,188)	40,776,286

*The gratuity fund has been approved by NBR on October 2020. Considering this, provision for gratuity has not been considered for deferred tax as at 31 March 2021.

31 March 2020	In Taka	Net balance at 1 April 2019	Recognised in profit /loss	Recognised in OCI	Net	Balance as at 31 March	
						Deferred tax assets	Deferred tax liabilities
Property, plant and equipment		(26,910,451)	16,558,491	-	(10,351,960)	(10,351,960)	-
Intangible assets		(1,959,719)	(217,300)	-	(2,177,019)	(2,177,019)	-
Provision for gratuity		(14,265,143)	(2,305,498)	(5,423,318)	(21,993,959)	(21,993,959)	-
Provision for leave encashment		(4,378,291)	347,200	-	(4,031,091)	(4,031,091)	-
RoU assets- Impact of IFRS 16		45,329,406	(1,479,834)	-	43,849,572	-	43,849,572
Lease liabilities- Impact of IFRS 16		(53,470,745)	829,561	-	(52,641,184)	(52,641,184)	-
Net deferred tax (assets)/liabilities		(55,654,943)	13,732,620	(5,423,318)	(47,345,641)	(91,195,213)	43,849,572

14.

Property, plant and equipment

See accounting policy in Note 43.2.

A.

Reconciliation of carrying amount

In Taka	Freehold land	Plant and machinery	Factory building	Office building	Office equipment	Computers	Furniture and fixtures	A.C. and refrigerators	Assets under construction	Total
Cost										
Balance at 1 April 2019	176,749,959	865,332,121	231,650,100	200,257,940	57,312,291	22,390,719	87,508,409	14,645,181	6,142,021	1,661,988,741
Additions	-	-	-	-	-	-	-	-	311,162,255	311,162,255
Transfer from asset under construction	-	151,087,851	-	105,193,618	6,076,048	6,124,678	11,488,906	11,253,600	(291,224,701)	-
Disposals	-	(27,957,729)	-	-	(6,802,399)	(770,873)	(390,159)	(3,487,632)	-	(39,408,792)
Assets held for sale adjustment	-	-	-	(136,844,485)	-	-	(23,356,261)	-	-	(160,200,746)
Balance at 31 March 2020	176,749,959	988,462,243	231,650,100	168,607,073	56,585,940	27,744,524	75,250,895	22,411,149	26,079,575	1,773,541,458
Balance at 1 April 2020	176,749,959	988,462,243	231,650,100	168,607,073	56,585,940	27,744,524	75,250,895	22,411,149	26,079,575	1,773,541,458
Additions	-	-	-	-	-	-	-	-	242,364,021	242,364,021
Transfer from asset under construction	-	79,822,078	-	38,512,790	17,143,100	7,514,418	10,213,098	2,377,323	(155,582,807)	-
Disposals	-	(3,466,687)	(457,950)	-	(695,700)	-	(464,542)	(304,434)	-	(5,389,313)
Balance at 31 March 2021	176,749,959	1,064,817,634	231,192,150	207,119,863	73,033,340	35,258,942	84,999,451	24,484,038	112,860,789	2,010,516,166

Accumulated depreciation and impairment loss

Balance at 1 April 2019	-	709,261,476	196,297,104	152,623,406	49,478,270	16,824,297	57,878,394	10,909,237	-	1,193,272,184
Depreciation for the year	-	48,105,989	6,978,034	13,430,471	5,469,915	4,360,340	12,471,971	1,869,032	-	92,685,752
Impairment loss/(reversal)	-	1,927,809	158,107	-	41,417	-	(407,071)	-	-	1,720,262
Disposals	-	(26,054,419)	-	-	(6,602,712)	(754,574)	(343,491)	(3,042,796)	-	(36,797,992)
Assets held for sale adjustment	-	-	-	(105,997,772)	-	-	(18,337,509)	-	-	(124,335,281)
Balance at 31 March 2020	-	733,240,855	203,433,245	60,056,105	48,386,890	20,430,063	51,262,294	9,735,473	-	1,126,544,925
Balance at 1 April 2020	-	733,240,855	203,433,245	60,056,105	48,386,890	20,430,063	51,262,294	9,735,473	-	1,126,544,925
Depreciation for the year	-	66,615,174	6,323,743	7,122,203	12,991,453	5,412,363	12,435,524	3,348,042	-	114,248,502
Impairment loss/(reversal)	-	153,6148	-	-	-	-	876,973	-	-	2,413,121
Disposals	-	(2,705,521)	(457,950)	-	(626,200)	-	(464,542)	(304,434)	-	(4,558,647)
Balance at 31 March 2021	-	798,686,656	209,299,038	67,178,308	60,752,143	25,842,426	64,110,249	12,779,081	-	1,238,647,901
Carrying amounts										
At 1 April 2019	176,749,959	156,070,645	35,352,996	47,634,534	7,834,021	5,566,422	29,630,015	3,735,944	6,142,021	468,716,557
At 31 March 2020	176,749,959	255,221,388	28,216,855	108,550,968	8,199,050	7,314,461	23,988,601	12,675,676	26,079,575	646,996,533
At 31 March 2021	176,749,959	266,130,978	21,893,112	139,941,555	12,281,197	9,416,516	20,889,202	11,704,957	112,860,789	771,868,265

B. Assets held for sale

See accounting policy in Note 43.18.

In Taka	31 March 2021	31 March 2020
Office building	30,846,713	30,846,713
Furniture and fixtures	5,018,752	5,018,752
	35,865,465	35,865,465

Office building at Uttara and furniture & fixtures have been classified as held for sale on 31 March 2020. Though MBL could not sale the asset within one year, MBL is searching for buyer in the market actively. So, the asset has remained as asset held for sale in this year.

C. Allocation of depreciation

In Taka	For the year ended	
	31 March 2021	31 March 2020
Cost of sales	76,519,075	57,562,213
General and administrative expenses	37,729,427	35,123,539
	114,248,502	92,685,752

15. Intangible assets

See accounting policy in Note 43.3.

Reconciliation of carrying amount

In Taka	Computer software	Total
Cost		
Balance at 1 April 2019	22,061,875	22,061,875
Addition during the year	-	-
Balance at 31 March 2020	22,061,875	22,061,875
Balance at 1 April 2020	22,061,875	22,061,875
Addition during the year	-	-
Balance at 31 March 2021	22,061,875	22,061,875
Accumulated amortisation		
Balance at 1 April 2019	18,414,791	18,414,791
Amortisation during the year	2,017,794	2,017,794
Balance at 31 March 2020	20,432,585	20,432,585
Balance at 1 April 2020	20,432,585	20,432,585
Amortisation during the year	1,403,206	1,403,206
Balance at 31 March 2021	21,835,791	21,835,791
Carrying amounts		
At 1 April 2019	3,647,084	3,647,084
At 31 March 2020	1,629,290	1,629,290
At 31 March 2021	226,084	226,084

16. Right-of-use assets

See accounting policy in Note 43.4.

Reconciliation of carrying amount

In Taka	Buildings	Total
Cost		
Recognition of Right-of-use assets on initial application of IFRS-16	181,317,622	181,317,622
Addition during the year	31,513,554	31,513,554
Disposal during the year	-	-
Balance at 31 March 2020	212,831,176	212,831,176
Balance at 1 April 2020	212,831,176	212,831,176
Addition during the year	53,661,570	53,661,570
Disposal during the year	(25,160,571)	(25,160,571)
Balance at 31 March 2021	241,332,175	241,332,175
Accumulated depreciation		
Balance at 1 April 2019	-	-
Depreciation during the year	37,432,890	37,432,890
Disposal during the year	-	-
Balance at 31 March 2020	37,432,890	37,432,890
Balance at 1 April 2020	37,432,890	37,432,890
Depreciation during the year	46,434,480	46,434,480
Disposal during the year	(7,128,828)	(7,128,828)
Balance at 31 March 2021	76,738,542	76,738,542
Carrying amount		
At 1 April 2019	181,317,622	181,317,622
At 31 March 2020	175,398,286	175,398,286
At 31 March 2021	164,593,633	164,593,633

17. Advances, deposits and prepayments

In Taka	31 March 2021	31 March 2020
Advances		
Advance for capital goods	53,561,536	47,443,472
Advance to suppliers and others	459,992,329	496,832,058
513,553,865	513,553,865	544,275,530
Deposits		
Security deposits	12,359,983	15,574,365
Value added tax (VAT) account	-	39,622,553
12,359,983	12,359,983	55,196,918
Prepayments		
Prepaid expenses	20,264,752	24,674,208
546,178,600	546,178,600	624,146,656

17.1 Current and non-current classification of advances, deposits and prepayments

In Taka	31 March 2021	31 March 2020
Current	133,405,058	601,458,728
Non-current	412,773,542	22,687,928
	546,178,600	624,146,656

18. Other financial assets

In Taka	Note	31 March 2021	31 March 2020
Fixed deposits	18.2	1,737,974,722	1,290,000,000
Trade receivables		65,033,298	43,955,943
Loans to employees		6,814,738	1,673,431
Accrued interest		69,326,150	88,474,702
		1,879,148,908	1,424,104,076

18.1 Current and non-current classification of other financial assets

In Taka	31 March 2021	31 March 2020
Current	1,574,484,466	1,423,654,628
Non-current	304,664,442	449,448
	1,879,148,908	1,424,104,076

18.2 Fixed deposits (maturity more than three months)

In Taka	Credit rating	31 March 2021	31 March 2020
BRAC Bank Limited	AA1	200,000,000	120,000,000
IPDC Finance Limited	AAA	200,000,000	240,000,000
IDLC Finance Limited	AAA	280,000,000	-
Commercial Bank of Ceylon PLC	AAA	557,974,722	250,000,000
Standard Chartered Bank	AAA	-	610,000,000
Woori Bank	A1	500,000,000	-
Bank Alfalah	AA	-	70,000,000
		1,737,974,722	1,290,000,000

19. Inventories

See accounting policy in Note 43.5.

In Taka	31 March 2021	31 March 2020
Raw materials	1,039,689,041	965,403,374
Packing materials	224,187,805	183,301,649
Finished goods	304,234,340	204,518,577
Stores and spares	21,970,493	23,321,953
Materials in transit	390,370,099	255,556,772
	1,980,451,778	1,632,102,325

20. Cash and cash equivalents

See accounting policy in Note 43.6 (ii)(a).

In Taka	Note	31 March 2021	31 March 2020
Bank balances	20.1	380,267,615	402,482,632
Bank balance for unclaimed dividend		16,136,646	17,924,382
		396,404,261	420,407,014

20.1 Bank balances

In Taka	Credit rating	31 March 2021	31 March 2020
BRAC Bank Limited	AA1	53,487,789	104,438,660
Citibank N.A.	A+	903,681	1,516,312
Islami Bank Bangladesh Limited	AAA	10,431,030	86,368,614
Sonali Bank Limited	A(AAA)	5,695,235	511,863
Standard Chartered Bank	AAA	169,738,861	83,691,017
The Hongkong and Shanghai Banking Corporation Ltd.	AAA	4,665,448	1,195,016
The City Bank Limited	AA2	1,479,975	124,761,150
Dutch Bangla Bank Limited	AA+	201,000	-
Eastern Bank Limited	AA+	133,664,596	-
		380,267,615	402,482,632

21. Share capital and share premium

See accounting policy in Note 43.7.

21.1 Share capital

In Taka	31 March 2021	31 March 2020
Authorised		
40,000,000 ordinary shares of Tk 10 each	400,000,000	400,000,000
Issued, subscribed and paid up		
Issued for cash	41,500,000	41,500,000
Issued for consideration other than cash	273,500,000	273,500,000
	315,000,000	315,000,000

21.2 Composition of shareholding

Details	No. of share		% of Holding	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Marico Limited, India	28,350,000	28,350,000	90.00%	90.00%
Institutions	2,534,052	2,790,979	8.04%	8.86%
General shareholders	615,948	359,021	1.96%	1.14%
	31,500,000	31,500,000	100%	100%

21.3 Classification of shareholders by holding

Holdings	No. of share		% of Holding	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Less than 500 shares	3190	1810	0.59%	0.33%
500 to 5,000 shares	206	95	0.99%	0.46%
5,001 to 10,000 shares	38	17	0.92%	0.33%
10,001 to 20,000 shares	15	15	0.68%	0.66%
20,001 to 30,000 shares	8	7	0.66%	0.53%
30,001 to 40,000 shares	5	3	0.54%	0.32%
40,001 to 50,000 shares	4	5	0.58%	0.72%
50,001 to 100,000 shares	9	6	2.03%	1.27%
100,001 to 1,000,000 shares	5	8	3.01%	5.38%
Over 1,000,000 shares	1	1	90.00%	90.00%
	3481	1967	100%	100%

21.4 Number of share held by the members of the Company's leadership team

Holdings	No. of share	
	31 March 2021	31 March 2020
Managing Director	-	-
	-	-

21.5 Share premium

In Taka	31 March 2021	31 March 2020
Share premium on paid up share capital	252,000,000	252,000,000
	252,000,000	252,000,000

The issue price per share was BDT 18. The share premium arising on issue of share is BDT 8 per share.

21.6 Dividends

The following dividend was declared and paid by the Company in the year.

In Taka	31 March 2021	31 March 2020
BDT 90 per qualifying ordinary share (2020: BDT 100)	2,835,000,000	3,150,000,000
	2,835,000,000	3,150,000,000

After the reporting date, the following dividend was proposed/declared/recommended by the board of directors. The dividend has not been recognised as liabilities and there is no tax consequences.

In Taka	31 March 202	31 March 2020
BDT 20 per qualifying ordinary share (2020: BDT 20)	630,000,000	630,000,000
	630,000,000	630,000,000

22. Employee benefits

See accounting policy in Note 43.9.

In Taka	Note	31 March 2021	31 March 2020
Provision for gratuity	22.4	28,672,978	76,253,851
Provision for leave encashment	22.6	24,608,795	16,124,364
		53,281,773	92,378,215

22.1 Current and non-current classification of employee benefits

In Taka	Note	31 March 2021	31 March 2020
Current		21,018,917	6,516,576
Non-current		32,262,856	85,861,639
		53,281,773	92,378,215

22.2 Employee benefits - gratuity

In Taka	Note	31 March 2021	31 March 2020
Net defined benefit asset	22.4	(77,216,166)	-
Total employee benefit asset		(77,216,166)	-
Net defined benefit liability	22.4	105,889,144	76,253,851
Total employee benefit liabilities		28,672,978	76,253,851

22.3 Current and non-current classification of employee benefits- gratuity

In Taka		31 March 2021	31 March 2020
Current		19,484,302	5,024,103
Non-current		9,188,676	71,229,748
		28,672,978	76,253,851

22.4 Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

In Taka	Defined benefit obligation		Fair value of plan assets		Net defined (asset) liability	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Balance at 1 April	76,253,851	57,060,572	-	-	76,253,851	57,060,572
Included in profit or loss						
Current service cost	21,204,091	12,306,088	-	-	21,204,091	12,306,088
Interest cost	7,669,619	5,706,057	-	-	7,669,619	5,706,057
	28,873,710	18,012,145	-	-	28,873,710	18,012,145
Included in OCI						
Actuarial (gain)/loss arising from:						
-demographic assumption	-	3,012,528	-	-	-	3,012,528
-financial assumption	18,742,524	10,037,495	-	-	18,742,524	10,037,495
-experience adjustment	(4,644,021)	8,643,249	-	-	(4,644,021)	8,643,249
Return on plan asset excluding interest income	-	-	(167,447)	-	(167,447)	-
	14,098,503	21,693,272	(167,447)	-	13,931,056	21,693,272
Other						
Contribution paid by the employer	(3,813,104)	-	(86,572,535)	-	(90,385,639)	-
Benefits paid	(9,523,816)	(20,512,138)	9,523,816	-	-	(20,512,138)
	(13,336,920)	(20,512,138)	(77,048,719)	-	(90,385,639)	(20,512,138)
Balances as at 31 March	105,889,144	76,253,851	(77,216,166)	-	28,672,978	76,253,851

Gratuity scheme is funded from current year. As a result, MBL has made contribution in planned asset. There was no planned asset in previous year.

22.5 Defined benefit obligation**(i) Actuarial assumption**

The followings were the principal actuarial assumptions at the reporting date:

	31 March 2021	31 March 2020
Discount rate	7.5%	10%
Salary increase rate	12%	12%
Employee turnover rate	11%	11%

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

22.6 Provision for leave encashment

In Taka	31 March 2021	31 March 2020
Opening balance	16,124,364	17,513,164
Provision made during the year	14,802,279	6,567,617
Payment during the year	(6,317,848)	(7,956,417)
	24,608,795	16,124,364
Current	1,534,615	1,492,473
Non-Current	23,074,180	14,631,891
	24,608,795	16,124,364

23. Lease liabilities

See accounting policy in Note 43.15.

The Company leases many assets, including properties, warehouses, depots and sales offices. Total number of lease assets is twenty two and average terms of period of lease is four to eleven years. The incremental borrowing rate (IBR) is 11.2%. The factory leases were entered into many years ago as combined leases of land and buildings.

The following table sets out a maturity analysis of lease payables, showing the undiscounted lease payments to be paid after the reporting date.

In Taka	31 March 2021	31 March 2020
Less than one year	44,634,210	43,673,800
One to two years	48,886,907	44,634,210
Two to three years	52,280,711	48,886,907
Three to four years	5,873,811	52,280,711
Four to five years	9,831,760	5,873,811
More than five years	5,383,535	15,215,294
Total lease liabilities at 31 March	166,890,934	210,564,733

Lease liabilities included in the statement of financial position

In Taka	31 March 2021	31 March 2020
Current	44,634,210	42,836,393
Non-current	122,256,724	167,728,340
	166,890,934	210,564,733
Amounts recognised in profit or loss		
Interest on lease liabilities	11,787,340	12,897,052
Expenses related to short-term leases	8,554,647	599,422
Expenses related to leases of low-value assets excluding short-term leases of low value assets	-	-
Amounts recognised in the statement of cash flows		
Lease rental	53,040,839	47,728,849
Security deposit	13,000,000	-
Total cash outflow for lease liabilities and interest payments	66,040,839	47,728,849
Reconciliation of rental expenses with lease interest and ROU depreciation		
Rental expense incurred for lease contracts	53,040,839	47,728,849
Interest expenses on lease liability as per IFRS 16 shown in P&L	11,787,340	12,897,052
Depreciation on right of use asset as per IFRS 16 shown in P&L	46,434,480	37,432,890

24. Loans and borrowings

See accounting policy in Note 43.6(iii)(b).

In Taka	31 March 2021	31 March 2020
Short term loan	250,000,000	-
	250,000,000	-

This short term loan is taken from Citibank N.A., Gulshan branch, for the purpose of managing working capital for a duration of three months.

25. Trade and other payables

See accounting policy in Note 43.6(iii)(a).

In Taka	Note	31 March 2021	31 March 2020
Trade payables	25.1	937,295,045	776,586,623
Other payables	25.2	2,145,605,320	1,935,342,636
		3,082,900,365	2,711,929,259

25.1 Trade payables

In Taka	31 March 2021	31 March 2020
Related party trade payables		
Payable against raw material	441,206,707	199,436,248
Payable against packing material	7,151,743	892,454
	448,358,450	200,328,702
Third party trade payables		
Payable against raw material	73,916,649	100,614,332
Payable against services	290,128,764	369,482,503
Payable against packing material	119,247,904	104,355,701
Payable against finished goods	5,643,278	1,805,385
	488,936,595	576,257,921
	937,295,045	776,586,623

25.2 Other payables

In Taka	31 March 2021	31 March 2020
Related party other payables		
Royalty payable	107,135,382	176,513,966
General and technical assistance fees payable	86,039,653	313,359,294
Payable against expenses		55,809
Payable against capital goods	14,593,598	-
	207,768,633	489,929,069
Third party other payables		
Payable against expenses	565,367,923	473,941,727
Payable against business promotion expense	824,676,798	509,232,759
Import duty and related charges payable	115,589,691	145,719,882
Withholding tax and VAT payable	37,518,458	9,838,781
Workers' profit participation and welfare fund	220,758,871	188,004,407
Festival bonus	5,533,485	12,615,191
Advance from customers	106,211,149	16,266,231
Payable against capital goods	7,474,338	15,160,516
Unclaimed dividend	16,136,646	17,924,382
Audit fees payable	1,400,000	1,400,000
Interest accrued on loans	892,072	41,257
Supplementary duty	36,277,256	55,268,434
	1,937,836,687	1,445,413,567
	2,145,605,320	1,935,342,636

26. Current tax liabilities

In Taka	Note	31 March 2021	31 March 2020
Provision for income tax	26.1	5,817,546,371	4,749,128,795
Advance income tax	26.2	(5,213,286,943)	(4,143,685,948)
		604,259,428	605,442,847

26.1 Provision for income tax

In Taka	31 March 2021	31 March 2020
Opening balance	4,749,128,795	3,837,016,123
Provision for current period/year	1,068,417,576	908,685,699
Provision for prior year:		
Assessment year 2019-2020	-	3,426,973
Closing balance	5,817,546,371	4,749,128,795

26.2 Advance income tax

In Taka	31 March 2021	31 March 2020
Opening balance	4,143,685,948	3,376,647,788
Payment during the year:		
Payment for current period/year	656,592,012	491,249,372
Payment for prior year:		
Assessment year 2015-2016	42,515,295	-
Assessment year 2016-2017	1,972,778	-
Assessment year 2019-2020	-	275,788,788
Assessment year 2020-2021	368,520,910	-
Closing balance	5,213,286,943	4,143,685,948

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

Accounting year/period ended	Assessment year	Provision for income tax (Amount in Taka)	Advance income tax (Amount in Taka)	Status
31 March 2021	2021-22	1,068,417,576	656,592,012	
31 March 2020	2020-21	908,685,699	859,770,282	Return submitted
31 March 2019	2019-20	715,903,898	714,242,632	Open at DCT level
31 March 2018	2018-19	603,956,939	560,411,195	Return submitted
31 March 2017	2017-18	511,139,076	482,832,785	Open at DCT level
31 March 2016	2016-17	536,229,894	518,801,912	At TAT*
31 March 2015	2015-16	502,672,640	481,507,633	At TAT*
31 March 2014	2014-15	475,304,697	468,166,315	At High Court
31 March 2013	2013-14	279,549,372	234,442,800	At TAT*
31 March 2012	2012-13	206,588,040	236,519,377	At TAT*
30 September 2008	2009-10	9,098,540	-	At TAT*
		5,817,546,371	5,213,286,943	

*Taxes Appellate Tribunal

27. Related party transactions

27.1 Parent and ultimate controlling party

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

27.2 Transactions with key management personnel

In Taka	For the year ended	
	31 March 2021	31 March 2020
Directors' fees	1,027,340	996,670
Director's remuneration	29,516,834	25,099,806
	30,544,174	26,096,476

Compensation for the Company's key management personnel includes Directors' remuneration and fees. These expenses are included in general and administrative expenses.

27.3 Other related party transactions

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

27.3.1 Transactions with parent company

In Taka

Name of the related parties	Relationship	Nature of transaction	Transaction	Transaction	Balance as at	Balance as at
			2021	2020	31 March 2021	31 March 2020
Marico Limited, India	Parent company	Purchase of raw materials, packing materials and finished goods	69,327,054	79,138,940	25,404,308	1,800,430
		Purchase of asset	16,393,486	2,262,960	14,593,597	-
		Sales of finished goods (FG) and semi-finished goods (SFG)	384,841	-	-	-
		Sales of packing materials		89,495		-
		Royalty	107,135,381	92,971,017	107,135,381	176,513,966
		Dividend	2,551,500,000	2,268,000,000	-	-
		General and technical assistance fees	86,547,962	71,792,928	86,039,654	313,359,294

27.3.2 Transactions with other related parties

In Taka

Name of the related parties	Relationship	Nature of transaction	Transaction	Transaction	Balance as at	Balance as at
			2021	2020	31 March 2021	31 March 2020
Marico Middle East FZE	Associated company	Purchase of raw materials (RM)	2,302,086,094	1,925,977,910	422,954,142	198,528,272
Marico South East Asia	Associated company	Purchase of finished goods (FG)	1,246,188	1,725,549	-	-
		Reimbursement of expenses	55,730	55,615	-	55,809

28. Disclosures as per BSEC notification no. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018**28.1 Calculation of net asset value per share**

In Taka	31 March 2021	31 March 2020
Net asset	1,636,572,396	1,387,680,232
Number of shares	31,500,000	31,500,000
Net asset value (NAV) per share	51.95	44.05

28.2 Calculation of net operating cash flow per share (NOCFPS)

In Taka	31 March 2021	31 March 2020
Net cash from operating activities	3,304,608,823	3,012,957,714
Number of shares	31,500,000	31,500,000
Net operating cash flow per share (NOCFPS)	104.91	95.65

28.3 Reconciliation of net profit with cash flows from operating activities

In Taka	Note	31 March 2021	31 March 2020
Profit after tax		3,108,680,032	2,646,238,447
Adjustment for:			
- Depreciation	6.1.2 & 7	160,682,982	130,118,642
- Amortisation	7	1,403,206	2,017,794
- Gain on lease modification and cancellation	9.1	(23,065,477)	-
- Gain on disposal of treasury bond	9.1	(11,334,400)	-
- Effect of movement in exchange rate on cash held		(184,588)	(469,786)
- Interest expense	10.2	2,962,773	17,657,581
- Interest expense on lease	10.2	11,787,340	12,897,052
- Impairment loss/(reversal of impairment) of PPE	7	2,413,121	1,720,262
- Interest income	10.1	(149,398,274)	(239,693,041)
- Gain/(loss) on sale of property, plant and equipment	9.1 & 9.2	371,006	1,467,821
- Tax expense	13	1,085,738,503	925,845,292
		4,190,056,224	3,497,800,064
Changes in operating assets and liabilities:			
Inventories	19	(348,349,453)	(540,607,572)
Other financial assets	18	(26,218,662)	(14,777,213)
Advances, deposits and prepayments	17	82,101,469	(119,641,378)
Employee benefits	22	(53,027,499)	(3,888,793)
Trade and other payables	25	363,212,871	794,641,465
Cash generated from operating activities		4,207,774,950	3,613,526,573
Interest paid		(2,111,958)	(18,266,324)
Interest received		168,546,826	184,735,625
Income tax paid	26.2	(1,069,600,995)	(767,038,160)
Net cash flows from operating activities		3,304,608,823	3,012,957,714

29. Production capacity

Main product	Unit of measure	Installed capacity	
		31 March 2021	31 March 2020
Parachute Coconut Oil (PCNO)	KL	36,500	36,500
Copra Crushing	MT	36,000	36,000
Refined Oil	MT	18,000	18,000
Value Added Hair Oil (VAHO)	KL	15,600	15,200
Water based product	KL	12,000	12,000
Edible Oil	KL	4,000	3,600

30. Commitment

i) Capital commitment

	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account	281,606,861	119,656,388

ii) Other commitment

	31 March 2021	31 March 2020
Outstanding L/C	1,127,506,863	242,262,007

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

31. Contingent liabilities

The Company has contingent liability of BDT 1,103,433,853 as on 31 March 2021 in respect of indirect tax (VAT) and workers' profit participation & welfare fund. These are being vigorously defended by the Company. The management considers that it is not appropriate to make provision in respect of any of these claims.

The Company has ordinary letter of credit amount of Taka 989,732, Taka 1,069,128,249 and Taka 57,388,882 with Citibank, N.A., Standard Chartered Bank and Hongkong and Shanghai Banking Corporation respectively. Shipping guarantee of Taka 989,732, Taka 69,741,571 and Taka 528,447 with Citibank, N.A., Standard Chartered Bank and Hongkong and Shanghai Banking Corporation respectively.

32. Dividends declared and remitted

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

In Taka	Dividends declared	Dividends remitted	
		31 March 2021	31 March 2020
Interim dividend for the period ended 28 February 2019	630,000,000	-	510,300,000
Final dividend for the year ended 31 March 2019	157,500,000	-	127,575,000
Interim dividend for the period ended 30 June 2019	787,500,000	-	637,875,000
Interim dividend for the period ended 30 September 2019	630,000,000	-	510,300,000
Interim dividend for the period ended 31 December 2019	945,000,000	-	765,450,000
Final dividend for the year ended 31 March 2020	630,000,000	510,300,000	-
Interim dividend for the period ended 30 June 2020	945,000,000	765,450,000	-
Interim dividend for the period ended 30 September 2020	630,000,000	510,300,000	-
Interim dividend for the period ended 31 December 2020	630,000,000	510,300,000	-
		2,296,350,000	2,551,500,000

33. Capital management

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2021.

34. Segment information

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

35. Number of employees

The number of employees engaged for the whole year or part there of who received a total salary of TK 36,000 p.a. and above is 417 (2020:336), among them 106 employees left Marico and 311 (2020:272) existed at 31 March 2021.

36. Impact of COVID-19 on Marico Bangladesh Limited

On 11 March 2020, COVID-19 has been declared a pandemic by the World Health Organisation, and Bangladesh Government has taken restrictive measures including declared general public holidays to contain its further spread affecting free movement of people and goods. As a consequence, the COVID-19 outbreak has brought about additional challenges in the Company's operating environment and has impacted the way of Company's operations in Bangladesh.

The Company is closely monitoring the impact of the developments on the Company's businesses. As the situation is fast evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown.

The Company had assessed the impact of COVID-19 on its business. The assessment was made in the following areas:

IFRS 9 - Financial Instruments

IFRS 13 - Fair Value Measurement

IFRS 15 - Revenue from Contracts with Customers

IFRS 16 - Leases

IAS 2 - Inventories

IAS 12 - Income Taxes

IAS 19 - Employee Benefits

IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance

IAS 36 - Impairment of Assets:

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets

From the assessment, the Company determines that it will not face any hurdle to manage working capital balances to generate sufficient operating cash flows to meet the obligations as fall due. So, the Company does not have any plan to defer any capital expenditures, dividends and other distributions. In addition to this, the Company does not have any plan or is not in a situation that require to seek financial support from shareholders or taking advantage of government assistance. Overall, there is no mentionable impact of COVID-19 on the financial statements of Marico Bangladesh Limited for the year ended 31 March 2021.

37. Subsequent events

As per IAS - 10 "Events after the Reporting Period" events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of event can be identified:

(a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and

(b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

The details about the events after reporting period are as follows:

The Board of Directors of Marico Bangladesh Limited at its 114th meeting held on 27 April 2021 has recommended final cash dividend @ 200% i.e. Taka 20 per share, amount to total Taka 630,000,000 for the year ended at 31 March 2021.

38. Financial instruments - fair values and financial risk management**38.1 Accounting classifications and fair values**

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

31 March 2021

Particulars	Note	Carrying amount						Total
		Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortised cost	Other financial liabilities	
Financial assets measured at fair value		-	-	-	-	-	-	-
Financial assets not measured at fair value								
Fixed deposits	18	-	-	-	-	1,737,974,722	-	1,737,974,722
Loan to employees	18	-	-	-	-	6,814,738	-	6,814,738
Trade receivables	18	-	-	-	-	65,033,298	-	65,033,298
Cash and cash equivalents	20	-	-	-	-	396,404,261	-	396,404,261
		-	-	-	-	2,206,227,019	-	2,206,227,019
Financial liabilities measured at fair value		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Loans and borrowings	24	-	-	-	-	-	250,000,000	250,000,000
Trade and other payables	25	-	-	-	-	-	3,082,900,365	3,082,900,365
Lease liabilities	23	-	-	-	-	-	166,890,934	166,890,934
		-	-	-	-	-	3,499,791,299	3,499,791,299

31 March 2020

Particulars	Note	Carrying amount						Total
		Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortised cost	Other financial liabilities	
Financial assets measured at fair value		-	-	-	-	-	-	-
Financial assets not measured at fair value								
Fixed deposits	18	-	-	-	-	1,290,000,000	-	1,290,000,000
Loan to employees	18	-	-	-	-	1,673,431	-	1,673,431
Trade receivables	18	-	-	-	-	43,955,943	-	43,955,943
Cash and cash equivalents	20	-	-	-	-	420,407,014	-	420,407,014
		-	-	-	-	1,756,036,388	-	1,756,036,388
Financial liabilities measured at fair value								
Financial liabilities not measured at fair value								
Trade and other payables	25	-	-	-	-	-	2,711,929,259	2,711,929,259
Lease liabilities	23	-	-	-	-	-	210,564,733	210,564,733
		-	-	-	-	-	2,922,493,992	2,922,493,992

38.2 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

38.2.1 Credit risk

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

The Company makes sales on advance basis i.e. it receives advance from customers prior to sale, so there is no credit risk due to collectability 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:

In Taka	Note	31 March 2021	31 March 2020
Financial assets			
Fixed deposits	18	1,737,974,722	1,290,000,000
Loans to employees	18	6,814,738	1,673,431
Trade receivables	18	65,033,298	43,955,943
Cash and cash equivalents	20	396,404,261	420,407,014
		2,206,227,019	1,756,036,388

38.2.2 Liquidity risk

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

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

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

In Taka	Note	Carrying amount	Contractual cash flows					
			Expected cash flow	2 months or less	2-12 months	1- 2 years	2- 5 years	More than 5 years
31 March 2021								
Loans and borrowings	24	250,000,000	250,000,000	250,000,000	-	-	-	-
Trade and other payables	25	3,082,900,365	3,082,900,365	513,816,727	2,569,083,638	-	-	-
Lease liabilities	23	166,890,934	166,890,934	7,232,159	37,402,052	48,886,907	67,986,282	5,383,534
		3,499,791,299	3,499,791,299	771,048,886	2,606,485,690	48,886,907	67,986,282	5,383,534
31 March 2020								
Trade and other payables	25	2,711,929,259	2,711,929,259	2,711,929,259	-	-	-	-
Lease liabilities	23	210,564,733	210,564,733	21,030,699	21,805,694	50,131,396	117,596,944	-
		2,922,493,992	2,922,493,992	2,732,959,958	21,805,694	50,131,396	117,596,944	-

38.2.3 Market risk

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

i) Currency risk

The Company's exposures to foreign currency risk at 31 March 2021 are as follows:

In USD	31 March 2021	31 March 2020
Import of goods and services	(771,798)	(564,730)
Bank balance	508,702	330,351
	(263,096)	(234,379)

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

	Average rate		Year-end spot rate	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Exchange rate (USD/BDT)	84.82	84.62	84.71	84.94

ii) Foreign exchange rate sensitivity analysis

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

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

Effect in Taka	Profit/(loss)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
USD (1% movement)	(222,869)	222,869	(222,869)	222,869
31 March 2020				
USD (1% movement)	(199,082)	199,082	(199,082)	199,082

iii) Interest rate risk

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

As at 31 March 2021, the interest rate profile of the Company's interest bearing financial instruments was:

In Taka	31 March 2021	31 March 2020
Fixed rate instruments		
Financial assets		
Fixed deposit receipts	1,737,974,722	1,290,000,000
Financial liabilities		
Loans and borrowings	250,000,000	-
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-

39. Value of import calculated on CIF basis

In Taka	31 March 2021	31 March 2020
Materials and finished goods	3,069,741,302	2,743,115,157
Capital goods	2,226,274	143,058,091
	3,071,967,576	2,886,173,248

40. Expenditure in foreign currency

In Taka	31 March 2021	31 March 2020
General and technical assistance fees	86,547,962	72,443,188
Professional consultation fees	2,739,756	7,030,998
	89,287,718	79,474,186

41. Basis of measurement

The financial statements of the Company have been prepared on historical cost basis except for net defined benefit (asset)/liability for which the measurement basis is the fair value of plan assets less the present value of the defined benefit obligation, as explained in Note 43.9.

42. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

A. Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Company has determined that all contracts existing at 31 March 2021 will be completed before the amendments become effective.

B. Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- Changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and
- Hedge accounting.

C. Other standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

43. Significant accounting policies

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

Note	Particulars
43.1	Foreign currency transactions
43.2	Property, plant and equipment
43.3	Intangible assets
43.4	Right-of-use asset
43.5	Inventories
43.6	Financial instruments
43.7	Share capital
43.8	Dividend to the equity holders
43.9	Employee benefits
43.10	Accruals
43.11	Provisions
43.12	Income tax expenses
43.13	Revenue
43.14	Finance income and finance cost
43.15	Lease liabilities
43.16	Impairment
43.17	Contingencies
43.18	Assets held for sale
43.19	Earnings per share
43.20	Events after the reporting period

43.1 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 (BDT) at the exchange rates ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into (BDT) at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

43.2 Property, plant and equipment

i) Recognition and measurement

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

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

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

ii) Subsequent cost

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

iii) Depreciation

No depreciation is charged on land and asset under construction (AuC) as the land has unlimited useful life and AuC has not yet been placed in service/commissioned.

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

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

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

43.2 Property, plant and equipment (continued)

iv) Derecognition

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

v) Asset under construction

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

vi) Capitalisation of borrowing costs

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

43.3 Intangible assets

i) Recognition and measurement

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

ii) Subsequent costs

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

iii) Amortisation

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

Intangible asset (Computer Software) is amortised at the rate of 20% to 33%.

iv) Derecognition

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

43.4 Right-of-use asset

The Company recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount, of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term.

43.5 Inventories

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

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

Raw material, packing material and semi-finished goods are categorised in moving, slow moving and non-moving inventory and inventory provision is calculated based on 25% of slow moving inventories and 100% of non-moving inventories. Finished goods are categorised in fresh, slow moving, non-moving and expired inventories based on shelf life of the product. Inventory provision is calculated based on 25% of slow moving and 100% of non-moving and expired finished goods. Management may decide to make additional provision for seasonal and newly developed product. For spare parts, inventory provision is calculated based on 10% of the total value of spares parts.

43.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

43.6 Financial instruments (continued)

Financial assets – business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets includes cash and cash equivalents, trade and other receivables and short term investment.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(b) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

(c) Short-term investment

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

iii. Financial liability

All financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

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

Financial liabilities include trade and other payables etc.

(a) Trade and other payables

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

(b) Loans and borrowings

The Company derecognises loans and borrowings when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises loans and borrowings when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

43.7 Share capital

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

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

43.8 Dividend to the equity holders

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

43.9 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 plan (Gratuity)

The Company operates an funded gratuity scheme, provision in respect of which is made annually covering all its eligible employees. This scheme is qualified as defined benefit plan. Employees are entitled to Gratuity benefit after completion of minimum 05 (five) years of continuous service with the Company from the date of his/her joining.

Eligibility to gratuity payments

Actual years of service	Eligibility	Calculation
Less than 4.5 years	Not eligible	Nil
4.5 years or more but less than 9.5 years	Eligible	(Last basic drawn)* (No. of years service)
9.5 years or more	Eligible	(Last basic drawn)* (No. of years service)* (1.5)

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

iii) Leave encashment

The Company operates an unfunded leave encashment scheme, i.e. if its employees do not avail leave during his/her service, s/he will be entitled to encash privilege leave at the time of separation from the Company subject to maximum 60 days, at the rate of one month's basic pay for 30 days of privilege leave. This scheme is qualified as other long term employee benefits.

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

iv) Workers' profit participation and welfare fund

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

The Fund is governed by Bangladesh Labour Act, 2006 as amended up to 28 September 2015 and the Trust Deed.

43.10 Accruals

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

43.11 Provisions

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

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

43.12 Income tax expenses

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

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for corporate income tax is made following the rate applicable for companies as per Finance Act 2020 i.e. 25%.

ii) Deferred tax

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

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

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

43.13 Revenue

The Company has initially applied IFRS 15 Revenue from contracts with customers from 1 April 2018. The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, IFRS 15 establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

43.14 Finance income and finance cost

i) Finance income

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

ii) Finance cost

Finance cost 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.

43.15 Lease liabilities

The Company recognises a right-of-use asset and a lease liabilities at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities.

The lease liabilities is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liabilities is subsequently increased by the interest cost on the lease liabilities and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

43.16 Impairment

i. Financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ii) Non-financial assets

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

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

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

43.17 Contingencies

i) Contingent liability

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

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

ii) Contingent asset

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

The Company does not recognise contingent asset.

43.18 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

43.19 Earnings per share

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

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

43.20 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.

44. Going concern

The financial statements of the Company are prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern. The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, which is most unlikely though yet considering overall perspectives.



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