

Directors' Report

A message to our Members

With the financial year ending on March 31, 2018 ('the year under review' or 'FY18'), Your Board of Directors ('Board') is proud to present the 8th Annual Report of Marico Bangladesh Limited after being listed on the Dhaka and Chittagong stock exchanges.

Your Company is presenting this Directors' Report in compliance with the requirements of Section 184 of the Companies Act 1994, the Listing Regulations and Bangladesh Securities & Exchange Commission Order No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012. The key financial results and other developments taking place during April 2017 – March 2018 in the business in Bangladesh is discussed in this report.

Review of Operations

Your Company witnessed a successful year with steady progress in many areas despite challenging macro-economic conditions and delivered value enhancement. Manufacturing and marketing of fast-moving-consumer-goods (FMCG) in the personal care and food categories continue to remain the prime business activities of Marico Bangladesh Limited. The Company is the manufacturer and marketer of renowned brands such as Parachute, Parachute Advanced, Nihar, HairCode, Saffola, Mediker and Set Wet. Your company now hosts 17 brands and 51 SKUs in the market. Your Company continued to deliver growth in the Coconut oil and value-added-hair-oils (VAHO) categories where the brands Parachute and Parachute Advanced Beliphool are ranked No. 1 and 2 respectively. Your Company also delivered a value growth of 9% compared to last year. The detailed results of the operations are discussed in the segment below.

Expansion of Your Company's Portfolio

During FY18, your Company diversified its portfolio further with new launches in the male grooming, VAHO and colors categories. Leveraging the equity of the Parachute franchise the Company launched Parachute Advanced Men's Hair Crème. The year also saw launches of Hair & Care Fruit Oils and HairCode Herbal Crème. MBL's introduction of these brands are in line with its philosophy of entering categories with a "Right to Win". Our portfolio of winning brands are well-placed to become prominent players in the market.

Related Party Transaction

In the year FY'18, 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 26 of the financial statements include, details of the transactions with the related parties.

Directors' Declaration as to Financial Statements

The Statement of the Directors' Responsibilities and Management's Report on Internal Control over Financial Reporting for financial statements are given on page 61 of this report.

In addition to regulatory compliance, a robust framework of internal financial controls, MBL's Code of Conduct also embodies high standards of governance and business ethics. As per Bangladesh Securities and Exchange Commission's Notification No-SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012, the Directors are pleased to confirm the following:

- The financial statements together with the notes thereof have been drawn up in conformity with the Companies Act 1994 and law relating to the Bangladesh Securities and Exchange Commission (BSEC) and the Listing Regulations. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards and Financial Reporting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- The systems of internal controls are sound and have been effectively implemented and monitored.
- There are no significant doubts about the Company's ability to continue as a going concern.
- The significant deviations from last year in operating results of the Company have been highlighted in the Report and reasons thereof have been explained.
- The Managing Director and CFO have certified to the Board that they have reviewed the financial statements of the Company and affirm that:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - These statements together present a true and fair value of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
 - There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent,

illegal or in violation of the Company's Codes of Conduct.

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

Directors of the Company

Board of Directors	Category
Saugata Gupta	Chairman- Nominee Director
Sanjay Mishra	Nominee Director
Vivek Karve	Nominee Director
Naveen Pandey	Managing Director- Executive Director
Masud Khan	Independent Director
Rokia Afzal	Independent Director
Ashraful Hadi	Independent Director

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

Restructuring in the Board of Directors during the year

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

- Brief resume of the Directors
- Nature of their expertise, experience and qualifications
- Names of other companies in which Directors hold directorship as well as membership of Board Committees.

Directors' retirement and proposed for re-election

Mr. Masud Khan, Ms. Rokia Afzal Rahman and Mr. Sanjay Mishra retired during the course of the year under review and the Board has recommended for their re-appointment at the ensuing AGM of the Company scheduled on July 18, 2018.

Remuneration to Directors

The remuneration, performance and related bonus of Executive Directors are reviewed and approved by the Marico Board. The Executive Director(s) and some senior employees of the Company are entitled to Stock Rights Appreciation Scheme administered by the Parent Company, Marico Limited across the Marico Group. Independent Directors are paid fees of Tk. 2,500 per meeting as sitting fees in line with the Articles of Association. The information of the remuneration paid to the Directors during the year are disclosed in Notes-20 of the Financial Statements.

Management Discussion & Analysis

This Report contains a detailed Management Discussion and Analysis, which, inter alia, covers the following:

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

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

Results of operation

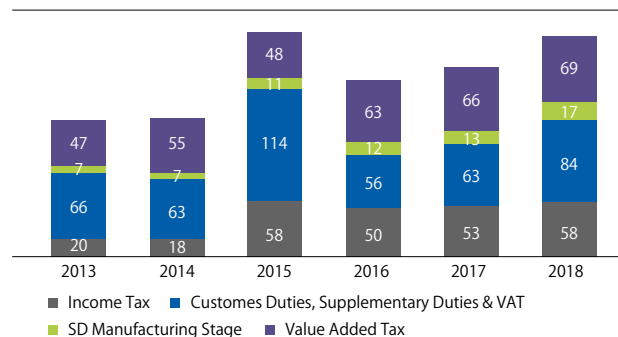
Financial Year Ended Mar 31, 2018 (FY18)

in BDT crores (except per Share amounts)	FY'18	FY'17	FY'16	FY'15	FY'14
Turnover	781	692	707	735	637
Net Earnings	164	144	141	134	139
Net Earnings Per Share	52.2	45.7	44.9	42.7	44.0
Dividend Per Share	60	50	45	42.5	90
Operating Cash flow per Share	48.9	60.1	68.3	12.9	85.8
Return on Assets	36%	38%	40%	38%	35%
Return on Equity	110%	91%	83%	79%	57%

Contribution to National Exchequer

During the reporting period, your company paid BDT 228 Crores to the National Exchequer on account of Corporate Income Tax, Customs Duties, Supplementary Duties and Value Added Tax (VAT).

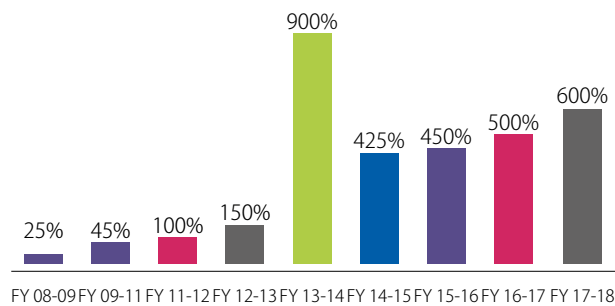
Chart Title



Details	2013	2014	2015	2016	2017	2018
Total (BDT Crores)	140	143	231	181	195	228

Distribution to Equity Shareholders

Dividend Disbursements



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 the Shareholders' value is maximized.

In FY14, a 500% dividend was disbursed on the occasion of the completion of "Ek Jug" as we celebrated the 12th anniversary and the tremendous journey of our premier 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 FY18, the Company declared interim cash dividends amounting to 500% and recommended a final dividend of 100% at the 99th Board Meeting on April 25, 2017 totalling 600% cash dividend for FY'18.

Reserves

The total reserves of the Company stood Tk. 124 crores, as share premium and retained earnings. The financial statements reflect the composition of the reserves.

Events subsequent to the Statement of Financial Position

For the year ended 31st March 2018, the Board of Directors recommended final cash dividend @ 100% per share at 99th Board meeting held on 25th April 2018. Apart from that, there are no other material events identified after year closing with the statement of financial position.

Shareholder Information & Substantial Shareholding

The distribution of shareholding and market value of shares are given on page 39.

Statutory Auditors

M/s. Hoda Vasi Chowdhury & 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 Huq (RRH)" as the statutory Auditor for the year 2018 and to continue upto the conclusion of the next AGM at a fees of Tk. 13,00,000 including Statutory Audit Fee, Annual Group Reporting, Quarterly Review as per new fees Schedule circulated by ICAB w.e.f. 1st Jan, 2016.

Acknowledgement

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

On behalf of the Board

Naveen Pandey
Managing Director

Statement of Compliance

Status of compliance with the conditions by Bangladesh Securities and Exchange Commission (BSEC), Notification on Corporate Governance (Annexure - I)

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

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.2 (ii) i)	Has not been convicted for a criminal offence involving moral turpitude	√		As declared by the Independent Directors
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM	√		The appointments are duly approved.
1.2 (iv)	The post cannot remain vacant for more than 90 (ninety) days	√		No such event in the reporting year.
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		MBL has a robust Code of Conduct (CoC) which has been adapted from the Group CoC of Marico to incorporate and adhere to local legal and regulatory requirements. The CoC is applicable to all Directors as well.
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 term only	√		The Independent Directors (IDs) are in their regular term of office. 2 Independent Directors, Mr. Masud Khan and Mrs. Rokia Afzal Rahman have completed their their term of 3 years. The Board has recommended their re-appointment.
1.3	Qualification of Independent Director (ID):			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		The qualification and background of the IDs are commensurate to the requirements of the position and are stated in the Directors' Profile.
1.3 (ii)	The person should be a Business Leader/ Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	√		The Directors' Profiles includes all relevant details about the IDs.
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of Commission.	N/A		

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.4	Chairman of the Board and Chief Executive Officer: The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		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. Naveen Pandey is the CEO. The roles and responsibilities of the Chairman of the Board and the CEO are defined in the Articles of the Association of the Company.
1.5	The Directors' Report to the Shareholders:			
1.5 (i)	Industry outlook and possible future developments in the industry	√		This is discussed in Management Discussion and Analysis presented to the Shareholders by the Managing Director.
1.5 (ii)	Segment-wise or product-wise performance	√		Do
1.5 (iii)	Risks and concerns	√		Do
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		Do
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		Do
1.5 (vi)	Basis for related party transactions	√		Do
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	N/A		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	N/A		
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.	√		Discussed in the Director's Report
1.5 (x)	Remuneration to 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.	√		Do
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		Do

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		Do
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		Do
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		Do
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		Do
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		Do
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		Do
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	N/A		The Company Declared Interim Cash Dividend of 500% and recommended 100% final cash dividend. A total of 600% cash dividend has been declared for the year ended on 31st March, 2018
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		Stated in Annexure III of the Directors' report
1.5 (xxi)	The pattern of shareholding shall be reported to disclose aggregate number of shares (along with name wise details where stated below) held by:	√		Stated in Annexure IV of the Directors' report
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	√		Do
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		Disclosed in the Director's Report
1.5 (xxi) c)	Executives;	√		Disclosed in the Director's Report

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		Stated in Annexure IV of the Directors' report
1.5 (xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-			
1.5 (xxii) a)	a brief resume of the director	√		Discussed in the Directors' Profile
1.5 (xxii) b)	nature of his/her expertise in specific functional areas	√		Do
1.5 (xxii) c)	names of companies in which the person also holds the directorship and the membership of committees of the board	√		Do
2	CHIEF FINANCIAL OFFICER, HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY :			
2.1	Appointment: The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		The CFO of the Company is Mr. Elias Ahmed; Company Secretary is Ms. Christabel Randolph and Head of Internal Audit is Mr. Mohammed Ismail . All appointments have been duly approved by the Board.
2.2	Requirement to attend the Board Meetings:			
	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/ or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		In Practice
3	AUDIT COMMITTEE:			
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		There is an Audit Committee with roles and responsibilities clearly defined in its Charter
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		In Practice.
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		In Practice. The Charter of the Audit Committee is approved by the Board.
3.1	Constitution of the Audit Committee			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		The Audit Committee is comprised of 6 (six) members.

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		Members of the Audit Committee are appointed by the Board of Directors and 3 (three) Independent Directors are members of the Committee.
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience. Explanation: The term "financially literate" means the ability to read and understand the financial statements like Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if he/ she possesses professional qualification or Accounting/ Finance graduate with at least 12 years of corporate management/professional experiences.	√		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.
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	√		There were no such situations during FY17-18. 2 Independent Directors, Mr. Masud Khan and Mrs. Rokia Afzal Rahman have completed their their term of 3 years and as such the Board recommended their re-appointment.
3.1(v)	The company secretary shall act as the secretary of the Committee.	√		In Practice
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		Do
3.2	Chairman of the Audit Committee			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be the Chairman of the Audit Committee, who shall be an independent director.	√		Mr. Masud Khan has been appointed as the Chairman of the Audit Committee who is an Independent Director.
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		In Practice
3.3	Role of Audit Committee:C87 Role of audit committee shall include the following:-			
3.3(i)	Oversee the financial reporting process.	√		In practice
3.3(ii)	Monitor choice of accounting policies and principles.	√		Do

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
3.3(iii)	Monitor Internal Control Risk management process.	√		Do
3.3(iv)	Oversee hiring and performance of external auditors.	√		Do
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		Do
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		Do
3.3(vii)	Review the adequacy of internal audit function.	√		Do
3.3(viii)	Review statement of significant related party transactions submitted by the management.	√		Do
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		Do
3.3(x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/ Rights Issue, the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/ prospectus.	N/A		There was no IPO/RPO/ Rights issue in FY17-18 or the recent past.
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		Audit Committee informs the Board periodically through its minutes which are placed at Board Meetings.
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:			
3.4.1(ii) a)	Report on conflicts of interests	√		The Directors' have declared their compliance.
3.4.1(ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	√		No such situation arose during the year.
3.4.1(ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations	√		No such situation arose during the year.
3.4.1(ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	√		No such situation arose during the year.

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	N/A		No such incidents took place during the year
3.5	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		The Audit Committee Report, signed by the Chairman is presented in this Annual Report
4	EXTERNAL/STATUTORY AUDITORS: The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-			
4 (i)	Appraisal or valuation services or fairness opinions.	√		As declared by the Auditor
4 (ii)	Financial information systems design and implementation.	√		Do
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	√		Do
4 (iv)	Broker-dealer services.	√		Do
4 (v)	Actuarial services.	√		Do
4 (vi)	Internal audit services.	√		Do
4 (vii)	Any other service that the Audit Committee determines.	√		Do
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		Do
4(ix)	Non-engagement in audit/certification services	√		Do
5	SUBSIDIARY COMPANY:			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	N/A		Marico Bangladesh Limited does not have any subsidiary Company.
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	N/A		Do

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	N/A		Do
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	N/A		Do
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		Do
6	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):			
6 (i)	The CEO and CFO shall certify to the Board that:-They have reviewed financial statements for the year and that to the best of their knowledge and belief:			
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		The CEO and CFO have certified to the Board at the time of consideration and adoption of the Financial Statements of the Company and their Certification/ Declaration is also presented to the shareholders in the Directors' Report.
6 (i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		Do
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		Do
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		Required Certification has been obtained from M/s Al-Muqtadir Associates, Chartered Secretaries, for the year 2017-18 which is presented in this Annual Report
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		Status of Compliance is presented as Annexure 1 to the Directors' Report as required.

Annexure to the Board of Director's Report:

Annexure:II

Directors' Responsibilities for Financial Statements

The Directors of the Company are responsible for the integrity and accuracy of the financial statements. The Board believes that the financial statements for the year ended on March 31, 2018 have been prepared in conformity with the Bangladesh Accounting Standard (BAS), BFRS/IFRS, Companies Act, 1994, BSEC guidelines, Stock Exchanges Listing Regulations. In preparing the financial statements, management in consultation with the Board makes informed judgments and estimates where necessary to reflect the expected effects of events and transactions that have not been completed. The Company's disclosure controls and procedures ensure that material information required to be disclosed is recorded, processed, summarized and communicated to management and reported within the required time periods. In meeting its responsibility for the reliability of the financial statements, management relies on a system of internal accounting control and internal financial controls. This system is designed to provide reasonable assurance that assets are safeguarded and transactions are executed in accordance with the management's authorization and recorded properly to permit the preparation of financial statements in accordance with BAS/BFRS/IFRS. The design of this system recognizes that errors or irregularities may occur and that estimates and judgments are required to assess the relative cost and expected benefits of the controls. Directors believe that the Company's internal accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period. The Audit Committee of the Board of Directors is responsible for overseeing the Company's financial reporting process. The Audit Committee meets with management and sees the report of the Company's internal auditors periodically to review the work of each and to monitor the discharge by each of its responsibilities. The independent auditors are engaged to express an opinion on the Company's financial statements and on the Company's internal control over financial reporting. Their opinions are based on procedures that they believe to be sufficient to provide reasonable assurance that the financial statements contain no material errors and that the Company's internal controls are effective.

On behalf of the Board

Sd/-

Naveen Pandey

Managing Director

Annexure: III

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

4 meetings of the Board of Directors were held during the period April 1, 2017 to March 31, 2018.

The attendance record of all Directors is as under:

Names	Representation in the Board	Number of Board Meetings		Attendance at Last AGM
		Held	Attended	
Mr. Saugata Gupta	Chairman	4	3	Yes
Mr. Sanjay Mishra	Nominee Director		3	Yes
Mr. Vivek Karve	Nominee Director		3	Yes
Mr. Naveen Pandey	Managing Director		4	Yes
Mr. Masud Khan	Independent Director		3	Yes
Ms. Rokia Afzal Rahman	Independent Director		4	Yes
Mr. Ashraful Hadi	Independent Director		4	Yes

Annexure: IV

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

Shareholders' Category		No. of Shareholders	No. of Shares Held
a) Parent/Subsidiary/Associated Companies and other Related Parties			
Marico India Ltd., India	Parent Company	1	28,349,995
b) Directors, Managing Director and their Spouses			
Mr. Harsh Mariwala	Nominee Shareholder	1	1
Mr. Saugata Gupta	Director	1	1
Mr. Vivek Karve	Director	1	1
Mr. Sanjay Mishra	Director	1	1
Mr. Naveen Pandey	Managing Director	1	1
c) Top Five Executives			
		Nil	Nil
d) Shareholders Holding 5% or More Voting Interest (apart from Parent Company)			
		Nil	Nil

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2018/195



Date of issue : May 13, 2018

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 31st December 2018.



[Signature]
Secretary-General
(Acting)

Certificate of Compliance to the Shareholders of Marico Bangladesh Limited

(As required under the BSEC Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance by Marico Bangladesh Limited for the year ended 31st March 2018. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance as regulated by BSEC.

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

We also state that such compliance is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company. This is also no endorsement about quality of contents in the Annual Report of the Company for 2018.

Dhaka, June 06, 2018


Al-Muqtadir Associates
Chartered Secretaries & Consultants



Certificate of Due Diligence by CEO & CFO

To the Board of Directors of

Marico Bangladesh Limited

In compliance with condition no. 6 of the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, we the undersigned, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of Marico Bangladesh Limited, do hereby certify that we have thoroughly reviewed the Financial Statements of the Company for the year ended 31st March 2018, and solemnly state that :

- 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 together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws, and
- c) to the best of our knowledge and belief, the Company has not entered into any transaction during the year which are fraudulent, illegal or in violation of the Company's codes of conduct.

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Dhaka,
May 29, 2018