



# 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

5.7% compare to last year. The leverage of fixed costs mainly contributed to control the costs of sales compare to growth of sales. Also the raw material price has slightly been increased compared to last year.

### 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.

\*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:

- 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

## 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

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

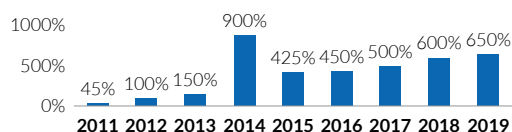
Company has been growing positively and the last 5 years' results are focusing strong footprint in the FMCG industry. Here is the table for 5 years' status of its revenue and profitability.

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

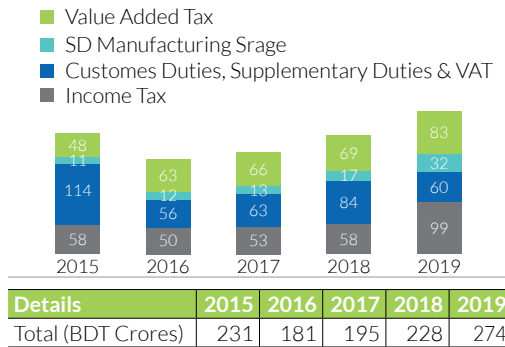
For the year ended 31st March 2019, the Board of Directors recommended final cash dividend @ 50% per share at 104th Board meeting held on April 29, 2019. Apart from that, there are no other material events identified after year closing with the statement of financial position.

## 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 Huq (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)



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## 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. Ashraf 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 NBF	✓		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.

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. Ashrafal 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