

MAKE A  
DIFFERENCE



ANNUAL REPORT 2019  
MARICO BANGLADESH LIMITED

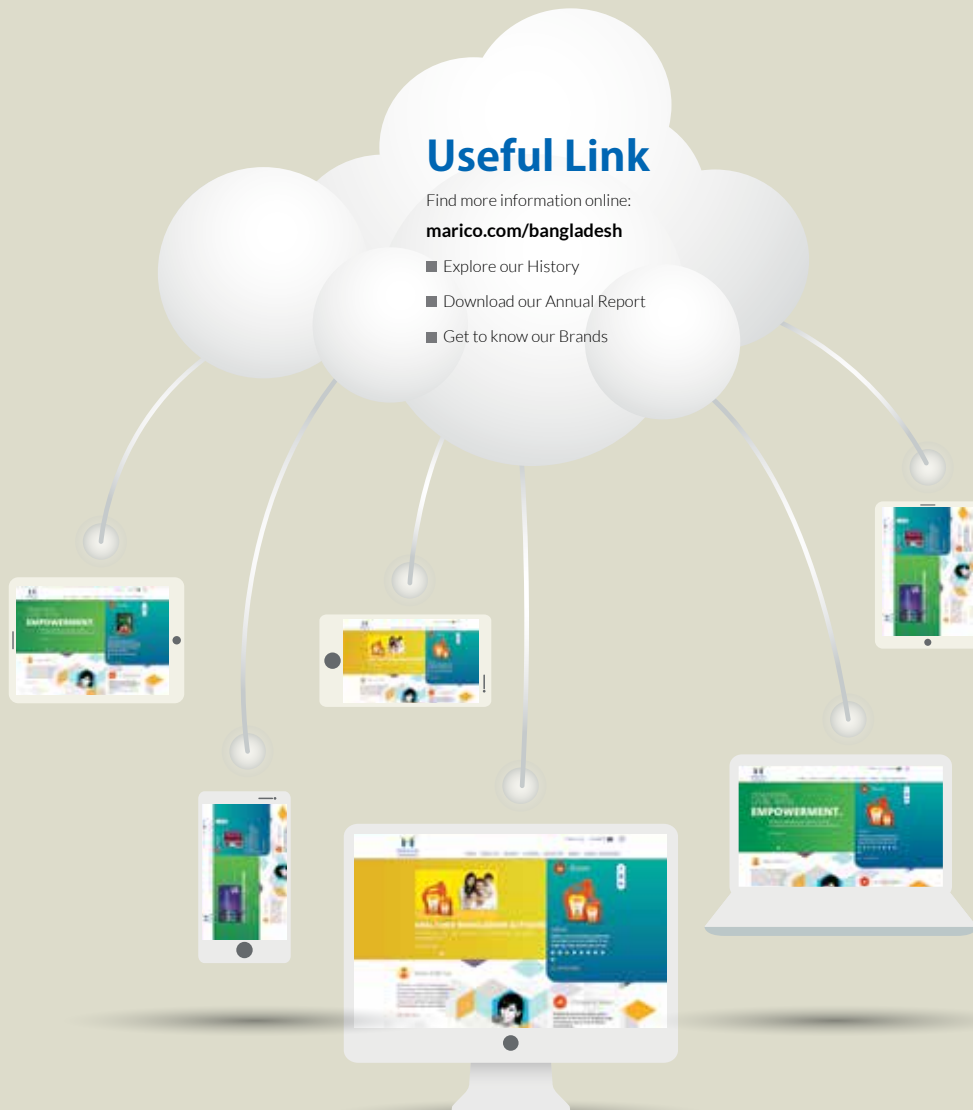




Today's world is transforming at an unprecedented pace and innovations are changing the way we think, act and consume. At Marico we are building on our core strengths and riding the wave of transformation with the aim of delivering impactful business results which will enhance shareholder value, innovating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

# Welcome to Marico Bangladesh Limited

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





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# — OVERVIEW —







# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Saugata Gupta	Chairman
Mr. Ashish Goupal	Managing Director
Mr. Ashrafal Hadi	Independent Director
Mr. Masud Khan	Independent Director
Ms. Rokia Afzal Rahman	Independent Director
Mr. Sanjay Mishra	Director
Mr. Vivek Karve	Director

## MANAGEMENT TEAM

Mr. Ashish Goupal	Managing Director
Mr. Md. Saiful Alam	Director - Manufacturing
Mr. Ashish Mane	Director - Human Resources
Mr. Mohammad Sazzad Hossain	Director - Sales
Mr. Mohammad Hedayet Ullah	Director - Customer Development
Mr. Md. Habibur Rahman	Head - Supply Chain and NPD
Mr. Elias Ahmed	Chief Financial Officer
Ms. Christabel Randolph	Head - Legal

## COMPANY SECRETARY

Ms. Christabel Randolph

## STATUTORY AUDITORS

M/s Rahman & Rahman Huq & Co.

## LEGAL ADVISORS

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

## PRINCIPAL BANKERS

Standard Chartered Bank  
HSBC  
BRAC Bank Limited  
Islami Bank Limited  
Citibank NA

## STOCK INFORMATION

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

## INVESTOR RELATIONS

Telephone: +880 29897180 Ext: 661  
Fax: +880 29897140  
Email: info@marico.com

## DATE OF INCORPORATION

September 6, 1999

## OUR FACTORIES

### Factory 1:

Mouchak, Kaliakoir, Gazipur

### Factory 2:

Shirirchala, Mahona Bhabanipur, Gazipur

## REGISTERED OFFICE

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

## CORPORATE OFFICE

The Glass House, Level-06, Plot.02,  
Block. SE (B), Gulshan Avenue, Dhaka-1212.  
Telephone: +880 29897180  
Fax: +880 29897140

## WEBSITE

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



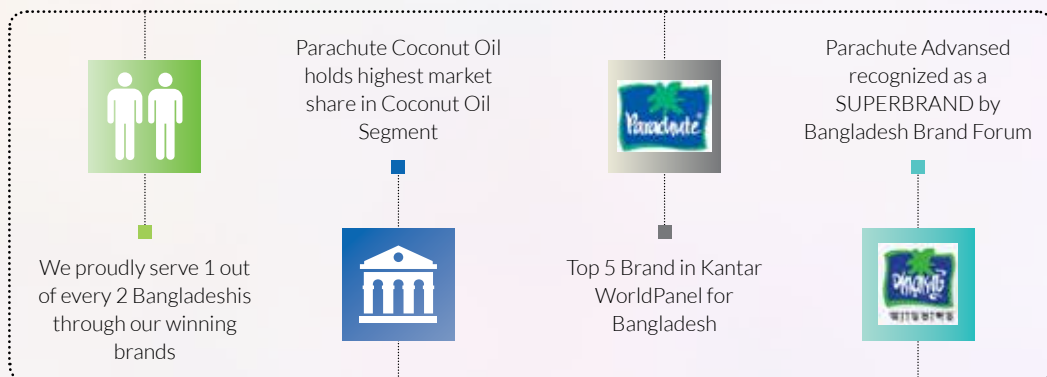


# PROFILE OF THE COMPANY

## Snapshot: Marico Bangladesh Limited

20 years into its journey Marico Bangladesh (MBL), the first subsidiary of Marico Limited, has maintained its position as the most profitable unit of Marico's international business. At MBL we take immense pride in our commitment to 'Make a Difference' and improve the lives of all those we touch. We are passionate about our growing family of brands across consumer needs in the spaces of nourishment, grooming, beauty & wellness and food. MBL has transformed itself from a single-brand company to a company with a present day portfolio of 24 brands in the personal care and food categories. MBL touches the lives of 1 out of every 2 Bangladeshis with its flagship brand Parachute and through a strong distribution network that reaches more than 900,000 outlets throughout the country. Our endless drive towards excellence and agility in transformation is what helps us to deliver consistent above-market results for our stockholders.

## Some Quick Facts about Marico Bangladesh Ltd:



<b>HUMAN RESOURCES</b>	
<b>226</b> MBL Members Directly Employed	<b>2750+</b> People earn their livelihoods through the Marico ecosystem in the form salesmen, local suppliers, contract merchandisers
<b>PRODUCT PORTFOLIO</b>	
<b>24</b> Brands	<b>60</b> SKUs
<b>FINANCIAL RESOURCES</b>	
<b>130</b> BDT Crore Shareholders' Funds	<b>245</b> BDT Crore Fixed Deposits, Cash & Cash Equivalents



# OUR PURPOSE & STRATEGY

## Our Purpose

### Make a difference

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

The power of business is in its purpose, not its profits. At Marico we are guided by the responsibility of defining, creating and distributing value for all our stakeholders—shareholders, business associates, members and customers. Our sustainable growth story rests on an empowering work culture that encourages our members to take complete ownership and make a difference to our entire business and social ecosystem.



## Our Strategic Framework

Our strategy is to leverage the growing economy and young demographic by offering products in newer, less mature categories with higher proportion of traditional retail. Towards our business aspirations, MBL has identified areas of transformation where it will develop top quartile capability, processes and execution excellence. Our strategic focus relies on growth of core categories, consumer focused innovations, business process transformation, investing for growth and investing in our members.

As MBL expands, we are equally focused on facilitating our growth platforms while continuing to strengthen governance and processes. The Company's philosophy and focus is aligned with that of Marico Group, under the "One Marico" umbrella, to develop capability ahead of growth and create winning brands, winning culture and a winning talent pool to deliver sustainable stakeholder value.

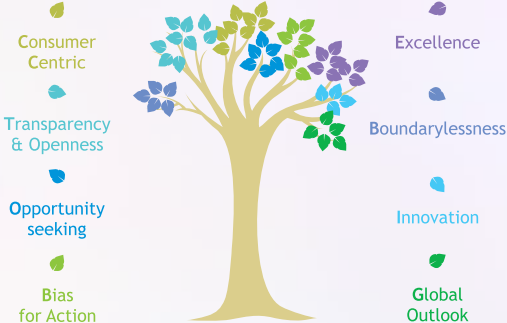


# MARICO VALUES

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



**THINK**  
**CONSUMER**  
 Consumer-Centric  
**TO**  
 Transparency & Openness | Opportunity-seeking  
**BE**  
 Bias for Action | Excellence  
**BIG**  
 Boundarylessness | Innovation | Global Outlook





# 20 YEARS OF MARICO BANGLADESH

1999  
-  
2003

- **1999**  
Marico Bangladesh Limited (MBL) is incorporated
- **2000**  
Commercial operations start
- **2002**  
Innauguration of 1st Manufacturing plant for Filling/Bottling Operations
- **2003**  
Launch of **Parachute Beliphool** and entry into Value Added Hair Oils Category

2007  
-  
2008

- **2007**  
MBL acquires own factory in Mouchak, Gazipur
- **2008**  
MBL sets up own Head Office at Uttara
- **2008**  
Transition to own distribution from National Distributors

2009  
-  
2013

- **2009**
  - MBL gets Listed in Dhaka & Chittagong Stock Exchanges
  - Launch of **HairCode** in Bangladesh and entry into Hair Color Category
- **2012**
  - MBL sets up 2nd Manufacturing plant in Shirichala for COPRA Crushing operations
  - Parachute awarded as **Best Brand in Bangladesh** by Bangladesh Brand Forum (BBF)
- **2013**
  - Parachute completes “Ek Jug” in Bangladesh
  - Launch of SET WET Deos & Saffola Active and entry into Male Grooming & Edible Oils Category

2014  
-  
2016

- **2014**
  - MBL starts its **CSR Journey** with Dhaka Ahsania Mission to provide free education to 3000 children
  - Launch of **Parachute Advansed Body Lotion** and entry into Skincare Category

- **2015**
  - MBL awarded "Certificate of Merit" in the **ICMAB Best Corporate Award 2014**
  - MBL Launched **Parachute Advansed Extra Care**

- **2016**
  - MBL sets up of Refinery Unit at Shirirchala Factory
  - MBL wins **Silver Award** from ICSB for **Excellence in Corporate Governance**
  - MBL awarded "Certificate of Merit" at the **ICMAB Best Corporate Award 2015**
  - MBL launched **Mediker & Saffola Masala Oats** and enters into Shampoo and Food Category
  - MBL launched **Parachute Advansed Ayurvedic Gold**

2017  
-  
2019

- **2017**  
MBL launched **SET WET** Hair Gel

- **2018**
  - Marico launched **Hair & Care Fruit Oils**
  - Marico launched **HairCode Herbal Crème**
  - MBL launched **Parachute Advansed Aloe Vera**
  - Marico launched **Parachute Advansed Petroleum Jelly**
  - Marico started two new CSR Programs-SWAPNO and Adama
  - Marico won ICAB Award for Best Presented Annual Report
  - Parachute Advansed awarded as SUPERBRAND

- **2019**
  - Marico launched **X-Men**
  - Marico launched **Livon**
  - Marico launched **Parachute Just For Baby** range





# OUR BRANDS

CATEGORY	POWER BRANDS
Branded Coconut Oil (BCNO)	Parachute Coconut Oil
Value Added Hair Oil (VAHO)	Parachute Advanced Enriched Coconut hair oil
	Parachute Advanced Beliphool
	Nihar Shanti Badam Amla
	Parachute Advanced Extra Care
	Parachute Advanced Ayurvedic Gold
	Parachute Advanced Cooling Hair Oil
	Parachute Advanced Aloe Vera Hair Oil
	Nihar Naturals Enriched Coconut Hair Oil
Hair Dye	Hair Code Powder
	Hair Code Cream
Male Grooming	Set Wet Deo
	Set Wet Hair Gel
	X Men Deo
Skin Care	Parachute Advanced Men's Cream
	Parachute Advanced Body Lotion
	Bio Oil
Baby Care	Petroleum Jelly
	Just For Baby Oil
	Just For Baby Lotion
Hair Serum	Just For Baby Wash
	Livon Serum
Edible Oil & food	Saffola Active

**24** Brands **60** SKUs





# OUR PEOPLE

CREATING THE MARICO OF TOMORROW TOGETHER





“It is the power of our people, our unique culture and innovative approach, which helps us deliver enduring results.” -Saugata Gupta



# OUR PERFORMANCE





ICO

MY MARICO

WE WRITE THE GROWTH STORY OF MARICO AS IF IT'S OUR OWN

IN MARICO OUR SUCCESS IS MEASURED BY THE LIVES WE TOUCH





# BUSINESS SNAPSHOT



**877** BDT CR  
TOPLINE



**202** BDT CR  
PROFIT AFTER TAX



**12.2%**  
SALES GROWTH



**49.0%**  
GROSS PROFIT  
TO SALES



**29.5%**  
OPERATING PROFIT  
TO SALES



**23.2%**  
GROWTH IN NET  
PROFIT



**65** BDT/SHARE  
DIVIDEND



**101.2%**  
DIVIDEND PAYOUT



**64.2**  
BDT/SHARE  
EARNINGS (EPS)



**4526+**  
BDT CRORES IN  
MARKET CAP



**25.6%**  
Y-O-Y GROWTH IN  
ECONOMIC VALUE  
ADDED



**274** BDT CR  
CONTRIBUTION  
TO NATIONAL  
EXCHEQUER FY18-19



**200%**  
RETURN ON  
CAPITAL EMPLOYED



**15.7%**  
NET PROFIT  
CAGR\* SINCE OUR  
LISTING



**8.0%**  
TURNOVER  
CAGR\* SINCE OUR  
LISTING



**251.0%**  
DEBT EQUITY RATIO



**5.8%**  
VOLUME GROWTH  
EXCLUDING  
EXPORT



**286** BDT CR  
EARNINGS  
BEFORE INTEREST,  
DEPRECIATION & TAX

\*CAGR is calculated for the period between October 1, 2009 to March 31, 2019



# SNAPSHOTS OF ACHIEVEMENTS

Marico Bangladesh Limited won the "Certificate of Merit" award under the 'Manufacturing Category' in the ICAB's (Institute of Chartered Accountants, Bangladesh) National Award for Best Presented Annual Report. The honorable Finance Minister Mr. Abul Maal Abdul Muhith handed over the award to Mr. Elias Ahmed FCMA, Chief Financial Officer, Marico Bangladesh Limited

Our Parachute Advanced brand was awarded as a SUPERBRAND by Bangladesh Brand Forum which is a testament to the enduring equity and quality of the products from the Parachute house of brands.





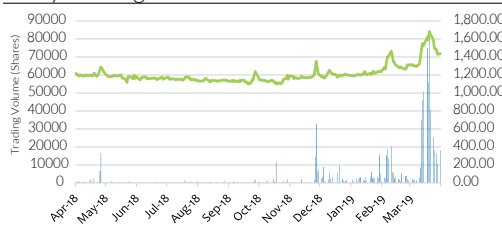
# OUR SHARES

## Stock Performance

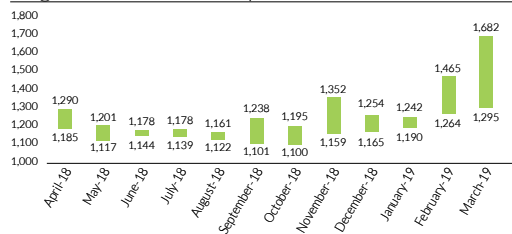
### Marico's Scrip performance

Our share held its positive momentum throughout FY 2018-19. MBL share price witnessed mild growth in the months of May, October, December and February and a higher growth in March, 2019. Overall the share price has been stable throughout FY'19. This reflects the market's confidence in our brands, our growing performance in the consumer goods industry and our governance. During FY'19 our shareholders continued to attain healthy dividends with two quarterly, one mid-quarter and final dividend. Total dividend payout in FY'19 was 650% surpassing the previous year by 50%.

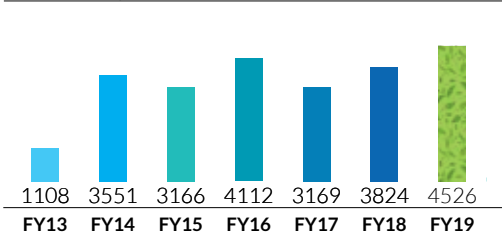
#### Daily Trading Volume



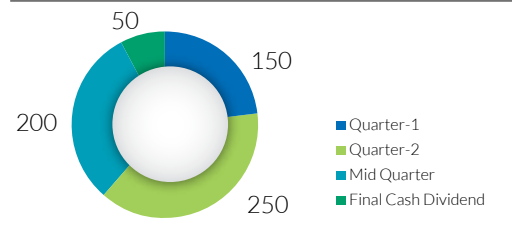
#### High Low Share Prices per month (BDT)



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



#### Dividends for the Year



### MBL Share: Brief Overview

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

### Healthy Dividend Disbursements

Our Board of Directors declared respectively 150%, 250% and 200% interim cash dividends on Q1, Q2 and Mid Quarter (11 months) earnings disclosure, all of which have been subsequently paid and the Board has announced a final cash dividend of 50% on earnings disclosure of Q4, which if approved, by the shareholders will take the total cash dividend tally to 650% for the year.

## Share Ratios

		FY'19	FY'18	FY' 17	FY' 16	FY' 15
Basic Earnings per Share	BDT	64.23	52.15	45.72	44.89	42.69
Cash Generated from Operating Activities per Share	BDT	87	49	60	68	13
Year-End Price	BDT	1437	1214	1006	1305	1432
Year High	BDT	1699	1250	1364	1770	1480
Year Low	BDT	1095	991	899	1132	931
Dividend per Share	BDT	65	60	50	45	43
Dividend Payout Ratio	%	101	115	110	100	100
Dividend Yield	%	5	5	5	3	3
Shareholders' Equity per Share	BDT	41	47	50	54	54
Price-Earnings Ratio at Year-End	BDT	22.37	23.28	22.00	29.08	33.54
Average Trading Volume per Trading Day	Shares	3672	2281	4167	1808	3382
Year-End Market Capitalization	BDT crores	4526	3824	3169	4112	4510

## Shareholding Structure

(as on March 31, 2019)

**90.0%**

Marico Limited

**6.74%**

Foreign Institutional  
Investors

**2.25%**

Domestic Institutional  
Investors

**1.11%**

Individual Investors

Our share register as at March 31, 2019, shows that Marico Bangladesh Limited has 3020 shareholders. Our parent company, Marico Limited (India), owns 90% of our shares while the rest 10% are owned by foreign institutions, domestic institutions and individual investors. For greater transparency, the distribution of the latter 10% is shown as per the above illustration.

## Other Shareholder Disclosures

### Investor Relations

Moreover, in order to provide regular updates on the latest developments surrounding our business and share, we also offer our shareholders and the investor community the opportunity to subscribe to our Analyst Note. Please drop an email at [info@marico.com](mailto:info@marico.com) if you wish to subscribe to regular email alerts from our Investor Relations team.

### Redressal of Investor Complaint:

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

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

Investor can also contact the Company's Corporate Counsel in person – Mr. Hasan Abid Chowdhury at the company's Corporate office. Mr. Chowdhury personally attends to individuals.

Investor Relations team acknowledges the complaint and contacts the investors to confirm their identity:

-Shareholder's BOID  
-Shareholder's Name

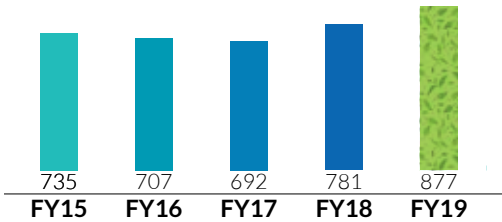
Investor Relations team after confirming the Shareholder's identity addresses their queries and provides necessary information required.

Investors can also register their complaints and queries through an application addressed to The Company Secretary. We are prompt at providing solution to investors with High Importance.

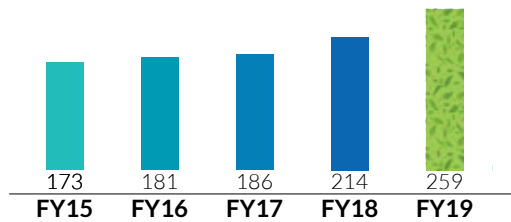


# FINANCIAL HIGHLIGHTS

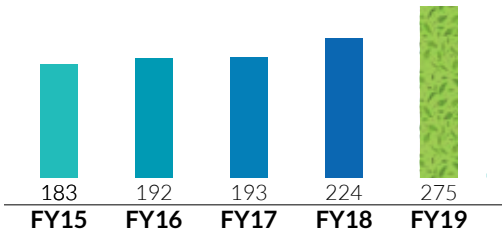
Turnover (BDT Crores)



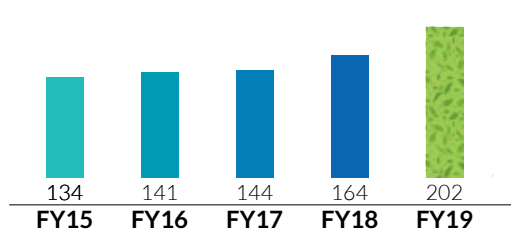
Profit from Operations (BDT Crores)



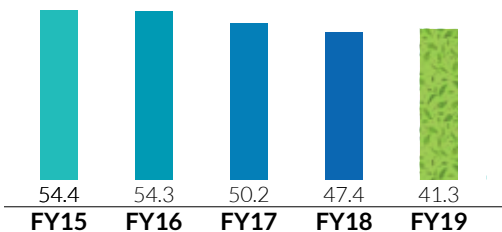
PBT (BDT Crores)



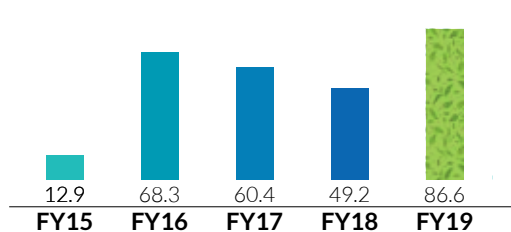
PAT (BDT Crores)



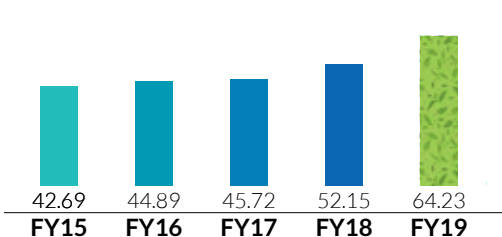
NAV per share (BDT)



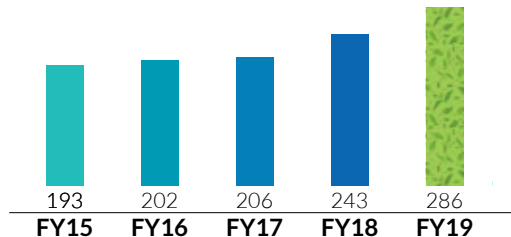
NOCF per share (BDT)



EPS (BDT)



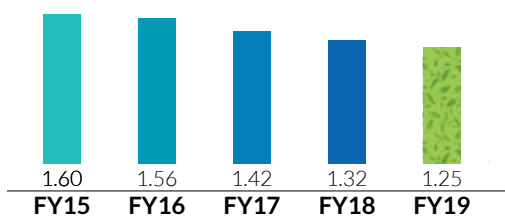
EBITDA (BDT Crores)



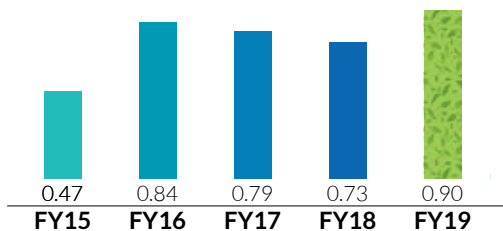


# KEY RATIOS

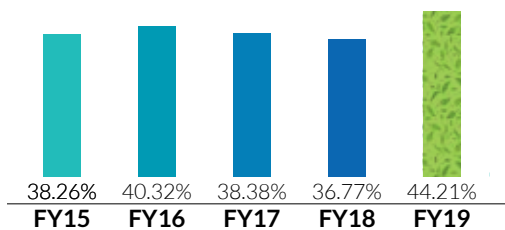
Current Ratio



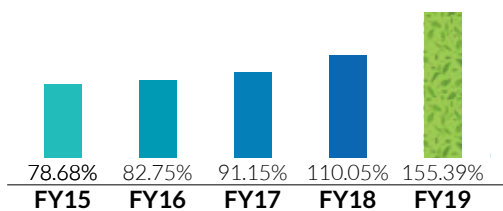
Quick Ratio



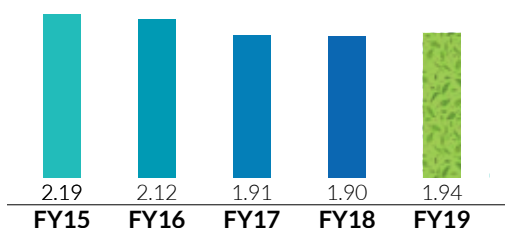
Return on Assets



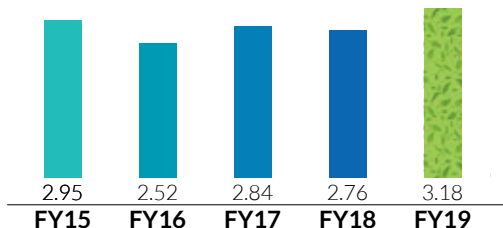
Return on Equity



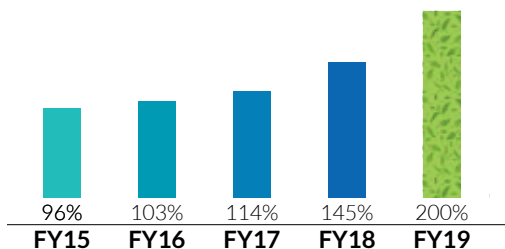
Asset Turnover Ratio (times)



Inventory Turnover Ratio



Return on Capital Employed





# YEAR IN REVIEW

FY 2018-19 was an exciting year at Marico with the organization abuzz with new product launches, new campaigns, expansion into the retail universe and growing market share by connecting to a growing number of consumers.



## ● Parachute Advanced Aloe Vera

Parachute Advanced Aloe Vera was launched in Q2, FY 19 in Bangladesh. The brand has received highly positive response from the market and consumers alike. The product has the goodness of aloe vera and coconut oil and is designed to deliver soft and silky hair. The packaging has also been widely appreciated for its aesthetics and modern outlook. The performance of Parachute Advanced Aloe Vera has been very promising in FY'19 and it shows great prospect for days to come.



## ● Nihar Natural Enriched Coconut Hair Oil

In order to enhance our offerings in the perfumed hair oil category Marico launched Nihar Natural Enriched Coconut Hair Oil in early Q3, FY 19. Nihar Naturals is a perfumed coconut hair oil. It is the No. 1 hair oil brand in West Bengal and also endorsed by Vidya Balan, one of the most popular Bollywood actresses. This lends further assurance and acceptability to the brand for consumers. The brand has been received well initially and continues its building phase in the Bangladeshi market in 2019.



## ● Parachute Advanced Petroleum Jelly

Marico expanded its offerings in the skin care category by launching Parachute Advanced Petroleum Jelly in Q3, FY 19. This launch was a significant milestone in Marico's capability journey as Parachute Advanced Petroleum Jelly was successfully launched placing a winter product in the market within a record time of only two and a half months. The unique and differentiated proposition of this product is that it is "enriched with Aloe Vera & Coco lipid for soft and naturally glowing skin" which are benefits highly sought after by consumers.



## Set Wet No Gas Deo

Marico's popular male grooming brand SET WET launched the new "no gas" formula of male deodorants in Q4, FY 19 which is the fastest growing segment among male deodorants. The range was launched with the 4 existing variants. "No Gas" & "Long Lasting Fragrance" are the two key unique proposition of the deo which has already created a lot of excitement in the market and is seeing consumer attraction.



## Set Wet Sachet Hair Gel

Given the fast paced lives of our consumers- styling on the go is a need that is gaining popularity increasingly. The SET WET range also launched a new format of hair gels in 10 ml sachets in Q4, FY 19. The 3 variants of the new sachet pack are aimed at consumers who want to try a new product & also enjoy the flexibility of a mobile pack format as an essential styling element.



## X-Men Deodorants

The X-Men range of male grooming products is one of the top male grooming brands in Vietnam. In Q4, FY 19 MBL launched this range from the Marico international portfolio in Bangladesh in 3 formats being regular deodorant, No Gas format & an EDT perfume format. With this launch MBL has introduced a premium line of male deodorants and perfumes to the consumers.



## Parachute Just For Baby

The most successful and significant launch of FY 19 was the introduction of MBL's range of safe baby care products in Q4, FY 19 comprising baby oil, baby lotion and baby wash. Parachute Just for Baby is a brand that has been designed to be a global player pivoting on the International origin equity while delivering safe care for babies considering the indigenous needs of Bangladeshi mothers and children. Formulated with the natural goodness of ingredients like olive oil, almond milk the range is certified Made Safe™ & Australian Allergy Tested™ from Safe Cosmetics Australia. The range is also endorsed by renowned American pediatrician Dr. David L. Hill who is the brand ambassador of Parachute Just For Baby.



## Livon Hair Serum Relaunch

Being the market leader in the haircare segment, Marico desires to be a one-stop solution for any hair related problem the typical Bangladeshi consumer faces. In our continuous journey to attain that perfection, we noticed a critical gap in the haircare segment- there was no product addressing breakage due to tangles. Very few consumers were resorting to post wash conditioner usage and some were moving to very premium imported items, most of which are counterfeit.

In order to address this need Marico revamped the old Livon silky potion and relaunched new and improved Livon Hair Serum- the one revolutionary product that works on detangling, breakage protection and damage-repair. Livon is a brand that has particular appeal to Generation Z who are the large body of consumers of the future. With the success of the launch of this new product MBL has initiated brand building activities at all platforms- TV, facebook, Instagram, mobile device all were activated with Livon launch ads.

## WINNING WITH OUR BENCHMARK EXECUTIONS

MBL had an exciting year with its sales and distribution reaching various new milestones in Go-to-Market and the sales system taking numerous new initiatives and achieving execution excellence in the market.

### Go-to-Market Initiative

The Company rolled out initiatives to enhance its distribution coverage and range selling to support the portfolio expansion. The signature initiatives included Split Calling of outlets and upgradation of stockiest to direct distribution. This upgradation enabled us to increase direct distribution significantly and ensured 85% of business through direct coverage.

The Company also continued to invest behind IT and analytics to enable a more agile, robust and transparent sales ecosystem. The process transformations allow

for real time order and movement tracking, smooth payment to business partners and claim automations. These developments have provided a significant edge in performance monitoring and enabled better relationship management with customers and trade partners.

### Trade Marketing Initiative

MBL continued its signature trade loyalty program “Amar Dokan” which took the Company’s growth trend to a consummate level last year. MBL’s Amar Dokan has set a new benchmark for exemplary execution in market place with 90% of compliance and has enabled the Company to form lasting relationships with trade partners. The Amar Dokan program has been the growth driver for the non-hair oil portfolio of the business.

Geography led initiatives also ran in Khulna & Barisal to address localized needs for supporting the brands of the Company. This helped to accelerate the brand trajectory in those geographies contributing to gains in volume and market share.



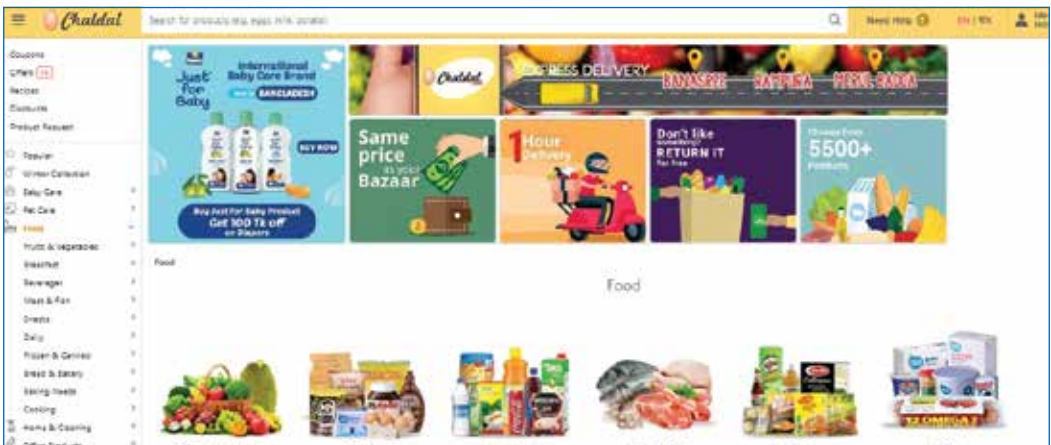
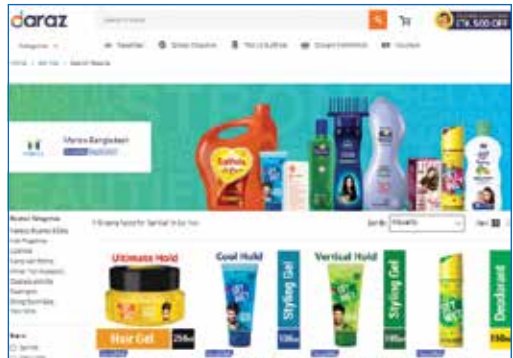
**Capability Development**

MBL believes it has a responsibility to invest in capability of its members as well as its business partners in line with its purpose of Making a Difference. The Company truly values its business partners and arranged for 2265 man-days training for distributor employees to develop them on job fundamentals, and excellence in execution.



**E-Commerce**

Marico commenced its journey into the e-commerce channels with exciting ideas & innovations. With the rise of social media and high internet and smartphone penetration, digital sales channels will play pivotal role to all industries including FMCG. To capitalize this growth opportunity, Marico has started working closely with more than 15 prominent e-commerce partners in Bangladesh like Daraz, Chaldal, Shajgoj, Akerdeal, Bagdoom etc.



**Institutional Sales**

This year MBL extended business opportunities with B2B sales or institutional sales to other corporates that require FMCG products for various promotional purposes. The institutional sales channel allowed Marico to generate trial for a wide range of imported products from within the group's international portfolio and deliver important incremental growth for the business.

## 18<sup>TH</sup> ANNUAL GENERAL MEETING

The Company successfully held its 18th Annual General Meeting which was attended by its valued shareholders who actively participated in the proceedings of the meeting and reiterated their confidence in the management and business performance of the company.





# AWARDS



Marico Bangladesh won  
**Certificate of Merit**  
award from ICAB



Parachute Advansed awarded  
**Best Hair Oil Brand 2018**



Parachute Advansed awarded  
**No. 6 Overall Brand 2018**



Parachute Advansed awarded  
**SUPERBRAND**  
by Bangladesh Brand Forum

# MANAGEMENT LETTERS









**“IT IS THE POWER  
OF OUR PEOPLE,  
OUR UNIQUE  
CULTURE AND  
INNOVATIVE  
APPROACH,  
WHICH HELPS  
US DELIVER  
ENDURING  
RESULTS.”**

**- SAUGATA GUPTA  
CHAIRMAN**

MARICO BANGLADESH LIMITED



# CHAIRMAN'S LETTER

## Dear Valued Shareholders,

At the very beginning, I would like to express our gratitude to all of you for your continued support and confidence in Marico Bangladesh to deliver outstanding business performance year-on-year and to maximize shareholder value. The financial year 2018-19 (FY'19) delivered one of the most remarkable performances of the last 5 years. On behalf of the Board it is my great pleasure to welcome you all to the 19th Annual General Meeting of your company and present to you the Annual Report for FY'19.

Your Company delivered another strong year, with 12.2% revenue growth, 23.18% profit growth along with a 5.80% volume growth and closed with a profit after tax of BDT202 crore. During the year under review, we had a healthy dividend payout and contributed BDT 274 crores to the national exchequer. Your Company introduced eight new and distinctive products into the market this year including an international baby care range. Today, we serve the needs of our discerning consumers of Bangladesh with our varied portfolio of 24 brands and 60 SKUs.

We will continue to broad-base the topline in Bangladesh through our marquee brands Parachute, Parachute Advansed, Nihar and Saffola. We scaled up new launches this year with Parachute Advansed Aloe Vera, Nihar Naturals Coconut Hair Oil, Parachute Advansed Petroleum Jelly, X-Men, Livon and Parachute Just For Baby all of which achieved their launch targets and put forth new offerings for consumers as well as the trade. Our flagship brand, Parachute has maintained its leadership position and now holds the highest ever market share in the branded coconut oil category. We are enthused by our Value Added Hair Oils (VAHO) portfolio which has shown robust growth derived from multiple segments and now contributes 36% to our business turnover. Your Company now occupies the highest value market share in the VAHO category. The VAHO portfolio is a key source of diversification and volume growth for us. Our brand HairCode too commands leadership position in the powder hair colour category.

Our flagship brand "Parachute" was recognized as

one of the Top 5 Brands in Kantar WorldPanel for Bangladesh and "Parachute Advansed" was recognized as a SUPERBRAND by Bangladesh Brand Forum which is testament to the enduring loyalty and confidence of consumers in the quality of our products and the stature of our brands.

We are committed to invest for growth and capabilities. We have commenced the expansion of our manufacturing facilities and the construction of a new factory at our existing Mouchak premises. This we hope will further enhance our good manufacturing practices and bring greater agility in our operations. We aspire to be proud ambassadors of Made in Bangladesh as we deliver 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. We are committed to invest in nurturing our talent as much as we are committed to nurturing our brands. Talent and Culture are among the five key transformational areas that make Marico a future-ready organisation. We are driving diversity and inclusion in our talent and also sharpening our focus on new age capability development as well as providing wellbeing initiatives to our members. We have rolled out structured development and training programs, challenged members with long and short-term assignments in other geographies and fulfilled them by endeavouring to build an engaging work culture where they receive early empowerment and also get involved in the social responsibility initiatives of the Company.

We have commenced a new phase of our social responsibility initiatives and identified a clear focus on economic empowerment to partner in the development of Bangladesh aligned to the sustainable development goals. Towards this end we aim to impact the lives of ultra-poor women and differently-abled youth. Your company has partnered UNDP (United Nations Development Programme) and the Government of Bangladesh to ensure sustainable livelihood and food security for 65,000 extreme poor and vulnerable rural women through our SWAPNO program. Under the aegis of the Marico Adamya program along with Adamya Foundation we are imparting skills and employability training to youth with disabilities. Currently 14 youth

with speech and hearing disabilities are working with Marico Bangladesh through our merchandising channels.

Business outlook remains stable and the focus remains on driving consumption. While we believe there is enough headroom for growth and penetration available for our core businesses, we will accelerate our innovations with an exciting mix of offerings and invest in modern retail and online channels to further capitalize growth. Your company is working towards building capabilities and being future ready. Today this differentiated approach and operating model has given us the agility to succeed. Our culture and our values have helped build on our strengths, take risks and exceed ourselves. This is evident in the outcome of our new product launches, best-in-class sales processes, sustainability initiatives and social responsibility programs. The understanding we have about the evolving market combined with the inspiration our shareholders give us enables us to aim big.

Along with our members, I would like to extend my sincere gratitude to our esteemed shareholders,

regulators, industry peers, CSR and NGO partners and especially to the consumers of Bangladesh for their sustained trust in Marico. Last but not least I would like to express my deepest appreciation and recognition for the members of Marico Bangladesh without whose commitment, collaboration and ownership our growth story would not have been possible. It is the power of our people, our unique culture and innovative approach, which helps us deliver enduring results.

I look forward to another exciting year of outstanding performance from your company and rely on your encouragement as we grow from strength to strength.

With warm regards,



**Saugata Gupta**  
Chairman





**“MARICO  
BANGLADESH IS  
ON THE VERGE OF  
UNLOCKING ITS  
TRUE POTENTIAL. I  
BELIEVE WITH OUR  
UNIQUE CULTURE  
OF INNOVATION,  
EXECUTION  
EXCELLENCE AND  
WITH OUR BEST IN  
CLASS TALENT, WE  
CAN CREATE MARICO  
OF TOMORROW.”**

*- ASHISH GOUPAL  
MANAGING DIRECTOR*

*MARICO BANGLADESH LIMITED*



# MANAGING DIRECTOR'S LETTER

“THE LAST YEAR WAS A YEAR OF SHIFTING GEARS FOR MARICO BANGLADESH AS WE DELIVERED OUTSTANDING GROWTH IN VOLUME AND PROFITABILITY. I WOULD LIKE TO THANK ALL OUR MEMBERS FOR THEIR COMMITMENT, DEDICATION AND MOST IMPORTANTLY FOR PARTNERING IN OUR TRANSFORMATIONAL GROWTH JOURNEY.”

## Dear Shareholders,

Greetings from your company! I am delighted to announce that FY 2018-19 was a very successful year filled with both challenges and accomplishments. We achieved the highest volume growth and highest profit growth in the last 5 years. This year Marico's revenue growth was 12.2% and profit growth was 23.2%. We also registered a 5.8% volume growth in the base business. This performance was delivered by strong growth in our value added hair oils (VAHO) category driven by Parachute Advansed Beliphool & Parachute Advansed Extra Care. The VAHO portfolio was enhanced with the addition of new brands Nihar Naturals Coconut Enriched Hair Oil & Parachute Advansed Aloe Vera. Saffola Active has also seen tremendous growth which contributed to our overall profitability and strengthened the value mix in our business.

Our product portfolio reached new milestones with entry into the baby care segment with our Just for Baby range of products. We are the first company to receive Made Safe™ & Australian Allergy Tested™ certifications for baby care products made in Bangladesh. Your company launched 6 new brands under the Parachute, Parachute Advansed, Nihar, SET WET and X-men franchises. We expanded our offerings in skin care with the launch of petroleum jelly, and also introduced a new hair styling range with Livon serums. These are testament to our culture of innovation to cater to evolving consumer

needs. Our Brand “Parachute” was recognized as one of the top 5 brands in Kantar WorldPanel for Bangladesh and “Parachute Advansed” was recognized as a SUPERBRAND by Bangladesh Brand Forum.

We also implemented various successful initiatives for distribution expansion and sales transformation. We have ventured into new channels of business with e-commerce and institutional sales for driving incremental growth. These are building blocks for the Marico of the future. We commenced exports of hair oils to India and Nepal and are keen to expand our exports to other countries as well.

We are committed to our pursuit of excellence and aim to offer best-in-class products made in Bangladesh. With our exports we hope to represent good manufacturing practices in Bangladesh to the world. To that end have decided to invest approximately Taka 30 crore for expansion of our manufacturing facilities and have commenced construction of a new factory at our Mouchak premises in Gazipur.

We are committed to invest in our people, in developing their capabilities and giving them challenging, enriching, fulfilling careers. We have taken up new and exciting initiatives for campus activation, MERIT teams and Young Board within the Company in furtherance of our belief of early empowerment and ownership.

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. Our values and our governance philosophy goes beyond compliance and rather is directed at maximizing stakeholder value through our operations. This year your company won Certificate of Merit Award for Best Presented Annual Report from the prestigious Institute of Chartered Accountants of Bangladesh (ICAB).

We deepened our commitment to social responsibility and the development of Bangladesh through our CSR initiatives. We have embarked upon a public-private partnership with the government of Bangladesh and UNDP to deliver a development model SWAPNO- Strengthening Women's Ability for Productive New Opportunities. Through this partnership we aim to transform the lives of 65000 ultra-poor women in Satkhira and Kurigram by engaging them in sustainable livelihoods. With our Marico Adama Program we are providing skills training to persons with physical disabilities and helping to place them in employment. Through Marico Adama Program 20 youth with speech and hearing disabilities are now working within Marico's own sales system.

I extend my heartfelt gratitude and appreciation to each and every one of our members for their commitment, dedication and most importantly for partnering in our transformational growth journey. I also express my sincere thanks to all our valued shareholders for their continuing confidence in the Company and management to deliver and create 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 been with us through the years and continue their loyalty to our products and offerings.

We will continue to strive to *make a difference* in the lives of the people of Bangladesh through product innovations, quality excellence, investment in developing people and enhancing our commitment to sustainability and development as a responsible business.

Best Regards,



**Ashish Goupal**  
Managing Director







# PROFILE OF BOARD OF DIRECTORS



## **SAUGATA GUPTA**

Chairman – Nominee Director

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

Saugata started his career with Cadbury (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 25 Workplaces in Manufacturing in India and among the Top 50 India's Best Companies to Work for 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 also 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.

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



## ROKIA AFZAL RAHMAN

### Independent Director

Ms. Rokia Afzal Rahman joined as an independent director in October 2014. She is Vice Chair of International Chamber of Commerce - ICC Bangladesh and is also the founder President of Bangladesh Federation of Women Entrepreneurs.

Apart from being a leading woman entrepreneur in the agro, finance, media, real estate and power industries and a former Advisor to the Caretaker Government of Bangladesh. She is an independent director of Bangladesh Lamps Limited and also a sponsor director of MIDAS Financing Limited. Her commitment to development brought her to the Boards of a number of development organizations. She is also the Chair and Managing Director of R. R. Group of Companies; Chair and Managing Director of Arlinks Group of Companies. She is also director of Imaan Cold Storage Limited, R. R. Estates Limited, Aris Holdings Limited, Media World Limited (Owning Company of "The Daily Star"), MIDAS Financing Limited, Mediastar Limited (Owning Company of "Prothom Alo"), ABC Radio and Management and Resources Development Initiative (MRDI).

She has been actively committed to several development initiatives like BRAC, DNET, Banchte Shekha, Jessore etc. Ms. Rahman has received several international and national awards and is truly a beacon of excellence for both women entrepreneurs and aspiring businesspersons alike.

Ms. Rahman completed her Post Graduate Diploma in Banking from Pakistan and is hailed as the first woman banker of Bangladesh.



## MASUD KHAN

### Independent Director

Mr. Masud Khan joined as an Independent director in October 2014. He is an experienced professional with 39 years work experience in leading multinational companies in senior management positions and has been serving as a Director in several company boards.

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

Mr. Khan is currently the Chief Executive Officer (CEO) at Crown Cement Group and Nominated Director & Chairman of the Board of GSK Bangladesh Limited. He did his Bachelor of Commerce with Honors from St Xaviers' College under University of Kolkata and thereafter qualified with distinction both as a Chartered as well as a Cost and Management Accountant from the Indian Institutes. Prior to joining Crown Cement Group in the year 2018, he worked for British American Tobacco as Finance Director for 20 years at both home and abroad. He is also an independent director and Audit Committee Member of and Berger Paints Bangladesh Limited.



## ASHRAFUL HADI

### Independent Director

Mr. Ashraful Hadi was appointed as an Independent Director for Marico Bangladesh Limited since April 25, 2016.

An advocate of the High Court Division of the Supreme Court of Bangladesh and Barrister-at-Law from the U.K., Mr. Hadi is a Partner Alliance Laws a reputed and the leading law firm in Bangladesh. He is a former Member of Executive Committee of Bangladesh Supreme Court Bar Association. He has over 18 years of experience as a lawyer both at home and abroad. His practice over the years has involved working with various multinational and local organizations where he has acted as counsel advising in the areas of telecom, admiralty, large infrastructure projects, IT, commercial and international trade disputes, arbitration, banking and securities market, taxation and constitutional law and so on. He has also acted as counsel in several public interest litigations for protection of fundamental rights.

Mr. Hadi completed his B.Comm from the University of Chittagong in 1992, received LL.B., Hons from the University of London in 1998 and was called to the Bar of England and Wales, UK in 1999. He has also been an advisory member of the tax and tariff sub-committee of the MCCI.



## SANJAY MISHRA

### Nominee Director

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

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

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

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



### VIVEK KARVE

Nominee Director

Mr. Vivek Karve is a Chartered Accountant (1994), a Cost Accountant (1993) and a B. Com. from the University of Bombay (1991). He has more than 23 years of experience in Finance, Banking, and IT across four organizations - Marico, Siemens Information Systems, ICICI and P&G.

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

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



### 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 13 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 like Parachute Advanced Hot Oil and winning the prestigious Lakshya Awards for Excellence in Demand Planning, Innovation Award for Brand innovation and Sales Process Transformation.

Ashish has versatile interests, in particular he takes a keen interest in contributing towards developing industry talent and grooming young professionals. He 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.

# DIRECTORS' REPRESENTATION IN OTHER COMPANIES

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

Sl No.	Name of Director	Directorship	Member of Board Committees
1	Mr. Saugata Gupta	Marico Consumer Care Limited	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	
2	Mr. Masud Khan	Parachute Kalpavriksha Foundation	
		GSK Bangladesh Limited	Chairman of the Board and Nominee Director
		Berger Paints Bangladesh Limited	Member of the Audit Committee
3	Ms. Rokia Afzal Rahman	Viyellatex Limited	
		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")	
		BD Lamps	
		DNET	
		MIDAS Financing Ltd.	
		Mediastar Ltd. (Owning Company of "Prothom Alo")	
		ABC Radio	
		BRAC	
Banchte Shekha, Jessore			
Management and Resources Development Initiative (MRDI)			
4	Mr. Ashraful Hadi	None	
5	Mr. Vivek Karve	Marico Consumer Care Limited	Member of the CSR Committee
		Marico South Africa Consumer Care (Pty) Limited	
		Marico Middle East FZE	
		Marico South East Asia Corporation	
		Process Intelligence and Dynamics Private Limited	
		Marico South Africa (Pty) Limited	
		Marico Malaysia Sdn. Bhd	
6	Mr. Sanjay Mishra	Zed lifestyle Private Limited	
7	Mr. Ashish Goupal	MBL Industries Limited	



# LEADING FROM THE FRONT



## **Standing from left to right**

**Ashish Mane**  
Director-Human Resources

**Mohammad Habibur Rahman**  
Head-Supply Chain and NPD

## **Seated from left to right**

**Mohammad Sazzad Hossain**  
Director-Sales

**Elias Ahmed**  
Chief Financial Officer





**Seated front from left to right**

**Ashish Goupal**  
Managing Director

**Christabel Randolph**  
Head-Legal & Company Secretary

**Seated back from left to right**

**Prashant Verma**  
Director-Marketing

**Md. Saiful Alam**  
Director-Manufacturing

**Mohammad Hedayet Ullah**  
Director-Customer Development



# PROFILE OF LEADERSHIP TEAM



## ASHISH GOUPAL

Managing Director

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Ashish has versatile interests, in particular he takes a keen interest in contributing towards developing industry talent and grooming young professionals. He 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.



## MOHAMMAD SAZZAD HOSSAIN

Director – Sales

Sazzad joined Marico Bangladesh in May 2014. He has just completed a successful 2 years stint in Marico India as a Regional Sales Head & joined back Marico Bangladesh in August as Sales Director for Traditional Trade. In his current role Sazzad is responsible for ensuring topline & Trade Marketing activities. Sazzad comes with a rich experience of more than 16 years in FMCH Sales, Trade Marketing & Sales capability, across multiple geographies in Bangladesh & India. Prior to joining Marico, Sazzad has spent a considerable part of his career with Unilever Bangladesh, in multiple roles across sales function. He holds a post graduate diploma called ACBA from IBA of Dhaka University & also holds a BBA degree from Dhaka University with major in Marketing. Sazzad loves traveling, watching movies & has a keen interest in aviation.

Sazzad is married to Faria and they have a son Farza.



## MOHAMMAD HEDAYET ULLAH

Director- Customer Development

Hedayet is driving the Sales Development agendas for Marico Bangladesh Limited. He is also responsible for developing Emerging Channel business in Bangladesh. Hedayet joined Marico as “Head-Sales Development” three years back. Over the last three years he has helped the business to grow by implementing innovative trade marketing initiatives and strengthening distribution system. He has led the most successful “Sales Transformation” initiative for MBL and also played a pivotal role in implementing aspiration of bigger and bolder distributor by attracting professional distributors throughout the country.

Hedayet joined Marico from Unilever Bangladesh Limited where his last assignment was “Regional Manager”. During his 12 years of career with Unilever he worked in different sales roles across the country and led crucial projects. He was the project lead for Frontline Sales Automation, Distributor Replenishment System and Distributor Financing projects.

Hedayet, holds a Master’s degree in Economics from Jahangirnagar University. Hedayet is an avid traveler and enjoys playing and watching sports like Badminton & Soccer.



## MOHAMMAD HABIBUR RAHMAN

Head-Supply Chain and NPD

Mohammad Habibur Rahman is currently the Head of Supply Chain and NPD (New Product Development) of Marico Bangladesh who possesses a rich experience of over 16 years in this arena in several industries starting from Retail Chain, Building Materials to 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, Distribution & Outbound Logistics teams within Supply Chain Function in Marico Bangladesh to ensure quality & effective support to the organization in terms of business growth and consistent supply in the market.

Prior to joining at 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.

Habib’s captancy, techniques to handle unfavorable scenarios and unorthodox mindset is truly inspiring and motivating. Also his attire & fun loving nature is astonishing to get along and make a great teamwork to grab the core objective that is to “Add Value in the Bottom Line” of the organization

Among his several achievements at Marico, Habib had driven RM/PM Procurement Savings above BDT 1.5 cr and overall MarVal Savings BDT 10 cr. Moreover, he had strengthened the S&OP Governance process as well as adaptations of GRC policy at country level to ensure procurement compliance for risk minimizations. He had successfully taken over the entire logistics operations from Finance Function and had achieved Platinum Certification. He had spearheaded Supply Chain IT Automation Projects such as TMS, QM, PP Module in SAP. He was also very instrumental to restructure the Supply Chain Function into Category Management of Buyers to empower their job responsibilities.

Habibur Rahman holds a BSc in Mechanical Engineering from BUET (Bangladesh University of Engineering & Technology) and 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.

He is an avid reader, keeps interest in sports as well as loves travelling to new places.



## MD. SAIFUL ALAM

Director Manufacturing

Saiful brings with him 19+ years of rich experience and currently Heads the Manufacturing Function in Marico Bangladesh Limited. He is responsible for Entire Manufacturing functions including Third Party Operations, Packaging Vendor Management and Projects cum Capability Building Initiatives in Operations. 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 7+ Years tenure in Marico Bangladesh Limited.

Saiful has rich experience of working with global MNCs like Nestle Bangladesh Limited and had the opportunity of working 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.



## PRASHANT VERMA

Director Marketing

Prashant joined Marico Bangladesh in July 2017 and is responsible for driving a successful marketing function. Prashant comes with a rich experience of more than 16 years in Marketing as well as Sales, across multiple industries primarily FMCG, Banking and Media. Prior to joining Marico, Prashant was working as Chief Marketing Officer for VLCC Group in India, where he was managing marketing for all 3 group companies of VLCC. Prashant has spent a considerable part of his career with Unilever India, in multiple roles across sales and marketing. Prashant also has experience of running a FMCG startup, Vyome Biosciences, specializing in personal care products. He holds an MBA in Marketing & Finance from FORE School of Management, Delhi and also holds a Bachelor's degree in Chemistry from Delhi University. Prashant is a keen traveler, an avid reader and enjoys playing and watching sports like Basketball & Soccer.



## 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.

Ashish is a generalist 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, OTC and built expertise across verticals. From handling industrial relations issues to creating a talent strategy, he has varied experience in HR.

Ashish is married to Pranoti and they have a daughter Reya.



## ELIAS AHMED

Chief Financial Officer

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

Elias has more than 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 member of the Audit Sub-Committee of Uttara Club Limited and a permanent Member of Dhaka Boat Club.



## CHRISTABEL RANDOLPH

Head Legal & Company Secretary

Christabel joined Marico Bangladesh in May 2016 as Head of Legal and was subsequently appointed as the Company Secretary. She also anchors the corporate affairs agenda of the business including regulatory affairs, corporate social responsibility and public relations. 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 12+ years, Christabel has a rich base of legal experience spanning a range of legal services including litigation, legal documentation and transaction advisory, alternative dispute resolution, consulting, regulatory representations, critical due diligence exercises and compliance management.

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 is a member of IPAB and the Bangladesh Chapter of iProBono. Christabel is also an active member of the FMCG Sub-Committee of FICCI. 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 travelling.

# INVESTOR FRIENDLY INFORMATION





## Value Added Statement

	FY 2019		FY 2018	
	BDT	%	BDT	%
<b>Value added</b>				
Turnover	8,768,160,138		7,814,663,481	
Less: Bought in Materials & Services	(4,253,094,584)		(3,536,981,397)	
	<u>4,266,988,738</u>		<u>4,277,682,084</u>	
Indirect tax	1,002,000,000		856,175,209	
Other Income/(expense)	1,468,444		5,632,072	
Net finance income	<u>158,197,279</u>		<u>107,703,132</u>	
<b>Available for distribution</b>	<u>5,428,654,461</u>	100	<u>5,247,192,497</u>	100
<b>Distributions</b>				
Employees	641,247,095	11	543,426,112	10
Government	2,736,625,662	48	2,786,429,371	53
Shareholders*	2,205,000,000	39	1,732,500,000	33
<b>Value reinvested and retained</b>				
Depreciation and amortization	<u>93,858,521</u>	2	<u>184,837,014</u>	4
	<u>5,428,654,461</u>	100	<u>5,247,192,497</u>	100

\* Distribution in 2019 was BDT 2,205,000,000 out of which BDT 2,023,391,822 was from the wealth created during 2019.

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

## Economic Value Added Statement

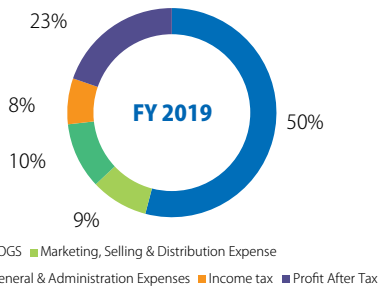
	FY 2019	FY 2018
	BDT	BDT
Net Operating Profit After Tax (NOPAT)	1,865,194,543	1,534,924,229
Total Capital Employed	919,033,877	1,222,842,957
Weighted average cost of Capital (WACC) in %	12.11%	11.45%
Weighted average cost of Capital (WACC)	<u>111,270,189</u>	<u>140,060,187</u>
EVA = NOPAT-WACC	<u><b>1,753,924,355</b></u>	<u><b>1,394,864,042</b></u>



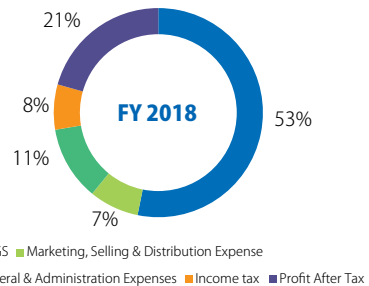
**Vertical Analysis of Income Statement**

Details	FY 2019	FY 2018
	BDT	BDT
Sales Revenue	8,768,160,138	7,814,663,481
Net Finance Income & Other Income	159,665,723	113,335,204
	<b>8,927,825,861</b>	<b>7,927,998,685</b>
COGS	4,472,697,423	4,229,519,649
Marketing, selling and distribution expenses	773,733,918	579,697,304
General and administrative expenses	931,650,175	875,036,459
Income tax expense	726,352,523	601,117,912
Profit After Tax	2,023,391,822	1,642,627,361

Vertical Analysis of Income Statement



Vertical Analysis of Income Statement



**Vertical Analysis of Balance Sheet**

	FY 2019	FY 2018
Non-Current Assets	13%	14%
Current Assets	87%	86%
Total Assets	100%	100%
Total Equity	29%	33%
Non-Current Liabilities	1%	1%
Current Liabilities	70%	65%
	100%	100%

# STATUTORY REPORTS







# MANAGEMENT DISCUSSION AND ANALYSIS

Last year has seen strong business performance 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 a **12.2% topline growth with a 5.8% volume growth** (Base business volume excluding export). The value added hair oils (VAHO) category ended the year with a strong 30% volume growth while the coconut oil category was in de-

growth at a full year level. The VAHO growth has been mainly driven by Beliphool & Parachute Advanced Extra Care and has been further boosted by the inclusion of new VAHO brands--Nihar Naturals Coconut Enriched Hair Oil & Parachute Advanced Aloe Vera. The product portfolio has seen rapid diversification with the introduction of petroleum jelly and baby care range of products. Saffola continued its growth momentum doubling its growth in the last year.

## Category Wise Revenue:

Particulars	2019	2018	2019 vs 2018
Parachute coconut oil	6,054	5,809	4.22%
Value added hair oil (VAHO)	2,095	1,497	39.97%
Color	56	48	14.85%
Saffola - Edible oil	107	51	108.07%
Parachute body lotion	51	70	-27.31%
Others	407	340	19.58%
	8,768	7,815	

- The revenue mix has been evolving as the non-PCNO revenue contribution has increased steadily. Revenue proportion from PCNO has reduced by ~5% at a full year level. This is attributable to expansion of MBL VAHO portfolio at a rapid pace and the overall decline in Branded Coconut Oil category. MBL's "Others" category has been boosted by the start of the export business along with growth from Saffola and Launch of new brands in skin care and baby segment.

## Gross Margin

- For FY'19, the Gross profit in absolute terms has increased by 19.8% over last year. This again is primarily attributable to volume growth and favourable topline impact while at a full year level, benefit on account of copra prices has contributed to higher gross profits. As a percentage to sales, Gross margin has improved by 3.1%.

## Marketing, Selling & Distribution Expenses

- At a full year level, expense as a percentage to revenue stands at 8.8%, which is higher than last year's 7.4%. In absolute terms, it has increased by 33.5%, 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, primarily the baby care segment.

**General & Administration Expenses**

- In absolute terms there was a 6.5% increase in overhead costs primarily on account of higher employment costs, higher WPPF payout, CSR expenses and corporate office rental which MBL didn't incur in FY'18. Expense as percentage to Topline has reduced to 10.6% whereas it was 11.2% during the same period last year.

**Profit before Tax**

- In FY'19 Profit before tax in absolute term has increased by 20.83% over last year due to higher revenue and finance income.

**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) 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 2019 have been entailed with relevant

accounting policies and estimations as reference to the note 41. Any revision to the accounting policies is being applied retrospectively to all the previous years applicable 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 2019 have been prepared having no change in accounting policy and/or estimation.

Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). Revenue from Contracts with Customers (IFRS # 15) and Financial Instruments (IFRS # 9) are newly adopted during the accounting year ended 31 March 2019. There is no significant change for adoption of those two IFRSs.

The Company has adopted IFRS 15 retrospectively to each prior period presented in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors from 1st April 2018. In case of IFRS 9, the Company has adopted consequential amendments to IAS 1: Presentation of Financial Statements, which requires impairment of financial assets to be presented in a separate line item in the statement of profit or loss and Other Comprehensive Income.

For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see note 41.5.

**c. Comparative analysis for current financial year with immediate preceding five years**

Fig in BDT Crore and year ended on 31 March	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Turnover	876.82	781.47	691.61	706.59	734.88
Gross profit	429.55	358.51	320.58	318.10	330.62
Net profit	202.34	164.26	144.02	141.41	134.48
EPS	64.23	52.15	45.72	44.89	42.69
Net Assets	130.21	149.26	158.01	170.87	171.22
Net Cash Flows	38.31	27.92	16.68	48.05	19.20

The Company has been enjoying a persistent growth in yearly turnover during the tenure of five years from 2015 to 2019. The company has reported a revenue growth of 12.2% and profit growth 23.2% compared to previous year. The Company has also reported EPS growth 23.2% as compared to last year having strong net cash position.

#### 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 6% and profit negatively grew by 13% as reported in their latest financial statements.

BDT Crore	Reckitt Benckiser Bangladesh LTD for the period ending		Marico Bangladesh Ltd. for the period ending	
	31 Dec 2018	31 Dec 2017	31 Mar 2019	31 Mar 2018
Turnover	389.30	366.96	876.82	781.47
Gross profit	213.74	195.49	429.55	358.51
Net Profit	33.18	38.10	202.34	164.26
EPS	70.22	80.63	64.23	52.15
Net Cash Flow	94.99	71.43	38.31	27.92

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

Bangladesh economic condition has been continually stable with an increase in consumer and investor confidence in the country. Driven by strong private consumption, public investment and remittance inflows Bangladesh's economy expanded by a remarkable 7.86% in 2018, recording the highest growth rate in the country's history. The GDP growth is being estimated to reach 8.2% by the Bangladesh Bureau of Statistics (BBS) compare to 7.9% recorded in the last fiscal year. A lot of infrastructure mega projects are in the pipeline. Various positives for the economy include are decreasing inflation levels, record high foreign reserves, healthy inward remittances and growth in exports.

As estimated by PwC, Bangladesh is projected to be one of the top 3 fastest growing economies by 2050. Global forecasts predict that emerging markets will continue to provide the fastest growth opportunity with the rising GDPs and increased purchasing power. A growing middleclass and millennial population will dictate consumer preferences and shifts in product offerings and market behavior.

#### f. Risks and concerns

The financial statements have been prepared for the year ended 31st March 2019 and no material risk or concern

has been foreseen. 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.

The greater impact risks for the Company are external and systemic in nature beyond the control of the management or organization. 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

#### Input Risk

Raw materials, particularly copra, comprise bulk of our production costs. Copra prices have witnessed significant volatility in the past years and a hike in copra prices can have a direct negative effect on our production costs. Additionally light liquid paraffin (LLP) is also a significant input for our VAHO portfolio and volatility in the international petroleum market can cause a dent in input costs.

Our efforts to branch out to numerous alternatives for our sourcing needs additionally gives some cushion

against adverse country-specific copra price movements. Inflationary tendencies in an economy directly impact the input costs and could create a strain on the operating margins of the FMCG companies.

**Exchange Rate risk**

Exchange rate risk still relates to the core business of MNCs, since it mostly imports materials from abroad in foreign currency (mostly US dollar and Indian Rupee). Over the years, we have increasingly localized our production and reduced introduction of imported goods as well sourcing raw materials from domestic suppliers. The Company has adopted a prudent hedging policy as well as position building on o import volume to minimize exchange rate risks. The business by large is insulated of the risk except for Copra and petroleum.

**Competition Risk**

Barriers to entry in the FMCG industry of Bangladesh still remain low. Manufacturing processes are quite simple, start-up capital requirements are not significantly high and numerous sub-contractors to carry out manufacturing operations are available throughout the country. The ease of operations has resulted in the emergence of threat in the FMCG industry from an illegal, unorganized sector which competes through fake and counterfeit products. We have undertaken concrete efforts to fight the presence of counterfeit through coordinated strategy and the assistance of regulatory bodies to drive out fake, look-alike items from the market.

**Changing Consumer Preferences**

Demand can be adversely affected by a shift in consumer preferences. Given the emergence of new sales channels with e-commerce and ever growing popularity of social media, the speed of such a shift could be very swift. Marico invests significantly in consumer and technical insighting to adapt to changing preferences and purchase patterns.

**Regulatory Compliance**

Unforeseen or sudden change in laws cause disruptions that can have a business impact. In the last year

the sudden change in packaging regulations by the Bangladesh Standards and Testing Institution led to multiple production and packaging complexities including interference in product branding and labels. Marico addressed those complexities by engaging for clarity and for reasonable transition measures. Furthermore Marico also carried out comprehensive compliance evaluation to ensure the compliance systems and processes are adequate and that the Company does not face any reputational or financial risk as a result of non-compliance.

**Future Outlook**

In an increasingly dynamic consumption environment and competitive marketplace, sustainable profitable growth hinges on the Company’s ability to read the latest trends and deliver the right product to the consumer at the right time. Lately, new-age start-ups/ entrepreneurs have brought disruptive products and business models to the market and have been successful in attaining reasonable scale by adopting a focused channel and niche market approach with a significantly shorter lead time between launching products. The emergence of these brands has made it imperative for brand owners to exhibit a higher degree of agility and nimbler decision-making to stay ahead and continue to expand the consumer franchise. Hence, innovation 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.

The Company is committed to investing behind innovations and capability of its members and associates. The Company has already undertaken a significant investment for expansion of its manufacturing facilities as well as sales process transformations to ensure excellence in products and execution. At the same time the Company will continue to grow the coconut oil and hair oils business while evaluating newer categories.



**Ashish Goupal**  
Managing Director



# REPORT OF THE AUDIT COMMITTEE

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, 2019 (“the year under review”).

The Committee is a central pillar of effective corporate governance and fulfills its oversight responsibilities mandated by law and governance best practices. The Committee plays a critical role in enhancing audit quality, assurance in the integrity of financial reporting, guiding risk management practices, monitoring compliance and creating an environment that promotes transparency. The Committee’s primary purpose is to provide independent oversight of the Company’s financial reporting and controls, non-financial corporate disclosures, business risks, internal control systems and compliance. It 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 the recommendations made by the Committee were accepted by the Board.

The Audit Committee is guided by the Charter of the Committee which is reviewed annually by the Committee and the Board to align with and benchmark against corporate governance best-practices.

## Composition and Meetings

The Composition of the Committee was revised by the Board in 2018 pursuant to the Corporate Governance Code. 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. The Company Secretary functions as the Secretary to the Committee. The meetings of the Committee are also attended by the Managing Director as permanent invitee, Chief Financial Officer, Head of Internal Audit and the 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 ‘19	
			Held	Attended
Mr. Masud Khan	Independent Director	Chairman	5	5
Mr. Ashrafal Hadi	Independent Director	Member		4
Ms. Rokia Afzal Rahman	Independent Director	Member		4
Mr. Sanjay Mishra	Nominee Director	Member		4
Mr. Vivek Karve	Nominee Director	Member		5

## Responsibilities and Duties

### Financial Reporting

- To review the quarterly, half-yearly and annual financial statements of the Company along with management representations, focusing particularly on any significant changes to accounting policies and practices before submission to the Board for approval, reviewing announcements relating to the Company’s financial performance and compliance

with applicable financial reporting standards and other legal and regulatory requirements;

### Related Party Transactions

- To review all related party transactions and conflict of interest situations that may arise within the Company including those under the Company’s Code of Conduct. The transactions with parent or associated companies are reviewed in detail including the amount, nature of related party and the nature of transactions.



### 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 should determine that all responsibilities outlined in the charter have been carried out. In addition, the charter is reviewed, and proposed updates presented to the Board for approval. As adherence to best practices, evaluation of Committee activities is carried out, which is a key tool in achieving and maintaining a high degree of effectiveness.

### Internal Controls and Risk Management

- To evaluate the Company's internal financial controls and review whether Management is adhering to the appropriate compliance culture by communicating the importance of internal control and risk management to ensure that all members have clear understanding of their respective roles and responsibilities.
- To consider whether internal control strategies recommended by internal and external auditors have been implemented in a timely manner by the management thereby ensuring that the system of internal control is soundly embedded, effectively administered and regularly monitored.
- To recommend to the Board steps to improve the system of internal control derived by the Committee from the findings of the internal and external auditors.
- To guide and recommend appropriate risk management framework(s) for the control and monitoring of financial and non-financial risks
- To review the Company's risk register including mitigation plans and risk rating and management representations on the same
- 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).
- Review of the Management Letters or letters of internal control weaknesses issued by the Statutory Auditors

### 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, in order 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 Corporate Governance Code, 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, interim and annual financial statements of the Company, considered the 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
- Reviewed and adopted the Company's Risk Management Framework
- Reviewed in detail the related party transactions of the Company
- Reviewed the annual audit plans and effectiveness of the audit process and the Internal Audit reports which encompassed the audit issues, audit recommendations and Management's responses to these recommendations.
- Discussed with management about the improvement actions in the area of internal controls, systems and efficiency enhancements including the implementation of the Internal Financial Control Framework.
- Reviewed the external auditors' findings of observation, areas of concern highlighted and the management's response thereto and ensured that the external auditors remain independent and that appropriate action is being taken on time.
- Appraised the performance of the external auditors and made recommendation to the Board on their appointment and fees payable to them.
- Reviewed the investments of the Company i.e. FDR, CAPEX etc. and revised Investment policy of the Company.
- Reviewed and adopted the foreign exchange hedging policy of the Company
- Reviewed and adopted the Statement of Delegated

Authority for execution of contracts and legal instruments and relevant Power(s) of Attorney

- 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 status of the Company
- Reviewed regulatory changes during the year and impact assessments presented by the management
- Reviewed the decisions of past meetings and the actions taken on the same
- Reviewed and approved the re-constitution of MBL CoC and PoSH Committees
- Review and appoint external members to the panel of MBL PoSH Committee
- Reviewed the Internal Financial Control plan and progress for FY 19
- Reviewed the plan of FY2019 for improvement projects
- Approval/Ratification of Appointments of Management Representatives to the Board of Trustees of the Marico Bangladesh Workers' Profit Participation Fund.
- Reviewed other matters & incidents of significance as per Committee Charter and management reporting

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

The Committee has also reviewed the Management's Discussion and Analysis that is presented in this Report to the shareholders.

The minutes of the Committee meetings were prepared in accordance with the Bangladesh Secretarial Standards (BSS) and 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 of the Audit Committee



# REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (“the Committee”) is a sub-committee of the Board constituted pursuant to the Corporate Governance Code. The Committee is 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 (“the Code”) issued by the Bangladesh Securities and Exchange Commission on June 03, 2018 (“the Code”). This report is presented in accordance with the Code which sets out the constitution, terms of reference of the Committee and the functions carried out during the year ended March 31, 2019 (“the year under review”).

The main role of the Committee is to assist and advise the Board on the Company’s remuneration policy for the

Board and key management personnel, drive diversity and inclusion in the organization, guide standards of behavior and culture code, ensure appropriate processes for performance-related pay in order to motivate and retain executives and ensure that the Company is able to attract the best talent in the market in order to maximize shareholder value.

## Composition and Meetings

The Committee presently comprises of 3 (Three) permanent members and 2 (Two) advisory (non-voting) Members. The Chairman of the Committee is a non-executive independent director. The Company Secretary functions as the Secretary to the Committee. All permanent members of the Committee are non-executive directors.

Names	Representation in the Board	Representation in the Committee	Number of Meetings of the Committee during FY '19	
			Held	Attended
Ms. Rokia Afzal Rahman	Independent Director	Chairman	1*	1
Mr. Sanjay Mishra	Nominee Director	Permanent members		1
Mr. Vivek Karve	Nominee Director	Permanent members		1
Mr. Amit Prakash	External Member	Advisory (non-voting) Members.		1
Mr. Ashish Goupal	Managing Director	Advisory (non-voting) Members.		1

\*During this year, the Committee held 1 (One) meeting, complying with the requirement of at least one meeting to be held during the year.

## TERMS OF REFERENCE

The terms of reference of the Committee are set out in the Charter of Nomination & Remuneration Committee (“the Charter”) which was adopted by the Board during the year under review. In accordance with the Charter, the Committee shall oversee, among others, the following matters and shall recommend the following for review and/or approval of the Board, as the case may be:

- I. the criteria for determining qualifications, positive attributes and independence of a director
- II. a policy relating to the remuneration of the directors, top level executive, considering the following:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
- (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, top level executive 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. a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- IV. the plan in relation to identification of persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, 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 on company's needs for employees at different levels and the selection, transfer or replacement and promotion criteria/principles; and
- VII. the annual exercise on the developments, recommendations and review of the company's human resources and training policies;

### Major activities during the year:

The Committee carried out its functions in accordance with the Charter. At its commencement meeting the Committee delved in detail into the values, code of conduct and talent value proposition of the Company.

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

- Reviewed and ratified the uniform Code of Conduct for the Company which would be also applicable

to members of the Board and key management personnel or top-level executives which was adopted by the Board

- Reviewed the values document of the Company which underlies all aspects of individual and collective performance and functioning of the Company
- Reviewed the core human resources principles and philosophy of the Company including recruitment, performance evaluation across all levels of members and talent value proposition of the Company

The minutes of the Committee meetings were placed subsequently before the Board for its approval, which contained all issues along with various suggestions and recommendations to the Management and the Board. The Committee will proceed to function by adopting and adhering to a calendar or plan for the year and monitor progress on the same.

On behalf of the Committee,



**Ms. Rokia Afzal Rahman**

Chairman of the Nomination and Remuneration Committee



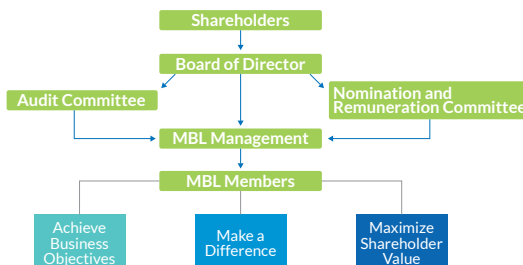
# STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors is central to corporate governance at Marico Bangladesh. As a listed entity the Board of Directors of the Company function under a prism that includes three main roles: the decision-making role in critical matters, the 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. Marico Bangladesh is committed to ensure the highest levels of corporate governance at all times. Transparency and Openness is one of the eight core Marico values and is embedded in the ethos of the organization. This statement presents the Company's governance framework and the structures and processes that strive to ensure a continued commitment to sound governance.

The Company's philosophy on corporate governance is aligned across the Group with the basic belief that a company which is proactively compliant with the law and which adds value to itself through corporate governance initiatives would also command a higher value in the eyes of present and prospective shareholders. Marico therefore believes that Corporate Governance is not an end in itself but a catalyst in the process towards maximization of shareholder value.

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.

Structure of Marico Bangladesh's Corporate Governance:



- Good Governance results greater value for the Business and our stakeholders
- Corporate Governance converts plans to Performance

## Corporate Governance Framework

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

The legal and regulatory 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.

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 comprises 7 (seven) directors in the following classes:

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

The Board selects its members and leaders via an inclusive and thoughtful process, aligned with Company strategy. The Board has in-depth knowledge, skills and vast experience in the context relevant to the Company. The Independent Directors ensure protection of interests of all shareholders of the Company. The Directors' Report along with their profiles have been presented in this Annual Report.

## 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 Marico 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 and as directed by BSEC's 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 relations 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 establishes structures and processes to fulfill Board responsibilities that consider the interests of investors, regulators, management and employees among others. The major responsibilities of the Board are as follows:

- Oversee Management and Set Goals and Direction
- Evaluate Strategy and Review Management Performance
- Review Management Succession Planning
- Monitor and Manage Potential Conflicts of Interest
- Ensure the Integrity of Financial Information
- Monitor the Effectiveness of Board Governance Practices
- Ensure compliance to laws and regulations
- Ensure Adherence to Company Polices and Guidelines

- Perform Risk Assessment and Ensure integrity of Company's Financial Reporting

### Committee(s)

The Board currently has 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 an Independent Director as Chairman of the Committee in accordance with the BSEC Guidelines. All members of the Audit Committee are 'financially literate' as per regulatory requirement and are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. The Managing Director, the Chief Financial Officer 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 of the Audit Committee are elaborated in the Audit Committee Report which is presented in 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 Rokia Afzal Rahman, Independent Director as Chairperson of the Committee in accordance with the Corporate Governance Code 2018. 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 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 formal legal framework guiding the discharge of functions of the management team, the Marico values underlie and acts as the moral compass of the organization. The implementation of the Board's plans, strategies and policies are carried out by the management team lead by the Managing Director. The management team comprises the following members:

- Mr. Ashish Goupal, Managing Director
- Mr. Elias Ahmed, Chief Financial Officer
- Mr. Ashish Mane, Director- Human Resources
- Mr. Md. Saiful Alam, Director- Manufacturing
- Mr. Prashant Verma, Director- Marketing
- Mr. Mohammad Sazzad Hossain, Director -Sales
- Mr. Mohammad Hedayet Ullah, Director - Customer Development
- Mr. Mohammad Habibur Rahman, Head - Supply Chain and NPD
- Ms. Christabel Randolph, Head - Legal & Company Secretary

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

and implementing business and corporate strategies. 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.

### 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 in 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 International/Bangladesh Financial Reporting Standards (IFRS/BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable financial legislations. The financial data are captured from the financial reports generated from the system. These financial statements, once prepared, are reviewed initially by the CFO and CEO and then by the Audit Committee. At every quarter, external auditors review the quarterly financial statements prepared in accordance with local financial reporting policies and Company procedures. 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 brand, Parachute. Over the years, the Company has successfully created a diversified portfolio by foraying into skin care, male grooming, baby care and food categories. The Value Added Hair Oils (VAHO) category has already emerged as a second growth engine for the business while the Company continues to push ahead on business process transformation and strengthening its strategic pillars.

The Company is not only focused on strengthening business performance but also to grow 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, fueled 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 and to continually add value to all the stakeholders of the Company.

**External/Statutory Auditors:**

Annual audit of the Company is governed by the Companies Act 1994 and Securities and Exchange Rules 1987. 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 Bangladesh Securities and Exchange Commission (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. M/s. Rahman Rahman Huq, Chartered

Accountants is the statutory auditor and they have no involvement with any other services of the Company.

**Reporting and Compliance of Corporate Governance:**

As required, status of compliance with the conditions laid down by BSEC’s Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 is annexed in this Annual Report. Further, to ensure adequate regulatory discharge, a Compliance Certificate is also obtained from licenced 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 has been included in this Annual Report.

On behalf of the Board,



**Ashish Goupal**  
Managing Director



# DIRECTORS' REPORT

## A message to our Members

The Board of Directors ('the Board') of Marico Bangladesh Limited is proud to present the 9th 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 2019, and the Auditors' Report thereon, prepared in compliance with the requirements of Section 184 of the Companies Act 1994 and Corporate Governance Code, 2018 for your valued consideration, approval and adoption. The key financial results and other developments taking place during period of April 2018 to March 2019 in the business in Bangladesh is discussed in this report.

## 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 Advanced, Nihar, HairCode, Saffola Active, Livon and Set Wet. This year, the Company emphasized the expansion of its product Portfolio and launched several new brands as well as its international baby care brand Just for Baby. Marico's portfolio of winning brands are well-placed to become prominent players in the market as always.

## Industry outlook and possible future developments in the industry

In the 'Fast Moving Consumer Goods' (FMCG) industry, products are sold and/or traded rapidly in the market. Costs of the trade and/or movement of goods are comparatively lower than other industry due to its nature. Driven by strong private consumption, public investment and remittance inflows Bangladesh's economy expanded by a remarkable 7.86% in 2018, recording the highest growth rate in the country's history. 2018 marked a 5-year run of continuous increase in the country's GDP growth rate, a trend that is also forecasted to continue. With a population of around 167 million and with a healthy

economic outlook the FMCG industry is also poised for significant growth. The industry dynamics are also rapidly evolving in sales channels and marketing practices with 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. 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 urban population of the country, growing middle class, labor force & participation rate, 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 or Product-Wise Performance

During the year ended 31 March 2019, the company launched an array of new brands including 'Parachute Petroleum Jelly' and 'Just for Baby' oils, lotions and washes. These new products are strengthening the diversity in the product portfolio and driving the innovation journey of the Company. The new introductions are an indication of our efforts to play in the markets with a right to win for Marico. Marico is fulfilling consumer needs in the spaces of nourishment, grooming, beauty & wellness and foods categories. Marico reviews revenue performance of different categories which have been disclosed with this annual report.

Marico posted BDT 8768 million total revenue for the year ended 31 March 2019 with 12.2% growth compared to last year. The growth was mainly driven by PCNO, VAHO and Saffola Edible Oil and partly offset by Body Lotion.

Presented below is the table showing revenue status by Category and its growth:

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

Particulars	2019	2018	2019 vs 2018
Parachute coconut oil	6,054	5,809	4.22%
Value added hair oil (VAHO)	2,095	1,497	39.97%
Color	56	48	14.85%
Saffola - Edible oil	107	51	108.07%
Parachute body lotion	51	70	-27.31%
Others	407	340	19.58%
	8,768	7,815	

## RISKS AND CONCERNS

The Board of Directors regularly monitor, assess and identify potential risk factors, threats to sustainability and profitability and negative impact on environment. Details of Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, is discussed in the 'Risk Control Initiatives' section on page no. 60 in this Annual Report.

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

### Cost of Sales:

Revenue for the year ended 31 March 2019 has been increased by 12.2% whereas Cost of Sales increased by

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

Particulars	2019*	2018*	2019 vs 2018
Revenue	8,768	7,815	12.2%
Cost of sales	(4,473)	(4,230)	5.7%
Gross profit	4,295	3,585	19.8%
Operating profit	2,592	2,136	21.3%
Profit before tax	2,750	2,244	22.6%
Profit for the year	2,023	1,643	23.2%

## RELATED PARTY TRANSACTION

In the year FY'19, the Company had related party transactions with its parent company, Marico Limited, India and Marico Middle East FZE, a subsidiary of the parent company. Note 25 of the financial statements include, details of the transactions with the related parties.

## DIRECTORS' STATEMENT ON FINANCIAL REPORTING

The Directors, in accordance with the Corporate Governance Code 2018 of the Bangladesh Securities

and Exchange Commission dated June 03, 2018, confirm the following to the best of their knowledge:

### Gross Profit:

Gross profit for the year ended 31 March 2019 was increased by 19.8% compared to last year. Gross Profit for the year 2019 was 49.0% compared to last year 45.9%.

### Net Profit:

Net profit for the year ended 31 March 2019 was 23.1% compared to last year 21.0%. Net Profit has been increased by 23.2% compared to last year. Higher revenue growth, increased finance income and lower operating expense have resulted the growth of net profit.

and Exchange Commission dated June 03, 2018, confirm the following to the best of their knowledge:

- 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.
- Proper books of account of the issuer company have been maintained.
- 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. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. The minority shareholders have been protected

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

Particulars	2019	2018	2017	2016	2015
Revenue	8,768	7,815	6,916	7,066	7,349
Cost of sales	(4,473)	(4,230)	(3,710)	(3,885)	(4,043)
Gross profit	4,295	3,585	3,206	3,181	3,306
General and admin expenditure	(932)	(875)	(801)	(735)	(636)
Mkt, selling and distribn expenditure	(774)	(580)	(538)	(639)	(943)
Other income/(expense)	1	6	(9)	2	1
Operating profit	2,592	2,136	1,858	1,810	1,728
Net finance income	158	108	69	115	101
Profit before tax	2,750	2,244	1,927	1,924	1,829
Income tax expense	(726)	(601)	(487)	(510)	(484)
Profit for the year	2,023	1,643	1,440	1,414	1,345

from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

- g. There is no significant doubt upon the issuer company's ability to continue as a going concern.

### Appropriations of profit and key operating and financial data of preceding five years

Company has been growing positively and the last 5 years' results are focusing strong footprint in the FMCG industry. Here is the table for 5 years' status of its revenue and profitability.

## 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 735,135,754.

## DISTRIBUTION TO EQUITY SHAREHOLDERS

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

In FY 14, a 500% dividend was disbursed on the occasion of the completion of "Ek Jug" as Marico celebrated the 12th anniversary and the tremendous journey of our flagship brand, Parachute Coconut Oil with our esteemed shareholders. For this reason the year ended with an overall dividend disbursement of 900% which was an exceptional distribution given the pattern of dividend disbursements.

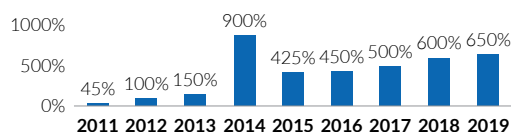
In FY'19, the Company declared interim cash dividends amounting to 600% and recommended a final dividend

of 50% at the 104th Board Meeting held on April 29, 2019 totaling 650% cash dividend for FY18-19.

### Events subsequent to the Statement of Financial Position

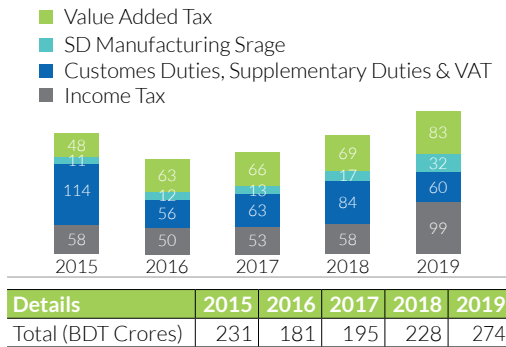
For the year ended 31st March 2019, the Board of Directors recommended final cash dividend @ 50% per share at 104th Board meeting held on April 29, 2019. Apart from that, there are no other material events identified after year closing with the statement of financial position.

### DIVIDEND DISBURSEMENTS



## CONTRIBUTION TO NATIONAL EXCHEQUER

During the reporting period, your company paid BDT 273.66 Crores to the National Exchequer on account of Corporate Income Tax, Customs Duties, Supplementary Duties and Value Added Tax (VAT).



## BOARD OF DIRECTORS

The Board of Directors of the Company comprises 7 (Seven) members including 3 (three) Independent Directors. Names and profiles, including the nature of expertise in specific functional areas of the Directors of the Company are shown in the 'Directors' Profile' section on pages 40 to 43 of this Annual Report.

## BOARD OF DIRECTORS' MEETING AND ATTENDANCE

The number of Board meetings and attendance of Directors during the year 2018-19 has been adequately presented following-

Names	Representation in the Board	Number of Board Meetings		Attendance at Last AGM
		Held	Attended	
Saugata Gupta	Chairman- Nominee Director	5	4	Yes
Ashish Goupal (From Till 18th July, 18)	Managing Director- Executive Director		3	Yes
Ashrafal Hadi	Independent Director		4	Yes
Masud Khan	Independent Director		5	Yes
Rokia Afzal Rahman	Independent Director		4	Yes
Sanjay Mishra	Nominee Director		5	Yes
Vivek Karve	Nominee Director		4	Yes
Naveen Pandey (Till 18th July, 18)	Managing Director- Executive Director	2	Yes	

## APPOINTMENT/REAPPOINTMENT OF DIRECTORS

In accordance with the Article 97 of the Articles of Association of the Company, Mr. Vivek Karve will retire from office as Director by rotation at the 19th Annual General Meeting and, being eligible, offers himself for re-election in accordance with the terms of Article 99 of the Articles of Association of the Company.

The term of Mr. Ashrafal Hadi, as the Independent Director of the Company, expired on April 24, 2019 and was eligible for re-appointment for a further period not exceeding three years. The Board of Directors of the Company, through circular resolution, re-appointed Mr. Ashrafal Hadi as Independent Director of the Company for a further period of 3 (three) years, subject

to approval by the shareholders at the 19th Annual General Meeting.

## REMUNERATION OF DIRECTORS, INCLUDING INDEPENDENT DIRECTORS

The amount of total remuneration paid to Directors including Independent Directors has been presented at Note: 25.2 in the Notes to the financial statements;

## CODE OF CONDUCT

In compliance with the conditions of corporate governance, the Company's Code of Conduct (CoC) has been adopted by the Board since 2014 which applies to all members of the company including the Board of Directors and Key Management Personnel. The CoC was reviewed and confirmed/ ratified by the

NRC committee. Annual compliance of the code is also recorded accordingly.

## **PATTERN OF SHAREHOLDING**

In accordance with the conditions of corporate governance, the shareholding pattern of the Company is disclosed in 'Annexure-D' on page no. 90 of this Annual Report.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

In accordance with the condition of Corporate Governance Code 2018, Management's Discussion and Analysis has been duly signed by the Chief Executive Officer of the Company and is included on page no. 58 of this Annual Report.

## **CERTIFICATE BY CEO AND CFO**

In accordance with the conditions of corporate governance, a Certification under the Corporate Governance Code by the Managing Director/CEO and Chief Financial Officer/CFO on financial reporting has been presented on page 77 of this Annual Report.

## **REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE**

A Certificate of Compliance required under Corporate Governance Code 2018, as provided by M/s. Al-Muqtadir Associates, Chartered Secretaries, has been presented on page 78 of this Annual Report. Furthermore, Status of compliance as per Corporate Governance Code 2018 has been presented on page 79 of this Annual Report.

## **SHAREHOLDER INFORMATION & SUBSTANTIAL SHAREHOLDERS**

The distribution of shareholding and market value of shares are given on pages 21 & 20 respectively.

## **STATUTORY AUDITORS**

M/s. Rahman Rahman Haq & Co., Chartered Accountants and Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting. As per BSEC Notification, the Board has, on the basis of suggestion of the Audit Committee, recommended appointment of "M/S Rahman & Rahman Haq (RRH)" as

the statutory Auditor for the year 2019 and to continue up to the conclusion of the next AGM at a fees of Tk. 14,00,000 including Statutory Audit Fee, Annual Group Reporting, Quarterly Review as per new fees Schedule circulated by ICAB w.e.f. 1st Jan, 2016.

## **OTHER REGULATORY DISCLOSURES:**

Pursuant to the Corporate Governance Code dated 3rd June 2018, the Directors of Board also report that:

- There was no extraordinary gain or loss occurred during the financial year;
- The Company's IPO was made in the year 2009. No further issue of any instrument was made during the year;
- The Company has delivered outstanding performance in the last financial year vs agreed operating plan and there are no significant deviations from the previous year in operating results of the Company requiring explanation;
- Rights and interests of the minority shareholders have been duly protected by means of transparent operations and proper disclosure of material information of the Company;
- Key operating and financial data of the preceding five years have been summarized at page no. 74 in this Annual Report;
- 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 members, customers, consumers, banks and financial institutions, regulatory bodies, auditors, business associates and finally the shareholders for their immense support and contribution towards the success of the Company.

On behalf of the Board



**Ashish Goupal**  
Managing Director

## ANNEXURE-A

Marico Bangladesh Limited

## DECLARATION BY CEO AND CFO

Date: May 26, 2019

The Board of Directors  
Marico Bangladesh Limited**Subject: Declaration on Financial Statements for the year ended on 31st March, 2019**

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, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

**In this regard, we also certify that:**

- (i) We have reviewed the financial statements for the year ended on 31st March, 2019 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)**

Chief Executive Officer (CEO)


**(Elias Ahmed)**

Chief Financial Officer (CFO)

## ANNEXURE-B



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

Phones: 01730 340 340  
01552 108 522  
e-mail : akamuqtadir@gmail.com  
VAT Reg : 19041063900  
BIN No : 000179575

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

(As required under the BSEC Codes 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 2019. 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 :

- (a) The Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- (b) 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.
- (c) 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
- (d) 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 2018-19.

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

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

Dhaka, June 10, 2019





# STATEMENT OF COMPLIANCE

## ANNEXURE-C

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

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

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(1)	Board's size: The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty):	√		MBL Board is comprised of 7 Directors.
<b>1(2)</b>	<b>Independent Directors</b>			
1(2) (a)	At least one-fifth (1/5) of the total number of directors	√		There are three Independent Directors on the MBL Board, viz: Mr. Masud Khan, Ms. Rokia Afzal Rahman & Mr. Ashrafal Hadi,
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
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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(2)(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any concerned statutory audit firm or any firm that is already engaged with the Company	√		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 NBF1	√		Do
1(2)(b)(x)	Not been convicted for a criminal offence involving moral turpitude	√		Do
1(2)(c)	Shall be appointed by the Board and approved by the shareholders in the AGM	√		The appointments are duly approved
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)(e)	The tenure of office shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. A former independent director may be reappointed for another tenure after a time gap of 3 years from his/her completion of consecutive two tenures. The independent directors shall not be subject to retirement by rotation	√		The Independent Directors (IDs) are in their regular term of office.  1 Independent Directors, Mr. Ashraf Hadi has completed his term of 3 years. The Board will consider nominations.
<b>1(3)</b>	<b>Qualification of Independent Directors</b>			
1(3)(a)	shall be a knowledgeable individual with integrity and able to ensure compliance with relevant laws as well as able to make meaningful contribution to the business	√		The qualification and background of the IDs are commensurate to the requirements of the position and are stated in the Directors' Profile.
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million/ any listed company/a member of any national or international chamber of commerce or business association or	√		Do
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company;	√		Do
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		Not Applicable

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
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)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		All independent directors have more than Ten years of experiences
1(3)(d)	Relaxation in special cases as to qualifications of independent director	N/A		No such instance
<b>1(4)</b>	<b>Duality of chairperson of the Board of Directors and Managing Director or Chief Executive office</b>			
1(4)(a)	The posts of Chairman of the Board and Chief Executive Officer are to be filled by different individuals.	√		The Chairman of the Board and CEO are different individuals and the Chairman is elected from amongst the Directors. Mr. Saugata Gupta is the Chairman and Mr. Ashish Goupal is the Managing Director.
1(4)(b)	MD shall not hold same position in any other listed company	√		No such instance
1(4)(c)	Chairperson shall be a non-executive director	√		In Practice
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		Role and Responsibilities of the Chairperson are clearly defined on Corporate Governance Report and of the Managing Director defined in AoA
1(4)(e)	In the absence of regular chairperson, the other members shall elect a non-executive director to chair that particular meeting	√		In Practice
<b>1(5)</b>	<b>Directors' Report to Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry	√		Disclosed in the Director's Report page no. 72
1(5)(ii)	The segment-wise or product-wise performance	√		Disclosed in the Director's Report
1(5)(iii)	Risks and concerns	√		Disclosed in the Director's Report
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		Disclosed in the Director's Report
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications (gain or loss)	√		Disclosed in the Director's Report
1(5)(vi)	A detailed discussion on related party transactions	√		Disclosed in the Director's Report
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	√		Disclosed in the Director's Report
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.	√		Disclosed in the Director's Report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	√		Disclosed in the Director's Report
1(5)(x)	Remuneration paid to the directors including independent directors	√		Disclosed in the Director's Report
1(5)(xi)	the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		Disclosed in the Director's Report
1(5)(xii)	Maintenance of proper books of accounts	√		Disclosed in the Director's Report
1(5)(xiii)	Adoption of appropriate & consistent accounting policies and estimates	√		Disclosed in the Director's Report
1(5)(xiv)	Follow of IAS, IFRS in preparation of the financial statements and any departure there from has been adequately disclosed	√		Disclosed in the Director's Report
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		Disclosed in the Director's Report
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	√		Disclosed in the Director's Report
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	√		Disclosed in the Director's Report
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	√		Disclosed in the Director's Report
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		Disclosed in the Director's Report
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	√		The Company Declared Interim Cash Dividend of 600% and recommended 50% final cash dividend. A total of 650% cash dividend has been declared for the year ended on 31st March,2019
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-D of the Director's Report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
(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
(b)	nature of his or her expertise in specific functional areas and	√		Stated in the Profile of the Board
(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board	√		Stated in the Profile of the Board
1(5)(xxv)	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 on Management's Discussion and Analysis at page no. 58
(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 on Management's Discussion and Analysis
(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		Presented on 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 on Management's Discussion and Analysis
(e)	briefly explain the financial and economic scenario of the country and the globe	√		Presented on 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 on 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 on 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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		Attached with the Director's Report
<b>1(6)</b>	<b>Meeting of the BoD</b> Shall conduct Board meetings and record the minutes as per BSS	√		Duly conducted the Board meetings and recorded the minutes as per BSS
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	Code of conduct for the Chairman, other Board members and Chief Executive Officer	√		Company's CoC has been adopted by the Board since 2014 which applies to all members of the company including the Board of Directors and Key Management Personnel. The CoC was reviewed and confirmed/ ratified by the NRC committee.
1(7)(b)	Availability of Code of Conduct on the website of the Company	√		The Code of Conduct is posted on the website
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company:</b>			
2(a)	Same provisions shall be applicable for composition of the Board of the holding and the Board of the subsidiary	N/A		
2(b)	At least one independent director on the Board of the holding Company shall be a director on the Board of the subsidiary Company	N/A		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	N/A		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	N/A		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		
<b>3(1)</b>	<b>MD or CEO, CFO, Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-</b>			
3(1)(a)	Appointment of MD or CEO, CFO, HIAC and CS	√		All positions filled except HIAC (Temporary Vacant)
3(1)(b)	Different individuals are in the position of MD or CEO, CFO, HIAC and CS	√		MD of the company is Mr. Ashish Goupal; The CFO of the Company is Mr. Elias Ahmed and the Company Secretary is Ms. Christabel Randolph.
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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		In Practice
3(2)	Attendance in the meetings of the Board of MD or CEO, CS, CFO and HIAC	√		In Practice
3(3)(a)(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
3(3)(c)	Annual Report contains certification of MD & CFO on financial statements	√		Do
<b>4</b>	<b>Board of Directors' Committee</b>			
4(i)	An Audit Committee	√		In Practice
4(ii)	A Nomination & Remuneration Committee	√		In Practice
<b>5</b>	<b>Audit Committee</b>			
5(1)(a)	The Company shall have an Audit Committee as a subcommittee of the Board of Directors	√		In Practice
5(1)(b)	Assistance of the Audit Committee to the Board	√		In Practice
5(1)(c)	Responsible to the Board and the duties of the Audit Committee shall be clearly set forth in writing	√		There is an Audit Committee with roles and responsibilities clearly defined in its Charter
<b>5(2)</b>	<b>Audit Committee composition:</b>			
(a)	at least 3 members	√		The Audit Committee is comprised of 5 (Five) members.
(b)	All members are to be non-executive directors except chairman of the board and one member shall be an independent director	√		In Practice
(c)	Financial literacy & minimum 10 years' experience of members	√		The qualifications and expertise of the members are commensurate to their role and have been duly reviewed by the Board. All members of the Audit Committee are 'financially literate' as declared by them and have 'related financial management experience' as per the BSEC notification.
5(2)(d)	Vacancy of office of audit committee member, in case of his/ her expiry or inability to hold office	√		There were no such instance during FY 2018-19.
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		In Practice

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
5(2)(f)	At least 1 (one) independent director in quorum of the committee	√		In Practice
5(3)(a)	An independent director shall be Chairman of the committee	√		Mr. Masud Khan, Independent Director, is the Chairman of the Audit Committee.
5(3)(b)	Chairman in the absence of regular Chairman of the Committee	√		There were no such instance during FY 2018-19.
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 5 meetings held in the year
5(4)(b)	Quorum: two members or 2/3 of total audit committee member	√		In Practice
5(5)(a)	Oversee the financial reporting process	√		In Practice
5(5)(b)	Monitor choice of accounting policies and Principles	√		In Practice
5(5)(c)	Monitor Internal Audit & Compliance Process	√		In Practice
5(5)(d)	Oversee hiring and performance of external Auditors	√		In Practice
5(5)(e)	Meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		In Practice
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval	√		In Practice
5(5)(g)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		In Practice
5(5)(h)	Review the adequacy of internal audit Function	√		In Practice
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		In Practice
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		In Practice
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		In Practice
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		In Practice
5(5)(m)	Oversee about the uses/applications of funds raised through IPO or RPO or Rights Share Offer	N/A		There was no IPO/RPO/Rights issue in 2018-19 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.



STATUTORY REPORTS

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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
6(3)(c)	Chairman's presence in annual general meeting	√		In Practice
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	At least one meeting in a financial year	√		In Practice
6(4)(b)	Any emergency meeting upon request by any member of the NRC	√		No such instance arose during the year
6(4)(c)	Quorum: Higher of two members or 2/3 of total members including at least one independent director	√		In Practice
6(4)(d)	Confirmation of minutes in the next meeting of the NRC	√		In Practice
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5)(a)	Shall be independent and responsible or accountable to the Board and to the shareholders	√		In Practice
6(5)(b)	NRC shall oversee, among others, following matters and make report with recommendation to the Board:-			
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
<b>7</b>	<b>External or Statutory Auditors</b>			
7(1)(i)	Not involved in appraisal or valuation services or fairness opinions	√		As declared by the Auditors
7(1)(ii)	Not involved financial information systems design and implementation	√		Do

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
7(1)(iii)	Not involved in book-keeping or other services related to the accounting records or financial statements	√		Do
7(1)(iv)	Not involved as broker-dealer services	√		Do
7(1)(v)	Not involved in actuarial services	√		Do
7(1)(vi)	Not involved in internal audit services or special audit services	√		Do
7(1)(vii)	Not involved in any service that the Audit Committee determines	√		Do
7(1)(viii)	Not involved in audit or certification services on compliance of corporate governance	√		Do
7(1)(ix)	Not involved in any other service that creates conflict of interest	√		Do
7(2)	No partner or his/ her family or employees of the external audit firms hold any share at least during audit work	√		Do
7(3)	Auditors' or their representative presence in the AGM	√		In Practice
<b>8</b>	<b>Maintaining a website by the Company</b>			
8(1)	An official website linked with the website of the stock exchange	√		In Practice
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).	√		In Practice
<b>9</b>	<b>Reporting and Compliance of Corporate Governance.-</b>			
9(1)	Compliance certificate on Corporate Governance Code of the Commission in the Annual Report.	√		Required Certification has been obtained from M/s Al-Muqtadir Associates, Chartered Secretaries, for the year 2018-19 which is presented in this Annual Report
9(2)	The compliance auditor shall be appointed by the shareholders in the AGM	√		M/s Al-Muqtadir Associates, Chartered Secretaries have been appointed by the Board and the said appointment will be confirmed at the next AGM
9(3)	Annexure-C attached in the directors' report	√		Required Annexure-C is presented in this Annual Report



# SHAREHOLDING PATTERN

## ANNEXURE-D

### (a) Shareholding details of Parent or Subsidiary or Associated Companies as on 31st March, 2019

Name	Status	Number of shares held
Marico Limited	Parent Company	28349996

### (b) Shareholding details of Director, CEO, CFO, CS and HIAC and their spouses and minor children as on 31st March, 2019

Name	Status	Number of shares held
Mr. Masud Khan	Independent Director	Nil
Ms. Rokia Afzal Rahman	Independent Director	Nil
Mr. Ashraful Hadi	Independent Director	Nil
Mr. Saugata Gupta	Director	1
Mr. Vivek Karve	Director	1
Mr. Sanjay Mishra	Director	1
Mr. Ashish Goupal	Managing Director	Nil
Mr. Elias Ahmed	CFO	Nil
Ms. Christabel Randolph	Company Secretary	Nil
(Temporary Vacant)	Head of Internal Audit & Compliance	Nil

### (c) Shareholding details of top 5 salaried executives of the Company as on 31st March, 2019

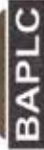
Name	Status	Number of shares held
Prashant Verma	Director Marketing	Nil
Mohammad Sazzad Hossain	Director Sales - Traditional Trade	Nil
Mohammad Hedayet Ullah	Director Sales- Emerging Channels & Customer Development	Nil
Md. Saiful Alam	DIRECTOR - MANUFACTURING	Nil
Ashish Mane	Director HR	Nil

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

Name	Status	Number of shares held
Marico Limited	Parent Company	28349996

**BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES**

Ref. No: **CM-2019/217**



Date of issue : **May 20, 2019**

**Renewed Certificate**

*This is to certify that*

**MARICO BANGLADESH LIMITED**

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.*

*This certificate remains current until 31<sup>st</sup> December 2019.*



*[Signature]*  
Secretary-General

# THE MARICO DIFFERENCE







# MARICO BUSINESS MODEL

AT MARICO, WE INTEND TO WIN WITH OUR STAKEHOLDERS. THE NUCLEUS OF OUR BUSINESS IS BASED ON OUR PRINCIPLE OF MAKING A DIFFERENCE ACROSS OUR BUSINESS SPECTRUM AND ALL THE LIVES WE TOUCH.



## PROCURE

- Locally & Globally



## PRODUCTS

- Manufactured (own factory & 3Ps)
- Imported FGs



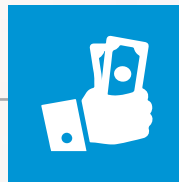
## DISTRIBUTE

- Widespread Distribution network across Bangladesh makes us the 3rd largest FMCG MNC



## CONSUMERS

- Continuous research to partner evolving lifestyle of Bangladeshi consumers.
- We focus on delighting consumers by building best in-quality brands



## PROFITS

- Taxes to Govt.
- Dividends to Shareholders.
- Benefits to employees
- Retention for reinvestment



## SUSTAINABILITY

- Optimizing energy & water consumption. Ensuring a GREEN and SAFE workplace
- We invest ~ 1% of Our Net profit on our CSR Activities:
- **SWAPNO**- economic empowerment of ultra-poor women
- **ADAMYA**- developing employability of differently abled youth





# SUSTAINABILITY REPORT (MANUFACTURING UNIT)



## SUSTAINABILITY AT MANUFACTURING UNIT

Sustainable manufacturing is the creation of manufactured products through economically-sound processes that minimize negative environmental impacts while conserving energy and natural resources. Sustainable manufacturing also enhances employee, community and product safety. Marico is committed to the global agenda of Sustainable Development Goals, with a specific and focused framework for achieving them within the parameters of our business operations. As a part of this commitment we are working towards ensuring that our internal operations are sustainable. We aim to reduce the environmental impact of our business processes and be a positive contributor to environmental sustainability.



## SUSTAINABILITY ENVIRONMENTAL STEWARDSHIP

Everything that we need for our survival and well-being depends, either directly or indirectly, on our natural environment. This means being better stewards of our environment and our resources.

Marico has always believed in inclusive growth ,growth that leaves a legacy of sustainability in terms of creating value for our stakeholders and distributing that value in the environmental ecosystem that surrounds our entire value chain.



In order to provide a healthy environments for neighboring residents and our own members, we're focused on reducing operational costs for energy and water consumption, utilizing alternative energy sources where possible, reducing waste and increasing recycling.





## ENERGY MANAGEMENT



### MOUCHAK FACTORY

	2017-18	2018-19	% of Reduction
 Specific Power Consumption KWh/KL	<b>45.2</b>	<b>37.8</b>	<b>16.3</b>
 Specific Fuel Consumption Ltr/KL	<b>1.49</b>	<b>1.12</b>	<b>24.8</b>



**40% LED LIGHT.**

### SHIRIRCHALA FACTORY

	2017-18	2018-19	% of Reduction
 Specific Power Consumption KWh/KL	<b>79.22</b>	<b>78.32</b>	<b>1.2</b>
 Specific Fuel Consumption Ltr/KL	<b>10.06</b>	<b>9.72</b>	<b>3.4</b>

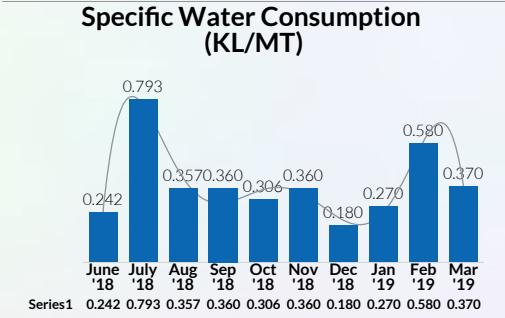
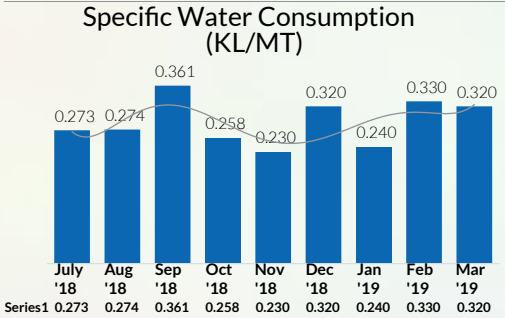


**95% LED LIGHT.**



**Water conservation**

Water conservation is the practice of using water efficiently to reduce unnecessary water usage. According to Fresh Water Watch, water conservation is important because fresh clean water is a limited resource, as well as a costly one.



**Average KL/MT(18-19) - 0.29 KL**  
Mouchak Factory

**Average KL/MT (18-19)- 0.38 KL**  
Shirichala Factory

We aim to complete these following water conservation project within 2019-20 fiscal year where potential saving will be 1500 KL per year



**Use Foot Valves for Water Tap**



**Usage ETP Water in Cake Cooler**



**Rain Water Harvesting**

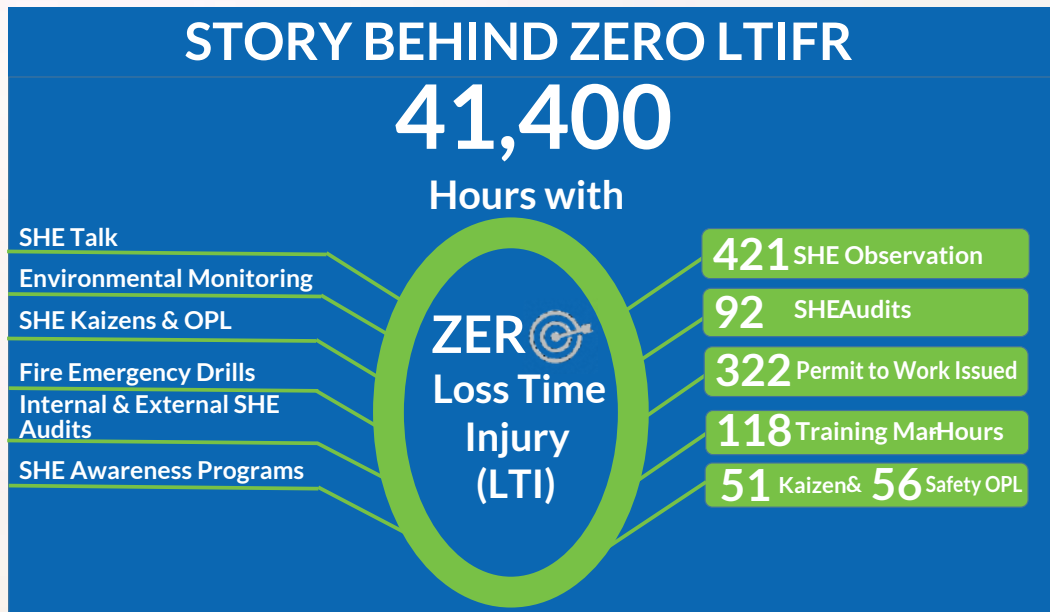
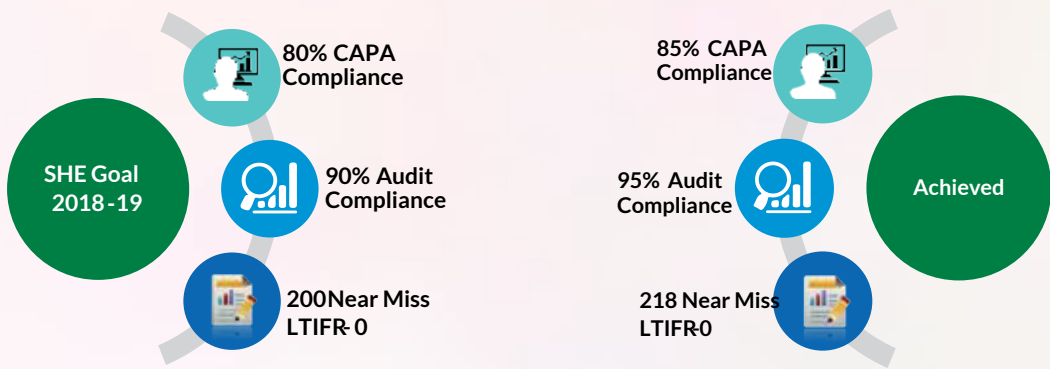


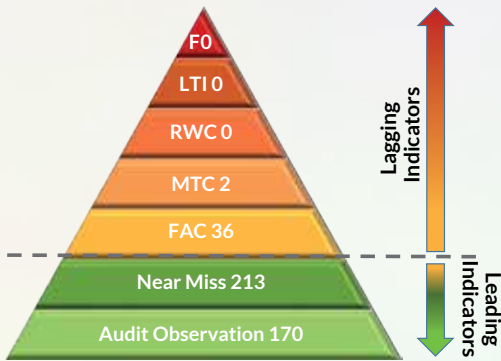


## Safety Performance

Safety - of our members, our products and our business – is a fundamental aspect of our sustainability commitment. We remain focused on our long-term objective of “Zero Accidents.” To this end, we are continuously working on improving our workplace safety by providing awareness campaigns ,training and investing in enhancing technical safety. We regularly review whether our Safety, Health and Environment (SHE) standards are being strictly adhered to. Rigorous systems and processes ensure the safety of our members at work, designed to create a safe work environment with zero fatalities and injuries.

Marico has a Safety, Health & Environment (SHE) Council, responsible for safe practices at each manufacturing site. Council members review processes and performance on a periodic basis. Most of our sites are OHSAS 18001 and ISO 14001 certified. We are happy that our safety framework and performance resulted in zero fatalities during the reporting period.





### Incident Triangle

The Triangle represents an overview of MBL SHE Performance for 2018-19. Lagging indicators above the dotted line show us where we have failed and injured our personnel or 3P. You can see there were first aid cases, medical treatment cases and restricted work case & lost time injuries. All the incidents below the dotted line represent incidents that could have lead to someone being injured. It is our aim to investigate every single one of these incidents and ensure that preventive actions are put in place to stop reoccurrence.

### Management Review

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



International Standard Accreditations  
BS OHSAS 18001:2007 & ISO 14001:2015

### SHE Training

Emphasizing the importance of Safety, Health & Environment, we provide external and internal SHE training courses to assure that all members maintain essential competencies in relation to health and safety at work and eliminate unsafe acts & conditions to prevent incidents. A total of 118 training man hours were completed during 2018-19 on SHE training.





# CORPORATE SOCIAL RESPONSIBILITY

**“TO TRANSFORM IN A SUSTAINABLE MANNER, THE LIVES OF THOSE WE TOUCH, BY NURTURING AND EMPOWERING THEM TO MAXIMIZE THEIR TRUE POTENTIAL”**

Making a Difference is our core philosophy and is embedded in our efforts to deliver inclusive growth for all our stakeholders. We are committed to making a positive impact in the communities we operate within. In the last year we enlarged our commitment to social responsibility by designing and partnering in two differentiated programs—SWAPNO and Adamyra. The SWAPNO program is aimed at economic empowerment of ultra-poor women and the Adamyra program is aimed at developing employability of differently-abled youth.

## Marico SWAPNO Program

The purpose of the Marico SWAPNO Program is to ensure sustainable livelihoods for ultra-poor women.

The SWAPNO program is implemented through a tripartite partnership among the Government of Bangladesh, UNDP and Marico with UNDP being the implementing or execution partner.

The Marico SWAPNO program is implemented in 2 districts: climate-vulnerable Satkhira in the coastal belt and Kurigram in Bangladesh’s poorest area.

The program targets rural women with head of household responsibility and who have no other earning member in the family; who are unable to have 3 balanced meals daily; have few or no assets (goat, cow etc) being forced to beg or accept employment at low wage; and not a beneficiary of any other CSR or development programme.

The first of its kind, the Marico SWAPNO Program is a public-private collaboration on a ‘social transfer model’ to graduate 4500 ultra-poor women-led households to a sustainable livelihood. The outcomes of our investment and partnership in SWAPNO have been fulfilling:

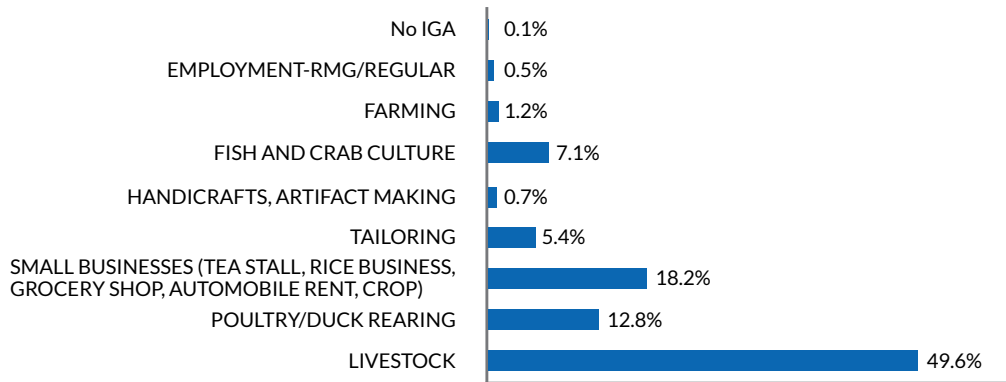
- Increased Income: Avg. monthly income rose by 83%, 15 months into project intervention and further sustained and increased by 1.4% after three months. See Table 1.0
- Engagement in sustainable livelihood with Less than 5% lapsage rate: All 4464 beneficiaries began Income Generating Activities (IGAs) with an average increase in investment per beneficiary by 46.3%. At the end of the cycle almost all beneficiaries were engaged in Income Generating Activities with a lapsage rate of 0.1%. Graph below



**Income distribution and change**

Avg. monthly income (BDT)	% of Beneficiaries		
	Baseline (Feb 2018)	Round One (Oct 2018)	Round Two (Jan 2019)
Less than 4500	100	0	0
4500-8500	0	95.1	95.8
8500-12500	0	4.1	3.8
12500-18000	0	0.8	0.4

**IGA Type Distribution**



Marico is also the “knowledge partner” for the government and UNDP to help find solutions for development challenges through core business activities and initiatives that include low-income women into value chains as suppliers, retail distributors and consumers.

**Marico Adamya Program**

Taking cognisance of the fact that there are 1 million differently abled youth in Bangladesh, Marico along with Adamya Foundation (a non-profit organisation), enabled them to find sustainable and meaningful employment through skills training and capability development. The partner in this program is Adamya Foundation, a small non-profit organization which has been working solely on capability development of physically challenged persons

As a pilot of this program we started with the aim of including persons with speech and hearing disabilities within our own business operations. We adapted our merchandising training for 20 young persons with speech and hearing disabilities and over a month conducted the training with the help of teachers from Dhaka Badhr High School instructed the participants through sign-



**14** physically challenged youths are working with Marico Bangladesh as Young Merchandisers

language. The training also included market visits where the participants were given a real life demo of the “Day of a merchandiser”.

After the training there was a competitive assessment and 14 of the trainees are now working as Marico merchandisers. The essence of the Marico Adamyia program is livelihood or employment has to be competency based and not mere philanthropy.

Given that there are 1 million physically challenged youth in Bangladesh, Marico sought to amplify its impact in making a difference in the lives of this segment of people who are typically marginalized on many levels and left-out of mainstream employment.

We advocated our idea to other corporates under the tagline “Inclusion for Impact”. We have had a series of workshops with 20 other corporates to identify roles where persons with disabilities can most easily be absorbed. Out of these rounds of discussions we identified

two areas where we can develop capabilities: call-centres and non-critical factory-based operations. Companies like bKash and BRAC Bank have come forward to collaborate and recruit persons trained under our Marico Adamyia Program into their call-centres while APEX Footwear came forward to include persons in packaging and inventory management.

Thereafter we conducted 2 more trainings of 40 persons with various physical disabilities for recruitment in call-centres. We ran a volunteering campaign where our own Marico members volunteered to coach the trainees over phone to improve their communication skills and develop confidence.

We are also in the process of setting-up factory based training in Gazipur. With the construction of our new factory and manufacturing expansion, in the next phase Marico is exploring inclusion of physically challenged persons in non-critical factory-based operations.







# OPERATIONS PRACTICES

Marico’s manufacturing capital comprises its signature processes in as much as it comprises the materials that are sourced responsibly as well as the assets which contribute to its sustainable production processes. Our entire operations model is based on manufacturing excellence through sustainable practices to deliver best-in-class products for our consumers.



**Act Now!**

Marico is committed to maintain operation excellence throughout every step of manufacturing process from raw material sourcing to final product delivery. To minimize operations costs as well as to maintain sustainability, different problem solving projects (ProSolve-2) are carried out by means of different Quality Control or lean manufacturing tools. Through the successful completion of ProSolve projects, the Company has achieved a savings of approximately 70 lac BDT in FY18-19

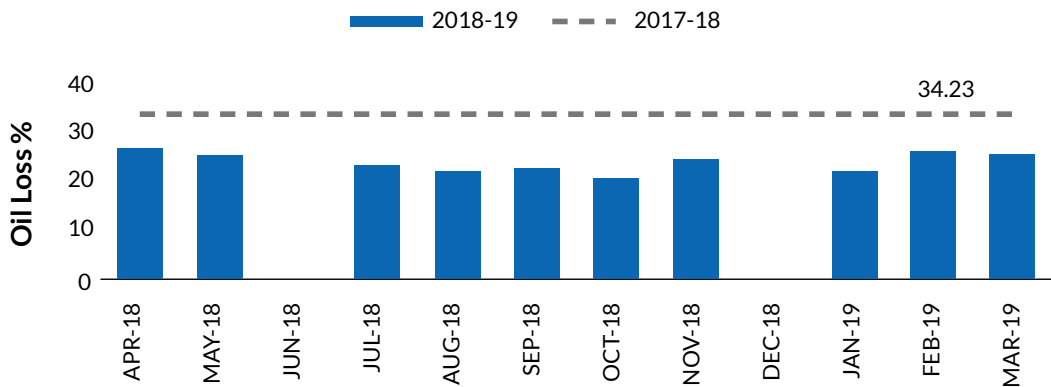


## Production Efficiencies

With the ever increasing demand of VAHO products, the requirement of enhancing efficiency of our refinery operations was crucial. During the refining process, a certain amount of refined oil is always carried out with fatty acid due to both having similar material properties. As a result there is a loss in refined coconut oil (RCNO) which was critical area of concern for refinery operations.

By applying advanced problem solving tools, five possible improvement points in the process parameters were identified and after careful analysis solutions were implemented to prevent waste and loss achieving a decrease in loss by 10.15%. It saved 40.62 metric tons of RCNO from converting into fatty acid throughout FY-19 which also delivered BDT 63.81 Lakh BDT savings for the business.

## OIL LOSS WITH FATTY ACID



## Quality Excellence

As a respected consumer goods company, the safety and quality of our products is our top most priority. We have established well-defined systems and processes to ensure compliance to regulatory requirements. There's a clear assessment of the health and safety effects of our products at each stage in the value chain. All our products are tested in accordance with the applicable regulations.

Quality Week is another signature initiative in our manufacturing facilities to reinforce our awareness and find avenues for improving our quality control processes to deliver safe and quality products to consumers.



**Regulatory Partnership**

Marico is committed to partner with relevant regulatory bodies to collaborate on knowledge sharing on good manufacturing practices and in furtherance of its commitment to complete compliance with relevant laws and regulations. MBL had a session with the Bangladesh Investment Development Authority (BIDA) at Shirichala factory to discuss the new product development processes

and as well the various raw materials that are sourced to deliver the new launches.

Similarly the representatives of Export Promotion Bureau were also invited by MBL to demonstrate the extraordinary expansion and improvements of our products which are now being exported to India and Nepal.



*Visit of Export Promotion Bureau Director at Shirichala Plant on September 2018.*



*Visit of Bangladesh Investment Development Authority (BIDA) official at Shirichala Plant on November 2018*

**Responsible Sourcing**

FY 18-19 saw an exciting year of new product launches most significantly the launch of Marico's international baby care range 'Just for Baby' in Bangladesh. This required sourcing only the best quality ingredients in a timely and cost-effective manner to deliver superior product offerings on time

and in full. In this process MBL leveraged its centers of excellence in R&D, packaging and procurement at its parent company Marico Limited to ensure uniform, consistent and responsible sourcing of key raw materials and packaging development to support the smooth launch of our new products.

**Supply Chain Efficiencies**

We aim to adopt best-in-class processes throughout our supply chain and implemented order management for logistics efficiencies. We extended the Order Management System to bring discipline in ordering process, reduce sales order fluctuation and increase range selling all of which will also contribute reduce transportation costs and fuel consumption in our supply process.



**Community Engagement**

Our manufacturing locations celebrated International Literacy Day with surrounding communities and outsourced factory personnel with the motto of "Literacy & skill development". The event was signature & address writing by the 3P members and outcome was 70% 3P members can write the details correctly.





# FINANCIAL POSITION

Marico aims to efficiently leverage the monetary resources at its disposal to create, enhance and distribute value to all stakeholders in the value chain. The Company invests behind innovation, brand building and distribution footprint, which enables it to consistently deliver effective customer value proposition and expand its consumer franchise. With a 15.72% CAGR in total shareholder returns since listing, the Company strives to maximise shareholder value by delivering sustainable profitable growth while maintaining an optimal capital structure.

## FY 19 HIGHLIGHTS:



**12%**  
TURNOVER GROWTH



**20%**  
GROSS PROFIT GROWTH



**23%**  
NET PROFIT GROWTH



**23%**  
EPS GROWTH

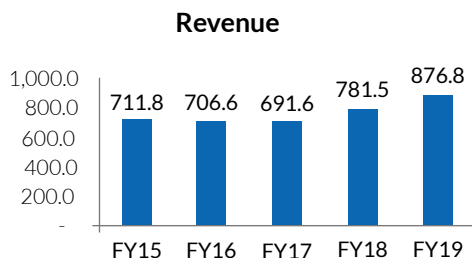
## FOCUS AREA:



## VALUE CREATION PROCESS:

INPUTS	OUTPUTS
Capital Employed	ROE increased by 45%
Borrowings	NOCF per share increased by 76%
Accounting policies & practices	PAT increased by 23% to BDT 202.3 crore

## FINANCIAL PERFORMANCE:

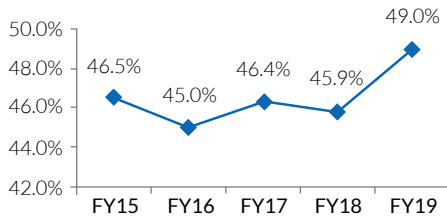


There is a persistent growth in turnover for the past three years reporting a 12% growth in FY 2019.

Strong volume growth among all categories along with reduction in key input cost is one of the key reasons of such robust growth.

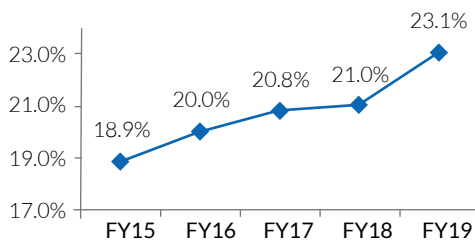
During FY 19, the company has launched several new products in the market – including a range of Baby products under the brand name “Just for Baby”

**GROSS MARGIN**



Company's Gross Margin has been fairly constant around 46% over the past few years. There was a sharp growth of 3% during FY 19. This growth was mainly driven by PCNO, VAHO and Saffola Edible Oil and partly offset by Body Lotion.

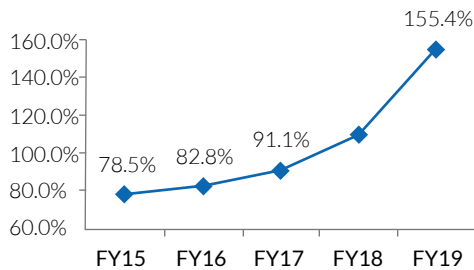
**NET MARGIN**



Despite growing operating expenditures and income tax expenses, MBL has managed to exhibit significant growth in Net Margin over the years.

Favorable gross profit growth and an increasing finance income played a major role in achieving such heights over the years. MBL reported finance income of BDT 15.8 crore during FY 19.

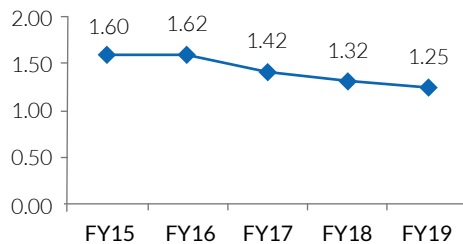
**ROE**



The ROE percentage has been positively increasing over the past five years.

The growth rate jumped to 45% in FY19. A significant growth in Company's Net profit is one of the major contributors of such a high ROE percentage. The net profit grew by 23% in FY 19 compared to last year.

**CURRENT RATIO**

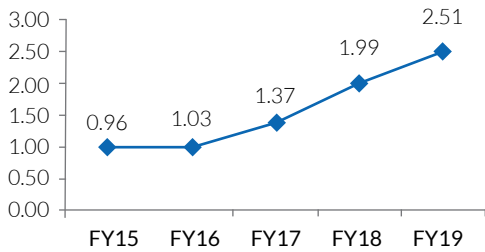


The Company has been successfully maintaining the current ratio to be well above 1.0 reflecting a healthy liquidity state.

Despite experiencing a positive growth in financial assets, the ratio has been slightly downward sloping because of increasing trade & other payables.

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### DEBT TO EQUITY

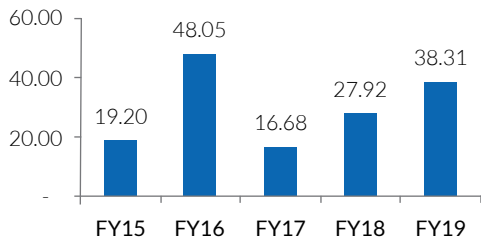


Due to relatively higher short-term obligations compared to company's equity, the Debt equity ratio has been rising over the years.

The retained earning slightly degrew in FY19 due to a higher dividend payment.

---

### NET CASH FLOW



Company has generated a net cash flow of 38.3 crore during FY 19. A majority of this cash inflow was from company's operating activities.

There was net cash out flow in financing activities; this was mainly due to repayment of short term borrowing of the company.



# DEVELOPING HUMAN RESOURCES

ONLY WHEN YOU'RE EMPOWERED WITH FREEDOM AND OPPORTUNITY, DO YOU RISE ABOVE THE TASK AT HAND AND TAKE COMPLETE OWNERSHIP TO MAKE A DIFFERENCE.

## OUR VALUES

Our values guide our actions and how we behave in our everyday business. They have enabled us to create a unique culture at Marico. Our values are the DNA of our organization, immersed in every member across hierarchies and geographies. The values are based on the principles of 'involvement builds commitment', and thus, are co-owned by all Mariconians. We have imbibed the core tenets of our values in designing roles, systems and processes, office infrastructure, and the Marico way of working.

We celebrate Values Week every year, we take the time out to say Thank you to all our co-workers and external associates who have made a difference to our lives in last year and make them feel valued.

In FY19, Marico's talent value proposition focussed on developing talent to build business capability, creating an empowering and fun culture, building and promoting diversity and inclusion, strengthening collaboration for better innovation and performance, and promoting member wellness.



## A. Develop talent to build business capability

### 1. Talent Development

Marico Bangladesh focuses on strengthening its talent pipeline, currently 68% of our senior leadership positions are filled by our internal talent. To create a high performing workforce this year we have identify specific competencies to cultivate for continuing growth. A total of 317 participants attended 22 learning interventions in FY'18-19.

Moreover, in 2018 Internal Learning Platform named 'Leaders R' Teachers' was introduced where the key talents of the organization transmitted their knowledge across cross functional teams which gained immense positive feedback from the participants.





## 2. Management Trainee Development

Disruptive and entrepreneurial thinking is key. This reflects both in the way we interact with students on campus and in our campus hiring.

### Key Interactions on Campus:

#### Trailblazers:

In 2019, Marico Bangladesh engaged with university with a purpose to boost the employability of talented minds across Bangladesh through the flagship program named "Trailblazers". In FY19 MBL made a signature journey with Khulna University for over 6 months engaging over 130 the talented minds from their business department with view of developing students' early career by giving them a chance to learn directly from the current business leaders of Marico.



**Campus to Corporate:** where students of top Universities gets the opportunity to learn directly from the business leaders on the contemporary topics.

**Management Trainee Program:** MBL management trainee program is a 12 months program where the trainees undergo 6 months stint in home function & rest 6 months stint with cross functional units. The real life business experience starts from day one, which makes it a unique program where the management trainees are trusted to drive independent project/challenges. At the end of each and every stint, the trainees are assessed through a rigorous, layered review process. Throughout the process our senior leadership team provide guidance and share their experience with them.

**Internship Program:** Impact90 is one of our signature programme. Every year Marico Bangladesh intakes around 30 graduating students under this leadership internship program. 90 days of internship is designed with assignments, learning from leaders, monthly feedback sessions.



### Social Media Platform:

MBL launched its first ever people's page of Marico on Facebook- 'Marico Matters'. Through this platform we aim to engage internal and external talents across the country.



This year we focused on portraying "Life in Marico" and our members were activated with campaigns such as World Cup, International Women's Day, and Mother's Day etc. Throughout the year, our members were featured both on Marico Matters and our internal social media platform- Workplace @Facebook.

### Media coverage

One of the leading dailies of the country "Dainik Samakal" featured MBL as one of the "Top of Employers of Choice" in the country and highlighted about its work culture and people centric best practices. MBL's Business Leaders accentuated on the article the company's proposition to offer exciting career opportunities for young and aspiring talents, challenge the status quo & bias for action.







## B. Creating a Future-Ready Organisation

Instilling a sense of ownership and entrepreneurship in its members has always been a key priority to build an agile organisation in terms of structure, systems and processes to drive speed in execution.

### 1. Empower Members to drive critical business agendas:

**Young Managers Board:** It is a platform which focuses on innovation and drive to achieve longer term objective for the business and to build critical experiences for members through project on identified business/brand opportunities for growth. Through this platform in FY19, till now YMB has submitted 41 future ideas.

**Merit Teams:** It is a platform to drive ownership and collaboration across MBL, as part of this cross functional teams are formed to lead a brand / process to achieve exemplary growth / improvement in the same. These Merit Teams are critical growth drivers in our Strategic Business Plan and a vital step towards achieving the organization vision.

### 2. Sharpen the hiring process:

To achieve our Strategic Business Plan, we hire talent using a customised Occupational Personality Questionnaire (OPQ) assessment for managers and above hiring. A sales hire tool is being used for hiring

field sales force members, which has resulted in sharper hiring through improved selection quality and reduced hiring time.

### 3. Meaningful on boarding of members:

#### “Boarding Pass”

Marico embraces an excellent onboarding experience, to reap the maximum lifetime value from a new joiner. Our boarding pass begins before the joining day and the first day experience of a new joiner is crafted with little touches where a new employee gets to know that we are willing to invest in them.

**“Discover Marico”** provides a deeper understanding of Marico business processes and also helps the new joiners to understand and appreciate the organizational history and values. The new members of the MBL family had an enriching experience getting to know the culture and business processes of Marico, attending sessions with our business leaders and participating in fun team activities!

### 4. Create a Workplace for the Future:

Automation to provide a balanced and enriching workplace experience, we have started the journey of automation of Marico’s HR processes to make them simple and efficient. We have been migrated to a single integrated platform, Membrain offering uniform experience to all members.





MBL sales offices were renovated and relocated wherever required to ensure standard member experience at all the offices across the country. Within 3 months in FY18-19, 10 sales offices across Bangladesh were refurbished with

colorful and enjoyable.

### C. Build Engaging Culture

#### Celebrations as One Family

**Pohela Boishakh** 1426 celebration saw MBL create a unique experience for all the members through diverse and fun activities. The members participated with high spirit in welcoming the Bangla New Year with Pottery Paintings, Riddle Competitions, Cultural Programs and enjoyed delicious food served throughout the day.

#### Birthday Celebration:

Celebration of monthly birthday parties go beyond the enjoyment of party itself. Every month we all gather around in the cafeteria celebrating that month's birthdays of members with not only just colorful decorations, cakes and presents but also recognition and appreciation from our colleagues.

#### Family Day:

To enjoy a day out with our family members both at home and at workplace, Marico Family Carnival was an effort to recognize and celebrate families altogether. Everyone's enthusiastic participation, members' kids who amazed us with their talents and the immeasurable fun at the amusement park made the day even more

#### Organization Communication:

On the eve of 18th July, 2018- Marico Bangladesh held one of its most sought after events, Organization Communication 2018 @Radisson Blu Water Garden Hotel, Dhaka, Bangladesh.

Starting with business sessions leading to candid conversations with the leaders, live telecasting throughout the country, awarding the noteworthy projects, performance by members and a lot of fun as one MBL family were the highlights of the night!

In short, it was the reflection of our indomitable spirit and a beginning of a new dream, My Marico My Dream 2Xby22.





#### D. Building Diversity & Inclusivity at Marico

The Marico values reinforce our commitment to be an equal opportunity workplace that ensures respect, dignity, fairness and human rights for all our members. We constantly endeavour to ensure an inclusive and positive work environment for this diverse workforce.

Marico is committed to:

- Creating and sustaining a diverse and inclusive work with zero tolerance to any form of discrimination/ harassment
- Ensuring there is no bias and all members have equal access to information and opportunity
- Accepting and appreciating diverse points of view/ new ideas/unpopular opinions leading to enhanced creativity, innovation and high performance
- Maintaining corporate etiquette and professional



demeanour on all occasions while exercising freedom of expressions and thoughts

#### International Women's Day Celebration

Through this year's IWD theme #BalanceforBetter, we linked it with individual vision "to make a difference" in whatever we are passionate about through creating an inclusive environment around us.

#### E. Member Wellness at Marico

**Health & Wellness Sessions:** In determination to maximize wellbeing of Marico members, we have created a structured and comprehensive Wellness Program named "Healthy Diet & Lifestyle" which included nutrition education, fitness activities, weight loss tips, physio-medicine suggestions, healthy heart programs, stress reduction etc.

**Sports:** To further promote a culture of wellness amongst the members, facilitating the area of sports can be the biggest influence. To give that experience, MBL participated in 'Ascent Cup'- an indoor Football Tournament exclusive for with 50 corporate organizations, SCB Cup and 'Dhaka Futsal Cup 2019' with top 16 corporate organizations in the country to represent Marico.

To lead a healthier, happier and more productive life, MBL members have also participated in 'Stepathlon-Race around a Virtual' to motivate take steps in 3 prime grounds of a healthy life: Healthy Weight Management, Eat Right & Stress Management. Members from all across Bangladesh joined in this challenge through our internal social media platform- Workplace@Facebook.



# AUDITORS' REPORTS AND FINANCIAL STATEMENTS





# Independent Auditors' 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 2019, 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 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with 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 6 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 dispatched for delivery to the distributor. The sales of the Company are derived from a large number of distributors located over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, high magnitude of audit work and resource are required.</p> <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>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"><li>■ 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.</li><li>■ We tested the completeness of journal entries compared to financial statements; as well as if there any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers.</li><li>■ We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and truck challans. In addition, we confirmed customer balances at the statement of financial position date.</li></ul>

**Independent Auditor's Report (continued)**

**1. Revenue recognition (continued)**

See note 6 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>We focused on the proper cut-off of sales to the Company's customers due to the fact that the documents of confirmation of dispatch of goods were provided by numerous transporting agencies based on different locations. There is a risk of differences between the timing of invoicing of products and the dispatch of the products to the company distributors. Accordingly, there could be potential misstatements that these revenue transactions are not recognised in the proper reporting periods.</p>	<ul style="list-style-type: none"> <li>■ Furthermore, we tested the sales transactions recognised shortly before and after the statement of financial position date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting periods.</li> </ul>

**2. Tax provisioning and recognition of deferred tax asset**

See note 12 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>At year end the Company reported total income tax expense of BDT 726 million. The calculation of the tax expense is a complex process that involves subjective judgments and uncertainties, and requires specific knowledge and competencies.</p> <p>The Company has also recognised deferred tax assets for deductible temporary differences that it believes are recoverable. The recoverability of recognised deferred tax assets is in part dependent on the Company's ability to generate future taxable profits sufficient to utilise deductible temporary differences.</p> <p>We have determined this to be a key audit matter, due to the complexity in income tax provisioning and the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>■ Use of our own tax specialists to assess the Company's tax computation. Our tax specialists were also used to evaluate tax strategies that the Company expects will enable the successful recovery of the recognised deferred tax assets taking into account the Company's tax position and our knowledge and experience of the application of relevant tax legislation;</li> <li>■ To analyse and challenge the assumptions used to determine tax provisions based on our knowledge and experiences of the application of the local legislation;</li> <li>■ Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities related to tax and deferred tax.</li> </ul>

**3. Valuation of inventory**

See note 17 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>Inventory is carried in the statement of financial position at the lower of cost and net realisable value. Sales in the manufacturing industry can be extremely volatile based on significant changes in consumer demand. As a result, there is a risk that the carrying value of inventory exceeds its net realisable value.</p> <p>Moreover, the process of estimating provision for inventories is judgmental and complex. Due to high level of judgement involved and use of some manual process in estimating the provision and net realisable value of inventories, we considered this to be a key audit matter.</p>	<p>Our audit procedures were designed to challenge the adequacy of the Company's provisions against inventory included:</p> <ul style="list-style-type: none"> <li>■ Corroborating on a sample basis that items on the stock ageing by items were classified in the appropriate ageing bracket;</li> <li>■ Assessing the appropriateness of the provision percentages applied to each item and challenged the assumptions made by the management on the extent to which old inventory can be sold through various channels;</li> <li>■ Considering the historical accuracy of provisioning and using the information obtained as evidence for evaluating the appropriateness of the assumptions made in the current period; and</li> <li>■ We have also considered the adequacy of the Company's disclosures in respect of the levels of provisions against inventory.</li> </ul>

#### 4. Employee benefits

##### See note 20 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company maintains defined benefit plan i.e. gratuity.</p> <p>At 31 March 2019, the Company recorded net defined benefit obligation of BDT 57 million out of which BDT 50 million is in non-current liabilities and BDT 7 million is in current liabilities.</p> <p>Key assumptions applied under IAS 19 have a significant impact on the defined benefit obligations, costs incurred and equity. The accounting standard requires the Company to make assumptions regarding parameters such as the discount rate, the rate of benefit increase, future mortality rate etc.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"><li>▪ Evaluating the assumptions and the methodologies used by the Company;</li><li>▪ Testing the disclosure of the employee benefits-gratuity as per IAS 19; and</li><li>▪ The impact of IAS 19 on the statement of financial position and statement of profit or loss and other comprehensive income has been disclosed appropriately.</li></ul>

#### Other Matter

The financial statements of the Company for the year ended 31 March 2018, were audited by another auditor who expressed an unmodified opinion on those statements on 25 April 2018.

#### 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.



## AUDITORS' REPORTS AND 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 Mr. M Mehedi Hasan.

**Dhaka,**

29 APR 2019

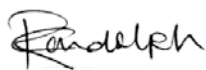
  
Rahman Rahman Huq  
Chartered Accountants  
KPMG in Bangladesh

# Marico Bangladesh Limited

## Statement of Financial Position

	Note	In Taka	
		31 March 2019	31 March 2018
<b>Assets</b>			
Property, plant and equipment	13	468,716,557	511,585,227
Intangible assets	14	3,647,084	6,188,057
Deferred tax assets	12	47,513,604	58,510,013
Advances, deposits and prepayments	15	51,127,555	34,928,937
Other financial assets	16	4,921,872	5,138,448
<b>Non-current assets</b>		<b>575,926,672</b>	<b>616,350,682</b>
Inventories	17	1,091,494,753	1,717,322,020
Advances, deposits and prepayments	15	435,633,515	613,570,086
Other financial assets	16	2,090,191,792	1,241,421,832
Cash and cash equivalents	18	383,101,877	279,189,737
<b>Current assets</b>		<b>4,000,421,937</b>	<b>3,851,503,675</b>
<b>Total assets</b>		<b>4,576,348,609</b>	<b>4,467,854,357</b>
<b>Equity</b>			
Share capital	19	315,000,000	315,000,000
Share premium		252,000,000	252,000,000
Retained earnings		735,135,754	925,586,729
<b>Total equity</b>		<b>1,302,135,754</b>	<b>1,492,586,729</b>
<b>Liabilities</b>			
Employee benefit obligation	20	64,907,949	49,861,763
<b>Non-current liabilities</b>		<b>64,907,949</b>	<b>49,861,763</b>
Loans and borrowings	21	200,000,000	300,000,000
Employee benefit obligation	20	9,665,787	6,984,584
Trade and other payables	22	2,539,270,784	2,232,209,497
Current tax liabilities	23	460,368,335	386,211,784
<b>Current liabilities</b>		<b>3,209,304,906</b>	<b>2,925,405,865</b>
<b>Total liabilities</b>		<b>3,274,212,855</b>	<b>2,975,267,628</b>
<b>Total equity and liabilities</b>		<b>4,576,348,609</b>	<b>4,467,854,357</b>

The notes on pages 124 to 153 are an integral part of these financial statements.



Company Secretary



Director



Managing Director



Chief Financial Officer

As per our annexed report of same date.

Dhaka,

29 APR 2019



Rahman Rahman Huq  
Chartered Accountants  
KPMG in Bangladesh

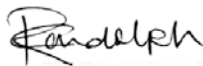
Marico Bangladesh Limited

## Statement of profit or loss and other comprehensive income

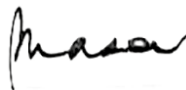
*In Taka*

	Note	For the year ended	
		31 March 2019	31 March 2018
Revenue	6	8,768,160,138	7,814,663,479
Cost of sales	7	(4,472,697,423)	(4,229,519,648)
<b>Gross profit</b>		<b>4,295,462,715</b>	<b>3,585,143,831</b>
General and administrative expenses	8	(931,650,175)	(875,036,459)
Marketing, selling and distribution expenses	9	(773,733,918)	(579,697,303)
Other income/(expense)	10	1,468,444	5,632,072
<b>Operating profit</b>		<b>2,591,547,066</b>	<b>2,136,042,141</b>
Net finance income	11	158,197,279	107,703,132
<b>Profit before tax</b>		<b>2,749,744,345</b>	<b>2,243,745,273</b>
Income tax expense	12	(726,352,523)	(601,117,912)
<b>Profit for the year</b>		<b>2,023,391,822</b>	<b>1,642,627,361</b>
<b>Other comprehensive income</b>			
Remeasurement of defined benefit plan	20	(11,721,987)	(205,229)
Related tax	12	2,879,190	2,554,304
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(8,842,797)</b>	<b>2,349,075</b>
<b>Total comprehensive income for the year</b>		<b>2,014,549,025</b>	<b>1,644,976,436</b>
<b>Earnings per share</b>			
Basic earnings per share (per value of Tk 10)	24	64.23	52.15

The notes on pages 124 to 153 are an integral part of these financial statements.



Company Secretary



Director



Managing Director



Chief Financial Officer

As per our annexed report of same date.

Dhaka,

29 APR 2019



Rahman Rahman Huq  
Chartered Accountants  
KPMG in Bangladesh

# Marico Bangladesh Limited

## Statement of changes in equity

For the year ended 31 March 2019

	<i>In Taka</i>			
	Share capital	Share premium	Retained earnings	Total equity
	Taka	Taka	Taka	Taka
<b>Balance at 1 April 2017</b>	315,000,000	252,000,000	1,013,110,293	1,580,110,293
Net profit for the year ended 31 March 2018	-	-	1,642,627,361	1,642,627,361
Other comprehensive income for the year			2,349,075	2,349,075
Final dividend for the year ended 2016-2017			(157,500,000)	(157,500,000)
First interim dividend for the year 2017-18			(787,500,000)	(787,500,000)
Second interim dividend for the year 2018-19			(787,500,000)	(787,500,000)
<b>Balance at 31 March 2018</b>	315,000,000	252,000,000	925,586,729	1,492,586,729
<b>Balance at 1 April 2018</b>	315,000,000	252,000,000	925,586,729	1,492,586,729
Net profit for the year ended 31 March 2019	-	-	2,023,391,822	2,023,391,822
Other comprehensive income for the year			(8,842,797)	(8,842,797)
Final dividend for the year 2017-2018			(315,000,000)	(315,000,000)
First interim dividend for the year 2018-19			(472,500,000)	(472,500,000)
Second interim dividend for the year 2018-19			(787,500,000)	(787,500,000)
Third interim dividend for the year 2018-19			(630,000,000)	(630,000,000)
<b>Balance at 31 March 2019</b>	315,000,000	252,000,000	735,135,754	1,302,135,754

*The notes on pages 124 to 153 are an integral part of these financial statements.*

# Marico Bangladesh Limited

## Statement of cash flows

*In Taka*

	For the year ended	
	31 March 2019	31 March 2018
<b>Cash flows from operating activities</b>		
Collection from customers	8,822,012,157	7,747,157,796
Payment to suppliers and for operating expenses	(5,601,612,652)	(5,751,950,336)
<b>Cash generated from operating activities</b>	<b>3,220,399,505</b>	<b>1,995,207,460</b>
Interest paid	(13,791,469)	(3,288,784)
Interest received	160,886,164	134,627,224
Income tax paid	(638,320,374)	(576,023,154)
<b>Net cash from operating activities</b>	<b>2,729,173,826</b>	<b>1,550,522,746</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(88,842,501)	(83,275,325)
Acquisition of intangible assets	-	(871,000)
Disposal of property, plant and equipment	1,229,955	5,632,072
(Investment in)/encashment of short-term investments	(805,949,140)	72,847,496
<b>Net cash used in investing activities</b>	<b>(893,561,686)</b>	<b>(5,666,757)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	200,000,000	300,000,000
Repayment of loans and borrowings	(300,000,000)	-
Dividend paid	(1,631,700,000)	(1,732,500,000)
<b>Net cash used in financing activities</b>	<b>(1,731,700,000)</b>	<b>(1,432,500,000)</b>
Net increase in cash and cash equivalents	103,912,140	112,355,989
Opening cash and cash equivalents	279,189,737	166,833,748
<b>Closing cash and cash equivalents</b>	<b>383,101,877</b>	<b>279,189,737</b>

*The notes on pages 124 to 153 are an integral part of these financial statements.*

# Notes to the financial statements

## 1 Reporting entity

### 1.1 Company profile

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

### 1.2 Nature of business

The Company is engaged in manufacturing and marketing of consumer products under the brand name of Parachute, Nihar, Saffola, Hair Code, Livon, Parachute Advanced, Beliphool, Ayurvedic Gold, Extra Care, Parachute Body Lotion, Set-Wet and Bio Oil in Bangladesh. The Company started its commercial operation on 30 January 2000. Subsequently, it started its commercial production at Filling unit, Crushing unit and Refinery unit in 2002, 2012 & 2017 respectively. Its manufacturing plants are located at Mouchak, Kaliakoir, Gazipur and Shirichala, 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 Act, 1991;

Details of the Company's accounting policies including changes during the year, if any, are included in note 41.

### 2.2 Authorisation for issue

These financial statements are authorised for issue by the Board of Directors in its 104th Board of Directors meeting held on 29 April 2019

### 2.3 Reporting period

The financial period of the Company covers 12 months period from 1 April to 31 March.

### 3 Functional and presentation currency

These financial statements are presented in Bangladeshi Taka (Taka/TK/BDT) which is the Company's functional and presentation currency. All amounts have been rounded off to the nearest integer.

### 4 Use of judgements and estimates

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

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

#### (a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 28 of lease classification.

#### (b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ending 31 March 2020 is included in the following notes:

Note 13 Property, plant and equipment

Note 14 Intangible assets

Note 12 Deferred tax asset

Note 17 Inventories

Note 20 Employee benefit obligation

Note 23 Current tax liabilities

Note 30 Contingent liabilities

### 5. Changes in significant accounting policies

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

The Company has initially adopted IFRS 15 Revenue from Contracts with Customers (see A) and IFRS 9 Financial Instruments (see B) from 1 April 2018.

There is no impact on financial statements on initial application of the standards. (see A and B below)

#### A. IFRS 15 Revenue from Contracts with Customers

"IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Company has adopted IFRS 15 Revenue from Contracts with Customers retrospectively to each prior period presented in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors from 1 April 2018. The adoption of this standard had no impact on the Company's financial statements.

## B. IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and Other Comprehensive Income (OCI).

### i. Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI (Fair Value Through OCI) and FVTPL (Fair Value Through Profit and Loss). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see note 41.5.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 April 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 April 2018 relates solely to the new impairment requirements.

*In taka*

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
<b>Financial assets</b>				
Trade and other receivables	Loans and receivables	Amortised cost	-	-
Cash and cash equivalents	Loans and receivables	Amortised cost	279,189,737	279,189,737
<b>Total financial assets</b>			279,189,737	279,189,737
<b>Financial liabilities</b>				
Trade and other payables	Other financial liabilities	Other financial liabilities	2,232,209,497	2,232,209,497
			2,232,209,497	2,232,209,497

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. No material impact to the primary financial statements has arisen on the adoption of IFRS 9 and the Company has not restated prior periods on adoption of IFRS 9.



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The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on transition to IFRS 9 on 1 April 2018.

*In Taka*

	IAS 39 carrying amount at 31 March 2018	Remeasurement	IFRS 9 carrying amount at 1 April 2018
<b>Financial Assets</b>			
Trade and other receivables			
Brought forward: Loans and receivables	-		
Remeasurement		-	
Carried forward: Amortised cost			-
<b>Cash and cash equivalents</b>			
Brought forward: Loans and receivables	279,189,737		
Remeasurement		-	
Carried forward: Amortised cost			279,189,737
<b>Total amortised cost</b>	<b>279,189,737</b>	<b>-</b>	<b>279,189,737</b>

### ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39 – see Note 41.5.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. Credit risk is minimised due to the quality and short-term nature of the Company's trade receivables as well as the fact that the exposure is spread over a large number of customers.

As detailed in note 5, no material impact to the primary financial statements has arisen on the adoption of IFRS 9 and the Company has not restated prior periods on adoption of IFRS 9.

	Note	For the year ended	
		31 March 2019	31 March 2018
<b>6. Revenue</b>			
See accounting policy in note 41.12			
Parachute coconut oil		6,053,556,498	5,808,522,439
Value added hair oil (VAHO)		2,094,875,868	1,496,713,608
Color		55,557,132	48,372,357
Saffola - Edible oil		106,828,373	51,343,440
Parachute body lotion		50,550,306	69,540,191
Others		406,791,961	340,171,446
		<b>8,768,160,138</b>	<b>7,814,663,479</b>
<b>6.1 Breakup of local/export revenue</b>			
Revenue from domestic operation		8,716,011,688	7,814,663,479
Revenue from export		52,148,450	-
		<b>8,768,160,138</b>	<b>7,814,663,479</b>
<b>7. Cost of sales</b>			
Opening stock of finished goods		174,804,729	152,398,038
Cost of goods manufactured	7.1	4,564,101,151	4,251,926,339
		4,738,905,880	4,404,324,377
Closing stock of finished goods		(266,208,457)	(174,804,729)
		<b>4,472,697,423</b>	<b>4,229,519,648</b>
<b>7.1 Cost of goods manufactured</b>			
Materials consumed	7.1.1	4,330,819,194	3,949,660,726
Factory overhead	7.1.2	233,281,957	302,265,613
		<b>4,564,101,151</b>	<b>4,251,926,339</b>
<b>7.1.1 Materials consumed</b>			
Opening stock of raw materials, packing materials and others		1,542,517,291	1,196,529,063
Purchases during the period		3,613,588,200	4,295,648,954
Closing stock of raw materials, packing materials and others		(825,286,297)	(1,542,517,291)
		<b>4,330,819,194</b>	<b>3,949,660,726</b>
<b>7.1.2 Factory overhead</b>			
Communication expenses		609,710	602,271
Cost of outsourced human resources		47,472,540	40,925,468
Depreciation	13(B)	55,649,905	137,941,076
Entertainment		4,894,565	4,338,993
Power expenses		60,006,003	58,978,247
Printing and stationery		1,042,209	866,615
Repairs and maintenance		11,918,472	6,596,635
Salaries and allowances		38,758,510	42,359,081
Security charges		5,289,774	4,456,628
Travelling and conveyance		5,526,960	5,016,599
Warehouse rent		2,113,309	184,000
		<b>233,281,957</b>	<b>302,265,613</b>

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	Note	For the year ended	
		31 March 2019	31 March 2018
<b>8. General and administrative expenses</b>			
Salaries and allowances		393,076,497	336,557,902
Gratuity		15,465,392	13,870,850
Workers' profit participation and welfare fund		144,723,387	118,091,844
Rent, rates and taxes		35,750,862	16,815,546
Professional and legal charges		22,803,007	15,509,313
Security charges		1,949,736	1,693,760
Stamp and license fees		8,014,442	5,954,378
Directors' fees		1,006,250	993,474
Directors' remuneration		32,506,329	29,299,253
Repair and maintenance		7,087,797	14,497,499
Communication expenses		4,285,231	8,962,686
Subscription to trade association		207,925	360,970
Entertainment		20,614,861	16,374,672
Printing and stationery		2,823,526	2,713,463
Vehicle running expenses		17,790,994	43,579,672
Travelling and conveyance-local		9,259,966	7,363,420
Travelling and conveyance-foreign		2,777,990	5,228,279
Audit fees		1,339,000	1,302,950
Insurance premium		10,564,093	5,807,120
Books and periodicals		146,269	110,811
Bank charges		2,542,295	1,735,451
AGM and public relation		1,244,856	802,088
Conference and training		5,101,032	5,036,784
Electricity and gas charges		1,915,635	2,714,965
Amortisation	14	2,540,973	3,801,365
Royalty		83,542,949	74,744,920
Depreciation	13(B)	35,667,643	43,094,574
General and technical assistance fees		56,883,362	76,822,856
Listing fees		315,000	315,000
CSR project*		13,587,839	6,286,545
(Reversal of) impairment of property, plant and equipment		(3,884,963)	14,594,049
		<b>731,650,175</b>	<b>875,036,459</b>
<p>* Marico Bangladesh Limited (MARICO) undertook two new CSR projects during financial year 2019. Marico and UNDP entered into an agreement to implement project "SWAPNO" from 1 September 2018 to 31 December 2019 as per agreed project proposal and in line with the policies, strategies and guidelines of Government of Bangladesh (GoB) and MARICO. The beneficiaries of the project are underprivileged women. The project is continuing to run as of 31 March 2019. Marico has also entered into an agreement with Adayma Foundation from 1 October 2018 to 31 March 2019. The beneficiaries of this project are the differently abled people who will be facilitated to labor under disabilities into productive work. The project ended at the scheduled time at 31 March 2019 and Marico has no further commitment or plan to extend the project or any of the same kind as of 31 March 2019.</p>			
<b>9. Marketing, selling and distribution expenses</b>			
Advertisement, travelling and communication expense		558,721,525	400,736,422
Business promotion expenses		23,416,515	16,770,444
Other selling & distribution expenses		77,088,759	59,719,215
Entertainment		12,217,976	8,877,285
Free sample		6,800,410	11,170,144
Freight- outward		69,717,478	59,605,556
Market research expenses		25,771,255	22,818,237
		<b>773,733,918</b>	<b>579,697,303</b>

In Taka

	Note	For the year ended	
		31 March 2019	31 March 2018
<b>10. Other income/(expense)</b>			
Gain on sale of property, plant and equipment		1,229,956	5,632,072
Insurance claim		238,488	-
		<b>1,468,444</b>	<b>5,632,072</b>
<b>11. Net finance income</b>			
Interest on fixed deposits		175,413,730	133,653,604
Interest on call deposits		6,258,880	2,759,233
Interest on overdraft and loans		(13,387,078)	(4,343,175)
Foreign exchange gain/(loss)		(10,088,253)	(24,366,530)
		<b>158,197,279</b>	<b>107,703,132</b>
<b>12. Income tax expense</b>			
See accounting policy	41.11		
<b>Amounts recognised in profit or loss</b>			
<b>Current tax expense</b>			
Current year		712,476,925	603,956,939
Adjustment for prior years		-	(23,640,200)
		712,476,925	580,316,739
Deferred tax expense		13,875,598	20,801,173
		<b>726,352,523</b>	<b>601,117,912</b>

In Taka

**A. Reconciliation of effective tax rate**

	For the year ended			
	31 March 2019		31 March 2018	
	%	Taka	%	Taka
Profit before income tax		2,749,744,345		2,243,745,273
Income tax using the corporate tax rate	25%	687,436,086	25%	560,936,318
Factors affecting the tax charge for current period:				
Short of fiscal depreciation and amortisation over that of accounting	0.02%	465,067	0.63%	14,140,199
Disallowance for excess perquisites	0.12%	3,255,000	0.17%	3,750,000
Short of gratuity payment over gratuity provision	0.01%	266,473	0.09%	1,913,068
Short of leave encashment payment over provision	0.04%	1,234,877	-0.01%	(131,872)
Disallowance for contribution to not government approved CSR project	0.07%	2,038,176	0.07%	1,571,636
Impairment loss of property, plant and equipment	0.01%	194,745	0.16%	3,648,513
Allowance for exemption of export income	-0.08%	(2,129,093)	0.00%	-
Allowance for deferred revenue expense	0.00%	-	-0.10%	(2,197,911)
Other inadmissible expenses	0.72%	19,715,594	0.91%	20,326,988
Adjustment for prior years	0.00%	-	-1.05%	(23,640,200)
Deferred tax expense	0.50%	13,875,598	0.93%	20,801,173
<b>Total income tax expense</b>	<b>26.42%</b>	<b>726,352,523</b>	<b>26.79%</b>	<b>601,117,912</b>

**B. Movement in deferred tax balances**

**Balance as at 31 March 2019**

In Taka	Net balance at 1 April	Recognised in profit / (loss)	Recognized in OCI	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(42,654,896)	15,744,445	-	(26,910,451)	(26,910,451)	-
Intangible assets	(1,643,530)	(316,189)	-	(1,959,719)	(1,959,719)	-
Provision for gratuity	(11,068,173)	(317,780)	(2,879,190)	(14,265,143)	(14,265,143)	-
Provision for leave encashment	(3,143,414)	(1,234,877)	-	(4,378,291)	(4,378,291)	-
<b>Net deferred tax (assets)/liabilities</b>	<b>(58,510,013)</b>	<b>13,875,599</b>	<b>(2,879,190)</b>	<b>(47,513,604)</b>	<b>(47,513,604)</b>	<b>-</b>

**Balance as at 31 March 2018**

Property, plant and equipment	(21,446,383)	(21,208,513)	-	(42,654,896)	(42,654,896)	-
Intangible assets	(1,047,694)	(595,836)	-	(1,643,530)	(1,643,530)	-
Deferred revenue expense	(2,197,911)	2,197,911	-	-	-	-
Provision for gratuity	(9,103,797)	589,928	(2,554,304)	(11,068,173)	(11,068,173)	-
Provision for leave encashment	(3,275,287)	131,873	-	(3,143,414)	(3,143,414)	-
Royalty payable	(34,849,653)	34,849,653	-	-	-	-
General & technical assistance fees payable	(4,836,157)	4,836,157	-	-	-	-
<b>Net deferred tax (assets)/liabilities</b>	<b>(76,756,882)</b>	<b>20,801,173</b>	<b>(2,554,304)</b>	<b>(58,510,013)</b>	<b>(58,510,013)</b>	<b>-</b>

**13. Property, plant and equipment**

See accounting policies in notes 4.1.2

<i>In Taka</i>											
<b>A. Reconciliation of carrying amount</b>											
	Freehold land	Plant and machinery	Factory building	Office building	Vehicles	Office equipment	Computers	Furniture and fixtures	A/C and refrigerators	Assets under construction	Total
<b>Cost</b>											
Balance at 1 April 2017	176,749,959	804,900,756	230,907,921	193,910,204	16,440,910	52,072,851	13,787,836	48,645,321	113,084,533	11,657,174	1,562,157,465
Additions	-	-	-	-	-	-	-	-	-	113,696,672	113,696,672
Transfer from asset under construction	-	50,294,372	742,179	-	(16,440,910)	18,066,687	5,083,583	45,880,400	4,247,800	(124,315,021)	-
Disposals	-	-	-	-	-	(922,541)	(36,000)	(24,000)	-	-	(17,423,451)
<b>Balance at 31 March 2018</b>	<b>176,749,959</b>	<b>855,195,128</b>	<b>231,650,100</b>	<b>193,910,204</b>	-	<b>69,216,997</b>	<b>18,835,419</b>	<b>94,501,721</b>	<b>117,332,333</b>	<b>1,038,825</b>	<b>1,658,430,686</b>
Balance at 1 April 2018	176,749,959	855,195,128	231,650,100	193,910,204	-	69,216,997	18,835,419	94,501,721	117,332,333	1,038,825	1,658,430,686
Additions	-	-	-	-	-	-	-	-	-	44,987,166	44,987,166
Transfer from capital work in progress	-	20,266,610	-	6,347,736	-	5,453,790	3,731,350	3,439,575	644,909	(39,883,970)	-
Disposals/adjustments	(10,129,617)	-	-	-	-	(17,358,496)	(17,6050)	(10,432,887)	(3,332,061)	-	(41,429,111)
<b>Balance at 31 March 2019</b>	<b>176,749,959</b>	<b>865,332,121</b>	<b>231,650,100</b>	<b>200,257,940</b>	-	<b>57,312,291</b>	<b>22,390,719</b>	<b>87,508,409</b>	<b>14,645,181</b>	<b>6,142,021</b>	<b>1,661,988,741</b>
<b>Accumulated depreciation and impairment loss</b>											
Balance at 1 April 2017	571,681,981	154,205,268	116,001,479	16,440,910	41,357,134	11,209,699	45,791,952	11,932,787	-	-	968,621,210
Depreciation for the year	96,406,189	33,231,930	21,413,696	-	18,783,471	2,633,025	7,620,678	946,660	-	-	181,035,650
Impairment loss	-	12,277,774	-	-	-	-	2,316,275	-	-	-	14,594,048
Disposals	-	-	-	-	(16,440,910)	(922,541)	(17,998)	(24,000)	-	-	(17,405,449)
<b>Balance at 31 March 2018</b>	<b>680,365,944</b>	<b>187,437,198</b>	<b>137,415,175</b>	-	<b>59,218,064</b>	<b>13,824,726</b>	<b>55,704,905</b>	<b>12,879,447</b>	-	-	<b>1,146,845,459</b>
Balance at 1 April 2018	680,365,944	187,437,198	137,415,175	-	59,218,064	13,824,726	55,704,905	12,879,447	-	-	1,146,845,459
Depreciation for the year	43,010,115	8,677,275	14,860,069	-	7,273,136	3,190,229	12,394,486	1,912,238	-	-	91,317,548
(Reversal of) impairment loss	(3,986,714)	182,631	348,162	-	151,634	(17,113)	25,340	(588,903)	-	-	(3,884,963)
Disposals	(10,127,869)	-	-	-	(17,164,564)	(173,545)	(10,246,337)	(3,293,545)	-	-	(41,005,860)
<b>Balance at 31 March 2019</b>	<b>709,261,476</b>	<b>196,297,104</b>	<b>152,623,406</b>	-	<b>49,478,270</b>	<b>16,824,297</b>	<b>57,878,394</b>	<b>10,909,237</b>	-	-	<b>1,193,272,184</b>
<b>Carrying amounts</b>											
At 1 April 2017	176,749,959	233,218,775	76,702,653	77,908,795	-	10,715,717	2,578,137	2,853,369	1,151,746	11,657,174	593,536,255
<b>At 31 March 2018</b>	<b>176,749,959</b>	<b>174,829,184</b>	<b>44,214,902</b>	<b>56,495,029</b>	-	<b>9,998,933</b>	<b>5,010,693</b>	<b>38,796,816</b>	<b>4,452,886</b>	<b>1,038,825</b>	<b>511,585,227</b>
<b>At 31 March 2019</b>	<b>176,749,959</b>	<b>156,070,645</b>	<b>35,352,996</b>	<b>47,634,534</b>	-	<b>7,834,021</b>	<b>5,566,422</b>	<b>29,630,015</b>	<b>3,735,944</b>	<b>6,142,021</b>	<b>468,716,557</b>

*In Taka*

<i>In Taka</i>		
<b>B. Allocation of depreciation</b>		
	For the year ended	
	31 March 2019	31 March 2018
Cost of sales	55,649,905	137,941,076
General and administrative expenses	35,667,643	43,094,574
	<b>91,317,548</b>	<b>181,035,650</b>

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*In Taka*

	Note	For the year ended	
		31 March 2019	31 March 2018
<b>14. Intangible assets</b>			
See accounting policies in notes 41.3			
<b>Cost</b>			
Opening balance		22,061,875	21,190,875
Additions		-	871,000
<b>Closing balance</b>		<b>22,061,875</b>	<b>22,061,875</b>
<b>Accumulated amortisation</b>			
Opening balance		15,873,818	12,072,453
Amortisation for the year		2,540,973	3,801,365
<b>Closing balance</b>		<b>18,414,791</b>	<b>15,873,818</b>
<b>Carrying amounts</b>		<b>3,647,084</b>	<b>6,188,057</b>
<b>15. Advances, deposits and prepayments</b>			
<b>Advances</b>			
Advance for capital goods		27,783,879	8,170,635
Advance to suppliers and others		323,578,492	567,459,379
		<b>351,362,371</b>	<b>575,630,014</b>
<b>Deposits</b>			
Security deposits		12,349,428	9,141,470
VAT current account		88,710,243	50,630,088
Supplementary duty		1,915,385	116,584
		<b>102,975,056</b>	<b>59,888,142</b>
<b>Prepayments</b>			
Prepaid expenses		32,423,643	12,980,867
		<b>486,761,070</b>	<b>648,499,023</b>
Current		435,633,515	613,570,086
Non-current		51,127,555	34,928,937
		<b>486,761,070</b>	<b>648,499,023</b>
<b>16. Other financial assets</b>			
Fixed deposits	16.1	2,064,261,503	1,237,525,917
Trade receivables		22,521,632	-
Loans to employees		8,330,529	9,034,363
		<b>2,095,113,664</b>	<b>1,246,560,280</b>
Current		2,090,191,792	1,241,421,832
Non-current		4,921,872	5,138,448
		<b>2,095,113,664</b>	<b>1,246,560,280</b>

### 16.1 Fixed deposits (maturity more than three months)

*In Taka*

	Credit rating	For the year ended	
		31 March 2019	31 March 2018
BRAC Bank Limited	AA1	268,834,779	341,791,399
Delta Brac Housing Finance Corporation Ltd.	AAA	202,738,866	163,727,455
IPDC Finance Limited	AA1	151,708,333	102,586,111
IDLC Finance Limited	AAA	357,489,386	327,887,619
Mutual Trust Bank Limited	AA	367,830,694	-
Eastern Bank Limited	AA2	262,021,945	-
Commercial Bank of Ceylon		453,637,500	-
Standard Chartered Bank	AAA	-	301,533,333
		<b>2,064,261,503</b>	<b>1,237,525,917</b>

In Taka

	Credit rating	For the year ended	
		31 March 2019	31 March 2018
<b>17. Inventories</b>			
Raw materials		580,442,733	1,093,091,743
Packing materials		115,323,902	62,093,471
Finished goods		266,208,457	174,804,729
Stores and spares		19,657,254	18,744,592
Materials in transit		109,862,407	368,587,485
		<b>1,091,494,753</b>	<b>1,717,322,020</b>

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

## 18. Cash and cash equivalents

In Taka

	Note	For the year ended	
		31 March 2019	31 March 2018
Cash in hand		173,870	239,770
Cash at bank	18.1	259,541,439	50,049,718
Fixed deposits	18.2	112,474,533	219,454,284
Balance with bank for unclaimed dividend		9,738,138	9,445,965
Remittance in transit		1,173,897	-
		<b>383,101,877</b>	<b>279,189,737</b>

### 18.1 Cash at bank

In Taka

	Credit rating	For the year ended	
		31 March 2019	31 March 2018
BRAC Bank Limited	AA1	7,466,933	7,347,690
Citibank N.A.	AAA	514,025	59,692
Islami Bank Bangladesh Limited	AA+	7,804,702	1,268,514
Sonali Bank Limited	AAA	514,358	514,933
Standard Chartered Bank	AAA	190,114,282	26,027,375
Dutch Bangla Bank Limited	AA+	-	-
The Hongkong and Shanghai Banking Corporation Ltd.	AAA	355,510	14,831,514
The City Bank Limited	AA2	52,771,629	-
		<b>259,541,439</b>	<b>50,049,718</b>

### 18.2 Fixed deposits (maturity less than three months)

IPDC Finance Limited	AA1	112,289,624	-
Standard Chartered Bank	AAA	110,567	219,454,284
BRAC Bank Limited	AA1	74,342	-
		<b>112,474,533</b>	<b>219,454,284</b>

## 19. Share capital

See accounting policies in notes 41.6

In Taka

	Note	For the year ended	
		31 March 2019	31 March 2018
<b>Authorised</b>			
40,000,000 ordinary shares of Tk 10 each		<b>400,000,000</b>	<b>400,000,000</b>
<b>Issued, subscribed and paid up</b>			
Issued for cash		41,500,000	41,500,000
Issued for consideration other than cash		273,500,000	273,500,000
		<b>315,000,000</b>	<b>315,000,000</b>



**19.1 Composition of shareholding**

	No. of share		% of Holding	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Details</b>				
Marico Limited, India	28,350,000	28,350,000	90	90
Institutions	2,795,277	2,896,169	8.87	9
General Shareholders	354,723	253,831	1.13	1
	<b>31,500,000</b>	<b>31,500,000</b>	<b>100</b>	<b>100</b>

**19.2 Classification of shareholders by holding**

<b>Holdings</b>				
Less than 500 shares	2822	1800	0.58	0.34
500 to 5,000 shares	150	85	0.63	0.37
5,001 to 10,000 shares	16	13	0.35	0.32
10,001 to 20,000 shares	9	17	0.38	0.71
20,001 to 30,000 shares	1	3	0.06	0.25
30,001 to 40,000 shares	2	0	0.23	0.00
40,001 to 50,000 shares	2	1	0.30	0.16
50,001 to 100,000 shares	4	3	0.86	0.62
100,001 to 1,000,000 shares	9	10	6.61	7.23
Over 1,000,000 shares	1	1	90.00	90.00
	<b>3016</b>	<b>1933</b>	<b>100</b>	<b>100</b>

	No. of share	
	31 March 2019	31 March 2018
<b>Holdings</b>		
Managing Director	-	1
	-	<b>1</b>

*In Taka*

	Note	For the year ended	
		31 March 2019	31 March 2018
<b>20. Employee benefit obligation</b>			
See accounting policies in notes 41.8			
Provision for gratuity	20.2	57,060,572	44,272,692
Provision for leave encashment	20.4	17,513,164	12,573,655
		<b>74,573,736</b>	<b>56,846,347</b>
Current		9,665,787	6,984,584
Non-current		64,907,949	49,861,763
		<b>74,573,736</b>	<b>56,846,347</b>
<b>20.1 Employee benefits - gratuity</b>			
Net defined benefit asset	20.2	-	-
<b>Total employee benefit asset</b>		-	-
Net defined benefit liability	20.2	57,060,572	44,272,692
<b>Total employee benefit liabilities</b>		<b>57,060,572</b>	<b>44,272,692</b>

## 20.2 Movement in net defined benefit asset and liability

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

	<i>In Taka</i>					
	Defined benefit obligation		Fair value of plan assets		Net defined (asset)/ liability	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Balances as at 1 April	44,272,692	36,415,189	-	-	44,272,692	36,415,189
<b>Included in profit or loss</b>						
Current service cost	10,595,396	9,865,179	-	-	10,595,396	9,865,179
Interest cost	4,869,996	4,005,671	-	-	4,869,996	4,005,671
	15,465,392	13,870,850	-	-	15,465,392	13,870,850
<b>Included in OCI</b>						
Actuarial (gain)/loss arising from:						
-demographic assumption	177,859	-	-	-	177,859	-
-financial assumption	-	(2,067,923)	-	-	-	(2,067,923)
-experience adjustment	11,544,128	2,273,152	-	-	11,544,128	2,273,152
Return on plan asset excluding interest income	-	-	-	-	-	-
	11,721,987	205,229	-	-	11,721,987	205,229
<b>Other</b>						
Contribution paid by the employer	-	-	-	-	-	-
Benefits paid	(14,399,499)	(6,218,576)	-	-	(14,399,499)	(6,218,576)
	(14,399,499)	(6,218,576)	-	-	(14,399,499)	(6,218,576)
<b>Balances as at 31 March</b>	<b>57,060,572</b>	<b>44,272,692</b>	<b>-</b>	<b>-</b>	<b>57,060,572</b>	<b>44,272,692</b>

	Note	<i>In Taka</i>	
		For the year ended	
		31 March 2019	31 March 2018
<b>20.3 Defined Benefit obligation</b>			
(i) Actuarial assumption			
The followings were the principal actuarial assumptions at the reporting date :			
Discount rate		10%	11%
Future salary growth		10%	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 Life 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.			
<b>20.4 Provision for leave encashment</b>			
Balance as at 1 April 2018		12,573,655	13,101,142
Provision made during the year		15,710,730	2,253,708
Payment during the year		(10,771,221)	(2,781,195)
		<b>17,513,164</b>	<b>12,573,655</b>
Current		3,008,984	2,224,655
Non-Current		14,504,180	10,349,000
		<b>17,513,164</b>	<b>12,573,655</b>

# AUDITORS' REPORTS AND FINANCIAL STATEMENTS

*In Taka*

	Note	For the year ended	
		31 March 2019	31 March 2018
<b>21. Loans and borrowings</b>			
Short term loan		200,000,000	300,000,000
		<b>200,000,000</b>	<b>300,000,000</b>
<p>The Company has taken a short-term loan of Taka 200,000,000 for a duration of two months on 14 March 2019 from Citibank N.A. Bangladesh.</p>			
<b>22. Trade and other payables</b>			
<b>Trade payables</b>			
Payable against raw material		120,281,808	418,464,212
Payable against services		126,552,551	168,373,123
Payable against packing material		142,499,732	34,730,704
Payable against finished goods		59,769,639	98,497,363
		<b>449,103,730</b>	<b>720,065,402</b>
<b>Other payables</b>			
Payable against expenses		349,215,303	341,269,908
General and technical assistance fees payable		279,205,943	220,299,097
Payable against business promotion expense		417,685,440	447,499,151
Royalty payable		83,542,949	209,646,298
Import duty and related charges payable		68,246,568	96,604,481
Withholding tax and VAT payable		79,586,236	36,116,225
Workers' profit participation and welfare fund		144,723,386	118,091,844
Advance from customers		77,902,717	1,529,067
Payable against capital goods		4,619,374	29,284,718
Unclaimed dividend		9,738,138	9,445,965
Audit fees payable		1,751,000	1,302,950
Interest accrued on loans		650,000	1,054,391
Dividend payable		573,300,000	-
		<b>2,090,167,054</b>	<b>1,512,144,095</b>
		<b>2,539,270,784</b>	<b>2,232,209,497</b>
<b>23. Current tax liabilities</b>			
Opening balance		386,211,784	381,918,199
Provision for current year		712,476,925	603,956,939
Provision for prior years			
Assessment year 2013-2014		-	(23,640,200)
		<b>1,098,688,709</b>	<b>962,234,938</b>
Payment for current year		(438,453,844)	(388,901,091)
Payment for prior years:			
Assessment year 2018-2019		(171,510,104)	-
Assessment year 2017-2018		-	(187,122,063)
Assessment year 2013-2014		(28,356,426)	-
		<b>460,368,335</b>	<b>386,211,784</b>

### 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 2019	AY 2019-20	712,476,925	438,453,844	Submitted on 15 October 2018
31 March 2018	AY 2018-19	603,956,939	560,411,195	
31 March 2017	AY 2017-18	511,139,076	482,832,785	Return submitted
31 March 2016	AY 2016-17	536,229,894	516,829,134	Open at DCT level
31 March 2015	AY 2015-16	502,672,641	438,992,339	Open at DCT level
31 March 2014	AY 2014-15	475,304,697	468,166,315	At High Court
31 March 2013	AY 2013-14	279,549,372	234,442,800	At TAT*
31 March 2012	AY 2012-13	206,588,040	236,519,377	At TAT*
30 September 2008	AY 2009-10	9,098,540	-	At TAT*
		<b>3,837,016,124</b>	<b>3,376,647,789</b>	

\*Taxes Appellate Tribunal.

In Taka

	Note	For the year ended	
		31 March 2019	31 March 2018
<b>24. Earnings per share</b>			
<b>24.1 Basic earnings per share</b>			
Earnings attributable to ordinary shareholders (Net profit after tax)		2,023,391,822	1,642,627,361
Weighted average number of ordinary shares outstanding during the year		31,500,000	31,500,000
<b>Earnings per share (EPS) in Taka</b>		<b>64.23</b>	<b>52.15</b>

**24.2 Diluted earnings per share**

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

**25. Related party transactions**

**25.1 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.

**25.2 Transactions with key management personnel**

Remuneration, bonus and other benefits	32,506,329	29,299,253
Meeting fees	1,006,250	993,474
	<b>33,512,579</b>	<b>30,292,727</b>

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

**25.3 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 disclosures:

**25.3.1 Transactions with parent company**

In Taka

Name of the related parties	Relationship	Nature of transaction	Transaction amount	Transaction amount	Balance as at	Balance as at
			2019	2018	31 March 2019	31 March 2018
Marico Limited, India	Parent company	Purchase of raw materials, packing materials and finished goods	121,469,061	76,634,358	2,530,022	1,531,650
		Asset	1,793,677	-	-	-
		Royalty	83,542,949	74,744,920	83,542,949	209,646,298
		Dividend	1,984,500,000	1,559,250,000	510,300,000	-
		General and technical assistance fees	58,906,846	76,822,856	279,205,943	220,299,097
		Sales of SFG & FG	4,773,818	-	1,173,887	-

25.3.2 Transactions with other related parties

*In Taka*

Name of the related parties	Relationship	Nature of transaction	Transaction amount	Transaction amount	Balance as at	Balance as at
			2019	2018	31 March 2019	31 March 2018
Marico Middle East FZE	Associated company	Purchase of raw materials (RM)	1,591,802,546	2,851,146,491	81,102,073	100,477,183
MEL Consumer Care	Associated company	Purchase of SFG	4,190,633	-	-	-
Marico South East Asia	Associated company	Purchase of FG	20,720,769	-	-	-

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

26.1 Calculation of net asset value per share

*In Taka*

	Note	For the year ended	
		31 March 2019	31 March 2018
Net asset		1,302,135,754	1,492,586,729
Number of shares		31,500,000	31,500,000
<b>Net asset value (NAV) per share</b>		<b>41.34</b>	<b>47.38</b>

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

Net cash from operating activities	2,729,173,826	1,550,522,746
No of shares	31,500,000	31,500,000
<b>Net operating cash flow per share (NOCFPS)</b>	<b>86.64</b>	<b>49.22</b>

26.3 Reconciliation of net profit with cash flows from operating activities

Profit after tax	2,023,391,822	1,642,627,361
Adjustment for:		
- Depreciation	91,317,548	181,035,650
- Amortization	2,540,973	3,801,365
- Interest expense	13,387,078	4,343,175
- (Reversal of) impairment expense	(3,884,963)	14,594,049
- Interest income	(181,672,610)	(136,412,837)
- Gain on sale of property, plant and equipment	(1,229,956)	(5,632,072)
- Tax expense	726,352,523	601,117,912
	<b>2,670,202,415</b>	<b>2,305,474,603</b>
Changes in operating assets and liabilities:		
Inventories	625,827,267	(368,394,919)
Financial assets	(21,817,798)	1,415,858
Other current assets	181,351,195	(419,889,511)
Employee benefit	6,005,402	7,124,787
Trade and other payables	(241,168,977)	469,476,643
<b>Cash generated from operating activities</b>	<b>3,220,399,504</b>	<b>1,995,207,461</b>
Interest paid	(13,791,469)	(3,288,784)
Interest received	160,886,164	134,627,224
Income tax paid	(638,320,374)	(576,023,154)
<b>Net cash flows from operating activities</b>	<b>2,729,173,825</b>	<b>1,550,522,747</b>

In Taka

	Note	For the year ended	
		31 March 2019	31 March 2018
<b>27. Production capacity</b>			
<b>Main product</b>		<b>Unit of measure</b>	<b>Installed capacity</b>
PCNO		KL	20,500
VAHO		KL	10,200
Copra		Ton	36,000
Refined oil		Ton	18,000

In Taka

	Note	For the year ended	
		31 March 2019	31 March 2018
<b>28. Operating leases - leases as lessee</b>			
Non-cancellable operating lease rentals are payable as follows:			
No later than one year		28,587,197	27,754,560
Between two and five years		14,709,917	43,297,114
More than five years		-	-
		<b>43,297,114</b>	<b>71,051,674</b>

The Company leases corporate office, a number of warehouses, depots and sales office facilities under operating leases. During the year, an amount of BDT 35,748,562 (2018: BDT 14,803,778) was recognised relating to non-cancellable operating lease.

<b>29. Commitment</b>			
<b>i) Capital commitment</b>			
Estimated amount of contracts remaining to be executed on capital account		196,877,848	1,500,885
<b>ii) Other commitment</b>			
Outstanding L/C		463,236,928	432,496,086

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

### 30. Contingent liabilities

The Company has contingent liability of BDT 1,103,433,853 (2018: BDT 1,074,416,048) as on 31 March 2019 in respect of indirect tax (VAT) and workers' profit participation & welfare fund. These are being vigorously defended by the Company. The management does not consider that it is appropriate to make provision in respect of any of these claims.

There are contingent liabilities of BDT 129,133,947 (2018: Nil) on account of ordinary letter of credit and BDT 5,361,146 (2018: Nil) on account of shipping guarantee issued by Standard Chartered Bank in favour of the Company.

### 31. Dividends

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

Final dividend for 2017-2018	255,150,000	-
Interim dividend for the period ended 30 June 2018	382,725,000	-
Interim dividend for the period ended 30 September 2018	637,875,000	-
Final dividend for 2016-2017	-	127,575,000
Interim dividend for the period ended 30 September 2017	-	637,875,000
Interim dividend for the period ended 31 December 2017	-	637,875,000
	<b>1,275,750,000</b>	<b>1,403,325,000</b>

### **32. 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 period ended 31 March 2019.

### **33. 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.

### **34. Number of employees**

The number of employees engaged for the whole period or part thereof who received a total salary of Taka 36,000 p.a. and above was 266 (previous year: 256) among them 44 employees left from Marico Bangladesh Limited and total 226 (previous year: 213) employees existed as at 31 March 2019.

### **35. Subsequent events**

The Board of Directors of Marico Bangladesh Limited at its 104th meeting held on 29 April 2019 has declared cash dividend @ 50% i.e Tk 5 per share, amount to total Taka 157,500,000 for the year ended at 31 March 2019.

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

36. Financial instruments - fair values and financial risk management  
36.1 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 2019

Particulars	Note	Fair value hedging instruments	Mandatorily at fair value	Carrying amount				Total	Fair value
				FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other financial liabilities		
<b>Financial assets measured at fair value</b>		-	-	-	-	-	-	-	
<b>Financial assets not measured at fair value</b>									
Fixed deposits	16	-	-	-	2,064,261,503	-	2,064,261,503	2,064,261,503	
Loan to employees	16	-	-	-	8,330,529	-	8,330,529	8,330,529	
Trade receivables	16	-	-	-	22,521,632	-	22,521,632	22,521,632	
Cash and cash equivalents	18	-	-	-	383,101,877	-	383,101,877	383,101,877	
<b>Financial liabilities measured at fair value</b>		-	-	-	<b>2,478,215,541</b>	-	<b>2,478,215,541</b>	<b>2,478,215,541</b>	
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	21	-	-	-	-	200,000,000	200,000,000	200,000,000	
Trade and other payables	22	-	-	-	-	2,539,270,784	2,539,270,784	2,539,270,784	
		-	-	-	-	<b>2,739,270,784</b>	<b>2,739,270,784</b>	<b>2,739,270,784</b>	

31 March 2018

Particulars	Note	Fair value hedging instruments	Mandatorily at fair value	Carrying amount				Total	Fair value
				FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other financial liabilities		
<b>Financial assets measured at fair value</b>		-	-	-	-	-	-	-	
<b>Financial assets not measured at fair value</b>									
Fixed deposits	16	-	-	-	1,237,525,917	-	1,237,525,917	1,237,525,917	
Loan to employees	16	-	-	-	9,034,363	-	9,034,363	9,034,363	
Cash and cash equivalents	18	-	-	-	279,189,737	-	279,189,737	279,189,737	
<b>Financial liabilities measured at fair value</b>		-	-	-	<b>1,525,750,017</b>	-	<b>1,525,750,017</b>	<b>1,525,750,017</b>	
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	21	-	-	-	-	300,000,000	300,000,000	300,000,000	
Trade and other payables	22	-	-	-	-	2,232,209,497	2,232,209,497	2,232,209,497	
		-	-	-	-	<b>2,532,209,497</b>	<b>2,532,209,497</b>	<b>2,532,209,497</b>	



### 36.2 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

#### 36.2.1 Credit risk

Credit risk is the risk of financial loss if a customer or counterpart to a financial instrument fails to meet its contractual obligation which arises principally from the Company's receivables from customers.

The Company makes sales on advance basis i.e. it receives advance from customers prior to sale, so there is no credit risk due to uncollectibility from the customers. However, the Company maintains most of the financial assets with short-term deposits and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	<i>In Taka</i>	
		For the year ended	
		31 March 2019	31 March 2018
Financial assets			
Fixed deposits	16	2,064,261,503	1,237,525,917
Loans to employees	16	8,330,529	9,034,363
Trade receivables	16	22,521,632	-
Cash and cash equivalents	18	382,928,007	278,949,967
		<b>2,478,041,671</b>	<b>1,525,510,247</b>

#### 36.2.2 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:

	Note	Carrying amount	<i>In Taka</i>		
			Contractual cash flows		
			Total	Upto 1 year	Above 1 year
<b>31 March 2019</b>					
Loans and borrowings	21	200,000,000	200,000,000	200,000,000	
Trade and other payables	22	2,539,270,784	2,539,270,784	2,539,270,784	-
<b>31 March 2018</b>					
Loans and borrowings	21	300,000,000	300,000,000	300,000,000	
Trade and other payables	22	2,232,209,497	2,232,209,497	2,232,209,497	-

#### 36.2.3 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 2019 are as follows:

	Note	<i>In USD</i>	
		For the year ended	
		31 March 2019	31 March 2018
Import of goods and services		(1,405,600)	(4,919,224)
Bank balance		354,243	79,805
		<b>(1,051,357)</b>	<b>(4,839,419)</b>

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

	Average rate		Year-end spot rate	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Exchange rate (USD/BDT)	83.91	81.81	83.92

## 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
<b>31 March 2019</b>				
USD (1% movement)	(882,299)	882,299	(882,299)	882,299
<b>31 March 2018</b>				
USD (1% movement)	(4,060,273)	4,060,273	(4,060,273)	4,060,273

## 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 2019, the interest rate profile of the Company's interest bearing financial instruments was:

	Note	<i>In Taka</i>	
		For the year ended	
		31 March 2019	31 March 2018
<b>Fixed rate instruments</b>			
Financial assets			
Fixed deposit receipts		2,064,261,503	1,237,525,917
Financial liabilities		-	-
<b>Variable rate instruments</b>			
Financial assets		-	-
Financial liabilities		-	-
<b>37. Value of import calculated on CIF basis</b>			
Materials and finished goods		2,688,052,497	3,237,870,800
Capital goods		12,141,435	27,881,291
		<b>2,700,193,932</b>	<b>3,265,752,091</b>

*In Taka*

	Note	For the year ended	
		31 March 2019	31 March 2018
<b>38. Expenditure in foreign currency</b>			
General and technical assistance fees		58,906,846	76,822,856
Professional consultation fees		1,142,314	3,301,685
		<b>60,049,161</b>	<b>80,124,541</b>

**39. 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 41.8.

**40. Standards issued but not yet effective**

In January 2018, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards without any modification, this adoption does not have any impact on the financial statements of the Company for annual periods beginning on or after 1 January 2018.

A number of new standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

Of those standards that are not yet effective, IFRS 16 is expected to have a material impact on the Company's financial statements in the period of initial application.

**A. IFRS 16 Leases**

The Company is required to adopt IFRS 16 Leases from 1 April 2019. The Company has assessed the estimated impact that initial application of IFRS 16 will have on its financial statements, as described below. The actual impacts of adopting the standard on 1 April 2019 may change because:

- the new accounting policies are subject to change until the Company presents its first financial statements that include the date of initial application.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

**i. Leases in which the Company is a lessee**

The Company will recognise new assets and liabilities for its operating leases of 1 corporate office and 4 depots. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability.

Based on the information currently available, the Company estimates that it will recognise additional lease liabilities of Taka 71,838,586 as at 1 April 2019

## ii. Transition

The Company plans to apply IFRS 16 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 April 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

## 41. Significant accounting policies

The Company has consistently (otherwise as stated) applied the following accounting policies to all periods presented in these financial statements.

<b>Note</b>	<b>Particulars</b>
41.1	Foreign currency transactions
41.2	Property, plant and equipment
41.3	Intangible assets
41.4	Inventories
41.5	Financial instruments
41.6	Share capital
41.7	Dividend to the equity holders
41.8	Employee benefits
41.9	Accruals
41.10	Provisions
41.11	Income tax
41.12	Revenue
41.13	Finance income and finance cost
41.14	Lease
41.15	Impairment
41.16	Contingencies
41.17	Earnings per share
41.18	Events after the reporting period

### 41.1 Foreign currency transactions

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

### 41.2 Property, plant and equipment

#### i) Recognition and measurement

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

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Parts of an item of property, plant and equipment having different useful lives, are accounted for as separate items (major components) of property, plant and equipment.

#### ii) Subsequent cost

Subsequent cost of an item of property, plant and equipment is capitalised only if it is probable that future economic benefits embodied within the item will flow to the Company and its costs can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**iii) Depreciation**

No depreciation is charged on land and asset under construction (AuC) as the land has unlimited useful life and AuC has not yet been placed in service /commissioned.

Other items of property, plant and equipment is depreciated on a straight line basis in profit or loss over the estimated useful lives of each item of property, plant and equipment. Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is charged from the month of acquisition of property, plant and equipment and no depreciation is charged in the month of disposal.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The estimated useful lives of the items of property, plant and equipment for the current and comparative period are as follows:

Assets	Depreciation rate
Plant and machinery	10-33%
Factory equipment	20-33%
Moulds	15-33%
Factory building	5-20%
Laboratory equipment	20-33%
Office equipment	33-50%
Vehicles	20-25%
Computers	33-50%
Furniture and fixtures	20-50%
Office building	10-20%
A.C and refrigerators	20-33%

**iv) Derecognition**

An asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from the derecognition of an asset are determined as the difference between net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

**v) Asset under construction**

Asset under construction represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost. These are transferred to the property, plant and equipment on the completion of the projects.

**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.

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

### iv) **Derecognition**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss.

## 41.4 **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Stores and spares and material in transit are measured at cost. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## 41.5 **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### **ii. Classification and subsequent measurement**

#### **Financial assets – Policy applicable from 1 April 2018**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## AUDITORS' REPORTS AND FINANCIAL STATEMENTS

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.

### **Financial assets – Business model assessment: Policy applicable from 1 April 2018**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- 'the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

### **Financial assets – Subsequent measurement and gains and losses: Policy applicable from 1 April 2018**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets includes cash and cash equivalents, trade and other receivables and short term investment.

#### **(a) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

**(b) Trade and other receivables**

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

**(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.

**ii. 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 a 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.

**41.6 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

**41.7 Dividend to the equity holders**

The Company recognises a liability to make cash dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Bangladesh, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**41.8 Employee benefits**

**i) Short-term employee benefits**

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

**ii) Defined benefit plan (Gratuity)**

The Company operates an unfunded gratuity scheme, provision in respect of which is made annually covering all its eligible employees. This scheme is qualified as defined benefit plan.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. When the benefits of the plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit and loss on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit and loss. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. Relevant tax impacts of such remeasurements are also recognised under other comprehensive income.



### iii) **Leave encashment**

The Company operates unfunded leave encashment scheme, i.e. if its employees do not avail leave during his/her service, s/he will be entitled to encash privilege leave at the time of separation from the Company subject to maximum 40 days, at the rate of one month's basic pay for 30 days of privilege leave. This scheme is qualified as other long term employee benefits.

The Company's net obligation in respect of leave encashment scheme is the amount of future benefit that employees have earned in return for their service in the current and prior periods and the calculation is performed annually by a qualified actuary.

### iv) **Workers' profit participation and welfare fund**

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

The Fund is governed by Bangladesh Labour Act, 2006 as amended up to 28 September 2015 and the trust deed.

## 41.9 **Accruals**

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amongst due to employees. Accruals are reported as part of trade and other payables.

## 41.10 **Provisions**

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provision are reversed.

## 41.11 **Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

### i) **Current tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for corporate income tax is made following the rate applicable for companies as per Finance Act 2018 i.e 25% (2017: 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.

#### 41.12 Revenue

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, this standard 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 is 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).

#### 41.13 Finance income and finance cost

##### i) Finance income

Finance income comprises interest income on funds invested and is recognised as it accrues in profit or loss using the effective interest method.

##### ii) Finance cost

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

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

#### 41.14 Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are considered as operating leases and not recognised in the Company's statement of financial position. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

#### 41.15 Impairment

##### i. Financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

#### ii) Non-financial assets

The carrying amounts of the Company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

### 41.16 Contingencies

#### i) Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the statement of financial position of the Company. Moreover, contingencies arising from claims, litigations, assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

#### ii) Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognise contingent asset.

### 41.17 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.

### 41.18 Events after the reporting period

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

## ইংরেজি হতে অনূদিত

### স্বাধীন নিরীক্ষকের প্রতিবেদন

## ম্যারিকো বাংলাদেশ লিমিটেডের শেয়ারহোল্ডারদের উদ্দেশ্যে

### আর্থিক বিবরণীসমূহের নিরীক্ষার ওপর প্রতিবেদন

#### মতামত

আমরা ম্যারিকো বাংলাদেশ লিমিটেডের (দি কোম্পানি) আর্থিক বিবরণীর নিরীক্ষা সম্পন্ন করেছি যার মধ্যে গুরুত্বপূর্ণ হিসাবনীতির সংক্ষিপ্তসারসহ অন্তর্ভুক্ত রয়েছে ২০১৯ সালের ৩১ মার্চ সমাপ্ত বছরের আর্থিক অবস্থার বিবরণী, লাভ অথবা ক্ষতি অথবা অন্যান্য সম্মিলিত আয় বিষয়ক বিবরণী, ইকুইটির পরিবর্তন বিবরণী এবং সমাপ্ত বছরের নগদ প্রবাহ এবং আর্থিক বিবরণীর টীকাসমূহ।

আমাদের অভিমত হচ্ছে, সংযুক্ত আর্থিক বিবরণীতে আন্তর্জাতিক ফাইন্যান্সিং রিপোর্টিং স্ট্যান্ডার্ডসের (আইএফআরএস) সাথে সঙ্গতি বজায় রেখে ২০১৯ সালের ৩১ মার্চ সমাপ্ত বছরে কোম্পানির আর্থিক অবস্থা, এর আর্থিক দক্ষতা ও সমাপ্ত বছরে নগদ প্রবাহের সত্য ও সৃষ্টি চিত্র তুলে ধরা হয়েছে।

#### অভিমতের ভিত্তি

ইন্টারন্যাশনাল স্ট্যান্ডার্ডস অন অডিটিংয়ের (আইএসএ) মানদণ্ড অনুসারে আমরা নিরীক্ষা পরিচালনা করেছি। ওই মানদণ্ডের আওতায় আমাদের দায়িত্বসমূহ আরো বিস্তারিতভাবে আমাদের প্রতিবেদনের আর্থিক বিবরণীর নিরীক্ষার জন্য নিরীক্ষকের দায়িত্বসমূহ অংশে তুলে ধরা হয়েছে। ইন্টারন্যাশনাল এথিকস স্ট্যান্ডার্ডস বোর্ড ফর অ্যাকাউন্ট্যান্টস কোড অব এথিকস ফর প্রফেশনাল অ্যাকাউন্ট্যান্টস (আইইএসবিএ কোড) অনুসারে আমরা কোম্পানি থেকে স্বতন্ত্র এবং আইইএসবিএ কোডের সাথে সাযুজ্য রেখে আমরা আমাদের নৈতিক দায়িত্বসমূহ প্রতিপালন করেছি। আমাদের বিশ্বাস, যেসব নিরীক্ষার প্রমাণ আমরা হাতে পেয়েছি তা আমাদের মতামতের ভিত্তি তৈরি করার জন্য যথার্থ ও পর্যাপ্ত।

#### মুখ্য নিরীক্ষার বিষয়বলী

নিরীক্ষার মুখ্য বিষয়বলী হচ্ছে সেগুলি, আমাদের পেশাদারী বিবেচনায়, যেগুলি ছিল চলতি মেয়াদে আর্থিক বিবরণীর নিরীক্ষার ক্ষেত্রে সবচেয়ে গুরুত্বপূর্ণ। আর্থিক বিবরণীর নিরীক্ষার ক্ষেত্রে সামগ্রিকভাবে এবং আমাদের মতামত তৈরির ক্ষেত্রে এসব বিষয় তুলে ধরা হয়েছে, এবং এসব বিষয়ে পৃথক কোনো অভিমত প্রদান করিনি আমরা।

#### ১. আয়ের স্বীকৃতি

##### আর্থিক বিবরণীর টীকা ৬ দেখুন

নিরীক্ষার মুখ্য বিষয়	নিরীক্ষায় আমরা যেভাবে তুলে ধরেছি
আর্থিক বিবরণীতে আয়ের স্বীকৃতির গুরুত্বপূর্ণ এবং ব্যাপক প্রভাব রয়েছে।	এক্ষেত্রে আমাদের নিরীক্ষা প্রক্রিয়ায় অন্যান্য বিষয়বলীর মধ্যে যা ছিল
আয় স্বীকৃত হয় তখন, যখন অর্থের পরিমাণ এবং সংশ্লিষ্ট ব্যয় নির্ভরযোগ্য উপায়ে নিরূপণ করা হয় এবং যখন গ্রাহকের কাছে নিয়ন্ত্রণ হস্তান্তরের পর পারফরমেন্স দায় সম্পূর্ণ হয়। পণ্য বিক্রি থেকে আয় স্বীকৃত হয় তখন, যখন পরিবেশকের হাতে তুলে দেয়ার লক্ষ্যে পণ্য প্রেরণ সম্পন্ন হয়। দেশজুড়ে ছড়ানো অসংখ্য পরিবেশকের সঙ্গে তুলনামূলক স্বল্প পরিমাণ লেনদেনের মাধ্যমে নিশ্চিত হয় কোম্পানির আয়। এ কারণে, পর্যাপ্ত নিরীক্ষা এভিডেন্স পাওয়ার জন্য উচ্চ মাত্রার নিরীক্ষা কাজ এবং রিসোর্সের প্রয়োজন হয়ে থাকে।	<ul style="list-style-type: none"><li>কোম্পানির এন্ড টু এন্ড সেলস প্রক্রিয়ায় গুরুত্বপূর্ণ নিয়ন্ত্রকসমূহ, চুক্তি অনুমোদন ও সাইন-অফ, বিক্রির রেকর্ড থেকে গুরু করে নগদ গ্রহণ এবং গ্রাহকের কাছে পাওনা ব্যালন্স পর্যন্ত সব আমরা বুঝেছি, মূল্যায়ন করেছি এবং বৈধতা দিয়েছি।</li><li>আমরা আর্থিক বিবরণীর সাথে তুলনার মাধ্যমে জার্নাল এন্ট্রির সম্পূর্ণতা পরীক্ষা করেছি এবং এও দেখেছি বিক্রয় স্বীকৃতির ডেবিট হিসাব নগদ কিংবা ব্যাংক, বাণিজ্য থেকে প্রাপ্য কিংবা গ্রাহকের কাছ থেকে পাওয়া অগ্রিমের সাথে সম্পর্কিত নয়।</li><li>নমুনা কৌশল প্রয়োগের মাধ্যমে আমরা পুরো বছরে রেকর্ডকৃত আয়ের বস্তনিষ্ঠ পরীক্ষা করেছি। এতে আমরা সেলস ইনভয়েস এবং ট্রাক চালানসহ সংশ্লিষ্ট সহায়তাদানকারী দলিলের পরীক্ষা সম্পন্ন করেছি। উপরন্তু, আর্থিক অবস্থার প্রতিবেদনে গ্রাহক ব্যালান্স নিশ্চিত করেছি।</li><li>উপরন্তু আমরা আর্থিক বিবরণীর তারিখের অব্যবহিত পূর্বের এবং পরের স্বীকৃত বিক্রয় লেনদেন পরীক্ষা করেছি। সঠিক প্রতিবেদন মেয়াদে বিক্রয় লেনদেন রেকর্ড করা হয়েছে কিনা নিশ্চিত করতে পাশাপাশি পরীক্ষা করেছি ওই তারিখের পরের রেকর্ডকৃত সেলস রিটার্নসমূহ।</li></ul>
আয়ের স্বীকৃতিকে একটি গুরুত্বপূর্ণ নিরীক্ষা বিষয় হিসেবে চিহ্নিত করেছি আমরা। কেননা, আয় হচ্ছে একটি কোম্পানির দক্ষতা নির্ণয়ের গুরুত্বপূর্ণ সূচক এবং এ কারণে নির্ধারিত লক্ষ্য ও প্রত্যাশা পূরণে ম্যানেজমেন্টের আয়ের সময়োপযোগী স্বীকৃতির ক্ষেত্রে একটি অন্তর্নিহিত ঝুঁকি থেকে যায়।	
আমরা কোম্পানির গ্রাহকের কাছে যথাযথ কাট-অফ সেলসের ওপর মনোযোগ দিয়েছি যেহেতু পণ্য সরবরাহের নিশ্চয়তার নথি বিভিন্ন লোকেশনে অবস্থিত অসংখ্য পরিবহন এজেন্সির কাছ থেকে এসেছে। পণ্যের ইনভয়েন্সি এর সময় এবং কোম্পানির পরিবেশকের কাছে পণ্য প্রেরণের সময়ের মধ্যে একটি পার্থক্য থাকার ঝুঁকি রয়েছে। এ কারণে, বড় ধরনের একটি ভ্রান্তির সুযোগ রয়ে যায় যে, এসব আয়ের লেনদেন হয়তো যথাযথভাবে সঠিক প্রতিবেদন মেয়াদে স্বীকৃত হয়নি।	

২. কর প্রবিধানসমূহ এবং বিলম্বিত কর সম্পদের স্বীকৃতি  
আর্থিক বিবরণীর টীকা ১২ দেখুন

নিরীক্ষার মুখ্য বিষয়	নিরীক্ষায় আমরা যেভাবে তুলে ধরেছি
<p>বছর শেষে কোম্পানির মোট আয়কর ব্যয় বাংলাদেশি মুদ্রায় ৭২৬ মিলিয়ন টাকা। কর ব্যয়ের হিসাব নিরূপণ একটি জটিল প্রক্রিয়া যার সাথে জড়িত থাকে সাবজেকটিভ বিবেচনা এবং অনিশ্চয়তা, এবং এতে প্রয়োজন হয় বিশেষ জ্ঞান ও যোগ্যতা।</p> <p>কর্তনযোগ্য সাময়িক পার্থক্যের জন্য বিলম্বিত কর সম্পদের স্বীকৃতি দিয়েছে কোম্পানি যা উদ্ধারযোগ্য বলে কোম্পানি আস্থাবান। স্বীকৃত বিলম্বিত কর সম্পদের উদ্ধারযোগ্যতা অংশত কর্তনযোগ্য সাময়িক পার্থক্য কাজে লাগিয়ে কোম্পানির আগামী দিনের করযোগ্য মুনাফা অর্জনের সামর্থ্যের ওপর নির্ভরশীল।</p> <p>আয়কর প্রবিধানসমূহের জটিলতা এবং ভবিষ্যত করযোগ্য মুনাফা ও সাময়িক পার্থক্যের বিপরীতে অর্থ ও সময়ের বিষয়ে ভবিষ্যদ্বাণীর ক্ষেত্রে অনিশ্চিত অনিশ্চয়তার কারণে একে আমরা একটি মুখ্য নিরীক্ষার বিষয়বস্তু হিসেবে নির্ধারণ করেছি।</p>	<p>আমাদের নিরীক্ষাকৃত অন্যান্য বিষয়বলীর মধ্যে যা রয়েছে:</p> <ul style="list-style-type: none"> <li>কোম্পানির কর হিসাবপ্রণালী মূল্যায়নের জন্য আমাদের নিজস্ব কর বিশেষজ্ঞ কাজে লাগানো। কোম্পানির কর পরিস্থিতি এবং সংশ্লিষ্ট কর বিধানের প্রয়োগ বিষয়ে আমাদের জ্ঞান ও অভিজ্ঞতা বিবেচনায় নিয়ে কোম্পানির কর কৌশলের মূল্যায়ন করার জন্যও কাজে লাগে আমাদের কর বিশেষজ্ঞ, যে কৌশলের মাধ্যমে স্বীকৃত বিলম্বিত কর সম্পদের সফল উদ্ধার ঘটবে বলে কোম্পানির প্রত্যাশা।</li> <li>স্থানীয় বিধানের প্রয়োগ বিষয়ে আমাদের জ্ঞান ও অভিজ্ঞতার ওপর ভিত্তি করে কর প্রবিধান নির্ধারণের ক্ষেত্রে অনুসৃত মূল্যায়নের বিশ্লেষণ ও তাকে চ্যালেঞ্জ করা</li> <li>কর এবং বিলম্বিত করের বিষয়ে গুরুত্বপূর্ণ মূল্যায়ন, বিবেচনা এবং সংবেদনশীলতাসহ আর্থিক বিবরণী প্রকাশের পর্যাণ্ততার মূল্যায়ন</li> </ul>

৩. মজুদ পণ্যের মূল্যায়ন  
আর্থিক বিবরণীর টীকা ১৭ দেখুন

নিরীক্ষার মুখ্য বিষয়	নিরীক্ষায় আমরা যেভাবে তুলে ধরেছি
<p>আর্থিক বিবরণীতে ব্যয় এবং আদায়যোগ্য নিট মূল্যের নিচে মজুদ পণ্য উল্লেখ করা হয়। ম্যানুফ্যাকচারিং শিল্পে গ্রাহক চাহিদার গুরুত্বপূর্ণ পরিবর্তনের ওপর ভিত্তি করে অনিশ্চিত হতে পারে বিক্রয় পরিস্থিতি। এ কারণে, মজুদ পণ্যের বর্তমান মূল্য এর নিট আদায়যোগ্য মূল্য ছাড়িয়ে যেতে পারে।</p> <p>উপরন্তু মজুদ পণ্যের প্রবিধানের মূল্যায়ন প্রক্রিয়া বিবেচনাসাপেক্ষ এবং জটিল হতে পারে। উচ্চ মাত্রার বিবেচনা নির্ভর হওয়ায় এবং প্রবিধান ও নিট আদায়যোগ্য মূল্যের অনুমানে ম্যানুয়াল প্রক্রিয়া প্রয়োগের কারণে একে একটি গুরুত্বপূর্ণ নিরীক্ষা বিষয় হিসেবে বিবেচনা করেছি আমরা।</p>	<p>মজুদ পণ্যের বিপরীতে কোম্পানির প্রবিধানের পর্যাণ্তর বিষয়টি চ্যালেঞ্জের ক্ষেত্রে আমাদের নিরীক্ষা প্রক্রিয়াটি যেভাবে সাজানো হয়, তাতে অন্তর্ভুক্ত ছিল:</p> <ul style="list-style-type: none"> <li>স্টক এজিংয়ে আইটেম বাই আইটেম যে যথাযথ এজিং ব্রাকেটে শ্রেণীভুক্ত হয়েছে, নমুনা ভিত্তিতে তার প্রতিপাদন</li> <li>প্রতিটি আইটেমে প্রবিধান শতাংশ যেভাবে প্রযুক্ত হয়েছে তার যথার্থতা মূল্যায়ন এবং পুরনো মজুদ পণ্য বিভিন্ন মাধ্যমে বিক্রির মাত্রায় ম্যানেজমেন্টের গৃহীত অনুমানকে চ্যালেঞ্জ করা</li> <li>প্রবিধানকরণের ঐতিহাসিক যথার্থতা বিবেচনা এবং চলতি মেয়াদে গৃহীত অনুমানের যথার্থতা যাচাইয়ে প্রমাণ হিসেবে পাওয়া তথ্যবলী কাজে লাগানো</li> <li>মজুদ পণ্যের বিপরীতে প্রবিধানের মাত্রায় কোম্পানির প্রকাশের পর্যাণ্ততাও বিবেচনায় নিয়েছি আমরা।</li> </ul>

৪. কর্মীর সুবিধা  
আর্থিক বিবরণীর টীকা ২০ দেখুন

নিরীক্ষার মুখ্য বিষয়	নিরীক্ষায় আমরা যেভাবে তুলে ধরেছি
<p>সুনির্দিষ্ট সুবিধা পরিকল্পনা বা গ্রাচুইটি বজায় রাখে কোম্পানি।</p> <p>২০১৯ সালের ৩১ মার্চ পর্যন্ত বিডিটি ৫৭ মিলিয়ন নিট ডিফাইন্ড সুবিধা দায় নথিভুক্ত করেছে কোম্পানি যার মধ্যে বিডিটি ৫০ মিলিয়ন অ-চলতি দায় এবং বিডিটি ৭ মিলিয়ন চলতি দায়।</p> <p>ডিফাইন্ড সুবিধা দায়, কৃত ব্যয় এবং ইকুইটির ওপর গুরুত্বপূর্ণ প্রভাব রয়েছে আইএএস ১৯ এর অধীনে গুরুত্বপূর্ণ অনুমানের প্রয়োগের। হিসাবরক্ষণ মানদণ্ডের বিধি অনুসারে ডিসকাউন্ট রেট, সুবিধা বৃদ্ধির হার, আগামী মুদ্রাহার ইত্যাদি পরিসীমার বিপরীতে মূল্যায়ন করতে হয় কোম্পানির।</p>	<p>আমাদের নিরীক্ষা প্রক্রিয়ার অন্যান্যের মধ্যে অন্তর্ভুক্ত রাখা হয়:</p> <ul style="list-style-type: none"> <li>কোম্পানির ব্যবহৃত পদ্ধতি এবং অনুমানের মূল্যায়ন</li> <li>আইএএস ১৯ অনুসারে কর্মী সুবিধা-গ্রাচুইটির প্রকাশের পরীক্ষণ</li> <li>আর্থিক অবস্থার বিবরণী এবং লাভ ও ক্ষতির বিবরণী এবং অন্যান্য সম্মিলিত আয় যথাযথ প্রকাশ হয়েছে কিনা তার ওপর আইএএস ১৯ এর প্রভাব</li> </ul>

অন্যান্য বিষয় :

কোম্পানির ৩১ মার্চ ২০১৮ সমাপ্ত বছরে ফাইন্যান্সিয়াল স্টেটমেন্ট অন্য একজন নিরীক্ষক নিরীক্ষা করেছেন এবং ২৫ এপ্রিল ২০১৮ তারিখে তাহার উপর একটি আনমোডিফাইড নিরীক্ষা প্রতিবেদন প্রদান করেছেন।

## অন্যান্য তথ্য

অন্যান্য তথ্যের দায়ভার ম্যানেজমেন্টের। অন্যান্য তথ্যের মধ্যে আছে আর্থিক বিবরণী এবং আমাদের নিরীক্ষা প্রতিবেদন বাদে অন্তর্ভুক্ত বার্ষিক প্রতিবেদনে অন্তর্ভুক্ত তথ্যাবলী। নিরীক্ষা প্রতিবেদন নিষ্পন্ন হওয়ার পর বার্ষিক প্রতিবেদন আমরা হাতে পাব বলে আশা করা যায়।

আর্থিক বিবরণী বিষয়ে আমাদের মতামতে অন্যান্য তথ্যাবলী গ্রহণ করা হয়নি এবং এ বিষয়ে কোনো ধরনের উপসংহার টানছি না আমরা।

আর্থিক বিবরণীর ওপর আমাদের নিরীক্ষা বিষয়ে, আমাদের দায়িত্ব ওপরে চিহ্নিত অন্যান্য তথ্য, যখন আমাদের হাতে আসবে, তা পাঠ করা এবং আর্থিক বিবরণী, কিংবা নিরীক্ষায় পাওয়া আমাদের ধারণার সঙ্গে অন্যান্য তথ্য বাস্তবিক অসঙ্গতিপূর্ণ কিনা, কিংবা বাস্তবিক তা ভুল বলা হয়েছে কিনা, তা বিবেচনা করা।

আমরা যখন বার্ষিক প্রতিবেদন পাঠ করি, যদি আমার এ উপসংহারে উপনীত হই যে, বাস্তবিকই ভুল বলা হয়েছে, আমাদের দায়িত্ব হবে এ বিষয়ে দায়িত্বপ্রাপ্ত সংশ্লিষ্টজনদের তা অবহিত করা।

## ম্যানেজমেন্ট এবং আর্থিক প্রতিবেদনের জন্য দায়িত্বপ্রাপ্ত প্রশাসনিক ব্যক্তিবর্গের দায়িত্ব

ম্যানেজমেন্টের দায়িত্ব এমন একটি আর্থিক বিবরণী তৈরি করা, আন্তর্জাতিক আর্থিক প্রতিবেদন মানদণ্ডের সাথে যা সামঞ্জস্য রেখে একটি সত্য ও ন্যায্য চিত্র প্রদান করে, এবং আর্থিক প্রতিবেদন প্রণয়নের জন্য প্রয়োজনীয় অভ্যন্তরীণ নিয়ন্ত্রণ যা বাস্তবিক ভুল বলা থেকে মুক্ত, হোক তা প্রবঞ্চনা কিংবা ভ্রান্তিবশত।

আর্থিক প্রতিবেদন প্রস্তুতির ক্ষেত্রে ম্যানেজমেন্টের যেসব দায়িত্ব রয়েছে তা হচ্ছে, প্রয়োজ্য সাপেক্ষে, চলমান উদ্যোগ বিষয়ক ঘটনাবলীর প্রকাশ এবং হিসাবরক্ষণের চলমান উদ্যোগ ভিত্তির প্রয়োগের মাধ্যমে চলমান উদ্যোগ হিসেবে অব্যাহত থাকার ব্যাপারে কোম্পানির সামর্থ্যের মূল্যায়ন করা, যদি না ম্যানেজমেন্ট কোম্পানিকে গুটিয়ে নিতে চায়, কিংবা এর কার্যক্রম স্থগিত করতে চায় কিংবা তা করা ব্যতীত বিকল্প কোনো উপায় থাকে না তাদের হাতে।

প্রশাসনের দায়িত্বপ্রাপ্ত ব্যক্তিবর্গের কাজ কোম্পানির আর্থিক প্রতিবেদন প্রক্রিয়ায় দেখাশোনা করা।

## আর্থিক প্রতিবেদন নিরীক্ষার জন্য নিরীক্ষকের দায়িত্বসমূহ

আমাদের উদ্দেশ্য যুক্তিসঙ্গতভাবে এ নিশ্চয়তা পাওয়া যে, সামগ্রিকভাবে আর্থিক প্রতিবেদনে প্রবঞ্চনা কিংবা ভ্রান্তিবশত কোনো ভুল বলা হয়নি এবং একটি নিরীক্ষা প্রতিবেদন তৈরি করা যাতে আমাদের মতামত ব্যক্ত রয়েছে। যুক্তিসঙ্গত নিশ্চয়তা একটি উঁচু মাত্রার নিশ্চয়তা কিন্তু এটি এমন নিশ্চয়তা নয় যে, আইএএস অনুসারে কৃত একটি নিরীক্ষা, কোনো ভুল থেকে থাকলে, সবসময় তা সনাক্ত করতে পারবে। প্রবঞ্চনা কিংবা ভ্রান্তিবশত ভুল বলা হয়ে থাকতে পারে এবং তা বাস্তবিক বলে বিবেচিত হয়, যদি, পৃথক কিংবা সমন্বিতভাবে, এসব আর্থিক প্রতিবেদনের ভিত্তিতে গ্রহণীয় অর্থনৈতিক সিদ্ধান্তকে প্রভাবিত করতে পারে বলে যুক্তিসঙ্গতভাবে ধারণা করা হয়।

আইএএস অনুসারে নিরীক্ষার অংশ হিসেবে, আমরা পেশাদারী বিবেচনাবোধের চর্চা করেছি এবং গোটা নিরীক্ষায় পেশাদারী সংশয় বজায় রেখেছি।

এছাড়াও আমরা আর্থিক প্রতিবেদনে, প্রবঞ্চনা অথবা ভ্রান্তিবশত, বাস্তবিক ভুল বলার ঝুঁকি মূল্যায়ন করি এবং এসব ঝুঁকির প্রতিবর্তী নিরীক্ষা প্রণালী প্রণয়ন ও বাস্তবায়ন করি এবং নিরীক্ষা প্রমাণ সংগ্রহ করি যা আমাদের মতামতের ভিত্তি হিসাবে কাজ করতে পর্যাপ্ত ও যথাযথ। প্রবঞ্চনা থেকে কৃত বাস্তবিক ভুল প্রতিবেদন সনাক্ত করতে না পারার ঝুঁকি ভ্রান্তিবশত ভুল হওয়া সনাক্ত করার চাইতে বেশি, যেহেতু প্রবঞ্চনার সাথে সম্পৃক্ত থাকে ষড়যন্ত্র, জালিয়াতি, ইচ্ছাকৃতভাবে বাদ দেয়া, ভুল উপস্থাপন, কিংবা অভ্যন্তরীণ নিয়ন্ত্রণ পাশ কাটানোর মতো ঘটনা।

আমরা পরিস্থিতির সাথে সামঞ্জস্যপূর্ণ নিরীক্ষা প্রণালী প্রণয়নের জন্য সংশ্লিষ্ট অভ্যন্তরীণ নিয়ন্ত্রণ বিষয়ে একটি ধারণা অর্জন করি, যদিও তা কোম্পানির অভ্যন্তরীণ নিয়ন্ত্রণের কার্যকারিতা বিষয়ে কোনো মতামত প্রদানের জন্য নয়।

আমরা প্রয়োগকৃত হিসাবরক্ষণ নীতির এবং হিসাবরক্ষণ অনুমানের যৌক্তিকতা এবং ম্যানেজমেন্টের এ সংশ্লিষ্ট অন্যান্য প্রকাশনার যথার্থতা মূল্যায়ন করি।

আমরা ম্যানেজমেন্ট হিসাবরক্ষণের চালু উদ্যোগ ধারণার ভিত্তি, এবং হাতে পাওয়া নিরীক্ষা প্রমাণাদি সাপেক্ষে কোনো ঘটনা কিংবা পরিস্থিতির কারণে বিদ্যমান কোনো বাস্তবিক অনিশ্চয়তা, চালু উদ্যোগ হিসেবে অব্যাহত থাকার ব্যাপারে কোম্পানির সামর্থ্যের ওপর কোনো প্রকার গুরুত্বপূর্ণ সংশয় তৈরি করে কিনা, তার যথাযথতা নির্ধারণ করি। যদি আমাদের মনে হয় যে, একটি বাস্তবিক অনিশ্চয়তা বিরাজ করছে, তখন আমাদের কাজ আর্থিক বিবরণীর সংশ্লিষ্ট প্রকাশ বিষয়ে নিরীক্ষা প্রতিবেদনে সেদিকে দৃষ্টি আকর্ষণ করা এবং যদি এমন প্রকাশ অপরিপাক মনে হয়, তখন আমাদের মতামত পরিবর্তন করা। আমাদের নিরীক্ষা প্রতিবেদনের তারিখ পর্যন্ত হাতে পাওয়া প্রমাণাদির ভিত্তিতে নিরূপিত হয়েছে আমাদের উপসংহার। যা হোক, ভবিষ্যত কোনো ঘটনা কিংবা পরিস্থিতির কারণে চালু উদ্যোগ হিসেবে অব্যাহত থাকার সামর্থ্য হারিয়ে ফেলতে পারে কোম্পানি।

ডিসক্লোজারসহ আর্থিক বিবরণীর সামগ্রিক উপস্থাপনা, কাঠামো এবং কনটেন্ট, এবং আর্থিক বিবরণীতে সংশ্লিষ্ট লেনদেন এবং ঘটনাবলী যৌক্তিকভাবে তুলে ধরেছে কিনা, তার মূল্যায়ন করি।

যারা প্রশাসনিক কাজের দায়িত্ব রয়েছেন তাদের সাথে, অন্যান্য বিষয়ের বাইরে, নিরীক্ষার পরিকল্পিত সুযোগ এবং মেয়াদ এবং নিরীক্ষাকালে অভ্যন্তরীণ নিয়ন্ত্রণ ক্ষেত্রে বড় কোনো ঘাটতিসহ গুরুত্বপূর্ণ নিরীক্ষা তথ্য বিষয়ে আমরা যোগাযোগ রক্ষা করি।

যারা প্রশাসনিক দায়িত্বে আছেন তাদের হাতে স্বাধীনতা সংশ্লিষ্ট নৈতিক প্রয়োজনীয়তা, আমাদের স্বাধীনতার ওপর চাপ তৈরি করে এমন কোনো সম্পর্ক কিংবা ঘটনা, এবং যেখানে প্রযোজ্য, সংশ্লিষ্ট সুরক্ষাসহ আমাদের সম্পাদিত বিবরণী তুলে দেই।

প্রশাসনিক ব্যক্তিবর্গের সঙ্গে যোগাযোগের ভিত্তিতে আমরা নির্ধারণ করি চলতি মেয়াদে আর্থিক বিবরণীর নিরীক্ষায় কোন বিষয়গুলো সর্বাধিক গুরুত্বপূর্ণ এবং সে কারণে মুখ্য নিরীক্ষা বিষয়। এ বিষয়গুলো আমরা আমাদের নিরীক্ষা প্রতিবেদনে ব্যাখ্যা করি, যদি বিধি বা আইনে এর প্রকাশে কোনো বাধা না থাকে, কিংবা, অতি বিরল কোনো পরিস্থিতিতে, আমরা সিদ্ধান্ত নেই যে, বিষয়টি আমাদের প্রতিবেদনে তুলে ধরা হবে না, যেহেতু, এ কাজের বিরূপ প্রতিক্রিয়া জনস্বার্থের সুবিধা খর্ব করতে পারে।

### অন্যান্য আইন ও বিধিবদ্ধ আবশ্যিকতা বিষয়ে প্রতিবেদন

কোম্পানি আইন ১৯৯৪ এবং সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ রুলস ১৯৮৭ অনুসারে নিচের বিষয়গুলির ওপরও প্রতিবেদন তৈরি করি আমরা:

আমরা সব ধরনের তথ্য ও ব্যাখ্যা সংগ্রহ করেছি এবং আমাদের জ্ঞানত এবং বিশ্বাসে যা আমাদের নিরীক্ষা ও তদপর্বর্তী মোডিফিকেশনের জন্য যথেষ্ট।

আমাদের মতামত, আইনি বাধ্যবাধকতা অনুসারে যথাযথ বুক অব অ্যাকাউন্টস রক্ষা করেছে কোম্পানি এবং এসব বহির পরীক্ষা থেকে আমরা যা পেয়েছি তা হচ্ছে:

আর্থিক অবস্থা এবং লাভ ও ক্ষতি এবং অন্যান্য সম্মিলিত আয় বিষয়ে প্রতিবেদনে যা বলা হয়েছে তা বুক অব অ্যাকাউন্টস এবং রিটার্নের সাথে সঙ্গতিপূর্ণ; এবং

ব্যয় যা করা হয়েছে তা কোম্পানির ব্যবসায়িক উদ্দেশ্যে।

এই স্বাধীন নিরীক্ষা প্রতিবেদনে নিরীক্ষার এনগেজমেন্ট পার্টনার জনাব মো. মেহেদি হাসান।

ঢাকা,

২৯ এপ্রিল ২০১৯

## ইংরেজি হতে অনূদিত

### ম্যারিকো বাংলাদেশ লিমিটেড আর্থিক অবস্থার বিবরণী

	টাকা	টাকায়	
		৩১ মার্চ ২০১৯	৩১ মার্চ ২০১৮
<b>সম্পদ</b>			
সম্পত্তি, কারখানা ও যন্ত্রপাতি	১৩	৪৬৮,৭১৬,৫৫৭	৫১১,৫৮৫,২২৭
অস্পর্শনীয় সম্পদ	১৪	৩,৬৪৭,০৮৪	৬,১৮৮,০৫৭
বিলম্বিত কর সম্পদ	১২	৪৭,৫১৩,৬০৪	৫৮,৫১০,০১৩
অগ্রিম, জামানত ও আগাম পরিশোধ	১৫	৫১,১২৭,৫৫৫	৩৪,৯২৮,৯৩৭
অন্যান্য আর্থিক সম্পদ	১৬	৪,৯২১,৮৭২	৫,১৩৮,৪৪৮
<b>স্থায়ী সম্পদ</b>		<b>৫৭৫,৯২৬,৬৭২</b>	<b>৬১৬,৩৫০,৬৮২</b>
মজুদ	১৭	১,০৯১,৪৯৪,৭৫৩	১,৭১৭,৩২২,০২০
অগ্রিম, জামানত ও আগাম পরিশোধ	১৫	৪৩৫,৬৩৩,৫১৫	৬১৩,৫৭০,০৮৬
অন্যান্য আর্থিক সম্পদ	১৬	২,০৯০,১৯১,৭৯২	১,২৪১,৪২১,৮৩২
নগদ ও নগদ সমতুল্য	১৮	৩৮৩,১০১,৮৭৭	২৭৯,১৮৯,৭৩৭
<b>চলতি সম্পদ</b>		<b>৪,০০০,৪২১,৯৩৭</b>	<b>৩,৮৫১,৫০৩,৬৭৫</b>
<b>মোট সম্পদ</b>		<b>৪,৫৭৬,৩৪৮,৬০৯</b>	<b>৪,৪৬৭,৮৫৪,৩৫৭</b>
<b>মালিকানা স্বত্ব</b>			
শেয়ার মূলধন	১৯	৩১৫,০০০,০০০	৩১৫,০০০,০০০
শেয়ার অধিহার		২৫২,০০০,০০০	২৫২,০০০,০০০
সংরক্ষিত তহবিল		৭৩৫,১৩৫,৭৫৪	৯২৫,৫৮৬,৭২৯
<b>মোট মালিকানা স্বত্ব</b>		<b>১,৩০২,১৩৫,৭৫৪</b>	<b>১,৪৯২,৫৮৬,৭২৯</b>
<b>দায়</b>			
কর্মচারী কল্যাণ সংক্রান্ত বাধ্যবাধকতা	২০	৬৪,৯০৭,৯৪৯	৪৯,৮৬১,৭৬৩
<b>দীর্ঘমেয়াদী দায়</b>		<b>৬৪,৯০৭,৯৪৯</b>	<b>৪৯,৮৬১,৭৬৩</b>
ঋণ ও ধার	২১	২০০,০০০,০০০	৩০০,০০০,০০০
কর্মচারী কল্যাণ সংক্রান্ত বাধ্যবাধকতা	২০	৯,৬৬৫,৭৮৭	৬,৯৮৪,৫৮৪
বাণিজ্য ও অন্যান্য পরিশোধনীয়	২২	২,৫৩৯,২৭০,৭৮৭	২,২৩২,২০৯,৪৯৭
চলতি কর দায়	২৩	৪৬০,৩৬৮,৩৩৫	৩৮৬,২১১,৭৮৪
<b>চলতি দায়</b>		<b>৩,২০৯,৩০৪,৯০৬</b>	<b>২,৯২৫,৪০৫,৮৬৫</b>
<b>মোট দায়</b>		<b>৩,২৭৪,২১২,৮৫৫</b>	<b>২,৯৭৫,২৬৭,৬২৮</b>
<b>মোট মালিকানা স্বত্ব ও দায়</b>		<b>৪,৫৭৬,৩৪৮,৬০৯</b>	<b>৪,৪৬৭,৮৫৪,৩৫৭</b>



ম্যারিকো বাংলাদেশ লিমিটেড

## লাভ-ক্ষতি ও অন্যান্য সম্মিলিত আয়ের বিবরণী

	টাকা	সমাপ্ত বছরে	
		৩১ মার্চ ২০১৯	৩১ মার্চ ২০১৮
বিক্রয়	৬	৮,৭৬৮,১৬০,১৩৮	৭,৮১৪,৬৬৩,৪৭৯
বিক্রিত পণ্যের ব্যয়	৭	(৪,৪৭২,৬৯৭,৪২৩)	(৪,২২৯,৫১৯,৬৪৮)
<b>মোট লাভ</b>		<b>৪,২৯৫,৪৬২,৭১৫</b>	<b>৩,৫৮৫,১৪৩,৮৩১</b>
সাধারণ ও প্রশাসনিক ব্যয়	৮	(৯৩১,৬৫০,১৭৫)	(৮৭৫,০৩৬,৪৫৯)
বিপণন, বিক্রয় ও বিতরণ ব্যয়	৯	(৭৭৩,৭৩৩,৯১৮)	(৫৭৯,৬৯৭,৩০৩)
অন্যান্য আয় / (ব্যয়)	১০	১,৪৬৮,৪৪৪	৫,৬৩২,০৭২
<b>পরিচালন মুনাফা</b>		<b>২,৫৯১,৫৪৭,০৬৬</b>	<b>২,১৩৬,০৪২,১৪১</b>
নিট আর্থিক আয়	১১	১৫৮,১৯৭,২৭৯	১০৭,৭০৩,১৩২
করপূর্ব মুনাফা		২,৭৪৯,৭৪৪,৩৪৫	২,২৪৩,৭৪৫,২৭৩
আয়কর ব্যয়	১২	(৭২৬,৩৫২,৫২৩)	(৬০১,১১৭,৯১২)
<b>বছরের মুনাফা</b>		<b>২,০২৩,৩৯১,৮২২</b>	<b>১,৬৪২,৬২৭,৩৬১</b>
<b>অন্যান্য সম্মিলিত আয়</b>			
নির্ধারিত সুবিধা পরিকল্পনার পুনর্মূল্যায়ন	২০	(১১,৭২১,৯৮৭)	(২০৫,২২৯)
সংশ্লিষ্ট কর	১২	২,৮৭৯,১৯০	২,৫৫৪,৩০৪
<b>বছরের অন্যান্য সম্মিলিত আয়/ (কর সম্বন্ধের পরে)</b>		<b>(৮,৮৪২,৭৯৭)</b>	<b>২,৩৪৯,০৭৫</b>
<b>বছরের মোট সম্মিলিত আয়</b>		<b>২,০১৪,৫৪৯,০২৫</b>	<b>১,৬৪৪,৯৭৬,৪৩৬</b>
<b>শেয়ার প্রতি আয়</b>			
শেয়ারপ্রতি আয় (১০ টাকার মূল্যে)	২৪	৬৪.২৩	৫২.১৫

ম্যারিকো বাংলাদেশ লিমিটেড  
মালিকানা স্বত্ব পরিবর্তনের বিবরণী

২০১৯, ৩১ মার্চ সমাপ্ত বছরে

	টাকায়			
	শেয়ার মূলধন	অধিহার	সংরক্ষিত তহবিল	মোট
২০১৭ সালের ১ এপ্রিল ব্যালান্স	৩১৫,০০০,০০০	২৫২,০০০,০০০	১,০১৩,১১০,২৯৩	১,৫৮০,১১০,২৯৩
৩১ মার্চ ২০১৮ তারিখে সমাপ্ত বছরে নিট মুনাফা			-	১,৬৪২,৬২৭,৩৬১
বছরের অন্যান্য সম্মিলিত আয়			২,৩৪৯,০৭৫	২,৩৪৯,০৭৫
২০১৬-২০১৭ সালে বছরশেষে চূড়ান্ত লভ্যাংশ			(১৫৭,৫০০,০০০)	(১৫৭,৫০০,০০০)
২০১৭-২০১৮ সালের প্রথম অস্তবর্তীকালীন লভ্যাংশ			(৭৮৭,৫০০,০০০)	(৭৮৭,৫০০,০০০)
২০১৮-২০১৯ সালের দ্বিতীয় অস্তবর্তীকালীন লভ্যাংশ			(৭৮৭,৫০০,০০০)	(৭৮৭,৫০০,০০০)
<b>৩১ মার্চ ২০১৮ তারিখে ব্যালান্স</b>	<b>৩১৫,০০০,০০০</b>	<b>২৫২,০০০,০০০</b>	<b>৯২৫,৫৮৬,৭২৯</b>	<b>১,৪৯২,৫৮৬,৭২৯</b>
১ এপ্রিল ২০১৮ তারিখে ব্যালান্স	৩১৫,০০০,০০০	২৫২,০০০,০০০	৯২৫,৫৮৬,৭২৯	১,৪৯২,৫৮৬,৭২৯
৩১ মার্চ ২০১৯ তারিখে সমাপ্ত বছরে নিট মুনাফা			-	২,০২৩,৩৯১,৮২২
বছরের অন্যান্য সম্মিলিত আয়			(৮,৮৪২,৭৯৭)	(৮,৮৪২,৭৯৭)
২০১৭-২০১৮ সালে বছরশেষে চূড়ান্ত লভ্যাংশ			(৩১৫,০০০,০০০)	(৩১৫,০০০,০০০)
২০১৮-২০১৯ সালের প্রথম অস্তবর্তীকালীন লভ্যাংশ			(৪৭২,৫০০,০০০)	(৪৭২,৫০০,০০০)
২০১৮-২০১৯ সালের দ্বিতীয় অস্তবর্তীকালীন লভ্যাংশ			(৭৮৭,৫০০,০০০)	(৭৮৭,৫০০,০০০)
২০১৮-২০১৯ সালের তৃতীয় অস্তবর্তীকালীন লভ্যাংশ			(৬৩০,০০০,০০০)	(৬৩০,০০০,০০০)
<b>৩১ মার্চ ২০১৯ তারিখে ব্যালান্স</b>	<b>৩১৫,০০০,০০০</b>	<b>২৫২,০০০,০০০</b>	<b>৭৩৫,১৩৫,৭৫৪</b>	<b>১,৩০২,১৩৫,৭৫৪</b>

ম্যারিকো বাংলাদেশ লিমিটেড  
নগদ প্রবাহের বিবরণী

টাকায়

	সমাপ্ত বছরে	
	৩১ মার্চ ২০১৯	৩১ মার্চ ২০১৮
<b>পরিচালন কার্যক্রমে নগদ প্রবাহ</b>		
গ্রাহকের কাছ থেকে আদায়	৮,৮২২,০১২,১৫৭	৭,৭৪৭,১৫৭,৭৯৬
সরবরাহকারীকে পরিশোধ ও পরিচালন ব্যয়	(৫,৬০১,৬১২,৬৫২)	(৫,৭৫১,৯৫০,৩৩৬)
<b>পরিচালন কার্যক্রম থেকে অর্জিত নগদ</b>	<b>৩,২২০,৩৯৯,৫০৫</b>	<b>১,৯৯৫,২০৭,৪৬০</b>
সুদ পরিশোধ	(১৩,৭৯১,৪৬৯)	(৩,২৮৮,৭৮৪)
সুদ গ্রহীত	১৬০,৮৮৬,১৬৪	১৩৪,৬২৭,২২৪
কর পরিশোধ	(৬৩৮,৩২০,৩৭৪)	(৫৭৬,০২৩,১৫৪)
<b>পরিচালন কার্যক্রম থেকে নিট নগদ</b>	<b>২,৭২৯,১৭৩,৮২৬</b>	<b>১,৫৫০,৫২২,৭৪৬</b>
<b>বিনিয়োগ কার্যক্রম থেকে নগদ প্রবাহ</b>		
সম্পত্তি, কারখানা ও যন্ত্রপাতির অধিগ্রহণ	(৮৮,৮৪২,৫০১)	(৮৩,২৭৫,৩২৫)
অস্থায়ী সম্পদের অধিগ্রহণ	-	(৮৭১,০০০)
সম্পত্তি, কারখানা ও যন্ত্রপাতির ডিসপোজাল (বিনিয়োগ)/ স্বল্পমেয়াদী বিনিয়োগের নগদায়ন	১,২২৯,৯৫৫	৫,৬৩২,০৭২
	(৮০৫,৯৪৯,১৪০)	৭২,৮৪৭,৪৯৬
<b>বিনিয়োগ কার্যক্রমে ব্যবহৃত নিট নগদ</b>	<b>(৮৯৩,৫৬১,৬৮৬)</b>	<b>(৫,৬৬৬,৭৫৭)</b>
<b>আর্থিক কার্যক্রম থেকে নগদ প্রবাহ</b>		
ঋণ ও ধার থেকে প্রসিড	২০০,০০০,০০০	৩০০,০০০,০০০
ঋণ ও ধার পরিশোধ	(৩০০,০০০,০০০)	-
পরিশোধিত লভ্যাংশ	(১,৬৩১,৭০০,০০০)	(১,৭৩২,৫০০,০০০)
<b>আর্থিক কার্যক্রমে ব্যবহৃত নিট নগদ</b>	<b>(১,৭৩১,৭০০,০০০)</b>	<b>(১,৪৩২,৫০০,০০০)</b>
<b>নগদ ও নগদ সমতুল্যে নিট বৃদ্ধি</b>	<b>১০৩,৯১২,১৪০</b>	<b>১১২,৩৫৫,৯৮৯</b>
সূচনা নগদ এবং নগদ সমতুল্য	২৭৯,১৮৯,৭৩৭	১৬৬,৮৩৩,৭৪৮
<b>সমাপ্তি নগদ এবং নগদ সমতুল্য</b>	<b>৩৮৩,১০১,৮৭৭</b>	<b>২৭৯,১৮৯,৭৩৭</b>



# ANNUAL REPORT REVIEW CHECKLIST

Particulars	No.
<b>Corporate Objectives, Values &amp; Structure</b>	
Clarity and presentation:	
▪ Vision and Mission	08
▪ Overall strategic objectives	08
▪ Core values and code of conduct/ethical principles	09
▪ Profile of the Company	07
▪ Director's profiles and their representation on Board of other companies & Organization Chart	40-44
<b>Management Report and analysis including Director's Report / Chairman's Review/CEO's Review etc.</b>	
▪ A general review of the performance of the company	58
▪ Description of the performance of the various activities / products / segments of the company and its group companies during the period under review. (Weightage to be given for pictorial / graphical / tabular presentations used for this purpose)	72
▪ A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks	60
▪ A general review of the future prospects/outlook.	61
▪ Information on how the company contributed to its responsibilities towards the staff (including health & safety)	109-113
▪ Information on company's contribution to the national exchequer & to the economy	75
<b>Sustainability Reporting</b>	
▪ Social Responsibility Initiatives ( CSR)	100
▪ Environment related Initiatives	95-99
▪ Environmental & Social Obligation	
▪ Integrated Reporting	
<b>Appropriateness of Disclosure of Accounting policies and General Disclosure</b>	
▪ Disclosure of adequate and properly worded accounting policies relevant to Assets, liabilities, Income and expenditure in line with best reporting standards.	146-153
▪ Any specific accounting policies	146
▪ Impairment of Assets	132, 152
▪ Changes in accounting policies/Changes in accounting estimates	125
▪ Accounting policy on subsidiaries (if there is no any subsidiary, full marks should be granted)	N/A
<b>Segment Information</b>	
▪ Comprehensive segment related information bifurcating Segment revenue, segment results and segment capital employed	141
▪ Availability of information regarding different segments and units of the entity as well as non-segmental entities/units	

<b>Particulars</b>	<b>No.</b>
<ul style="list-style-type: none"> <li>▪ Segment analysis of               <ul style="list-style-type: none"> <li>▪ Segment Revenue</li> <li>▪ Segment Results</li> <li>▪ Turnover</li> <li>▪ Operating profit</li> <li>▪ Carrying amount of Net Segment assets</li> </ul> </li> </ul>	141
<b>Financial Statements (Including Formats)</b>	
▪ Disclosures of all contingencies and commitments	140
▪ Comprehensive related party disclosures	73, 138
▪ Disclosures of Remuneration & Facilities provided to Directors & CEO	138
▪ Statement of Financial Position / Balance Sheet and relevant schedules	120
▪ Income Statement / Profit and Loss Account and relevant schedules	121
▪ Statement of Changes in Equity / Reserves & Surplus Schedule	122
▪ Disclosure of Types of Share Capital	134-135
▪ Statement of Cash Flow	123
▪ Consolidated Financial Statement (CFS)	N/A
▪ Extent of compliance with the core IAS/IFRS or equivalent National Standards	124
▪ Disclosures / Contents of Notes to Accounts	124-153
<b>Information about Corporate Governance</b>	
▪ Board of Directors, Chairman and CEO	68
▪ Audit Committee (Composition, role, meetings, attendance, etc.) Internal Control & Risk Management	62
▪ NRC Committee	65
▪ Ethics & Compliance	61, 75
▪ Remuneration and other Committees of Board	65
▪ Human Capital	07
▪ Communication to Shareholders & Stakeholders <ul style="list-style-type: none"> <li>- Information available on website</li> <li>- Other information</li> </ul>	20-21
▪ Management Review And Responsibility	72
▪ Disclosure by Board of Directors or audit Committee on evolution of Quarterly Reports	62, 70
▪ Any other investor friendly information	21, 54
<b>Risk Management &amp; Control Environment</b>	
▪ Description of the Risk Management Framework	60-61
▪ Risk Mitigation Methodology	
▪ Disclosure of Risk Reporting	
<b>Stakeholders Information</b>	
▪ Distribution of shareholding (Number of shares as well as category wise, e.g Promoter group, FII etc)	90
▪ Shares held by Directors/Executives and relatives of Directors/Executives	90
▪ Redressal of investors' complaints	21
<b>Graphical/Pictorial Data:</b>	
▪ Earnings per Share	18
▪ Net Assets	22

<b>Particulars</b>	<b>No.</b>
▪ Stock Performance	20
▪ Shareholders' Funds	07
▪ Return on Shareholders Fund	22
<b>Horizontal/Vertical Analysis including following.</b>	
▪ Total Revenue	55
▪ Operating profit	
▪ Profit Before Tax	
▪ Profit after Tax	
▪ EPS	
<b>Statement of Financial Position ( Balance Sheet)</b>	
▪ Shareholders Fund	55
▪ Property Plant & Equipment	
▪ Net Current Assets	
▪ Long Term Liabilities/Current Liabilities	
<b>Profitability/Dividends/ Performance and Liquidity Ratios</b>	
▪ Gross Profit Ratio	18
▪ Earning before Interest, Depreciation and Tax	18
▪ Price earning ratio	18
▪ Current Ratios	23
▪ Return on Capital Employed	18
▪ Debt Equity Ratio	18
<b>Statement of Value Added and Its Distribution</b>	
▪ Government as Taxes	54
▪ Shareholders as dividend	54
▪ Employees as bonus/remuneration	54
▪ Retained by the entity	54
▪ Market share information of the Company's product/services	33
▪ Economic value added	54
<b>Presentation of Annual Report &amp; Financial Statements</b>	
▪ 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
<b>Timeliness in issuing Financial Statements and holding AGMs</b>	
▪ 3 months time to produce the Annual Report and hold AGM are considered reasonable for full marks	AGM on 24 July 2019
▪ Delay after the initial period of 3 months - deduction of 2 marks is to be made for each month	
▪ If the period is over 6 months – no marks shall be awarded	
<b>Additional Disclosures</b>	
• Corporate Governance Certificate	78
• Certificate of Due Diligence by CEO & CFO	77



# NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given to all Shareholders of Marico Bangladesh Limited that the 19th Annual General Meeting of the Company will be held on Wednesday, July 24, 2019 at 10.00 A.M. at Radisson Blu Water Garden Hotel, Airport Road, Dhaka 1206, Bangladesh to transact the following businesses:

## AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019 together with the Reports of the Directors and the Auditors thereon.
2. To declare Final Dividend for the year ended March 31, 2019 as recommended by the Board of Directors of the Company.
3. To elect/re-elect Directors due to rotation & retirement.
4. To approve the appointment of Mr. Ashish Goupal as Managing Director of the Company.
4. To re-appoint M/s Rahman & Rahman Huq & Co., Chartered Accountants as Statutory Auditors of the Company and fix their remuneration for the financial year ending March 31, 2020.
5. To appoint M/s Al-Muqtadir Associates, Chartered Secretaries & Consultants as Compliance Auditor as per Corporate Governance Code 2018 and fix its remuneration for the financial year ending March 31, 2020.
6. To approved investment of Tk. 29.4 crores from the available funds of the Company for the purpose of capacity increase at its factory locations at Mouchak and Shirirchala.

Dhaka

July 7, 2019

### Corporate Office:

#### Marico Bangladesh Limited

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

Gulshan Avenue, Dhaka-1212

By Order of the Board

For, **Marico Bangladesh Limited**

**Christabel Randolph**

Company Secretary

## NOTES:

1. Members whose names appear on the Shareholders/Depository Register as on the "Record Date" i.e. May 30, 2019 are eligible to attend the Annual General Meeting (AGM) and receive the final dividend.
2. A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead.
3. The "Proxy Form", duly filled and stamped must be deposited at the corporate office of the Company located at The Glass House, Level.06, Plot.02, Block.SE (B), Gulshan Avenue, Dhaka-1212 not later than 48 hours before commencement of the AGM.
4. Admission to the meeting venue will be strictly on production of the attendance slip attached with the Annual Report.
5. Pursuant to the Bangladesh Securities & Exchange Commission's Notification No. BSEC/CMRRCD/2016-158/208/Admin/81 dated June 20, 2018, the Company will send the Annual Report 2019 in soft-copy format to the e-mail of the shareholders available in their Beneficial Owners (BO) accounts maintained with the CDBL.
5. In case of non-receipt of Annual Report 2019 of the Company sent through email, Members may collect the same from the Company's Registered Office within July 22, 2019. No Annual Report will be distributed at the AGM venue.
6. The soft copy of the Annual Report is available in the 'Investor Information' section of the Company's website: [www.marico.com/bangladesh](http://www.marico.com/bangladesh).
7. Members are requested to update and intimate changes, if any, in their relevant information with their respective Depository Participant.

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



# GENERAL SHAREHOLDER INFORMATION

## Details of AGM:

<b>AGM–Date, time and Venue</b>	: 10:00 a.m. Wednesday, July 24, 2019 Hotel Radisson Blu Water Garden Airport Road, Dhaka, Bangladesh
<b>Financial Year</b>	: April 01, 2018 – March 31, 2019
<b>Record Date</b>	: Thursday, May 30, 2019
<b>Dividend Paid &amp; Recommended</b>	: Interim Cash Dividend @ 600% on Face Value Final Cash Dividend @ 50% on Face Value
<b>Dividend Payment Date</b>	: Paid within 30 days from decision of board meeting for all interim cash dividend and proposed 50% Final Cash Dividend will be paid within 30 days of approval at AGM
<b>Listing on Stock Exchanges</b>	: Dhaka Stock Exchange Limited (DSE) Chittagong Stock Exchange Limited (CSE) Listing fees paid upto December 31, 2019
<b>Stock/Scrip Code</b>	: DSE – MARICO CSE – MARICO
<b>ISIN number</b>	: BD0481MRICO6
<b>Category</b>	: Pharmaceuticals & Chemical
<b>Investors' enquiry</b>	: +88(02) 29897180, Ext – 661 email: <a href="mailto:info@marico.com">info@marico.com</a> <a href="http://marico.com/bangladesh">http://marico.com/bangladesh</a>





# MARICO BANGLADESH LIMITED

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

## ATTENDANCE SLIP

NINETEENTH ANNUAL GENERAL MEETING ON WEDNESDAY, JULY 24, 2019 AT 10:00 A.M.

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

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

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the **NINETEENTH ANNUAL GENERAL MEETING** of the Company to be held at Hotel Radisson Blu Water Garden, Dhaka, Airport Road, Dhaka Cantonment, Dhaka 1206, Bangladesh at 10:00 A.M. on Wednesday, JULY 24, 2019.

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

Member's / Proxy's signature

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



# MARICO BANGLADESH LIMITED

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

## PROXY FORM

NINETEENTH ANNUAL GENERAL MEETING ON WEDNESDAY, JULY 24, 2019 AT 10:00 A.M.

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

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

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

of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the **NINETEENTH ANNUAL GENERAL MEETING** of the company to be held at Hotel Radisson Blu Water Garden, Airport Road, Dhaka Cantonment, Dhaka 1206, Bangladesh at 10:00 A.M. on Wednesday, JULY 24, 2019 and at any adjournment(s) thereof.

Signed this \_\_\_/\_\_\_/2019



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

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

### Notes:

- 1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
- 2. A Proxy need not be a Member.
- 3. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Corporate Office of the Company, not later than 48 hours before the commencement of the meeting i.e. not later than at 10:00 A.M. on Monday, JULY 22, 2019.





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



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