

DIRECTORS' REPORT

A message to our Members

The Board of Directors ("Board") of Marico Bangladesh Limited ("MBL" or "your Company") is proud to present the 7th Annual Report after being listed on the stock exchanges for the financial year ending March 31, 2017 ('the year under review' or 'FY17').

As per the requirements of the compliance in section 184 of the Companies Act 1994, Stock Exchanges regulations and Bangladesh Securities & Exchange Commission Order No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012, your Company has been presenting directors' report. The key financial results and other developments which took place during the period April 1, 2016 to March 31, 2017 in Marico Bangladesh Limited's business in Bangladesh are discussed in this report.

Principal business activities of your Company

Manufacturing and marketing of Fast Moving Consumer Goods ('FMCG') continued to remain the prime business activities of Marico Bangladesh Limited. The Company is the manufacturer and marketer of renowned brands such as Parachute, Parachute Advanced Beliphool, Nihar Shanti Amla, Parachute Advanced Extra Care, Parachute Advanced Enriched Hair Oil, HairCode, HairCode Active, HairCode Keshkala, Parachute Advanced Body Lotion, Saffola Active, Saffola Masala Oats, Livon, Mediker Plus and Set Wet. Our portfolio of winning brands are well-placed to become prominent players in the market.

Expansion of your Company's Portfolio

During FY'16, Marico Bangladesh Limited diversified its portfolio even further with the soft launch of brands such as Saffola Masala Oats and Mediker Plus. MBL's introduction of these brands are in line with its philosophy of entering categories with a "Right to Win". While Mediker, which is an established brand in India, renowned for its main feature of providing an effective and painless way of lice removal, the relatively newer brand, Saffola Masala Oats too is a popular brand in India.

Results of operation

Financial Year Ended Mar 31, 2017 (FY'17)

in BDT crores (except per Share amounts)	FY'17	FY'16	FY'15	FY'14	FY'13
Turnover	692	707	735	637	612
Net Earnings	144	141	134	139	87
Net Earnings Per Share	45.72	44.89	42.69	43.99	27.53
Dividend Per Share	50	45	42.5	90	15
Operating Cash flow per Share	60.1	68.30	12.94	85.84	62.47
Return on Assets	38%	40%	38%	35%	19%
Return on Equity	91%	83%	79%	57%	30%

Management Discussion & Analysis

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

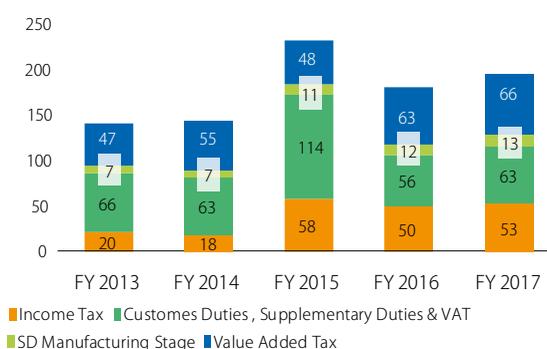
- Industry Performance
- Risks and Risk Management
- Internal Control Systems and their Adequacy
- Segment Performance
- Financial Performance
- Human Resources
- Business Outlook

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

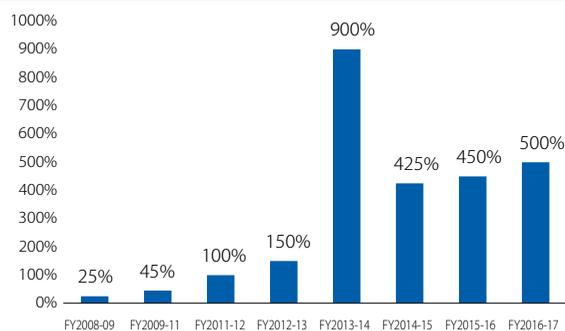
Contribution to National Exchequer

During the reporting period, your company paid BDT 180 Crores to the National Exchequer in the form of Corporate Income Tax, Customs Duties, Supplementary Duties and VAT.

Contribution to National Exchequer over the years



Dividend Disbursements



The upward trend reflects consistency in the company's Dividend disbursements over the years.

In FY'14, 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. The year ended with an overall dividend disbursement of 900%. In FY'15, Marico Bangladesh declared total dividend of 425%. In FY'16, the total declared dividend was 450%. In FY'17 the Company declared interim cash dividends amounting to 450% and recommended a final dividend of 50% at the 95th Board Meeting on April 24, 2017 totaling 500% cash dividend for FY'17.

Reserves

The total reserves of the company stood Tk. 140 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 31 March 2017, the Board of Directors recommended final cash dividend @ 50% per share at 95th Board meeting held on 24 April 2017. There are no other events identified after the statement of financial position date which might be material.

Related Party Transaction

The related parties in respect of your Company for the FY17 were Marico Limited, the parent company and Marico Middle East FZE, a wholly owned subsidiary of the parent company. Note 25 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 XX of this report.

Keeping both internal policies and regulatory framework in mind, MBL's Code of Conduct persists to incorporate higher standard of Governance practices and is always striving to enhance their current terms in accordance to the country's laws and regulations. As per Bangladesh Securities and Exchange Commission's Notification No-SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012, the Directors are pleased to confirm the following:

- The financial statements together with the notes thereof have been drawn up in conformity with the Companies Act 1994 and the Bangladesh Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards 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 violation of the Company's Codes of Conduct.

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

Directors of the Company:

Board of Directors	Category
Mr. Saugata Gupta	Chairman- Nominee Director
Mr. Sanjay Mishra	Nominee Director
Mr. Vivek Karve	Nominee Director
Mr. Aditya Shome	Managing Director upto September 1, 2016 Additional Director w.e.f July 25, 2016
Mr. Naveen Pandey	Managing Director w.e.f September 1, 2016
Mr. Masud Khan	Independent Director
Mr. Rokia Afzal	Independent Director
Mr. Ashraful Hadi	Independent Director

Restructuring in the Board of Directors during the year:

I. Mr. Aditya Shome tendered his resignation as Managing Director w.e.f. September 1, 2016 (i.e., in Q2 Board meeting for FY'17) which was approved by the Board.

II. Mr. Naveen Pandey was appointed as Additional Director w.e.f. July 25, 2016 and as Managing Director w.e.f. September 1, 2016, subject to confirmation by the members at the 16th Annual General Meeting (AGM) of the Company on October 18, 2016.

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 director
- Nature of their expertise in specific functional areas
- Names of the companies in which the person also holds the directorship and membership of committees of the Board.

Directors' retirement and proposed for re-election

Mr. Vivek Karve was re-elected to the Board at the AGM held on October 18, 2016.

Mr. Saugata Gupta will be retiring this year and the Board has recommended for his re-appointment at the ensuing AGM of the Company on July 17, 2017.

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

Remuneration to Directors

The remuneration, performance and related bonus of Executive Directors are reviewed and approved by the Board of the Parent Company. The Executive Director(s) and some senior employees of the Company are entitled to benefits under the long term share based cash incentive plan for the Marico Group. Independent Directors are paid attendance fees of Tk. 2,500 per meeting as sitting fees. The information of the remuneration paid to the Directors during the year are given in Notes-21 of the Financial Statements.

Shareholder Information & Substantial Shareholders

The distribution of shareholding and market value of shares are given on page 35 respectively.

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 and have confirmed their eligibility for re-appointment. As per BSEC Notification, the Board has, on the basis of suggestion of the Audit Committee, recommends re-appointment of "M/S Hoda Vasi Chwodhury & Co." as the statutory Auditor for the financial year 2017 and to continue upto the conclusion of the next AGM at a revised fees of Tk. 11,00,000+ 5% of 11,00,000 for every Tk. 100 Crore (excluding VAT) 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

Sd/-

Naveen Pandey
Managing Director

ANNEXURES TO THE DIRECTOR'S REPORT

Annexure I

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 in the MBL Board: Mr. Masud Khan, Ms. Rokia Afzal Rahman & Mr. Barrister Ashraful Hadi
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. Mr Rokia Afzal is the Independent Director of: Grameenphone Limited, Bangladesh Lamps Limited & Marico Bangladesh Limited. Mr. Barrister Ashraful Hadi is 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	√		Nominated and approved Mr. Masud Khan and Mrs. Rokia Afzal Rahman by the Board in the 84th BOD meeting on 23rd October, 2014. Approved by Shareholders in the 15th AGM dated August 13, 2015 and Nominated and approved Mr. Ashraf Hadi by the Board in the 91st BOD meeting on 25th April, 2016. Approved by Shareholders in the 16th AGM held on October 18, 2016
1.2 (iv)	The post cannot remain vacant for more than 90 (ninety) days	√		Not Applicable.
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		The Company has adopted the MBL Code of Conduct for all members in line with the Group Code of Conduct (CoC) which is applicable for the Directors as well.
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 term only	√		The Independent Directors (IDs) are in their first term of office.
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 IDs will be stated in the Board of Directors' Profile.
1.3 (ii)	The person should be a Business Leader/ Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	√		Board of Directors' Profile includes relevant details about ID.
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.	√		Chairman of the Board is Mr. Saugata Gupta and CEO is Mr Naveen Pandey. 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	√		Discussed in Management Discussion and Analysis
1.5 (ii)	Segment-wise or product-wise performance	√		Discussed in Management Discussion and Analysis
1.5 (iii)	Risks and concerns	√		Discussed in Management Discussion and Analysis
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		Discussed in Management Discussion and Analysis
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		Discussed in Management Discussion and Analysis
1.5 (vi)	Basis for related party transactions	√		Discussed in Management Discussion and Analysis
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	N/A		Discussed in Management Discussion and Analysis
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		Discussed in in the Director's Report
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.	√		Disclosed 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.	√		Disclosed in the Director's Report
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		Disclosed in the Director's Report
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.	√		Disclosed in the Director's Report

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		Disclosed in the Director's Report
1.5 (xv)	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)	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.	√		Disclosed in the Director's Report
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.	√		Disclosed in the Director's Report
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		Disclosed in the Director's Report
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 450% and the Board recommended a 50% final cash dividend, Total 500% cash dividend for the year ended on 31st March, 2017
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		Stated in Annexure 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 of the Directors' report
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	N/A		The Company does not have any subsidiary Company
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
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		Disclosed in the Director's Report

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
1.5 (xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-			
1.5 (xxii) a)	a brief resume of the director ✓	√		Stated in the Profile of the Board
1.5 (xxii) b)	nature of his/her expertise in specific functional areas	√		Stated in the Profile of the Board
1.5 (xxii) 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
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 Mohammad Iqbal Chowdhury; Company Secretary of the company is Ms. Christabel Randolph and Head of Internal Audit of the Company is Mr. Mohammed Ismail . The Board of Directors defined respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.
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
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.	√		Audit Committee Charter 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 Director's are included in the Audit 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.	√		All the existing members of the Audit Committee are 'financially literate' as declared by them and them and have 'related financial management experience' as per 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 FY 2016-17
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.	√		In Practice
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: Role of audit committee shall include the following:-			

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
3.3(i)	Oversee the financial reporting process.	√		In practice
3.3(ii)	Monitor choice of accounting policies and principles.	√		In practice
3.3(iii)	Monitor Internal Control Risk management process.	√		In practice
3.3(iv)	Oversee hiring and performance of external auditors.	√		In practice
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		In practice
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		In practice
3.3(vii)	Review the adequacy of internal audit function.	√		In practice
3.3(viii)	Review statement of significant related party transactions submitted by the management.	√		In practice
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		In practice
3.3(x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/ Rights Issue, the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	N/A		No money was raised through IPO, RPO, Rights Issue during the year.
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	N/A		There was no reportable case of conflict of interest.
3.4.1(ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	N/A		No such situation arose during the year.
3.4.1(ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations	N/A		No such situation arose during the year.

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
3.4.1(ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	N/A		No such situation arose during the year.
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 is disclosed in the Annual Report and signed by the Chairman of the AC.
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.	√		As declared by the Auditor
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	√		As declared by the Auditor
4 (iv)	Broker-dealer services.	√		As declared by the Auditor
4 (v)	Actuarial services.	√		As declared by the Auditor
4 (vi)	Internal audit services.	√		As declared by the Auditor
4 (vii)	Any other service that the Audit Committee determines.	√		As declared by the Auditor
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.	√		As declared by the Auditor
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.

Sl. No.	Compliance Requirements	Compliance Status		Remarks
		Complied	Not Complied	
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	N/A		Marico Bangladesh Limited does not have any subsidiary Company.
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	N/A		Marico Bangladesh Limited does not have any subsidiary Company.
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	N/A		Marico Bangladesh Limited does not have any subsidiary Company.
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		Marico Bangladesh Limited does not have any subsidiary Company.
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	√		As declared by the CEO and CFO of the company
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.	√		As declared by the CEO and CFO of the company
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.	√		As declared by the CEO and CFO of the company
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 and Associates
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		Status of Compliance is published with the Directors' Report as required.

Annexure:II

Directors' Responsibilities for Financial Statements

The directors of the company are responsible for the integrity and accuracy of the financial statements. The board believes that the financial statements for the year ended on March 31, 2017 have been prepared in conformity with Bangladesh Accounting Standard (BAS), BFRS/IFRS, Companies Act, 1994, BSEC guidelines, Stock Exchanges Listing Regulations appropriate in the circumstances. In preparing the financial statements, management with the consultation of the board makes informed judgments and estimates where necessary to reflect the expected effects of events and transactions that have not been completed. The Company's disclosure controls and procedures ensure that material information required to be disclosed is recorded, processed, summarized and communicated to management and reported within the required time periods. In meeting its responsibility for the reliability of the financial statements, management relies on a system of internal accounting control. This system is designed to provide reasonable assurance that assets are safeguarded and transactions are executed in accordance with the management's authorization and recorded properly to permit the preparation of financial statements in accordance with BAS/BFRS/IFRS. The design of this system recognizes that errors or irregularities may occur and that estimates and judgments are required to assess the relative cost and expected benefits of the controls. Directors believe that the Company's internal accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period. The Audit Committee of the Board of Directors, which is composed solely of independent 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:

Four (4) meetings of the Board of Directors were held during the period April 1, 2016 to March 31, 2017. 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	Additional Director		3	Yes
Mr. Vivek Karve	Nominee Director		4	No
Mr. Aditya Shome	Managing Director till September 1, 2016		1	No
Mr. Naveen Pandey	Additional Director from July 25, 2016 to August 31, 2016 and Managing Director from September 1, 2016		3	Yes
Mr. Masud Khan	Independent Director		4	Yes
Ms. Rokia Afzal Rahman	Independent Director		3	Yes
Mr. Ashraf Hadi	Independent Director		2	Yes

* Mr. Ashraf Hadi and Mr. Naveen Pandey were appointed on the end of 1st and 2nd Quarter Board Meetings respectively

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