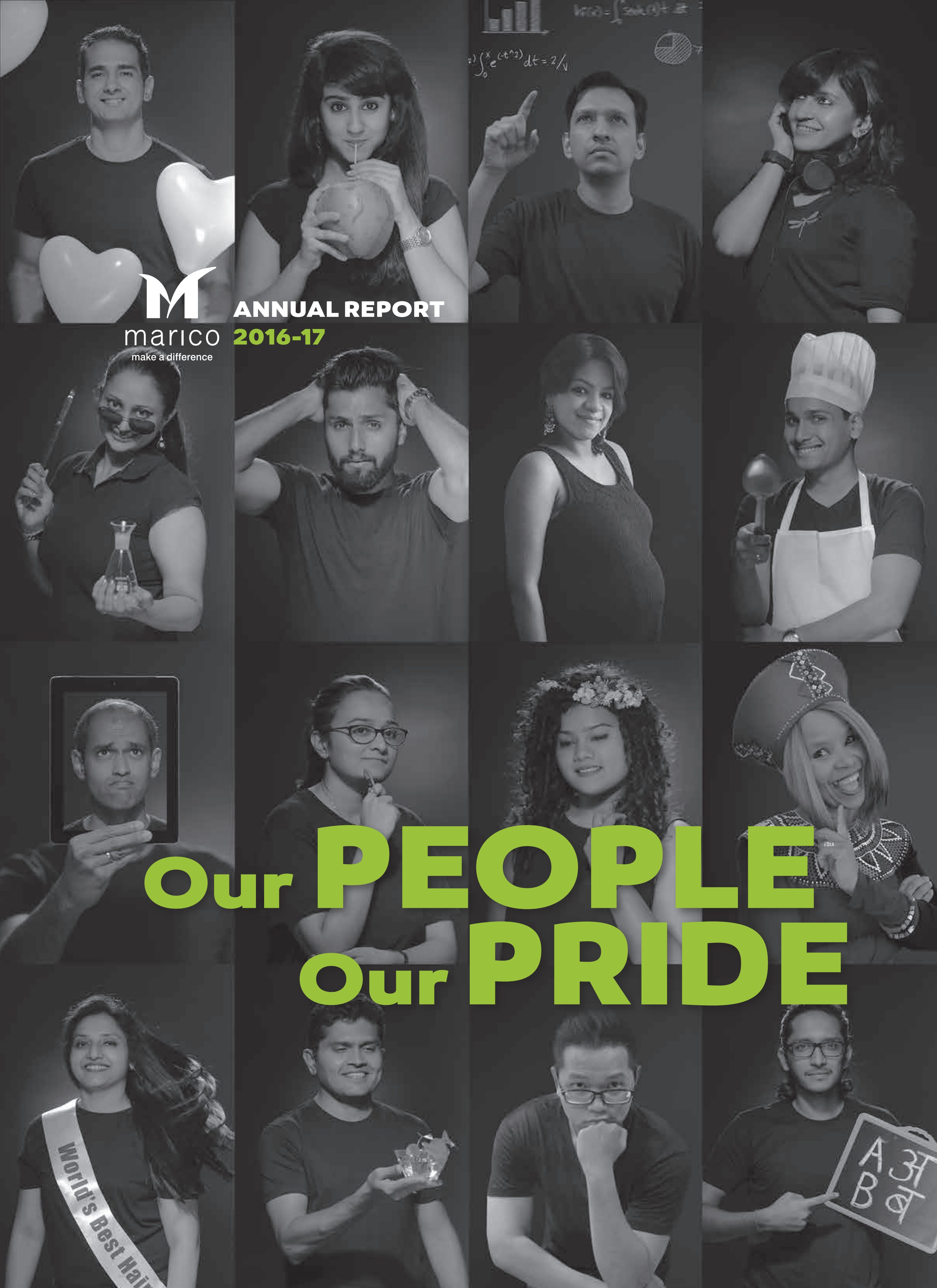

marico
make a difference
ANNUAL REPORT
2016-17
Our PEOPLE
Our PRIDE
A अ
B ब

ROBUST PERFORMANCE

4%
Volume Growth (Y-o-Y growth)

23%
of revenue from International Business

HIGHER SHAREHOLDER VALUE INCREASE

21%
increase in shareholder value during the year

64%
Dividend Pay-out Ratio increased from 19% in FY 2013

ROBUST BALANCE SHEET

522Cr
Net cash surplus on books

47%
ROCE up from 24% in FY 2013

37%
RONW up from 25% in FY 2013

12%
EVA (Y-o-Y growth) with a 5 year CAGR of 23%

0.13
Debt/Equity Ratio

AA+
Long-term Credit Rating upgraded to Positive from AA+ Stable

HIGHER PROFITABILITY

52%
Gross margins 309 bps expansion for the year

24.3%
India business operating margins in FY 2017

16.5%
International business operating margins in FY 2017

19.5%
Operating margins 208 bps expansion for the year FY 2017

12%
PAT (Y-o-Y growth) with a 5 year CAGR of 18%

STRONG PORTFOLIO

4%
Volume Growth (Y-o-Y growth) in Parachute Coconut Oil (Coconut Oil Market Share down – from 59% LY to 58%)

8%
Volume Growth (Y-o-Y growth) in the Saffola Edible Oil Category (Market Share Up – from 63% LY to 66%)

4%
Volume Growth (Y-o-Y growth) in the Value Added Hair Oils Segment (Market Share Up – from 32% LY to 33%)

marico
make a difference

Our people make us different.

We take pride in the significant contributions that come from the diversity of individuals and ideas.

At Marico, we are passionate about making a measurable impact in everything we do. It is the power of our people, our unique culture and our innovative approach which helps us deliver enduring results. Marico celebrates and empowers the individuality of each of its members and their unique strengths that have led to the success it has reached today.

Strategic Report

Statutory Reports

Financial Statements

THE WORLD OF MARICO

25+ Years of Rich Experience

25+
countries presence across emerging markets of Asia & Africa

25%+
total Shareholder Return since listing in 1996

PARACHUTE
is the world's largest coconut oil brand

1 OUT OF EVERY 3
Indians' lives are touched by Marico

1 OUT OF EVERY 10
coconuts grown in India are used by Marico

17%
topline CAGR growth since inception

25%
bottomline CAGR growth since inception

16
manufacturing units (9 in India and 7 in Overseas)

11
acquisitions in 11 years

95%
of our portfolio enjoys market leadership (No.1 or No.2)

150 Million
packs sold every month

170 Million
households touched every month

4.6 Million
retail outlets serviced by its nationwide distribution network

>10,000
population town mostly covered by Marico's distribution network

47%
of the total workforce are millennials

50%
of our talent in consumer facing functions of Technology and Marketing are women

35%
of our leadership talent in consumer facing functions of Technology and Marketing are women

MARICO AT A GLANCE

About Marico

Marico Limited is one of India's leading consumer products companies operating in the beauty and wellness space. Present in over 25 countries across emerging markets of Asia and Africa, Marico has nurtured multiple brands in the categories of hair care, skin care, edible oils, health foods, male grooming, and fabric care. In India, Marico is used by 1 in every 3 Indian and is available through its gamut of household brands like Parachute, Parachute Advansed, Saffola, Hair & Care, Nihar, Nihar Naturals, Livon, Set Wet, Mediker and Revive. In the international market, Marico is represented by brands like Parachute, HairCode, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men and Thuan Phat that are localised to fulfil the lifestyle needs of our international consumers.

CORE VALUES

Our values form the base of the unique culture we have at Marico. It is the guiding force behind our actions.

Boundarylessness
Seeking support and influencing others beyond the function and organisation to achieve a better outcome/ decision without diluting one's accountability.

Opportunity Seeking
Identifying early opportunity signals in the environment to generate growth options.

Innovation
Experimentation and calculated risk taking to increase success probability of radical/pioneering ideas to get quantum results.

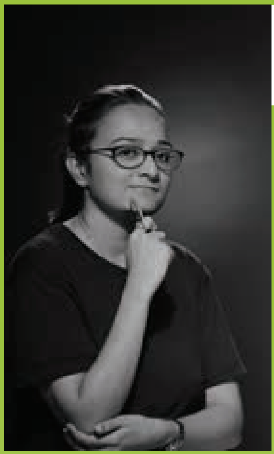
Transparency & Openness
Allowing diversity of opinion by listening without bias, giving, and receiving critique, with mutual respect and trust for the other.

Consumer Centric
Keeping consumer as the focus and a partner in creating and delivering solutions.

Bias For Action
Preference for quick thoughtful action as opposed to delayed action through analysis.

Excellence
Continuous improvement of performance standards and capability building for sustained long-term success.

Global Outlook
Sensitivity and adaptability to cultural diversity and learning from different cultures.

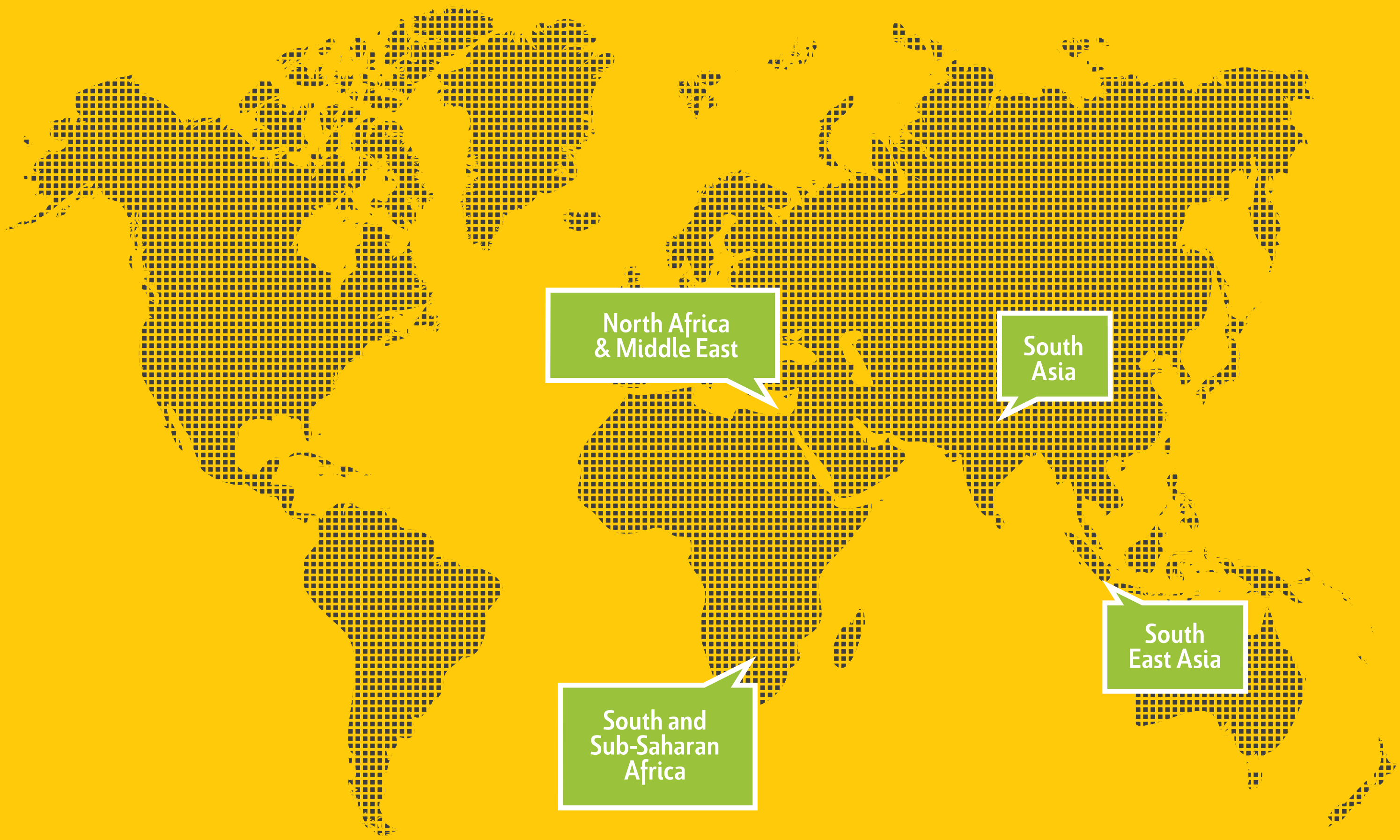


Marico will continue to focus on creating winning brands, winning culture and a winning talent pool to create a virtuous cycle of great talent and an enabling culture, driving innovation driven growth.

OUR PEOPLE OUR PRIDE

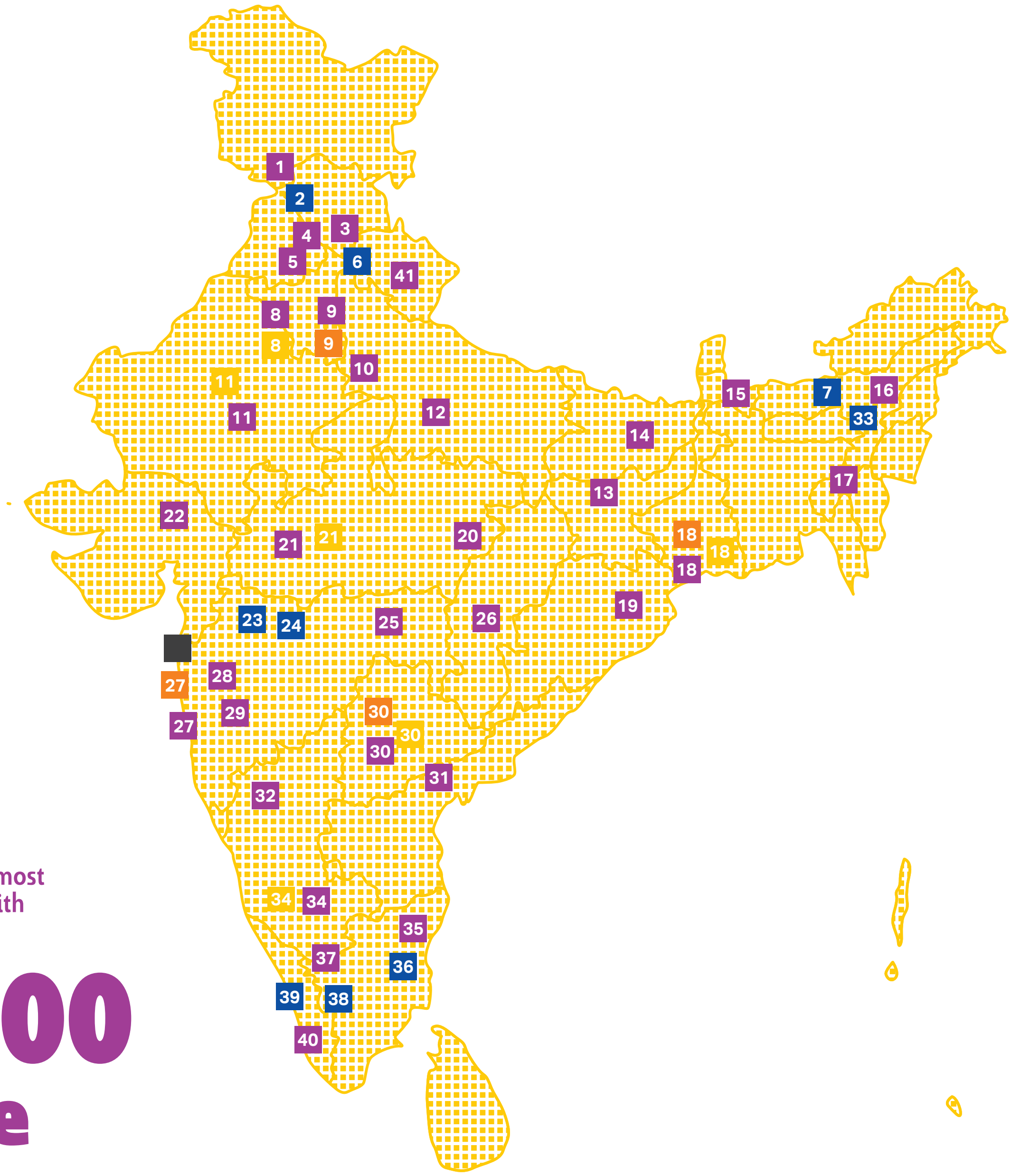
GEOGRAPHICAL PRESENCE

With a presence in over 25 countries, Marico is expanding in emerging markets across Asia & Africa.



Marico aspires to be a leading emerging MNC with a leadership position in two core categories of nourishment and male grooming in its chosen markets of Asia and Africa.

DOMESTIC PRESENCE: INDIA



Marico reaches to almost every Indian town with a population of over

10,000 People

1	Jammu	11	Jaipur	21	Indore	31	Vijaywada
2	Baddi	12	Lucknow	22	Ahmedabad	32	Hubli
3	Parwanoo	13	Ranchi	23	Paldhi	33	Gauripur
4	Zirakpur	14	Patna	24	Jalgaon	34	Bangalore
5	Chandigarh	15	Siliguri	25	Nagpur	35	Chennai
6	Paonta Sahib	16	Guwahati	26	Raipur	36	Pondicherry
7	Silamahekhaity	17	Agartala	27	Mumbai	37	Coimbatore
8	Sonipath	18	Kolkata	28	Bhiwandi	38	Perundurai
9	NCR	19	Cuttack	29	Pune	39	Kanjikode
10	Ghaziabad	20	Jabalpur	30	Hyderabad	40	Cochin
						41	Dehradun

- Factories
- Depots
- Regional Offices
- Redistribution Centres
- Consignment Sales Agent
- Head Office

MARICO BRANDS

Our India business has nurtured various trusted household brands such as Parachute, Parachute Advansed, Saffola, Hair & Care, Nihar, Nihar Naturals, Livon, Set Wet, Mediker and Revive that are not just bought by our consumers but also add value to their lives. Marico today touches the lives of 1 out of every 3 Indians.

DOMESTIC BRANDS

Hair Oil

- Nihar Naturals Sarson Kesh Tel
- Nihar Naturals Shanti Amla Badam Hair Oil
- Parachute Advansed Deep Conditioning Hot Oil
- Parachute Advansed Aloe Vera Enriched Coconut Hair Oil
- Parachute Advansed Coconut Hair Oil
- Parachute Advansed Jasmine Hair Oil
- Hair & Care Fruit Oils
- Nihar Naturals Coconut Hair Oil

Coconut Oil

- Parachute Coconut Oil
- Nihar Naturals Coconut Oil
- Nihar Naturals Uttam Coconut Oil

Hair Serum

- Livon Silky Potion Hair Serum
- Hair & Care Silk n Shine Hair Serum

Anti-Hairfall

- Livon Hair Gain Tonic
- Parachute Advansed Ayurvedic Hair Oil
- Parachute Advansed Ayurvedic Gold Hair Oil
- Parachute Advansed Scalp Therapie Hair Oil

Male Grooming & Styling

- Parachute Advansed Men's Hair Cream Range
- Set Wet Beard Styling Gel
- Set Wet Deodorants
- Set Wet Styling Gel

Wellness

- Saffola Oils
- Saffola Aura - Olive & Flaxseed Oil
- Saffola Masala Oats
- Saffola Multigrain Flakes

Skincare

- Parachute Advansed Body Lotion

This section covers Marico's marque brands, but is not exhaustive

23% of Marico's revenues are generated from the international markets and the organisation is growing its footprint across South Asia, South East Asia, South and Sub-Saharan Africa and North Africa & Middle East.

INTERNATIONAL BRANDS

BANGLADESH
Hair Care
- Parachute Advansed Cooling Hair Oil
- Parachute Advansed Extra Care Hair Oil
- Nihar Shanti Amla Badam Hair Oil
- Parachute Advansed Ayurvedic Gold Hair Oil
- Parachute Advansed Beliphool Hair Oil
- Parachute Advansed Enriched Hair Oil
- Hair Code Hair Dye

Skincare
- Parachute Advansed Body Lotion

Male Grooming/Styling
- Set Wet Deodorants
- Set Wet Styling Gel

Coconut Oil
- Parachute Coconut Oil

Wellness
- Saffola Masala Oats
- Saffola Oils

MIDDLE EAST
Hair Care
- Parachute Gold Range

MALAYSIA
Male Grooming
- Code 10

EGYPT
Male Grooming
- Hair Code
- Fiancee

Hair Care
- Parachute Gold Range

MYANMAR
Male Grooming
- Code 10

SOUTH AFRICA
Hair Care
- Caivil
- Black Chic

Hair Care
- Silk-n-Shine
- Parachute Advansed

Healthcare
- Ingwe
- Hercules

VIETNAM
Male Grooming
- XMen Range

Food
- Thuan Phat

This section covers Marico's marque brands, but is not exhaustive

KEY PERFORMANCE INDICATORS

FY 2016-17 was a successful year with decent volume and profit growth despite the macro-environment headwinds. The consolidated top line declined by 1% owing to price reductions in the coconut oil portfolio in India and Bangladesh and currency devaluation in the Egypt region in H2FY17 on the back of an underlying volume growth of 4%. The consolidated profit after tax grew strongly by 12% compared to last year. The India business top line, declined by 2% over last year and recorded a volume growth of 4% for FY17, its value growth diminished owing to price reductions in the coconut oil portfolio. The operating margin for the India business was healthy at 24%. At the international front, the business grew by 1% in constant currency terms while sustaining operating margins at 17%.

SALES & SERVICES

(₹ in Crores)

FY13	4,596
FY14	4,687
FY15	5,733
FY16	6,024
FY17	**5,936**

* FY16 and FY17 numbers are as per IND - AS and hence not comparable with earlier years which were as per I-GAAP

SHARE OF INTERNATIONAL FMCG BUSINESS

(%)

FY13	22
FY14	25
FY15	22
FY16	22
FY17	**23**

EBIDTA MARGINS

(%)

FY13	13.6
FY14	16.0
FY15	15.2
FY16	17.5
FY17	**19.5**

NET PROFIT

(₹ in Crores)

FY13	396
FY14	485
FY15	573
FY16	711
FY17	**799**

* FY16 and FY17 numbers are as per IND - AS and hence not comparable with earlier years which were as per I-GAAP

EARNINGS PER SHARE

FY13	6.1
FY14	7.5
FY15	8.9
FY16	5.5
FY17	**6.2**

* FY16 & FY17 Earnings per share has been calculated on the post bonus number of shares

DEBT/EQUITY

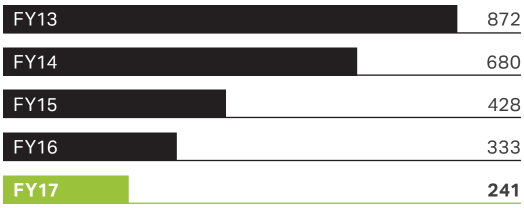
FY13	0.4
FY14	0.5
FY15	0.2
FY16	0.2
FY17	**0.1**

CASH PROFIT
(₹ in Crores)

RETURN ON CAPITAL EMPLOYED
(%)

RETURN ON NET WORTH
(%)

LOAN ON BOOKS
(₹ in Crores)

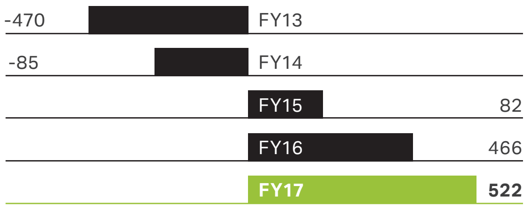


EVA
(₹ in Crores)

MARKET CAPITALISATION
(₹ in Crores)

DIVIDEND PAYOUT RATIO
(%)

SURPLUS ON BOOKS
(₹ in Crores)



CONSOLIDATED QUARTERLY FINANCIALS

2016-17

(₹ in Crore)

Particulars	Three Month Ended				Annual
	30-Jun-16	30-Sep-16	31-Dec-16	31-Mar-17	FY17
Total Revenue	1,781.8	1,467.5	1,440.0	1,344.4	**6,033.2**
Total Expenditure	1,380.3	1,189.8	1,144.3	1,062.7	**4,776.7**
Finance Charges	5.4	2.1	4.4	4.7	**16.6**
Gross profit after Finance Charges but before Depreciation and Taxation	396.1	275.7	291.2	277.0	**1,240.0**
Depreciation and Amortisation	20.8	20.9	21.3	27.3	**90.3**
Profit before Taxation and Exceptional Item	**375.3**	**254.8**	**270.0**	**249.7**	**1,149.7**
Exceptional Item	-	-	-	-	**-**
Profit before Tax	**375.3**	**254.8**	**270.0**	**249.7**	**1,149.7**
Minority Interest and Goodwill on consolidation	4.0	3.8	2.9	2.6	**13.4**
Profit before Tax after minority interest & goodwill	371.3	251.0	267.0	247.0	**1,136.3**
Tax Expense (net of MAT credit entitlement)	107.2	74.0	78.1	78.4	**337.7**
Profit after Tax	**264.1**	**176.9**	**188.9**	**168.7**	**798.6**
Equity Share Capital	**129.0**	**129.0**	**129.0**	**129.0**	**129.0**
Earning per Share - (₹)	2.1	1.4	1.5	1.3	6.2

2015-16

(₹ in Crore)

Particulars	Three Month Ended				Annual
	30-Jun-15	30-Sep-15	31-Dec-15	31-Mar-16	FY16
Total Revenue	1,781.9	1,471.0	1,546.5	1,318.4	**6,117.8**
Total Expenditure	1,431.9	1,224.7	1,240.4	1,076.1	**4,973.1**
Finance Charges	4.5	3.7	5.7	6.8	**20.6**
Gross profit after Finance Charges but before Depreciation and Taxation	345.5	242.7	300.4	235.4	**1,124.1**
Depreciation and Amortisation	18.8	22.1	22.9	31.1	**94.9**
Profit before Taxation and Exceptional Item	**326.7**	**220.6**	**277.6**	**204.4**	**1,029.2**
Exceptional Item	-	-	-	-	**-**
Profit before Tax	**326.7**	**220.6**	**277.6**	**204.4**	**1,029.2**
Minority Interest and Goodwill on consolidation	3.7	3.4	2.9	2.5	**12.4**
Profit before Tax after minority interest & goodwill	323.0	217.2	274.7	201.9	**1,016.9**
Tax Expense (net of MAT credit entitlement)	98.2	67.6	71.7	67.8	**305.4**
Profit after Tax	**224.8**	**149.6**	**203.0**	**134.1**	**711.5**
Equity Share Capital	**64.5**	**64.5**	**129.0**	**129.0**	**129.0**
Earning per Share - (₹)	1.8	1.2	1.6	1.1	5.5

ECONOMIC VALUE-ADDED

(₹ in Crore)

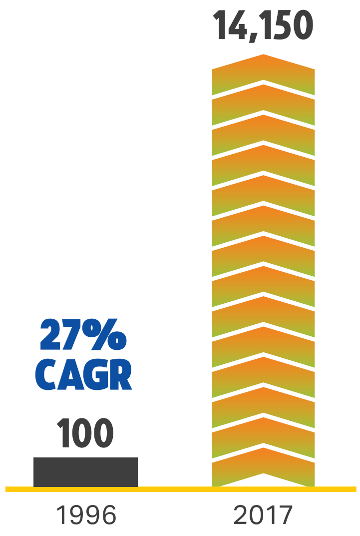
	FY11	FY12	FY13	FY14	FY15	FY16	FY17
a) Average Capital Employed	1,411	1,852	2,421	2,395	2,180	2,330	2,493
b) Average Debt / Total capital (%)	43.2	42.0	34.2	30.9	25.4	16.3	11.4
c) Weighted Average Cost of Capital (%)	8.9%	8.7%	8.9%	8.7%	8.3%	10.1%	10.4%
d) Profit After Current Tax (excluding extraordinary items)	**269.1**	**324.8**	**456.7**	**496.6**	**572.0**	**711.5**	**798.6**
e) Add: Interest Post Tax	31.8	34.1	42.7	25.0	16.3	14.5	11.7
f) Net Operating Profit After Tax	300.9	358.9	499.4	521.6	588.3	726.0	810.3
g) Less: Cost of Capital	126.1	160.2	216.0	208.3	180.9	235.1	258.6
h) Economic Value-Added	**174.7**	**198.6**	**283.3**	**313.3**	**407.4**	**490.9**	**551.7**

SUSTAINABLE WEALTH CREATION

Investment	Through	Shares	Value (in ₹)	Indexed Value
April 1996 - Original Purchase	IPO	100	17,500	100
August 2002	Bonus (Equity 1:1)	200	-	-
September 2002	Bonus (Preference 1:1)	200	-	-
May 2004	Bonus (Equity 1:1)	400	-	-
February 2007	Share Split (10:1)	4,000	-	-
December 2015	Bonus (Equity 1:1)	8,000	-	-
Holdings and Cost as on March 31, 2017		**4,000**	**17,500**	**100**

Return	Through	Shares	Value (in ₹)	Indexed Value
March 31, 2017	Market value	8,000	2,362,400	13,499
March 2004	Redemption proceeds of Bonus Preference shares	200	2,000	11
April 1996 - March 2017	Dividend Received*#		111,899	639
Gross Returns			**2,476,299**	**14,150**
Compound Annual Return since IPO			**27%**	**27%**

* Dividends are inclusive of those received on Bonus Preference Shares.
# Subject to taxes as applicable



₹100 invested in Marico in 1996 was worth ₹14,150 on March 31, 2017. That's a CAGR of 27%.

CHAIRMAN'S LETTER

Dear Shareholders,
It gives me great pleasure to share with you an update on the overall performance of your Company in 2016-17. Brand, talent and culture remain our key assets to deliver sustainable business and earnings growth, thereby creating long-term value for our shareholders. The year under review had a decent volume and profit growth given the macro-environment headwinds. We were able to achieve this as a result of an effective category choice making framework and the strategic building blocks we have put in place - strengthening the core, creating the portfolio of the future, managing costs, and investing in people and process capability ahead of the growth curve. I believe, these will continue to hold us in good stead in the long run.

India has continued to perform amidst global turmoil and delivered

7.1%

GDP growth for 2016-17

I strongly feel that focus will lead to depth, and depth will lead to excellence. Mr. Saugata Gupta, Managing Director (MD) & CEO of your Company, continues to run the day-to-day operations of the Company, and steer it towards its medium-term aspiration of becoming a significant emerging markets multinational company.
I continue to act as the Non-Executive Chairman of the Board, mentoring and advising the MD for your Company's strategy and future road map, ensuring highest levels of corporate governance at all times. I also lead the efforts to improve the collective functioning of the Board and am actively involved in the Company's Corporate Social Responsibility (CSR) initiatives.

It was yet another difficult year for the global economy, characterised by subdued growth and geopolitical uncertainties. Financial Year (FY) 2016-17 was an eventful one- with Brexit, Donald Trump's victory in the US Presidential Elections, demonetisation of the Indian currency, and results of the largest state elections in the country. The biggest international risks to the Indian economy include crude oil prices, trade-related tensions between major economies, and growing protectionism. Even as the world experiences economic turbulence and slowdown, contributing to a general lack of cheer as far as economic growth goes, India continues to deliver a standout performance and grow at a rapid pace. India has continued to perform amidst global turmoil and delivered 7.1% GDP growth for FY 2016-17.

In India, rural demand continued to be sluggish in the early part of the year, on the back of two consecutive poor monsoons. The overall market showed signs of recovery in the latter half of the year, but faced a temporary slowdown in November due to demonetisation. Nonetheless, India's economy is in the midst of a recovery with lower fiscal and current account deficit, lower inflation, and benign commodity prices. The government's initiatives like 'Make in India',

Goods and Services Tax (GST) is one of the biggest indirect tax reforms which India has ever witnessed. I strongly believe that GST is a progressive step which will transform the fiscal architecture of modern India with regard to matters of taxation and enhance the overall business environment. Due to elimination of cascading impact of taxes, it will benefit the end consumers in the form of lower prices of products. It will provide an upward push to consumption, which augurs well for consumer goods companies.

"Digital India" and "Startup India" will strengthen India's position on the world map. I believe that India is a standout among emerging markets, and the country's growth seems poised to return to a high-growth path.

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Going beyond economic returns, your Company believes that it is geared to build purpose-driven brands that offer a win-win for the Company and society at large. Brands and businesses are important constituents of modern society. It is their responsibility to be good citizens of this society. Brands with a purpose can help build a strong connect with the consumer and create a sustainable business while contributing to society. With this balance between purpose and consumer equity in its brands, the Company ensures that sustainability is coded at the centre of its core business.

During the year, your Company remained committed to this purpose with various initiatives. Nihar Shanti Amla supports the cause of education of underprivileged children across India. Saffolalife, a not-for-profit initiative of Saffola, has been on a mission to make people realise the need and importance of heart health. Through these various campaigns, Marico's brands have touched the lives of many Indians, and built meaningful relationships that go beyond the transactional nature.

As an FMCG company, your Company puts a lot of thrust on innovation and believes that innovation will help accelerate its growth. With this mission, Marico Innovation Foundation (MIF) a not-for-profit wholly owned subsidiary of your Company works towards fuelling the innovation journey in the country. MIF works with various social enterprises through the Social Innovation Acceleration Program (SIAP), with the objective of providing them with customised capacity building support. MIF also leverages student teams from leading management institutes to help these social organisations with research (primary and secondary) and critical inputs on their businesses. The Directors' Report carries a detailed update on these initiatives.

Your Company's efforts to achieve and sustain highest standards of corporate governance were duly recognised during the year. Your Company was recognised in Forbes India's Super 50 companies 2016.

Your Company was recognised in Forbes India's Super 50 companies 2016.

Our vision for the future is to continue to strive hard to fulfil Marico's potential, and contribute to India's economic & social growth story as an emerging market MNC. We will continue to work with our stakeholders to propel strong yet sustainable growth. I firmly believe that the "Business of Business is beyond Business", and therefore I would like to re-affirm our commitment to innovation and purpose-driven growth which maximises the potential of all stakeholders.

Finally, I would like to thank your Company's employees, whom we call 'members', and all other stakeholders for their consistent commitment, engagement and encouragement in our journey. I would also express my gratitude for your ongoing trust and support, and on behalf of the entire Marico team across the world, I thank you for accompanying us on the exciting journey ahead. We will continuously seek and strive to do good, act better, and do what is best for us and society at large.

With warm regards,

Harsh Mariwala
Chairman

MD & CEO'S MESSAGE

Dear Shareholders,
We are pleased to inform you that we have ended yet another successful year with satisfactory results. Despite the increasingly challenging environment, we continue to grow our business profitably. This would not have been possible without our people. At Marico, our members are passionate about making a measurable impact in everything we do. It is the power of our people, our unique culture and innovative approach, which helps us deliver enduring results. Marico celebrates and empowers the individuality of each of its members and their unique personalities that have led to the success we have reached today. At Marico, we believe that only when you are empowered with freedom and opportunity, you rise above the task at hand and take complete ownership to make a difference.

FY2017 Overview

Your Company's brands have been able to stand firm in a difficult year. The single biggest event that left its mark on each and every sector of the domestic economy was demonetisation. Coming at a time when the economy was just beginning to look up, the Central Government's decision to demonetise almost 86% of the currency notes in circulation caused severe cash shortage in the domestic economy, where cash is the preferred mode of payments. This cash shortage led to a strain on the consumption demand and business activity for the greater part of the third quarter but your Company was able to pull off a fast recovery in Quarter 4. We firmly believe that this initiative will lead to a long-term gain for the economy and organised players since it will driver greater compliance in the system.

The consolidated top line declined by 1% due to price reductions in the Coconut Oil portfolio, on the back of an underlying volume growth of 4%. The consolidated profit after tax grew strongly by 12% compared to last year.

During the year, your Company's India business declined by 2% with an underlying volume growth of 4%. We continued to expand our franchise faster than the category resulting in market share gains reflecting the strong equity of our brands. The India business improved operating margins to 24%, led by softer input costs and pullback of ASP spends in a stressed macro environment post demonetisation in Q3 FY17.

The International business grew by 1% in constant currency terms, while sustaining operating margins at 17%, which has structurally shifted from 8-9% four years ago. The severe macro-economic headwinds in the Middle East & North Africa (MENA) region have led to the muted growth in the overall International business this year. Excluding MENA, international geographies grew at a constant currency rate of 5% in FY17. International business growth potential looks encouraging with strategic investments planned in core markets of Bangladesh, Vietnam, MENA and South Africa, coupled with expansion in adjacent markets of South Asia and Indo China region.

Building A Responsible Business

We endeavour to make Marico a responsible corporate not only by becoming future-ready for sustainable growth in a VUCA world, but also by making societal value creation the bedrock of our business strategy. During the year, we continued to work on various sustainability initiatives across our different markets in areas like energy management, water management, farm productivity improvement, and sustainable procurement. Our brands with a purpose also drove long-term sustainability, with Saffolalife and Nihar Shanti Amla taking up socially relevant causes in the areas of heart health and education respectively.

I am also happy to share that your Company is the first in Himachal Pradesh to have bagged a Gold certification under the GreenCo Rating system (accredited by the Confederation of Indian industry (CII)) for its Baddi unit.

The Marico R&D centre located in Suburban Mumbai also received the distinguished Indian Green Building Code (IGBC) certification for innovative and efficient use of energy and water, facility management and health standards.

All of this has helped us in aligning our business, social, and environmental objectives.

We will continue our journey as a responsible corporate entity and build further momentum on our consistent track record of sustainable, profitable growth. Marico, as a responsible corporate citizen, is fully committed to its purpose to 'Make a Difference'. We are engaging in meaningful dialogue with all our stakeholders, while striving to improve social, environmental and economic performance of our operations.

GST Impact

The new financial year has started on an encouraging note with the Government keenly pushing the implementation of the Goods and Services Tax (GST) from the second quarter of the financial year. GST is the most significant tax reform since independence for what is now Asia's third largest economy. It will be far simpler than the current system, where a good is taxed multiple times and at different rates in different states. It subsumes the messy plethora of indirect taxes, duties, surcharges and cesses into a single tax, thus making the movement of goods cheaper and seamless across the country.

We have taken a 360 degree approach towards getting ready for GST. We are working towards making the entire ecosystem ready

12%

The consolidated profit after tax grew strongly by 12% compared to last year.

for this reform, which comprises our sales channel partners, procurement vendors, supply chain & logistics partners, and other business associates. We are educating our business partners through training sessions, and providing all the necessary support for a smooth transition to GST.

Business Outlook

We believe that the soft consumption environment has bottomed out and the performance of the Company will pick up steadily going forward. We will continue to invest behind brand & capability building to secure long-term profitable growth. We will strive to build new vectors of growth while building strong moats around our core.

As we move from current tax regime to GST regime, we expect the consumer demand to remain intact in the short-term. While in the long run, GST will be beneficial for organised players, it will bring near term uncertainty that may disrupt trade in H1 FY18. Although the government has come up with the transitional provisions, which appear to be reasonably fair, the wholesalers and retailers may take cautious approach and lower down the stock levels as on the date of transition. However, it will be short lived and business should come back to normalcy in subsequent quarter(s).

While macros are stable, good monsoons play a key role in consumption revival. The initial forecasts on monsoon are also encouraging and this gives hope for a strong consumption demand from the rural segment. On the other hand, raw material prices have moved up significantly over the last few quarters, putting pressure on margins.

We expect consumption to pick up in the latter half of the year and remain confident of delivering improved volume growth in India, and a constant currency growth in the International business. We will invest in the core & the new products, for which we have an exciting calendar ahead. We remain committed to our long-term objective of building enduring consumer franchises in India and International markets. In our International business, political stability in markets of Egypt, Bangladesh, Saudi Arabia and Nepal would be the key for sustained performance. Our operating margins, which are very healthy, may see a bit of contraction. We believe that focus on franchise expansion with threshold margins will stand us in good stead as we write a long-term profitable growth story.

Vision 2022

By FY2022, your Company aspires to be a leading emerging market MNC with a leadership position in two core categories of nourishment and male grooming in five chosen markets in Asia and Africa, and in the process, double its revenue over FY17. The Company has already initiated definitive steps to meet this aspiration by seeking to win amongst consumers, trade, and talent. Towards this goal, the Company will continue to step up efforts to become future ready in its five areas of Transformation where it will develop top quartile capability and processes. They are Innovation, Go To Market Transformation, Talent Value Proposition, IT & Analytics, and Value Management. While driving growth, we will also continue to retain our focus on best in class governance and risk management.

Lastly, I take this opportunity to express my sincere gratitude to our shareholders, Board of Directors, Management, dedicated members, esteemed customers, suppliers, bankers and investors, for their unrelenting dedication, support and commitment to Marico.

With warm regards,

Saugata Gupta
Managing Director and CEO

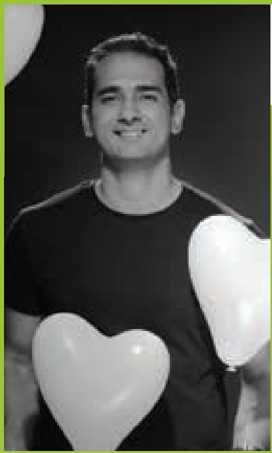
OUR PEOPLE, OUR PRIDE

Your Company has taken definitive steps in creating an enabling environment to promote diversity. I am happy to inform you that 50% of our talent in consumer facing functions of Technology and Marketing, and 35% of our leadership talent in consumer facing functions of Technology and Marketing are women. We are also actively promoting multi-cultural diversity in our overseas units and driving higher mix of millennials in our managerial talent. I am pleased to let you know that your company has moved up 24 places in the Economic Times & The Great Place to Work 2017 study and is now ranked 40th. Your Company is also among the best companies to work in the FMCG industry. Marico is also amongst the Top 100 companies to work for women in India as per the 2016 study by Working Mother Media & AVTAR.

OUR PEOPLE OUR PRIDE

At Marico, our core value proposition is to provide challenging, enriching and fulfilling opportunities that maximise our people's potential. We believe that our ability to deliver on this proposition by providing early responsibility, fast paced learning & growth and an entrepreneurial, and flexible work culture make us one of the great places to work.

Marico IT Team: (Picture Courtesy)
Mukesh Kripalani, Chief – Business Process Transformation & IT



Marico represents a distinctive people culture – a culture that sets us apart.

We call our people ‘members’, and invite them to a wholesome membership where they have the opportunity to determine and participate in Marico’s growth story.

Our members are our pride. Our sustainable growth story rests on an empowering work culture that encourages them to take complete ownership, and make a difference to the entire business ecosystem.

OUR PEOPLE OUR PRIDE

LEADERS OF TODAY. LEADERS OF TOMORROW

Marico builds leaders. Members are developed as leaders by leveraging a combination of proven, experiential and futuristic approaches. Early responsibility, empowered roles and the bedrock of our values give each member a purpose to make a difference in what they do.

An initiative to bridge the gap between the experienced and the millennials

BOTTOM'S-UP - MARICO'S REVERSE MENTORING INITIATIVE

Marico has three generations of members, with Gen X and millennials comprising more than 40% of Marico's workforce. It is important for these two generations to appreciate each other for a cohesive work culture. Towards this, Marico has launched a new reverse mentoring initiative called 'Bottom's Up'.

The goal of the 'Bottom's-Up' program is to groom our younger population to be leaders of tomorrow with strong leadership skills and cross functional exposure. At the same time, it is aimed at making our senior leaders more digitally savvy, and helping them understand the preferences and working styles of the millennials better.

As one of the early adopters of this concept, Marico has leveraged Reverse Mentoring to create an environment that not only benefits the organisation, but also helps the mentors and the mentees through:

- **Contemporary skill development for senior members**
- **Leadership Development for young members**

- Sensitisation to Generational diversity and the different outlooks of all generations at work

'Bottoms-Up' invigorates the organisation to be younger in ways and mature in style, thus creating a win-win opportunity.

The outcome

It has been received very well by all the mentors and the mentees. The entire top leadership team at Marico has been through the 'Bottom's-Up' program, and has derived immense learning from their interactions with the young mentors. The program has now been extended to the next level of leaders within the organisation.

MENTEES

"This is a meaningful program. I think we are learning from each other. It has prompted me to think in certain areas which otherwise were not on my radar."

"It has been an enriching and enlightening experience."

MENTORS

"I was really surprised with the openness and the willingness to learn from the mentees."

"He dedicated a whole lot of time in counselling me about my career - something that lifted my confidence and gave me clarity of thought."

"I think I gained more than I was able to give."

MARICO'S YOUNG BOARD

Shaping Marico's future

The youth are game changers with their new ideas, fresh perspectives, high aspirations, and risk taking appetite. We, at Marico, have endeavoured to harness this edge through our Young Board.

The Young Board comprises young home grown leaders from different functions and geographies. The Board is entrusted with responsibilities to spot new business opportunities, identify potential pitfalls and work on select high-impact organisation building initiatives. The first Young Board was set up in 2015 and the Board members change every year.

Since inception, each Young Board, has contributed to building Marico's business and the institution by-

- **Developing new business ideas and models**
- **Identifying opportunities across business units**
- **Recommending initiatives to strengthen the culture at Marico**
- **Proposing ideas for the future of the organisation**

The platform has enriched our young leaders. It has facilitated in building a broader business perspective, and necessitating them to look at things from a holistic and organisational perspective, rather than from an individual or functional perspective.

The launch of the Saffola Masala Oats Dispenser, Saffola Fit Foodie's association with Holachef, the formation of the Growth Hacking team and creating the Hangout Zone in Marico's Corporate Office are the highlights of the work done by the Young Boards.

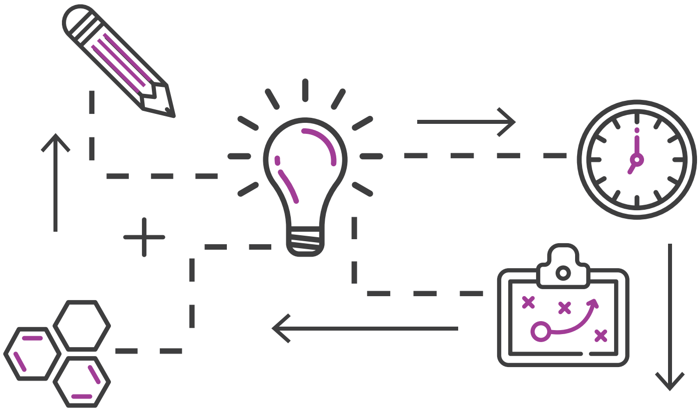
MARICO 2.0

INNOVATION JAM

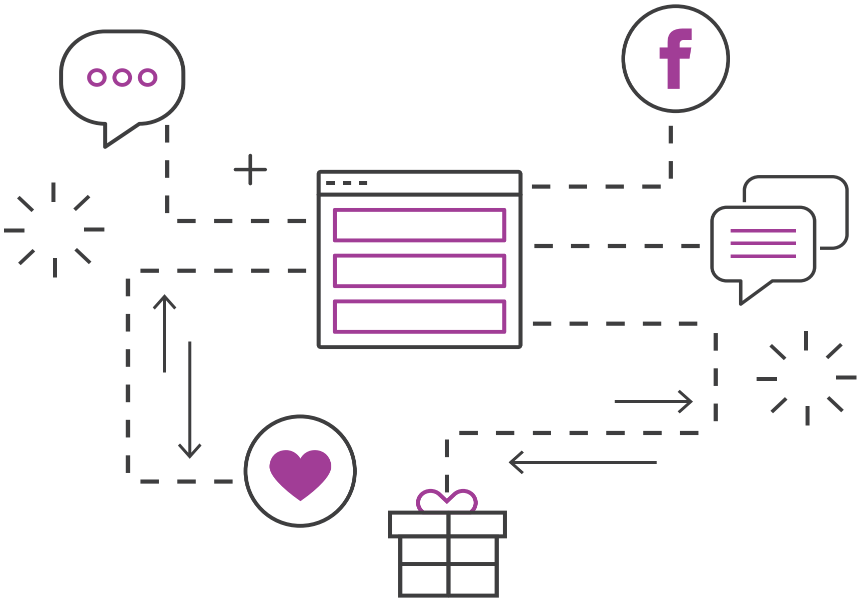
The concept of Innovation Jam stems from the assumption that an idea can come from anywhere and any member can possess an idea that can transform the organisation for the better. This year, Marico launched an Innovation Jam to crowdsource ideas from members to make Marico an awesome workplace. The objective was to hear from members on their breakthrough and innovative ideas that will make Marico a workplace for the future. It covered four main themes:

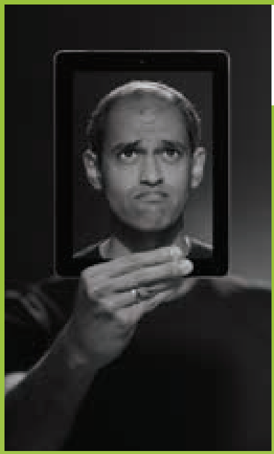
1. Experimentation with work practices: Ideas on discovering new workplace practices which will make everyone more efficient at work
2. Learning and development: Ideas on how members can be empowered for their growth & development
3. Creating life experiences: Ideas around creating life experiences that members will cherish, including involving their family and loved ones
4. Member Well-being: Ideas for a healthy, stress-free work environment where members can pursue their interests with support from the organisation

It is all about the 'big idea'.



A total of 939 ideas were received from members. The ideas have been rigorously screened by the Executive Committee Jury, and the top five high-impact ideas have been selected. The five winning ideas came from sixteen members from different functions and will be implemented in the coming year.





Over the last couple of years, the digital forces have brought about a lot of changes in the business environment. Marico has also recognised the opportunities presented by such forces and has developed a strategy to harness them in order to empower its members.

WORKPLACE @ FACEBOOK

Our internal culture and diagnostic studies suggested the need for more direct, participative, inclusive, and interactive communication in the organisation. We learnt from our members, more than 40% of whom are millennials, that members prefer instant, short, visually appealing and interactive communication. Hence, it was important to go beyond the conventional ways of communication, and select a channel of communication that was empowering, inclusive and easy to use. This led us to select Workplace by Facebook as one of our key internal communication channels.

With its strategy built on 4 pillars of Organisation Communication, Collaboration, Leadership Connect and Emotional Capital, the platform has very quickly become a common communication platform for 'One Marico'. The multiple features replicating the original social media platform, have helped Mariconians share, collaborate and bond with each other within and across functions and geographies like never before.

Regular updates on team members, organisation news and announcements, celebration of personal milestones, along with posts on "Humans of Marico" created a sense of belongingness and pride amongst the members. Leaders can now connect with the members with a single click of a button. With features like hosting events, and soliciting feedback through polls and messenger, Workplace has given us a tremendous platform to make Marico an even better place to work.

87%

Today 87% of our workforce is on the platform and as per Facebook, we are among the top companies in India to use Facebook Workgroups effectively.

Regular updates on team members, Organisation news and announcements, Celebration of personal milestones along with Posts on "Humans of Marico" created a sense of belongingness and pride for the members.

OUR PEOPLE OUR PRIDE

>700

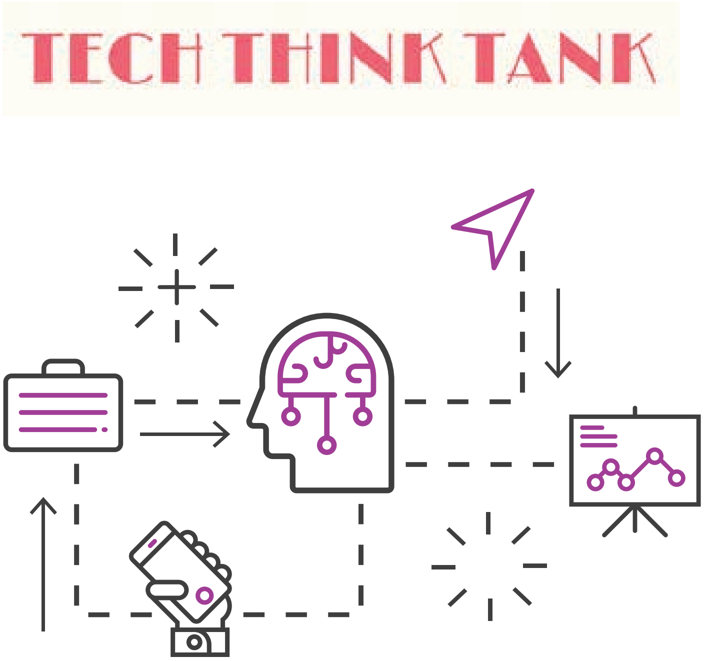
This year, more than 700 members have taken courses on iLearn, which has supported their developmental growth.

ILEARN

Making learning available, anytime and anywhere.

Marico has always believed and also instilled this belief in all its members that "each member is responsible for his or her own development". To empower our members and provide them access to learning anytime, anywhere, we launched iLearn- our e-learning offering. iLearn has behavioural and functional content, and is accessible to all members worldwide.

The T3 team, as it is called, visited Innovation Labs of different companies, participated in workshops on Digital and Internet of things, got inputs from thought leaders to be inspired to come with great ideas.



TECHNOLOGY THINK TANK

Leveraging the technical bent of younger generation

It all started with the idea of bringing together the young, tech savvy minds of different functions to leverage new and emerging technologies and propose game changing business, and productivity improvement ideas. Their mandate was to pitch an idea which would excite and persuade the leadership team to fund it for further development. The Technology Think Tank, or the T3 team as it is called, visited Innovation Labs of different companies, participated in workshops on Digital and got inputs from thought leaders in order to be inspired to create great ideas. The team researched and brainstormed on various ideas, and finally proposed two powerful ideas which are currently being tested. This provided an exciting learning experience to the T3 team, who have generated many potential business ideas for Marico's future.

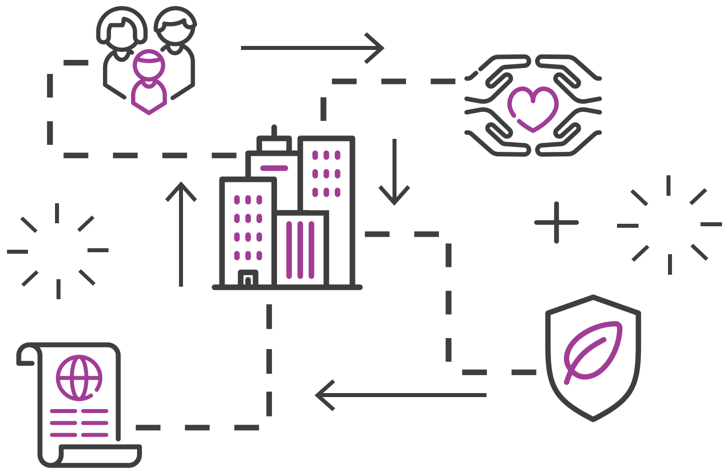
MARICO MEMBER EXPERIENCE (ME@MARICO)

PARENTAL POLICIES

Marico Member Experience is an endeavour aimed at creating meaningful and enriching member experiences. Aptly named ME@ Marico, the focus behind creating these experiences is the ME-mbers.

This year, as an effort to enhance the Member Experience, we upgraded our parental benefits. We extended our maternity leave with full pay to 26 weeks. This leave can be supplemented with Privilege leave, Flexi-working hours and Leave without pay option, till the child becomes one year old. In addition to this, we now provide a Wellness package for mothers. They can use this package to enrol in various classes during and after pregnancy, attend counselling sessions, buy reading material, etc., which will help them maintain a healthy lifestyle and support them in good parenting. We continue to extend financial support for day care facilities.

The paternal benefits for the male members have been upgraded too. They now get 15 continuous calendar days of paternity leave, and also the Wellness package to support them as new fathers.



Marico is amongst the Top 100 companies to work for women in India, as per the 2016 study by Working Mother Media & AVTAR Best Companies for Women in India.

Maternity leave of 26 weeks and 15 days of Paternity leave alongwith a Wellness package to support the new parent.

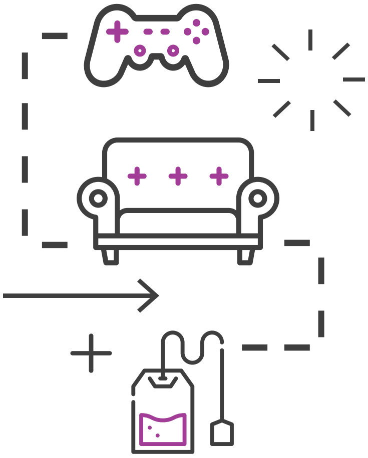
Hangout Zone has a cosy indoor set up with state-of-the-art audio-visual devices, a library and a coffee shop experience all rolled into one.

At Marico it's not only about work, but a combination of work and play. We ensure that our members have fun at work, nestled in a happy zone thus creating meaningful and enriching member experiences.

THE HANGOUT ZONE

The 'Hangout Zone' at Marico's Corporate office is, just as the name suggests, a place to hang out. This idea was proposed and implemented by Marico's Young Board to provide a place to members to take a break and have some fun at work.

Perched on the 8th floor, this space offers a cosy indoor setup with state-of-the-art audio-visual devices, a library, and a coffee shop experience all rolled into one. The outdoors of this space provide for a garden seating arrangement with coffee tables, football tables, etc., all lending to the aura of a young-paced and ecologically friendly zone within the walls of the office.



OUR PEOPLE OUR PRIDE

LIVING WITH PURPOSE

MARICO MENTOR PROGRAM

The Marico Mentors Program provides an opportunity to our members to live a life of purpose and make a difference. Many of our members have already activated their purpose through this platform. The program is anchored by Marico Innovation Foundation and was created in 2014 to enable Marico members to contribute their professional skills and experiences towards creating sustainable impact for innovative social enterprises.

The program engages with members on pre-identified challenges of the innovative social enterprise. The deep rooted engagements are function specific. Members have the opportunity to mentor and guide the social enterprise in solving some of their critical business challenges affecting their

25+

Organisations have helped in addressing scale-up challenges in social enterprises

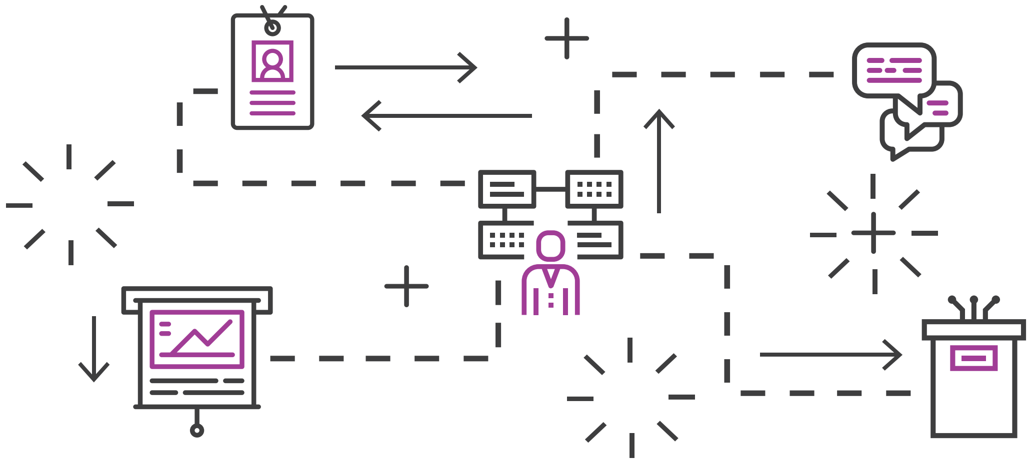
90+

Marico members actively working on the projects scale and impact. On an average the project duration ranges from 5-8 months depending on the intensity of the intervention. The project concludes when the challenge is resolved and the organisation is ready to scale up.

The Marico Mentorship Program is a platform through which we deliver on our Talent Value Proposition, which is to continuously challenge, enrich & fulfil our members' aspirations and maximise their potential. This program yet again epitomises Marico's pride- the distinctive people culture- as it provides wholesome membership by participating in an innovation's growth story.

30+
CEO Mentors are supporting the program

13+
Sectors across healthcare, livelihood, agriculture, solar, education, among others have benefitted



"After intense deliberations and field visits with the founders to study IsolarLite's nascent distribution model, I am excited about creating an implementable and economical distribution model for them from scratch that will help them in their journey to scale up!"
Kunal Bhardwaj, Marketing, Marico

"Little did I know that my efforts to put a structured procurement process in place for buying Kits for Educate girls would lead to 6,000 more educated girls in India. What is Business as usual for us is rocket science for them! At the same time, another exciting project with Atomberg will give me opportunity to learn a lot about the consumer durables industry by working under guidance of Industry experts like Mr. Sudhir Trehan. I am loving it!"
Nirlay Sheth, Procurement, Marico

BRAND CAMPAIGNS

INDIAN CAMPAIGNS

Parachute Advansed Hot Oil – Magic of Warmth

Parachute Advansed is one of the largest and most trusted consumer franchises in the hair oils category. As the brand expands its market footprint from South & West India to the North of the country, one of our key tasks is to continually increase the functional relevance of Parachute Advansed for the consumers in the North over other hair oils. This is where Parachute Advansed Hot Oil, a self-heating oil comes in. In October-March, as the North of the country gets gripped with biting cold, a hot oil massage gives therapeutic relief, as well as freedom from frizz and dryness through deeper oil penetration.

The communication narrative for the latest 'Magic of Warmth' campaign was built around a simple insight – warmth has a healing power, not just when it comes to hair, but also to relationships as well. The campaign brings this thought alive through a relationship between two siblings that has run cold in due course. It's a champi with Parachute Advansed Hot Oil placed at the heart of the film that brings their lost connection and warmth back. After a 3 year hiatus, this campaign has led the brand to deliver double digit growth numbers.

Parachute Advansed Hot Oil – Magic of Warmth

Parachute Advansed Jasmine – Shine Karke Toh Dekho (Try to shine and you will see)

Over the years, Parachute Advansed Jasmine has carved a space for itself with the small town girl. With the cultural tailwind of girl empowerment and the media-led lure of the sky being the limit, the girl is forever waiting for the right opportunity to make her mark, to shine. Parachute Advansed aids this journey with its promise of helping her through the moments that count.

'Shine Karke toh Dekho' is the latest in the series of communications with this proposition. With this new campaign, the brand has steadily gained share.

Parachute Advansed Ayurvedic – Guchcha (Strands of hair that fall daily)

Since 2014, Parachute Advansed Ayurvedic has consistently urged consumers to not ignore their hair-fall, and act upon it before it gets out of hand. The 2016 communication continues to build on this brand thought by bringing consumers' attention to the blind spot of the 'daily guccha' which mindlessly gets thrown away. The brand urges the consumer to be conscious of this habit, recognise their hairfall prob-lem, and act on it.

The campaign resonated with the consumers, with market share in South increasing, post the campaign launch (Sep'16 to Mar'17) vs the same period last year. The brand exited the year on the highest ever share in the Hair Fall Segment in South.

Hairsutras.com

With the focus to truly engage the young, female, digital consumer beyond traditional advertising, Parachute Advansed has launched a content platform called Hairsutras. The website seeks to provide the modern consumer time-tested secrets to gorgeous hair, while seamlessly weaving in messaging on the goodness of oiling into the content. The objective is to make her re-discover the category in a completely new light.

Nihar Naturals Shanti Amla- Dikho Khoobsurat, Karo Khoobsurat (Look beautiful and do beautiful)

Nihar Naturals Shanti Amla is one of the fastest growing hair oil brands in the country. Its latest

campaign, 'Dikho Khoobsurat, Karo Khoobsurat', is in tandem with its long term commitment to further children's education in the country. The campaign captures the essence of our brand purpose of giving consumers fantastic looking healthy black hair, while furthering the cause of children's education. The brand has stayed on this 'Look good & do good' premise for four years now, and it's paying rich dividends.

Parachute Advansed @KidZania

Parachute Advansed decided to introduce oiling into the lives of India's kids by catching them young. The idea was to pass on the traditional Indian oiling ritual to the next generation in a fun and relatable way. The brand launched its first ever Hair Spa at KidZania Mumbai, an award winning Global Indoor Theme park that inspires and educates kids through real life role play. They could become either a spa manager or a customer, and learn the different techniques of oiling through fun-filled massages like the 'Rockstar' and 'Chill Pill' massage. Massages are taught through unique, easy-to-follow music

Hair Spa at Kidzania Mumbai

Our brand campaigns focus on fostering deeper connections with our consumers.

OUR PEOPLE OUR PRIDE

'Brand for me' scores for Livon grew by

20%

videos, and are finished with trending oiled hairstyles like Elsa Braid.

Livon 'Salon Nahin Livon' (No need for the salon, when you have Livon)

With the launch of its new proposition, Salon Finish Hair at home in the campaign titled 'Salon Nahin Livon', Livon Serum has captured a differentiated & strong functional benefit in the large and cluttered post-wash space in India. This proposition is well synced to deliver superlative, fabulous hair for the young millennial of today who wants to look fabulous all the time. And in true millennial style, the brand revamped its media model to be 'digital first' in its approach to speak to the consumer where they're spending maximum time.

The brand also strengthened salience & relevance by partnering with India's Next Top Model (INTM) - the ultra-mod, super-style destination for young girls. The 'Salon Finish Hair' proposition created a unique space for the brand in the post-wash space, and yielded instant business results. Via INTM, the brand reached more than 20 million girls through TV & digital. Overall imagery scores for the brand shot up by 11%: 'Brand for me; scores grew by 20%, 'Makes My Hair Beautiful' scores grew from 29% to 41%, and Livon Serum became synonymous with high-glam.

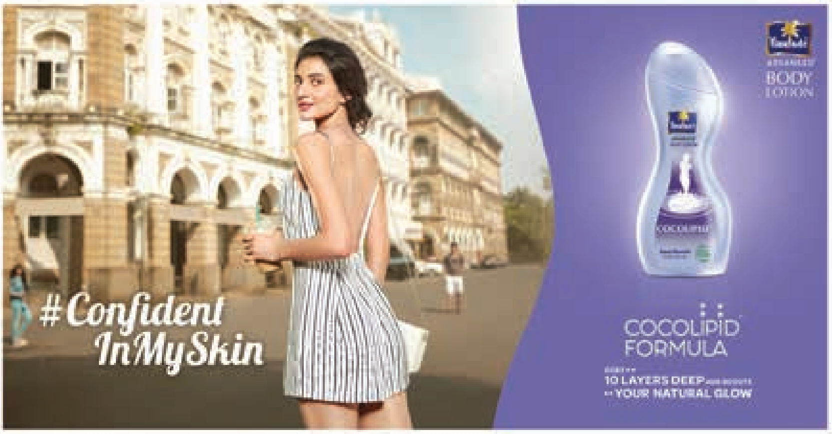
Set Wet Gels: Pura Din Set (Set for the entire day)

Set Wet is a styling brand for men of a younger age group, looking to make an impact. While the overall penetration of hair styling products in India is low, a lot of younger men style their hair with oil and water. The objective of the 'Poora Din Set' campaign was to drive penetration for Set Wet Gels and upgrade these consumers to gels by driving the superiority of the gels in giving the hold and style for a full day compared to their current habit which can keep the style only for an hour or so. The campaign has been very effective for the brand, with the brand offtakes growing in double digits.

Parachute Advansed Body Lotion - #confidentinmyskin

Parachute Advansed Body Lotion (PABL) successfully re-staged itself to become a brand of choice for the modern young woman in West Bengal last year. The communication #confidentinmyskin is built around the insight that women in India are judged no matter what they wear, if they reveal body skin (seen as bold) as well if they cover (seen as conservative). PABL decided to take on this judgement head on by bringing this cultural tension to light through a very real & relatable depiction of women & the judgements they face in everyday life. PABL encourages women to confidently wear what they choose to, by delivering beautiful glowing skin.

Post the campaign, PABL witnessed a jump in Brand Equity scores within the first three months of launch in the test market of West Bengal. Household penetration for PABL saw an increase among the bull's eye



Saffola World Heart Day with Shilpa Shetty, Kunal Kapur and Cyrus Sahukar

target group of 15-25 years, SEC A households aiding a complete turnaround.

Saffola World Heart Day 2016

World Heart Federation findings have established the co-relation between our everyday lifestyle and heart health. The findings show that - "Staying Active, Eating Better and Being Happy can make your heart up to 50% healthier". This became the core thought of the Saffolalife campaign in September 2016, which was brought to life with-

- **The development of Healthy Lifestyle Score- a unique tool that correlates one's healthy lifestyle score to heart health**
- **The Saffolalife Research Study, which found the Healthy Lifestyle Score of India to be 68, and further showcased how the sedentary lifestyle of India was pulling its healthy lifestyle index down**
- **The Saffolalife Study Event for Lifestyle Media, where celebrities Shilpa Shetty, Chef Kunal Kapur & Cyrus Sahukar were brought in to highlight each vector of the Healthy Lifestyle**
- **The Saffolalife Communication with the campaign coined "Chhote Kadam – Dil ke bade kaam ke" (Taking small steps go a long way for a healthy heart) as a creative idea to inspire consumers towards taking small steps towards a healthier heart**

The campaign resulted in a significant increase in overall brand imagery scores of Saffola. Over 2 lakh consumers visited the Saffolalife website, www.saffolalife.com, and ~50,000 consumers took up the Healthy Lifestyle Score.

~50,000

consumers took up the Healthy Lifestyle Score.

>2Lakh

consumers visited the Saffolalife website www.saffolalife.com.

Parachute Advansed Beliphool - the perfumed light oil experienced an incredible growth of 57% in FY16-17

57%

INTERNATIONAL CAMPAIGNS

Bangladesh
Parachute Advansed Thematic Campaign

Parachute Advansed has been awarded as the best Hair Oil brand and the 8th Best Brand of Bangladesh in 2016 by Bangladesh Brand Forum. The key task for the brand was to maintain market share in an ever increasing competitive market. Keeping this objective in mind, an attractive new thematic campaign of Parachute Advansed, "Ek din por por" (Every alternate day), was launched.

The communication was well received by consumers, who found it easy to comprehend, likeable and relevant. It also led to significant improvement in key parameters like overall brand image, 'suitable for regular usage' and 'beneficial for hair'.

Parachute Advansed Beliphool - Nandini

Parachute Advansed Beliphool is the leading VAHO brand in Marico Bangladesh's portfolio. The perfumed light hair oil has experienced a tremendous growth journey in FY 16-17, with 57% growth in off takes. This has been stemmed by a range of brand activities. One of the key highlights of last year was the 'Parachute Advansed Beliphool – Nandini' activation. The activation was done with the objective to gain awareness and increase penetration through attaining more new triers.

During the activation, benefits of Parachute Advansed Beliphool were communicated through a drama, followed by a quiz and game amongst participants, and finally sampling to all attendees. The second phase of the activation was conducted with school/college students, where further awareness was raised via amplification through digital media.

South Africa
Caivil Just For Kids

The South African (SA) kid's ethnic haircare segment is one of the fastest growing and as such, it has become extremely competitive. In order to strengthen its leadership position, Caivil's Just for Kids (JFK) needed to differentiate itself from other contenders to the throne by "partnering" with moms across SA during the critical first year of school. Forming a close knit triad of mom-school-JFK during this critical period, JFK initiated an informative yet entertaining campaign across SA, highlighting to young girls the importance of having a good grooming routine in a fun, interactive way.

Using dance and songs, the kids were engaged to remember their early morning routine mimicked in a popular dance sequence. The animated character Thandi was introduced so that the kids were able to relate and interact with her. For consistent brand presence and visibility, JFK supplied the schools with tools such as educational posters, stationery and timetables for each learner. As a result, JFK reported a double digit value growth of 15.1% vs last year (growing ahead of the category and driving growth), and is still the leader in the Kids Ethnic hair care segment with 69% value share. [Nielsen Sep 2016].

Caivil Beauty Parlour

Caivil represents sophistication and everyday luxury – a premium hair care brand with a salon heritage. Over the years, Caivil lost ground with its stronghold - the sophisticated Black woman. In order to address that, Caivil, in collaboration with SA's largest commercial radio station, used celebrity stylists associated with the Caivil Academy to style celebrity guests at the Caivil Beauty Parlour for the much publicised Metro FM Annual Awards. This was preceded by an exclusive promotion with key retailer Clicks. Over 300 high profile celebrities, ranging from musicians, actors, government officials and entertainers, were styled by Caivil, generating significant attention in the social media buzz around the event.

XMEN had the task of making hair styling aspirational for the youth in Vietnam

Vietnam
X-Men Vietnam – Show Your Style Campaign

X-Men decided to lead the hair styling category in Vietnam in order to strengthen its equity as a champion male grooming brand. In an underpenetrated category, the brand had the task of making the category aspirational and accessible to the youth. The breakthrough came when they signed up 365DABAND, a boys band which was on the verge of a split, and launched their last ever music video with them. The theme was around band members competing with each other on who has the best hairstyle. With this, the brand announced a competition – 'Show your Style'- an online platform where college student could participate by uploading unique hair styles, & the winning college gets something all Vietnamese teens wanted - The Last Live Performance from 365DABAND.

The brand signed up leading KOLs, whose role was to create camps for their ex-colleges and encourage more teens to join in. College activation as well as strategic tie-ups with Circle K, a youth hangout 24/7 chain, were executed to further promote the campaign.

Unique reach on digital platform was 10 Mn (76% of TG) over 8 weeks, with 15 Mn views on the Music Video and how-to videos. Post-campaign over pre-campaign, total secondary sales growth of 75%, Circle K growing at 250%

X- Men for Boss Master Brand- Boss Leads Bosses

X-Men for Boss wanted to ride the upgradation trend, so as to put Romano VIP under pressure. The objectives were to strengthen X-Men's premium positioning and great perfume imagery, along with driving up-trading to X-Men for Boss across categories, with shampoo as the biggest inspiration. X-men believed that a real Boss was an aspirational leader, not a follower. With that insight, X-Men developed the campaign idea 'Boss Leads Bosses' to support the whole range.

X-Men leveraged this idea across key touchpoints to maximise awareness. 'Boss Leads Bosses' went big on digital, as a result garnering 3.1 Mn views, with 53% watching full 2' clip (vs 30%). The breakthrough came by an on-ground activation with the idea to 'find the best start-up idea worth 1Bio VND', which resonated strongly with our TG.

Marico aspires to be a leading emerging MNC with a leadership position in two core categories of nourishment and male grooming in five chosen markets in Asia and Africa.

OUR PEOPLE OUR PRIDE

SUSTAINABILITY AND SOCIAL PURPOSE

At Marico, we believe it is fundamental to integrate sustainability into our core business strategy, to enable a long-term win-win situation for all stakeholders. Our stated purpose is to "Make a Difference" by ensuring a positive impact.

Marico works closely with its ecosystem to create a sustainable and inclusive growth for all. We have worked on various sustainability initiatives across our different markets in the areas of energy management, water management, farm productivity improvement, etc. Brands with a purpose also drove long-term sustainability, with two of our lead brands taking up socially relevant causes. Such steps have helped us in aligning our business, social and environmental objectives.

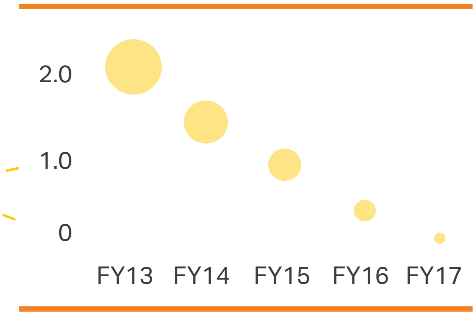
CREATION OF GOOD CLIMATE BY REDUCTION IN LIFE CYCLE GHG EMISSIONS OF OUR PRODUCTS:

Improving energy efficiency

We initiated project EnCon towards improving energy efficiencies. This project was also aimed at creating standards for processes, modifying process design, as well as equipment selection. Energy mapping was conducted to identify the low efficiency areas, followed by providing energy efficiency solutions. This facilitated a 7.81% reduction in energy consumption over the last year.

32% reduction in energy consumption over 5 years

ENERGY INTENSITY (FUEL + ELECTRICITY)

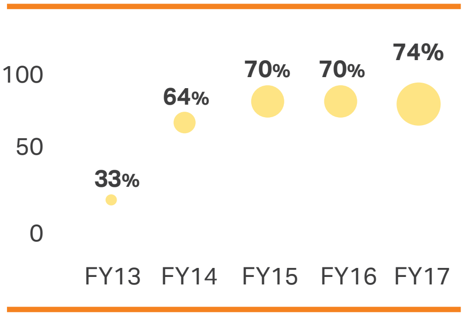


Becoming a responsible consumer of renewable energy

At Marico, we have always aimed to utilise power generated from renewable sources. At our Perundurai plant in South India, we were facing frequent power cuts leading to productivity losses. We took this as an opportunity, followed the group captive model and moved our energy source from Tamil Nadu Electricity Board (TNEB) to renewable power from wind energy. The transformer capacity has increased to 1,000 kVA and power allocation increased to 875 kVA. We have achieved a peak annual savings of INR 16 lacs and a reduction in GHG emissions of 1,700 tonnes of CO_2e/year.

120% improvement in renewable energy over 5 years

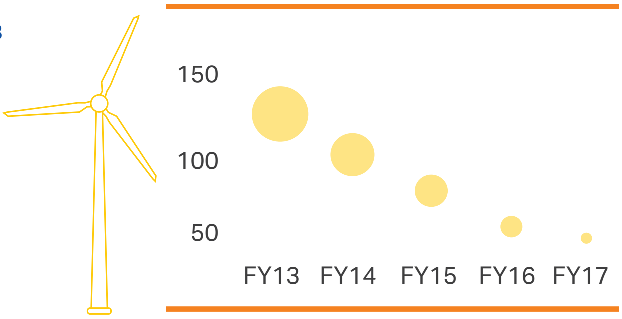
RENEWABLE ENERGY (%)



As a part of our sustainability journey, we had identified specific goals, along with our focus areas for each of the goals. Various projects were undertaken at the start of the year in our endeavour to achieve them.

OUR PEOPLE OUR PRIDE

GHG EMISSIONS (SCOPE 1 + II)



60%

reduction in CHG emissions from baseline

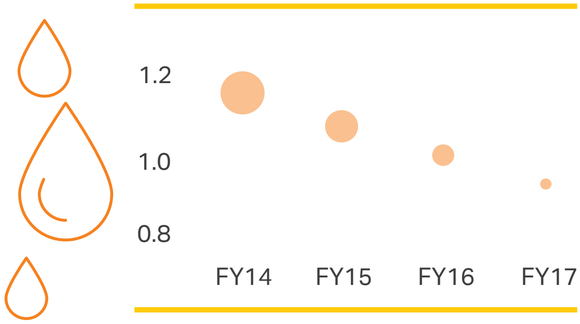
We undertook 26 projects last year that led to savings of ₹ 374.35 lacs and helped us in reducing the quantity of raw materials used in our products.

OPTIMISING OF EARTH'S RESOURCES

Becoming a water positive organisation

In our pursuit to become a water positive organisation, we undertook projects to reduce specific water consumption at our plants. We were successful in reducing the water consumption by 21% at our Baddi plant in North India (from 1.61KL/MT in 2015-16 to 1.27 KL/MT in 2016-17). Along with this, we also worked towards water conservation at adjacent villages located around our plants in Pondicherry (Sanyassikuppam village) and Baddi (Trirla Village in Nalagarh Taluka). We also worked towards infrastructure development, which benefited around 3,000 people.

SPECIFIC WATER CONSUMPTION (PRODUCT MANUFACTURING)



Resource optimisation

At Marico, we make meticulous efforts to work on conserving raw materials, and promoting usage of sustainable packaging material for our products. The process begins at the R&D stage, and is followed in the entire life cycle of our products. We undertook 26 projects last year that led to savings of ₹ 374.35 lacs, and helped us in reducing the quantity of raw materials used in our products. Reduction in laminate usage by 3%-5% (about 40 MT per annum) was achieved in a joint project led by the procurement team along with suppliers.

Sustainable procurement

- **Safflower extension program**
  Safflower, by virtue of being a minor crop, does not receive the extension and research support from publicly funded organisations. As a result, the productivity and consequently, the income of Safflower farmers have not grown to the same extent as farmers of other traditional crops. Marico, being a responsible stakeholder in the Safflower value chain, works relentlessly to address this problem. It has launched a program which aims to improve the income of Safflower farmers by making Safflower a profitable crop. Various programs like seed development and propagation program, popularising the high yielding varieties seeds, testing and propagation of yield enhancing agriculture inputs, etc. were conducted. These programs have benefitted around 40,000 farmers.

SAFFLOWER EXTENSION PROGRAM

40,000

farmers benefitted.

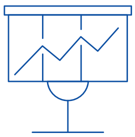
- **Coconut extension program**
  Marico's study on prevalent farming practices & best cultivation methodologies leads us to believe that farmers can produce 25% more in their fields by adopting the correct practices with no or negligible increase in costs. In order to make a difference in the lives of our farmers, Marico took upon itself the task to educate the coconut growers and help them increase the productivity, thus creating long-term crop sustainability and higher returns. There were various initiatives taken during this program, including farmer trainings, awareness on coconut cultivation, management practices, and soil testing among others. The program has worked to the advantage of around 4,500 farmers.

COCONUT EXTENSION PROGRAM YIELDED

25%

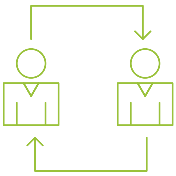
increase in production by adopting the correct practices

25+ Organisations



11 Social Enterprises

7 Sectors



6 Marico Mentors

4 External Mentors

RESPONSIBLE CORPORATE CITIZENSHIP

Marico's CSR Philosophy

Marico's stated purpose is to "Make a Difference". This purpose has defined our reason to exist, which goes beyond just generating profits and creating shareholder value. We firmly believe that all stakeholders in any organization, whether it is Shareholders, Consumers, Associates, Employees, Environment, and the Society we operate in, are closely interlinked in an interdependent ecosystem. A compelling sense of higher purpose creates an extraordinary degree of engagement amongst all stakeholders, and catalyses creativity, innovation, and commitment.

1. Marico Innovation Foundation (MIF)

Marico Innovation Foundation, a Company incorporated under section 25 of the Companies Act, 1956, is a wholly owned subsidiary of your Company. MIF is a not-for-profit organisation working towards the cause of innovation since 2003. The Foundation creates impact through its below mentioned programs:

- **MIF Scale Up Program**
  The Scale Up program is a sector-agnostic initiative that works with for-profit and not-for-profit organisations. It focuses on innovative organisations which are driven

to achieve large scale social impact. The program also focuses on creating 'scalable and sustainable impact' by solving the critical business challenges faced by an organisation. The program follows a hands-on engagement process. In the financial year 2016-17, the Foundation worked closely with organisations like Tara Livelihood Academy, Fractal Microspin, Yuva Parivartan and Zaya Labs.

- Marico Innovation Foundation in association with Villgro incubated an organisation called Yostra Labs Private Limited. Yostra is a healthcare technology firm pioneering smart innovations to make healthcare more effective and affordable. Yostra has developed two products, specifically to enable mass screening and treatment of diabetic patients at primary and secondary healthcare centres and resource-poor settings, making treatment accessible to patients from all socio-economic strata.

2. Brands with A Purpose

- **Saffolalife "Chhote Kadam – Dil ke Bade Kaam ke"**
  Saffola life: Healthy lifestyle is the key to a Healthy Heart: For the World Heart Day campaign this year, the findings revealed that - "Staying Active, Eating Better and Being Happy can make the heart up to 50% healthier". The campaign coined "Chhote Kadam – dil ke bade kaam ke" (Small steps to go a long way for heart) as a creative idea to drive home the point. It educates people about how making a small effort & bringing about minimal alteration in your daily habits could lead to your heart health improving by 50%. Saffolalife Research Study was conducted amongst consumers across metros with Neilsen and SRL Labs to release India's healthy lifestyle score. The study went further to bring out insights on country's physical activity levels, eating habits and stress levels. Saffolalife Research Study released Healthy Lifestyle Score of India at 68. During the year we had 43,542 consumers taking the test online.

43,000
healthy lifestyle tests taken till date

- **Nihar Shanti Amla "Chhote Kadam Pragati Ke Aur"**
  Nihar Shanti Amla's initiative "Chotte Kadam Pragati ke Aur" (Small Steps towards Progress) is an endeavor to support the education of underprivileged children. This year, one of the priorities of education intervention was to focus was on improving learning outcomes within the age group of 4-14 years. Under this program, the brand partnered with two organisations in the year ended 2017.
  - **Educate Girls: Initiatives carried out in Udaipur and Jalore district of Rajasthan in North India**

  - **Sesame India Workshop: Conducted in Farrukabad, Shahjahanpur and Kannauj districts of Uttar Pradesh, and also in North India**

3. Advocating Green Practices

- **GreenCo**
  Our Baddi unit in North India secured a Gold Certification under the GreenCo Rating system, accredited by the Confederation of Indian industry (CII). This was an endeavour to benchmark and calibrate our practices with the Green Company Rating System. This acts as a holistic framework to assess and evaluate the performance of the Company's activities in its pursuit of ecologically sustainable growth. We are the first Company in Himachal Pradesh to have bagged a Gold certification.

Our Baddi unit secured a Gold Certification under the GreenCo Rating System.

- **Marico R&D Centre goes green**
  The Marico R&D Centre building received the distinguished Indian Green Building Code (IGBC) certification for innovative and efficient use of energy and water, facility management and health standards.

- **Samyut**
  Advocating sustainability with all our Suppliers through annual event Samyut. It aims at creating long term valuable relationships with suppliers and encourages them to drive sustainability agendas in their organisations.

4. Making a difference to the community

Health checkups at plants: Our plants have organised numerous health camps for the members as well as the community, which have benefitted around 580 people. The camps dealt with issues comprising women's health, dental & eye check-up, oral hygiene, and blood donation camps.

- **Teach Little Minds**
  The aim of this initiative is to nurture young minds and create awareness among students by enlightening them on importance of 'quality practices' in their day to day life. Teams visit primary schools where students are taught on Good Hygiene, Safety, Food Habits, Behaviour and Manner in innovative and interactive ways. This initiative has also been cascaded to various teams from our manufacturing and business verticals, who have taken the lead and started engaging with schools directly. We have covered almost 1,300+ students across India, and it is gaining momentum day by day since its launch.

- **Empowering the girl child**
  The "Sakshar Beti" (Translation: Literate Daughter) program was conducted for female students of Govt. Inter College, Selaqui, Dehradun, and Govt. Sr. Secondary School, Majhra, Paonta Sahib, both in North India. As a part of the program, career orientation sessions were organized and stationery kits were distributed to around 240 girl students.

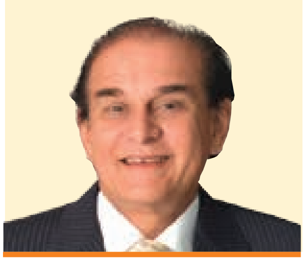
1,300+
students across India and over
240
girl students were reached out

Our suppliers at the Samyut event.

Marico, as a responsible corporate citizen, is fully committed to its purpose to 'Make a Difference'. We are engaging in meaningful dialogue with all our stakeholders, while striving to improve social, environmental and economic performance of our operations.

OUR PEOPLE OUR PRIDE

BOARD OF DIRECTORS



Mr. Harsh Mariwala
Chairman & Non-Executive Director

Mr. Saugata Gupta
Managing Director & CEO

Mr. Anand Kripalu
Independent Director

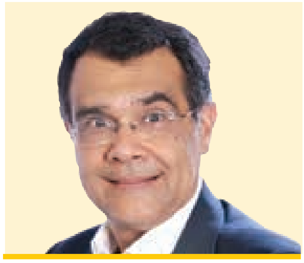
Mr. Ananth Narayanan
Additional (Independent) Director
(w.e.f. June 26, 2017)

Mr. Atul Choksey
Independent Director
(Ceased to be a Director w.e.f. April1, 2017)

Mr. B. S. Nagesh
Independent Director

Ms. Hema Ravichandar
Independent Director

Mr. Nikhil Khattau
Independent Director



Mr. Rajen Mariwala
Non-Executive Director

Mr. Rajeev Bakshi
Independent Director

Mr. Rishabh Mariwala
Additional (Non-Executive) Director
(w.e.f. May 2, 2017)

Corporate Information

COMPANY SECRETARY & COMPLIANCE OFFICER
Mr. Surender Sharma

AUDIT COMMITTEE
Mr. Nikhil Khattau - Chairman
Ms. Hema Ravichandar - Member
Mr. B. S. Nagesh - Member
Mr. Rajen Mariwala - Member
Mr. Surender Sharma - Secretary to the Committee

CORPORATE GOVERNANCE COMMITTEE
Ms. Hema Ravichandar - Chairperson
Mr. Anand Kripalu - Member
Mr. B.S. Nagesh - Member
Mr. Rajeev Bakshi - Member
Mr. Ashutosh Telang - Secretary to the Committee

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mr. Atul Choksey* - Chairman
Mr. Rajeev Bakshi** - Chairman
Mr. Harsh Mariwala - Member
Mr. Rajen Mariwala - Member
Mr. Saugata Gupta - Member
Ms. Priya Kapadia - Secretary to the Committee
*Ceased to be the Chairman w.e.f. April 1, 2017
**Elected as the Chairman w.e.f. May 2, 2017

RISK MANAGEMENT COMMITTEE
Mr. Harsh Mariwala - Chairman
Mr. Saugata Gupta - Member
Mr. Vivek Karve - Member & Secretary to the Committee
Members of top Management Team - Permanent Invitees

STAKEHOLDER RELATIONSHIP COMMITTEE
Mr. Nikhil Khattau - Chairman
Mr. Rajen Mariwala - Member
Mr. Surender Sharma - Secretary to the Committee

MANAGEMENT TEAM

Mr. Saugata Gupta
Managing Director & CEO

Ms. Anuradha Aggarwal
Chief Marketing Officer

Mr. Ashish Joshi
Chief Operating Officer- South East Asia, Middle East & Africa Business

Mr. Ashutosh Telang
Chief Human Resources Officer

Mr. Jitendra Mahajan
Chief Supply Chain Officer

Mr. Mukesh Kripalani
Chief Business Process Transformation & IT

Mr. Pankaj Saluja
Chief Strategy, M & A and New Business

Mr. Sanjay Mishra
Chief Operating Officer - India Sales & Bangladesh Business

Dr. Sudhakar Mhaskar
Chief Technology Officer

Mr. Suresh M. S. Jagirdar
Chief Legal Counsel

Mr. Vivek Karve
Chief Financial Officer

BANKERS
Axis Bank Limited, Barclays Bank PLC, BNP Paribas, Citibank N.A., HDFC Bank Limited, ICICI Bank Limited, Kotak Mahindra Bank Limited, Standard Chartered Bank, State Bank of India, The Hong Kong and Shanghai Banking Corporation Limited

STATUTORY AUDITORS
M/s. Price Waterhouse, Chartered Accountants

INTERNAL AUDITORS
Ernst & Young LLP

COST AUDITOR
M/s Ashwin Solanki & Associates

SECRETARIAL AUDITOR
Dr. K. R. Chandratre

REGISTERED OFFICE
7th Floor, Grande Palladium,
175, CST Road, Kalina,
Santacruz (East), Mumbai 400 098

OUR PRESENCE
Factories - 16 (9 in India and 7 overseas)
Regional Offices - 4 in India
Depots - 32 in India
Overseas Offices - 11

WEBSITES
www.marico.com
www.maricobd.com
www.maricoinnovationfoundation.org
www.parachuteadvansed.com
www.saffolalife.com
www.setwet.com
www.livonhairgain.com
www.livonilovemyhair.com
www.fitfoodie.in
www.artofoiling.com
www.indiaparenting.com/bio-oil/

AWARDS AND ACCOLADES

CORPORATE

- Marico recognized in Forbes India's Super 50 companies 2016
- Marico India Business received a 'level 4 TCM Enabled Company' by CII on its propriety Total Cost Management Maturity Model
- Marico won the Risk Management Solution Award in the Adam Smith Awards Asia 2016
- Marico Bangladesh received a Silver Award for Excellence in Corporate Governance from Institute of Chartered Secretaries of Bangladesh
- Marico won the Lakshya Gold Award for their work on "Demand Sensing Analytics" project in the annual NITIE Avartan Business fest contest
- Marico Treasury Team was awarded "The Best Treasury Team in Asia" by Corporate Treasurer

MANAGEMENT

- Ms. Anuradha Aggarwal, Chief Marketing Officer ranked 8th in Impact's 50 Most Influential Women 2016
- Mr. Mukesh Kripalani, Chief – Business Process Transformation & IT was honored with the Digitalist Award 2017 at Mint-SAP Digitalist Conclave

MARKETING

- The Exchange4Media Pitch Top 50 Brands 2016 recognized Saffola in Evergreen category and Parachute Advansed in Bottom of the Pyramid category
- Marico Limited won 3 awards at the Exchange 4 Media 'Primetime" Awards - Saffola Active won a Silver for Best Integration of Brand & Movie – Ki and Ka, as did Nihar Naturals #iamcapable for Best use of Regional Entertainment channel. "Rock the spotlight" with Livon won a Bronze in the category of best use of Influencers / Celebrities
- Marico bags 4 awards at EMVIES 2016, 1 Gold & 2 Silver for Saffola*life* and 1 Bronze for Parachute Advansed Body Lotion
- Parachute Advansed #KhulkeKheloHoli campaign won a Silver at APPIES 2016
- Black Chic Mega Black and Caivil Fusion Oil won 'Product Of The Year' and 'Best Innovative brand' award respectively at Africa Hair Awards 2016
- Saffola*life* #protecttherheart wins Gold & Bronze from IPRCC for its PR Campaign
- Marico won 4 STEVIEs at International Business Awards 2016, 1 Gold & 1 Silver for Saffola*life* best marketing & PR campaign. Nihar Naturals won 1 Gold & 1 bronze for best marketing & PR campaign

QUALITY

- Marico won 2 awards at World Quality Congress- Best end to end consumer solutions and 50 most impactful Quality professionals
- Marico Baddi Unit wins IMC Ramkrishna Bajaj National Quality Award

HR

- Marico is among the 100 Best Companies for Women to work in India in a study conducted by AVTAR and Working Mother Media in 2016
- Marico is among the Top 50 India's Best Companies to Work For in the Economic Times and Great Place to Work Institute's India's 2017 study

SUSTAINABILITY

- Marico's Baddi unit awarded CII GreenCo Gold certification
- Marico's R&D centre located in Suburban Mumbai, ("Marks") received the distinguished IGBC Green Building Certification for innovative and efficient use of energy and water, facility management and health standards

STATUTORY
Reports

MANAGEMENT DISCUSSION AND ANALYSIS

This discussion covers the financial results and other developments for the year ended 31st March, 2017 in respect of Marico Consolidated comprising its domestic and international business. The Consolidated entity has been referred to as 'Marico' or 'Group' or 'Company' in this discussion.

Some statements in this discussion describing projections, estimates, expectations or outlook may be forward looking. Actual results may however differ materially from those stated on account of various factors such as changes in government regulations, tax regimes, economic developments, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply constraints within India and the countries within which the Group conducts its business.

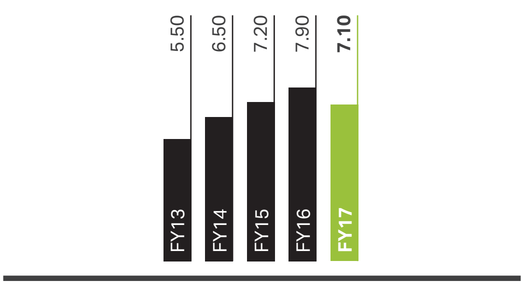
7.1%

India's GDP Growth

UPDATE ON MACRO ECONOMIC INDICATORS

India

GDP GROWTH (%)



Source: Asian Development Bank

India's burgeoning young workforce is the largest and youngest in the world. Simultaneously, this vast nation is amid a massive wave of urbanisation.

As per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF), India has emerged as the fastest growing major economy in the world over the last five years. In 2017, India's GDP grew by 7.1%, a tad lower compared to 2016. The capital formulation was lower than expected. Moreover, demonetisation brought a liquidity crunch impacting demand in H2 FY17.

However, India's economic fundamentals remain robust. The Forex Reserves stand at 383 billion USD up from 295 billion USD five years ago. The fiscal deficit at 3.5% of GDP is down from 3.9% five years ago. Consumer Price Inflation (CPI) is low and hovers around 3.8%. The country is marching towards power sufficiency across various states while the pace of constructing roads is sustained at 100 km per day. These fundamentals auger well for India's future.

India's burgeoning young workforce is the largest and youngest in the world. Simultaneously, this vast nation is amid a massive wave of urbanisation. How India shapes its significant human potential and reimagines its mushrooming towns and cities will largely determine its future.

India is poised at a critical juncture. It needs massive investments to create jobs, housing, and infrastructure to meet the soaring aspirations of its people. Tidal growth that lifts all boats will be the key for a prosperous future.

GST will soon usher in one of the biggest regulatory reforms since independence. It is expected to improve compliance, further control inflation, improve tax revenues and create a level playing field for compliant industry players. While it may lead to short term hiccups, over the medium term, it is expected to simplify the indirect tax administration and compliance; and probably pave way for progressive reduction in tax rates.

Bangladesh

Bangladesh population is estimated at more than 160 million. It is largely an ethnically homogenous society with the highest population density in the world.

Despite global headwinds that crimped remittances, Bangladesh's GDP recorded robust growth of 7.1% in FY2017 on higher private investment and exports. The current account surplus expanded, and inflation slowed. Continued high growth will require a rebound in remittances and higher exports. Productive jobs are needed in manufacturing and modern services for the large number of new entrants to the labour force. Moreover, the country needs to engage its surplus farm labour and encourage female workforce participation.

In the long term, Bangladesh promises substantial potential in terms of socio-economic growth. A developing economy with a young demographic profile provides the perfect consumer base for the FMCG sector to flourish. Political stability will further help the cause.

Vietnam

Vietnam is one of the fastest growing countries in South East Asia. Since 1990, Vietnam's GDP per capita growth has been among the fastest in the world, averaging at 6.4% a year in the 2000s. Despite uncertainties in the global environment, Vietnam's economy remains resilient. The country's medium-term outlook remains favourable, while its fundamental drivers of growth – resilient domestic demand and export oriented manufacturing – remain in force. According to data issued by the Government Statistics Office (GSO), its GDP expanded by 6.2% in 2016, just shy of the government's projection of 6.3% and slightly above the IMF's estimate of 6.1%. The business environment has improved remarkably with tax reforms and slashing of 'red tapism' in the country.Better business conditions are sustaining healthy FDI inflows, which is an important growth driver in Vietnam's export-oriented economy. Robust investment, surging exports and the government's commitment to macroeconomic stability prompted credit rating agencies Fitch and Moody's to upgrade the country's outlook in May to BB- and B1 respectively.

Middle East and North Africa (MENA)

The Middle East, especially the Gulf Cooperation Council (GCC) countries, are currently affected by macro-economic downturn and a difficult job market, primarily due to the slump in oil prices. This calls for a thorough and challenging transformation for the GCC countries to be able to achieve desirable growth. Being highly dependent on oil, GCC countries have been deeply affected by the recent oil price drop (~60% since 2013). This has brought macro-economic instability that hinders job creation and slows down growth. The dip in oil prices has largely impacted GCC's public finances, predominantly generated by the oil sector, and has hampered Foreign Direct Investment (FDI). Only UAE has rebounded to its pre-crisis level. The slowdown impacted the job market, already riddled with a large youth unemployment rate and a population overly employed by state-owned companies. Further, a non-oil private sector that remains relatively small has limited the chances of growth and employment. GDP growth in GCC countries is forecasted at +2.3% in 2017, far from the growth experienced in the past.

Looking forward, GCC countries should decrease their dependence on oil through diversification. Besides, switching focus of growth from public to private sector, developing an ideal environment for SMEs and improving the banking system's liquidity and solvency will help these economies revive.

Egypt has embarked on a major economic reform programme, including the liberalisation of the exchange rate regime, fiscal consolidation measures and reforms in the business environment. The liberalisation of the exchange rate regime is a key step towards restoring the economy's competitiveness and bolstering private sector activity which had been severely impeded by shortages of foreign currency. Yet, the reforms are exacerbating social pressures in the short term; with inflation reaching some of the highest recorded rates and currency depreciating by more than 52% in one year.

GDP is expected to grow by 3.9% in FY17 and will be largely driven by public investment and to some extent net exports. Private investment is expected to pick up only in the second half of FY17; supported by enhanced competitiveness following the currency depreciation and the gradual implementation of business climate reforms. Besides, tourism is expected to steadily recover on the back of a weaker currency. Prudent monetary policy is projected to bring inflation down over the forecast horizon after the one-off effects of depreciation, subsidy reforms, and the introduction of VAT dissipate.

According to World Bank's semi-annual MENA Economic Monitor, economies in the MENA region will witness growth of 2.6% in 2017, down from 3.5% in 2016. This will be primarily owing to the political unrest, war and low oil prices. The sustainability of economic recovery in the region will depend on the effectiveness of any future peace-building and reconstruction efforts.

South Africa

South Africa is the second largest economy in Africa. The country is rich in natural resources and is a leading producer of platinum, gold, chromium and iron. From 2002 to 2008, South Africa grew at an average of 4.5% year-on-year, its fastest expansion since the establishment of democracy in 1994. However, in recent years, successive governments have failed to address structural problems such as the widening gap between rich and poor; low-skilled labour force; high unemployment rate; deteriorating infrastructure; high corruption; and crime rates. Consequently, since the recession in 2008, South Africa's growth has been sluggish and below African average. With the South African GDP declining by 0.3% in 2016 compared to 1.3% expansion in 2015, its economy continues to languish. While manufacturing recovered and retail sales posted strong growth in March 2017, economic activity remains weak and is still at risk of falling into a technical recession. Two credit rating agencies downgraded the country, which could dent private consumption and investment, and thereby dampen its economic prospects. This spells bad news at a time when a new political crisis is engulfing the embattled President and could distract the government from economic affairs.

Economic growth is projected to continue to be weak in 2017 before picking up moderately in 2018. The revival of the economy will be on the back of rising private consumption and exports due to recovery in commodity prices and growth in export markets. Unemployment and inequality will remain high, reflecting large skill gaps and low education quality. Inflation has been above target, due to the rand depreciation and rising food prices, but is easing.

OVERVIEW OF THE CONSUMER PRODUCTS INDUSTRY

India's FMCG sector at USD 41.1 billion is one of the largest sectors in India [Source: Nielsen]. Over the last five years, the sector has grown at compounded annual growth rate of 9.3%, ahead of the GDP growth. During the year under review, the growth rate has tapered off mainly due to deflation and the impact of demonetisation. While sentiment appears to have improved, it has not yet translated to tangible improvement in consumption across the sector. However, there is a silver lining. The recent 'normal monsoon' forecast augurs well for the sector. Some other factors expected to drive the recovery are a stronger GDP growth (leading to investments in various sectors, which eventually results in employment generation); moderate consumer inflation; enabling government policy framework; continuing input cost benefits; Goods and Service Tax (GST); Direct Benefit Transfer Scheme (DBT); One Rank One Pension (OROP) for ex-Military servicemen; and increased pay-outs to government employees consequent to implementation of 7th Pay Commission recommendations.

Indian consumer segment is broadly segregated into urban and rural markets, and it attracts companies from across the world. The sector comprises a large middle class, relatively large affluent class and a small economically disadvantaged class, with spending anticipated to more than double by 2025.

India's consumer confidence index stood at 136 in the fourth quarter of calendar 2016. It topped the global list of countries on the same parameter, as a result of strong consumer sentiment, according to market research agency, Nielsen. Further, in the discretionary spending category, 68% respondents from India indicated the next 12 months as being good to buy; thus, ensuring once again that India leads the global top 10 countries on this parameter during the quarter.

Global corporations view India as one of the key markets from where future growth is likely to emerge. The growth in India's consumer market would be primarily driven by a favourable demographics and increasing disposable incomes. McKinsey Global Institute's recent study (MGI) suggests that if India continues to grow at the current pace, average household incomes will triple over the next two decades. This will help India jump to the spot of the world's fifth-largest consumer economy by 2025, up from the current 12th position.

India's robust economic growth and rising household incomes are expected to increase consumer spending to US$ 3.6 trillion by 2020#.

The maximum consumer spending is likely to occur in food, housing, consumer durables, and transport and communication sectors. The report further stated that India's share of global consumption would expand more than twice to 5.8% by 2020.

The growing purchasing power and rising influence of the social media have enabled Indian consumers to spend more on discretionary items. India's consumer sector has grown at an annual rate of 5.7% between FY2005 and FY2015. Annual growth in the Indian consumption market is estimated to be 6.7% during FY2015-20 and 7.1% during FY2021-25.

India's fast-moving consumer goods (FMCG) companies are now collectively bigger than their multinational peers. The combined revenue of India's seven leading FMCG companies stood at US$ 11.1 billion in FY 2015-16, vis-à-vis US$ 9.4 billion revenues generated by select seven multinational companies (MNCs)[†].

[#] According to a report by Boston Consulting Group (BCG), a global consulting firm and the Confederation of Indian Industry(CII), an all-India industry association.

[†] According to a report by The Associated Chambers of Commerce of India (ASSOCHAM), an all-India industry association and TechSci Research, a market research company.

OVERVIEW OF THE BEAUTY AND WELLNESS BUSINESS

The personal care industry makes up 22% of India's market for consumer-packaged goods and experts agree that India is full of opportunities and is a potential gold mine for many beauty and personal care companies.

As per analysts, the Ayurvedic market is estimated to be at ₹ 4,500 crore at present (~700 million USD). Currently, the herbal products form 6-7% of the overall personal care products market; while the estimates are that it could grow to about 10% of the segment by FY20 as the trend accelerates. Consequently, various players are rebooting their business strategies and investing in new products or making new acquisitions to reap in the benefit of the herbal wave. With a CAGR of 40%, the spa industry is the subsector with the most significant growth prospects among all personal care subsectors in India.

According to industry experts, the market size of India's beauty, cosmetics and grooming market will touch 20 billion USD by 2025 from the current level of 6.5 billion dollars. The rising awareness of personal care products, growing disposable incomes, changes in consumption patterns and lifestyles will influence the industry. Moreover, improved purchasing power of women promises exciting times for the personal care industry. These trends are anticipated to boost the personal care market in India and raise the consumption of personal care products and services, thereby offering extensive opportunities for domestic and international players.

The speed and stress of modern day living in India has brought the need for 'wellness' to the centre stage, paving way for accelerated growth of this segment.

The wellness industry in India is set to cross the ₹ 500 billion mark by the end of this year. The latest trends depict that the market will rise by 30% every year.

Another important factor that has driven the beauty and wellness business to a successful level is the increase in disposable income. The contemporary population is well aware of health and tends to inculcate new ideas for healthy lifestyle immediately. Going forward, the presence of appropriate supply channels will help in reaching the end customers efficiently. This is the right time to harness the potential market prospect by utilising the scope available with the wellness companies that provide franchise all over the country.

THE MARICO GROWTH STORY

Marico revenues stood at ₹ 5,986 crore (USD 886 million) for FY17, recording a decline of 1% over FY16. Volume growth for the year was at 4%. The value growth was lower owing to price reductions in the coconut oil portfolio in India and Bangladesh and currency devaluation in the Egypt region in H2FY17. The operating margin was at 19.5%. The business reported bottom line of ₹ 799 Crores (USD 119 million), a satisfactory growth of 12% over last year.

Over the past five years, Marico's top line and PAT have grown at a compounded annual growth rate (CAGR) of 10% and 18% respectively. This places Marico in the top quartile in this sector.

India's FMCG sector at USD 41.1 billion is one of the largest sectors in India. Over the last five years, the sector has grown at compounded annual growth rate of 9.3%, ahead of the GDP growth.

Domestic Business: Marico India

Marico India, the domestic business, achieved a turnover of ₹ 4,579 Crores (USD 683 million) in FY17, a decline of 2% over last year. While it recorded a volume growth for FY17 at 4%, its value growth diminished owing to price reductions in the coconut oil portfolio. The black swan event of demonetisation in Q3FY17 acted as a dampener on the overall annual volume growths due to liquidity crunch in India's informal economy. The operating margin for the India business was healthy at 24.3% before corporate allocations. Higher operating margins can be attributed mainly to gross margin expansion led by softer input costs.

Coconut Oil

Parachute's rigid portfolio (packs in blue bottles) recorded a volume growth of 4% for FY17 over FY16. Going forward, the volume growth in Parachute rigid is likely to remain in the range of 5-7%. Moreover, Marico aimed to protect the consumer franchise and maintain the volume momentum over maintaining short-term margins. Thus, the Company restricted the price increase in March 2017 to 8% in response to an inflation of 18% in commodity prices in H2FY17. For the full year, copra prices were down 12% corresponding to 14% price deflation in the coconut oil category.

The non-focused part of the portfolio (comprising Nihar and Oil of Malabar along with pouch packs in Parachute) remained flat in volume terms during the year.

Of the total coconut oil market, approximately 30-35% in volume terms is available in loose form. This loose component provides headroom for growth to branded players. The Company's flagship brand Parachute, being the market leader, is well placed to capture a significant share of this growth potential on a sustainable basis. The Company would continue to exercise a bias for franchise expansion as long as margins remain within a band. Towards that end, Marico will continue to invest behind brand building, distribution expansion and tactical inputs to remain competitive. It is generally observed that a moderate inflationary environment swings the competitive position to the Company's advantage putting pressure on the working capital requirements of marginal players. This leads to market share gain and better volume growths.

During the year under review, Marico's coconut oil portfolio achieved a volume and value market share at 58% and 59% on MAT basis respectively.

Parachute's rigid portfolio (packs in blue bottles) recorded a volume growth of 4% for FY17 over FY16.

Foods: Super premium refined edible oils and oat cereals

The Saffola refined edible oils franchise clocked an 8% growth in volume terms during FY17 over FY16.

The Saffola range of blended refined oils (available in five variants) operates in the premium and super-premium niches of the refined edible oils market. These oils provide a balance of PUFA (polyunsaturated fatty acids) and MUFA (mono-unsaturated fatty acids); and thus, help consumers to proactively manage a healthy lifestyle. With rising awareness about healthy living in the country, this provides significant chances for growth. The Company has been driving growth through building relevance of the Brand among proactive health-conscious consumers, with Saffola Active communication on the 'Stay Fit & Active' proposition.

Over the last few years, a new sub-segment of super premium edible oil has emerged and has been growing rapidly. Marico believes that it can participate in this growth with its differentiated proposition. Accordingly, in Q4FY17, it launched the first of its kind blend of Olive and Flaxseed oil under a sub-brand Saffola 'Aura'. A blend of two superfoods, Saffola Aura combines the benefits of Omega-3 and Antioxidants in single oil. It has been launched in Extra Virgin and Refined Variants across key Indian metros. With this launch, Saffola reaffirmed its position in the premium segment offering health benefits across divisions.

The brand gained market share of 283 bps and further strengthened its leadership position in the super premium refined edible oils segment to 66% during the 12 months ended March 2017. The near-term outlook for the blended oil franchise is positive with double digit volume growth prospects.

Saffola's foray into healthy foods, Saffola Oats continues to consolidate its strong second position in the oats category with a value market share of 27%. Saffola Oats is the highest distributed oats brand in the country. Focus on value-added offerings in the oats segment has enabled the Company to capture 69% value share in the flavored oats market on a MAT basis. The Company's ability to localise the product to suit the Indian palate and drive consumption by increasing the occasion of use apart from breakfast to in-between meals has been the key catalyst in creating and succeeding in this category.

During FY17, the category slowed down due to strong the competitive headwinds, resulting in flat growth. The Company realises that future growth will come from expanding the category with continuous innovation in product and packaging; and it has taken definitive steps towards this end. Marico will further invest in sampling and distribution, which are the other two growth pivots for the segment. Besides, the Company is focused on improving margins with concentrated cost management initiatives that will provide resources to plough back for growth. The Company launched Saffola Multigrain Flakes, its new offering in the breakfast cereal space in February '17 in the cities of Mumbai and Bengaluru. Saffola Multigrain Flakes brings together the power of five grains in one breakfast bowl and is a superior breakfast option to other single grain flakes.

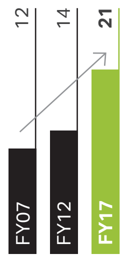
Value-added hair oils

Marico's value-added hair oil brands registered a volume growth of 4% during the year, despite declining by 12% in Q3FY17 due to demonetisation. Marico continues to grow faster than the value added hair oils market of ₹ 6,500 crore (USD 970 million). During the year, the Company further strengthened its market leadership in the segment by 150 bps to 33% volume share (for 12 months ended March 2017) and with value share gain of 100 bps to 26% for the same period. The Company will continue to focus on premiumisation to drive growth in the category. The Company's value-added hair oils portfolio crossed ₹ 1,250 crore (USD 187 million) landmark this year with a bouquet of four strong brands.

Value-added hair oils portfolio has grown at 10 year CAGR of more than 20% and now accounts for 21% of the Company's business in India.

SHARE OF HAIR OILS TO GROUP REVENUE

10 YEAR VALUE CAGR >20%



Over the past five years, Marico's top line and PAT have grown at a compounded annual growth rate (CAGR) of 10% and 18% respectively. This places Marico in the top quartile in this sector.

Nihar Shanti Amla is the key growth driver, and continues to gain market share. It achieved a volume market share of 39% for 12 months ending March 2017 in the Amla hair oil category (MAT March '16: 37%). The exit market share of Nihar Shanti Amla at 40% reflects the continued strong growth trajectory. The increased scale of the franchise enables the Company to benefit from operating leverage, thereby improving net margins, despite competitive pricing. Marico aims to become the volume market leader in the Amla hair oil category in near future.

Three growth pivots: (a) Targeting the bottom of the pyramid segment; (b) inducting a new consumer base and (c) premiumising the category will bring further growth to the category.

As an endeavour to further strengthen its presence in the low unit pack segments, Marico forayed into low unit packs with a prototype of ₹ 1 sachet of Parachute Advansed Jasmine hair oil in Gujarat and Nihar Naturals hair oil in Bihar. The Company's prototype of ₹ 5 spout pack under Nihar Shanti Amla is now being extended to one more Hindi speaking state. During the year, the Company also launched an ₹ 10 rigid bottle of Parachute Advansed Jasmine hair oil and Nihar Naturals hair oil to fast-track the consumer recruitment process.

Nihar Naturals Sarson Kesh Tel, a value-added mustard oil targeting loose mustard oil pool continues to expand its reach, post its launch across markets in North and parts of East India. It has a meaningful share in the perfumed mustard oil category (MAT March '17: 6%). The Company will continue to invest in the brand encouraged by a large source pool of unorganised mustard oil. The Company's rural go-to-market activities will help further scale up of these initiatives.

Value-added hair oils portfolio has grown at 10 year CAGR of more than 20% and now accounts for 21% of the Company's business in India.

Marico aims to become the volume market leader in the Amla hair oil category in near future.

Parachute Advansed Aloe Vera Hair Oil was launched in the markets of Andhra Pradesh, Telangana and Tamil Nadu in November after being prototyped in Maharashtra for a year. The Company will continue to aggressively invest behind the brand in these markets to premiumise it.

Hair fall control

Hair fall control oils now comprise 14% of the total value-added hair oils market. The size of this sub-category is now ₹ 900 Crore (USD 134 million).

Marico participates in the segment with two value added offerings.

- Parachute Advansed Ayurvedic Oil, with presence in southern states, continues to hold market shares.
- Parachute Advansed Ayurvedic Gold Hair oil, operating in all non-southern states has been performing below its action standards. However, the Company continues to be excited about the brand's long-term potential and therefore, will continue to invest in brand building and expansion initiatives.

The Company expects to cross top line milestone of ₹ 100 Crore (USD 15 million) by FY19.

The Value-added hair oils category has been among the fastest growing large sized FMCG segments in India and compares very well with other highly penetrated personal care categories. The new-age hair oils in the developed markets could create a super-premium segment in India too. This serves to emphasise that hair oils can drive both beauty and nourishment. Marico will continue to focus on upgrading the portfolio by playing across segments that cater to consumer needs of nourishment and problem solution.

Youth portfolio

The youth brands portfolio plays in following categories i.e., hair gels, deodorants, hair gain tonic and leave-in serums. For the full year, the franchise grew by 5% in value terms. The Company has defined a multi-pronged strategy for long-term sustainable growth of this business:

1. Set Wet Gels: Drive penetration and category growth;
2. Set Wet Deodorants: Drive market share through a differentiated imagery and in-store presence;
3. Livon Hair Gain: Drive trials and repeats through efficacious product offering, while simultaneously blocking out unfair competition with innovative packaging; and
4. Livon Hair Serum: Drive affordability, penetration and relevance in the niche segment of hair serums.

The value market share of **Set Wet gel** has grown by 391 bps in last 12 months and currently stands at 58%. The gels now comprise more than 40% of total youth portfolio. **Set Wet deodorants** portfolio achieved a volume market share of about 3.3% for the 12 months ended March 2017 in the deodorants category (MAT March '16: 2.6%).

Livon serum's core proposition of 'salon finish hair at home', launched in August 2016 with a focus on metro markets has been building relevance for the brand. Despite the macro-economic headwinds post demonetisation, the brand showed signs of positive traction with

value growth in FY17. Moreover, it has started to unlock the potential in e-commerce channel. In a bid to accelerate trials, Livon prototyped its sachet at ₹ 3 in Gujarat in October, 2016; which has performed well with reach of one lakh outlets in less than six months of launch.

The categories of hair gels and creams (Set Wet and Parachute) and leave-in conditioners (Livon and Silk and Shine) are at a very nascent stage; as their penetration in India is far lower as compared to other emerging markets. Being market leaders, the Company is determined to innovate and grow the market. Overall, given the initiatives rolled out for all three verticals, the Company is confident of a double-digit value growth in FY18.

Distribution

Marico's rural sales declined by 6% while urban sales were flat in FY17. This year the rural channel remained sluggish in H1FY17 as an aftermath of bad monsoons in the last two years and was influenced by demonetisation in H2FY17, despite a good monsoon. Hence, the Company's rural sales dropped to 31% of total India sales in FY17.

Sales in Modern Trade (10% of the India turnover) continued the good run with growth of 12% in FY17. CSD and institutional sales (7% of the domestic turnover) declined by 3% in FY17 due to stock correction.

Go-To-Market Transformation has been identified as one of the pillars of long-term growth. The Company has been systematically investing behind processes and IT infrastructure to augment its capabilities. An update on the Company's go-to-market transformation journey during FY17 is as under:

- Project ONE (outlet network expansion) aims at expanding the direct distribution of Marico and thus, has added 86,000 outlets across 34 cities over the last three years, yielding a turnover of ₹ 88 Crores every year. The Company plans to add further 14,000 outlets in FY18.
- The new Distributor Management System along with Order Management Platform was rolled out pan-India. It led to significant increase in range service levels with optimised inventory leading to lower loss of sales.
- Handheld devices powered with visual analytics and rich dashboards have enabled the sales force to target its efforts at the right channel and right outlets. This has helped generate effective sales leads and improve salesforce effectiveness.
- The Assortment Mix Analytics has been successfully implemented fully in one city,

Project ONE (outlet network expansion) aims at expanding the direct distribution of Marico and thus, has added 86,000 outlets across 34 cities over the last three years, yielding a turnover of ₹ 88 Crores every year.

and has now been extended to two more cities in order to help drive cross-sales opportunities.
- The Company completed one successful prototype of the geo-tag based analytics-led route optimisation in Mumbai. The project has the potential to optimise the feet on street and drive higher outlet coverage with redeployment of the released manpower.
- Output from the analytics models of Category Growth Drivers and Market Mix modelling have been used for the annual planning of resource allocation between marketing- and sales-led inputs.
- The Company also launched a new Demand Sensing model, which helps improve response to intra-month forecast changes, thereby lowering the possibility of stock-outs.

Project Edge

The Company, during Q1FY17 launched Project EDGE, a new initiative aimed at improving the efficiency and effectiveness of current trade and marketing spends. The savings from this project will be redeployed to fuel growth – hard working spends to accelerate growth, distribution expansion and so on. The gains started accruing from Q4FY17 and annualised gains of ~₹ 35 crores will accrue from FY18. These will be ploughed back to further augment the sales infrastructure and fuel volume growth.

E-Commerce

As part of its plan to remain relevant to the internet-savvy new age consumers and other stakeholders, the Company, in coming quarters, will focus on various digital initiatives. As a result, e-commerce has become an important pivot of growth. The Company has taken definitive steps to stay ahead of the curve in this space; and has identified and appointed dedicated resources for e-commerce including top-class consulting resources.

The non-coconut oil portfolio is now ~23% of the total business in Bangladesh compared to 10% five years back.

Summing up the story of India Business in FY17

FY17 was an eventful year for Marico. The rural demand remained weak due in FY17 due to various factors, but returned to normalcy in Q4. Moreover, while H1 was deflationary for the Company, H2 was inflationary, especially Q4. There are three macro factors to consider as the Company plans for the next financial year:

- Inflation in key commodities;
- GST, India's biggest indirect tax reform - while in the long run, it will be beneficial for organised players, it will bring near-term uncertainties that may shrink trade pipeline. This will lead to volatility and uncertainty at least in H1FY18; and
- Monsoon

With this backdrop, the Company is targeting 8-10% volume growth and healthy market share gains. Going forward, Marico will support its growth strategies with increased investment in core portfolio, aggressive new product launches, distribution expansion, and judicious call on pricing and tighter cost management.

International FMCG Business: Marico International

Marico's international business (its key geographical constituents being Bangladesh, South East Asia, the Middle East, Egypt and South Africa) comprised 23% of the Marico Groups turnover in FY17. The business reported a 1% constant currency growth (volume growth of 3%) during the year. The severe macro-economic headwinds during H2FY17 in the MENA region have led to the muted growth of the overall international business in FY17. Excluding MENA, international geographies grew at a constant currency rate of 5% in FY17. The operating margin for the full year was healthy at 16.5% (before corporate costs allocations).

During the year, the international business continued to focus on the key pivots of growth in its chosen emerging markets of Asia and Africa:

1. Aggressive growth in non-Parachute portfolio in Bangladesh
2. Recovery in the Middle East and South East Asia
3. Go-to-market transformation in Egypt
4. Investment in new markets

Overall, the strategy of focusing on strengthening the core and investing behind capabilities has started showing positive results and should help accelerate growth in coming years.

Bangladesh (44% of the International Business)

The Bangladesh business reported a topline constant currency decline of 2% (volume growth of 2%) in FY17 due to price corrections of Parachute Coconut Oil on a Y-o-Y basis.

Parachute coconut oil declined by 5% in constant currency terms (volume decline of 1%) during the year; however, it further consolidated leadership position with 86% volume market share. With commodity prices increasing, the Company has increased the prices in the coconut oil portfolio by 10% towards the end of FY17. This will ensure inflation-led value growth in FY18. The scope of growth in coconut oil segment is limited as the category has matured. However, the Company is confident of growing

this franchise at a high single-digit constant currency growth in FY18.

The trend of consumer upgradation from base oils to value-added hair oils continued during the year. Riding on this trend, the Company's value-added hair oils portfolio grew at a rate of 14% in constant currency terms led by strong growth in the flagship brand 'Beliphool'. Overall, the non-coconut oil portfolio grew by 10% in constant currency terms in FY17. To mitigate the impact of increase in inputs costs, the Company initiated price increase of 8% in value-added hair oils (VAHO) portfolio in the later part of Q4FY17.

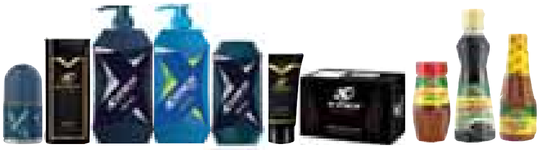
In the recent past, Marico has made significant investments to expand its non-coconut oil portfolio such as value added hair oils (VAHOs), deodorants, gels, leave-in conditioners, body lotion, packaged masala oats and premium edible oils. These products have been accepted well and are expected to create a portfolio, going forward. Consequent to these initiatives, the non-coconut oil portfolio is now ~23% of the total business in Bangladesh compared to 10% five years back. The new launches offer a substantial proposition for future growth. The Company is leveraging its strong distribution network and learning from the India market to quickly scale up its new product introductions in Bangladesh. The non-coconut oil portfolio is likely to become ~30-40% over next two to three years from the current share of ~ 23%.

Overall, in the near term, the Company is confident of delivering a double-digit constant currency growth in this important market.

South East Asia (28% of the International Business)

Business in South East Asia (of which Vietnam is a significant contributor) grew by 11% in FY17 in constant currency terms. In Vietnam, X-Men maintained its leadership in male shampoos and attained market leadership in the male aerosol deodorants category. Over the medium term, the Company remains well poised to participate in the category growths. The Foods business also delivered healthy growths during the year.

The Company continues to scale its presence in neighbouring countries like Myanmar. Marico ended the year in Myanmar with a turnover of USD 7 million.



The Middle East and North Africa (MENA) (15% of the International Business)

The MENA business declined by 13% in constant currency terms in FY17 over FY16. As the macro headwinds continued, the Company

chose to correct the distributor inventory levels in Q4FY17, both in the Middle East and Egypt businesses.

The Middle East business declined by 19% in FY17 on constant currency basis, while the Egypt business declined by 4% in FY17 in constant currency terms.

Egyptian Pound (EGP) has depreciated by 52% against INR over the last 12 months putting pressure on margins and value growth.

We remain cautiously optimistic about this region in the near term. Given the equity of brands such as Hair Code in Egypt and Parachute in the Middle East, we remain positive about the medium-term outlook on these markets. Overall, a marathon innings will be required for long-term victory in this region.

South Africa (7% of the International Business)

The business reported a constant currency growth of 5% during the year, despite challenging macro conditions.

Summing up the story of International Business in FY17

FY17 has been a tough year for Marico's international business as a whole. The business has almost remained flat compared to last year. On the positive side, the EBITDA margins have remained healthy. Further, there have been green shoots. The value-added hair oil portfolio in Bangladesh is looking up and the Vietnam market is growing at a healthy pace Growth in new country markets such as Nepal and Myanmar is promising. On the downsides, MENA region has been at the receiving end of stress and turmoil and we remain cautiously optimistic about this region.

CONSOLIDATED RESULTS OF OPERATIONS – AN OVERVIEW

During the year ended 31st March 2017 (FY17), Marico registered consolidated revenue from operations of ₹ 5,936 crore, a decline of 1% over previous year. The volume growth underlying this revenue growth was 4%. The value growth was lower owing to price reductions in the coconut oil portfolio and currency devaluation in the Egypt region in H2FY17.

Profit after tax (PAT) for FY17 was ₹ 799 crore, a growth of 12% over FY16.

TOTAL INCOME

Our total income consists of the following

1. Revenue from operations includes sales from 'consumer products' - including coconut oil, value-added hair oils, premium refined edible oils, anti-lice treatments, fabric care, functional and other processed foods, hair creams and gels, hair serums, shampoos, shower gels, hair relaxers and straighteners, deodorants; and other similar consumer products, by-products, scrap sales and certain other operating income.
2. Other income primarily includes profits on sale of investments, dividends, interest and miscellaneous income.

The following table states the details of income from sales and services for FY17 and FY16

(₹ Crores)

Particular	FY17	FY16
Revenue from Operations	5,935.9	6,024.5
Other Income	97.3	93.3
Total Income	**6,033.2**	**6,117.8**

There has been 1% decline in revenue from operations on account of 2% decline in Marico India and 1% growth in Marico International.

EXPENSES

The following table sets the expenses and certain other profit and loss account line items for the years FY17 and FY16:

Particular	For the year ended March 31,			
	2017 ₹ Crores	% of Revenue	2016 ₹ Crores	% of Revenue
Revenue from Operations	**5,935.9**		**6,024.5**	
Expenditure				
Cost of Materials	2,849.1	48.0%	3,119.0	51.1%
Employees Cost	404.2	6.8%	373.4	6.2%
Advertisement and Sales Promotion	659.5	11.1%	692.7	11.5%
Other Expenditure	863.9	14.6%	829.3	13.8%
PBIDT margins	1,159.3	19.5%	1,051.4	17.5%
Depreciation, Amortisation and Impairment	90.3	1.5%	94.9	1.6%
Finance Charges	16.6	0.3%	20.6	0.3%
Tax	337.7	5.7%	305.4	5.1%
Profit after Tax	798.6	13.5%	711.5	11.8%

Cost of materials

Cost of material comprises consumption of raw material, packing material, semi-finished goods, purchase of finished goods for re-sale, excise duty and increase or decrease in the stocks of finished goods, by-products and work in progress.

The prices of copra, one of the main ingredients, declined by 12% compared to last year. Rice bran oil prices were up 17%, while liquid paraffin prices dropped by 1% during the year and safflower oil prices rose by 5%. HDPE (a key ingredient in packaging material) price was down by 2% compared to FY16. Considering copra accounts for a major proportion of input costs, the overall cost of materials reduced by 3% during FY17 leading to gross margin expansion.

Employee cost

Employee cost includes salaries, wages, annual performance incentives, provision towards long-term incentives, statutory bonus and gratuity, contribution to provident and other funds and staff welfare schemes expenses. The Company has an extensive process of performance management enhancement through the deployment of MBR (Management By Results), which is intended to create an environment, where employees are encouraged to challenge and stretch themselves. Based on the Company's target achievement and the individual's performances against goals identified performance incentives are determined. Long-term incentive provisions are towards Employee Stock Option Plan (ESOP) and Stock Appreciation Rights Scheme (the Company's long-term incentive plan). During the year under review, employee cost grew by 8% over FY16 on account of annual salary revisions offset by reversal in Stock Appreciation Rights (STAR) provisions and lower employee costs in INR terms due to the significant currency devaluation in Egypt.

Advertisement and Sales Promotion (ASP)

The Company continues to invest in existing and new products. ASP spends on new products comprises a meaningful part of the overall ASP. Overall, decrease in ASP spends for the full year was 5%. The Company increased its ASP spends by 5% in H1FY17 but post demonetisation in Q3FY17, it pull backed the ASP spends in H2FY17. This ensured effectiveness of spends in tough and volatile macro-economic conditions. However, the Company intends to continue spending on ASP in the near term for ensuring long-term sustainable growth. The Company expects to operate in a band of 11-12% in the medium term.

Depreciation, amortisation and impairment

For the year as a whole, depreciation has decreased from ₹ 94.9 crore in FY16 to ₹ 90.3 crore in FY17. The decrease is on account of the one-time depreciation impact due to change in useful life of moulds in FY16.

During the year ended 31st March 2017 (FY17), Marico registered consolidated revenue from operations of ₹ 5,936 crore

Other expenses

(a) The other expenses consist of fixed expenses (about 1/3rd) and expenditures, which are variable in nature (about 2/3rd).

(₹ Crores)

Other Expenses	FY17	FY16	% variation
Fixed	324.4	299.0	8%
Variable	539.5	530.3	2%
Total	**863.9**	**829.3**	**4%**

a. Fixed Expenses include items such as rent, legal and professional charges, foreign exchange losses and donation. The hit on account of realised exchange losses on repayment of external commercial borrowing (ECB) was lower by ₹ 30.4 Crore in FY17 compared to FY16. The ECB was borrowed to fund the acquisition in Vietnam in FY11. Excluding the same, other fixed expenses have increased by 23% largely due to increased professional charges and costs towards enhancement of IT and sales infrastructure.

b. Variable Expenses include items such as freight, subcontracting charges, power and fuel, warehousing, input and output taxes, among others. The variable expenses have increased by 2%; in line with the volume growth partially offset by reduced contract manufacturing charges and freight costs on account of rate negotiation with the vendors and transporters, respectively.

Finance Charges

Finance charges comprise interest on loans and other financial charges. Reduction in finance charges is in line with reduction in the Company's Debt (refer balance sheet).

Direct Tax

The Effective Tax Rate (ETR) for the Company during FY17 was 29.4% vis-à-vis 29.7% during FY16.

In an endeavour to maximise returns to its shareholders, the Company increased its dividend payout in FY17 to 350% vis-à-vis 337.5% during FY16.

Indian Accounting Standard

The new accounting standards – Ind AS, have become effective from 1st April, 2016 and the financial statements presented in this Annual Report comply with these new accounting standards.

The change in balance sheet items as per Ind AS has been explained in details in the Financial Statements.

CAPITAL UTILISATION

Given below is a snapshot of various capital efficiency ratios for Marico:

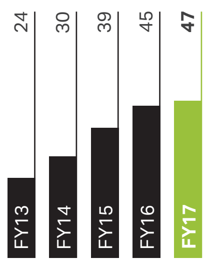
Ratio	FY17	FY16
Return on Capital Employed	47.1%	45.4%
Return on Net Worth	36.8%	37.0%
Working Capital Ratios (Group)		
- Debtors Turnover (Days)	15	13
- Inventory Turnover (Days)	67	58
- Net Working Capital (Days) including surplus cash	54	45
Debt: Equity (Group)	0.13	0.20
Finance Costs to Turnover (%) (Group)	0.3%	0.3%

Note: Turnover Ratios calculated on the basis of average balances.

The ratios have continued to be healthy for the year.

The Company's ROCE has been on a rise for the past five years with the Company focusing on organic growth. The chart below shows the yearly trend.

RETURN ON CAPITAL EMPLOYED (%)



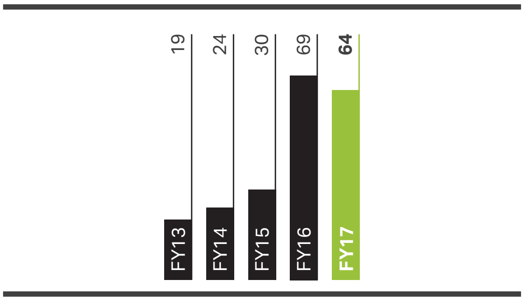
SHAREHOLDER VALUE

The Company's dividend distribution policy is aimed at sharing its prosperity with its shareholders subject to maintaining an adequate chest for liquidity and growth.

Dividend declared

Keeping in mind steady increase in operating cash flows; and in an endeavour to maximise returns to its shareholders, the Company increased its dividend payout in FY17 to 350% vis-à-vis 337.5% during FY16. The overall dividend payout ratio was 64% of PAT compared to 69% during FY16. Subject to its fund requirements towards inorganic growth, working capital, and capacity creation the Company shall endeavour to maintain a dividend payout ratio at ~ 50-60% in the medium term.

DIVIDEND PAYOUT RATIO (%)



HUMAN RESOURCES

Talent and culture continue to be key focus areas for Marico to achieve its business aspirations and make a difference to the lives of the 2,297 members. The HR function's strategy is focused on creating a future-ready workplace, strengthening the Company culture, building capability for business and nurturing careers to its people.

Over the last year, we have taken several initiatives in this direction, the key highlights for which are presented below:

Building depth of talent is a strategic thrust area to build capability for business. To facilitate this, and structured development for its members, the Company articulated functional and behavioural competency frameworks. The competency infrastructures have been defined considering Marico's current and emerging business requirements. They clearly outline the competency levels required for successful performance in different roles within the organisation.

Moreover, the Company has developed **career architectures** for the business functions to facilitate career and leadership development. The architectures offer flexible, cross functional and diverse career path options to its members for their development; simultaneously, building capability for business.

In the last few years, the Company has actively leveraged young leaders to build the Marico of tomorrow. Towards this, Marico has formed its first Young Board (a cohort of middle-level managers) in 2014 and constituted an Information Technology Think Tank. Currently, **Young Board** 3 is working on initiatives to spot new business opportunities and strengthen the Company's culture. Additionally, last year, **Growth Hacking team** was constituted, to capitalise on specific growth opportunities to build Marico's future business. Besides, Marico launched an interesting reverse mentoring programme, **Bottoms-up**. The programme is designed to enable our senior leaders to connect with the younger workforce and pick up useful contemporary skills like digital and social media savviness. The programme further facilitates in grooming the future leaders with direct access to senior leaders through whom they can learn broader business perspectives and leadership skills.

Automation and digital have been important technology levers for building the workplace of the future. Last year, Marico launched its integrated talent management suite, globally (SAP Success Factors). Named Membrain, this suite serves as a single platform for a member's lifecycle progresses covering talent acquisition, on-boarding, development, performance and compensation management. The Company continues to leverage iLearn, Marico's global technology enabled learning platform that provides on-demand training and learning inputs.

Additionally, Marico has enhanced its digital footprint both, within and outside the organisation. **Workplace by Facebook** was implemented, globally, as one of Marico's internal communication and social media platforms. Organisation news and

Talent and culture continue to be key focus areas for Marico to achieve its business aspirations and make a difference to the lives of the 2,297 members.

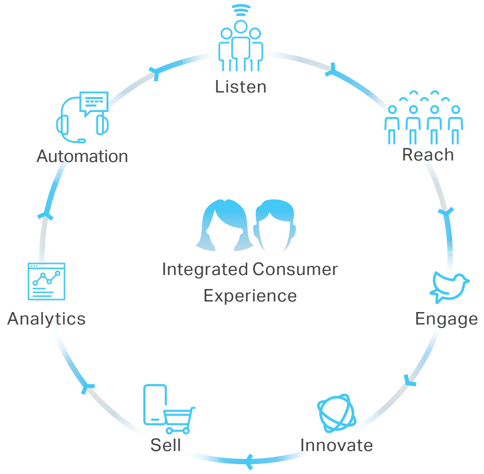
announcements, leadership communication, team updates, celebration of personal milestones, fun activities and events, and member connect and collaboration now happens on Workplace.

Further, the Company engages with lateral and campus talent through Linkedin, Instagram and Over the Wall, Marico's flagship campus engagement programme on Marico Campus Connections (on Facebook). Initiatives like Get a Job: Season 2 on MTV by **LinkedIn**, implementing a **Chatbot** on Facebook for enhancing discussions with business schools, curating blog series on **InsideIIM.com** have significantly enhanced Marico's digital presence among potential talent and contributed to strengthening the Company's employer brand.

As part of our endeavour to create a future-ready workplace, this year's **Innovation Jam** focused on crowdsourcing ideas from members on making Marico a great place to work. Innovation Jams are theme based initiatives to crowd source ideas from Marconians and has helped the Company garner over 900 ideas for experimenting with new age work practices. Ideas include empowering learning and development, enhancing flexibility and inclusiveness and ensuring health and wellness for the Marconians. The Company has selected high impact ideas from these and will be implementing them in the coming year. One such idea that has already been implemented is the upgrading of our parental policy. Last year, Marico introduced its new parental policy, which includes enhanced parental leave (26 weeks for mothers, 15 days for fathers). Additionally, the policy encompasses improved flexi work arrangements and wellness benefits to extend better care and support to its members during this special phase in their lives.

These initiatives and efforts over the last few years, have won the Company quite a few accolades, such as

1. Marico is ranked no. 30 in the Campus Track Survey Report by Nielsen, which is a positive shift from rank 34 from last year.
2. Marico has moved up 24 places and is ranked No. 40 in the Economic Times and Great Place to Work Institute's India's Best Companies to Work for 2017 study.
3. Marico is among the Top 100 companies to work for women in India as per the 2016 study for Working Mother and AVTAR Best Companies for Women in India.



INFORMATION TECHNOLOGY AND DIGITAL

Marico had developed a framework to harness the opportunities presented by prevalence of new-age digital technologies, and transform to become a digitally savvy consumer company. Various technologies in the realm of I-SMAC (IOT, Social, Mobile Analytics, Cloud) as well as platforms, AR and conversational assistants have been piloted to deploy the agenda identified under this infrastructure.

It has the following five interdependent elements so that a better and integrated experience can be delivered to the associates and consumers.

1. **Consumer Engagement** to listen, reach and engage with consumers
2. **Sell** with a focus on e-commerce and online sales
3. **Innovation** through digital business models
4. **Data Analytics** to drive agile business decisions
5. **Automation** for business process efficiencies

CONSUMER ENGAGEMENT

The Company enabled consumer engagement initiative through various means by using **digital as a media platform** and reinforcing category leadership through various **engagement platforms**. Reach, frequency and cost efficiency was achieved through key brands having a higher digital index like Livon Serums, Set Wet, Bio Oil and Parachute Advansed Body Lotion. Programmatic buying helped the communication to reach the right consumers through relevant micro moment algorithmic targeting, which helped increase efficiency.

Building on insights which have high affinity with consumers online made your Company create **'Made for Digital' content** to drive engagement at scale. Some examples include Parachute Advansed Hot Oil (which had 66Mn impressions, 11Mn reach); Parachute Advansed Coconut Hair Oil Holi Film (76Mn impressions) and Parachute Advansed Body Lotion (78 Mn impressions, 5.5Mn reach)

Saffola FitFoodie platform, the health platform for Saffola Foods recorded 1.57 Mn Visits and 3.85 Mn page views and drove engagement. In addition to the FitFoodie app, a new conversational assistant Saffola FitFoodie Buddy – a personal **Chefbot** on FB Messenger platform was launched to suggest convenient recipes to consumers depending on the time of the day and the choice of ingredients they have at home.

Besides, a content platform – **www.HairSutras.com** was launched, which shares ancient and timeless secrets to have great and good looking healthy hair.

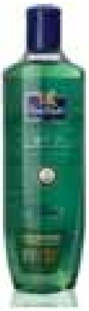
Both the above platforms will be scaled further in the coming year to help drive category leadership. The Company is also exploring the use of digital devices to drive brand differentiation through Internet of Things (IOT).

E-COMMERCE

Marico has established a dedicated team of professionals and is launching digital asset management tools to build capabilities for driving sales in the online and e-commerce channel. The Company has mapped the current and future categories based on their propensity to move online versus the starting position. Based on this a differentiated play across different category / channel combinations have been worked out.

DIGITAL BUSINESS INNOVATIONS

Marico announced a strategic investment in Zed Lifestyle Private Limited, which owns the Beardo brand. It is a fast growing online male grooming brand, which helps the Company get a foothold in the online business and enhances Marico's digital engagement capabilities. In addition, Parachute Advansed Gold Hair Oil range was launched on online channels only.



Moreover, the Company is running experiments with various start-up companies across the value chain to identify various innovation opportunities.

ANALYTICS AND AUTOMATION

In analytics and automation, the Company's strategy has been to capitalise on the latest advancements in technology for improving the business performance. A quick snapshot of initiatives across the value chain is provided below:

- The Company scaled its new Distributor Management System nationally during the year under review, which helped link its customers effectively and improve sales productivity, visibility and commercial controls. On the back of the lower data storage costs and increased internet bandwidth coverage across the country, the granular secondary sales data was centralised which enabled new opportunities in analytics.
- A newly enabled **Forecasting System** increased the forecasting accuracy by over 10% points.
- The **Project Retina** – Sales Assortment Analytics model was extended to a few more cities that enabled Marico to garner higher volume growths through recommendation of cross-sell / upsell opportunities.
- The project automated performance management dashboards (Project Prime) was extended across the sales hierarchy. It enabled rich and visual descriptive analytics

to help drive efforts in the right channel and right outlets. Such dashboards have now been enabled on mobile devices.

- Analytics-led **category growth drivers model** and deployment of **marketing mix models** enabled planning of revenue growth and marketing spends.
- **Project EDGE** led to optimisation of sales and offer spends in the traditional trade channel contributing to a savings of over ₹ 350 million, which will be redeployed to fuel growth and strengthen sales infrastructure.
- Further initiatives are being piloted in **geo-tag based sales route optimisation** and **demand sensing** models to help improve sales growth.

An end to end automation of demand planning and fulfilment system through Project Prime 2 was completed. This enabled the company to utilise the new SAP platform along with optimised flows to improve range service levels and availability. The project further helped to automate and outsource routine, repetitive tasks in the Procure to Pay (P2P), Order to Cash (O2C)

and Record to Report (R2R) processes. Similar automation of **Treasury** flows enabled better cash flow, forex and investment management.

Marico App World, an internal app was deployed for employees, which helped improve efficiency, seek approvals and handle claims efficiently on-the-go. A new tab enabled **Mobile PDA** was relaunched for the sales representatives that improved their daily working significantly and sales effectiveness.

Automation in HR processes through the use of **Membrain** – a **SuccessFactors** based platform as well as **Workplace** has enabled greater connect and collaboration. **Chatbots** were used along with **Marico Campus Connections platform** to improve Marico's connect with B-school campuses from where it hires significantly.

Road ahead

Marico will deepen the initiatives along the digital framework identified above, with greater use of consumer engagement and online sales along with analytics. This will enhance the Company's sustainable profitable journey. Marico has also piloted sensor & IOT based automation in its manufacturing plants, which will be scaled up in the coming year.

OUTLOOK

Marico India

As the Company enters FY18, there is a backdrop of three macro factors for the Company to consider:

- Inflation in key commodities;
- GST; and
- Monsoon

With this background, the Company is targeting 8-10% volume growth and healthy market share gains, backed by increased investment in core portfolio, aggressive new product launches, distribution expansion, judicious call on pricing and tighter cost management. The cost push and increased ASP investment would mean that the operating margins, which have expanded significantly during FY17 may get corrected to 20%+ levels. In **Parachute rigids**, the Company aims to grow volumes in the range of 5-7% in the medium term. With the commodity inflation coming back, the Company has already taken price increases in March 2017 leading to inflation-led growth from Q1FY18. **Saffola** is likely to continue the growth rate of circa 10% in the near term. In the medium term, the Company expects to continue growing at double-digit volume growth. In the **healthy foods** franchise, the Company will innovate aggressively to cater to the consumer need of tasty and healthy options and is in the process of reviving a double-digit value growth. In **value-added hair oils** space, the Company aims to grow this franchise at a double-digit volume growth on the back of growth in core portfolio and scaling of new launches. On the back of a continued healthy performance of gels, traction in deodorants and expected demand in Livon franchise, the **youth portfolio** is expected to grow at in double-digit in FY18 and at 15% in the medium term. The Company's **go-to-market strategy** will be focused on improving the width and depth of its distribution – both direct and wholesale. Strategic initiatives in sales and supply chain will aim at ushering in efficiency in selling and go-to-market. The Company is focusing on **digital initiatives** in a big way to improve consumer engagement, drive sales through e-commerce for internet savvy consumers and build **data analytics** capabilities. Investment in Zed Lifestyle is likely to enhance its capability in e-commerce and salons over the medium term.

Marico International

Over the last 12-18 months, the Company has systematically invested in the core international markets to strengthen both the brands and the organisational capability to handle growth. With such augmented efforts to build a **robust organic growth capability** and a stronger organisation, the Company will selectively explore **inorganic growth** opportunities. The Company believes that the **core markets** of Bangladesh, South East Asia and MENA are '**invest to grow**' markets. And the Company will continue to drive growth with brand restages, new product launches and capability building initiatives apart from aggressively tapping and growing new markets. It expects to clock a double-digit **organic topline growth in constant currency** in near to medium term. The structural shift in **operating margins** is expected to be sustained at around ~17%.

Marico Limited

The Company will aim at a volume growth of 8-10% and a topline growth of ~12-15% (depending on inflation) in the medium term. The Company will focus on **fewer but bigger innovations** to create growth engines of the future. Market growth initiatives in core categories and expansion into adjacent categories will be supported by investments in ASP in a band of 11-12% of sales with **focus on brand building**. Project Edge is aimed at making front-end spends effective. In FY18, the Company will implement this initiative in a few select international geographies. Operating margin is expected to be maintained in a band of 17-18% over the medium term. In the near term, this may mean a low profit growth. However, the Company has chosen **to focus on growth over short-term profitability**. Marico believes that social, environmental and economic values are interlinked and it belongs to an interdependent ecosystem comprising shareholders, consumers, associates, employees, government, environment and society. Marico's stated purpose is to '**make a difference**' by ensuring a positive impact on all the stakeholders. The Company staunchly believes a firm has to work closely with its ecosystem to create a sustainable and inclusive growth for all. Thus, Marico has focused approach in identifying sustainability goals in line with its business strategy and purpose. Its social responsibility (CSR) initiatives are an integral part of Marico's sustainability efforts and it is committed to making a sustainable impact on the society.

RISKS AND CONCERNS

Changing consumer preferences

Demand can be adversely affected by a shift in consumer preferences. Given the explosion of social media, the speed of such shift could be very swift.

Marico invests significantly in consumer in-sighting to adapt to changing preferences. The Company also actively watches social media trends to spot early trends in consumer preferences.

Input costs

Unexpected changes in commodity prices can impact margins. The last few years have witnessed wide fluctuations in the input materials prices. As a result, the overall level of uncertainty in the environment continues to remain high.

However, brands with greater equity and pricing power may find it easier to adjust prices when the input prices increase and hold prices when the input prices decline. The Company's brands enjoy a significant equity with its consumers and thus, it holds adequate purchasing power. Moreover, Marico has been investing significantly in enhancing its forecasting capabilities.

Goods and service tax (GST)

While GST will streamline the indirect tax compliance framework, it may also bring in short-term disruptions. The trade may down-stock for some time. The initial teething issues around going live and compliances may eat up substantial managerial bandwidth.

Marico has anticipated some of these issues and plans to extend all possible assistance to its channel partners. It will also augment internal resources to cope up with go-live glitches, if any. The Company firmly believes that GST is good for the long-term growth of the organised FMCG industry as it would improve overall compliance levels.

Macro-economic factors

In situations of economic constraints, items which are in the nature of discretionary spending are the first to be curtailed. Factors such as low GDP growth and high food inflation can result in down trading from branded to non-branded or premium to mass-market products.

The Company continuously drives towards making its value-added products available to masses at affordable prices. Low unit packs of its value-added hair oils is an attempt in this direction.

Political risks

Unrest and instability in countries of operation can significantly impact the business.

Marico operates in the developing and emerging economies of Asia and Africa and is exposed to political risk and unrest in these markets. However, the Company operates with well-defined risk management policies to mitigate various risks.

Competition

Increase in number of competing brands in the market place, counter campaigning and aggressive pricing by competitors have the potential of creating a disruption.

In the last few years, Marico has entered categories such as mass skin care, breakfast cereals, hair styling, post wash leave-in conditioners, deodorants and hair colours. The competitive intensity in these segments is relatively higher compared to the segments it has been operating in hitherto, such as coconut oil, hair oils and refined edible oils.

Renewed focus on Ayurveda/Naturals/Indian by a few new players has brought in different competitive dimensions in Marico's core portfolio.

The Company believes that healthy competition is good for businesses as it focuses management attention on offering its consumers differentiated high-quality products that address consumers' needs. With such service approach, the Company expects to win and retain its consumer franchise. Additionally, Marico focuses on protecting volumes in preference to short-term profitability. Further, the Company concentrates on being nimble-footed so that scarce resources can be deployed towards brand building and sales infrastructure.

Product innovation and new product launches

Success rate for new product launches in the FMCG sector is typically low. New products may not be accepted by the consumer or may fail to achieve the sales target. This risk is even more pronounced in cases where industry leaders invest behind creating new categories.

Marico has a well-established and comprehensive internal control structure across the value chain to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition.

Marico has adopted the prototyping approach to new product introductions that helps maintain a healthy pipeline and at the same time limits the downside risks with its fail fast approach.

Foreign currency exposure

Marico has a significant presence in Bangladesh, South East Asia, the Middle East, Egypt and South Africa. The Group is exposed to a wide variety of currencies like US Dollar, South African Rand, Bangladeshi Taka, UAE Dirham, Egyptian Pound, Malaysian Ringgit, Myanmar Chats and Vietnamese Dong. Import payments are made in various currencies including but not limited to the US Dollar, Australian Dollar and Malaysian Ringgit.

Significant fluctuation in these currencies could impact the Company's financial performance. The Company is, however, conservative in its approach and uses plain vanilla hedging mechanisms.

Funding costs

Though the FMCG sector is not capital intensive, fund requirements arise on account of inventory position building, capital expenditure undertaken or financing inorganic growth. Changes in interest regime and in the terms of borrowing will impact the financial performance of the Group.

The Group maintains comfortable liquidity positions, thereby insulating itself from short-term volatility in interest rates.

Acquisitions

Acquisitions may divert management attention or result in increased debt burden on the parent entity. Further, it may expose the Company to country specific risk. Integration of operations and cultural harmonisation may also take time, thereby deferring benefits of synergies of unification.

Marico has been able to integrate its acquisitions with the mainstream with focus on talent and processes. Given its comfortable liquidity position and conservative capital management practices, the acquisitions have not put any significant pressure on the financial position of the Group.

Private labels

Expansion of modern trade can lead to emergence of private labels. While the risk of private labels has been low in India, this can change quickly with e-commerce gaining traction in urban India.

Talent acquisition and retention

Inappropriate hiring and inability to retain top talent may result in a firm's impotency to pursue its growth strategies effectively.

Marico invests heavily in 'hiring right' and 'talent development and engagement'. This helps provide fulfilling careers to members in Marico. Marico has identified having a robust talent value proposition as one of the transformation areas to drive sustainable growth over long run.

Compliance

Inadequate compliance systems and processes pose a reputation risk for an organisation. They may result in financial losses and penalties.

Marico has invested in compliance systems and processes to ensure that all its functions and units are aware of the laws and regulations to comply with and that adequate monitoring mechanism are put in place to ensure compliance.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Marico has a well-established and comprehensive internal control structure across the value chain to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, all transactions are authorised, recorded and reported correctly and that operations are conducted in an efficient and cost effective manner. The key constituents of the internal control system are:

- Establishment and periodic review of business plans
- Identification of key risks and opportunities and regular reviews by top management and the Board of Directors
- Policies on operational and strategic risk management
- Clear and well-defined organisation structure and limits of financial authority
- Continuous identification of areas requiring strengthening of internal controls
- Operating procedures to ensure effectiveness of business processes
- Systems of monitoring compliance with statutory regulations
- Well-defined principles and procedures for evaluation of new business proposals/ capital expenditure
- A robust management information system
- A strong internal audit and review system
- A sturdy framework on Internal Financials Controls
- An effective whistle blowing mechanism

The statutory auditors, as part of their audit process, carry out a systems and process audit to ensure that the ERP and other IT systems used for transaction processing have adequate internal controls embedded to ensure preventive and detective controls. The audit report is reviewed by the management for corrective actions and the same is also presented to and reviewed by the Audit Committee of the Board. Internal audits are undertaken on a continuous basis, covering various areas across the value chain like procurement, manufacturing, supply chain, sales, marketing and finance. The internal audit programme is reviewed by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Reports of the internal auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. Summaries of the reports are presented to the Audit Committee of the Board.

Ernst & Young LLP has been carrying out internal audits for Marico for the last three years. The work of internal auditors is coordinated by an internal team at Marico. This combination of Marico's internal team and expertise of a professional firm ensures independence as well as effective value addition.

Internal Financial Controls (IFC)

As per section 134 (5) (e) of Companies Act 2013, IFC means the policies and procedures adopted by company for ensuring:

- Accuracy and completeness of accounting records
- Orderly and efficient conduct of business, including adherence to policies
- Safeguarding of its assets
- Prevention and detection of Frauds

For Listed companies, requirement is to have IFC framework in place and ensure operating effectiveness of controls. Marico India developed IFC framework basis review of Policies, procedures and processes. Controls for each of the processes were documented. Design and operating effectiveness of controls was tested by management and later audited by the statutory auditors. Your statutory auditors have given a clean report after checking effectiveness of controls.

The management believes that strengthening IFC is a continuous process and therefore it will continue its efforts to make the controls smarter with focus on preventive and automated controls as opposed to mitigating and manual controls. Over a period, the Company will also extend this framework to its overseas subsidiaries. To start with, IFC framework has already been implemented in Marico Bangladesh Limited, your Company's largest subsidiary.

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

No.	Particulars	Company Information
1	Corporate Identification Number (CIN) of the Company	L15140MH1988PLC049208
2	Name of the Company	Marico Limited
3	Registered Office and Corporate Office	7th floor, Grande Palladium 175, CST Road, Kalina, Santa Cruz (East), Mumbai, Maharashtra 400098
4	Website	www.marico.com
5	E-mail ID	investor@marico.com
6	Financial year reported	Year ended on 31.03.17 (FY2016-17)
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Edible oils – NIC Code 10402 Value-added hair oils – NIC Code 20236 Coconut oil, super premium refined edible oils, oats meal, hair oils, hair gels and creams, post wash hair conditioner, male deodorants
8	List of three key products or services that the Company manufactures or provides (as in balance sheet)	Edible oils, hair oils and personal care
9	Total number of locations where business activity is undertaken by the Company (a) Number of international locations (Provide details of major five) (b) Number of national locations	a) Marico, through its subsidiaries, operates in Bangladesh, UAE, Egypt, Vietnam and South Africa. b) Marico Limited has its corporate office in Mumbai and its manufacturing units are located at Puducherry, Kanjikode, Perundurai, Jalgaon, Paonta Sahib, Guwahati and Baddi. Additionally, it has regional offices at Delhi, Mumbai, Kolkata and Hyderabad.
10	Markets served by the Company	- India, through domestic operations - Exports to countries, such as Singapore, Malaysia, Nepal, Canada and USA

SECTION B: FINANCIAL DETAILS OF THE COMPANY

No.	Particulars	Company Information
1	Paid up Capital as on 31.03.17	1,290,471,198 equity shares of ₹ 1 each aggregating to ₹ 1,290,471,198
2	Total Turnover	₹4,868.9 crores
3	Profit after Tax	₹ 858.2 crores
4	Total Spending on corporate social responsibility (CSR) a) in ₹ b) As a percentage of Average Net Profit of the Company for the last 3 financial years:	a) ₹ 14.56 crores b) 2.21%
5	List the activities, in which expenditure in four above, has been incurred	i. Scalability of social organisations ii. Community development iii. Education iv. Healthcare v. Livelihood enhancement vi. National emergency anddisaster relief

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?
   Yes

2. Do the Subsidiary Company/Companies participate in the Business Responsibility(BR) initiatives of the parent company? If yes, then indicate the number of such Subsidiary Company / Companies ?
   Yes. One subsidiary company participates in the BR initiatives of Marico Limited.

3. Do any other entity/entities (e.g. suppliers and distributors, among others) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]?
   Yes. Less than 30% of the associated entities participate in the BR initiatives of Marico.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for the implementation of the BR policy/ policies

No.	Particulars	Company Information
1	DIN Number	05251806
2	Name	Mr. Saugata Gupta
3	Designation	Managing Director and CEO

b. Details of the BR head:

No.	Particulars	Company Information
1	DIN Number	NA
2	Name	Mr. Jitendra Mahajan
3	Designation	Chief Supply Chain Officer and BR Head
4	Telephone Number	022 66480480
5	E-mail ID	**jitendra.mahajan@marico.com**

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] Business Responsibility (BR) policy/policies

The response regarding the above 9 principles (P1 to P9) is given below

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for ...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Policies are prepared ensuring adherence to applicable laws and in line with international standards, such as ISO, GRI, ILO, and OSHA.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	1. http://marico.com/investorspdf/Corporate_Social_Responsibility_Policy.pdf 2. http://marico.com/about-us/code-of-conduct 3. http://marico.com/investorspdf/Sustainability_Policy.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	Y	N

2a. If answer to No.1, against any principle is 'No', please explain why: (Tick up to 2 options)

The response regarding the above 9 principles (P1 to P9) is given below

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles	Not Applicable								
2.	The Company is not at a stage, where it finds itself in a position to formulate and implement the policy/policies on specified principles									
3.	The Company does not have financial or work force resources available for the task									
4.	It is planned to be done within the next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR:

Information with reference to BRR framework:

No.	Question	Information
1	Frequency of review, by the BR Committee to assess the BR performance.	The Business Responsibility Committee (BR Committee) comprises the Managing Director, who heads the Committee and four senior managerial personnel. The BR Committee reviews the BR performance of the Company on annual basis.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?	The Business Responsibility Report, as well as the Sustainability Report is published on an annual basis. Marico will be publishing both the reports for the year ending on 31.03.2017 (FY 2016-17).

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.

Marico Limited is committed to achieve highest standards of integrity and ethics. The Company follows high ethical standards in its dealings with all its stakeholders, including members (employees), customers, suppliers, government and the community.

The Company follows a 'Code of Conduct' and 'Marico Code of Business Ethics' with the underlying belief of conducting business in an ethical manner. This facilitates a work ecosystem that is conducive to the Company's members/employees and associates. The Code sets out principle guidelines to be followed by each member of the Marico group.

Members of Code of Conduct Committee (CCC)

No.	Designation
1	Chief Human Resources Officer
2	Chief Financial Officer
3	Chief Legal Counsel
4	Chief - Business Process Transformation and IT
5	Head - Organization Development
6	Business HR Head - Corporate functions

Information with reference to BRR framework:

No.	Question	Information
1.1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractor/ NGOs/Others?	The Code of Conduct of Marico provides guidelines on ethics, bribery and corruption. It is mandatory for all Marico employees (or members) to undergo the course on it. However, the guidelines are communicated to most of the Company's key associates like vendors and suppliers; and it is expected that they will follow it during their interactions with Marico.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Code of Conduct Committee is located at the Head Office and has members across various functions. Marico has taken significant steps to ensure that its members understand and practice the Code of Conduct. The Company has a thorough internal and external mechanism of investigation for all complaints, as it has a significant bearing on the individual and the organisation. The Company invests in various initiatives for maintaining its Code of Conduct. In the financial year 2016-17, the Company received 12 complaints: • Quarter 1: 2 • Quarter 2: 2 • Quarter 3: 1 • Quarter 4: 7 The Company satisfactorily resolved 83% of the registered cases. It continues to investigate into the remaining cases through internal, as well as independent external investigation agencies.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Marico's strong commitment to ensure compliance with relevant standards of safety, health and the environment commences at the design stage itself, and is extended to the product's entire life cycle. It conducts comprehensive research and testing at its research facilities. The Company's laboratories conform to ISO/IEC 17025 and are certified by National Accreditation Board for Testing and Calibration (NABL). Marico uses proprietary software for regular monitoring and review of stringent raw material specifications.

Marico's manufacturing facilities and key third party units are certified with standards like ISO 22000 for food safety and ISO 22716 for good manufacturing practices in cosmetics. Marico is one of the very few companies, with an ISO 10002 certification, which emphasises its Quality Management System for Consumer Response Management process.

Information with reference to BRR framework:

No.	Question	Information
1	List up to three of your products or services,whose design has incorporated social or environmental concerns, risks and/ or opportunities. (a), (b), (c).	Marico operates in the beauty and wellness segment. Social needs are addressed though brands like Saffola, Parachute, Mediker, Revive and Livon. Saffolalife research study was conducted among consumers across metros with Neilsen and SRL Labs to release India's healthy lifestyle score. The study went further to bring out insights on the country's physical activity levels, eating habits and stress levels.
2	For each such product, provide the following details in respect of resource use (energy, water and raw material, among others) per unit of product(optional): (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy and water) has been achieved since the previous year?	a) Marico has taken various initiatives in energy reduction in the manufacturing processes of Saffola and Parachute. Below are some cases: 1. Baddi unit secured a gold certification under the GreenCo Rating System accredited by Confederation of Indian Industry (CII). Itwas an endeavour to benchmark and calibrate the Company's practices with the Green Company Rating System that acts as a holistic framework to assess and evaluate its performance of activities on the green front. This is a system to evaluate actual performance of companies pursuing ecologically sustainable growth. Marico is Himachal Pradesh's first company to have bagged a gold certification. 2. Marico's office building goes green; it received the distinguished Indian Green Building Code (IGBC) certification for innovative and efficient use of energy and water, facility management and health standards. 3. At its Perundurai plant, the Company was facing frequent power cuts leading to productivity losses. It was an opportunity for the Company that followed the group captive model and moved to using renewable power from wind energy, instead of Tamil Nadu Electricity Board (TNEB). The Company's transformer capacity increased to 1,000 kVA and power allocation increased to 875 kVA. Marico achieved a peak annual savings of ₹ 16 lacs per year and a reduction in green house gases (GHG) emissions of 1,700 tonnes of CO_2e/year. Moreover, the Company installed 125 KW steam turbine at Baddi, resultingin savings of 105,503 KWH. 4. The Company was successful in reducing specific water consumption by 21% at its Baddi plant (from 1.61KL/MT in 2015-16 to 1.27 KL/MT in 2016-17) 5. Marico undertook 26 projects (accrual to ₹ 374.35 lacs) last year that helped it in reducing the material used in its products. **Details of various initiatives are provided in Sustainability Report.** b) Marico's products are related to human consumption in the beauty and wellness segment. The usage of its products or consumption requiresvery less use of energy and water and the company is assessing opportunities of improvement in this stage.

No.	Question	Information
2.3	Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so?	One of the key pillars of Marico's procurements excellence architecture is long-term sustainable supply assurance. As many of Marico's raw materials are agricultural commodities, it engages or enables interventions, which are win-win for farmers and Marico. The initiatives drive to improve farmers' wellbeing and deliver uninterrupted supply to Marico. These initiatives are directed towards coconut, safflower and oats production in India. - Safflower extension programme: Various programmes like seed development and propagation programme, popularising the high-yielding varieties seeds, and testing and propagation of yield enhancing agriculture inputs, among others were conducted. - Coconut extension programme: The initiatives taken during this programme include farmers' trainings, awareness on coconut cultivation, management practices and soil testing, and so on.
2.4	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	• Safflower extension programme: Marico works with partner seed companies to ensure availability of packed, true certified seeds to farmers at affordable prices. In absence of these seeds, farmers depended on ungraded commercial production seeds for sowing. By ensuring availability of good quality seeds, Marico is able to positively impact incomes of farmers. • Coconut extension programme: By understanding the economics of coconut cultivation, the Company gains immense knowledge base by knowing best native, as well as advanced scientific practices. By combining Marico's extension and commercial knowledge, it is trying to make a difference in farming community, which is also in line with Marico's long-term sustainability goals.
2.5	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5%-10%, >10%). Also, provide details thereof, in about 50 words or so.	Marico follows the principle of optimising material and energy resources used during the production process. As the Company sells consumer goods, recycling is possible only in minuscule quantities, as it is very difficult to reach the end users to enhance the process. The Company has a well-defined policy to take back products, which have expired or found with some packaging defects, to recycle them in the best possible manner.

Principle 3: Business should promote the well-being of all employees.

Human resource is the most valuable asset for Marico, which is essential for persistent growth of business. Marico's Code of Conduct provides guidelines for employee well-being, freedom, gender equality, good environment and harassment-free workplace. A robust deployment mechanism has been established to empower a strong guidelines and grievance redressing mechanism.

Marico emphasises on capability building of personnel based on job or role requirements, technical knowledge and soft skills. Annual plans are made for individual members through self-learning or classroom training modes.

Information with reference to BRR framework:

No.	Questions	Information: as on 31.3.2017		
3.1	Please indicate the total number of employees.	1,588		
3.2	Please indicate the total number of employees hired on temporary/ contractual/casual basis.	16		
3.3	Please indicate the number of permanent women employees.	183		
3.4	Please indicate the number of permanent employees with disabilities	4		
3.5	Do you have an employee association that is recognised by management?	Yes		
3.6	What percentage of your permanent employees are members of this recognised employee association?	10.5%		
3.7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment reported in the last financial year and pending, as on the end of the financial year.	**Complaints**	**Filed**	**Resolved**
		Child Labour / Forced Labour	0	0
		Involuntary Labour	0	0
		Sexual Harassment	1	1
		Discriminatory Employment	0	0
3.8	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?	**Employee Categories**	**% trained on Safety and Skill Up % trained on Safety and Skill Up gradation(*)**	
		a) Permanent employees	100%	
		b) Permanent women employees	100%	
		a) Contract employees	100%	
		a) Employees with disabilities	100%	

* Excluding members on long duration leaves

Principle 4: Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Marico's stated purpose is to 'Make a Difference', which has defined the Company's reason to exist. Marico has always believed that it exists to benefit the entire ecosystem, of which it is an integral part. The Company firmly believes that it belongs to an interdependent ecosystem comprising shareholders, consumers, associates, employees, government, the environment and society and that it has a commitment to all these stakeholders.

As part of its triple bottom line commitment, Marico is committed to make growth more inclusive by focusing on the requirements of identified stakeholders. Marico procures raw materials from rural communities who are engaged in agriculture. Almost all these crops are grown under rain-fed conditions in some of the most moisture stressed regions of the country. The Company has realised the importance of strong agriculture supply chains towards contributing for sustainable business. Hence, it has decided to deepen its engagement with suppliers. It is mutually beneficial to enable rural farmers to strengthen their production system and enhance yields on a sustainable basis.

Information with reference to BRR framework::

No.	Question	Information
4.1	Has the Company mapped its internal and external stakeholders? Yes/No	Marico has always acknowledged the vital contribution of its stakeholders, such as employees, communities, suppliers, customers, regulatory bodies, industry associations, shareholders, academic institutes and media in building a sustainable business. And thus, it has accorded importance to their voices and concerns. During FY 2016-17, Marico started the safflower and copra extension programmes.
4.2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?	Marico has deployed stakeholder engagement programme taking into account the different stakeholders, identified from various business divisions of the organisation. The Company is working towards the well-being of communities in the vicinity of its manufacturing plants, which are located in underdeveloped regions of the country.
4.3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	Marico makes conscious efforts for the communities residing in close proximity of its production units, to enable improvement in their standard of living. Marico's inclusive models enable these neighbouring communities to live a life of social and economic dignity; thus, responding meaningfully to their needs and aspirations. 1. Health checkups at plants: Marico's plants conducted numerous health camps for employees as well as the community. There were camps related to women health, dental checkup, eye checkup, oral hygiene and blood donation camps, among others. Around 578 people benefited from these camps. 2. Sakshar Beti programme was conducted for girl students of Government Inter College in Selaqui, Dehradun and Government Senior Secondary School in Majhra, Paonta Sahib. Additionally, career orientation sessions were conducted. 3. The Company directly procures raw material from farmers in Kerala and Tamil Nadu giving them opportunity to maximise their earnings. 4. Farmers First programmes help in improving cultivation practices for farmers so that they get better yields. 5. Teach Little Minds is aimed to nurture young minds and create awareness among students by enlightening them on the importance of 'quality practices' in their daily life.

Principle 5: Businesses should respect and promote human rights.

The Company maintains transparency in all its dealings with its employees, associates and any related associations. The organisation has well entrenched guidelines-led policies and practices to address and redress grievances of any nature. These include formal mechanisms, administered through committees set up for review of grievances (including those that may lead to allegations of conduct breaches or sexual harassment, among others). The mechanisms also include informal avenues of raising any form of grievance through ethics helpline, using various forums like open houses and/or network calls, anonymous modes of raising grievances, and so on.

Marico strives to redress grievances through discreet or formal investigations, dialoguing, and initiating appropriate consequences and remedial actions. Detailed guidelines for the same are also incorporated in the Code of Conduct.

Information with reference to BRR framework:

No.	Question	Information
5.1	Does the policy of the Company on human rights cover only the Company or extend to the Group/ joint ventures/ suppliers/ contractors/NGOs/ others?	Marico's Code of Conduct policy covers the guidelines on human rights and it's applicable to all members of the Marico group. It's also shared with associates through various forums. Members and associates have been provided many options to speak up fearlessly to report any violations of the Code, or share their concerns confidentially through various modes such as toll-free number, e-mail, website helpline, complaint drop box and access to Committee members as per the various committees under the Code of Conduct.
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	None

Principle 6: Business should respect, protect and make efforts to restore the environment.

There are several innovative technologies, which have been implemented to reduce energy consumption, as well as to use renewable energy at Marico's plants and corporate offices. Marico conducts energy audits every year and takes measures to improve its energy efficiency consistently.

Marico has always aimed at utilising power generated from renewable sources. At its Perundurai plant, the Company was facing frequent power cuts, leading to productivity losses. Marico took this as an opportunity; followed the group captive model and moved to using renewable power from wind energy, instead of Tamil Nadu Electricity board (TNEB).

Majority of the manufacturing locations of Marico are certified according to ISO: 14001 Environment Management System. Its largest manufacturing plant at Baddi, Himachal Pradesh, has been certified as per ISO: 50001 Energy Management System.

Baddi unit secured a Gold certification under the Greenco Rating System, accredited by Confederation of Indian Industry (CII). It was an endeavour to benchmark and calibrate the Company's practices with the Green Company Rating System that acts as a holistic framework to assess and evaluate the Company's activities on the green front. It is a system to evaluate actual performance of companies pursuing ecologically sustainable growth. Marico is Himachal Pradesh's first company to have bagged a gold certification.

Information with reference to BRR framework:

No.	Question	Information
6.1	Does the policy related to Principle 6 cover only the Company or extends to the Group/ joint ventures/ suppliers/ contractors/NGOs/others.	Marico released its sustainability policy in June, 2016. It extends to all stakeholders the organisation deals with, including suppliers, contractors, NGOs and others. Marico aims to propagate the principles of sustainability throughout its value chain and to its stakeholders.
6.2	Does the Company have strategies/initiatives to address global environmental issues, such as climate change and global warming, among others? Yes/No. If yes, please give hyperlink for webpage.	There are several innovative technologies, which have been implemented to reduce the energy consumption, as well as to use the renewable energy at plants and corporate offices. Besides, Marico conducts energy audits every year and takes significant measures to improve the energy efficiency continuously. The Company has always aimed to utilise renewable power. Thus, to avoid frequent power cuts at its Perundurai plant, which led to disruptions in productivity, the Company adopted the use of renewable power from wind energy.
6.3	Does the Company identify and assess potential environmental risks? Yes/No	Marico has identified several environmental risks that can impact the long-term sustainability of the organisation through aspect impact analysis.
6.4	Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	NA
6.5	Has the Company undertaken any other initiatives on clean technology, energy efficiency and renewable energy, among others. Yes/No. If yes, please give hyperlink for web page.	Marico has implemented renewable power from wind energy at its Perundurai plant. This has helped the Company cut down its consumption of non-renewable energy and avoid productivity losses owing to frequent power cuts. Today, 74% of the energy consumed is harnessed from renewable sources at the site. Other energy conservation initiatives at Marico's manufacturing locations include power factor correction capacitor banks, boiler efficiency improvement, retrofitting high-efficiency motors and installation of variable frequency drives.
6.6	Are the emissions/waste generated by the Company within the permissible limits given by Central Pollution Control Board (CPCB) / State Pollution Control Board(SPCB) for the financial year being reported?	Yes
6.7	Number of show cause/legal notices received from CPCB/ SPCB, which are pending (i.e. not resolved to satisfaction) as on end of financial year.	Nil

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Marico is engaged with associations like FICCI, CII, SEA, IBHA, among others. It contributes in development of industry and government bodies in regulatory, operational and other areas by working along with these institutions. Food safety and consumer awareness are some of the major areas where Marico participated with them.

Information with reference to BRR framework:

No.	Question	Information
7.1	Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with: (a). (b). (c). (d).	Marico is associated with several associations – 1. Federation of Indian Chambers of Commerce and Industry (FICCI) 2. Indian Beauty and Hygiene Association (IBHA) 3. Tamil Nadu Agricultural University (TNAU) 4. Indian Agricultural Research Institute (IARI) 5. Solvent Extractors' Association(SEA) 6. Consumer Guidelines Society of India (CGSI) 7. Indian Merchant Chambers (IMC) 8. Confederation of Indian Industry (CII)
7.2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas (drop box: governance and administration, economic reforms,inclusive development policies, energy security, water, food security, sustainable business principles, and others)	Marico is associated with above institutions with an intention of mutual learning and contribution in development of processes. Marico has been instrumental in developing capabilities of Food Safety and Standards Authority of India(FSSAI) officers. In the last seven years, the Company has trained over 2,200 food safety officers across India.

Principle 8: Businesses should support inclusive growth and equitable development.

With a stated purpose of 'Make a Difference', Marico strives to benefit the entire ecosystem around it. The Company acknowledges its stakeholders and firmly believes in co-dependence. Marico's major stakeholders are shareholders, consumers, associates, employees, government, the environment and society. Thus, the Company consistently endeavours to integrate sustainability considerations in all its business decisions; and contributes to the socio-economic development of marginalised communities.

Information with reference to BRR framework:

No.	Question	Information
8.1	Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.	Marico has undertaken various programmes in societal development. Marico Innovation Foundation (MIF) works towards fostering innovation in India. Apart from this, Marico also runs programmes like 'Chote Kadam pragati ke aur', 'Saffola life','Sakshar Beti Sudhrud Samaj' and other, primarily in realms of healthcare and education.
8.2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?	Marico Innovation Foundation (MIF), the CSR arm of Marico, leads the CSR activities along with efforts of brands and businesses. Manufacturing and procurement teams take up the initiatives related to community development in their areas. The MIF Scale Up programme works with 'For-Profit' and 'Not-For-Profit' organisations and is sector agnostic. It focuses on the innovative ideas and the impact an organisation wishes to achieve. The programme also focuses on creating 'scalable and sustainable impact' by solving the critical business challenges faced by an organisation. The programme follows a hands-on engagement process. In the financial year 2017, the Foundation worked closely with Tara Livelihood Academy, Fractal Microspin, Yuva Parivartan and Zaya Labs.
8.3	Have you done any impact assessment of your initiative?	Marico has done impact assessment for its initiatives like 'Educate Girls' and' Sesame Workshop India' – baseline study through IMRB International.
8.4	What is your Company's direct contribution to community development projects? Amount in ₹ and the details of the projects undertaken.	Marico has spent overall ₹ 14.56 crores for community development activities. Following are the projects undertaken – 1. Educate girl child – Promoting girl education and helping girl students in learning 2. Mobile pathshala – Distance learning programme 3. Saffola life – Preventive health care promotion programme 4. Initiative for improving agriculture productivity 5. Social innovation acceleration programme – Improving capability of social organisations 6. Health initiatives organized by manufacturing plants
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Marico's CSR initiatives are rolled out directly or in partnership with non-profit organisations. This helps in increasing its reach as well as ensuring the adoption of initiative by communities. Project teams track the reach and take necessary steps to make it successful.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Marico is in the business of consumer goods and its products are related to beauty and wellness. It's the Company's continuous endeavour to educate consumer on good lifestyle. Marico promotes good living habits and knowledge about health through its 'Saffolalife' initiative. It works with people as well as the government and private agencies to create awareness about hygiene and product regulations.

As a part of the organisation's commitment to engage with stakeholders, Marico conducts quality awareness drives directly to create sanitation and hygiene awareness among school children through 'Teach little minds' programme.

Marico Corporate Quality team is certified for customer compliant management system ISO 10002. This provides a systematic approach to understand consumer issues and improve production processes accordingly.

The product development team ensures that the formulations are made from sustainable raw material and they do not cause any after effects in usage.

Information with reference to BRR framework:

No.	Question	Information
9.1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Following is the status of customer complaints/consumer cases as at the end of financial year ended on March 31, 2017: 1. Customer complaints – Nil 2. Consumer cases – 3
9.2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	Marico adheres to all applicable regulations regarding product labeling and displays relevant information on it.
9.3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No case filed by any stakeholder related to the mentioned subject is pending as at the end of financial year ended on March 31, 2017.
9.4	Did your Company carry out any consumer survey/consumer satisfaction trends?	Consumer satisfaction is important for business. Marico connects with consumer with multiple touch points. A survey is conducted with sample consumers to understand the product quality feedback by Corporate Quality team. Besides, the Company has established a process of Consumer Complaint Management system ISO 10002. This helps in systematic resolution of all complaints and helps in improving consumer delight.

To the Members,

Your Board of Directors ("Board") is pleased to present the Twenty Ninth Annual Report of Marico Limited ("Marico" or "the Company" or "your Company"), for the financial year ended March 31, 2017 ("the year under review" or "the year" or "FY17").

In line with the requirements of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for time being in force ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (''the SEBI Regulations''), this report covers the financial results and other developments during the financial year April 1, 2016 to March 31, 2017 in respect of Marico and Marico Consolidated comprising Marico, its subsidiaries and associate companies. The consolidated entity has been referred to as "Marico Group" or "Your Group" or "the Group" in this report.

FINANCIAL RESULTS - AN OVERVIEW

(₹ in Crore)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Consolidated Summary Financials for the Group		
Revenue from Operations	5,935.92	6,024.45
Profit before Tax	1,148.70	1,028.70
Profit after Tax	810.97	723.33
Marico Limited – Revenue from Operations	**4,868.88**	**4,867.99**
Profit before Tax	1,141.72	935.74
Less: Provision for Tax for the current year	299.02	244.48
Profit after Tax for the current year	**842.70**	**691.26**
Other Comprehensive Income for the current year	(1.18)	(1.87)
Add: Surplus brought forward	1,933.31	1,744.78
Profit available for appropriation	**2,774.83**	**2,434.16**
Appropriations: Distribution to shareholders	**451.59**	**435.43**
Tax on dividend	57.03	65.43
	508.62	500.86
Surplus carried forward	2,266.21	1,933.31

REVIEW OF OPERATIONS

During 2017, Marico achieved revenue from operations of INR 5,986 Crore, a decline of 1% over FY16. Volume growth for the year was at 4%. The value growth was lower owing to price reductions in the Coconut Oil portfolio in India and Bangladesh and currency devaluation in the Egypt region in H2FY17. The operating margin was at 19.5%. The business reported bottom line of INR 799 Crores, a satisfactory growth of 12% over last year.

Marico India, the domestic business, achieved a turnover of ₹4,579 Crores in FY17, a decline of 2% over last year. Volume growth for the year was at 4%. The value growth was lower owing to price reductions in the Coconut Oil portfolio. This year witnessed the demonetization impact in Q3FY17 which acted as a dampener on the overall annual volume growths. The operating margin for the India business was healthy at 24.3% before corporate allocations. Higher operating margins can be attributed mainly to gross margin expansion led by softer input costs.

During the year, Marico International, the International FMCG business, posted a turnover of ₹1,356 Crores, a growth of 1% over FY16 in constant currency terms. The operating margin for the year was at 16.5% (before corporate allocations) reflecting a sustained structural shift over the last few years.

Over the last 5 years, at a consolidated level, the top line has grown by 10% and bottom line by 18% at a Compounded Annual Growth Rate.

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the FY17 and the date of this report.

SUBSIDIARIES AND ASSOCIATE COMPANIES

A list of bodies corporate which are subsidiaries/associate of your Company is provided as part of the notes to Consolidated Financial Statement. During the period under review, in Vietnam, Thuan Phat Foodstuff Joint Stock Company merged with its Holding Company, Marico South East Asia Corporation (Formerly: International Consumer Products Corporation) with effect from December 1, 2016. Your Company acquired 35.44% equity stake in Zed Lifestyle Private Limited ("Zed") on March 17, 2017. Consequently, Zed became an associate company of Marico.

A separate statement containing the salient features of the financial statement of all subsidiaries and associate companies of your Company (i.e. Form AOC - 1) forms part of the consolidated financial statement in compliance with Section 129 and other applicable provisions of the Act.

The financial statement of the subsidiary companies and related information are uploaded on the website of your Company and can be accessed using the link http://marico.com/india/investors/documentation and the same are available for inspection by the Members at the Registered Office of your Company during business hours on all working days except Saturdays and Sundays up to the date of the 29th Annual General Meeting ("29th AGM"), as required under Section 136 of the Act. Any Member desirous of obtaining a copy of the said financial statement may write to the Company Secretary at the Registered Office Address.

Your Company has approved a policy for determining material subsidiaries and the same is uploaded on the Company's website which can be accessed using the link http://marico.com/investorspdf/Policy_for_determining_Material_Subsidiaries.pdf. As per this Policy, your Company does not have any material subsidiary.

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs ("MCA"), vide its notification dated February 16, 2015 issued Indian Accounting Standards ("IND AS") applicable to certain classes of companies. In exercise of the powers conferred by Section 133 read with section 469 of the Act and Section 210A(1) of the Companies Act, 1956, the Central Government, in consultation with the National Advisory Committee on Accounting Standards, has replaced the existing Indian GAAP with IND AS. For Marico, IND AS is applicable for the accounting periods beginning April 1, 2016, with the transition date of April 1, 2015.

The following are the key areas which had an impact on account of IND AS transition:

- Revenue reclassification
- Share based payments
- Fair valuation of certain financial instruments
- Defined employee benefit obligations
- Intangible assets

The detailed reconciliation of the transition from IGAAP to IND AS has been provided in Note 35 in the notes to accounts of Standalone Financial Statement and Note 39 in the notes to accounts of Consolidated Financial Statement.

RESERVES

There is no amount proposed to be transferred to the Reserves.

DIVIDEND

Your Company's wealth distribution philosophy aims at sharing its prosperity with its shareholders, through a formal earmarking/ disbursement of profits to its shareholders. During the year under review, your Board adopted a Dividend Distribution Policy ("DD Policy") pursuant to Regulation 43A of the SEBI Regulations.

The DD Policy is available on the website of the Company at http://marico.com/india/investors/documentation/corporate-governance.

Based on the principles enunciated in the DD Policy, your Company's distribution to equity shareholders during FY17 comprised the following;

- First Interim Dividend of 150% on the equity base of ₹129.02 Crores; and
- Second Interim Dividend of 200% on the equity base of 129.04 Crores.

The total equity dividend for FY17 (including dividend distribution tax) aggregated to ₹508.64 Crores. Thus, dividend pay-out ratio is 64% of the consolidated profit after tax as compared to 69% (including one-time special third interim dividend of 100%) during FY16.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of the loans, guarantees and investments covered under the Section 186 of the Act, are given in the notes to the standalone financial statement of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis forms an integral part of this Report and, inter-alia, gives an update on Macro Economic Indicators & FMCG Industry, opportunities and threats, risks and concerns, internal control systems and their adequacy, discussion on financial and operational performance, segment-wise performance, human capital initiatives outlook, etc.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

I Resignation of Mr. Atul Choksey

Mr. Atul Choksey (DIN: 00002102), Independent Director of the Company stepped down from the Board of Directors with effect from April 1, 2017 on account of paucity of time. The Board of Directors of Marico placed on record, its appreciation for the invaluable contribution that Mr. Choksey has made during his long tenure with the Company as an Independent Director.

II Appointment of Mr. Rishabh Mariwala and Mr. Ananth Narayanan

The Board at its meeting held on May 2, 2017 appointed Mr. Rishabh Mariwala (DIN: 03072284) as an Additional (Non-Executive) Director of your Company with effect from May 2, 2017. Further, the Board vide a resolution passed by circulation on June 26, 2017 appointed Mr. Ananth Narayanan (DIN: 07527676) as an Additional (Independent) Director of the Company with effect from the said date i.e. June 26, 2017.

Mr. Rishabh Mariwala and Mr. Ananth Narayanan shall hold office as an Additional (Non-Executive) Director and Additional (Independent) Director, respectively, upto the date of the 29th AGM of the Company. Notices in writing, signifying their candidature for appointment as Non-Executive Director and Independent Director, respectively, under Section 160 of the Act has been received from the shareholders of the Company. Accordingly, the matter relating to their appointment is being placed for the approval of the shareholders at the 29th AGM.

III Directors retiring by rotation

In accordance with the provisions of Section 152 of the Act read with Rules made thereunder and the Articles of Association of the Company, Mr. Harsh Mariwala (DIN: 00210342) is liable to retire by rotation at the 29th AGM and being eligible, has offered himself for re-appointment. Accordingly, the matter relating to re-appointment of Mr. Harsh Mariwala is being placed for the approval of the shareholders at the 29th AGM.

The Company has received declarations from all the Independent Directors confirming that they satisfy the criteria of independence as prescribed under the provisions of the Act and the SEBI Regulations.

Brief profiles of Mr. Rishabh Mariwala, Mr. Ananth Narayanan and Mr. Harsh Mariwala and other related information is appended in the Corporate Governance Report. The revised composition of the Board of the Company is also stated in the said Report.

IV Key Managerial Personnel

During the year under review, the Board of Directors at its meeting held on April 29, 2016 appointed Mr. Surender Sharma as the Company Secretary & Compliance Officer in place of Ms. Hemangi Ghag, who had tendered her resignation with effect from April 29, 2016. Ms. Ghag continues as an employee with the Company in a different role. There were no other changes in the Key Managerial Personnel of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Act, the Directors of your Company, to the best of their knowledge and based on the information and explanations received from the Company confirm that:

a. in the preparation of the annual financial statement for the financial year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures from the same;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2017 and of the profit of your Company for the said period;

c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts have been prepared on a 'going concern' basis;

e. proper internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and were operating effectively;

f. proper systems to ensure compliance with the provisions of all applicable laws were devised and that such systems were adequate and operating effectively.

PERFORMANCE EVALUATION

In accordance with relevant provisions of the Act read with Rules made thereunder, Regulation 17(10) of the SEBI Regulations and the Guidance Note on Board Evaluation issued by SEBI vide its circular dated January 5, 2017, the evaluation of the performance of the individual Directors, Chairman of the Board, the Board as a whole and its individual statutory Committees was carried out for the year under review. The manner in which the evaluation was carried out is explained in the Corporate Governance Report.

MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Five meetings of the Board of Directors were held during the year.The details of the meetings of the Board and its Committees held during the year under review are stated in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 of the SEBI Regulations, a separate report on Corporate Governance along with the certificate from the Statutory Auditor on its compliance, forms an integral part of this report.

BUSINESS RESPONSIBILITY REPORT & SUSTAINABILITY REPORT

Pursuant to Regulation 34 of the SEBI Regulations, the Company had published its maiden Business Responsibility Report in the Annual Report for the previous financial year. During the year under review, the Board adopted the Sustainability Policy through a resolution passed by circulation on June 20, 2016. The Sustainability Policy envisages the broad principles which would drive the sustainability activities of the Company. The said Sustainability Policy can be accessed at this link http://marico.com/make-a-difference/sustainability

Further, the Board of Directors of your Company constituted the Sustainability Committee to drive the sustainability activities of the Company and review the business responsibility and sustainability performance of the Company on annual basis. The Chief Supply Chain Officer of the Company heads the Sustainability Committee and it comprises three more Senior Managerial Personnel of the Company. The composition of the Committee is detailed in the Corporate Governance Report. The Managing Director & CEO of the Company is the Director responsible for ensuring the Business Responsibility activities of the Company.

During the year under review, the Company has also made available its maiden Sustainability Report which is a voluntary report and exhibits your Company's approach towards sustainability. The Sustainability Report has been exhibited in line with the Global Reporting Initiative (GRI) G4 core guidelines. The said Report presents the sustainability performance of the Company across three pillars of sustainability i.e. economic, environmental and social aspects as per the GRI G4 guidelines. All the relevant aspects related to standard, specific disclosures and sector supplement have been referred to, while defining the report content. The Sustainability Report of the Company can be accessed at this link http://marico.com/make-a-difference/sustainability

AUDITOR & AUDITOR'S REPORT

Statutory Auditor

The Members at the 26th Annual General Meeting had appointed M/s Price Waterhouse, Chartered Accountants as the Statutory Auditor of the Company to hold office until the conclusion of the 29th AGM. Pursuant to Section 139 of the Act and Rules made thereunder, M/s Price Waterhouse retire as the Statutory Auditor at the 29th AGM and are not eligible for re-appointment in view of completion of their tenure.

Accordingly, the Board at its meeting held on May 2, 2017 based on the recommendation of the Audit Committee, approved the appointment of B S R & Co. LLP, Chartered Accountants as the Statutory Auditor of the Company in place of the retiring Auditor for a term of five years to hold office from the conclusion of the

29th AGM till the conclusion of the 34th Annual General Meeting of the Company, subject to ratification of their appointment by the shareholders of the Company at every Annual General Meeting held thereafter.

The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules made thereunder from B S R & Co. LLP. Further, the Company has also received a written confirmation stating that B S R & Co. LLP holds a valid Peer Review Certificate issued by the Institute of Chartered Accountants of India.

The Auditor's Report for the year ended March 31, 2017 on the financial statement of the Company forms part of Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in the said Auditor's Report. During the year under review, the Auditor had not reported any fraud under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

M/s. Price Waterhouse over many years successfully met the challenge that the size and scale of the Company's operations pose for the Auditor and have maintained the highest level of governance, ethical standards, rigour and quality in their audit The Board places its sincere appreciation for services rendered by M/s. Price Waterhouse as Statutory Auditor of the Company.

COST AUDITOR

As per Section 148 of the Act read with the Companies (Cost Records and Audits) Rules, 2014, the Board of Directors at its meeting held on May 2, 2017, based on the recommendation of the Audit Committee, approved the appointment of M/s. Ashwin Solanki & Associates, Cost Accountants as the Cost Auditor to conduct audit of the cost records of the Company for the financial year ending March 31, 2018. The Company has received written consent and certificate of eligibility in accordance with Section 148 read with Section 141 and other applicable provisions of the Act and Rules made thereunder from M/s. Ashwin Solanki & Associates.

The remuneration payable to the Cost Auditor has been approved by the Board at its aforesaid meeting, based on the recommendation of the Audit Committee. In terms of the provisions of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, the matter relating to ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2018 is being placed at the 29th AGM.

During the year under review, the Cost Auditor had not reported any fraud under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act

SECRETARIAL AUDIT

Pursuant to Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on May 2, 2017, based on the recommendation of the Audit Committee, approved appointment of Dr. K. R. Chandratre, Practicing Company Secretary (Certificate of Practice No. 5144) as the Secretarial Auditor to conduct audit of the secretarial records of the Company for the financial year ending March 31, 2018. The Company has received consent from Dr. K. R. Chandratre to act as such.

The Secretarial Audit Report for the FY17 is enclosed as **"Annexure A"** to this report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Secretarial Auditor had not reported any fraud under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

RISK MANAGEMENT

For your Company, Risk Management is an integral and important component of Corporate Governance. Your Company believes that a robust Risk Management ensures adequate controls and monitoring mechanisms for a smooth and efficient running of the business. A risk-aware organization is better equipped to maximize the shareholder value.

The key cornerstones of your Company's Risk Management Framework are:

- Periodic assessment and prioritization of risks that affect the business of your Company;
- Development and deployment of risk mitigation plans to reduce the vulnerability to the prioritized risks;
- Focus on both the results and efforts required to mitigate the risks;
- Defined review and monitoring mechanism wherein the functional teams, the top management and the Board review the progress of the mitigation plans;
- Embedding of the Risk Management processes in significant decisions such as large capital expenditures, mergers, acquisitions and corporate restructuring;
- Wherever, applicable and feasible, defining the risk appetite and install adequate internal controls to ensure that the limits are adhered to.

The Constitution of the Risk Management Committee ('RMC') is stated in the Corporate Governance Report. The RMC assists the Board in monitoring and reviewing the risk management plan, implementation of the risk management framework of the Company and such other functions as Board may deem fit. The detailed terms of reference and the composition of RMC are set out in the Corporate Governance Report.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company's approach on Corporate Governance has been detailed out in the Corporate Governance Report. Your Company has deployed the principles enunciated therein to ensure adequacy of Internal Financial Controls with reference to the financial statements. Your Board has also reviewed the internal processes, systems and the internal financial controls and the Directors'

Responsibility Statement contains a confirmation as regards adequacy of the internal financial controls.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The composition of the CSR Committee is disclosed in the Corporate Governance Report.

A brief outline of the CSR Policy of the Company, the CSR initiatives undertaken during the financial year 2016-17 together with progress thereon and the report on CSR activities as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in **"Annexure B"** to this Report.

RELATED PARTY TRANSACTIONS

All transactions with related parties are placed before the Audit Committee for its approval. An omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature. In case of transactions which are unforeseen and in respect of which complete details are not available, the Audit Committee grants an omnibus approval to enter into such unforeseen transactions, provided the transaction value does not exceed ₹1 Crore (per transaction in a financial year). The Audit Committee reviews all transactions entered into pursuant to the omnibus approvals so granted on a quarterly basis.

All transactions with related parties entered into during FY17 were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Act and the Rules made thereunder. There were no transactions which were material (considering the materiality thresholds prescribed under the Act and Regulation 23 of the SEBI Regulations). Accordingly, no disclosure is made in respect of the Related Party Transactions in the Form AOC-2 in terms of Section 134 of the Act and Rules made thereunder.

The Policy on Related Party Transactions is uploaded on the Company's website and can be accessed using the link http://marico.com/investorspdf/Policy_on_Related_Party_Transactions.pdf.

COMPANY'S POLICY ON NOMINATION, REMUNERATION, BOARD DIVERSITY, EVALUATION AND SUCCESSION

In terms of the applicable provisions of the Act, read with the Rules made thereunder and the SEBI Regulations, your Board has formulated a Policy on appointment, removal and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel and also on Board Diversity, Succession Planning and Evaluation of Directors ("NR Policy"). The remuneration paid to Directors of the Company is as per the terms laid down in the NR Policy of the Company. The Managing Director & CEO of your Company does not receive remuneration from any of the subsidiaries of your Company.

The salient aspects of the said Policy are outlined in the Corporate Governance Report and can be accessed using this link http://marico.com/investorspdf/Policy_on_Nomination,_Removal,_Remuneration_and_Board_Diversity.pdf

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The ratio of remuneration of each Director to the median employee's remuneration as per section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016 is disclosed in ' **"Annexure C"** to this report.

The statement containing particulars of remuneration of employees as required under Section 197(12) of the Act, read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in an annexure to the Annual Report. In terms of Section 136(1) of the Act, the Annual Report is being sent to the Members excluding the aforesaid annexure. However, this annexure shall be made available on the website of the Company twenty one days prior to the date of the 29th AGM. The information is also available for inspection by the Members at the Registered Office of the Company during business hours on all working days except Saturdays and Sundays up to the date of the 29th AGM. Any Member desirous of obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office Address.

MARICO EMPLOYEE BENEFIT SCHEME/PLAN

- **Marico Employee Stock Option Scheme 2014**

  The Members of the Company at its Extra Ordinary General Meeting held on March 25, 2014, had approved the Marico Employee Stock Option Scheme 2014 ('the Scheme') for the benefit of the Managing Director & Chief Executive Officer of the Company ('MD & CEO'). The objective of this Scheme was to give a wealth building dimension to the remuneration structure of the MD & CEO. Further, it also aimed at promoting desired behavior for meeting organization's long term objectives and to enable retention through a customized approach.

  The Corporate Governance Committee, responsible for administering the Scheme, had granted 3 lac stock options to the MD & CEO. As at March 31, 2016, the said 3 lac stock options have increased to 6 lacs on account of issue of bonus equity shares by the Company in the ratio of 1:1. These stock options are now vested in the MD & CEO and constitute 0.02% of the paid up equity share capital of the Company as on the date of this report.

  During the year under review, out of the stock options vested as above, the MD & CEO had exercised, in aggregate 3 lacs stock options on November 15, 2016, December 26, 2016 and March 24, 2017, respectively. Pursuant to the exercise of stock options, the Securities Issue Committee of the Board had approved, in aggregate, allotment of 3 lac equity shares, vide resolutions passed by circulation on November 21, 2016, December 29, 2016 and March 29, 2017 respectively. The perquisite value in respect of the stock options exercised has been included as part of the disclosure on remuneration of the MD & CEO in the Corporate Governance Report.

- **Marico MD CEO Employee Stock Option Plan 2014**

  The Members at the 26th Annual General Meeting of the Company held on July 30, 2014, had approved the Marico MD CEO Employee Stock Option Plan 2014 ('MD CEO ESOP Plan 2014' or 'the Plan') for the benefit of Managing Director & Chief Executive Officer ('MD & CEO') of the Company.

  The Corporate Governance Committee entrusted with the responsibility of administering the Plan and the Scheme(s) notified thereunder had granted 46,600 stock options to MD & CEO. As at March 31, 2016, the said 46,600 stock options have increased to 93,200 on account of issue of bonus equity shares by the Company in the ratio of 1:1. These stock options are now vested in the MD & CEO and constitute 0.007% of the paid up equity share capital of the Company as on the date of this report. So far, MD & CEO has not exercised any stock options under this Plan.

  In view of the implementation of Marico Employee Stock Option Plan, 2016, as explained below, no further grant of stock options is envisaged under this Plan.

- **Marico Employee Stock Option Plan 2016**

  The Members at the 28th Annual General Meeting held on August 5, 2016, had approved the Marico Employee Stock Option Plan, 2016 ("Marico ESOP 2016" or "the Plan") for issuance of the employee stock options ("Options") to the eligible employees of the Company including the Managing Director & CEO and the eligible employees of its subsidiaries, whether in India or outside India. Marico ESOP 2016 aims to promote desired behavior among employees for meeting the Company's long term objectives and enable retention of employees for desired objectives and duration, through a customized approach.

  The Plan envisages to grant Options, not exceeding in aggregate, 0.6% of the issued equity share capital of the Company as on August 5, 2016 ('the Commencement Date') to the eligible employees of the Company and its subsidiaries and to grant Options to any single employee not exceeding 0.15% of the issued equity share capital of the Company as on the commencement date.

  The Corporate Governance Committee is entrusted with the responsibility of administering the Plan and the Scheme(s) notified thereunder. Accordingly, the details of Schemes notified under the Plan and the Options granted thereunder are given in "**Annexure D"** to this report.

- **Marico Employees Stock Appreciation Rights Plan, 2011**

  The Members at the 27th Annual General Meeting of the Company held on August 5, 2015, had approved the Marico Stock Appreciation Rights Plan, 2011 ('STAR Plan'), for the welfare of its employees and those of its subsidiaries. Under the STAR Plan, the Corporate Governance Committee notifies various Schemes for granting Stock Appreciation Rights (STARs) to the eligible employees. Each STAR is represented by one equity share of the Company. The eligible employees are entitled to receive in cash the excess of the maturity price over the grant price in respect of such STARs subject to fulfillment of certain conditions and applicability of income tax. The STAR Plan involves secondary market acquisition of the equity shares of your Company by an Independent Trust set up by your Company for the implementation of the STAR Plan. Your Company lends monies to the Trust for making secondary acquisition of equity shares, subject to statutory ceilings.

  As at March 31, 2017 an aggregate of 34,35,730 STARs were outstanding which constitute about 0.27% of the paid up equity share capital of the Company.

STATUTORY INFORMATION ON ESOS, STAR AND TRUST

Disclosure on ESOS, STAR and Trust in terms of Section 62(1)(b) of the Act, read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI Circular dated June 16, 2015 is enclosed as **"Annexure D"** and forms part of this report. Further, the Company has complied with the applicable accounting standards in this regard.

The statutory auditor of the Company i.e. M/s. Price Waterhouse, have certified that implementation of all the above employee benefit Schemes/Plans is in accordance with the SEBI (Share Based Employees Benefits) Regulations, 2014, as applicable, and the resolutions passed by the Members at the respective General Meetings approving such employee benefit Schemes/Plans.

AUDIT COMMITTEE

The Audit Committee comprises Independent Directors namely Mr. Nikhil Khattau (Chairman), Mr. B. S. Nagesh, Ms. Hema Ravichandar and Non-Executive Director, Mr. Rajen Mariwala. Powers and role of the Audit Committee are included in the Corporate Governance Report. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

VIGIL MECHANISM

Your Company has a robust vigil mechanism in the form of Unified Code of Conduct which enables employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code. The Company's Unified Code of Conduct can be accessed on its website using the link http://marico.com/investorspdf/CoC_book_09-04-14.pdf.

This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The guidelines are meant for all members of the Company from the day they join and are designed to ensure that they may raise any specific concern on integrity, value adherence without fear of being punished for raising that concern. The guidelines also cover our associates who partner us in our organizational objectives and customers for whom we exist.

To encourage employees to report any concerns and to maintain anonymity, the Company has provided a toll free helpline number and a website, wherein the grievances/ concerns can reach the Company. For administration and governance of the Code, a Committee called 'the Code of Conduct Committee' ('CCC') is constituted. The CCC has the following sub-committees namely:

- HR Committee – with an objective to appoint investigation team for investigation of HR related concerns / complaints.
- IT Committee – with an objective of implementing the IT policy and resolution of IT related concerns / complaints under the Code.
- Whistle Blower Committee – with an objective to appoint an investigation team for investigation for whistle blower complaints.
- Prevention of Sexual Harassment Committee (PoSH Committee) – with an objective to ensure a harassment free work environment including but not limited to appointment of investigation team for investigation of sexual harassment concerns/complaints.

The Board, the Audit Committee and the Corporate Governance Committee are informed periodically on the matters reported to CCC and the status of resolution of such cases.

The Company affirms that no personnel has been denied access to the Audit Committee.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has a policy for the prevention of sexual harassment which is embedded in the CCC. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted PoSH Committee During FY17, this Committee received 1 complaint on sexual harassment and the same was disposed of in accordance with applicable laws and the policy of your Company.

DEPOSITS

There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014, at the end of the financial year 2016-17 or the previous financial year. Your Company did not accept any deposit during FY17.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant/material orders passed by the regulators or courts or tribunals impacting the going concern status of your Company and its operations in future.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014 is enclosed as **"Annexure E"** to this report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 in accordance with Section 92(3) of the Act, read with the Companies (Management and Administration) Rules, 2014, are enclosed as **"Annexure F"** to this report.

ACKNOWLEDGEMENT

Your Board takes this opportunity to thank Company's members for their dedicated service and firm commitment to the goals & vision of the Company. Your Board also wishes to place on record its sincere appreciation for the wholehearted support received from shareholders, distributors, vendors, bankers and all other business associates and from the neighborhood communities of the various Marico locations. We look forward to continued support of all these partners in progress.

On behalf of the Board of Directors

Harsh Mariwala
Chairman
(DIN: 00210342)

Place : Mumbai
Date : June 29, 2017

ANNEXURE 'A' SECRETARIAL AUDIT REPORT

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Marico Limited
7th Floor, Grande Palladium
175, CST Road, Kalina
Mumbai 400 098

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Marico Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2017 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**; and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period).**

(vi) During the Audit Period, no law was specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Audit Period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the Audit Period.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company had no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc.

Dr. K. R. Chandratre
Company Secretary in Practice
FCS 1370
CP No 5144

Place : Pune
Date : 2 May 2017

ANNEXURE 'B' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

I. A Brief Outline of the Company's CSR Philosophy, including overview of projects or program proposed to be undertaken and the web-link to the CSR Policy and projects or programs.

Marico's CSR Philosophy

Marico's stated purpose is to "Make a Difference". This purpose has defined our reason to exist; we have always believed that we exist to benefit the entire ecosystem of which we are an integral part. We firmly believe that we belong to an interdependent ecosystem comprising Shareholders, Consumers, Associates, Employees, Government, Environment and Society and that we have a commitment to all these stakeholders.

We believe that economic value and social value are interlinked. A firm creates economic value by creating social value – by playing a role in Making a Difference to the lives of its key stakeholders. Furthermore, a firm cannot do this in isolation; it needs the support and participation of other constituents of the ecosystem. Sustainability comes from win-win partnerships in the ecosystem.

Marico's CSR Policy is therefore anchored on the core purpose of "Make a Difference" to the lives of all its stakeholders to help them achieve their full potential. The policy can be accessed on http://marico.com/india/investors/documentation/corporate-governance.

The CSR Pivots:

While the Ministry of Corporate Affairs has spelt out the CSR activities under Schedule VII to the Companies Act, 2013, in order to build focus and have a more impactful execution – with a view to make a difference - Marico's CSR efforts will be primarily dedicated in areas which include the following:

Scalability of social organisations

Marico believes in unlocking the potential of social enterprises in India through its intervention to aid them scale faster and thus create a sustainable and equitable impact on the social ecosystem. Marico will strive to foster this value through innovation and other means to deliver scale and direct impact thereby benefiting the underserved communities.

Community Development

Community Development is integral for building a harmonious relationship with the community dwelling in the periphery where Marico operates which will go long in supporting one another for a sustainable growth. Marico will therefore work towards the upliftment of communities and villages that border Marico's workplaces/units.

Education

Marico also believes that one of the most significant indicators of social progress is education, which also plays a decisive role for a society to achieve self – sustainable and equitable development. Further, infusing innovation in Education will enable further impact. With an increasing global realization of how business community can and should contribute to social objectives, education deserves a higher level of corporate involvement.

Health Care

Marico is a keen proponent of Healthcare and hopes to innovatively create impact in this sector. We aim towards preventative as well as facilitative health care of India's populace.

Livelihood enhancement

Providing livelihood opportunities is critical for economic empowerment of the nation. Creating sustainable livelihood and enhanced earning potential to the farmer community through knowledge, innovation and transformative actions is therefore another thrust of our CSR.

Implementation Strategy for CSR initiatives:

Your Company aims to achieve its CSR objectives through:

1. Its wholly owned subsidiary, Marico Innovation Foundation (details given below);
2. Its brands – your Company believes that brands too have a purpose and they can contribute meaningfully to the Company's CSR efforts; and
3. Functional initiatives by its manufacturing locations and procurement operations.

Marico Innovation Foundation (MIF)

MIF, a Company incorporated under section 25 of the Companies Act, 1956, is a wholly owned subsidiary of your Company. MIF is a not-for-profit organisation working towards the cause of innovation since 2003. The Foundation creates impact through its below mentioned programs:

A. MIF Scale Up Program:

The Scale Up program works with 'For Profit' and 'Not For Profit' organisations and is sector agnostic. It focuses on the innovative ideas and the impact an organization wishes to achieve. The Program also focuses on creating 'scalable and sustainable impact' by solving the critical business challenges faced by an organisation. The program follows a hands-on engagement process.

The Scale up program is also aided through multiple interventions:

a) The Foundation leverages Marico members, external CEO's and sectoral experts as Mentors to utilize their knowledge and skills. This is done through measured and structured interventions which have been designed by the Foundation to leverage their knowledge capital;

b) Student teams from leading B-Schools in India are brought in annually to help social organization with research (primary and secondary) and with critical inputs on their business; and

c) The Foundations' ecosystem connects also enables the scale up program to draw synergies with like-minded partners who assist the Foundation on specific interventions.

In the financial year 2017 the Foundation worked closely with the following organisations to scale up their impact:

(i) Tara Livelihood Academy:

TARA Livelihood Academy (TLA) was established in 2007 by the Development Alternatives Group (DAG) as yet another vehicle to fulfill its mandate of disseminating Sustainable Development, by providing skills to the youth, women and community groups. TLA exited our portfolio in March 2017.

MIF helped TLA through:

1. Creation of an asset light model of operations;
2. Streamlining of the process and reducing the cost of recruitment of potential candidates;
3. Right GTM Strategy - Identification of right markets for TLA to offer their training services;
4. Pivot from training to livelihood – Ensuring trained youth are connected to appropriate livelihood opportunities.
5. SOP creation- Creating standardized SOP's for the 4 prototypes for TLA to use as templates during scale-up to new geographies.

(ii) Fractal Microspin:

Microspin Machine Work was established by Fractal Foundation in 2011 to ensure that farmers didn't have to settle with the raw end of the cotton value chain. A machine that can easily be installed in a farmer's backyard, Microspin mechanically converts raw cotton into yards of fabric. Mr. Pramod Gothi, Ex-Managing Director, Morarjee Mills mentored Fractal Microspin. Microspin exited our cohort in January 2017.

MIF helped Microspin through:

1. Leveraging the established networks and ecosystems with leading apparel manufacturers for the acceptance and adoption of Crafted Yarn; and
2. Facilitating creation of communication tools that help Microspin sell its concept with garment corporates.

(iii) Yuva Parivartan (YP):

The primary objective of YP is to provide Livelihoods to deprived, out of school youth through Vocational Training and provide access to wage or self-employment. YP exited the MIF cohort in March 2017.

The intervention areas of MIF included:

1. Helping YP improve its field staff's operation effectiveness;
2. Assisting YP in the creation of a mobile app for overall monitoring and tracking; and
3. Getting YP to benchmark best practices in sales by getting their ASMs shadow Marico's Sales team.

(iv) Zaya Labs:

Zaya is an education-technology startup based in Mumbai. Since Zaya also uses hardware, as they scale the business; their supply chain had to be geared to support the increase in volumes. Zaya exited MIF's cohort in March 2017.

MIF helped Zaya in the following areas:

a) Supply chain and Logistics Management;

b) KPI and KRA creation for their entire Zaya portfolio; and

c) Creation of the value proposition for the app and the cloud platform processes.

(v) Atomberg

Atomberg is an organization that has developed India's most energy efficient ceiling fan, the Gorilla fan. MIF is helping Atomberg with the following:

a) Manufacturing and Supply Chain problem and;

b) Go to market challenge for the B2C Segment.

(vi) I-SolarLite

i-Solarlite addresses the issues of unreliable electricity among the rural populations of the developing countries. They do this by providing state-of-the-art solar products including solar room lights, solar home lights and solar lamps. MIF is helping them with their Sales and Distribution Challenge.

(vii) Educate Girls

Established in 2007, Educate Girls is holistically tackling issues at the root cause of gender inequality in India's education system that has helped to ensure over 90% enrollment and significantly higher attendance for all girls as well as improved school infrastructure, quality of education and learning outcomes for all children. In the first intervention, MIF helped the organisation save an estimated cost of around Rs 1.3 Crore in FY17 and FY18. We are currently helping them with their public relations and advocacy challenge.

(viii) Green Salute

Green Salute is a waterless car wash solution, with the cleaning service included. This solution results in saving the water which is wasted while washing cars. We are currently working with them on their GTM strategy.

B. Incubation:

MIF is in association with Villgro incubated an organisation called Yostra Labs Private Limited. Yostra is a healthcare technology firm pioneering smart innovations to make healthcare more effective and affordable.

Yostra has developed two products specifically to enable mass screening and treatment of diabetic patients at primary and secondary healthcare centres and resource-poor settings making treatment accessible to patients from all socio-economic strata.

ANNEXURE 'B' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

C. **MIF Talkies- Web Series:**

MIF Talkies is a web series created by MIF. As part of this on-going series, MIF is sharing some of the most amazing innovations of India that are truly transforming lives, communities, businesses and more.

Brand CSR

Nihar Shanti Amla (NSA): promoting child education

In 2012, your Company, under its hair oil brand name Nihar Shanti Amla, launched a programme called "Chotte Kadam Pragati ke Aur" to support the education of underprivileged children. Retention, learning outcomes and training in soft and life skills within the age group of 4-14 years were identified as three priority education interventions. Under this program NSA partnered with two organisations in the year ended 2017:

1. Educate Girls: Udaipur and Jalore district of Rajasthan.
2. Sesame India Workshop: Farrukabad, Shahjahanpur and Kannauj districts of Uttar Pradesh.

1. Educate Girls:

Objective: Provide quality education for all underserved and marginalized girls by mobilizing public, private and community resources thus improving access to education and school quality and achieving behavioural, social and economic transformation for all girls in India's gender gap districts thereby creating an India where all children have equal opportunities to access quality education.

Impact: Total number of children benefitted from the Educate Girls Program in FY 2016-17 is 35,307 .

2. Sesame Workshop India:

Objective: Using media to engage children and aid their basic academic and life skills to help them reach their maximum potential. Galli Galli Sim Sim is India's only educational program for children that harnesses the power of television to provide a strong early childhood educational foundation to pre-schoolers and promotes children's overall cognitive, socio-emotional and physical development while celebrating India's cultural diversity.

Impact: Total children benefitted from Sesame Workshop India in FY 2016-17 is 70,000 children.

Mobile Pathshala:

In FY 17, Nihar Shanti Angrezi Mobile Pathshala evolved to become Nihar Shanti Pathshala Funwala. In the new property the content structure for basic spoken English was taken from Pratham and creatively put into audio modules with the introduction of 2 new characters. The property went live on March 7, 2017.

Your company also tied up with All India Radio(AIR) and is run as a 5 min radio show on AIR in Uttar Pradesh and Madhya Pradesh everyday Monday to Friday. In addition to Radio, School contact program was also started to promote the property in UP at the end of March this year.

Impact- The response till now has been amazing. The average engagement rate which was 1.2 minutes per caller has gone up to 12 Minutes per caller. The Patshala Funwala has received. 2.46 lac calls since its launch in March 2017 with 10,000 + hrs of content consumption.

Saffola: Healthy lifestyle is the key to a Healthy Heart

Saffolalife is the non-profit arm of the Saffola brand, which remains committed to its vision of creating a Heart Healthy India. The brand has led many initiatives consistently over the years, to educate consumers on the importance of taking care of their heart.

Various consumer studies have revealed that most people see achieving heart health as a daunting task and find it difficult to make big changes in their current lifestyle. This is the reason that despite being aware, there is inertia towards taking proactive steps regarding heart health. Taking cognizance of this barrier, Saffolalife took on the objective of enabling people to integrate heart health in their everyday lifestyle. The objective was to inspire people to adopt a healthier everyday lifestyle so as to have a healthy heart.

For the World Heart Day campaign this year World Heart Federation findings which establish the co-relation between our everyday lifestyle and heart health became the core thought of the Saffolalife campaign. The findings show that - "Staying Active, Eating Better and Being Happy can make your heart up to 50% healthier".

Campaign Legs:

Saffolalife Communication: The campaign coined "Chhote Kadam – dil ke bade kaam ke" as a creative idea to drive home the point. It showcases people in all walks of life taking tiny steps towards a healthy lifestyle – regular walks, playing a sport, indulging in dance or yoga, being happy and having fun, eating mindfully by avoiding junk food or consuming in small portions, etc. It educates people about how making a small effort and bringing about minimal alteration in your daily habits could lead to your heart health improving by 50%.

Development of Healthy Lifestyle Score: The Saffolalife Healthy Lifestyle Score has been developed in conjunction with eminent cardiologists, dieticians and doctors with the mission to educate people on early heart health measures. Association of Physicians of India, Hypertension Society of India and the India Academy of Diabetes have supported the Saffola Healthy Lifestyle Score with a view to promote proactive Heart Health in India. It is a unique tool that correlates one's lifestyle to heart health.

The Healthy Lifestyle Score was converted into an online tool and was launched on www.saffolalife.com; targeted digital campaigns were run during the year to raise awareness and divert traffic towards Saffolalife.com for the consumers to take the healthy lifestyle score test online.

Impact: During the year we had 43,542 consumers took the test online.

Saffolalife Research Study: The Healthy Lifestyle Score further became the core of the Saffolalife Research study as well.

ANNEXURE 'B' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

Saffolalife Research Study was conducted amongst consumers across Delhi, Mumbai, Bangalore, Kolkata and Chandigarh with Nielsen and SRL Labs to arrive at the Healthy Lifestyle Score of India. The study went further to bring out insights on country's physical activity levels, eating habits and stress levels.

- Saffolalife Research Study released Healthy Lifestyle Score of India at 68. Further breaking the different components of Healthy Lifestyle score - India's Eat Better Score at 58, Happiness Score at 55 and Active Score at 35. This showcases how the sedentary lifestyle of India is pulling its healthy lifestyle index down.
- Saffolalife Study PR conference for dissemination to Medical Journalists: Findings of the Saffolalife study were disseminated though PR conferences across Delhi, Mumbai and Kolkata by Medical Experts.

Saffolalife Study Event for Lifestyle Media: The brand further ropes in experts to highlight each vector of the Healthy Lifestyle; Shilpa Shetty representing Stay Active vector, Chef Kunal Kapur representing Eating Better and veteran comic Cyrus Sahukar talking about benefits of Staying Happy.

Other Initiatives

Expenses incurred towards improving agricultural productivity:

Oats Local Variety Development:

Your Company has understood the need to improve production of Oats in India which pales in comparison to other cash crops and hence stepped in by funding the research for developing of an Oats variety in India in association with Tamil Nadu Agricultural University (TNAU) and Indian Agricultural Research Institute (IARI) fit for processing for human consumption. These efforts have shown positive results.

The new variety of Oats seeds would be available to the Indian farmers for sowing in the FY2019.

Impact: The Advance Varietal Trial (AVT) stage was successfully completed with production of 70 MT of Oats across 2 selected varieties with 60 farmers in 5 States. The Local Oats development project will move into the advanced Varietal Trail-II in this, the Oats will be cultivated in different locations for second year in different soil types and cultivation conditions.

Coconut Productivity Improvement: Thennaivalam – A well-being Initiative

Coconut is an important crop in India cultivated in the Southern States by close to 1 million farmers. Most of the farmers based there do not have the knowledge on making the most from their coconut farm. They depend on traditional practices which they have learnt by experience and observing others. But they struggle to get the best productivity from their farm.

Marico team collected all such practices from various Universities and agri-experts, published a booklet and distributed it to farmers for their understanding.

In addition, Marico conducted 71 training programs which were attended by more than 1,280 farmers whereby the farmers were educated about the package of practices and disease management techniques to improve the productivity of Coconut. This takes the total farmers trained to over 4,500 under the program.

504 farmers enrolled into the Focussed Productivity Improvement Program in addition to 120 farmers already enrolled last year. In this program Marico employee visits the farm once every month and provides improvement advice. The early adopters have seen excellent results in productivity improvement.

As soil is the core for any plant growth, it was essential to understand the availability of nutrients and other parameters. In an initial phase we have carried out soil testing for more than 100 farmers.

In order to further improve productivity, your Company also believes in researching cutting edge methods of productivity improvements by doing on field trails of new practices. Your Company continues to do about 7 Design of Experiments to ascertain benefits of specific practices or inputs which can become a part of recommendation, if proven.

Impact: Over 4,500 farmers trained for techniques to improve productivity and 120 farmers who enrolled in the Focussed Productivity Program in FY16 were able to realize 33% increase in productivity compared to control farms in the same area.

Perendurai Model Farm:

The objective of the program is to evaluate the performance of different varieties and hybrids of coconuts available in India under different package of practices and demonstrate the differences to enable the farmers to select the right hybrids or varieties. 18 saplings each of 6 different hybrids have been planted. There are 3 different levels of cultivation practices which are followed for each variety. The plants are currently in the second year. The morphological characteristics of the plants are being tracked.

In addition to the Perendurai model farm, 20 more trail farms have been taken up for hybrid cultivation demo to showcase the benefits of hybrid (which can double productivity) to the farmers.

Impact: Once the plants enter into 4th year (CY 2019), the farmers would be invited to see the performance of different varieties and cultivation conditions so that they can adopt the best variety and best cultivation conditions.

Contribution towards JSW Group Sports Initiative:

Your Company made a contribution worth Rs. 25 Lacs towards the Sports Division of the JSW Group which is engaged in driving a variety of sporting programs that strives to give Indian athletes exposure to cutting edge facilities and sports science.

II. Composition of the Corporate Social Responsibility Committee:

The composition of the Corporate Social Responsibility Committee has been disclosed in the Corporate Governance Report of the Annual Report.

ANNEXURE 'B' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

III Average net profit of the Company for the last three financial years : ₹. 657.48 Crores

IV Prescribed CSR Expenditure (2% of the amount as in item III above): ₹ 13.15 Crores

V Details of CSR spent during the financial year: ₹ 13.21 Crores

a Total amount to be spent for the financial year: ₹ 13.15 Crores

b Amount unspent , if any- Nil

c Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs: (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project or Program wise (Amount in ₹)**	**Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs (2) Overheads (Amount in ₹)**	**Cumulative expenditure upto the reporting period (Amount in ₹)**	**Amount spent: Direct or through implementing agency***
(A) Marico Innovation Foundation (MIF)							
1	**MIF Scale Up Program**			709,116	161,011	3,789,954	Through Implementation agency: Marico Innovation Foundation (MIF). MIF is a not for Profit institution established in 2003, registered as a section 8 company. It helps business and social organizations enhance economic and social value using breakthrough innovation. There is no implementing agency since this project is being managed in-house by the Marico Innovation Foundation.
Current Projects							
a	Atomberg	Alternative Energy Project	Mumbai, Maharashtra				
b	Educate Girl	Education	Rajasthan				
c	I-SolarLite	Alternative Energy Project	Bihar and Uttar Pradesh				
Ex - Projects:							
d	Tara Livelihood	Livelihood Enhancement Project	Madhya Pradesh & Uttar Pradesh				
e	Yuva Parivartan	Livelihood Enhancement Project	PAN India				
f	Fractal Microspin	Livelihood Enhancement Project	Vidarbha, Maharashtra				
g	UE Lifesciences	Healthcare	Maharashtra				
h	Agrostar	Agriculture	Maharashtra, Rajasthan, Gujarat				
i	Zaya Labs	Education	Mumbai, Maharashtra				
j	Eco Cooker	Conservation of natural resource	PAN India				
k	WoW Wash	Conservation of natural resource	Mumbai, Maharashtra				
2	**Thought Leadership**	Infusing innovation through thought leadership	PAN India	1,830,000	2,342,469	3,251,616	Dissemination of content through various platforms. Launched MIF Talkies a web series that gives innovators a platform to showcase innovations
3	**Incubation support to Yostra Labs**	Healthcare	Bangalore	-	2,000,000	2,000,000	Partnered with Villgro to give funding support to Yostra Labs which is creating a multi-parameter screening device to help early diagnosis of Diabetic Peripheral Neuropathy (DPN).

ANNEXURE 'B' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

1	2	3	4	5	6	7	8
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs: (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project or Program wise (Amount in ₹)**	**Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs (2) Overheads (Amount in ₹)**	**Cumulative expenditure upto the reporting period (Amount in ₹)**	**Amount spent: Direct or through implementing agency***
4	Hackathon	-	-	**1,580,100**	-	**7,006,821**	**MIF did not undertake a Hackathon in the current year. In its place we incubated an organisation with Villgro.**
TOTAL (A)				**4,119,216**	**4,503,480**	**16,048,392**	
(B) Brand Led CSR Initiatives							
1	Nihar Shanti Amla : Education initiative(s)						
a	Educate Girls (EG) Udaipur project	Promoting Education	Udaipur district, Rajasthan	26,817,707	23,201,729	36,392,386	Educate Girls is a non-governmental organization that holistically tackles issues at the root of gender inequality in India's educational system. With a focus on enrollment, retention and learning, Educate Girls aims to provide quality education for all under-served and marginalized girls by mobilizing and leveraging public, private, and community resources to improve access to education and school quality.
b	Going to School (GTS)	Promoting Education	Muzzafarpur District, Bihar	–	746,862	4,953,355	Going to School (GTS) is a creative non-profit education trust with a 12-year track record of creating design driven, inspiring stories with heroes, children can identify themselves with. GTS motivates children, especially girls, to stay in schools, learn entrepreneurial skills and use their education to transform their lives and create opportunities for themselves. GTS's current focus is to teach entrepreneurial skills predominantly in government secondary schools through a one year program to children in grade nine through the Be! Schools program. The ultimate goal is to equip children with the skills that they need to eventually become entrepreneurs and secure gainful employment.
c	Sesame Workshop India Trust (SWIT)	Promoting Education	Farukkhabad Shahjahanpur Kannauj Districts of Uttar Pradesh	10,293,774	10,845,508	22,461,504	Sesame Workshop India Trust (SWIT) is leading the movement to change the educational equation through its innovative projects that puts children at the center of development. Under its flagship initiative Galli Galli Sim Sim (GGSS), SWI works in low resourced classrooms and communities to bring to children and their caregivers, language and strategies that has a proven impact on their literacy, numeracy, physical wellbeing and social emotional skills
d	IMRB	Impact assessment	Impact assessment of the three projects: 1. Educate Girls (Udaipur) 2. Sesame Workshop India Trust 3. Going to School (Impact assessment is excluding Educate Girls Jalore project)	3,205,050	2,375,687	5,655,271	IMRB is the impact evaluation partner who wiill be conducting the baseline, midline (in case of Educate Girls) and endline to help us understand the impact.

ANNEXURE 'B' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

1	2	3	4	5	6	7	8
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs: (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project or Program wise (Amount in ₹)**	**Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs (2) Overheads (Amount in ₹)**	**Cumulative expenditure upto the reporting period (Amount in ₹)**	**Amount spent: Direct or through implementing agency***
e	Mobile Pathshala Initiative	Promoting Education	To promote education through mobile pathshala	26,483,469	29,149,904	40,613,357	Nihar Shanti Amla had launched the Angrezi mobile pathshala, which is a first of its kind property, that provides its callers an opportunity to learn simple English words through stories & characters, completely free of cost to the caller. The intention is to take learning as close to the consumer with this property.
2	Saffola World Heart Day CSR - Saffolalife Free Cholesterol tests	Preventive Healthcare	All India	45,000,000	58,447,596	131,261,545	Direct
TOTAL (B)				**111,800,000**	**124,767,287**	**241,337,418**	
(C) Other Initiatives							
1	Expenses incurred towards improving agricultural productivity	Livelihood enhancement	Money paid to Tamil Nanu Agricultural University for doing the development.	6,827,000	6,921,640	14,191,322	Direct
2	JSW Initiative for Sports	Sports	-	2,500,000	2,500,000	2,500,000	Direct
2	Calamity Led Initiative	Calamity	-	-	-	2,300,000	Direct
TOTAL (C)				**9,327,000**	**9,421,640**	**18,991,322**	
TOTAL CSR SPEND (A)+(B)+(C)				**125,246,216**	**138,692,407**	**276,377,132**	
(D) Capacity Building and Administrative Expenditure (Limited to the cap of 5% of total spent)				6,262,311	6,934,620	17,032,583	
TOTAL CSR SPEND (A)+(B)+(C)+(D)				131,508,526	145,627,027	293,409,714	

*Give details of implementing agency: The details are captured above.

VII The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Place : Mumbai
Date : May 2, 2017

Saugata Gupta
Managing Director & CEO

Rajeev Bakshi
Chairman of the CSR Committee

ANNEXURE 'C' TO THE BOARD'S REPORT

Information required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A) Ratio of Remuneration of each Director to the median remuneration of all the employees of your Company for the financial year 2016-17 is as follows :

Name of Director	Total Remuneration* (₹)	Ratio of remuneration of Director to the Median remuneration***
Mr. Harsh Mariwala	55,220,000	62.77
Mr. Saugata Gupta**	165,514,148	188.15
Mr. Anand Kripalu	2,530,000	2.88
Mr. Atul Choksey	2,550,000	2.90
Mr. B. S. Nagesh	2,790,000	3.17
Ms. Hema Ravichandar	2,940,000	3.34
Mr. Nikhil Khattau	2,850,000	3.24
Mr. Rajeev Bakshi	2,590,000	2.94
Mr. Rajen Mariwala	2,650,000	3.01

*The remuneration to Non-Executive Directors includes sitting fees paid during the financial year 2016-17.

**The remuneration of Mr. Saugata Gupta, Managing Director & CEO includes the perquisite value of the stock options excercised by him during the financial year 2016-17 amounting to ₹ 77,217,500.

***The median remuneration of the Company for all its employees is ₹ 8,79,698 for the financial year 2016-17. For calculation of median remuneration, the employee count taken is 1,095 which comprises employees who have served for whole of the financial year 2016-17.

B) Details of percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2016-17 are as follows :

Name	Designation	Remuneration (₹)		Increase/ (Decrease) (%)
		2016-17	2015-16	
Mr. Harsh Mariwala	Chairman & Non -Executive Director	55,220,000	55,284,000	0%
Mr. Saugata Gupta*	Managing Director & CEO	165,514,148	80,630,477	105%
Mr. Anand Kripalu	Independent Director	2,530,000	1,780,000	42%
Mr. Atul Choksey**	Independent Director	2,550,000	1,780,000	43%
Mr. B. S. Nagesh	Independent Director	2,790,000	1,960,000	42%
Ms. Hema Ravichandar	Independent Director	2,940,000	2,100,000	40%
Mr. Nikhil Khattau	Independent Director	2,850,000	2,000,000	43%
Mr. Rajeev Bakshi	Independent Director	2,590,000	1,860,000	39%
Mr. Rajen Mariwala	Non- Executive Promoter Director	2,650,000	1,980,000	34%
Mr. Vivek Karve	Chief Financial Officer	24,278,909	19,641,043	24%
Ms. Hemangi Ghag***	Company Secretary & Compliance Officer	336,436	3,501,025	N.A.
Mr. Surender Sharma****	Company Secretary & Compliance Officer	10,622,448	*N.A.	N.A.

*The remuneration of Mr. Saugata Gupta, Managing Director & CEO includes the perquisite value of the stock options excercised by him during the financial year 2016-17 amounting to ₹ 77,217,500. Hence the remuneration paid to him in the financial years 2016-17 and 2015-16 is not comparable.

** Mr. Atul Choksey has ceased to be an Independent Director of the Company w.e.f. April 1, 2017

*** Ms. Hemangi Ghag ceased to be the Company Secretary & Compliance Officer of the Company w.e.f April 28, 2016 and hence the remuneration paid to her in the financial year 2016-17 is not comparable with the remuneration paid to her in the financial year 2015-16

****Mr. Surender Sharma was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. April 29, 2016 and hence was paid remuneration for the said designation only in the financial year 2016-17

C) Percentage increase in the Median Remuneration of all employees in the financial year 2016-17

	2016-2017	2015-2016	Increase (%)
	Median	Median	
Median* remuneration of all employees per annum	879,698	833,557	6%

* For calculation of median remuneration, the employee count taken is 1,095 and 981 for the financial year 2016-17 and 2015-16, respectively, which comprise employees (excluding workmen) who have served for the whole of the respective financial years.

D) Number of permanent employees on the rolls of company as of March 31, 2017

1,588 (inclusive of workmen)

ANNEXURE 'C' TO THE BOARD'S REPORT

Information required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

E) Comparision of average percentage increase in remuneration of all employee other than the Key Managerial Personnel and the percentage increase in the remuneration of Key Managrial Personnel

	% Increase/ (Decrease)
Average percentage increse in the Remuneration of all Employees* other than Key Managerial Personnel	20.4%
Average Percentage increase in the Remuneration of Key Managerial Personnel**	
Mr. Saugata Gupta, Managing Director & CEO	105.3%
Mr. Vivek Karve, Chief Financial Officer	23.6%
Ms. Hemangi Ghag, Company Secretary & Compliance Officer	-
Mr. Surender Sharma, Company Secretary & Compliance Officer	-

*Employees who have served for whole of the respective financial years have been considered.

**Kindly refer the explanations given under point No. B of this disclosure for better comprehension of the details given hereinabove.

F) Affirmation

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.

ANNEXURE 'D' TO THE BOARD'S REPORT

Disclosures under section 62(1)(b) of the Companies Act, 2013 read with Rule 12 (a) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014

A	Details related to ESOS	Marico Employee Stock Option Scheme 2014 (Marico ESOS 2014)	Marico MD CEO Employee Stock Option Plan 2014 (Marico MD CEO ESOP Plan 2014)	Marico Employee Stock Option Plan 2016 (Marico ESOP 2016)
1	**Description of each Employee Stock Option Plan/Scheme that existed at any time during the year, including the general terms and conditions of each such Scheme/Plan :**			
a	Date of shareholders' approval	At the Extra Ordinary General Meeting held on March 25, 2014.	At the Annual General Meeting held on July 30, 2014.	At the Annual General Meeting held on August 5, 2016.
b	Total number of options approved under ESOS	Not more than 3,00,000 stock options.	Equity shares to arise out of exercise of stock options not to exceed 0.5% of issued equity share capital of the Company as on the date of the grant of options.	Total number of stock options to be granted to the eligible employees of the Company and its subsidiaries shall not exceed in the aggregate, 0.6% of the issued equity share capital of the Company as on the commencement of Marico ESOP 2016 i.e. August 5, 2016.
c	Vesting requirements	Stock options granted under Marico ESOS 2014 shall vest after two years from the Grant Date.	Stock options granted under Marico MD CEO ESOP Plan 2014 shall vest after one year from the Grant Date.	Options shall vest not earlier than one year and not later than five years from the Grant Date.
d	Exercise price or pricing formula	**Exercise Price:** ₹ 1.00 per share, i.e. at face value. Exercise Price Formula: NA	**Exercise Price:** ₹ 1.00 per share, i.e. at face value. Exercise Price Formula: NA.	**Exercise Price:** The Corporate Governance Committee to determine the price under the various Scheme(s) notified under Marico ESOP 2016 in accordance with applicable provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014.
e	Maximum term of options granted	To be exercised within a period of 18 months from the Vesting Date.	To be exercised within a period of 12 months from the Vesting Date.	Exercise period to commence from the Vesting Date and will expire on the completion of such period not exceeding 5 years from the Vesting Date.
f	Source of shares (primary, secondary or combination)	The source of Shares is Primary.		
g	Variation in terms of options	There was no variation in terms of Options.		
2	**Method used to account for Stock Options - Intrinsic or fair value.**	Fair Value		
3	**Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.**	As per IND AS requirement, the Company has to use fair value method.		

ANNEXURE 'D' TO THE BOARD'S REPORT

Disclosures under section 62(1)(b) of the Companies Act, 2013 read with Rule 12 (a) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014

	Option movement during the year (For each ESOS):	Marico Employee Stock Option Scheme 2014 (Marico ESOS 2014)	Marico MD CEO Employee Stock Option Plan 2014 (Marico MD CEO ESOP Plan 2014)	Marico Employee Stock Option Plan 2016 (Marico ESOP 2016)			
				Scheme I	Scheme II	Scheme III	Scheme IV
4	Number of options outstanding at the beginning of the period	600,000	93,200	-	-	-	-
	Number of options granted during the year	-	-	80,000	939,700	101,080	719,830
	Number of options forfeited / lapsed during the year	-	-	-	-	-	-
	Number of options vested during the year	-	-	-	-	-	-
	Number of options exercised during the year	300,000	-	-	-	-	-
	Number of shares arising as a result of exercise of options	300,000	-	-	-	-	-
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	300,000	-	-	-	-	-
	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA	NA	NA
	Number of options outstanding at the end of the year	300,000	93,200	80,000	939,700	101,080	719,830
	Number of options exercisable at the end of the year	300,000	93,200	-	-	-	-
5	**Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.**	1.00	-	-	-	-	-
6	**Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -** **(a) senior managerial personnel;** **(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and** **(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.**	Empoyee wise details are available for inspection by the Members at the Registered Office of your Company during business hours on all working days except Saturdays and Sundays up to the date of the 29th Annual General Meeting. No employee of the Company received grant of options during the year amounting to 5% or more of options granted or exceeding 1% of issued capital of the Company.					
7	**A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**	**Marico Employee Stock Option Scheme 2014 (Marico ESOS 2014)**	**Marico MD CEO Employee Stock Option Plan 2014 (Marico MD CEO ESOP Plan 2014)**	**Marico Employee Stock Option Plan 2016 (Marico ESOP 2016)**			
				Scheme I	**Scheme II**	**Scheme III**	**Scheme IV**
a	i) the weighted-average values of share price	₹ 209.15	₹ 329.95	₹ 296.65	₹ 296.65	₹ 255.30	₹ 255.30
	ii) the weighted-average values of exercise price	₹ 1.00 per share	₹ 1.00 per share	₹ 1.00 per share	₹ 280.22	₹ 1.00 per share	₹ 256.78
	iii) the weighted-average values of expected volatility	26.62%	23.66%	25.80%	25.80%	26.10%	26.10%
	iv) the weighted-average values of expected option life	3 years	3 years and 3 months	3.15 years	3.15 years	3.5 years	3.5 years
	v) the weighted-average values of expected dividends	3.50%	3.50%	0.96%	0.96%	0.96%	0.96%
	vi) the weighted-average values of the risk-free interest rate	8.00%	8.00%	6.60%	6.60%	6.75%	6.75%
b	The method used and the assumptions made to incorporate the effects of expected early exercise;	Fair Value					

ANNEXURE 'D' TO THE BOARD'S REPORT

Disclosures under section 62(1)(b) of the Companies Act, 2013 read with Rule 12 (a) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014

c	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Historical volatility of the share of the Company over the previous 3 years ended March 31, 2014, based on the life of options	Historical volatility of the share of the Company over the previous 3 years and 3 months ended January 4, 2015, based on the life of options	Historical volatility of the share of the Company over the previous 3.15 years ended August 5, 2016, based on the life of options	Historical volatility of the share of the Company over the previous 3.5 years ended December 1, 2016, based on the life of options
d	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	NA			
8	**Disclosures in respect of grants made in three years prior to IPO under each ESOS until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.**	NA			

B	**Details related to SAR**	**STAR Scheme IV**	**STAR Scheme V**	**STAR Scheme VI**	**STAR Scheme VII**
1	**Description of each Stock Appreciation Rights (SAR) scheme that existed at any time during the year, including the general terms and conditions of each SAR scheme, including -**				
a	Date of shareholders' approval:	Approved by the Corporate Governance Committee of the Board of Directors on October 29, 2013*	Approved by the Corporate Governance Committee of the Board of Directors on August 5, 2015*.	Approved by the Corporate Governance Committee of the Board of Directors on December 2, 2015*.	Approved by the Corporate Governance Committee of the Board of Directors on December 8, 2016*.
		*The Marico Employee Stock Appreciation Rights Plan 2011 (STAR Plan) was initially approved by the Board of Directors of the Company at its meeting held on January 27, 2011 and subsequently the modified STAR Plan was approved by the Board of Directors at its meeting held on June 22, 2015 and the same was recommended to the shareholders. The same was then approved by the Shareholders at their meeting held on August 5, 2015, in order to align the STAR Plan with the requirements of the SEBI (Share Based Employee Benefits) Regulations, 2014. The Corporate Governance Committee of the Board has, from time to time, notified STAR schemes under the STAR Plan as authorized under the aforementioned resolutions.			
b	Total number of shares approved under the SAR scheme	The secondary acquisition by the Trust shall: i. not be more than 5% of the paid up equity share capital of the Company as at the end of the financial year, immediately preceding the year in which approval of the shareholder was obtained for such secondary acquisition; ii. not be more than 2% in a financial year of the paid up equity share capital as at the end of the preceeding financial year; and iii. not be more than 0.5% of the paid up equity share capital of the Company during a financial year.			
c	Vesting requirements	As determined by the Corporate Governance Committee in the respective Schemes notified under the Plan.			
d	SAR price or pricing formula	Average of Closing Market Price for a period of 22 Working Days (of the the Stock Exchange) immediately preceding the Grant date.			
e	Maximum term of SAR granted	The Vested STAR shall be matured as on the Vesting Date according to the terms and conditions as determined and set forth under the STAR Plan and relevant notified Schemes.			
f	Method of settlement (whether in cash or equity)	Method of settlement is Cash settlement.			
g	Choice of settlement (with the company or the employee or combination)	Choice vests with the Company.			
h	Source of shares (primary, secondary or combination)	Source of acquisition is Secondary.			
i	Variation in terms of scheme	None			

ANNEXURE 'D' TO THE BOARD'S REPORT

Disclosures under section 62(1)(b) of the Companies Act, 2013 read with Rule 12 (a) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014

2	**Method used to account for SAR - Intrinsic or fair value.**	Fair Value
3	**Where the company opts for expensing of SAR using the intrinsic value of SAR, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of SAR, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.**	Not Applicable. As per IND AS requirement, the company has to use fair value method.

4	**SAR movement during the year (For each SAR scheme):**	**STAR IV**		**STAR V**			**STAR VI**			**STAR VII**	**Total**
	Particulars	**Tranche I**	**Tranche II**	**Tranche I**	**Tranche II**	**Tranche III**	**Tranche I**	**Tranche II**	**Tranche III**	**Tranche I**	
	Number of SARs outstanding at the beginning of the year	1,175,000	419,400	1,091,200	91,600	5,400	1,333,400	-	-	-	4,116,000
	Number of SARs granted during the year	-	-	6,000	44,800	-	74,400	96,100	56,510	359,410	637,220
	Number of SARs forfeited / lapsed during the year	108,600	71,600	146,000	-	5,400	167,200	-	-	19,270	518,070
	Number of SARs vested during the year	1,066,400	347,800	-	-	-	-	-	-	-	1,414,200
	Number of SARs exercised/settled during the year	-	-	-	-	-	-	-	-	-	-
	Number of options outstanding at the end of the year	-	-	951,200	136,400	-	1,240,600	96,100	56,510	340,140	2,820,950
	Number of options exercisable at the end of the year	-	-	-	-	-	-	-	-	-	-

5	**Employee-wise details (name of employee, designation, number of SAR granted during the year, exercise price) of SAR granted to -**	
a	Senior managerial personnel	No STARs were granted to the Senior Managerial Personnel during the year under review
b	any other employee who receives a grant in any one year of amounting to 5% or more of SAR granted during that year; and	Nil
c	identified employees who were granted SAR, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil
6	**Disclosures in respect of grants made in three years prior to IPO under each SAR scheme until all SARs granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such SARs shall also be made.**	NA

ANNEXURE 'D' TO THE BOARD'S REPORT

Disclosures under section 62(1)(b) of the Companies Act, 2013 read with Rule 12 (a) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014

B	Details related to Trust		
1	**The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:**		
	Particulars	**Details - FY17**	**Details - FY16**
	Name of the Trust	Welfare of Mariconian Trust	Welfare of Mariconian Trust
	Details of the Trustee(s)	IDBI Trusteeship Services Limited	IDBI Trusteeship Services Limited
	Amount of loan disbursed by company / any company in the group, during the year	-	545,000,000
	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	542,551,230	665,580,410
	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	NIL	NIL
2	**Any other contribution made to the Trust during the year**		
	(a) Number of shares held at the beginning of the year;	4,087,782	1,431,741
	(b) Number of shares acquired during the year :	-	-
	(i) through primary issuance	-	-
	(ii) through secondary acquisition	-	-
	Before Bonus Issue	-	1,011,411
	After Bonus Issue	163,488	656,278
	Acquisition as a percentage of paid up equity capital as at the end of the previous financial year,	0.01%	0.21%
	Weighted average cost of acquisition per share		
	(a) Shares bought before Bonus Issue	-	409.68
	(b) Shares bought after Bonus Issue	282.39	223.98
	(c) Number of shares sold	1,414,200	727,400
	(d) Number of shares vested to the employees	1,414,200	700,900
	(e) Purpose of shares sold	Vesting of STAR Scheme IV	Vesting of STAR Scheme III
	(f) Number of shares held at the end of the year.	2,837,070	4,087,782
3	**In case of secondary acquisition of shares by the Trust**		
	Number of shares		
	Held at the beginning of the year	4,087,782	1,431,741
	Acquired during the year (Before Bonus issue)	163,488	1,011,411
	Sold during the year (Before Bonus Issue)	1,414,200	727,400
	Transferred to the employees during the year (No. of shares vested)	1,414,200	700,900
	Subtotal	**2,837,070**	**1,715,752**
	Adjustment on account of bonus issue in the ratio of 1:1	-	3,431,504
	Acquired during the year (After Bonus issue)	-	656,278
	Sold during the year (After Bonus Issue)	-	-
	Held at the end of the year	**2,837,070**	**4,087,782**

ANNEXURE 'E' TO THE BOARD'S REPORT

A. Conservation of Energy

1. Steps taken/impact on conservation of energy and the steps taken for utilising alternate sources of energy;

Baddi

The Company undertook several initiatives in power and fuel consumption reduction at its Baddi plant. These initiatives resulted in savings of **45,034 units & 460 MT** of fuel corresponding to reduction in carbon footprint by **37 MT of CO_2** last year.

Details of Initiatives are as below:

- Heat Loss Reduction in wax tank
- Compressor Shifting in Open Area
- Elimination of unnecessary operating of Caustic Pump
- Flash steam recovery from old boiler De-aerator
- Heat Loss Reduction in DOT tank
- Dewaxing tray heating modification for reducing losses
- Deo down time reduction
- Cooling and chilling automation in De-waxing
- Flash Steam recovery from Dewaxing

In addition, to the above various water conservation initiatives undertaken which resulted in saving of more than **70KL** of water per day.

Details of Initiatives are as below:

- Condensate Recovery from plant
- Separator Seal Cooling Water and elimination of hot water overflow
- Close De-aerator tank vent
- Stoppage of Raw water usage for Gardening
- Elimination of Leakage water from DM tank
- Gums line modification below S-1 to have smooth flow of Gums Elimination of water addition.
- Enclosed condensate return tank
- Traps replacement Main steam line Near Blow down
- Softener discharge water to be used for ETP Chemicals mixing
- Anion back wash water usage in wet scrubber

Guwahati

Spiral Conveying system-

For transfer of finished goods from First floor and second floor to Ground floor. The system is using gravity for the material movement. There is a potential saving in Greenhouse gas emission of

- Compare to a motor driven conveying system: 91 Metric ton of CO_2 equivalent
- Compare to lift driven conveying system : 45.4 Metric ton of CO_2 equivalent

LED lights instead of CFL fittings inside the buildings

We had used the interior lights and street lights in LED fittings instead of CFL fittings. The potential savings in Greenhouse gas emission is : 40.1 Metric ton of CO_2 equivalent

VFD installed in screw compressors

Avoided start stop operation in screw compressor by providing a VFD system in the screw compressor. The VFD will vary the screw rpm based on load requirement. This will give savings in the power taken by motor. The total savings in Greenhouse gas emission is 35.1 Metric ton of CO_2 equivalent.

Paonta Sahib

Following are the initiatives taken in 2016-17 as energy saving projects:

1. Auto cut-off of vacuum assembly at desired vacuum.
2. DM water transfer pump changed from 2hp to 0.75 hp savings of around 27,000 per year.
3. Looping of chiller circulation pump with chiller compressor to prevent unnecessary run at idle time.
4. Manual cleaning replaced with Cleaning Gun saving both water and electricity.
5. ETP submersible pump 5hp replaced with overhead centrifugal pump of 3hp.
6. Street lights in plant replacing with CFL Lights for energy savings
7. 20TR chiller replacing with 5TR chiller.

Kanjikode

Kanjikode Plant has achieved consistent improvement in specific fuel consumption by **0.33 Ltrs/MT in FY 16-17.** This led to overall savings of **7.5 KL** of **fuel.** Specific power consumption reduction through Power Task Force has resulted in overall savings of **46,800 Units in FY 16-17.**

Various Initiatives taken in Kanjikode have led to reduction in overall **CO_2 emissions by 64 MT.**

- Fitch Catalyst has been fixed in FO line to reduce Specific fuel consumption. This has resulted in a Savings of 0.33 Ltr / MT.
- Power Consumption profile study has been conducted in Oil Mill equipment and identified the opportunities to de-rate the motor capacity as follows :
  - o One of the Expeller Motor Capacity reduced from 50 to 40 HP.
  - o Conditioner Motor Capacity reduced from 20 to 12.5 HP.
  - o Blower motor reduced from 10 to 7.5 HP.
- Implementation of the above drive motor changes in the Oil Mill has resulted in SPC reduction of 46,800 Units / Annum.

ANNEXURE 'E' TO THE BOARD'S REPORT

Pondicherry

Pondicherry Energy Conservation Initiatives have resulted in a reduction of **83,134 Units/Year** equivalent to **94.85 MT** of CO_2 emissions through following initiatives:

- VFD replacement for Compressor, Cooling water pump, Cooker, ID Fan and FD Fan.
- Replacement of Lower Efficiency Motor with Higher Efficiency (IE3) Motors in Compressor, Expeller 329A,B,D and Cooker-A.
- Reduction of Operating hours of Magnetic drum motor and Cake Conveyor.
- Motor size optimisation for Cooling water pump and WTP pump.
- LED/CFL Lights replaced from conventional lights in Lab, Farm Tank shed and DG Room Locations.
- Air conditioners: Replacement of Conventional AC Into Variable Refrigerant Flow AC and Installation of 8 nos Eco Plug Sensors in Air conditioners to conserve energy
- Increasing the number of beaters in grinder for achieving particle size of 95% from 90% resulting in Briquette savings of 48 MT/Annum
- Capital investment on energy conservation equipments during the year was ₹15.5 Lacs.

Perundurai

Perundurai Energy Conservation Initiatives have resulted in a reduction of **10,044 Units/Year, 24 KL HSD savings and utilisation of 100% Green Power.** This has resulted in **1,710 MT of CO_2** emissions reduction

Following are the Energy Conservation initiatives implemented:

- Conversion of Electricity Source from Thermal to 100% Wind power:
    - o Reduction in Diesel Consumption from 33KL to 7KL in FY 16-17.
    - o Total Cost Savings of ₹16 Lacs /Annum.
- Air Conservation in PLF Operation.
- Variable Frequency Drive Installation for Cooker Blower.
- Increased the Feed Water Temperature in Boiler.

Jalgaon

The Company undertook the following initiatives at its Jalgaon plant to reduce carbon footprint. These initiatives enabled a saving of **1,02,528 units & 1,163 MT of agri fuel** last year equivalent to **115.85 MT of CO_2** emissions.

For Power Consumption reduction:

- Improvement in soft oil productivity in refinery.
- Implementation of variable frequency drive in boiler area.
- Replacement with LED lights in the plant.
- Modification with reduced bends for cooling tower line to reduce load on the motors.

For Fuel Consumption reduction:

- Replacement of Thermic Fluid Heater with high efficient one.
- Improving heat regeneration with additional shell and tube heat exchanger in refinery

B. Technology Absorption

1. Delivering products to serve "Jobs" in consumer life!

Marico Research and Development has been following a new approach of creating innovations through a Jobs roadmap. We have been looking at innovations not through the products, but what are the underlying jobs consumers want to get done. By combining deep understanding of consumer needs, attitudes and behaviours with data on the market landscape, the job roadmap enabled us to arrive at insights and solutions that are original and profitable. The jobs were decoded into perceivable benefits the products need to deliver during their regular use. We have created the consumer sensory maps around these categories to enable us to know which are unmet and under-met needs. The way we have holistic understanding of the benefits of hair oiling likewise we have created insightful understanding in the male grooming category. Our expertise in science enabled us to quickly resolve the pain points for consumer which ultimately became the product opportunities. The food habits in India have a difficult paradigm to solve "health with taste". With the successful launch of Masala Oats, we have realised the need to understand the diverse taste nuances existing in India every 100 kms. The formats were developed to satisfy the "Jobs" in healthy food consumptions. The jobs at functional level in foods were served by addressing and controlling various biochemical pathways based on nutritional approach. The culmination of the roadmap was delivered through intensive consumer studies and rigorous clinical trials in consumers.

We measure our success in the market through the strong equity of our brands in consumer mind and the equity is reinforced through the pipeline of products created by a capable team comprising of 92 members:

PhD	–	9
Masters	–	30
Scientists	–	Total 39

2. Research and Development (R&D)

Specific areas in which R & D was carried out by your Company:

R&D efforts were directed towards core areas of nourishing formats such as Hair Oils, Leave-In formats, Male Grooming formats, deodorants, premium edible oils, Oats & Packaging innovations across the global markets. The major change in the approach in New Product Development was to employ

ANNEXURE 'E' TO THE BOARD'S REPORT

Design Thinking which has resulted in products which create value in consumer life through appealing sensory, effective functionality and best benefit/price ratio. The processes used in the manufacturing place were environmentally friendly and least polluting. Efforts to understand consumers in international geographies and align systems and processes across the business continued.

In design thinking approach across the product development works in four steps, Observations, Empathy, Insights, and Cultural Elements. The products were based on strong consumer insights which were unique and relevant. The emphasis in nourishment portfolio was on to create new hair oils with strong hair care benefits with global application. Many process optimisation efforts have created good savings in energy intensive Ayurvedic formulations. The Bottom of the Pyramid formulations were created to offer stronger benefits for loose hair oil users. R & D team was quick enough to understand the unmet as well as emerging needs of Male segment and develop unique products through deeper consumer interactions. Special attention was given to the perfume creation in Deo category. Efforts of the Consumer Technical insights group were targeted towards generating insights of product usage and attitudes across geographies and tailoring the product sensory accordingly. The packaging efforts were focussed on creating unique differentiated packaging for premium hair care and male grooming, as well as creating sustainable packaging through reduction of polymer usage. In foods, considerable efforts were directed towards creating new flavours. Work on premium edible oils and new technologies for applications of edible oils for lifestyle diseases were continued. Quality Assurance department made a major change in approach in creating consumer quality standards than conventionally used "Manufacturing quality". The approach uses a consumer lens in ensuring the quality.

3. **Benefits derived as the result of the above efforts**

   o Launch of new products – Value added mustard oil and coconut oil, Male grooming formats, Multigrain flakes, blend oil Olive and Flaxseed oil, new shampoo range in Vietnam

   o Understanding of Hair Biology to create new actives for hair problems

   o Strong claim support for new products based on robust clinical

   o Infusion of Digital in R & D work programs in Diagnostic and Simulations

4. **Future Plan of Action**

   R&D will continue to focus on generating in-depth consumer insights, develop strong technology platforms in the area of hair & skin nourishment and grooming. Efforts will also be made to harmonize products across geographies, design new products for specific lead geographies and re-apply the same to similar target segments in different regions. Special efforts will be targeted in improving measurement science, process engineering and innovation capability development.

5. **Technology absorption, adaptation and innovation**

   Efforts, in brief, made towards technology absorption, adaptation and innovation and benefits derived as a result of the same:

   New technologies sourced from vendors, partners, universities were worked upon to adapt them to Marico business needs. The techniques of Problem solving tools like FMEA, TRIZ, DOE were used to create unique solutions for the problems. The help of Contract Research Organisation was sought to help in designing and conducting clinical. A few university experts were consulted on regular basis in developing in depth basic knowledge and stronger claims. Special efforts were undertaken to leverage digital technology for proving the efficacy of products to consumers at point of sale and also during usage.

6. The Company has not imported any technology during last three years reckoned from the beginning of the financial year.

7. **The expenditure incurred on Research and Development:**

Particulars	As at March 31,	
	2017 ₹ in Crore	2016 ₹ in Crore
(a) Capital	2.69	2.44
(b) Recurring	29.85	25.05
Total	**32.55**	**27.48**
As a % of revenues	**0.67**	**0.56**

The expenditure above includes a capital expenditure of ₹0.59 Crore (LY ₹ 0.05 Crore) and a revenue expenditure of ₹ 6.70 Crore (LY ₹6.93 Crore) towards the edible oils and foods business of Your Company.

C. **Foreign Exchange Earnings and Outgo**

The details of Foreign exchange earnings and outgo during the period under review is as under:

Particulars	As at March 31,	
	2017 ₹ in Crore	2016 ₹ in Crore
Foreign Exchange earned	419.03	293.28
Foreign Exchange used	239.90	246.31

ANNEXURE 'F' TO THE BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
As on financial year ended March 31, 2017

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	L15140MH1988PLC049208
ii	Registration Date	October 13, 1988
iii	Name of the Company	Marico Limited
iv	Category/Sub-category of the Company	Public Company / Limited by Shares
v	Address of the Registered office & contact details	7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra. Tel: (+91-22) 6648 0480 Fax: (+91-22) 2650 0159 Website: www.marico.com E-mail address: investor@marico.com
vi	Whether listed company	Yes
vii	Details of the Stock Exchanges where shares are listed	BSE Limited (BSE) : 531642 The National Stock Exchange of India Limited (NSE): MARICO
viii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083 Tel: (+91-22) 49186000 Fax: (+91-22) 49186060 Website: www.linkintime.co.in E-mail address: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company

Sl. No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Edible Oils	10402	58%
2	Value Added Hair Oils	20236	30%

ANNEXURE 'F' TO THE BOARD'S REPORT

III. PARTICULARS OF HOLDING , SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate Company	% of Shares Held	Applicable Section
1	**Marico Bangladesh Limited ("MBL")** House-1, Road-1, Sector-1, Uttara, Dhaka-1230	NA	Subsidiary	90%	2(87)(ii)
2	**Marico Middle East FZE ("MME")** Office No. LOB 15326, Jebel Ali, Dubai, UAE	NA	Subsidiary	100%	2(87)(ii)
3	**Marico South Africa Consumer Care (Pty) Limited ("MSACC")** Units 1-5, Site 2 East, Riverside Business Park, 74 Prince Umhlangane Road, Avoca, Durban 4051	NA	Subsidiary	100%	2(87)(ii)
4	**Marico South Africa (Pty) Limited ("MSA")** Units 1-5, Site 2 East, Riverside Business Park, 74 Prince Umhlangane Road, Avoca, Durban 4051	NA	Subsidiary	100% through MSACC	2(87)(ii)(a)
5	**Marico South East Asia Corporation (Formerly know as International Consumer Products Corporation) ("Marico SEA")** 28th floor, Pearl Plaza, 561 Dien Bien Phu, Binh Thanh District, HO CHI MINH City, Vietnam	NA	Subsidiary	100%	2(87)(ii)
6	**Marico Consumer Care Limited ("MCCL")** 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098	U24233MH2012PLC229972	Subsidiary	100%	2(87)(ii)
7	**Halite Personal Care India Private Limited** (A Company under Voluntary Liquidation) 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098	U24240MH2011PTC239427	Subsidiary	–	–
8	**Marico Innovation Foundation ("MIF")** 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098	U93090MH2009NPL193455	Subsidiary	Section 8 Guarantee Company without Share Capital	2(87)(i)
9	**MBL Industries Limited ("MBLIL")** House-1, Road-1, Sector-1, Uttara, Dhaka-1230, Bangladesh	NA	Subsidiary	100% through MME	2(87)(ii)(a)
10	**MEL Consumer Care S.A.E. ("MELCC")** Building 3, Section 1141, 34, IBAD Elrahman Street, Masaken Sheraton, Nozha District-Cairo-Egypt	NA	Subsidiary	100% through MME	2(87)(ii)(a)
11	**Marico Egypt For Industries S.A.E. ("MEIC")** Building 3, Section 1141, 34, IBAD Elrahman Street, Masaken Sheraton, Nozha District-Cairo-Egypt	NA	Subsidiary	100% through MELCC	2(87)(ii)(a)
12	**Egyptian American Investment and Industrial Development Company S.A.E ("EAIIDC")** Building 3, Section 1141, 34, IBAD Elrahman Street, Masaken Sheraton, Nozha District-Cairo-Egypt	NA	Subsidiary	100% through MME	2(87)(ii)(a)
13	**Marico Malaysia Sdn. Bhd. ("MMSB")** Ground Floor, Lot 7, Block F, Saguking Commercial Building, Jalan Patau 87000, Labuan F.T. Malaysia	NA	Subsidiary	100% through MME	2(87)(ii)(a)
14	**Thuan Phat Foodstuff Joint Stock Company ("TPF")*** 39B Truong Son Street, Ward 4, Tan Binh District, Ho Chi Minh City, Vietnam.	NA	Subsidiary	99.99% through Marico SEA	2(87)(ii)(a)

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate Company	% of Shares Held	Applicable Section
15	**Bellezimo Professionale Products Private Limited** Eucharistic Congress Buliding No. 2, 3rd floor, 5 Convent Street, Near Electric house, Colaba, Mumbai -400 001, Maharashtra, India	U24110MH2015PTC265935	Associate	45%	2(6)
16	**Zed Lifestyle Private Limited ("Zed")**** Office 04, T.F. 32, Swastik Society, Om Complex Opp. Bhagwati Chambers, C. G. Road, Navrangpura, Ahmedabad - 380009, Gujarat, India	U74999GJ2016PTC091839	Associate	35%	2(6)

* *__TPF__ - was a step down subsidiary of Marico Limited upto November 30, 2016. Thereafter, TPF got merged into its holding Company Marico SEA w.e.f. December 1, 2016.*

** *__Zed__ - became an associate company of Marico Limited w.e.f. March 17, 2017 pursuant to acquisition of 35.44% of total equity share capital of ZED by Marico Limited.*

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Categorywise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	750,411,040	-	750,411,040	58.16	750,600,240	-	750,600,240	58.16	0.03
b) Central Govt./ State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	17,644,000	-	17,644,000	1.37	18,297,000	-	18,297,000	1.42	3.70
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	**768,055,040**	**0.00**	**768,055,040**	**59.53**	**768,897,240**	**0.00**	**768,897,240**	**59.58**	**0.11**
(2) Foreign									
a) NRI- Individuals	1,800,000	0.00	1,800,000	0.14	1,800,000	0.00	1,800,000	0.14	0.00
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	**1,800,000**	**0.00**	**1,800,000**	**0.14**	**1,800,000**	**0.00**	**1,800,000**	**0.14**	**0.00**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**769,855,040**	**0.00**	**769,855,040**	**59.67**	**770,697,240**	**0.00**	**770,697,240**	**59.72**	**0.11**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	12,443,222	-	12,443,222	0.96	17,721,561	-	17,721,561	1.37	42.42
b) Banks/FI	1,204,137	-	1,204,137	0.09	497,116	-	497,116	0.04	-58.72
c) Central Govt/State Govt.	1,607,516	-	1,607,516	0.12	1,929,720	-	1,929,720	0.15	20.04
d) Venture Capital Fund	-	-	-	-	-	-	-	-	-
e) Insurance Companies	27,013,742	-	27,013,742	2.09	33,434,560	-	33,434,560	2.59	23.77

ANNEXURE 'F' TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) FIIs	199,902,103	10,000	199,912,103	15.50	81,129,891	10,000	81,139,891	6.29	-59.41
g) Foreign Venture Capital Funds	-	-	-	-			-	-	-
h) Foreign Portfolio Investor (Corporate)	173,884,977	-	173,884,977	13.48	291,648,966		291,648,966	22.60	67.73
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	**416,055,697**	**10,000**	**416,065,697**	**32.25**	**426,361,814**	**10,000**	**426,371,814**	**33.04**	**2.48**
(2) Non Institutions									
a) Bodies corporates									
i) Indian	39,823,660	76,000	39,899,660	3.09	34,296,454	68,000	34,364,454	2.66	-13.87
ii) Foreign	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	38,116,186	1,282,204	39,398,390	3.05	37,491,382	1,295,209	38,786,591	3.01	-1.55
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	18,115,223	-	18,115,223	1.40	13,562,382	-	13,562,382	1.05	-25.13
c) Others (specify)									
1. NRI	3,505,680	-	3,505,680	0.27	3,700,761	-	3,700,761	0.29	5.56
2. Clearing member	1,154,716	-	1,154,716	0.09	1,182,234	-	1,182,234	0.09	2.38
3. Trusts	295,554	-	295,554	0.02	154,058	-	154,058	0.01	-47.87
4. HUF	1,881,238	-	1,881,238	0.00	1,651,664	-	1,651,664	0.13	-12.20
SUB TOTAL (B)(2):	**102,892,257**	**1,358,204**	**104,250,461**	**8.08**	**92,038,935**	**1,363,209**	**93,402,144**	**7.24**	**-10.41**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**518,947,954**	**1,368,204**	**520,316,158**	**40.33**	**518,400,749**	**1,373,209**	**519,773,958**	**40.28**	**-0.10**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**1,288,802,994**	**1,368,204**	**1,290,171,198**	**100**	**1,289,097,989**	**1,373,209**	**1,290,471,198**	**100**	**0.02**

(ii) & (iii) Shareholding of Promoters & Changes in Promoters' shareholding

Sl. No	Name	Shareholding at the beginning (01.04.2016)/end of the year(31.03.2017)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
1	Harsh Mariwala with Kishore Mariwala (For Valentine Family Trust)	146,752,000	11.37	1-Apr-16	–	–	146,752,000	11.37
		–	–	15-Mar-17	449,500	Inter-se Transfer	147,201,500	11.41
		–	–	22-Mar-17	449,500		147,651,000	11.44
		–	–	28-Mar-17	419,200		148,070,200	11.48
		–	–	29-Mar-17	152,600		148,222,800	11.49
		–	–	30-Mar-17	114,400		148,337,200	11.49
		148,337,200	11.49	31-Mar-17	–	–	148,337,200	11.49
2	Harsh Mariwala with Kishore Mariwala (For Aquarius Family Trust)	146,752,000	11.37	1-Apr-16	–	–	146,752,000	11.37
		–	–	17-Mar-17	449,500	Inter se Transfer	147,201,500	11.41
		–	–	22-Mar-17	449,500		147,651,000	11.44
		–	–	28-Mar-17	419,800		148,070,800	11.48
		–	–	29-Mar-17	152,800		148,223,600	11.49
		–	–	30-Mar-17	114,600		148,338,200	11.49
		148,338,200	11.49	31-Mar-17	–	–	148,338,200	11.49
3	Harsh Mariwala with Kishore Mariwala (For Taurus Family Trust)	146,752,000	11.37	1-Apr-16	–	–	146,752,000	11.37
		–	–	15-Mar-17	449,500	Inter se Transfer	147,201,500	11.41
		–	–	22-Mar-17	449,500		147,651,000	11.44
		–	–	28-Mar-17	419,700		148,070,700	11.47
		–	–	29-Mar-17	152,800		148,223,500	11.49
		–	–	30-Mar-17	114,500		148,338,000	11.49
		148,338,000	11.49	31-Mar-17	–	–	148,338,000	11.49
4	Harsh Mariwala with Kishore Mariwala (For Gemini Family Trust)	146,752,000	11.37	1-Apr-16	–	–	146,752,000	11.37
		–	–	15-Mar-17	449,500	Inter se Transfer	147,201,500	11.41
		–	–	22-Mar-17	449,500		147,651,000	11.44
		–	–	28-Mar-17	419,800		148,070,800	11.47
		–	–	29-Mar-17	152,800		148,223,600	11.49
		–	–	30-Mar-17	114,500		148,338,100	11.49
		148,338,100	11.49	31-Mar-17	–	–	148,338,100	11.49
5	Arctic Investment & Trading Company Private Limited	17,570,000	1.36	1-Apr-16	–	–	17,570,000	1.36
		–	–	9-Nov-16	124	Purchase	17,570,124	1.36
		–	–	11-Nov-16	500,000		18,070,124	1.40
		–	–	15-Nov-16	46,410		18,116,534	1.40
		–	–	17-Nov-16	11,466		18,128,000	1.40
		–	–	5-Dec-16	95,000		18,223,000	1.40
		–	–	24-Mar-17	18,223,000	Gratuitous transfer to The Bombay Oil Private Limited	0	0.00
		0	0.00	31-Mar-17	–	–	0	0.00

ANNEXURE 'F' TO THE BOARD'S REPORT

Sl. No	Name	Shareholding at the beginning (01.04.2016)/end of the year(31.03.2017)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
6	The Bombay Oil Private Limited	74,000	0.01	1-Apr-16	–	–	74,000	0.01
		–	–	24-Mar-17	18,223,000	Gratuitous transfer from Arctic Investment & Trading Company Private Limited	18,297,000	1.42
		18,297,000	1.42	31-Mar-17	–	–	18,297,000	1.42
7	Mr. Harsh Mariwala	19,909,200	1.54	1-Apr-16	–	–	19,909,200	1.54
		–	–	6-Dec-16	24,704	Purchase	19,933,904	1.54
		–	–	7-Dec-16	129,582		20,063,486	1.55
		–	–	8-Dec-16	36,914		20,100,400	1.56
		20,100,400	1.56	31-Mar-17	–	–	20,100,400	1.56
8	Harshraj C Mariwala (HUF)	12,240,000	0.95	1-Apr-16	–	No Change during the year	12,240,000	0.95
		12,240,000	0.95	31-Mar-17	–		12,240,000	0.95
9	Mrs. Archana Mariwala	24,600,000	1.91	1-Apr-16	–	–	24,600,000	1.91
		–	–	15-Mar-17	899,000	Sale	23,701,000	1.84
		–	–	28-Mar-17	256,900		23,444,100	1.82
		23,444,100	1.82	31-Mar-17	–	–	23,444,100	1.82
10	Ms. Rajvi Mariwala	29,200,000	2.26	1-Apr-16	–	–	29,200,000	2.26
		–	–	17-Mar-17	449,500	Sale	28,750,500	2.23
		–	–	28-Mar-17	342,500		28,408,000	2.20
		28,408,000	2.20	31-Mar-17	–	–	28,408,000	2.20
11	Mr. Rishabh Mariwala	26,200,000	2.03	1-Apr-16	–	–	26,200,000	2.03
		–	–	15-Mar-17	449,500	Sale	25,750,500	2.00
		–	–	28-Mar-17	774,000		24,976,500	1.94
		24,976,500	1.94	31-Mar-17	–	–	24,976,500	1.94
12	Mrs. Preeti Gautam Shah	1,800,000	0.14	1-Apr-16	–	No Change during the year	1,800,000	0.14
		1,800,000	0.14	31-Mar-17	–		1,800,000	0.14
13	Mrs. Pallavi Jaikishen	1,832,000	0.14	1-Apr-16	–	No Change during the year	1,832,000	0.14
		1,832,000	0.14	31-Mar-17	–		1,832,000	0.14
14	Mrs. Malika Chirayu Amin	1,800,000	0.14	1-Apr-16	–	No Change during the year	1,800,000	0.14
		1,800,000	0.14	31-Mar-17	–		1,800,000	0.14
15	Mr. Kishore Mariwala	2,963,320	0.23	1-Apr-16	–	–	2,963,320	0.23
		–	–	4-May-16	2,000	Gift of Shares to Grand Children	2,961,320	0.23
		–	–	28-Mar-17	305,100	Sale	2,656,220	0.21
		2,656,220	0.21	31-Mar-17	–	–	2,656,220	0.21

ANNEXURE 'F' TO THE BOARD'S REPORT

Sl. No	Name	Shareholding at the beginning (01.04.2016)/end of the year(31.03.2017)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
16	Mrs. Hema Mariwala	7,832,280	0.61	1-Apr-16	–	–	7,832,280	0.61
		–	–	29-Mar-17	152,800	Sale	7,679,480	0.60
		7,679,480	0.60	31-Mar-17	–	–	7,679,480	0.60
17	Mr. Rajen Mariwala	6,886,400	0.53	1-Apr-16	–	–	6,886,400	0.53
		–	–	22-Mar-17	899,000	Sale	5,987,400	0.46
		–	–	30-Mar-17	454,500		5,532,900	0.43
		5,532,900	0.43	31-Mar-17	–	–	5,532,900	0.43
18	Mrs. Anjali Mariwala	7,418,200	0.57	1-Apr-16	–	–	7,418,200	0.57
		–	–	30-Mar-17	3,500	Sale	7,414,700	0.57
		7,414,700	0.57	31-Mar-17	–	–	7,414,700	0.57
19	Dr. Ravindra Mariwala	15,084,640	1.17	01-Apr-16	–	–	15,084,640	1.17
		–	–	20-Sep-16	2,000	Gift	15,082,640	1.17
		–	–	22-Mar-17	899,000	Sale	14,183,640	1.10
		–	–	29-Mar-17	229,100		13,954,540	1.08
		13,954,540	1.08	31-Mar-17	–	–	13,954,540	1.08
20	Mrs. Paula Mariwala	7,418,200	0.57	01-Apr-16	–	–	7,418,200	0.57
		–	–	29-Mar-17	229,100	Sale	7,189,100	0.56
		7,189,100	0.56	31-Mar-17	–	–	7,189,100	0.56
21	Kishore Mariwala for Arnav Trust	4,700	0.00	1-Apr-16	–	–	4,700	0.00
		–	–	4-May-16	500	Transferred from Kishore Mariwala	5,200	0.00
		5,200	0.00	31-Mar-17	–	–	5,200	0.00
22	Kishore Mariwala for Vibhav Trust	4,700	0.00	1-Apr-16	–	–	4,700	0.00
		–	–	4-May-16	500	Transferred from Kishore Mariwala	5,200	0.00
		5,200	0.00	31-Mar-17	–	–	5,200	0.00
23	Kishore Mariwala for Taarika Trust	4,700	0.00	1-Apr-16	–	–	4,700	0.00
		–	–	4-May-16	500	Transferred from Kishore Mariwala	5,200	0.00
		5,200	0.00	31-Mar-17	–	–	5,200	0.00
24	Kishore Mariwala for Anandita Trust	4,700	0.00	1-Apr-16	–	–	4,700	0.00
		–	–	4-May-16	500	Transferred from Kishore Mariwala	5,200	0.00
		5,200	0.00	31-Mar-17	–	–	5,200	0.00

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs & ADRs)**

Sl. No	Name	Shareholding at the beginning (01.04.2016)/end of the year(31.03.2017)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason **	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
1	FIRST STATE INVESTMENTS ICVC-STEWART INVESTORS ASIA PACIFIC LEADERS FUND	49,132,001	3.81	During the financial year	–	–	49,132,001	3.81
		–	–		10,538,977	Purchase	59,670,978	4.62
2	ARISAIG PARTNERS (ASIA) PTE LTD. A/C ARISAIG INDIA FUND LIMITED	35,169,950	2.73		–	–	35,169,950	2.73
		–	–		6,522,611	Sale	28,647,339	2.22
3	LIFE INSURANCE CORPORATION OF INDIA	22,690,678	1.76		–	–	22,690,678	1.76
		–	–		558,928	Sale	22,131,750	1.72
		–	–		6,004,200	Purchase	28,135,950	2.18
4	CARTICA CAPITAL LTD	–	–		24,903,037	Purchase	24,903,037	1.93
5	PRAZIM TRADING AND INVESTMENT CO. PVT. LTD.	–	–		16,372,395	Purchase	16,372,395	1.27
6	KUWAIT INVESTMENT AUTHORITY - FUND NO. 208	9,864,089	0.76		–	–	9,864,089	0.76
		–	–		3,066,484	Sale	6,797,605	0.53
		–	–		4,783,120	Purchase	11,580,725	0.90
7	BARCLAYS MERCHANT BANK (SINGAPORE) LTD.	9,849,000	0.76		–	–	9,849,000	0.76
		–	–		458,513	Sale	9,390,487	0.73
		–	–		980,627	Purchase	10,371,114	0.80
8	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA PLUS	8,755,360	0.68		–	–	8,755,360	0.68
		–	–		1,571,449	Purchase	10,326,809	0.80
9	ARISAIG PARTNERS (ASIA) PTE LTD. A/C ARISAIG GLOBAL EMERGING MARKETS CONSUMER FUND (SINGAPORE) PTE. LTD.	9,986,060	0.77		–	–	9,986,060	0.77
		–	–		767,130	Sale	9,218,930	0.71
10	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND	7,255,643	0.56		–	–	7,255,643	0.56
		–	–		900,042	Purchase	8,155,685	0.63
		–	–		122,807	Sale	8,032,878	0.62
11	MATTHEWS INDIA FUND	7,902,328	0.61		–	–	7,902,328	0.61
		–	–		1,480,000	Sale	6,422,328	0.50
12	ABU DHABI INVESTMENT AUTHORITY - MONSOON	8,886,712	0.69		–	–	8,886,712	0.69
		–	–		3,803,980	Sale	5,082,732	0.39
		–	–		256,056	Purchase	5,338,788	0.41
13	HASHAM INVESTMENT AND TRADING COMPANY PRIVATE LIMITED	16,172,395	1.25		–	–	16,172,395	1.25
		–	–		200,000	Purchase	16,372,395	1.27
		–	–		16,372,395	Sale	0	0

Notes:

- Paid up Share Capital of the Company (Face Value Re. 1.00) at the end of the financial year 2016-17 was 129,04,71,198 Shares.
- % of total shares of the Company is based on the paid up capital of the Company at the end of the financial year 2016-17.
- The details of holding has been clubbed based on PAN.
- The above information is based on the weekly beneficiary positions received from Depositories. The date wise increase/decrease in shareholding of the top ten shareholders is available on the website of the Company.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Name	Shareholding at the beginning (01.04.2016)/end of the year(31.03.2017)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
Directors								
1	Mr. Harsh Mariwala (Non Executive Director & Chairman)	19,909,200	1.54	1-Apr-16	–	–	19,909,200	1.54
		–	–	6-Dec-16	24,704	Purchase	19,933,904	1.54
		–	–	7-Dec-16	129,582		20,063,486	1.55
		–	–	8-Dec-16	36,914		20,100,400	1.56
		20,100,400	1.56	31-Mar-17	–	–	20,100,400	1.56
2	Mr. Rajen Mariwala (Non-Executive Director)	6,886,400	0.53	1-Apr-16	–	–	6,886,400	0.53
		–	–	22-Mar-17	899,000	Sale	5,987,400	0.46
		–	–	30-Mar-17	454,500		5,532,900	0.43
		5,532,900	0.43	31-Mar-17	–	–	5,532,900	0.43
3	Mr. Anand Kripalu (Independent Director)	-	-	-	-	Nil Holding	-	-
	Mr. Atul Choksey* (Independent Director)	21,736	0.00	1-Apr-16	–	–	21,736	0.00
		–	–	2-Jun-16	7,300	Inter Se	29,036	0.00
		–	–	17-Nov-16	28,826	Purchase	57,862	0.00
		57,862	0.00	31-Mar-17	–	–	57,862	0.00
4	Atul Choksey (HUF)	14,600	0.00	1-Apr-16	–	–	14,600	0.00
		–	–	2-Jun-16	7,300	Inter Se	7,300	0.00
		–	–	2-Jun-16	3,650	Gift	3,650	0.00
		–	–	2-Jun-16	3,650	Gift	0	0.00
		0	0.00	31-Mar-17	–	–	0	0.00
5	Mr. B. S. Nagesh (Independent Director)	–	–	–	–	Nil Holding	–	–
6	Ms. Hema Ravichandar (Independent Director)	–	–	–	–	Nil Holding	–	–
7	Mr. Nikhil Khattau (Independent Director)	–	–	–	–	Nil Holding	–	–
8	Mr. Rajeev Bakshi (Independent Director)	–	–	–	–	Nil Holding	–	–

* Ceased as an Independent Director of the Company w.e.f. April 1, 2017.

ANNEXURE 'F' TO THE BOARD'S REPORT

Sl. No	Name	Shareholding at the beginning (01.04.2016)/end of the year(31.03.2017)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
Key Managerial Personnel								
1	Mr. Saugata Gupta (Managing Director & Chief Executive Officer)	17,400	0.00	1-Apr-16	–	–	17,400	0.00
		–	–	21-Nov-16	100,000	Equity Shares acquired pursuant to exercise of stock options vested under Marico Employee Stock Option Scheme, 2014	117,400	0.01
		–	–	29-Dec-16	100,000		217,400	0.02
		–	–	29-Mar-17	100,000		317,400	0.02
		317,400	0.02	31-Mar-17	–	–	317,400	0.02
2	Mr. Surender Sharma (Company Secretary & Compliance Officer)	2	0.00	1-Apr-16	–	No Change during the year	2	0.00
		2	0.00	31-Mar-17	–		2	0.00
3	Mr. Vivek Karve (Chief Financial Officer)	139,900	0.01	1-Apr-16	–	–	139,900	0.01
		–	–	27-Mar-17	90,000	Sale	49,900	0.00
		49,900	0.00	31-Mar-17	–	–	49,900	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year (As on 01.04.2016)				
i) Principal Amount	20,470.44	-	-	20,470.44
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	75.40	-	-	75.40
Total (i+ii+iii)	**20,545.84**	**-**	**-**	**20,545.84**
Change in Indebtedness during the financial year				
Additions (Principal)	16,200.00	-	-	16,200.00
Reduction (Principal)	26,216.63	-	-	26,216.63
Adjustment (Exchange Rate difference)	380.99	-	-	380.99
Net Change	**-9,635.64**	**-**	**-**	**-9,635.64**
Indebtedness at the end of the financial year(As on 31.03.2017)				
i) Principal Amount	10,834.80	-	-	10,834.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21.48	-	-	21.48
Total (i+ii+iii)	**10,856.27**	**-**	**-**	**10,856.27**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the Managing Director - Mr. Saugata Gupta (₹ In Lacs)
1	**Gross salary**	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961.	867.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	15.96
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option$	772.18
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
5	Others, Please specify*	-
	Total (A)	**1655.14**
	Ceiling as per the Act**	

$ Perquisite value of Stock Options exercised during the financial year 2016-17 under the Marico Employee Stock Option Scheme, 2014.
** Company's contribution to Provident Fund amounting to ₹18,58,512 has not been included in the remuneration stated above.*
*** Remuneration paid to the Managing Director is within the ceiling provided under Section 197 of the Companies Act, 2013.*

B. Remuneration to other directors:

(₹ in Lacs)

Sl.No	Particulars of Remuneration	Name of other Directors						Total
1	**Independent Directors**	**Mr. Atul Choksey***	**Mr. Anand Kripalu**	**Ms. Hema Ravichandar**	**Mr. Rajeev Bakshi**	**Mr. Nikhil Khattau**	**Mr. B. S. Nagesh**	
	(a) Fee for attending Board / Committee Meetings	2.00	3.30	5.90	3.90	5.00	5.90	26.00
	(b) Commission	23.50	22.00	23.50	22.00	23.50	22.00	136.50
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	**25.50**	**25.30**	**29.40**	**25.90**	**28.50**	**27.90**	**162.50**
2	**Other Non Executive Directors**	**Mr. Harsh Mariwala**	**Mr. Rajen Mariwala**					
	(a) Fee for attending Board / Committee Meetings	2.20	4.50					6.70
	(b) Commission	550.00	22.00					572.00
	(c) Others, please specify	-	-					-
		552.20	26.50					578.70
	Total B(1+2)							**741.20**
	Total Managerial Remuneration (Total A+B)							**2,396.34**
	Overall Ceiling as per the Act	₹12,743.55 lacs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

ANNEXURE 'F' TO THE BOARD'S REPORT

C. Remuneration To Key Managerial Personnel Other than Managing Director /Manager/Whole Time Director

Sl.No	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Vivek Karve - Chief Financial Officer	Mr. Surender Sharma - Head Legal - International Business & Company Secretary
		(₹ In Lacs)	(₹ In Lacs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	242.47	115.56
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.32	0.32
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option*	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
5	Others, Please specify	-	-
	Total	**242.79**	**115.88**

*Perquisite value of the equity stock options exercised during the year.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

There were no penalties/punishment/compounding of offences for violation of the provisions of the Companies Act, 2013 against the Company or its Directors or other officers in default during the year.

CORPORATE GOVERNANCE REPORT

This report on Corporate Governance is divided into the following parts:

I. Philosophy on Code of Corporate Governance

II. Board of Directors ("the Board")

III. Audit Committee

IV. Corporate Governance Committee ("CGC") (acting as Nomination & Remuneration Committee)

V. Stakeholders' Relationship Committee

VI. Corporate Social Responsibility Committee

VII. Risk Management Committee

VIII. Other Committees

IX. General Body Meetings

X. Material Related Party Transactions

XI. Weblink

XII. Means of Communication

XIII. General Shareholder Information

I. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Basic Philosophy

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine the Management's ability to make sound decisions vis-à-vis all its stakeholders – in particular, its shareholders, creditors, the State and employees. There is a global consensus on the objective of Good Corporate Governance: Maximising long-term shareholder value.

Since shareholders are residual claimants, this objective follows from a premise that in well-performing capital and financial markets, whatever maximises shareholder value must necessarily maximise corporate value and best satisfy the claims of the creditors, the employees and the State.

A company which is proactively compliant with the law and which adds value to it through the Corporate Governance initiatives would also command a higher value in the eyes of present and prospective shareholders.

Marico therefore believes that Corporate Governance is not an end in itself but is a catalyst in the process towards maximization of shareholder value. Therefore, shareholder value, as an objective, is woven into all aspects of Corporate Governance – the underlying philosophy, the development of roles and the creation of structures and continuous compliance with standard practices.

The Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for time being in force ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Regulations") has strengthened the framework of Corporate Governance for India Inc. For Marico, however, Corporate Governance has always been a cornerstone of the entire management process, the emphasis being on professional management, with a decision making model based on decentralization, empowerment and meritocracy. Marico's Board believes that a robust framework and flawless implementation of highest standards of Corporate Governance provides a sustainable competitive advantage to a firm. Together, the Management and the Board ensure that Marico remains a Company of uncompromised integrity and excellence. Marico's Board has adopted a vision to be the 'best in class organization' surpassing the expectations of all stakeholders.

Risk assessment and risk mitigation framework

Marico believes that:

- Risks are an integral part of any business environment and it is essential that we create structures that are capable of identifying and mitigating the risks in a continuous and vibrant manner.
- Risks are multi-dimensional and therefore have to be looked at in a holistic manner, straddling both, the external environment and the internal processes.

Marico's Risk Management processes therefore envisage that all significant activities are analysed across the value chain keeping in mind the following types of risks:

- Business Risks;
- Controls Risks and;
- Governance Risks.

This analysis is followed by the relevant functions in your Company by prioritizing the risks, basis their potential impact and then tracking and reporting status on the mitigation plans for periodic management reviews. This is aimed at ensuring that adequate checks and balances are in place with reference to each significant risk.

Your Company has constituted a Risk Management Committee on November 7, 2014 pursuant to the provisions of the SEBI Regulations which assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company. The terms of reference of the Committee are captured in the latter part of this report. At defined periodicity, Marico's Board also reviews progress on the plans for mitigation of the top risks that your Company is exposed to.

Your Company has an internal audit system commensurate with the size of the Company and the nature of its business. The Audit Committee of the Board has the authority and responsibility to select, evaluate and where appropriate, replace the Independent Internal Auditor in accordance with the law. All possible measures are taken by the Audit Committee to ensure the objectivity and independence of the Internal Auditor. The Audit Committee, independent of

Management, holds periodic one to one discussions with the Internal Auditors to review the scope and findings of the audit and to ensure adequacy of the internal audit system in the Company. The Audit Committee reviews the internal audit plan for every year and approves the same in consultation with the Top Management and the Internal Auditor.

We believe that this framework ensures a unified and comprehensive perspective.

Cornerstones of Corporate Governance at Marico

Your Company follows Corporate Governance practices around the following philosophical cornerstones:

Generative transparency and openness in information sharing

Marico believes that sharing and explaining all the relevant information on the Company's policies and actions to all those to whom it has responsibilities, with transparency and openness, generates an ambience which helps all the stakeholders to take informed decisions about the Company. This reflects externally in making maximum appropriate disclosures without jeopardising the Company's strategic interests as also internally in the Company's relationship with its employees and in the conduct of its business.

The Company announces its financial results each quarter, usually within a month of the end of the quarter. Apart from disclosing these in a timely manner to the Stock Exchanges, the Company also hosts the results on its website together with a detailed information update and media release discussing the results. The financial results are published in leading newspapers. The Company also sends an email update to the Members who have registered their email addresses with the Company. Generally, once the quarterly results are announced, the Company conducts a call with the analyst community explaining to them the results and responding to their queries. The transcripts of such calls are posted on the Company's website. Marico participates in analyst and investor conference calls, one-on-one meetings and investor conferences where analysts and fund managers get frequent access to the Company's Senior Management. A detailed investor presentation is uploaded on the website and is reviewed periodically which gives details about the history, current and future potential of the business. Through these meetings, presentations and information updates the Company shares its broad strategy and business outlook. with the investors community. The Company promptly discloses the details of the conference calls, Investor meetings and road shows being conducted within the quarters in and outside the Country to the Stock Exchanges and update its website with the same simultaneously.

The Board has also adopted a comprehensive Policy for Determination of Materiality of Event or Information in accordance with Regulation 30 of the SEBI Regulations and the Company makes prompt disclosures to the Stock Exchanges where the shares of the Company are listed regarding material events/ information so as to keep the Stakeholders apprised and enable them to make informed decisions.

Your Company continues to use the electronic platform for sharing the information with the Directors and maintains a seamless and secured flow of information between the Management and the Board through MeetX, an iOS based platform. While being secure, this platform is also environment friendly.

Constructive separation of Ownership and Management

Marico's philosophy to have constructive separation of the Management of the Company from its Owners manifests itself in the composition of the Board of Directors which comprises 6 Independent Directors, 3 Non-Executive Directors (all belonging to the Promoter Group) and 1 Managing Director & Chief Executive Officer as on the date of this Report. The Independent Directors ensure protection of interests of all stakeholders of the Company. The Board includes a Woman Director in line with the provisions of the Act and Rules made thereunder. The Board does not consist of representatives of creditors or banks. The Board composition attempts at maximizing the effectiveness of both, Ownership and Management by sharpening their respective accountability.

The participation of the Senior Management Personnel is ensured at Board and/or Committee meetings so that the Board/Committees can seek and get explanations as required from them.

All Directors, Promoters and Designated Persons are required to comply with Marico Insider Trading Rules, 2015, which form part of Marico's Unified Code of Conduct, for trading in the securities of the Company.

The Company's Internal, Statutory, Cost and Secretarial Auditors are not related to any of your Company's Directors.

Accountability

The Board plays a supervisory role rather than an executive role. Members of the Board provide constructive critique on the strategic business plans and operations of the Company. Mr. Saugata Gupta, Managing Director & Chief Executive Officer, continues to head the Company's business and is responsible for its day to day management and operations and reports to the Board.

The Audit Committee and the Board of Directors meet at least once in every quarter to consider inter-alia, the business performance and other matters of importance. The Audit Committee also meets once in a quarter, in addition to the above to have detailed deliberations on matters relating to Governance, Risk Management, Statutory Compliances, Internal Controls, Internal Audit, Related Party Transactions of the Company etc.

Discipline

Marico's Senior Management is always sensitive to the need for good Corporate Governance practices. Your Company places significant emphasis on good Corporate Governance practices and endeavours to ensure that the same is followed at all levels across the organisation.

Your Company continues to focus on its core business of beauty and wellness in the categories of Hair and Skin Nourishment and male grooming. In its international business too, it is focussed on growing in the emerging economies of Asian and African continents. This would result in the Company building depth in its selected segments and geographies rather than spreading itself thin.

Your Company has always adopted a conservative policy with respect to debt and foreign exchange exposure management. All actions having financial implications are well thought through. The Company raises funds, which are used for expansion of business either organically or inorganically. The Company has also stayed away from entering into exotic derivative transactions.

During the year under review, pursuant to the provisions of the SEBI Regulations, the Board, at its meeting held on August 5, 2016 has adopted Dividend Distribution Policy ("DD Policy"), which is in line with its dividend philosophy. The DD Policy of the Company ensures the right balance between the quantum of dividend paid and amount of profits re-deployed to find organic and inorganic growth of the Company. The Company has improved the dividend pay-out ratio over the last 5 years consistently and would endeavour to maintain a satisfactory pay-out ratio in future. The link to access the DD Policy has been given in the Board's Report.

Responsibility

The Company has put in place various mechanisms and policies to ensure orderly and smooth functioning of operations and also defined measures in case of transgressions by members.

The Company has integrated its internal regulations relating to these mechanisms, into a Unified Code of Conduct. In order to ensure that such Code of Conduct reflects the changing environment, both social and regulatory, given the increasing size and complexity of the business and the human resources deployed in them, the CGC reviews the Unified Code of Conduct periodically.

The Company's Unified Code of Conduct is applicable to all members viz: the employees (whether permanent or not), Members of the Board and Associates (in some cases). The Unified Code of Conduct prescribes the guiding principles of conduct of the members to promote ethical conduct in accordance with the stated values of Marico and also to meet statutory requirements. The Whistle Blower Policy is embedded in the Unified Code of Conduct.

The CEO declaration in accordance with Para D of Schedule V to the SEBI Regulations, to certify the above, has been appended to this report.

Fairness

All actions taken are arrived at after considering the impact on the interests of all shareholders including minority shareholders. All shareholders have equal rights and can convene general meetings, if they feel the need to do so, in accordance with the provisions of the Act. Investor Relations is given due priority. There exists a separate department for handling this function. Full disclosures are made in the general meeting for all matters. Notice of the general meetings are comprehensive and the presentations made at the meetings are informative. Also, the Board is remunerated commensurately with the growth in the Company's profits.

Your Company is an equal opportunity employer and promotes diversity in its workforce, in terms of skills, ethnicity, nationalities and gender.

Social Awareness

The Company has an explicit policy emphasising ethical behaviour. It follows a strict policy of not employing any minor. The Company believes in gender equality and does not practise any type of discrimination. All policies are free of bias and discrimination. Environmental responsibility is given high importance and measures have been taken at all locations to ensure that members are educated and equipped to discharge their responsibilities in ensuring protection of the environment.

Value-adding Checks & Balances

Marico relies on a robust structure with value adding checks and balances designed to:

* prevent misuse of authority;
* facilitate timely response to change and;
* ensure effective management of risks, especially those relating to statutory compliance.

At the same time, the structure provides scope for adequate executive freedom, so that bureaucracies do not take value away from the Governance Objective.

Board / Committee Proceedings

The process of the conduct of the Board and Committee proceedings is explained in detail later in this Report.

Other Significant Practices

Other significant Corporate Governance Practices followed are listed below:

Checks & Balances

* All Directors are provided with complete information relating to the operations and Company finances to enable them to participate effectively in the Board

discussions. The Directors are also appraised on a regular basis by uploading information in the Directors' Corner in the 'MeetX' application, which they can view on their personalized devices provided by the Company.

* Proceedings of Board are logically segregated and matters are delegated to Committees as under:
  - Administrative Committee approves routine transactional / operational matters.
  - Investment and Borrowing Committee supervises management of funds.
  - Audit Committee covers approval to related party transactions, review of internal controls and audit systems, oversight on risk management systems, financial reporting, compliance issues and vigil mechanism, appointment and remuneration to various auditors of the Company and their scope, Shareholders' grievances etc.
  - The CGC approves remuneration of the Directors, Key Managerial Personnel and their relatives and Senior Management Personnel. The CGC also acts as the Compensation Committee for the purpose of administration and superintendence of the Marico Employees Stock Option Scheme 2014, the Marico MD CEO ESOP Plan 2014, the Marico Stock Appreciation Rights Plan 2011 and the Marico Employee Stock Option Plan, 2016. The CGC is also entrusted with the responsibility of evaluating the performance of each Director of the Board and ensuring Board effectiveness.
  - Vigil Mechanism and Code of Conduct cases are discussed and reviewed in detail by the Audit Committee jointly with the CGC. The Audit Committee reviews the effectiveness of this process to ensure that there is an environment that is conducive to escalation of issues, if any, in the system.
  - Share Transfer Committee approves transfer formalities and other share-related procedures.
  - Stakeholders' Relationship Committee supervises redressal of stakeholders' grievances.
  - Securities Issue Committee approves the issue and allotment of securities and allied matters.
  - Corporate Social Responsibility ("CSR") Committee recommends, reviews and monitors the CSR initiatives taken by the Company.
  - Risk Management Committee assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company.
  - Sustainability Committee steers the sustainability initiatives of the Company and ensures sufficient assistance to the Business Responsibility Report Head from time to time.
* Each Non-Executive Director brings value through his or her specialisation.
* Other directorships held by Directors are within the ceiling limits specified.
* Committee Memberships and Chairmanship of Directors are also within the permissible limits.
* Statutory compliance report along with the Compliance Certificate is placed before the Audit Committee and Board at every quarterly meeting.
* All Directors endeavour to attend all the Board/ Committee meetings as also the General Meetings of the Company. The Chairpersons of the Audit Committee and the CGC attend the Annual General Meeting to address shareholders' queries, if any.
* The Chief Financial Officer, the Chief Human Resources Officer and the Company Secretary & Compliance Officer in consultation with the Chairman of the Board/ Committee and the Managing Director & CEO, formalise the agenda for each of the Board /Committee Meetings.
* The Board/Committees, at their discretion, invite Senior Management Personnel of the Company and/or external Advisors to any of the meetings of the Board/ Committee.
* The Company ensures compliance with Secretarial Standards issued by the Institute of Company Secretaries of India in respect of the meetings of the Board/Committee and Shareholders.
* The Company has complied with the provisions of the SEBI Regulations including the circulars issued thereunder from time to time.

II. BOARD OF DIRECTORS

Your Company actively seeks to adopt best global practices for an effective functioning of the Board and believes in having a truly diverse Board whose wisdom and strength can be leveraged for earning higher returns for its stakeholders and better corporate governance. Therefore, Marico's Board is an ideal mix of knowledge, perspective, professionalism, divergent thinking and experience. Marico Board's uniqueness lies in the fact that the Board balances several deliverables, achieves sound corporate governance objectives in a promoter-owned organisation and acts as a catalyst in creation of stakeholder value.

In line with the applicable provisions of the Act and the SEBI Regulations, your Company's Board has an optimum combination of Executive and Non-Executive Directors with more than half of the Board comprising Independent Directors.

The composition of the Board along with the details of the Board meetings and last Annual General Meeting held and attended during the period April 1, 2016 to March 31, 2017 is as under:

Name of the Director	Category	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at Last AGM held on August 5, 2016
Mr. Harsh Mariwala	Chairman & Non-Executive Director	5	5	Yes
Mr. Saugata Gupta	Managing Director & CEO	5	5	Yes
Mr. Anand Kripalu	Independent Director	5	3	No
Mr. Atul Choksey*	Independent Director	5	4	No
Mr. Ananth Narayanan**	Additional (Independent) Director	-	-	-
Mr. B. S. Nagesh	Independent Director	5	4	Yes
Ms. Hema Ravichandar	Independent Director	5	4	Yes
Mr. Nikhil Khattau	Independent Director	5	5	Yes
Mr. Rajeev Bakshi	Independent Director	5	4	No
Mr. Rajen Mariwala	Non-Executive Director	5	5	No
Mr. Rishabh Mariwala***	Additional (Non-Executive) Director	-	-	-

**ceased to be an Independent Director of the Company w.e.f. April 1, 2017*
***appointed as an Additional (Independent) Director w.e.f. June 26, 2017.*
****appointed as an Additional (Non-Executive) Director w.e.f. May 2, 2017.*

The Board met 5 (Five) times during the aforesaid period viz: on April 29, 2016; June 29, 2016; August 5, 2016; October 28, 2016 and February 2, 2017.

Further, the number of Board or Board Committees of which a Director is a member or chairperson (#) is as under:

Name of the Director	Category	Number of Outside Directorships ($) held	Number of Committee Memberships in other Companies (*)	Number of Committees (*) in which Chairperson
		Held	Attended	
Mr. Harsh Mariwala	Chairman & Non - Executive Director	6	1	Nil
Mr. Saugata Gupta	Managing Director & CEO	1	1	Nil
Mr. Anand Kripalu	Independent Director	1	Nil	Nil
Mr. Atul Choksey**	Independent Director	7	1	1
Mr. B. S. Nagesh	Independent Director	3	2	Nil
Ms. Hema Ravichandar	Independent Director	3	2	Nil
Mr. Nikhil Khattau	Independent Director	2	4	3
Mr. Rajeev Bakshi	Independent Director	2	1	Nil
Mr. Rajen Mariwala	Non-Executive Director	3	Nil	Nil

 # As on March 31, 2017.
$ Excludes directorship in private limited companies, foreign companies and Section 8 companies.
** Only two committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the SEBI Regulations.*
*** ceased to be a Director of the Company w.e.f. April 1, 2017.*

III. AUDIT COMMITTEE

In line with the provisions of section 177 of the Act and Regulation 18 of the SEBI Regulations read with Part C of Schedule II thereto, a four Member Audit Committee of the Board comprises three Independent Directors and one Non-Executive Director. All Members of the Committee are financially literate. The Committee invites the Statutory Auditor and the Internal Auditor for one-on-one discussion independent of the Management. Further, the Chief Financial Officer and Members of the Finance Team associated with Internal Audit and Governance, Risk & Compliance (GRC) are present at the Audit Committee meetings for relevant agenda matters. Members of Senior Management team also attend the meetings depending on the agenda. The Head Legal-International Business & Company Secretary acts as the Secretary to the Committee.

The Audit Committee met 8 (Eight) times during the period April 1, 2016 to March 31, 2017 viz. on April 11, 2016; April 29, 2016; July 11, 2016; August 5, 2016; October 12, 2016; October 28, 2016; January 11 2017 and February 2, 2017. The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Director	Director Category	Nature of Membership	No. of Committee Meetings Held	No. of Committee Meetings Attended
Mr. Nikhil Khattau	Independent	Chairman	8	8
Mr. B. S. Nagesh	Independent	Member	8	8
Ms. Hema Ravichandar	Independent	Member	8	8
Mr. Rajen Mariwala	Non-Executive	Member	8	7

There was no change in the composition of the Audit Committee during the year ended March 31, 2017. The charter of the Committee, inter-alia, articulates its role, responsibility and powers as follows:

1. Oversight of the Company's financial reporting processes and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of section 134(3)(c) of the Act;
    b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by Management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions, if any;

g. Modified opinion(s) in the draft audit report;

5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the auditor's independence and performance and effectiveness of audit process.

8. Evaluation of internal financial controls and risk management systems.

9. Reviewing with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.

10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.

11. Discussion with the internal auditors on any significant findings and follow up thereon.

12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

13. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

14. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.

15. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.

16. Approval of all transactions with related parties and any subsequent modification of such transactions including omnibus approval for repetitive transactions and for unforeseen transactions not exceeding Rs 1 Crore.

17. Scrutiny of inter-corporate loans and investments.

18. Valuation of undertakings or assets of the Company, wherever it is necessary.

19. Reviewing mandatorily the following information:

    a. Management discussion and analysis of financial condition and results of operations;

    b. Statement of significant related party transactions, submitted by Management;

    c. Management letters / letters of internal control weaknesses issued by the statutory auditors;

    d. Internal audit reports relating to internal control weaknesses; and

    e. The appointment, removal and terms of remuneration of the internal auditor.

20. Vigil Mechanism:

    a. To ensure establishment of vigil mechanism for its Directors and employees to report genuine concerns;

    b. To provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;

    c. To ensure that the existence of vigil mechanism is appropriately communicated within the Company and also made available on Company's website;

    d. To oversee the functioning of vigil mechanism and decide on the matters reported thereunder; and

    e. To ensure that the interests of a person who uses such a mechanism are not prejudicially affected on account of such use.

IV. CORPORATE GOVERNANCE COMMITTEE ("CGC")

The CGC acts as the Nomination and Remuneration Committee as per section 178 of the Act and Regulation 19 of the SEBI Regulations read with Part D of Schedule II thereto. Further, the CGC also acts as the Compensation Committee under the provisions of the SEBI (Share Based Employee Benefits), Regulations, 2014. The CGC comprises of four Members all of whom are Independent Directors. The Chief Human Resources Officer acts as the Secretary to the Committee.

The CGC met 5 (Five) times during the period April 1, 2016 to March 31, 2017 viz: on April 28, 2016; August 5, 2016; October 28, 2016; February 2, 2017 and March 31, 2017. The composition of the CGC along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Director	Director Category	Nature of Membership	No. of Committee Meetings	
			Held	Attended
Ms. Hema Ravichandar	Independent	Chairperson	5	5
Mr. Anand Kripalu	Independent	Member	5	4
Mr. B. S. Nagesh	Independent	Member	5	5
Mr. Rajeev Bakshi	Independent	Member	5	5

There was no change in the composition of the CGC during the year ended March 31, 2017. The charter of the Committee, inter-alia, articulates its responsibilities and authority as follows:

1. Formulate criteria for qualifications, positive attributes and independence of Directors, Key Managerial Personnel & Senior Management (i.e. top management team one level below Executive Director including Functional Heads i.e. presently the members of the Executive committee);
2. Identify the candidates who are qualified to be appointed as Director, Key Managerial Personnel and Senior Management and recommend to the Board their appointment and removal;
3. Recommend to the Board a policy relating to the remuneration of the Director, Key Managerial Personnel and Senior Management;
4. Approve the remuneration (including revisions thereto) of the Director, Key Managerial Personnel and Senior Management;
5. Formulate criteria for evaluation of Directors, Board and its Committees and Chairpersons;
6. Devise a policy on Board diversity;
7. Devise a succession plan for the Board, Key Managerial Personnel & Senior Management;
8. Carry out the evaluation of each Director's performance;
9. Decide whether to extend/continue the term of appointment of Independent Directors on the basis of their performance evaluation report;
10. Participate in the review of Vigilance Mechanism conducted by Audit Committee of the Board;
11. Design for Board Retreat and Board Effectiveness; and
12. Administer Long Term Incentive Schemes such as Employee Stock Option Plan(s) (including Schemes notified thereunder) and Stock Appreciation Rights Plan(s) (including Schemes made there under) and such other employee benefit schemes / plans as the Board may approve from time to time.

POLICY ON NOMINATION, REMOVAL, REMUNERATION AND BOARD DIVERSITY

Pursuant to the requirements of Section 178 of the Act and corresponding provisions contained in Regulation 17 of the SEBI Regulations, the CGC at its meeting held on February 21, 2015, approved the policy on Nomination, Removal, Remuneration and Board Diversity (hereinafter referred to as 'NR Policy').

The NR Policy covers the following aspects:

- Appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management;
- Remuneration to the Directors, Key Managerial Personnel and employees in Senior Management;
- Familiarization Programme for Independent Directors;
- Succession plan for Directors, Key Managerial Personnel and employees in Senior Management;
- Board Diversity; and
- Evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

The NR Policy of the Company can be accessed at the following link http://marico.com/india/investors/documentation/corporate-governance

Remuneration to Executive Director

The Company's Board presently consists of only one Executive Director viz: Mr. Saugata Gupta, Managing Director & Chief Executive Officer ("MD & CEO"). The CGC (comprising Independent Directors) approves annual revision in remuneration of the MD & CEO within the overall limit approved by the Members of the Company which is then placed before the Board for noting.

The annual remuneration to the MD & CEO comprises two broad terms – Fixed Remuneration and Variable Remuneration in the form of performance incentive. The performance incentive is based on the NR Policy of the Company. Additionally, the MD & CEO is entitled to employee stock options granted under Employee Stock Option Scheme(s) and Stock Appreciation Rights granted under Stock Appreciation Rights Plan of the Company and Schemes notified thereunder. The MD & CEO is not paid sitting fees for any of the Board or Committee meetings attended by him. The details of the stock options granted to the MD & CEO under various schemes/plans are provided in the Board's Report.

Remuneration to Non-Executive Directors

The Non-Executive Directors add substantial value to the Company through their contribution to the Management of the Company and thereby they safeguard the interests of the stakeholders at large by playing an appropriate control role. Non-Executive Directors bring in their vast experience and expertise to bear on the deliberations at the Marico's Board and its Committees. Although the Non-Executive Directors would contribute to Marico in several ways, including deliberations with the Managing Director & CEO, the bulk of their measurable inputs comes in the form of their contribution at Board/Committee meetings.

The Company, therefore has a structure for remuneration to Non-Executive Directors, based on certain financial parameters like the performance of the Company, its market capitalization, etc., industry benchmarks, role of the Director and such other relevant factors. Non-Executive Directors shall not be entitled to any stock option or stock appreciation rights of the Company.

At the 27th Annual General Meeting held on August 5, 2015, the Members approved payment of remuneration to Non-Executive Directors (in addition to the sitting fees), in aggregate, not exceeding 3% of the net profits of the Company calculated in accordance with the provisions of the Act, with a liberty to the Board of Directors to decide the mode, the quantum, the recipients and the frequency of payment of such remuneration within the said limit.

Accordingly, the Board at its meeting held on October 28, 2016, based on the recommendation of the CGC, approved revision in the remuneration of the Non-Executive Directors of the Company, details whereof are provided below:

Particulars	Remuneration*
1. Fixed Remuneration	₹ 22,00,000 per annum per Director** for the whole year's directorship.
2. Additional Remuneration to Chairpersons of Audit Committee, CGC and CSR Committee	₹ 1,50,000 per annum to Chairperson of each Committee stated herein
3. Sitting Fees:	
a) For Board Meetings	₹1,00,000 per meeting attended (either physically or through video conferencing)
b) For meetings of following: - Audit Committee - GC - Stakeholders' Relationship Committee - CSR Committee - Separate Meeting of Independent Directors	₹ 50,000 per meeting attended (either physically or through video conferencing)

** applicable for financial years 2016-17 and 2017-18.*

*** excluding the remuneration to Chairman & Non-Executive Director.*

Remuneration to Chairman & Non – Executive Director:

Mr. Harsh Mariwala as the Chairman of the Board continues to foster and promote the integrity of the Board while nurturing an environment so as to ensure harmony amongst the Directors for the long term benefit of all its stakeholders. The Chairman is entrusted with the responsibility of ensuring effective governance in the Company and continues to play an important role in guiding the Managing Director & CEO and the Top Management team for strategic business planning, leadership development, corporate social responsibility, image building, Board effectiveness and sustainable profitable growth of the Company.

The Chairman presides over the meetings of the Board and of the shareholders of the Company. The Chairman is also a Member of various Committees such as CSR Committee, Investment and Borrowing Committee, Securities Issue Committee, Share Transfer Committee and the Risk Management Committee.

The Chairman of the Board is entitled to remuneration which commensurate with his engagement beyond the Board meetings. The remuneration payable to all Non-Executive Directors including the Chairman does not exceed the overall limit of 3% of the net profits of the Company calculated in accordance with the provisions of the Act, as approved by the Members.

Details of Remuneration to Directors

The remuneration of the Non-Executive Directors for the financial year ended March 31, 2017 is as under:

Name	Director Category	Remuneration (₹ per annum)	Sitting Fees* (₹)
Mr. Harsh Mariwala	Non-Executive (Chairman)	5,50,00,000	2,20,000
Mr. Anand Kripalu	Independent	22,00,000	3,30,000
Mr. Atul Choksey	Independent	23,50,000	2,00,000
Mr. B. S. Nagesh	Independent	22,00,000	5,90,000
Ms. Hema Ravichandar	Independent	23,50,000	5,90,000
Mr. Nikhil Khattau	Independent	23,50,000	5,00,000
Mr. Rajeev Bakshi	Independent	22,00,000	3,90,000
Mr. Rajen Mariwala	Non-Executive	22,00,000	4,50,000

**sitting fee for the period April 1, 2016 to October 28, 2016 was paid @ of ₹ 20,000 per Board / Committee meeting and sitting fee for the Board / Committee meetings held after October 28, 2016 was paid as per the revised structure (detailed alongside).*

The remuneration paid to Mr. Saugata Gupta, Managing Director and CEO, for the financial year ended March 31, 2017 is as under:

Salary & Perquisite # (₹)	Annual Star Incentive (₹)	Annual Performance Incentive (₹)	Contribution to Provident & Pension Funds (₹)
114,188,589	41,040,558	10,285,001	1,858,512

 # Includes perquisite value of stock options exercised during the year ₹77,217,500.

Shareholding of Non-Executive Directors:

Name of Non-Executive Director	No. of Shares held (As on March 31, 2017)
Mr. Harsh Mariwala	201,00,400
Mr. Anand Kripalu	Nil
Mr. Atul Choksey*	57,862
Mr. Ananth Narayanan**	Nil
Mr. B.S. Nagesh	Nil
Ms. Hema Ravichandar	Nil
Mr. Nikhil Khattau	Nil
Mr. Rajeev Bakshi	Nil
Mr. Rajen Mariwala	55,32,900
Mr. Rishabh Mariwala***	2,49,76,500
Total	**5,06,67,662**

** ceased to be an Independent Director w.e.f. April 1, 2017*
***appointed as Additional (Independent) Director w.e.f June 26, 2017*
**** appointed as Additional (Non-Executive) Director w.e.f May 2, 2017*

PERFORMANCE EVALUATION

Your Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. Towards this end, the Corporate Governance Committee (CGC) had laid down the criteria and processes for performance evaluation of Individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

The performance evaluation is conducted through structured questionnaires which covers various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Member's strengths and contribution, execution and performance of specific duties, obligations and governance. Performance evaluation is facilitated by the Chairperson of the CGC along with the Chairman of the Board in the following manner based on the feedback received from Directors on structured questionnaires:

- A meeting of the CGC was first held to conduct evaluation of all Directors.
- Such meeting was followed by a meeting of the Independent Directors wherein performance of Non Independent Directors, Chairman of the Board and of the entire Board was evaluated.
- The entire Board met to discuss the findings of the evaluation with the Independent Directors. The Board then evaluated the performance of the Chairman of the Board, the Board as a whole and its individual Committees.
- On completion of the above process, feedback was shared with each Director at the Board Meeting held subsequently on April 1, 2017.
- The Directors were satisfied with the evaluation process and have expressed their satisfaction with the evaluation process.

The performance evaluation exercise conducted during the year under review has resulted in identification of the following focus areas by the Board, for it to work upon in the coming years:

a. Intensifying its efforts in guiding the organization to be future-ready with focus on new growth drivers and long term capability building;

b. Mentoring the Senior Management to set them up for success and helping in creating a process for succession and

c. Revisiting the Board composition with an eye on future trends especially in the digital era.

The Board is also committed to review the progress on these priorities during the annual Board Retreats held once a year.

DIRECTOR FAMILIARISATION PROGRAMME

The Company had designed a Director Familiarisation Programme which is imparted at the time of appointment of the Director on Board as well as annually. The Programme aims to provide insights into the Company to enable the Directors to understand its business in depth, to acclimatise them with the processes, business and functionaries of the Company and to assist them in performing their role as Directors of the Company. Apart from review of matters as required by the Charter, the Board also discusses various business strategies periodically. This deepens the Directors' understanding and appreciation of Company's business and thrust areas. On the new trends and regulations, the Management also organises presentations by experts.

The Policy of conducting the Familiarisation Programme has been disclosed on the website of the Company at http://marico.com/india/investors/documentation/corporate-governance.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Pursuant to the provisions of section 178 of the Act and Regulation 20 of the SEBI Regulations read with Part D of Schedule II thereto, the Shareholders' Committee of the Board was reconstituted as the Stakeholders' Relationship Committee. This Committee comprises an Independent Director and a Non-Executive Director. The Head

Legal-International Business & Company Secretary acts as the Secretary to this Committee.

The Stakeholders' Relationship Committee met once during the period April 1, 2016 to March 31, 2017 viz: on February 2, 2017. The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Director	Director Category	Nature of Membership	No. of Committee Meetings	
			Held	Attended
Mr. Nikhil Khattau	Independent	Chairman	1	1
Mr. Rajen Mariwala	Non-Executive	Member	1	1

There was no change in the composition of the Stakeholders' Relationship Committee during the year ended March 31, 2017. The terms of reference of the Stakeholders' Relationship Committee include redressal of shareholder complaints relating to transfer of shares, non-receipt of annual report, non-receipt of dividends declared, etc.

Name and Designation of Compliance Officer:

Mr. Surender Sharma, Head, Legal – International Business and Company Secretary

Status Report of Investor Complaints for the year ended March 31, 2017

No. of Complaints Received	-	52
No. of Complaints Resolved	-	52
No. of Complaints Pending	-	0

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of certificates for transfer, sub-division, consolidation, etc. within the prescribed timelines and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the SEBI Regulations. Further, the Compliance Certificate under Regulation 7(3) of the SEBI Regulations, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Transfer Agent is also submitted to the Stock Exchanges on a half yearly basis.

VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In line with the provisions of section 135 of the Act read with Rules made thereunder, the Board constituted CSR Committee comprising Independent Directors, Non-Executive Directors and the Managing Director & CEO of the Company. The Head - Marico Innovation Foundation acts as the Secretary to this Committee.

The CSR Committee met twice during the period April 1, 2016 to March 31, 2017 viz: on April 25, 2016 and October 24, 2016. The composition of the CSR Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Director	Director Category	Nature of Membership	No. of Committee Meetings	
			Held	Attended
Mr. Atul Choksey*	Independent	Chairman	2	2
Mr. Rajeev Bakshi**	Independent	Chairman	2	1
Mr. Harsh Mariwala	Non-Executive	Member	2	2
Mr. Rajen Mariwala	Non-Executive	Member	2	1
Mr. Saugata Gupta	Executive - Managing Director & CEO	Member	2	1

**Resigned as an Independent Director w.e.f. April 1, 2017 and consequently ceased to be the Chairman of the CSR Committee.*

***Member of the CSR Committee elected as the Chairman w.e.f May 2, 2017.*

The CSR Committee is entrusted with the following responsibilities:

1. To formulate and approve revisions to the CSR Policy and recommend the same to the Board for its approval.
2. To recommend the annual CSR expenditure budget to the Board for approval.
3. To approve unbudgeted CSR expenditure involving an annual outlay of ₹ 1 Crore and get such spends ratified by the Board of Directors.
4. To nominate Members of the CSR Team and advise the team for effective implementation of the CSR programs.
5. To establish monitoring mechanisms to track each CSR project and review the same on a half yearly basis or at such intervals as the Committee may deem fit.
6. To undertake wherever appropriate benchmarking exercises with other corporates to reassure itself of the effectiveness of the Company's CSR spends.
    a. CSR Spent – Tracking the Actual spends against the Budgeted spends for the year;
    b. Progress Report highlighting impact of CSR programs undertaken;
    c. Report on feedback obtained, if any, from the beneficiaries on the CSR programmes; and
    d. Outcome of social audit, if any, conducted with regards to the CSR programmes.
7. To review the adequacy of CSR Charter at such intervals as the Committee may deem fit and recommendation, if any, shall be made to the Board to update the same from time to time.
8. To carry out any other function as delegated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for the performance of its duties.
9. To approve the disclosures which would form part of the Annual Report and publish the same on website of the Company.

VII. RISK MANAGEMENT COMMITTEE

In line with the provisions of Regulation 21 of the SEBI Regulations, the Board constituted Risk Management Committee comprising the Chairman of the Board, the Managing Director & CEO and the Chief Financial Officer. The Members of the Leadership Team are Permanent Invitees to this Committee and the Chief Financial Officer acts as the Secretary to the Committee.

The Risk Management Committee met once during the period April 1, 2016 to March 31, 2017 viz: on January 20, 2017. The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Member	Designation	Nature of Membership	No. of Committee Meetings	
			Held	Attended
Mr. Harsh Mariwala	Non-Executive	Chairman	1	1
Mr. Saugata Gupta	Executive -Managing Director & CEO	Member	1	1
Mr. Vivek Karve	Chief Financial Officer	Member	1	1

There was no change in the composition of the Risk Management Committee during the year ended March 31, 2017. The primary responsibility of the Risk Management Committee is to assist the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company. The terms of reference of the Committee, inter-alia, include:

1. Framing and monitoring the risk management plan for the Company:
   - Reviewing the Company's risk management policies from time to time and approve and recommend the same to the Board for its approval.
   - Be aware and concur with the Company's Risk Appetite, including risk levels, if any, set for financial and operational risks.
   - Ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
   - Being apprised of significant risk exposures of the Company and whether Management is responding appropriately to them in a timely manner.
2. Implementation of Risk Management Systems and Framework.
3. Risk Assessment and Mitigation Procedures:
   - Calendar for reviews of existing risks of every function with the objective to refresh the prioritized risks.
   - Review the top prioritized risks of every function at defined periodicity.
   - Refresh at defined intervals the top risks at the group level so that the Board can refresh the risk review calendar.
   - Ensure review of top risks at group level by the Board as per the agreed calendar.

VIII. OTHER COMMITTEES

ADMINISTRATIVE COMMITTEE

The Administrative Committee constituted by the Board has an oversight on operational matters such as banking relations, authorizations / issuance of power of attorney, appointment of nominees under various statutes, etc. The Committee met 12 (Twelve) times during the period April 1, 2016 to March 31, 2017 viz: on April 1, 2016; May 26, 2016; July 14, 2016; August 29, 2016; September 19, 2016; October 24, 2016; November 3, 2016; November 4, 2016; December 1, 2016; January 2, 2017; February 2, 2017 and March 9, 2017.

The Head Legal-International Business & Company Secretary acts as the Secretary to the Committee. The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Member	Designation	No. of Committee Meetings	
		Held	Attended
Mr. Saugata Gupta	Managing Director & CEO	12	6
Mr. Rajen Mariwala	Non - Executive Director	12	8
Mr. Vivek Karve	Chief Financial Officer	12	12
Mr. Pawan Agrawal	Head - Finance, Marico Limited	12	9
Mr. Ravin Mody*	Head – Treasury, IR and M&A	12	12

**ceased to be the Member of the Administrative Committee w.e.f May 2, 2017, consequent to his resignation.*

INVESTMENT & BORROWING COMMITTEE

The Board constituted Investment & Borrowing Committee for approving investment in trade instruments, borrowing / lending monies, extending guarantee/ security with a view to ensure smooth operation and timely action. Such investment, loan, borrowing, guarantees/ security transactions are sanctioned by the Committee within the monetary ceiling limits approved by the Board from time to time.

The Committee is also entrusted with powers relating to certain preliminary matters in connection with any acquisition/ takeover opportunity that the Company may explore. The Head Legal - International Business & Company-Secretary acts as the Secretary to the Committee.

The Committee met 6 (Six) times during the period April 1, 2016 to March 31, 2017; viz: on April 12, 2016; May 31, 2016; July 20, 2016; October 12, 2016; January 2, 2017 and March 9, 2017. The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Director	Director Category	Nature of Membership	No. of Committee Meetings	
			Held	Attended
Mr. Harsh Mariwala	Non-Executive	Chairman	6	5
Mr. Rajen Mariwala	Non-Executive	Member	6	5
Mr. Saugata Gupta	Executive - Managing Director & CEO	Member	6	4

There was no change in the composition of the Investment & Borrowing Committee during the year ended March 31, 2017.

SECURITIES ISSUE COMMITTEE

The Board constituted Securities Issue Committee to approve matters pertaining to issuance of securities, matters incidental thereto and to do all such acts as may be entrusted to it by the Board from time to time. The Head Legal - International Business & Company Secretary acts as the Secretary to the Committee.

The composition of the Securities Issue Committee comprises following Members:

Name of the Director	Director Category
Mr. Harsh Mariwala	Non-Executive
Mr. Nikhil Khattau	Independent
Mr. Rajen Mariwala	Non-Executive
Mr. Saugata Gupta	Executive - Managing Director & CEO

There was no change in the composition of the Securities Issue Committee during the year ended March 31, 2017. There were no meetings of the Committee held during the period April 1, 2016 to March 31, 2017. However, the approval of the Committee on relevant matters was obtained through resolutions passed by circulation.

SHARE TRANSFER COMMITTEE

The Board constituted Share Transfer Committee to approve transfer, transmission, sub-division, consolidation and issuance of duplicate share certificate requests lodged by the shareholders of the Company, if they, are found to be in order. The Head Legal - International Business & Company Secretary acts as the Secretary to the Committee.

The Share Transfer Committee met 7 (Seven) times during the period April 1, 2016 to March 31, 2017; viz: on May 31, 2016; August 8, 2016; August 29, 2016; November 17, 2016; January 11, 2017; January 20, 2017 and February 6, 2017. The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Director	Director Category	Nature of Membership	No. of Committee Meetings	
			Held	Attended
Mr. Harsh Mariwala	Non-Executive	Member	7	7
Mr. Nikhil Khattau	Independent	Member	7	3
Mr. Rajen Mariwala	Non-Executive	Member	7	6
Mr. Saugata Gupta	Executive – Managing Director & CEO	Member	7	5

There was no change in the composition of the Share Transfer Committee during the year ended March 31, 2017.

SUSTAINABILITY COMMITTEE

The Board constituted the Sustainability Committee on January 30, 2016 to steer the sustainability activities of the Company and to ensure sufficient assistance to Mr. Jitendra Mahajan, the Business Responsibility Report ("BRR") Head and Mr. Saugata Gupta, the Director responsible for implementation of BRR.

The Committee met twice during the period April 1, 2016 to March 31, 2017 viz: on April 28, 2016 and February 2, 2017. The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Member	Designation	Nature of Membership	No. of Committee Meetings	
			Held	Attended
Mr. Jitendra Mahajan	Chief Supply Chain Officer	Chairman	2	2
Mr. Vivek Karve	Chief Financial Officer	Member	2	2
Mr. Suresh M. S. Jagirdar	Chief Legal Counsel	Member	2	2
Mr. Ashutosh Telang	Chief Human Resources Officer	Member	2	2

There was no change in the composition of the Sustainability Committee during the year ended March 31, 2017.

IX. GENERAL BODY MEETINGS

(a) & (b): Details of the last three Annual General Meetings :

Year	Venue	Date	Time	Nature of Special Resolutions Passed
2014	Indian Education Society ('IES'), Manik Sabhagriha, Vishwakarma, M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400 050	July 30, 2014	10.00 a.m.	1. Structuring and implementation of Marico MD & CEO Stock Options Plan 2014 ('Marico MD-CEO ESOP 2014'). 2. Increase in the Borrowing powers of the Company. 3. Issue and offer of Non-Convertible Debentures.
2015	National Stock Exchange of India Ltd, Gr. Floor, Dr. R. H. Patil Auditorium, Exchange Plaza, G-Block, Plot No. C1, Bandra Kurla Complex, Bandra (East), Mumbai 400051	August 5, 2015	9.00 a.m.	1. Adoption of new set of Articles of Association incorporating the provisions of the Companies Act, 2013 & Rules made thereunder. 2. Approval of Marico Employee Stock Appreciation Rights Plan, 2011 for the employees of the Company. 3. Approval of Marico Employee Stock Appreciation Rights Plan, 2011 for the employees of the subsidiary company (ies) of the Company. 4. Authority to the Employee Welfare Trust for Secondary Acquisition for implementation of the Marico Employee Stock Appreciation Rights Plan, 2011. 5. Approval for making provision of money by the Company to the Employee Welfare Trust for purchase of the shares of the Company for the implementation of Marico Employee Stock Appreciation Rights Plan, 2011.
2016	National Stock Exchange of India Ltd, Gr. Floor, Dr. R. H. Patil Auditorium, Exchange Plaza, G-Block, Plot No. C1, Bandra Kurla Complex, Bandra (East), Mumbai 400051	August 5, 2016	9.00 a.m.	1. Approval of the Marico Employee Stock Option Plan 2016 and grant of stock options to the eligible employees of the Company under the said plan. 2. Approval of the grant of stock options to the eligible employees of the Company's subsidiaries under the Marico Employee Stock Option Plan 2016.

(c) Resolutions passed through postal ballot and details of the voting pattern:

During the year under review, no resolution was passed through postal ballot and there is no proposal to pass any special resolution by postal ballot.

DISCLOSURES

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

The Company has a well-defined vigil mechanism embedded in the Unified Code of Conduct and it is fully implemented by the Management.

No personnel have been denied access to the Audit Committee.

Compliance with mandatory and non-mandatory requirements of the SEBI Regulations

The Company has complied with mandatory requirement of the SEBI Regulations requiring it to obtain a certificate from either the Auditor or Practising Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in this clause and annex the certificate to the Board's Report, which is sent annually to all the shareholders of the Company. We have obtained a certificate to this effect from the statutory auditors and the same is given as an annexure to the Board's Report.

The clause further states that the non-mandatory requirements adopted by the Company be specifically highlighted in the Annual Report. Accordingly, Company has complied with the following non-mandatory requirements:

- The office of Chairman and Managing Director & CEO is held by distinct individuals.
- The Internal Auditor of the Company directly report to the Audit Committee of the Board of Directors.

VIGIL MECHANISM

The vigil mechanism has been explained in detail in the Board's Report.

X. MATERIAL RELATED PARTY TRANSACTIONS

There were no material related party transactions entered into by the Company during the financial year 2016-17.

XI. WEBLINK

A. Web link of Policy for determining 'material' subsidiaries and;

B. Web link of Policy on dealing with related party transactions is: http://marico.com/india/investors/documentation/corporate-governance

XII. MEANS OF COMMUNICATION

Quarterly and Annual Financial results for Marico Limited and consolidated financial results for the Marico Group are published in an English financial daily (Free Press Journal) and a vernacular newspaper (Navshakti). The Company also sends the same through email updates to the shareholders who have registered their email address with the Company or Depository Participant(s).

All official news releases and financial results are communicated by the Company through its corporate website - www.marico.com. Presentations made to Institutional Investors/ Analysts at Investor Meets organized by the Company are also hosted on the website for wider dissemination.

The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites.

The Management Discussion and Analysis Report forms part of the Annual Report.

XIII. GENERAL SHAREHOLDER INFORMATION

INFORMATION REQUIRED UNDER REGULATION 36(3) OF THE SEBI REGULATIONS AND SECRETARIAL STANDARD 2 WITH RESPECT TO DIRECTOR'S RE-APPOINTMENT AND APPOINTMENT:

Mr. Harsh Mariwala	
Director Identification Number	00210342
Date of first appointment to the Board	October 13, 1988
Age	66 years
Qualification	Graduate in Commerce from Mumbai University
Brief Profile	Mr. Harsh Mariwala leads Marico Limited as its Chairman. He is also Chairman & Managing Director of Kaya Limited. Over the past three decades, Mr. Mariwala has transformed traditional commodities driven business into a leading consumer products and services company in the Beauty and Wellness space. Mr. Mariwala's entrepreneurial drive and passion for innovation, enthused him to establish the Marico Innovation Foundation in 2003. The Foundation acts as a catalyst to fuel innovation in India. Mr Mariwala started ascent in 2012, a not-for-profit expression of his passion to create a unique trust based peer-to-peer platform for high potential growth-stage entrepreneurs that leverages the "power of the collective" and enables them to share and exchange experiences, ideas, insights and create a healthy ecosystem to learn from each other and grow their enterprise.
Directorship Details*	• Marico Consumer Care Limited • Kaya Limited • Eternis Fine Chemicals Limited • L & T Finance Holdings Limited • Aster DM Healthcare Limited • Thermax Limited
Membership/Chairmanship of Committees of other Boards*	Stakeholders' Relationship Committee • L & T Finance Holdings Limited - Member
Shareholding in the Company	201,00,400 Equity Shares of Re. 1/- each

(*) Excludes directorship in private limited companies, foreign companies and Section 8 companies.

(**) Only two committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the SEBI Regulations.

Mr. Rishabh Mariwala	
Director Identification Number	03072284
Date of first appointment to the Board	May 2,2017
Age	35 years
Qualification	Graduate from Zarb School of Business, Hofstra University, New York, USA.
Brief Profile	Mr. Rishabh Mariwala is a second generation family business entrepreneur. His engagement at Kaya Skin Care (chain of Dermatology Clinics across India) from 2008 – 2011 gave him an opportunity to gain holistic organizational experience. In 2010, he launched a new business line "Soap Opera" catering to the masstige and luxury consumer segment. His passion for innovative product formulations and the deep consumer insight was instrumental in introducing the luxury range of skincare products called "PureSense" in 2016. Mr. Rishabh Mariwala founded Sharrp Ventures and presently heads the same. Sharrp Ventures is engaged in public markets, private equity and start-ups. This experience has provided him great insight into India's vibrant start-up space and immense learning about global best practices.
Directorship Details*	Arctic Investment & Trading Company Private Limited (Subsidiary of Eternis Fine Chemicals Limited)
Membership/Chairmanship of Committees of other Boards**	Nil
Shareholding in the Company	249,76,500 Equity Shares of Re. 1/- each

(*) Excludes directorship in private limited companies, foreign companies and Section 8 companies.

(**) Only two committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the SEBI Regulations.

Mr. Ananth Narayanan	
Date of first appointment to the Board	June 26, 2017
Age	40 years
Qualification	Bachelor's degree in Engineering from University of Madras and a Masters from the University of Michigan, in Industrial Engineering and Operations Research.
Brief Profile	Mr. Ananth Narayanan is the Chief Executive Officer at Myntra and Jabong, The country's largest online platforms for fashion and lifestyle products. Under his leadership, Myntra has made multiple strategic acquisitions including Jabong from Global Fashion Group; making it India's biggest fashion shopping destination. Featured as one of "India's Hottest 40 under 40 Business Leaders" in 2014, Mr. Ananth Narayanan has deep expertise in driving performance improvement and product development. He started his career with Mckinsey & Company where he worked for 15 years across four offices (Chicago, Shanghai, Taipei and Chennai). In his most recent role as Director in the company, he was responsible for leading the Product Development practice in Asia and worked with several companies on strategy, operations and organizational models. He is also on the Industry Advisory Board of University of Michigan's Tauber Institute.
Directorship Details*	Nil
Membership/Chairmanship of Committees of other Boards**	Nil
Shareholding in the Company	Nil

(*) Excludes directorship in private limited companies, foreign companies and Section 8 companies.

(**) Only two committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the SEBI Regulations.

Annual General Meeting

Date	:	Tuesday, August 1, 2017
Time	:	4.30 p.m.
Venue	:	Indian Education Society ('IES'), Manik Sabhagriha, Vishwakarma, M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400 050
Book Closure dates	:	Friday, July 28, 2017 to Tuesday, August 1, 2017, both days inclusive
Interim Dividends Payment Date	:	December 2, 2016 (1st Interim Dividend) and March 3, 2017 (2nd Interim Dividend)

Financial calendar

Financial Year	:	April 1 - March 31

For the year ended March 31, 2017, results were announced on

• First quarter	:	August 5, 2016
• Half year	:	October 28, 2016
• Third quarter	:	February 2, 2017
• Annual	:	May 2, 2017

Tentative Schedule for declaration of financial results during the financial year 2017-18

• First quarter	:	August 1, 2017
• Half year	:	October 30, 2017
• Third quarter	:	February 2, 2018
• Annual	:	May 4, 2018

Listing Details

Name of Stock Exchange		Stock/ Scrip Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	:	531642
The National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex, Mumbai 400 051	:	MARICO
ISIN	:	INE 196A01026
Company Identification Number (CIN)	:	L15140MH1988PLC049208

The Company hereby confirms that it has made the payment of Annual Listing Fees for the FY 2017-2018 to BSE Limited and The National Stock Exchange of India Limited.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") stipulates transfer of dividend that has remained unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules also stipulate transfer of shares in respect whereof the dividend has not been paid or claimed for a period of seven consecutive years or more to the demat account of the IEPF Authority.

In view of the above, dividend for the following years will be transferred to IEPF on respective dates. Further, if the dividend remains unclaimed for seven consecutive years, the corresponding shares will also be transferred to the demat account of the IEPF Authority.

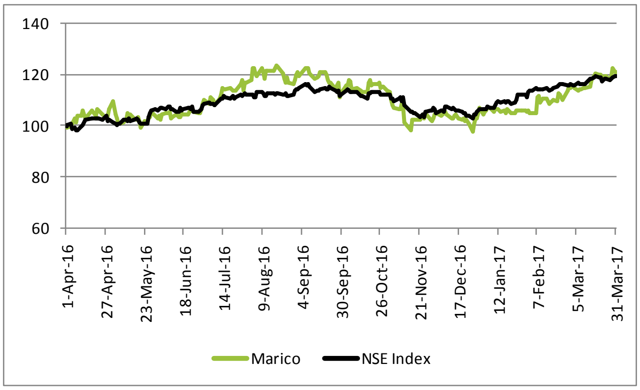
Financial Year	Type of Dividend	Rate (%)	Date of Declaration	Due Date for transfer to IEPF	Amount unclaimed as on March 31, 2017
2010-11	1st Interim Dividend	30	26/10/2010	01/12/2017	71,255
	2nd Interim Dividend	36	02/05/2011	07/06/2018	72,274
2011-12	1st Interim Dividend	30	04/11/2011	10/12/2018	97,574
	2nd Interim Dividend	40	03/05/2012	08/06/2019	89,587
2012-13	1st Interim Dividend	50	02/11/2012	07/12/2019	1,31,274
	2nd Interim Dividend	50	30/04/2013	05/06/2020	1,51,819
2013-14	1st Interim Dividend	75	29/10/2013	04/12/2020	1,70,470
	2nd Interim Dividend	100	31/01/2014	08/03/2021	2,11,740
	3rd Interim Dividend	175	25/03/2014	30/04/2021	2,84,455
2014-15	1st Interim Dividend	100	07/11/2014	13/12/2021	2,48,575
	2nd Interim Dividend	150	03/02/2015	11/03/2022	2,44,371
2015-16	1st Interim Dividend	175	04/11/2015	10/12/2022	3,02,220
	2nd Interim Dividend	150	30/01/2016	08/03/2023	2,03,722
	3rd Interim Dividend	100	10/03/2016	17/04/2023	2,94,051
2016-17	1st Interim Dividend	150	04/11/2016	10/12/2023	2,54,473
	2nd Interim Dividend	200	02/02/2017	11/03/2023	4,09,112

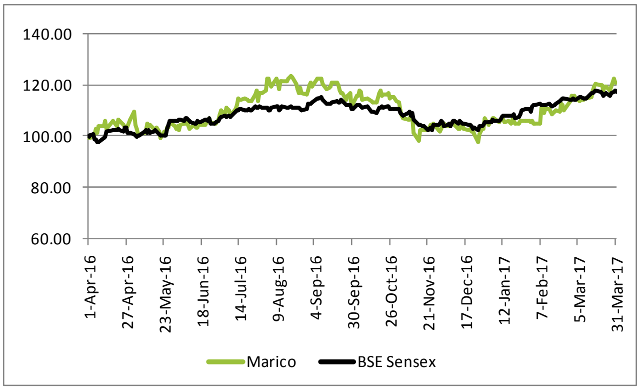
Reminder letters are periodically sent by the Company to concerned shareholders advising them to encash their dividend warrant or lodge their claims with respect to unclaimed dividends. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

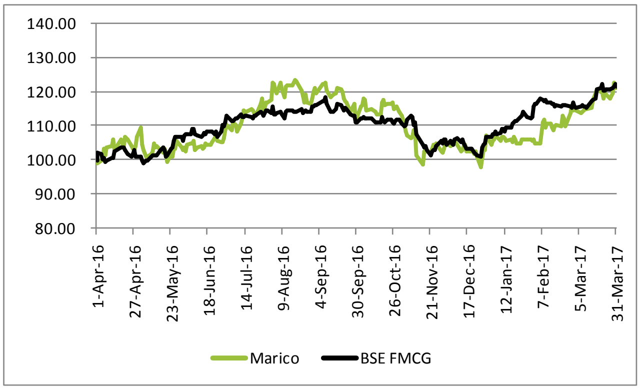
Market Price Data

Month	Bombay Stock Exchange Limited (BSE) (In ₹)		National Stock Exchange (NSE) (In ₹)	
	High	Low	High	Low
Apr-16	263.4	263.4	263.5	240
May-16	269.9	240.2	269.25	240.05
Jun-16	266.1	247.5	266.5	247.25
Jul-16	290	261	289.35	262.5
Aug-16	306.9	279.3	306.9	278.75
Sep-16	302.65	270	302.75	269.2
Oct-16	292	272	289.9	272.6
Nov-16	279	234.55	278.15	234.8
Dec-16	261.45	238.55	261.6	238.05
Jan-17	264.95	252.35	264.5	252.65
Feb-17	282	253	282.8	252.55
Mar-17	300	276	299.95	276.25

PERFORMANCE IN COMPARISON: BSE SENSEX, S & P CNX NIFTY AND BSE FMCG







Share Transfer System	:	Transfers in physical form are registered by the Registrar and Share Transfer Agents immediately on receipt of completed documents and certificates are issued within 15 days of date of lodgement of transfer. Invalid share transfers are returned within 15 days of receipt. The Share Transfer Committee generally meets as may be warranted by the number of share transaction requests received by the Company. All requests for dematerialisation of shares are processed and the confirmation is given to respective Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited, generally within 21 days.
Registrar & Transfer Agents	:	Link Intime India Pvt Limited (Unit: Marico Ltd.) C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083

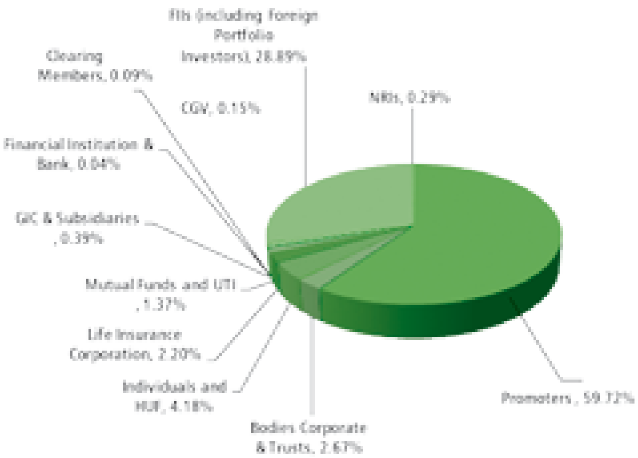
Distribution of Shareholding as on March 31, 2017:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	52,625	83.66	58,25,345	0.45
501-1000	4,165	6.62	33,41,691	0.26
1001 -2000	2,272	3.61	37,21,643	0.29
2001-3000	670	1.07	17,31,163	0.13
3001-4000	650	1.03	24,67,936	0.19
4001- 5000	247	0.39	11,58,326	0.09
5001-10000	998	1.59	75,98,220	0.59
10001 & above	1,282	2.04	126,46,26,874	98.00
Total	**62,906**	**100**	**129,04,71,198**	**100**

Categories of Shareholding as on March 31, 2017

Category	No. of Shares held	Percentage of Shareholding
Promoters	7706,97,240	59.72
FIIs (including Foreign Portfolio Investors)	3727,88,857	28.89
Individuals & HUF	540,00,637	4.18
Bodies Corporate & Trusts	345,18,512	2.67
Life Insurance Corporation	283,74,596	2.20
Mutual Funds and UTI	177,21,561	1.37
GIC & Subsidiaries	50,59,964	0.39
Non Resident Indians	37,00,761	0.29
Central Government	19,29,720	0.15
Financial Institution & Banks	4,97,116	0.04
Clearing Members	11,82,234	0.09
Total	**129,04,71,198**	**100.00**

Shareholding as on March 31, 2017



Dematerialization of Shares and Liquidity	:	As on March 31, 2017, 99.88% of shareholding was held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. In terms of the notification issued by SEBI, trading in the equity shares of the Company is permitted only in dematerialised form with effect from May 31, 1999.
Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity	:	The Company has not issued any GDR / ADR / Warrants or any convertible instruments.
Commodity price risk or foreign exchange risk and hedging activities	:	Please refer to Management Discussion and Analysis Report for the same.
Plant Locations	:	Kanjikode, Perundurai, Pondicherry, Jalgaon, Baddi, Paladhi, Paonta Sahib, Dehradun and Guwahati.

Shareholders / Investors Complaint's received and redressed :

The Company gives utmost priority to the interests of the investors. All the requests / complaints of the shareholders have been resolved to the satisfaction of the shareholders within the statutory time limits. During the financial year ended March 31, 2017, **52** complaints were received from the shareholders as per the details given below.

Nature of Complaint	Received	Resolved
Non-Receipt of Dividend	32	32
Non-Receipt of Shares Certificates	4	4
Others (e.g. non-receipt of Annual Report etc.)	16	16
Total	**52**	**52**

Address for correspondence :

Shareholding related queries

Company's Registrar & Transfer Agent:
Link Intime India Pvt Limited
Unit: Marico Limited

C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083
Tel.: +91-022 –49186270
Fax: +91-022 - 49186060

E-mail: rnt.helpdesk@linkintime.co.in

General Correspondence

Grande Palladium, 9th Floor, 175, CST Road, Kalina, Santa Cruz (East), Mumbai 400 098

Tel.: +91-022 – 66480480,
Fax: +91-022 – 26500159

E-mail: investor@marico.com

Chief Executive Officer (CEO) Declaration

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel. This Code of Conduct is available on the Company's website.

I hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company.

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Saugata Gupta
Managing Director & CEO

Place : Mumbai
Date : May 2, 2017

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2017 and to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent or illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

   (i) significant changes in internal control during the year;

   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial results; and

   (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

This certificate is being given to the Board pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thank you.

Yours truly,

For **Marico Limited**

Saugata Gupta
Managing Director & CEO

Place : Mumbai
Date : May 2, 2017

For **Marico Limited**

Vivek Karve
Chief Financial Officer

Place : Mumbai
Date : May 2, 2017

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Marico Limited

We have examined the compliance of conditions of Corporate Governance by Marico Limited, for the year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 46061

Place : Mumbai
Date : May 2, 2017

FORM AOC - 1

Statement containing salient features of the financials statements of subsidiaries

Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014

Part "A" : Subsidiaries

(All figures except exchange rate are in ₹ Crore)

Sr. No.	Name of the subsidiary	Reporting Currency	Exchange Rate	Date of acquiring subsidiary	Start date of the Reporting Period	End date of the Reporting Period	Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (Excluding Investment in Subsidiaries)	Turnover	Profit /(Loss) Before Tax	Provision for Tax	Profit / (Loss) After Tax	Proposed Dividend including Dividend declared during the year	% of Share holding
1	Marico Bangladesh Limited	BDT	0.814	6th September, 1999	1st April, 2016	31st March, 2017	31.50	126.51	375.21	217.20	129.81	691.61	192.70	48.68	144.02	157.50	90
		Rs.					25.64	102.98	305.42	176.80	105.66	562.97	156.86	39.62	117.23	128.21	
2	MBL Industries Limited	BDT	0.814	2nd August, 2003	1st October, 2015	31st March, 2017	0.10	0.41	0.84	0.33	0.00	0.00	0.35	0.12	0.23	0.00	100
		Rs.					0.08	0.34	0.69	0.27	0.00	0.00	0.29	0.10	0.19	0.00	
3	Marico Consumer Care Limited	Rs.	1.000	20th April, 2012	1st April, 2016	31st March, 2017	20.66	11.49	32.86	0.71	31.37	7.80	6.80	2.45	4.35	0.00	100
		Rs.					20.66	11.49	32.86	0.71	31.37	7.80	6.80	2.45	4.35	0.00	
4	Marico Middle East FZE	AED	17.656	8th November, 2005	1st April, 2016	31st March, 2017	2.20	-11.89	3.13	12.82	0.00	10.76	-0.86	0.00	-0.86	0.00	100
		Rs.					38.84	-209.88	55.28	226.32	0.00	190.00	-15.25	0.00	-15.25	0.00	
5	MEL Consumer Care SAE	EGP	3.593	1st October, 2006	1st April, 2016	31st March, 2017	0.03	-1.78	8.70	10.46	0.00	0.00	-0.30	0.00	-0.30	0.00	100
		Rs.					0.09	-6.41	31.27	37.59	0.00	0.00	-1.08	0.00	-1.08	0.00	
6	Egyptian American Company for Investment and Industrial Development SAE	EGP	3.593	19th December, 2006	1st January,2016	31st December, 2016	0.69	-1.66	0.14	1.10	0.00	0.00	0.20	0.00	0.20	0.00	100
		Rs.					2.48	-5.95	0.49	3.96	0.00	0.00	0.72	0.00	0.72	0.00	
7	Marico South Africa Consumer Care (Pty) Limited	ZAR	4.835	17th October, 2007	1st April, 2016	31st March, 2017	6.01	4.03	10.04	0.00	0.00	0.00	0.04	-0.01	0.03	0.00	100
		Rs.					29.04	19.47	48.52	0.01	0.00	0.00	0.20	-0.06	0.15	0.00	
8	Marico South Africa (Pty) Limited	ZAR	4.835	1st November, 2007	1st April, 2016	31st March, 2017	5.48	2.51	11.28	3.29	0.00	21.10	0.63	-0.19	0.45	0.00	100
		Rs.					26.52	12.14	54.55	15.88	0.00	102.00	3.05	-0.90	2.16	0.00	
9	Marico Egypt for industries SAE	EGP	3.593	1st January, 2008	1st January, 2016	31st December, 2016	1.23	10.85	15.61	3.53	0.72	11.24	-0.32	0.03	-0.29	0.00	100
		Rs.					4.41	39.00	56.10	12.68	2.60	40.39	-1.15	0.10	-1.05	0.00	
10	Marico Malaysia Sdn.Bhd	MYR	14.654	4th December, 2009	1st April, 2016	31st March, 2017	1.77	-1.75	0.01	0.00	0.00	0.00	-0.00	0.00	-0.00	0.00	100
		Rs.					25.88	-25.68	0.21	0.01	0.00	0.02	-0.01	0.00	-0.01	0.00	
11	Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	VND	0.00285	18th February, 2011	1st April, 2016	31st March, 2017	9,535.90	-595.53	44,654.08	35,713.72	10,619.89	132,352.60	5,327.55	-934.90	4,392.66	0.00	100
		Rs.					27.18	-1.70	127.26	101.78	30.27	377.20	15.18	-2.66	12.52	0.00	
12	Marico Innovation Foundation	Rs.	1.000	15th March, 2013	1st April, 2016	31st March, 2017	0.00	-0.15	0.00	0.15	0.00	0.46	0.00	0.00	0.00	0.00	100
		Rs.					0.00	-0.15	0.00	0.15	0.00	0.46	0.00	0.00	0.00	0.00	

Notes:

1) % of Shareholding includes direct and indirect holding through subsidiary.

2) The amounts given in the table above are from the annual accounts made for the respective financial year end for each of the Companies.

3) The Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates as on 31st March, 2017

4) There are no subsidiaries which are yet to commence operations. Halite Personal Care Private Limited , a step down subsidiary of the Company which has not been included in the above statement is under members voluntary liquidation and has concluded final distribution of its assets.

5) Thuan Phat Foodstuff Joint stock Company, a wholly owned subsidiary of Marico South East Asia Corporation (MSEA) got merged into its Holding Company i.e. MSEA w.e.f 1st December, 2016.

6) Marico Innovation Foundation, a company incorporated under Section 25 of the Companies Act, 1956 (being a private company limited by guarantee not having share capital) primarily with an objective of fuelling and promoting innovation in India, is a wholly owned subsidiary of the Company with effect from March 15, 2013. Based on the Control assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.

Part 'B' : Associates & Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

(₹ in Crore)

Name of Joint Venture	Bellezimo Professionale Products Pvt. Ltd.	Zed Lifestyle Pvt. Ltd.
1. Latest audited Balance Sheet	March 31, 2017	March 31, 2017
2. Shares of Joint Venture held by the Company on the year end		
- Number	0.16	0.00
- Amount of Investment In Associates/Joint Venture	1.62	16.30
- Extend of Holding	45%	35.43%
3. Description of how there is significant influence	Shareholder's agreement	Shareholder's agreement
4. Reason why the joint venture is not consolidated	Not Applicable	Not Applicable
5. Networth attributable to shareholding as per latest audited Balance Sheet	(0.51)	0.93
6. Profit/Loss for the year		
i. Considered in consolidation	(1.00)	0.00
ii. Not Considered in consolidation	(1.22)	0.17

Note:- Refer note 31(b) of the consolidated financial statements for information on joint venture.

1. Names of Associates or joint ventures which are yet to commence operations. - Nil
2. Names of Associates or joint ventures which have been liquidated or sold during the year. - Nil

For and On behalf of Board of Directors

HARSH MARIWALA Chairman
[DIN 00210342]

SAUGATA GUPTA Managing Director and CEO
[DIN 05251806]

VIVEK KARVE Chief Financial Officer

SURENDER SHARMA
[Membership No.A13435] Company Secretary

Place : Mumbai
Date : May 2, 2017

FINANCIAL
Statements

CONSOLIDATED AUDITORS' REPORT

Independent Auditors' Report

To the Members of Marico Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Marico Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures; (Refer Note 31 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at 31st March, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its joint ventures in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, other than the unaudited Ind AS financial statements as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its joint ventures as at 31st March, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

8. We did not audit the financial statements of six subsidiaries and one firm whose financial statements reflect total assets of Rs. 540.06 Crore and net assets of Rs. 98.35 Crore as at 31st March, 2017, total revenue of Rs. 1,273.50 Crore, net profit Rs. 110.69 Crore and net cash outflows amounting to Rs.37.46 Crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs.1.01 Crore for the year ended 31st March, 2017 as considered in the consolidated Ind AS financial statements, in respect of two joint venture companies whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

   Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

9. The comparative financial information of the Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2016 and 31st March, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 29th April, 2016 and 30th April, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

   Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

    (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiary included in the Group and joint ventures incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary included in the Group and joint ventures incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and joint ventures incorporated in India, none of the directors of the Group companies and its joint ventures incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary company and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at 31st March, 2017 on the consolidated financial position of the Group and its joint ventures– Refer Note 33 to the consolidated Ind AS financial statements.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at 31st March, 2017, in respect of such items as it relates to the Group and its joint ventures.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company and joint ventures incorporated in India during the year ended 31st March, 2017.

iv. In the consolidated financial statements, holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 by the Holding Company and it's subsidiary company and joint ventures incorporated in India has been requisitely disclosed, on the basis of information available with the Company. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiary company and its joint ventures incorporated in India and as produced to us by the Management and the reports of the other auditors – Refer Note [6(e)]

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 46061

Place: Mumbai
Date: May 2, 2017

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 11(F) of the Independent Auditors' Report of even date to the members of Marico Limited on the Consolidated Financial Statements for the year ended 31st March, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of Marico Limited (hereinafter referred to as "the Holding Company") and its subsidiary company and its jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary company, and its jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on ,internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary company and its joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company and two joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 46061

Place: Mumbai
Date: May 2, 2017

CONSOLIDATED BALANCE SHEET

as at 31st March, 2017

(₹ in Crore)

Particulars	Note	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	547.19	524.34	556.67
Capital work-in-progress	3	11.16	36.73	3.04
Investment properties	4	29.98	30.67	17.99
Goodwill	5	479.45	497.36	489.15
Other intangible assets	5	28.08	28.73	30.10
Investment accounted for using equity method		16.30	0.82	-
Financial assets				
(i) Investments	6(a)	58.41	42.58	34.91
(ii) Loans	6(c)	3.73	3.75	3.49
(iii) Other financial assets	6(f)	15.71	13.75	15.09
Deferred tax assets (Net)	7	9.54	64.93	136.93
Other non-current assets	8	18.22	30.57	24.83
Total non-current assets		**1,217.77**	**1,274.23**	**1,312.20**
Current assets				
Inventories	9	1,253.44	925.56	994.72
Financial assets				
(i) Investments	6(a)	533.50	469.79	300.61
(ii) Trade receivables	6(b)	246.99	252.09	176.75
(iii) Cash and cash equivalents	6(d)	33.97	93.16	79.06
(iv) Bank balances other than (iii) above	6(e)	193.31	223.98	132.05
(v) Loans	6(c)	6.12	5.00	5.01
(vi) Other financial assets	6(f)	3.17	7.07	1.54
Current tax assets	17	0.92	1.98	0.12
Other current assets	10	97.88	115.86	95.73
		2,369.30	**2,094.49**	**1,785.59**
Assets classified as held for sale	11	12.45	12.45	28.71
Total current assets (Net)		**2,381.75**	**2,106.94**	**1,814.30**
Total assets		**3,599.52**	**3,381.17**	**3,126.50**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12(a)	129.05	129.02	64.50
Other equity				
Reserves and Surplus	12(b)	2,232.99	1,907.64	1,784.66
Other reserves	12(c)	(36.36)	(19.29)	(48.70)
Equity attributable to owners		**2,325.68**	**2,017.37**	**1,800.46**
Non-controlling interests	12(c)	13.34	14.31	13.65
Total equity		**2,339.02**	**2,031.68**	**1,814.11**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	13(a)	-	-	168.40
Employee benefit obligations	15	15.86	12.81	13.60
Deferred tax liabilities (Net)	16	22.03	22.84	16.28
Total non-current liabilities		**37.89**	**35.65**	**198.28**
Current liabilities				
Financial liabilities				
(i) Borrowings	13(a)	238.80	152.79	165.44
(ii) Trade payables	13(c)	696.60	669.04	564.42
(iii) Other financial liabilities	13(b)	26.64	209.07	122.44
Provisions	14	56.41	50.64	42.25
Employee benefit obligations	15	52.03	54.25	53.97
Current tax liabilities (Net)	17	32.57	38.07	39.02
Other current liabilities	18	119.56	139.98	126.57
Total current liabilities		**1,222.61**	**1,313.84**	**1,114.11**
Total liabilities		**1,260.50**	**1,349.49**	**1,312.39**
Total equity and liabilities		**3,599.52**	**3,381.17**	**3,126.50**
Significant accounting policies	1			
Critical estimates and judgements	2			

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place: Mumbai
Date: May 2, 2017

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

SURENDER SHARMA
Company Secretary
[Membership No. A13435]

Place: Mumbai
Date: May 2, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2017

(₹ in Crore)

Particulars	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from operations	19	5,935.92	6,024.45
Other income	20	97.31	93.33
Total Income		**6,033.23**	**6,117.78**
Expenses			
Cost of materials consumed	21(a)	2,765.23	2,855.56
Purchases of stock-in-trade		122.39	154.89
Changes in inventories of finished goods, stock-in-trade and work-in progress	21(b)	(56.67)	60.10
Excise duty		18.13	7.13
Employee benefit expenses	22	404.18	373.40
Depreciation and amortization expense	23	90.30	94.86
Other expenses	24	1,523.39	1,521.99
Finance costs	25	16.58	20.62
Total expenses		**4,883.53**	**5,088.55**
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		1,149.70	1,029.23
Share of net profit/(loss) of joint ventures accounted for using the equity method	31	(1.00)	(0.53)
Profit before exceptional items and tax		**1,148.70**	**1,028.70**
Exceptional items		-	-
Profit before tax from continuing operations		**1,148.70**	**1,028.70**
Income tax expense			
Current tax	26	292.21	250.30
Deferred tax	26	45.52	55.07
Total tax expense		**337.73**	**305.37**
Profit for the year (A)		**810.97**	**723.33**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15	(1.37)	(4.25)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		0.41	1.30
Total		**(0.96)**	**(2.95)**
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(33.77)	(4.05)
Change in fair value of hedging instruments		25.52	51.18
Income tax relating to items that may be reclassified to profit or loss			
Change in fair value of hedging instruments		(8.83)	(17.72)
Total		**(17.08)**	**29.41**
Other comprehensive income for the year (B)		**(18.04)**	**26.46**
Total comprehensive income for the year (A+B)		**792.93**	**749.79**
Net Profit is attributable to:			
Owners		798.59	711.48
Non-controlling interests		12.38	11.85
		810.97	**723.33**
Other comprehensive income attributable to:			
Owners		(18.03)	26.47
Non-controlling interests		(0.01)	(0.01)
		(18.04)	**26.46**
Total comprehensive income attributable to:			
Owners		780.56	737.95
Non-controlling interests		12.37	11.84
		792.93	**749.79**
Earnings per equity share for profit attributable to owners:	36		
Basic earnings per share		6.21	5.53
Diluted earnings per share		6.20	5.53
Significant accounting policies	1		
Critical estimates and judgements	2		

The above consolidated statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place: Mumbai
Date: May 2, 2017

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

SURENDER SHARMA
Company Secretary
[Membership No. A13435]

Place: Mumbai
Date: May 2, 2017

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

A. Equity Share Capital

(₹ in Crore)

	Note	
As at 1st April, 2015		64.50
Changes in equity share capital	12 (a)	64.52
As at 31st March, 2016		**129.02**
Changes in equity share capital	12 (a)	0.03
As at 31st March, 2017		**129.05**

B. Other Equity

	Note	Attributable to owners										Non-controlling interests	Total equity
		Reserves and surplus							Other reserves		Total other Equity		
		Securities premium reserves	Retained earnings	General reserve	Share based option outstanding account	Treasury shares	Capital reduction*	Weoma reserve	Hedge reserve	Foreign currency translation reserve			
Balance as at 1st April, 2015		407.97	1,759.87	363.21	2.96	(28.29)	(723.72)	2.66	(48.70)	-	1,735.96	13.65	1,749.61
Profit for the year			711.48								711.48	11.85	723.33
Other comprehensive income for the year			(2.95)						33.46	(4.05)	26.47	(0.01)	26.46
Total Comprehensive income for the year		**-**	**708.53**	**-**	**-**	**-**	**-**	**-**	**33.46**	**(4.05)**	**737.95**	**11.84**	**749.79**
Issue of equity share, net of transaction cost	12(b)	0.49									0.49		0.49
Purchase/sale of treasury shares by the Trust during the year (net)	12(b)					(40.08)					(40.08)		(40.08)
Income of the trust for the year	12(b)							17.52			17.52		17.52
Employee stock option expense	12(b)				3.46						3.46		3.46
Gain/ (loss) transferred to Income Statement	12(c)								67.02		67.02		67.02
Deferred Hedging Gain/ (loss) on hedging instruments	12(c)								(49.89)		(49.89)	0.70	(49.19)
Deferred tax on hedge reserve	12(c)								(17.13)		(17.13)		(17.13)
Transactions with owners in their capacity as owners:													-
Issue of bonus shares	12(b)			(64.51)							(64.51)		(64.51)
Dividends (including dividend distribution tax of Rs. 67 Crore)	12(b)		(502.43)								(502.43)	(11.88)	(514.31)
Balance as at 31st March, 2016	**-**	**408.46**	**1,965.97**	**298.70**	**6.42**	**(68.37)**	**(723.72)**	**20.18**	**(15.24)**	**(4.05)**	**1,888.35**	**14.31**	**1,902.66**
Balance as at 1st April, 2016		408.46	1,965.97	298.70	6.42	(68.37)	(723.72)	20.18	(15.24)	(4.05)	1,888.35	14.31	1,902.66
Profit for the year			798.59								798.59	12.38	810.97
Other comprehensive Income for the year			(0.96)						16.69	(33.77)	(18.03)	(0.01)	(18.04)
Total comprehensive income for the year	**-**	**-**	**797.63**	**-**	**-**	**-**	**-**	**-**	**16.69**	**(33.77)**	**780.56**	**12.37**	**792.93**
Issue of equity share, net of transaction cost	12(b)	2.82			(2.82)						-		-
Purchase/sale of treasury shares by the Trust during the year (net)	12(b)					7.68					7.68		7.68
Income of the trust for the year	12(b)							24.64			24.64		24.64
Gain/ (loss) transferred to Income Statement	12(c)								35.20		35.20		35.20
Deferred Hedging Gain/ (loss) on hedging instruments	12(c)								(26.36)		(26.36)	0.11	(26.25)
Deferred tax on hedge reserve	12(c)								(8.83)		(8.83)		(8.83)
Employee stock option expense	12(b)	-			4.02						4.02		4.02
Transactions with owners in their capacity as owners:													
Dividends (including dividend distribution tax of Rs. 57.03 Crore)	12(b)		(508.62)								(508.62)	(13.45)	(522.07)
Balance as at 31st March, 2017	**-**	**411.28**	**2,254.98**	**298.70**	**7.62**	**(60.69)**	**(723.72)**	**44.82**	**1.46**	**(37.82)**	**2,196.63**	**13.34**	**2,209.97**

* Adjustment pursuant to the scheme of Capital Reduction of MCCL (Refer note 12(c))

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place: Mumbai
Date: May 2, 2017

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

SURENDER SHARMA
Company Secretary
[Membership No.A13435]

Place: Mumbai
Date: May 2, 2017

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2017

(₹ in Crore)

	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
A	CASH FLOW FROM OPERATING ACTIVITIES		
	PROFIT BEFORE INCOME TAX	1,148.70	1,028.70
	Adjustments for:		
	Depreciation, amortisation and impairment	90.30	94.86
	Share of net profit/(loss) of joint ventures accounted for using the equity method	1.00	0.53
	Finance costs	16.58	20.62
	Interest income from financial assets at amortised cost	(36.32)	(32.36)
	Net Gain on disposal of property, plant and equipment	(2.77)	(9.54)
	Gain on sale of investments	(30.46)	(2.06)
	Gain on fair value of financial assets and investment	(18.56)	(1.39)
	Profit on divestment of business	-	(9.62)
	Dividend income from investment mandatorily measured at fair value through Profit and Loss	-	(25.59)
	Employees stock option charge	4.02	3.46
	Stock appreciation rights expense charge/ (reversal)	13.89	15.74
	Provision for impaiment of investment	0.09	-
	Provision for doubtful debts, advances, deposits and others	-	1.39
		37.77	**56.04**
	Operating Profit before working capital changes	**1,186.47**	**1,084.74**
	Change in operating assets and liabilities:		
	(Increase)/ Decrease in inventories	(327.88)	66.38
	(Increase)/ Decrease in trade receivables	5.10	(76.10)
	(Increase)/ Decrease in other financials assets	1.67	(4.19)
	(Increase)/ Decrease in other non-current assets	(0.22)	(5.75)
	(Increase)/ Decrease in other current assets	17.98	(20.13)
	(Increase)/ Decrease in loans and advances and other bank balances	29.14	(98.71)
	Increase in trade payables	27.56	105.65
	Increase/ (Decrease) in provisions	5.77	8.60
	Increase in employee benefit obligations	(14.03)	(16.24)
	Increase/ (Decrease) in other current liabilities	(20.43)	14.31
	Increase/ (Decrease) in other financial liabilities	(3.15)	6.46
	Changes in Working Capital	**(278.49)**	**(19.72)**
	Cash Generated from Operations	**907.98**	**1,065.03**
	Income taxes paid (net of refunds)	(296.41)	(247.40)
	NET CASH INFLOW GENERATED FROM OPERATING ACTIVITIES	**611.57**	**817.62**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment for property, plant and equipment	(87.09)	(100.74)
	Proceeds from sale of property, plant and equipment	5.61	14.33
	Effects of translation of differences on fixed assets	10.57	0.77
	(Purchase) / Sale of investments (net)	1.49	(118.01)
	Effect of translation differences on Goodwill on consolidation	17.91	(8.81)
	Consideration received on sale of BCS	-	14.38
	Investment in joint venture	(16.57)	(1.35)
	Payment for purchase of Inter-corporate deposits placed	(249.49)	(55.40)
	Proceeds from redemtion of Inter-corporate deposits placed	220.50	-
	Dividend income from investments measured at fair value through profit or loss	-	25.59
	Interest received	34.03	32.36
	NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES	**(63.04)**	**(196.88)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2017

(₹ in Crore)

	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issuance of share capital (net of share issue expenses)	0.03	0.50
	(Purchase) / Sale of Investment by WEOMA Trust (Net)	32.32	(22.56)
	Other borrowings (repaid) / taken (net)	(67.01)	(44.65)
	Increase / (decrease) in Minority interest	(13.34)	(11.11)
	Finance charges paid	(17.19)	(20.89)
	Dividends paid to company's shareholders	(508.76)	(502.28)
	NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES	**(573.95)**	**(600.99)**
D	**Effect of exchange difference on translation of foreign currency cash and cash equivalents**	(33.77)	(1.43)
E	**NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)**	**(59.19)**	**18.32**
F	Cash and cash equivalents at the beginning of the financial year	93.16	79.06
	Less: Cash and bank balances adjusted upon Sale of BCS	-	4.22
G	**Cash and cash equivalents at end of the year (Refer note 6 (d))**	**33.97**	**93.16**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The above consolidated statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place: Mumbai
Date: May 2, 2017

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

SURENDER SHARMA
Company Secretary
[Membership No. A13435]

Place: Mumbai
Date: May 2, 2017

Back ground and operations

Marico Limited (herein after referred to as 'the Company'), headquartered in Mumbai, Maharashtra, India, together with its subsidiaries is referred as 'Marico' or 'Group'. Marico carries on business in branded consumer products. In India, Marico manufactures and markets products under the brands such as Parachute, Parachute Advansed, Nihar, Nihar Naturals, Saffola, Hair & Care, Revive, Mediker, Livon, Set-wet, etc. Marico's international portfolio includes brands such as Parachute, Parachute Advansed, Fiancée, Hair Code, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-men, Thuan Phat etc.

Note 1: Significant accounting policies:

This note provides a list of the significant accounting policies adopted in preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

The consolidated financial statements were approved for issue by Board of Directors on 2nd May, 2017.

a) Basis of preparation:

i. Compliance with IND AS:

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 & other relevant provisions of the Act.

These consolidated financial statements for the year ended 31st March, 2017 are the first financials with comparatives prepared under Ind AS. For all periods upto and including the year ended 31st March, 2016, the Group prepared its financial statements in accordance with the generally accepted accounting principles (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS.

The date of transition to Ind AS is 1st April, 2015. Refer Note 38 for the first time adoption exemptions availed by the Group.

Reconciliations and explanations for the effect of the transition from Previous GAAP to Ind AS on the Group's Consolidated Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 38.

ii. Historical cost convention:

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that are measured at fair value;
- assets held for sale measured at lower of cost or fair value less cost to sell;
- defined benefit plan assets measured at fair value; and
- share-based payment liability measured at fair value

b) Principles of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

ii. Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iii) below), after initially being recognised at cost in the consolidated balance sheet.

iii. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in consolidated profit and loss, and the group's share of other comprehensive income of the investee in consolidated other comprehensive income.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

iv. Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

c) Segment Reporting:

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Managing Director & CEO is designated as the CODM.

d) Foreign currency transactions:

i. Functional and presentation currencies:

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in INR which is the functional and presentation currency for Marico Limited.

ii. Transactions & Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

iii) Group Companies:

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate as on that balance sheet date
- income and expenses are translated at average exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

e) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Group recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

i. Sale of goods:

Timing of recognition: Sale of goods is recognized when substantial risks and rewards of ownership are passed to the customers, depending on individual terms, and are stated net of trade discounts, rebates, incentives, subsidy, sales tax and value added tax except excise duty.

Measurement of revenue: Accumulated experience is used to estimate and provide for discounts, rebates, incentives & subsidies. No element of financing is deemed present as the sales are made with credit terms, which is consistent with market practice.

ii. Revenue from services is recognized in the accounting period in which the services are rendered.

f) Income recognition

i. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

ii. Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

iii. Revenue from royalty income is recognized on accrual basis.

g) Government Grants:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and reduce from corresponding cost.

Income from export incentives such as premium on sale of import licenses, duty drawback etc. are recognized on accrual basis to the extent the ultimate realization is reasonably certain.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

h) Income Tax:

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Group will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

i) Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Borrowing cost attributable to acquisition, construction of qualifying assets are capitalized until such time as the assets are substantially ready for their intended use. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs & maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

Transition to IND AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation and amortization:

Depreciation is calculated using the straight-line method to allocate cost of property, plant and equipment, net of residual values, over their estimated useful lives.

As per technical evaluation of the Group, the useful life considered for the following items is lower than the life stipulated in Schedule II to the Companies Act, 2013:

Assets	Useful Life (Years)
Motor Vehicle – Motor Car, Bus and Lorries, Motor Cycle, Scooter	5
Office equipment - Mobile and Communication tools	2
Computer – Server and Network	3
Plant & Machinery – Moulds	6
Leasehold lands	Lease period

Extra shift depreciation is provided on "Plant" basis.

Depreciation in respect of assets of foreign subsidiaries is provided on a straight line basis based on useful life of the assets as estimated by the Management which are as under:

Assets	Useful Life (Years)
Factory and office building	5 to 25
Plant & Machinery	2 to 15
Furniture & fixtures (including leasehold improvements)	2 to 15
Vehicles	3 to 10

Assets individually costing Rs. 25,000 or less are depreciated fully in the year of acquisition.

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures whichever is lower.

Depreciation on additions / deletions during the year is provided from the month in which the asset is capitalized up to the month in which the asset is disposed off.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

j) Intangible Assets:

i Goodwill:

Goodwill on acquisitions of subsidiaries is included in intangible assets. It is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses arising on the disposal of an entity are calculated after netting of the carrying amount of Goodwill relating to the entity sold, from the proceeds of disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

ii. Intangible assets with finite useful life:

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under:

Assets	Useful Life (Years)
Computer software	3

iii. Intangible assets with indefinite useful life:

Intangible assets with indefinite useful lives are measured at cost and are not amortised, but are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

iv. Research & Development:

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned in para i & j above. Revenue expenditure is charged off in the year in which it is incurred.

v. Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

k) Investment property

Property (land or a building-or part of a building-or both) that is held (by the owner or by the lessee under a finance lease) for long term rental yields or for capital appreciation or both, rather than for:

i. use in the production or supply of goods or services or for administrative purposes; or

ii. sale in the ordinary course of business:

is recognized as Investment Property in the books

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation is provided on all Investment Property on straight line basis, based on useful life of the assets determined in accordance with para "i" above.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Transition to IND AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

l) Non-Current Asset held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

m) Lease:

i. As a leasee

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. The same is accounted at the lower of fair value of the leased property or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary increase.

ii. As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

n) Investment & Other financial assets:

i. Classification:

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

Classification of debt assets will be driven by the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement:

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset.

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cashflows & for selling the financial assets, where the assets cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive the dividend is established.

iii. Impairment of financial assets:

The Group assesses if there is any significant increase in credit risk pertaining to the assets and accordingly creates necessary provisions, wherever required.

iv. Derecognition of financial assets:

A financial asset is derecognised only when

- the Group has transferred the rights to receive the cash flows from the financial asset or
- the Group retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows so received to one or more recipients

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is decrecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involment in the financial asset.

o) Derivatives and hedging activities:

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 27. Movements in the hedging reserve in shareholders' equity are shown in Note 12(c). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge reserve

The effective part of the changes in fair value of hedge instruments is recognized in other comprehensive income, while any ineffective part is recognized immediately in the statement of profit and loss.

p) Inventories:

Raw materials, packing materials, stores and spares are valued at lower of cost and net realizable value.

Work-in-progress, finished goods and stock-in-trade (traded goods) are valued at lower of cost and net realizable value.

By-products and unserviceable / damaged finished goods are valued at estimated net realizable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost is assigned on the basis of weighted average method.

In case of Marico Middle East FZE costs of inventories are ascertained on First In First Out basis instead of weighted average basis, the impact of which is not material. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

q) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at cost less provision for impairment.

r) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

s) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

t) Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

u) Employee Benefits:

i. Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Superannuation Fund:

The Group makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by insurance companies. The Group has no obligation to the scheme beyond its monthly contributions.

iii. Provident fund:

Provident fund contributions are made to a trust administered by the Group in India. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the Company is additionally provided for in India. Actuarial losses and gains are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

iv. Gratuity:

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

v. Leave encashment / Compensated absences:

The Group provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

vi. Employee Stock Option Plan:

The fair value of options granted under the Group's employee stock option scheme (excess of the fair value over the exercise price of the option at the date of grant) is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

vii. Employee Stock Appreciation Rights Scheme

Liability for the Group's Employee Stock Appreciation Rights (STAR), granted pursuant to the Group's Employee Stock Appreciation Rights Plan, is measured, initially and at the end of each reporting period until settled, at the fair value of the STARs, by applying an option pricing model, be and is recognized as employee benefit expense over the relevant service period. The liability is presented as employee benefit obligation in the Balance Sheet.

v) Provisions and Contingent Liabilities:

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

w) Cash and Cash Equivalents:

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

x) Impairment of assets:

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment,assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

y) Earnings Per Share:

i. Basic earnings per share: Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii. Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

z) Contributed Equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

aa) Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

ab) Rounding off:

All amounts disclosed in the financial statement and notes have been rounded off to the nearest Crore, unless otherwise stated

ac) Amendments to Ind AS 7, 'Statement of cash flows' on disclosure initiative:

The amendment to Ind AS 7 introduced an additional disclosure that will enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes (i.e. changes in fair values), changes resulting from acquisitions and disposals and effect of foreign exchange differences. Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities. The Group is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after 1st April, 2017.

ad) Amendments to Ind AS 102, 'Share based payments'

The amendment to Ind AS 102 clarifies the measurement basis for cash settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in Ind AS 102 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The Group is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after 1st April, 2017.

The group intends to adopt the amendments when it becomes effective. There are no other standards or amendments that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Group may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

(a) Impairment of financial assets (including trade receivable) (Note : 29)

(b) Estimation of defined benefit obligations (Note 15)

(c) Estimation of current tax expenses and payable (Note 26)

(d) Estimated impairment of intangible assets with indefinite useful life (Note 5)

(e) Estimation of provisions and contingencies (Note 14)

(a) Impairment of financial assets (including trade receivable)

Allowance for doubtful receivables represent the estimate of losses that could arise due to inability of the Customer to make payments when due. These estimates are based on the customer ageing, customer category, specific credit circumstances and the historical experience of the group as well as forward looking estimates at the end of each reporting period.

(b) Estimation of defined benefit obligations

The liabilities of the group arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions Refer (note 15) for significant assumption used.

(c) Estimation of current tax expenses and payable

Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the group operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities.

(d) Estimated impairment of Goodwill and intangible assets with indefinite useful life

Impairment testing for Goodwill & intangible assets with indefinite useful life is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions.

Goodwill with indefinite useful life held in Vietnam and South Africa business, are considered significant CGUs in terms of size and sensitivity to assumptions used. No other CGUs are considered significant in this respect.

Particulars	Vietnam	South Africa
Period of Cash flow projections	10 years	10 years
Avg Sales Growth (%)	14%	10%
Avg Gross Margins (%)	48%	31%
Terminal Sales Growth (%)	2%	3%
Pre- tax discount rate	13%	10%

The growth rates and margins used to make estimate future performance are based on past performance and our estimates of future growths and margins achievable in the CGUs. Pre-tax discount rates reflect specific risks relating to the relevant segments and geographies in which the CGUs operate.

(e) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the group. The group exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

NOTES To Consolidated Financial Statements for the year ended 31st March, 2017

3 Property, Plant And Equipment

(₹ in Crore)

Particulars	Freehold land	Leasehold land	Buildings	Plant and machinery	Furniture and fittings	Vehicles	Office Equipment	Leasehold improvements	Total	CWIP
Year ended 31st March, 2016										
Gross carrying amount										
Deemed Cost as at 1st April, 2015	**16.60**	**32.26**	**260.59**	**230.60**	**9.52**	**1.12**	**4.76**	**1.22**	**556.67**	**3.04**
Additions	0.14	-	5.37	42.53	2.16	0.75	5.41	-	56.36	91.64
Disposals / transfers	-	-	(0.54)	(1.57)	(0.02)	(0.15)	(0.01)	-	(2.29)	(58.00)
Exchange Differences	0.68	0.15	0.07	0.26	0.03	(0.07)	0.05	-	1.17	0.05
Adjustments	0.12	(0.12)	-	-	0.40	-	-	(0.40)	-	-
Closing gross carrying amount	**17.54**	**32.29**	**265.49**	**271.82**	**12.09**	**1.65**	**10.21**	**0.82**	**611.91**	**36.73**
Accumulated depreciation										
Depreciation charge during the year	-	0.56	14.24	59.08	2.40	0.63	5.73	-	82.64	-
Disposals / transfers	-	-	-	(0.97)	(0.01)	(0.06)	-	-	(1.04)	-
Exchange Differences	-	-	(0.04)	(0.33)	(0.01)	(0.02)	-	-	(0.40)	-
Closing accumulated depreciation	**-**	**0.56**	**14.20**	**57.78**	**2.38**	**0.55**	**5.73**	**-**	**81.20**	**-**
Impairment loss										
Impairment charge/(reversal) during the year	-	-	0.18	6.14	-	-	0.05	-	6.37	-
Exchange Differences	-	-	-	-	-	-	-	-	-	-
Closing impairment loss	**-**	**-**	**0.18**	**6.14**	**-**	**-**	**0.05**	**-**	**6.37**	
Net carrying amount	**17.54**	**31.73**	**251.11**	**207.90**	**9.71**	**1.10**	**4.43**	**0.82**	**524.34**	**36.73**
Year ended 31st March, 2017										
Gross carrying amount										
Opening gross carrying amount	**17.54**	**32.29**	**265.49**	**271.82**	**12.09**	**1.65**	**10.21**	**0.82**	**611.91**	**36.73**
Additions	-	0.14	4.92	99.97	2.74	1.89	2.70	10.32	122.68	93.45
Disposals / transfers	(0.03)	-	(0.55)	(4.70)	(0.43)	(0.29)	(0.11)	-	(6.11)	(118.84)
Exchange Differences	(0.86)	(0.29)	(5.45)	(8.20)	(0.25)	(0.58)	(0.24)	-	(15.87)	(0.18)
Adjustments	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	**16.65**	**32.14**	**264.41**	**358.89**	**14.15**	**2.67**	**12.56**	**11.14**	**712.61**	**11.16**
Accumulated depreciation										
Opening accumulated depreciation	**-**	**0.56**	**14.20**	**57.78**	**2.38**	**0.55**	**5.73**	**-**	**81.20**	
Depreciation charge during the year	-	0.72	14.46	61.58	3.52	0.77	3.25	1.04	85.34	
Disposals / transfers	-	-	-	(2.95)	(0.15)	(0.11)	(0.06)	-	(3.27)	
Exchange Differences	-	(0.05)	(1.00)	(3.81)	(0.13)	(0.18)	(0.13)	-	(5.30)	
Closing accumulated depreciation	**-**	**1.23**	**27.66**	**112.60**	**5.62**	**1.03**	**8.79**	**1.04**	**157.97**	**-**
Impairment loss										
Opening Impairment Loss	**-**	**-**	**0.18**	**6.14**	**-**	**-**	**0.05**	**-**	**6.37**	
Impairment charge/(reversal) during the year	-	-	0.95	(0.95)	0.52	-	(0.03)	-	0.49	
Exchange Differences	-	-	-	0.13	0.46	-	0.00	-	0.59	
Closing Impairment loss	**-**	**-**	**1.13**	**5.32**	**0.98**	**-**	**0.02**	**-**	**7.45**	**-**
Net carrying amount	**16.65**	**30.91**	**235.62**	**240.97**	**7.55**	**1.64**	**3.75**	**10.10**	**547.19**	**11.16**

(i) **Property, plant and equipment pledged as security**
First ranking pari passu charge over all current and future plant and machinery for External Commercial Borrowings loan as on 31st March, 2016 and 1st April, 2015 (Refer note 13(a)).

(ii) **Impairment loss**
Impairment provision mainly pertains to building, plant & machinery, furniture & fittings and office equipment which are lying idle, damaged and having no future use.

(iii) **Contractual obligations**
Refer to Note 34 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iv) **Capital work-in-progress**
Capital work-in-progress mainly comprises new manufacturing units set up in Guwahati, India (North Eastern Region).

(v) **Leased assets**
Gross carrying amount of leasehold land represents amounts paid under lease agreements which are due for renewal in the years ranging from 2070 to 2109. In one case where the lease is expiring in 2070, the company has an option to purchase the property.

4 Investment Properties

(₹ in Crore)

	Particulars	As at 31st March, 2017	As at 31st March, 2016
	Gross carrying amount		
	Opening gross carrying amount/Deemed cost	31.41	17.99
	Additions (Refer note (v) below)	-	13.42
	Closing gross carrying amount	**31.41**	**31.41**
	Accumulated Depreciation	0.74	-
	Depreciation charge during the year*	0.69	0.74
	Closing accumulated depreciation	**1.43**	**0.74**
	Net carrying amount	**29.98**	**30.67**
	* Includes exchange difference		
(i)	**Amounts recognised in profit or loss for investment properties**		
	Rental income	1.20	0.91
	Direct operating expenses for property that generated rental income	0.15	0.20
	Profit from investment properties before depreciation	**1.05**	**0.71**
	Depreciation	(0.43)	(0.43)
	Profit from investment properties	**0.62**	**0.28**

(ii) Leasing arrangements

Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Within one year	1.20	0.91	0.64
Later than one year but not later than 5 years	1.36	2.56	3.47
Later than 5 years	-	-	-

(iii) Fair value

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Investment properties	58.09	56.05	29.33

Estimation of fair value

The group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

(iv) The fair values of investment properties have been determined by independent valuer who holds recognised and relevant professional qualification. The main inputs used are rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

(v) During the year 2015-16 building appearing as asset held for disposal of net carrying value of Rs.12.74 Crore (Deemed cost of Rs. 12.96 Crore less depreciation of Rs. 0.22 Crore) has been reclassified as investment property.

5 Other Intangible assets

(₹ in Crore)

Particulars	Trademarks and copyrights (refer note (i), (ii) and (iii) below)	Computer software	Total	Goodwill
Year ended 31st March, 2016				
Gross carrying amount				
Deemed cost as at 1st April, 2015	**23.69**	**6.41**	**30.10**	**489.15**
Additions	-	4.47	4.47	
Disposals	-	-	-	
Exchange differences	(1.86)	0.11	(1.75)	8.21
Closing gross carrying amount	**21.83**	**10.99**	**32.82**	**497.36**
Accumulated amortisation				
Amortisation charge for the year	0.01	4.07	4.08	-
Disposals	-	-	-	-
Exchange differences	-	0.01	0.01	-
Closing accumulated amortisation	**0.01**	**4.08**	**4.09**	**-**
Closing net carrying amount	**21.82**	**6.91**	**28.73**	**497.36**
Year ended 31st March, 2017				
Opening gross carrying amount	**21.83**	**10.99**	**32.82**	**497.36**
Additions	0.22	2.35	2.57	-
Disposals	-	-	-	-
Exchange differences	0.86	(0.12)	0.74	(17.91)
Closing gross carrying amount	**22.91**	**13.22**	**36.13**	**479.45**
Accumulated amortisation	**0.01**	**4.08**	**4.09**	**-**
Amortisation charge for the year	0.22	3.81	4.03	-
Disposals	-	-	-	-
Exchange differences	(0.02)	(0.05)	(0.07)	-
Closing accumulated amortisation	**0.21**	**7.84**	**8.05**	**-**
Closing net carrying amount	**22.70**	**5.38**	**28.08**	**479.45**

(i) During the year ended 31st March, 2007, the Company carried out financial restructuring scheme ('Scheme') under the relevant provisions of the Companies Act, 1956 which was approved by the shareholders on 8th February , 2007 and subsequently by the Hon'ble High Court vide its order dated 23rd March, 2007. In terms of the Scheme, the Company adjusted the carrying value of Rs. 448.15 Crore of intangible assets such as trademarks, copyrights, business and commercial rights as on 31st January, 2007 and related deferred tax adjustment of Rs. 139.06 Crore (net adjustment of Rs. 309.09 Crore) against the balance in Securities Premium Reserve of Rs. 129.09 Crore and Capital Redemption Reserve of Rs. 180 Crore.

(ii) During the year ended 31st March, 2014, Capital Reduction scheme pertaining to Marico Consumer Care Limited ("MCCL") for adjustment of intangible assets aggregating Rs. 723.72 Crore, was duly approved and given effect to.

(iii) Trademarks of Rs 18.56 Crore as at 31st March, 2017 (Rs. 18.56 Crore as at 31st March, 2016 and as at 1st April, 2015) are pending registration/ recording in the name of the Company, in certain countries.

6(a) Investments

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non current investment			
Equity instruments			
In others	0.14	1.47	4.52
Intercorporate deposits	15.77	-	-
Bonds	24.78	24.78	24.78
Government securities	0.01	0.01	0.01
Mutual funds	17.71	16.32	5.60
	58.41	**42.58**	**34.91**
Current investments			
Intercorporate deposits	131.62	116.16	60.76
Debentures	15.94	-	-
Mutual funds	383.97	348.27	239.85
Government or trust securities	1.97	5.36	-
	533.50	**469.79**	**300.61**
Total Investments	**591.91**	**512.37**	**335.52**
Non current investment			
Investment in equity instruments (fully paid-up)			
In others			
Quoted at FVPL			
Nil (31st March, 2016: 17,102, 1st April, 2015: 29,648) equity shares of Kaya Limited	-	1.47	4.52
Unquoted at cost FVPL			
136,500 (31st March, 2016 : Nil, 1st April, 2015 : Nil) equity shares of Rs. 10 each of Clover energy private limited	0.14	-	-
Total (equity instruments)	**0.14**	**1.47**	**4.52**
Investment in bonds (at amortised cost)			
Quoted			
Power Finance Corporation Limited	2.96	2.96	2.96
28,479 (31st March, 2016 : 28,479, 1st April, 2015 : 28,479) Secured, Redeemable, Tax free Non-convertible Bonds, 8.20% , face value of Rs. 1,000/- each, redeemable on 1st February, 2022.			
Indian Railway Finance Corporation	2.26	2.26	2.26
21,751 (31st March, 2016 : 21,751, 1st April, 2015 : 21,751) Secured, Redeemable, Tax free Non-convertible Bonds , 8.00% , face value of Rs. 1,000/- each, redeemable on 23rd February, 2022.			
National Highways Authority of India	2.57	2.57	2.57
24,724 (31st March, 2016 : 24,724, 1st April, 2015 : 24,724) Secured, Redeemable, Tax free Non-convertible Bonds , 8.20% , face value of Rs. 1,000/- each, redeemable on 25th January, 2022.			
Rural Electrification Corporation Limited	6.50	6.50	6.50
61,238 (31st March, 2016 : 61,238, 1st April, 2015 : 61,238) Secured, Redeemable, Tax free Non-convertible Bonds , 8.12% , face value of Rs. 1,000/- each, redeemable on 29th March, 2027.			
Rural Electrification Corporation Limited	5.25	5.25	5.25
50 (31st March, 2016 : 50, 1st April, 2015 : 50) Secured, Redeemable, Tax free Non-convertible Bonds , 8.46% , face value of Rs. 1,000,000/- each, redeemable on 29th August, 2018.			
Housing & Urban Development Corporation Ltd	5.24	5.24	5.24
50 (31st March, 2016 : 50, 1st April, 2015 : 50) Secured, Redeemable, Tax free Non-convertible Bonds , 8.56% , face value of Rs. 1,000,000/- each, redeemable on 2nd September, 2028.			
Total investment in Bonds	**24.78**	**24.78**	**24.78**

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Investment in government securities at amortised cost			
Unquoted			
National Savings Certificates (Deposit with government authorities)	0.01	0.01	0.01
Total	**0.01**	**0.01**	**0.01**
Investment in mutual funds at FVPL			
Quoted			
Reliance Fixed Horizon Fund-XXIX-Series 16-Growth Plan	11.13	10.24	-
10,000,000 (31st March, 2016 : 10,000,000, 1st April, 2015 : Nil) units of Rs. 10 each fully paid			
DHFL Pramerica Fixed Maturity Plan Series 62 - Regular Plan - Growth	5.29	4.89	4.50
41,25,148 (31st March, 2016 : 41,25,148, 1st April, 2015 : 20,000,000) units of Rs. 10 each fully paid			
Reliance Fixed Horizon Fund-XXVI-Series 2-Growth Plan	1.29	1.19	1.10
1,000,000 (31st March, 2016 : 1,000,000, 1st April, 2015 : 1,000,000) units of Rs. 10 each fully paid			
Total investment in mutual funds	**17.71**	**16.32**	**5.60**
Aggregate amount of quoted investments	42.49	42.57	34.90
Market value/ Net asset value of quoted investments	58.39	43.09	35.12
Aggregate amount of unquoted investments	0.15	0.01	0.01
Current investments			
Investment in debentures at amortised cost			
Quoted			
Kotak Mahindra Prime Ltd	15.94	-	-
150 (31st March, 2016 : Nil, 1st April, 2015 : Nil) Unsecured, Non convertible debentures face value of Rs.1,000,000 each			
Total investment in bonds	**15.94**	**-**	**-**
Investment in mutual funds at FVPL			
Quoted			
LIC Nomura MF Fixed Matuirity Plan Series 77-396 Days-Growth	-	-	8.79
Nil (31st March, 2016 : Nil, 1st April, 2015 : 80,00,000) units of Rs. 10 each fully paid			
ICICI Prudential FMP Series 78-95 Days-Plan K-Cumulative	-	15.17	-
Nil (31st March, 2016 : 15,000,000, 1st April, 2015 : Nil) units of Rs. 10 each fully paid			
Unquoted			
Axis Treasury Advantage Fund - Growth	-	-	7.76
Nil (31st March, 2016 : Nil, 1st April, 2015 : 50,053) Units of Rs. 1,000 each fully paid			
Birla Sunlife Cash Plus -Growth-Regular	-	-	4.26
Nil (31st March, 2016 : Nil, 1st April, 2015 : 190,148) Units of Rs. 100 each fully paid			
Birla Sunlife Floating Rate Long Term -Growth-Regular	20.32	5.01	5.10
1,022,046 (31st March, 2016 : 275,258, 1st April, 2015 : 304,582) Units of Rs. 100 each fully paid			
Birla Sun Life Savings Fund - Growth-Regular Plan	33.26	-	-
1,043,788 (31st March, 2016 : Nil, 1st April, 2015 : Nil) Units of Rs. 100 each fully paid			
DHFL Pramerica Low Duration Fund - Growth	-	21.18	-
Nil (31st March, 2016 : 10,371,654, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
DWS Treasury Fund -Cash-Growth	-	-	15.02
Nil (31st March, 2016 : Nil, 1st April, 2015 : 1,001,013) Units of Rs. 100 each fully paid			
HDFC Liquid Fund - Growth	-	5.01	21.16
Nil (31st March, 2016 : 16,801, 1st April, 2015 : 7,674,464) Units of Rs. 1000 each fully paid			
HDFC Cash Management Fund-Savings Plan-Growth	-	-	5.54
Nil (31st March, 2016 : Nil, 1st April, 2015 : 1,897,404) Units of Rs. 10 each fully paid			
HDFC Corporate Debt Opportunities Fund - Regular - Growth	28.21	25.53	-
20,803,342 (31st March, 2016 : 20,803,342, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
HDFC Banking and PSU Debt Fund-Reg-Growth	-	-	2.00
Nil (31st March, 2016 : Nil, 1st April, 2015 :1,813,187) Units of Rs. 10 each fully paid			
HDFC Short Term Plan - Regular Plan - Growth	26.83	-	-
8,277,730 (31st March, 2016 : Nil, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
ICICI Prudential Money Market Fund -Regular Plan -Growth	13.50	-	20.02
601,824 (31st March, 2016 : Nil, 1st April, 2015 : 1,036,048) units of Rs. 100 each fully paid			
ICICI Prudential Ultra Short Term - Growth	24.36	15.23	-
7,140,093 (31st March, 2016 : 9,948,137, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
IDFC Ultra Short Term Fund -Growth-Regular Plan	-	-	2.54
Nil (31st March, 2016 : Nil, 1st April, 2015 : 1,301,391) Units of Rs. 10 each fully paid			
IDFC Money Manager Fund-Treasury Plan-Growth	-	19.04	-
Nil (31st March, 2016 : 8,045,461, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
Kotak Liquid Scheme Plan A-Growth	-	5.76	20.03
Nil (31st March, 2016 : 18,754, 1st April, 2015 : 70,607) Units of Rs. 1,000 each fully paid			
Kotak Bond (Short Term) - Growth	38.02	25.25	-
12,368,951 (31st March, 2016 : 8,959,674, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
LIC Nomura Liquid Fund-Growth	-	10.68	-
Nil (31st March, 2016 : 38,956, 1st April, 2015 : Nil) Units of Rs. 1000 each fully paid			
LIC MF Savings Plus Fund - Regular Growth Plan-St-Gp	1.42	-	-
571,671 (31st March, 2016 : Nil, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
L&T Ultra Short Term Fund-Growth	-	-	2.29
Nil (31st March, 2016 : Nil, 1st April, 2015 : 1,011,382) units of Rs. 10 each fully paid			
Principal Debt Opportunities Fund Corporate Bond Plan-Regular Plan Growth	-	-	10.29
Nil (31st March, 2016 : Nil, 1st April, 2015 : 47,877) Units of Rs. 1,000 each fully paid			
Reliance Liquid Fund-Treasury Plan-Growth	23.08	1.73	26.03
58,368 (31st March, 2016 : 4,696, 1st April, 2015 : 76,423) Units of Rs. 1,000 each fully paid			
Reliance Medium Term Fund-Growth	7.24	25.06	-
2,120,390 (31st March, 2016 : 7,986,353, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
Reliance Short Term Fund-Growth	16.50	15.14	-
5,355,039 (31st March, 2016 : 5,355,039, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
Religare Invesco Ultra Short Term Fund-Growth	11.47	-	10.97
53,098 (31st March, 2016 : Nil, 1st April, 2015 : 56,982) Units of Rs. 1,000 each fully paid			
Religare Invesco Credit Opportunities Fund-Growth	43.85	25.84	9.56
236,227 (31st March, 2016 : 149,408, 1st April, 2015 : 60,034) Units of Rs. 1,000 each fully paid			

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To Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Religare Invesco Medium Term Bond Fund-Growth	-	10.70	-
Nil (31st March, 2016 : 70,172, 1st April, 2015 : Nil) Units of Rs. 1,000 each fully paid			
SBI Magnum Insta Cash -Reg Plan-Growth	-	15.09	20.02
Nil (31st March, 2016 : 58,764, 1st April, 2015 : 64,792) Units of Rs. 1,000 each fully paid			
SBI Treasury Advantage Fund-Regular Plan-Growth	-	30.37	-
Nil (31st March, 2016 : 181,028, 1st April, 2015 : Nil) Units of Rs. 1,000 each fully paid			
Templeton India TMA-SIP-Growth	-	-	3.51
Nil (31st March, 2016 : Nil, 1st April, 2015 : 16,797) Units of Rs. 1,000 each fully paid			
Baroda Pioneer Treasury Advantage Fund- Plan A-Growth	37.38	32.60	-
197,177 (31st March, 2016 : 187,598, 1st April, 2015 : Nil) units of Rs. 1,000 each fully paid			
JM Money Manager Fund-Super Plus Plan-Bonus Option-Bonus Units	5.24	4.85	4.47
3,748,072 (31st March, 2016 : 3,748,072 , 1st April, 2015 : 3,748,072) units of Rs. 10 each fully paid			
JM Money Manager Fund-Super Plan-Bonus Option-Bonus Units	5.83	5.44	5.03
4,524,192 (31st March, 2016 : 4,524,192, 1st April, 2015 : 4,524,192) units of Rs. 10 each fully paid			
JP Morgan India Treasury Fund-SIP-Growth	-	-	20.47
Nil (31st March, 2016 : Nil, 1st April, 2015 : 11,140,952) units of Rs. 10 each fully paid			
Edelweiss Liquid Fund - Super IP - Gr (Formerly known as JP Morgan India Liquid Fund-SIP-Growth)	2.64	2.49	2.30
1,269,009 (31st March, 2016 : 1,269,009, 1st April, 2015 : 1,269,009) units of Rs. 10 each fully paid			
Birla Sun Life Floating Rate Fund-Short Term Plan-Growth	-	-	10.27
Nil (31st March, 2016 : Nil, 1st April. 2015 : 551,505) units of Rs. 100 each fully paid			
LIC Nomura MF Liquid Fund - Growth	-	-	2.42
Nil (31st March, 2016 : Nil, 1st April, 2015 : 9,550) units of Rs. 1,000 each fully paid			
Tata Short Term Bond Fund Regular Plan - Growth	3.05	-	-
999,164, (31st March, 2016 : Nil, 1st April, 2015 : Nil) Units of Rs. 1000 each fully paid			
UTI-Short Term Income Fund- Institutional Option - Growth	4.53	-	-
2,273,863 (31st March, 2016 : Nil, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
UTI Floating Rate Fund-STP-Growth	33.74	31.10	-
127,081 (31st March, 2016 : 127,081, 1st April, 2015 : Nil) units of Rs. 1000 each fully paid			
UTI Money Market - IP - Growth	3.50	-	-
19,238 (31st March, 2016 : Nil, 1st April, 2015 : Nil) Units of Rs. 1000 each fully paid			
Total	**383.97**	**348.27**	**239.85**
Investments in government or trust securities at amortised cost			
Unquoted			
Investments in government or trust securities	1.97	5.36	-
Total	**1.97**	**5.36**	**-**
Total Current Investments	**385.94**	**353.63**	**239.85**
Aggregate amount of quoted investments	15.94	15.17	8.79
Market value/ Net asset value of quoted investments	15.94	15.17	8.79
Aggregate amount of unquoted investments	385.93	338.46	231.06

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To Consolidated Financial Statements for the year ended 31st March, 2017

6(b) Trade receivables

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade receivables	250.01	255.48	179.91
Less: Allowance for doubtful debts	(3.02)	(3.39)	(3.16)
Total receivables	**246.99**	**252.09**	**176.75**
Current Portion	246.99	252.09	176.75
Non-Current Portion	-	-	-
Break up of security details			
Secured, considered good	-	-	-
Unsecured, considered good	246.99	252.09	176.75
Doubtful	3.02	3.39	3.16
Total	**250.01**	**255.48**	**179.91**
Allowance for doubtful debts	(3.02)	(3.39)	(3.16)
Total trade receivables	**246.99**	**252.09**	**176.75**

For credit risk and provision for loss allowance refer note 28(A)

6(c) Loans

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non current			
Unsecured, considered good			
Loans to employees	3.73	3.75	3.49
Total non current loans	**3.73**	**3.75**	**3.49**
Current			
Unsecured, considered good			
Loan to related parties (Refer Note 32)	1.89	0.74	0.66
Loan to employees	4.23	4.26	4.35
Total current loans	**6.12**	**5.00**	**5.01**

6(d) Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Bank balance in current accounts	17.98	26.43	29.80
Deposits with maturity of less than three months	12.87	65.28	47.73
Remittance in transit	2.89	-	-
Cheques on hand	-	-	0.76
Cash on hand	0.23	1.45	0.77
Total cash and cash equivalents	**33.97**	**93.16**	**79.06**

6(e) Bank balances other than cash and cash equivalents

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Fixed deposits with maturity more than 3 months but less than 12 months	192.98	223.54	131.78
Balances with banks for unclaimed dividend	0.33	0.44	0.27
Total bank balance other than cash and cash equivalents	**193.31**	**223.98**	**132.05**

The details of specified bank notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 as provided in the table below:

During the year, the companies incorporated in India including amounts in respect of joint ventures had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated 31st March, 2017 on the details of the specified bank notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016. The denomination wise SBNs and other notes as per the notification are given below:

(₹ in Crore)

Details	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	0.14	0.07	0.21
(+) Permitted receipts	-	0.17	0.17
(-) Permitted payments	-	0.15	0.15
(-) Amount deposited in Banks	0.14	-	0.14
Closing cash in hand as on 30th December, 2016	-	0.09	0.09

* For the purpose of this clause, the term 'Specified Bank notes' shall have the same meaning provided in the notification of the Government of India, in the ministry of finance, department of Economic Affairs number S.O. 3407 (E), dated 8th November, 2016.

6(f) Other Non current financial assets

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured considered good (Unless otherwise stated)			
Security deposits with public bodies and others			
Considered good	15.23	12.73	13.42
Considered doubtful	1.01	1.00	-
	16.24	13.73	13.42
Less: Provision for doubtful deposits	(1.01)	(1.00)	-
	15.23	12.73	13.42
Fixed deposits-maturing after 12 months (Refer Note below)	0.48	1.02	1.67
Total other non current financial assets	**15.71**	**13.75**	**15.09**

Note : Fixed deposits with banks include Rs. 0.12 Crore (Rs. 0.21 Crore as at 31st March, 2016 and Rs. 0.21 Crore as on 1st April, 2015) deposited with sales tax authorities, Rs. 0.06 Crore (Rs. 0.36 Crore as at 31st March, 2016 and Rs. 0.39 Crore as on 1st April, 2015) held as lien by banks against guarantees issued on behalf of the Group and Rs. 0.12 Crore (Rs. Nil as at 31st March, 2016 and Rs. 0.57 Crore as on 1st April, 2015) for other earmarked balances.

6(f) Other current financial assets

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(i) Derivatives			
Foreign exchange forward contracts, options and interest rate swaps	2.11	4.15	0.58
	2.11	**4.15**	**0.58**
(ii) Others			
Security deposits	0.04	0.32	0.18
Other deposits	1.02	0.65	0.73
Insurance claim receivable	-	1.95	0.05
	1.06	**2.92**	**0.96**
Total other current financial assets	**3.17**	**7.07**	**1.54**

7 Deferred Tax Assets (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Liabilities / provisions that are deducted for tax purposes when paid	3.23	27.32	20.79
Defined benefit obligations	1.48	1.08	0.46
On Intangible assets adjusted against Capital Redemption Reserve and Securities premium account under the Capital Restructuring scheme	-	9.41	12.46
MAT Credit entitlement	-	57.08	119.02
	4.71	**94.89**	**152.73**
Other items:			
On hedge reserve	-	8.80	25.94
Provision for doubtful debts/ advances that are deducted for tax purposes when written off	-	1.68	1.00
Other timing differences	6.07	2.02	3.15
	6.07	**12.50**	**30.09**
Total deferred tax assets	**10.78**	**107.39**	**182.82**
Deferred tax liability:			
Additional depreciation/amortisation on property, plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	(0.02)	39.89	44.64
Financial assets at fair value through Profit and loss	-	2.45	1.00
Other timing differences	1.26	0.12	0.25
Total deferred tax liabilities	**1.24**	**42.46**	**45.89**
Net deferred tax assets	**9.54**	**64.93**	**136.93**

Movement in deferred tax assets

(₹ in Crore)

Particulars	Liabilities / provisions that are deducted for tax purposes when paid	Defined benefit obligations	On Intangible assets*	MAT Credit entitlement	Other items	Total deferred tax assets
As at 1st April, 2015	**20.79**	**0.46**	**12.46**	**119.02**	**30.09**	**182.82**
(Charged)/credited:						
to Profit and loss	6.53	-	(3.05)	(56.53)	1.11	(51.94)
to other comprehensive income	-	0.62	-	-	(17.05)	(16.43)
Deferred tax on basis adjustment	-	-	-	(5.41)	(1.65)	(7.06)
As at 31st March, 2016	**27.32**	**1.08**	**9.41**	**57.08**	**12.50**	**107.39**
(Charged)/credited:						
to Profit and loss	(24.09)	-	(9.41)	(57.08)	3.04	(87.54)
to other comprehensive income	-	0.40	-	-	(8.81)	(8.41)
Deferred tax on basis adjustment	-	-	-	-	(0.66)	(0.66)
As at 31st March, 2017	**3.23**	**1.48**	**-**	**-**	**6.07**	**10.78**

*On Intangible assets adjusted against Capital Redemption Reserve and Securities premium account under the Capital Restructuring scheme. (Refer Note 12(c)).

Movement in deferred tax liabilities

(₹ in Crore)

Particulars	Property plant and equipment and Investment property	Change in fair value of hedging instruments	Other items	Total deferred tax liabilities
As at 1st April, 2015	**44.64**	**1.00**	**0.25**	**45.89**
(Charged)/credited :				-
to Profit and loss	(4.75)	1.45	(0.13)	(3.43)
to other comprehensive income	-	-	-	-
Deferred tax on basis adjustment	-	-	-	-
As at 31st March, 2016	**39.89**	**2.45**	**0.12**	**42.46**
(Charged)/credited :				
to Profit and loss	(39.91)	(2.45)	1.14	(41.22)
to other comprehensive income				
Deferred tax on basis adjustment				
As at 31st March, 2017	**(0.02)**	**-**	**1.26**	**1.24**

8 Other Non Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital advances	6.01	18.58	12.37
Advances to vendors	-	0.30	-
Prepaid expenses	0.85	0.71	1.24
Fringe benefit tax payments	0.48	0.48	0.48
Deposits with statutory/government authorities	10.88	10.50	10.74
Total other non-current assets	**18.22**	**30.57**	**24.83**

9 Inventories

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Raw Materials			
- In Stock	569.03	288.08	356.66
- In Transit	50.69	71.25	10.85
Packing materials			
- In Stock	85.96	75.21	77.10
- In Transit	0.05	-	-
Work-in-progress	159.35	137.21	128.78
Finished goods			
- In Stock	361.83	322.50	387.03
- In Transit	0.40	0.33	-
Traded goods	13.12	17.71	19.80
By-Products	3.51	3.79	6.03
Stores and Spares	9.50	9.48	8.47
Total inventories	**1,253.44**	**925.56**	**994.72**

Refer note 1(p) for basis of valuation

Amounts recognised in profit or loss

Write-downs/ (reversals) of inventories during the year to net realisable value amounted to Rs. (1.59) Crore (31st March, 2016 Rs 2.61 Crore). These were recognised as an expense during the year and included under “change in value of inventories’ of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances to vendors	52.23	88.18	73.12
Deposits with statutory/government authorities (Refer note below)	31.75	14.36	11.48
Prepaid expenses	13.68	13.12	10.76
Others	0.22	0.20	0.37
Total other current assets	**97.88**	**115.86**	**95.73**

Deposits with government authorities and others includes government grants of Rs. 6.75 Crore for the year ended 31st March, 2017.

11 Assets Classified as Held for Sale

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Land and Building (Refer note 4 (v))	12.45	12.45	28.71
Total assets classified as held for sale	**12.45**	**12.45**	**28.71**

Non-recurring fair value measurements

Fair value of Building classified as held for sale was Rs.40.69 Crore as at 31st March, 2017, Rs.39.12 Crore as at 31st March, 2016 and Rs.47.45 Crore as on 1st April, 2015. Building classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair values of these assets have been determined by independent valuer who holds recognised and relevant professional qualification. The main inputs include details obtained from "The Ready Reckoner", location factor and physical verification of the property. All resulting fair value estimates for assets held for sale are included in level 3.

The Company decided to sell land and building which was classified as asset held for sale as on 31st March, 2015. The assets situated at Goa were sold during the year ended 31st March, 2016, and the gain of Rs. 9.23 Crore was included in net gain on disposal of Property, Plant and Equipment in Note 20. The other asset was reclassified to investment property during the year ended 31st March, 2016. The delay in respect of the remaining asset (building) which the group has committed to sell is caused by certain event and circumstances which are beyond the entity's control.

12(a) Equity Share Capital

(₹ in Crore)

Particulars	No. of shares (in Crore)	Amount
Authorised share capital		
As at 1st April, 2015		
Equity shares of Re. 1/- each	115.00	115.00
Preference shares of Rs. 10/- each	10.00	100.00
Total	**125.00**	**215.00**
As at 31st March, 2016		
Equity shares of Re. 1/- each	150.00	150.00
Preference shares of Rs. 10/- each	6.50	65.00
Total	**156.50**	**215.00**
As at 31st March, 2017		
Equity shares of Re. 1/- each	150.00	150.00
Preference shares of Rs. 10/- each	6.50	65.00
Total	**156.50**	**215.00**
Issued, subscribed and paid-up as at 31st March, 2017		
1,290,471,198 equity shares of Re. 1/- each fully paid-up (refer note (v) below)	129.05	129.05
Total	**129.05**	**129.05**

(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 1st April, 2015	64.50	64.50
Shares issued during the year - ESOP (Refer note 35)	0.01	0.01
Bonus Issue (Refer note (v) below)	64.51	64.51
As at 31st March, 2016	**129.02**	**129.02**
Equity shares of Re. 1/- each	-	-
Shares issued during the year - ESOP (Refer Note 35)	0.03	0.03
As at 31st March, 2017	**129.05**	**129.05**

(ii) Rights, preferences and restrictions attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of Re.1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Shares reserved for issue under options

Information relating to Marico ESOS 2007, Marico ESOS 2014, MD CEO ESOP Plan 2014 and Marico ESOP 2016, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 35.

(iv) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Re. 1/- each fully paid-up				
Harsh C Mariwala with Kishore V Mariwala (For Valentine Family Trust)	148,337,200	11.49	146,752,000	11.37
Harsh C Mariwala with Kishore V Mariwala (For Aquarius Family Trust)	148,338,200	11.49	146,752,000	11.37
Harsh C Mariwala with Kishore V Mariwala (For Taurus Family Trust)	148,338,000	11.49	146,752,000	11.37
Harsh C Mariwala with Kishore V Mariwala (For Gemini Family Trust)	148,338,100	11.49	146,752,000	11.37
First State Investments Services (UK) Ltd (along with Persons acting in concert)	97,225,880	7.53	108,091,457	8.38

(v) During the year ended 31st March, 2016, the Company has issued 645,085,599 fully paid-up bonus equity shares of face value Re. 1 each in the ratio of 1:1 with record date of 24th December, 2015. As a result EPS has been adjusted for reporting as well as for all the comparative periods.

Aggregate number of shares allotted as fully paid-up by way of bonus shares	For the year ended 31st March, 2016
Equity shares allotted as fully paid-up bonus shares by capitalization of general reserve	645,085,599

12(b) Reserves and Surplus

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Securities premium reserve	411.28	408.46	407.97
General reserve	298.70	298.70	363.21
Share based option outstanding account	7.62	6.42	2.96
Treasury Shares	(60.69)	(68.37)	(28.29)
WEOMA reserve	44.82	20.18	2.66
Retained earnings	2,254.98	1,965.97	1,759.87
Adjustment pursuant to the Scheme of Capital Reduction of MCCL (Refer note 12 (c))	(723.72)	(723.72)	(723.72)
Total Reserves and surplus	**2,232.99**	**1,907.64**	**1,784.66**

(i) Securities premium reserve

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	408.46	407.97
Add: Receipt on exercise of employee stock options	2.82	0.58
Less : Amount adjusted towards bonus share issue expenses	-	(0.09)
Closing Balance after Minority Interest	**411.28**	**408.46**

(ii) General Reserve

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	298.70	363.21
Less: Transferred to share capital on account of issue of bonus shares	-	(64.51)
Closing Balance after Minority Interest	**298.70**	**298.70**

(iii) Share based option outstanding account (refer note 35)

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	6.42	2.96
Appropriations during the year	(2.82)	-
Compensation of option granted during the year	4.02	3.46
Closing Balance after Minority Interest (ESOP)	**7.62**	**6.42**

(iv) Treasury Shares (refer note 38)

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	(68.37)	(28.29)
Add : (Purchase)/sale of treasury shares by the trust during the year (net)	7.68	(40.08)
Closing Balance after Minority Interest	**(60.69)**	**(68.37)**

(v) WEOMA reserve (refer Note 38)

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	20.18	2.66
Add : Income of the trust for the year	24.64	17.52
Closing Balance after Minority Interest	**44.82**	**20.18**

(vi) Retained earnings

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	1,965.97	1,759,87
Net Profit for the period	798.59	711.48
Remeasurement of post empoyment benefit obligation, net of tax	(0.96)	(2.95)
Less: Dividend	(451.59)	(435.43)
Less: Tax on dividend (net of tax on dividend received from Indian and foreign subsidiaries of Rs. 34.89 Crore) (Previous year Rs. 23.22 Crore)	(57.03)	(67.00)
Closing Balance (Retained earnings after Minority Interest)	**2,254.98**	**1,965.97**

12(c) Other Reserves

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Hedge reserve	1.46	(15.24)	(48.70)
Foreign currency translation reserve	(37.82)	(4.05)	-
Total other reserves	**(36.36)**	**(19.29)**	**(48.70)**

Hedge reserve

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening balance	(15.24)	(48.70)
Deferred Hedging Gain / (Loss) on hedging instruments	(9.67)	(16.43)
Gain / (Loss) transferred to Income Statement	35.20	67.02
Deferred tax on hedge reserve	(8.83)	(17.13)
Closing Balance hedge reserve	**1.46**	**(15.24)**

Foreign currency translation reserve

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening balance	(4.05)	-
Less: Transferred to retained earnings	-	-
Exchange gain/(loss) on translation during the year	(33.77)	(4.05)
Closing Balance Foreign currency translation reserve	**(37.82)**	**(4.05)**

Non controlling interest (NCI)

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening balance	14.31	13.65
Total Comprehensive Income for the year	12.37	11.84
Less : Dividend distributed to minority shareholders	(13.45)	(11.88)
Other adjustments	0.11	0.70
Closing Balance Non controlling interest (NCI)	**13.34**	**14.31**

Nature and purpose of other reserves

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

General Reserve

The General Reserve is used from time to time to record transfer of profit from retained earnings, for appropriation purposes. As general reserve is created by transfer from one component of equity to another and it is not an item of other comprehensive income, item included in the General Reserve will not be reclassified subsequently to Profit or Loss.

Share based option outstanding account

The share based option outstanding account is used to recognise the grant date fair value of options issued to employees under group's employee stock option schemes.

WEOMA reserve and Treasury shares

Profit on sale of treasury shares by WEOMA trust is recognised in WEOMA reserve. (refer note 38)

Hedge Reserve

The group uses forward and options contracts to hedge its risks associated with foreign currency transactions relating to certain firm commitments and forecasted transactions. The group also uses Interest rates swap contracts to hedge its interest rate risk exposure. The group designates these as cash flow hedges. These contracts are marked to market as at the year end and resultant exchange differences, to the extent they represent effective portion of the hedge, are recognized directly in hedge reserve. The ineffective portion of the same is recognized immediately in the Statement of Profit and Loss.

Exchange differences taken to hedge reserve account are recognized in the Statement of Profit and Loss upon crystallization of firm commitments or occurrence of forecasted transactions or upon discontinuation of hedge accounting resulting from expiry / sale / termination of hedge instrument or upon hedge becoming ineffective.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Adjustment pursuant to the Scheme of Capital Reduction of MCCL

During the year ended 31st March, 2014, Hon'ble High Court of Bombay had approved the Scheme of Capital Reduction vide its order dated 21st June, 2013 in accordance with the provisions of Section 78 (read with Sections 100 to 103) of the Companies Act, 1956, pertaining in the group's wholly owned subsidiary, Marico Consumer Care Limited (MCCL). Pursuant to the Capital Reduction Scheme, intangible assets aggregating Rs. 723.72 Crore, were adjusted against the Share capital to the extent of Rs. 53.96 Crore and securities premium to the extent of Rs. 669.76 Crore. Consequently, in the consolidated financial statements of Marico, intangible assets to the extent of Rs. 723.72 Crore were adjusted under reserves and surplus.

13(a) Non-Current Borrowings

(₹ in Crore)

	Maturity Date	Terms of repayment	Coupon / Interest rate	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured						
Term Loan						
From banks						
External commercial borrowing from The Hongkong and Shanghai Banking Corporation Limited (Refer note (ii) below)	USD 6 million due on 11th August, 2015 USD 9 million due on 11th February, 2016 USD 12 million due on 11th August, 2016 USD 15 million due on 11th February, 2017	The loan is repayable over a period of 6 years commencing from 11th February, 2011 on semiannual installments	3 months LIBOR + 2.1%	-	179.28	262.78
Total non-current borrowings				**-**	**179.28**	**262.78**
Less: Current Maturities of long-term debt (Refer note 13 (b))				-	178.53	93.36
Less: Interest accrued (Refer note 13 (b))				-	0.75	1.02
Non-current borrowings				**-**	**-**	**168.40**

13(a) Current Borrowings

(₹ in Crore)

	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans repayable on demand						
Secured						
From banks						
Cash credit (Refer Note (i) below)	Payable on demand	Payable on demand	6.00% to 12.25% per annum	33.87	16.72	8.64
Pre-shipment credit in Foreign Currency (Refer Note (i) below)	Repayable on 9th June, 2017 Rs. 21.25 Crore and repayable on 21st July, 2017 Rs. 27.10 Crore (FY 16 - Nil)	For a term of twelve months	1.00% to 1.4% per annum (FY 16 - Nil)	48.35	-	-
Export Packing credit (Refer Note (i) below)	Repayable on 31st May, 2017 Rs. 10 Crore and 25th September, 2017 Rs. 10 Crore (FY 16 - Repayable on 27th May, 2016 and 20th June, 2016 for Rs. 10 Crore and 5 Crore respectively)	For a term of two months to six months (FY 16 - For a term of two to four months)	Bank Base rate/Relevant Benchmark rate plus applicable spread ranging between 6.7% to 9.5% per annum less Interest Subvention of 3% per annum (FY 16 - Bank Base rate plus applicable/Relevant Benchmark rate spread ranging between 8.9% to 9.5% per annum less Interest Subvention of 3% per annum)	20.00	15.00	-
Working capital demand loan (Refer Note (i) below)	Repayable on 18th October, 2017 - Rs. 10 Crore 19th October, 2017 - Rs. 10 Crore 15th December, 2017 - Rs. 34.19 Crore	For a term of twelve months	Bank Base rate/Relevant Benchmark Rate plus applicable spread ranging between 0.1% to 0.2% per annum (FY 16 - Nil)	54.19	14.82	13.97
Unsecured						
Working capital demand loan	Repayable on 31st May, 2017 - Rs.57.89 Crore and 29th December, 2017 - Rs.18.99 Crore.	for terms upto twelve months	LIBOR plus applicable spread ranging from 0.80% to 1.10% per annum (FY 16 LIBOR plus applicable spread ranging from 0.80% to 1.10% per annum)	76.88	78.07	112.69
Cash credit	Payable on demand	Payable on demand	LIBOR plus applicable spread ranging from 0.80% to 1.10% per annum (FY 16 LIBOR plus applicable spread ranging from 0.80% to 1.10% per annum)	5.78	28.31	30.22
Total current borrowings				**239.07**	**152.92**	**165.52**
Less: Interest accrued (Refer Note 13(b))				0.27	0.13	0.08
Current borrowings as per balance sheet				**238.80**	**152.79**	**165.44**

(i) Export Packing Credit, Cash Credit, Pre-shipment credit in foreign currency and Working capital demand loan is secured by hypothecation of inventory and debtors, value of Rs. 1,500.43 Crore as at 31st March, 2017, Rs. 1,177.65 Crore as at 31st March, 2016 and Rs. 1,171.47 Crore as at 1st April, 2015.

(ii) ECB loan was secured by (i) Pledge of shares of Marico South East Asia Corporation (a Subsidiary company, formerly known as International Consumer Products Corporation), carrying value of Rs. 254.98 Crore as at 1st April, 2015, 31st March, 2016 and 31st March, 2017 (ii) First ranking pari passu charge over all current and future plant and machinery, carrying value of Rs. 188.57 Crore as at 1st April, 2015, Rs. 175.38 Crore as at 31st March 2016 and the said loan has been repaid during the year and (iii) Mortgage on land and building situated at Andheri, Mumbai (Mortgage was only for previous year ended 31st March, 2015), carrying value of Rs. 44.08 Crore as at 1st April, 2015.

13(b) Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Current maturities of long-term debt (refer note 13(a))	-	178.53	93.36
Interest accrued and not due on borrowings (refer note 13(a))	0.27	0.88	1.10
Capital Creditors	4.66	5.20	4.43
Salaries and benefits payable	11.25	7.69	6.62
Bonus payable	5.38	13.81	13.21
Security deposits from customer and others	1.25	0.43	1.49
Unclaimed dividend (refer note below)	0.33	0.44	0.27
Others liabilites	0.36	0.28	0.43
Derivative designated as hedges			
Foreign-exchange forward contracts	3.14	1.42	0.36
Foreign-exchange interest Rate Swaps used as designated interest rate hedges contracts	-	0.39	1.17
Total other current financial liabilities	**26.64**	**209.07**	**122.44**

Note : Amount payable to Investor Education and Protection Fund Rs. Nil as on 1st April, 2015, 31st March, 2016 and 31st March, 2017.

13(c) Trade Payables

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Trade payables	696.60	669.04	564.42
Total trade payables	**696.60**	**669.04**	**564.42**

14 Provisions

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Disputed indirect taxes (refer note (a))	56.41	50.64	42.25
Total current provisions	**56.41**	**50.64**	**42.25**

(a) Provision for disputed indirect taxes mainly pertains to Entry tax dispute in the state of Himachal Pradesh and West Bengal where company has filed a writ petition in both the states before the honourable high court and the matter is sub judice. It is not practicable to state the timing of the judgement & final outcome. Management has assessed that unfavourable outcome of the matter is more than probable and therefore has created provisions for necessary amounts.

(b) Movement in provisions

(₹ in Crore)

Disputed indirect taxes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Charged / (credited) to profit or loss	50.64	42.25	25.15
Add: Additional provision recognised	6.02	12.41	17.60
Less: Amount used during the year	(0.25)	(4.02)	-
Less: Unused amounts reversed during the year	-	-	(0.50)
Balance as at the end of the year	**56.41**	**50.64**	**42.25**

15 Employee benefit obligations current

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Leave encashment/Compensated absences (refer note (iii) below)	9.59	8.37	7.53
Incentives / Bonus	30.38	25.65	28.23
Gratuity (refer note (i) below)	3.68	3.11	2.85
Share-appreciation rights (refer note (v) below)	7.88	16.68	14.84
Others	0.50	0.44	0.52
Total employee benefit obligations current	**52.03**	**54.25**	**53.97**

Employee benefit obligations non current

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Leave encashment/Compensated absences (refer note (iii) below)	1.18	1.38	1.20
Incentives / Bonus	-	-	0.13
Gratuity (refer note (i) below)	5.28	6.22	3.91
Share-appreciation rights (refer note (v) below)	7.65	4.00	7.76
Others	1.75	1.21	0.60
Total employee benefit obligations non current	**15.86**	**12.81**	**13.60**

Notes:

(i) Gratuity

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan in India is funded through gratuity trust in India.

(ii) Provident fund

Contributions are made to a trust administered by the group. The group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the group is additionally provided for. There is no shortfall as at 31st March, 2017, 31st March 2016 and 1st April, 2015.

(iii) Leave Encashment/Compensated absences.

The group provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation.

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current leave obligations expected to be settled within the next 12	9.59	8.37	7.53

(iv) Superannuation

Marico India makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by Insurance companies. The company has no obligation to the scheme beyond its monthly contributions.

(v) Share-appreciation rights

In respect of Employee Stock Appreciation Rights (STAR) granted pursuant to the group's Employee Stock Appreciation Rights Plan, 2011, the liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, (excess of fair value as at the period end over the Grant price) is recognized as employee compensation cost over the vesting period (refer note 38).

(a) Balance sheet amounts - Gratuity

(₹ in Crore)

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
1st April, 2015	21.83	15.07	6.76
Current service cost	2.46	-	2.46
Interest expense	1.65	-	1.65
Interest income	-	(1.94)	(1.94)
Total amount recognised in profit or loss	**4.11**	**(1.94)**	**2.17**
Remeasurements			-
(Gain)/loss from change in financial assumptions	1.35	-	1.35
Experience (gains)/ losses	2.11	0.79	2.90
Total amount recognised in other comprehensive income	**3.46**	**0.79**	**4.25**
Employer contributions	-	3.25	(3.25)
Benefit Payments	(2.77)	(2.17)	(0.60)
31st March, 2016	**26.63**	**17.30**	**9.33**
1st April, 2016	26.63	17.30	9.33
Current service cost	3.09	-	3.09
Interest expense	1.99	-	1.99
Interest income	-	(1.34)	(1.34)
Total amount recognised in profit or loss	**5.08**	**(1.34)**	**3.74**
Remeasurements			-
(Gain)/loss from change in demographic assumptions	0.95	-	0.95
(Gain)/loss from change in financial assumptions	1.11	-	1.11
Experience (gains)/ losses	(0.07)	(0.62)	(0.69)
Total amount recognised in other comprehensive income	**1.99**	**(0.62)**	**1.37**
Employer contributions	(0.41)	3.41	(3.82)
Benefit Payments	(3.86)	(2.20)	(1.66)
31st March, 2017	**29.43**	**20.47**	**8.96**

The Net liability disclosed above relates to funded & unfunded plans are as follows

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Present value of funded obligations	23.42	19.98	17.67
Fair value of plan assets	(20.47)	(17.30)	(15.07)
Deficit of funded plan	**2.95**	**2.68**	**2.60**
Unfunded plans	6.01	6.65	4.16
Deficit of gratuity plan	**8.96**	**9.33**	**6.76**

NOTES To Consolidated Financial Statements for the year ended 31st March, 2017

The following table shows a breakdown of the defined benefit obligation (Gratuity) and plan assets by country:

(₹ in Crore)

Plan type	31st March, 2017					31st March, 2016					1st April, 2015				
	India	Bangladesh	Dubai	Eygpt	Total	India	Bangladesh	Dubai	Eygpt	Total	India	Bangladesh	Dubai	Eygpt	Total
Present value of obligations	23.42	2.96	2.57	0.48	29.43	19.98	3.41	2.23	1.01	26.63	17.67	1.86	1.46	0.84	21.83
Fair value of plan assets	(20.47)	-	-	-	(20.47)	(17.30)	-	-	-	(17.30)	(15.07)	-	-	-	(15.07)
Total liability	**2.95**	**2.96**	**2.57**	**0.48**	**8.96**	**2.68**	**3.41**	**0.48**	**1.01**	**9.33**	**2.60**	**1.86**	**1.46**	**0.84**	**6.76**

The significant actuarial assumptions were as follows

	31st March, 2017				31st March, 2016				1st April, 2015			
	India	Bangladesh	Dubai	Eygpt	India	Bangladesh	Dubai	Eygpt	India	Bangladesh	Dubai	Eygpt
Discount rate	6.77%	11.00%	3.18%	8.00%	7.72%	11.00%	3.18%	8.00%	7.89%	11.00%	3.15%	12.50%
Rate of return on Plan assets*	6.77%	NA	NA	NA	7.72%	NA	NA	NA	7.89%	NA	NA	NA
Future salary rise**	10.00%	12.00%	5.00%	14.40%	10%	12.00%	5.00%	14.40%	10%	12.00%	5.00%	12.00%
Attrition rate	17.00%	17.50%	5.25%	10.00%	17%	17.50%	5.25%	10.00%	17%	17.50%	5.25%	NA

*The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations.

**The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016
Projected benefit obligation on current assumptions	29.43	26.63
Delta effect of +1% change in rate of discounting	(1.39)	(1.18)
Delta effect of -1% change in rate of discounting	1.55	1.32
Delta effect of +1% change in rate of salary increase	1.17	1.03
Delta effect of -1% change in rate of salary increase	(1.10)	(0.96)
Delta effect of +1% change in rate of Employee turnover	(0.19)	(0.12)
Delta effect of -1% change in rate of Employee turnover	0.21	0.12

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The major categories of plans assets are as follows:

(₹ in Crore)

	31st March, 2017		31st March, 2016		1st April, 2015	
	Amount	in %	Amount	in %	Amount	in %
Special deposit scheme	0.53	2.59%	-	0%	-	0%
Insurer Managed funds	19.91	97.26%	17.30	100%	15.07	100%
Other	0.03	0.15%	-	0%	-	0%
Total	**20.47**	**100%**	**17.30**	**100%**	**15.07**	**100%**

(b) Provident Fund

Amount recognised in the Balance sheet

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Liability at the end of the year	-	-	-
Fair value of plan assets at the end of the year	122.01	98.60	85.80
Present value of benefit obligation as at the end of the period	(117.45)	(94.43)	(82.31)
Difference	4.56	4.17	3.49
Unrecognized past service cost	(4.56)	(4.17)	(3.49)
(Assets) / Liability recognized in the Balance Sheet	-	-	-

Changes in defined benefit obligations:

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Liability at the beginning of the year	94.43	82.31	81.83
Interest cost	8.75	7.20	6.75
Current service cost	8.49	6.73	6.01
Employee contribution	10.78	9.40	8.21
Liability Transferred in	7.11	2.82	2.99
Liability Transferred out	(6.38)	(3.33)	(4.15)
Benefits paid	(5.73)	(10.70)	(19.34)
Actuarial (gain)/loss on obligations (Due to change in financial obligation)	-	-	-
Actuarial (gain)/loss on obligations (Due to Experience)	-	-	-
Liability at the end of the year	**117.45**	**94.43**	**82.31**

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Fair value of plan assets at the beginning of the year	98.60	85.80	82.59
Expected return on plan assets	8.77	7.21	6.75
Contributions	18.74	16.12	14.24
Transfer from other Company	7.11	2.82	2.99
Transfer to other Company	(6.38)	(3.33)	(4.15)
Benefits paid	(5.73)	(10.84)	(19.34)
Actuarial gain/(loss) on plan assets	0.90	0.82	2.72
Fair value of plan assets at the end of the year	**122.01**	**98.60**	**85.80**

Expenses recognised in the Statement of Profit and Loss :

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Current service cost	7.96	6.72	6.02
Interest cost	8.77	7.20	6.75
Expected return on plan assets	(8.77)	(7.20)	(6.75)
Net actuarial (gain)/loss to be recognized	-	-	-
(Income) / Expense recognised in the Statement of Profit and Loss	**7.96**	**6.72**	**6.02**

The major categories of plans assets are as follows :

Particulars	31st March 2017		31st March, 2016		1st April, 2015	
	Amount	in %	Amount	in %	Amount	in %
Central Government securities	14.18	11.62%	24.37	24.72%	20.03	23.34%
State loan/State government Guaranteed Securities	13.71	11.24%	15.21	15.43%	15.32	17.86%
Public Sector Units	38.50	31.55%	43.33	43.94%	40.05	46.68%
Private Sector Units	7.41	6.07%	7.81	7.92%	6.50	7.57%
Equity / Insurance Managed Funds	45.03	36.91%	3.63	3.68%	-	0.00%
Others	3.18	2.61%	4.25	4.31%	3.90	4.55%
Total	**122.01**	**100.00%**	**98.60**	**100.00%**	**85.80**	100.00%

The significant actuarial assumptions were as follows:

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Discount rate	6.67%	7.72%	7.89%
Rate of return on Plan assets*	8.85%	8.80%	8.75%
Future salary rise**	10%	10%	10%
Attrition rate	17%	17%	17%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate		

*The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations.

**The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

(c) Privileged leave (Compensated absences for employees):

Amount recognized in the Balance Sheet and movements in net liability:

(₹ in Crore)

	31st March, 2017	31st March, 2016	1st April, 2015
Opening balance of compensated absences (a)	9.75	8.73	6.78
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	10.77	9.75	8.73

The privileged leave liability is not funded.

(d) Superannuation fund

Marico India has recognised Rs. Nil for the year ended 31st March, 2017, Rs. 0.15 Crore for the year ended 31st March, 2016 and Rs. 0.22 Crore for the year ended 31st March, 2015 towards contribution to superannuation fund in the Statement of Profit and Loss.

Marico India has recognised Rs. 0.12 Crore for the year ended 31st March, 2017, Rs. 0.05 Crore for the year ended 31st March, 2016, towards employee state insurance plan in the Statement of Profit and Loss.

Risk exposure (For Gratuity and Provident Fund)

Through its defined benefit plans, the group is exposed to below risk:

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The Trust ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the group's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

Defined benefit liability and employer contributions

The weighted average duration of the gratuity for the group ranges from 4.88 to 12.37 years as at 31st March, 2017, 5.59 to 12.32 years as at 31st March, 2016 and 5.51 to 12.71 years as at 1st April, 2015.

The expected maturity analysis of gratuity is as follows:

(₹ in Crore)

	31st March, 2017	31st March, 2016	1st April, 2015
Within the next 12 months	4.07	3.82	3.31
Between 2 and 5 years	14.85	17.27	11.65
Between 6 and 10 years	15.79	23.31	11.87
Total	**34.71**	**44.40**	**26.83**

16 Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred tax assets			
Liabilities / provisions that are deducted for tax purposes when paid	22.15	-	-
On Intangible assets adjusted against Capital Redemption Reserve and Securities Premium Account under the Capital Restructuring Scheme	7.06	-	-
MAT Credit entitlement	7.74	-	-
	36.95	**-**	**-**
Other items:			
Provision for doubtful debts / advances that are deducted for tax purposes when written off	1.77	-	-
Other timing differences	0.42	-	-
	2.19	**-**	**-**
Total deferred tax assets	**39.14**	**-**	**-**
		-	-
Deferred tax liability:			
Additional depreciation/amortisation on property, plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	40.35	1.00	0.07
Financial assets at fair value through Profit & Loss	7.96	0.21	0.13
Outside basis tax	11.85	21.63	16.08
Other timing differences	1.01	-	-
Total deferred tax liabilities	**61.17**	**22.84**	**16.28**
Net deferred tax liabilities	**22.03**	**22.84**	**16.28**

Movement in deferred tax assets

(₹ in Crore)

Particulars	Liabilities / provisions that are deducted for tax purposes when paid	On intangible assets	MAT credit entitlement	Other items	Total deferred tax assets
As at 1st April, 2015	**-**	**-**	**-**	**-**	**-**
(Charged)/credited :					-
to Profit and loss	-	-	-	-	-
to other comprehensive income	-	-	-	-	-
Deferred tax on basis adjustment	-	-	-	-	-
As at 31st March, 2016	-	-	-	-	-
(Charged)/credited :					
to Profit and loss	22.15	7.06	7.74	2.19	39.14
to other comprehensive income	-	-	-	-	-
As at 31st March, 2017	**22.15**	**7.06**	**7.74**	**2.19**	**39.14**

Movement in deferred tax liabilities

(₹ in Crore)

Particulars	Property plant and equipment and Investment property	Financial assets at fair value through Profit & Loss	Outside basis tax	Other items	Total deferred tax liabilities
As at 1st April, 2015	**0.07**	**0.13**	**16.08**	**-**	**16.28**
(Charged)/credited :					
to Profit and loss	0.93	0.08	5.55	-	**6.56**
to other comprehensive income	-	-	-	-	**-**
Deferred tax on basis adjustment	-	-	-	-	**-**
As at 31st March, 2016	**1.00**	**0.21**	**21.63**	**-**	**22.84**
(Charged)/credited :					
to Profit and loss	39.35	7.75	(9.78)	1.01	**38.33**
to other comprehensive income	-	-	-	-	**-**
Deferred tax on basis adjustment	-	-	-	-	**-**
As at 31st March, 2017	**40.35**	**7.96**	**11.85**	**1.01**	**61.17**

17 Current tax liabilities

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening balance	36.09	38.90
Add: Current tax payable for the year	292.21	250.30
Less: Taxes paid	(296.41)	(252.82)
Foreign Currency Translation Reserve	(0.24)	(0.29)
Closing balance	**31.65**	**36.09**
Current Tax assets	**0.92**	**1.98**
Current Tax liabilities	**32.57**	**38.07**

The Current tax assets and liabilities has been derived at based on individual entity.

18 Other current liabilities

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Statutory dues including provident fund, Tax deducted at source and others	40.88	33.89	30.34
Book overdraft	-	12.55	4.36
Other current liabilities	**40.88**	**46.44**	**34.70**
Contractual obligation	54.61	65.23	61.79
Advance from customer	23.16	26.92	28.86
Other payable	0.91	1.39	1.22
Total Other payables	**78.68**	**93.54**	**91.87**
Total other current liabilities	**119.56**	**139.98**	**126.57**

19 Revenue From Operations

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of products including excise duty		
Finished goods*	5,788.94	5,884.63
By-products	129.09	130.16
Other operating revenue:		
Export incentives	8.49	4.86
Other incentives	2.14	-
Sale of Scrap	7.26	4.80
Total Revenue from continuing operations	**5,935.92**	**6,024.45**

*Finished goods includes traded goods

20 Other Income

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
(a) Other income		
Rental income	1.20	0.91
Dividend income from investments measured at fair value through profit or loss	-	25.59
Interest income from financial assets at amortised cost	36.32	32.36
Others	8.00	11.86
Total of other income	**45.52**	**70.72**
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment / business	2.77	19.16
Net gain on financial assets mandatorily measured at fair value through profit or loss and net gain on sale of investments*	49.02	3.45
Total of other gain/(losses)	**51.79**	**22.61**
Total other income	**97.31**	**93.33**

*Includes net gain on financial assets mandatorily measured at fair value through Profit or Loss of Rs 18.56 Crore (31st March, 2016: Rs.1.39 Crore)

21(a) Cost of Materials Consumed

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Raw materials at the beginning of the year	359.33	367.51
Add: Purchases	2,573.18	2,374.08
Less: Raw materials at the end of the year	619.72	359.33
Total raw materials consumed	**2,312.79**	**2,382.26**
Packing materials at the beginning of the year	75.21	77.10
Add: Purchases	463.24	471.41
Less: Packing materials at the end of the year	86.01	75.21
Total packing materials consumed	**452.44**	**473.30**
Total cost of materials consumed	**2,765.23**	**2,855.56**

21(b) Changes in Inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Opening inventories		
Finished goods	322.83	387.03
Work-in-progress	137.21	128.78
By-products	3.79	6.03
Stock-in-trade	17.71	19.80
Closing inventories		
Finished goods	362.23	322.83
Work-in-progress	159.35	137.21
By-products	3.51	3.79
Stock-in-trade	13.21	17.71
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(56.67)**	**60.10**

22 Employee Benefit Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Salaries, wages and bonus	342.36	321.84
Contribution to provident fund (Refer Note 15)	14.28	11.73
Employee share-based payment expense (Refer Note 35)	4.02	3.46
Stock appreciation right expenses (Refer Note 35)	13.89	15.74
Staff welfare expenses	29.63	20.63
Total employee benefit expense	**404.18**	**373.40**

23 Depreciation and Amortization Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Depreciation on Property, Plant and Equipment (Refer Note 3)	85.34	82.64
Depreciation on Investment properties (Refer Note 4)	0.44	1.77
Amortisation of intangible assets (Refer Note 5)	4.03	4.08
Impairment loss / (reversal of loss) of capitalised assets (Refer Note 3)	0.49	6.37
Total Depreciation and amortization expense	**90.30**	**94.86**

24 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Consumption of stores and spares	21.31	18.11
Power, fuel and water	29.32	31.06
Contract manufacturing charges	187.35	188.43
Rent and storage charges	50.56	39.37
Repairs to:		
- Building	11.65	10.81
- Plant and equipment	21.24	20.03
- Others	5.22	4.15
Freight, forwarding and distribution expenses	238.59	229.94
Advertisement and sales promotion	659.46	692.72
Insurance	8.94	7.69
Rates and taxes	31.16	36.79
Commission to selling agents	6.06	5.60
Communication expenses	10.36	9.44
Printing and stationery	3.06	2.56
Research and development expenses	7.31	5.15
Net Losses on foreign currency transactions and translations (Refer note (iii))	33.35	61.06
Travelling, conveyance and vehicle expenses	45.60	43.17
Royalty	0.31	0.25
Commission to Non-executive directors	1.82	1.31
Provision for doubtful debts, loans, advances and investments	0.09	1.33
Add: Bad debts written off	-	0.06
	0.09	1.39
Miscellaneous expenses (Refer note (i) below)	150.63	112.96
Total	**1,523.39**	**1,521.99**

(i) Miscellaneous expenses include :

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Labour charges	26.03	20.61
Training and seminar expenses	8.48	7.54
Outside services	30.01	21.55
Legal and professional charges	60.33	39.34
Donation	5.73	8.84

(ii) Corporate social responsibility expenditure

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Amount required to be spent as per the section 135 of the Act	13.15	11.35
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	14.56	10.02

(iii) Net Losses on foreign currency transactions and translations is other than as consider in finance cost.

25 Finance Costs

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest and finance charges on financial liabilities not at fair value through profit or loss	9.24	10.54
Bank and other financial charges	2.29	2.50
Fair value changes on interest rate swaps designated as cash flow hedges transfer from OCI	(0.39)	(0.78)
Exchange differences regarded as an adjustment to borrowing costs	4.89	5.92
Other borrowing costs	0.55	2.44
Finance costs expensed in profit or loss	**16.58**	**20.62**

26 Income Tax Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
a) Income tax expense		
Current tax		
Current tax on profits for the year	292.21	250.30
Total current tax expense	**292.21**	**250.30**
Deferred tax		
(Decrease)/ Increase in deferred tax liabilities	45.52	55.07
Total deferred tax expense/(benefit)	**45.52**	**55.07**
Income tax expense	**337.73**	**305.37**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit before income tax expense	1,148.70	1,028.70
India tax rate	**34.608%**	**34.608%**
Tax at the Indian tax rate	397.54	356.01
Tax effect of amounts which are not deductible/ (allowable) in calculating taxable income :		
Exempt Income	(0.77)	(12.67)
Corporate social responsibility expenditure	5.40	2.42
Employee share based expense	5.96	6.27
Expenses not deductible for tax purposes	-	1.58
Other items		
Deduction under various Section of Income Tax Act,1961	(73.57)	(50.22)
Dividend to be taxed at lower rate	(39.44)	(12.76)
Long Term Capital Gains on sale of land taxed at different rate	-	(1.50)
Interest income on loan to WEOMA Trust eliminated in financial statement	1.18	0.73
Provision for Impairment of Investment in joint venture	0.56	-
Other	(0.22)	(1.06)
Difference in overseas tax rate	42.38	21.77
Adjustment to current tax of prior periods	(1.29)	(5.20)
Income tax expense	**337.73**	**305.37**

27 Fair Value Measurements

(a) Financial Instruments by category

(₹ in Crore)

Particulars	Note	31st March, 2017			31st March, 2016			1st April, 2015		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial Assets										
Investments										
Equity Instruments	6(a)	0.14	-	-	1.47	-	-	4.52	-	-
Bonds and debentures	6(a)	-	-	40.72	-	-	24.78	-	-	24.78
Mutual funds	6(a)	401.68	-	-	364.59	-	-	245.45	-	-
Government securities	6(a)	-	-	1.98	-	-	5.37	-	-	0.01
Trade receivables	6(b)	-	-	246.99	-	-	252.09	-	-	176.75
Inter corporate deposits	6(a)	-	-	147.39	-	-	116.16	-	-	60.76
Loans	6(c)	-	-	9.85	-	-	8.75	-	-	8.50
Derivative financial assets	6(f)		2.11		-	4.15	-	-	0.58	-
Security deposits	6(f)	-	-	16.29	-	-	13.70	-	-	14.33
Cash and bank balances	6(d),6(e)	-	-	21.43	-	-	28.32	-	-	31.60
Fixed deposits	6(d),6(e)&6(f)	-	-	206.33	-	-	289.84	-	-	181.18
Insurance claim receivable	6(f)	-	-	-	-	-	1.95	-	-	0.05
Total financial assets		**401.82**	**2.11**	**690.98**	**366.06**	**4.15**	**740.96**	**249.97**	**0.58**	**497.96**
Financial Liabilities										
Borrowings	13(a)	-	-	239.07	-	-	332.20	-	-	428.30
Derivative financial liabilities	13(b)	-	3.14	-	-	1.81	-	-	1.53	-
Trade payables	13(c)	-	-	696.60	-	-	669.04	-	-	564.42
Capital creditors	13(b)	-	-	4.66	-	-	5.20	-	-	4.43
Others	13(b)	-	-	18.57	-	-	22.65	-	-	22.02
Total financial liabilities		**-**	**3.14**	**958.90**	**-**	**1.81**	**1,029.09**	**-**	**1.53**	**1,019.17**

Fair value hierarchy

(b) This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crore)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31st March, 2017					
Financial assets					
Equity Instruments	6(a)	-	-	0.14	0.14
Mutual funds - growth plan	6(a)	17.71	383.97	-	401.68
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	2.11	-	2.11
Total financial assets		**17.71**	**386.08**	**0.14**	**403.93**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	3.14	-	3.14
Total financial liabilities		**-**	**3.14**	**-**	**3.14**

(₹ in Crore)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 31st March, 2017					
Financial Assets					
Investments					
Bonds and debentures (including interest accrued)	6(a)	42.75	-	-	42.75
Government securities	6(a)	-	-	1.98	1.98
Inter - corporate deposits (including interest accrued)	6(a)	-	-	147.39	147.39
Total financial assets		**42.75**	**-**	**149.37**	**192.12**
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	239.07	239.07
Total financial liabilities		**-**	**-**	**239.07**	**239.07**
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31st March, 2016					
Financial assets					
Listed equity instrument	6(a)	1.47	-	-	1.47
Mutual funds - growth plan	6(a)	16.32	348.27	-	364.59
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	4.15	-	4.15
Total financial assets		**17.79**	**352.43**	**-**	**370.22**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	1.42	-	1.42
Foreign-exchange Interest Rate Swaps used as designated Interest rate hedges contracts	13(b)	-	0.39	-	0.39
Total financial liabilities		**-**	**1.81**	**-**	**1.81**
Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 31st March, 2016					
Financial Assets					
Investments					
Bonds (including interest accrued)	6(a)	26.46	-	-	26.46
Government securities	6(a)	-	-	5.37	5.37
Inter - corporate deposits (including interest accrued)	6(a)	-	-	116.16	116.16
Total financial assets		**26.46**	**-**	**121.53**	**147.99**
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	332.20	332.20

(₹ in Crore)

	Note	Level 1	Level 2	Level 3	Total
Total financial liabilities		**-**	**-**	**332.20**	**332.20**
Financial assets and liabilities measured at fair value - recurring fair value measurements as 1st April, 2015					
Financial assets					
Listed of equity instruments	6(a)	4.52	-	-	4.52
Mutual funds - growth plan	6(a)	5.60	239.85	-	245.45
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	0.58	-	0.58
Total financial assets		**10.12**	**240.43**	**-**	**250.55**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	0.36	-	0.36
Foreign-exchange Interest Rate Swaps used as designated Interest rate hedges contracts	13(b)	-	1.17	-	1.17
Total financial liabilities		**-**	**1.53**	**-**	**1.53**
Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 1st April, 2015					
Financial Assets					
Investments					
Bonds (including interest accrued)	6(a)	26.16	-	-	26.16
Government securities	6(a)	-	-	0.01	0.01
Inter corporate deposits (including interest accrued)	6(a)	-	-	60.76	60.76
Total financial assets		**26.16**	**-**	**60.77**	**86.93**
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	428.30	428.30
Total financial liabilities		**-**	**-**	**428.30**	**428.30**

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price and NAV published by the mutual funds. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here.For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the group carries such instruments at cost less impairment, if applicable.

The Group's policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Crore)

	Note	31st March, 2017		31st March, 2016		1st April, 2015	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets							
Investments							
Bonds and debentures	6(a)	40.72	42.76	24.78	26.46	24.78	26.16
Government securities	6(a)	1.98	1.98	5.37	5.37	0.01	0.01
Inter - corporate deposits	6(a)	147.39	147.39	116.16	116.16	60.76	60.76
Total financial assets		**190.09**	**192.12**	**146.31**	**147.99**	**85.55**	**86.93**
Financial liabilities							
Borrowings	13(a)	239.07	239.07	332.20	332.20	428.30	428.30
Total financial liabilities		**239.07**	**239.07**	**332.20**	**332.20**	**428.30**	**428.30**

The carrying amounts of trade receivables, trade payables, capital creditors, loans and advances, security deposit, fixed deposit, insurance claim receivable, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

28 Financial Risk Management

Financial Risks

In the course of its business, the group is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk and interest rate risk, commodity price risk and equity price risk). This note presents the group's objectives, policies and processes for managing its financial risk and capital.

Board of Directors of the group have approved Risk Management Framework through policies regarding Investment , Borrowing and Foregin Exchange Management policy. Management ensures the implementation of strategies and achievement of objectives as laid down by the Board through central treasury function.

Approved Treasury Management Guidelines define and classify risks as well as determine, by category of transaction, specific approval, execution and monitoring procedures.

In accordance with the aforementioned policies, the group only enters into plain vanilla derivative transactions relating to assets, liabilities or anticipated future transactions.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments, the group aims to minimize its financial credit risk through the application of risk management policies. Credit limits are set based on a counterparty value. The methodology used to set the list of counterparty limits includes, counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out. The group avoids the concentration of credit risk on its liquid assets by spreading them over several asset management companies and monitoring of underlying sector exposure.

Trade receivables are subject to credit limits, controls & approval processes. Due to large geographical base & number of customers, the group is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances & the historical experience of the group.

The gross carrying amount of trade receivables is Rs 246.99 Crore as at 31st March, 2017 (Rs. 252.09 as at 31st March, 2016 and Rs. 176.75 Crore as at1st April, 2015).

Reconciliation of loss allowance provision- Trade receivables

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Loss allowance at the beginning of the year	3.39	3.16
Add : Changes in loss allowances	(0.37)	0.23
Loss allowance at the end of the year	3.02	3.39

Security deposits are interest free deposits given by the group for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of security deposit is Rs. 16.28 Crore as at 31st March, 2017, Rs. 14.05 Crore as at 31st March, 2016 and Rs. 13.61 Crore as at 1st April, 2015.

Reconciliation of loss allowance provision- Deposits/advances

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Loss allowance at the beginning of the year	1.00	-
Add : Changes in loss allowances due to provision	(1.00)	1.00
Loss allowance at the end of the year	-	1.00

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The current ratio of the group as at 31st March, 2017 is 1.96 (as at 31st March, 2016 is 1.60, as at 1st April, 2015 is 1.63) whereas the liquid ratio of the group as at 31st March, 2017 is 1.08 (as at 31st March, 2016 is 1.01, as at 1st April, 2015 is 0.82)

Maturities of financial liabilities

(₹ in Crore)

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Contractual maturities of financial liabilities 31st March, 2017						
Non-derivatives						
Borrowings	13(a)	247.58	-	-	-	247.58
Trade Payables	13(c)	696.60	-	-	-	696.60
Other Financial Liabilities	13(b)	23.23	-	-	-	23.23
Total Non- derivative liabilities		**967.41**	**-**	**-**	**-**	**967.41**
Derivative (Net - Settled)						
Foreign exchange forward contracts	13(b)	3.14	-	-	-	3.14
Total derivative liabilities		**3.14**	**-**	**-**	**-**	**3.14**

(₹ in Crore)

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Contractual maturities of financial liabilities 31st March, 2016						
Non-derivatives						
Borrowings	13(a)	339.42	-	-	-	339.42
Trade payables	13(c)	669.04	-	-	-	669.04
Other financial liabilities	13(b)	27.85	-	-	-	27.85
Total Non- derivative liabilities		**1,036.31**	**-**	**-**	**-**	**1,036.31**
Derivative (Net - Settled)						
Foreign exchange forward contracts	13(b)	1.81	-	-	-	1.81
Total derivative liabilities		**1.81**	**-**	**-**	**-**	**1.81**
Contractual maturities of financial liabilities 1st April, 2015						
Non-derivatives						
Borrowings	13(a)	266.93	175.40	-	-	442.33
Trade Payables	13(c)	564.42	-	-	-	564.42
Other Financial Liabilities	13(b)	26.45	-	-	-	26.45
Total Non- derivative liabilities		**857.79**	**175.40**	**-**	**-**	**1,033.20**
Derivative (Net - Settled)						
Foreign exchange forward contracts	13(b)	1.53	-	-	-	1.53
Total derivative liabilities	**-**	**1.53**	**-**	**-**	**-**	**1.53**

(C) Market Risk

The group is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and future transactions.

(i) Foreign currency risk

The group is exposed to foreign currency risk from transactions and translation.

Transactional exposures arise from transactions in foreign currency. They are managed within a prudent and systematic hedging policy in accordance with the group's specific business needs through the use of currency forwards and options.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR as on 31st March, 2017.

(₹ in Crore)

Particulars	CAD	EUR	GBP	SGD	USD	VND	THB	IDR
Financial assets								
Foreign currency debtors for export of goods	0.24	-	-	-	60.98	-	-	-
Bank balances	-	0.11	0.06	-	12.58	0.01	-	0.04
Cash on hand	-	-	-	-	-	-	-	0.01
Other receivable / (payable)	-	-	0.01	0.01	0.38	-	0.01	-
Derivative asset								
Foreign exchange forward contracts sell foreign currency	-	-	-	-	(8.87)	-	-	-
Net Exposure to foreign currency risk (assets)	**0.24**	**0.11**	**0.07**	**0.01**	**65.07**	**0.01**	**0.01**	**0.05**

(₹ in Crore)

Particulars	EUR	LKR	GBP	AUD	USD	SAR	SGD
Financial liabilities							
Foreign currency Creditors for Import of goods and services	0.02	0.11	1.30	-	26.49	3.91	0.15
Foreign Currency Loan	-	-	-	-	177.40	-	-
Derivative liabilities							
Foreign exchange forward contracts buy foreign currency	(1.86)	-	-	(1.19)	(62.09)	-	-
Foreign exchange Option contracts buy option		-	-	(3.91)	(13.46)	-	-
Net Exposure to foreign currency risk (liabilities)	**(1.84)**	**0.11**	**1.30**	**(5.10)**	**128.34**	**3.91**	**0.15**

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR as on 31st March, 2016.

(₹ in Crore)

Particulars	AED	ARS	BDT	CAD	EUR	GBP	SGD	USD	VND	IDR
Financial assets										
Foreign currency debtors for export of goods	0.01	-	-	0.19	2.02	-	-	61.82	-	-
Bank balances	-	-	-	-	1.88	0.01	-	8.82	0.01	0.02
Cash on hand	-	-	-	-	0.75	0.01	-	0.40	-	-
Other receivable / (payable)	0.01	0.01	0.01	-	0.02	-	0.01	-	-	-
Derivative asset										
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	-	(1.23)	-	-
Net Exposure to foreign currency risk (assets)	**0.02**	**0.01**	**0.01**	**0.19**	**4.67**	**0.02**	**0.01**	**69.81**	**0.01**	**0.02**

(₹ in Crore)

Particulars	BDT	LKR	GBP	AUD	USD	IDR
Financial liabilities						
Foreign currency creditors for import of goods and services	0.10	0.06	1.02	-	100.55	-
Foreign Currency Loan	-	-	-	-	127.03	-
Other receivable / (payable)	-	-	0.08	0.01	52.41	0.05
Derivative liabilities						
Foreign exchange forward contracts buy foreign currency	-	-	-	(4.83)	(42.11)	-
Foreign exchange option contracts buy option	-	-	-	(4.83)	(12.72)	-
Net Exposure to foreign currency risk (liabilities)	**0.10**	**0.06**	**1.11**	**(9.65)**	**225.16**	**0.05**

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR as on 1st April, 2015.

(₹ in Crore)

Particulars	AED	ARS	AUD	EUR	GBP	SGD	USD	VND	IDR	THB
Financial assets										
Foreign currency debtors for export of goods	0.01	-	-	-	-	-	47.19	-	-	-
Others	-	-	-	-	-	-	0.53	-	-	-
Bank balances	-	-	-	-	0.05	-	2.59	0.01	0.01	-
Cash on hand	-	-	-	0.03	0.01	-	0.04	-	-	-
Other receivable / (payable)	0.01	0.01	0.01	0.02	-	0.02	0.84	-	-	0.14
Derivative asset	-	-	-	-	-	-	-	-	-	-
Net Exposure to foreign currency risk (assets)	**0.02**	**0.01**	**0.01**	**0.05**	**0.06**	**0.02**	**51.19**	**0.01**	**0.01**	**0.14**

(₹ in Crore)

Particulars	BDT	EUR	GBP	SGD	USD	AUD	THB	IDR
Financial liabilities								
Foreign currency creditors for import of goods and services	-	0.65	1.49	0.01	107.00	3.89	0.01	-
Foreign currency Creditors for Capital goods	-	-	-	-	0.87	-	-	-
Foreign Currency Loan	-	-	-	-	117.51	-	-	-
Bank Balances		0.04	-	-	-	-	-	0.13
Other receivable / (payable)	0.01	-	-	-	-	-	-	-
Derivative liabilities								
Foreign exchange forward contracts buy foreign currency	-	(3.22)	-	-	(23.68)	(1.16)	-	-
Foreign exchange option contracts buy option	-	-	-	-	(20.76)	(2.73)	-	-
Net Exposure to foreign currency risk (liabilities)	**0.01**	**(2.53)**	**1.49**	**0.01**	**180.94**	**-**	**0.01**	**0.13**

Excludes Loans payable of Rs. 178.87 Crore [USD 27,000,000] (Rs. 262.49 Crore [USD 42,000,000]) assigned to hedging relationship against highly probable forecast sales. The Cash flows are expected to occur and impact the Statement of Profit and Loss within the period of 1 year (Previous year: 2 years).

(₹ in Crore)

Particulars	Impact on profit after tax		Impact on other component of equity	
	31st March,		31st March,	
	2017	2016	2017	2016
USD Sensitivity				
INR/USD Increase by 6% (31 March 2016-5%)	(5.10)	(6.83)	2.62	1.75
INR/USD Decrease by 6% (31 March 2016-5%)	5.10	6.83	(2.62)	(1.75)
AUD Sensitivity				
INR/AUD Increase by 6% (31 March 2016-6%)	-	-	0.20	0.32
INR/AUD Decrease by 6% (31 March 2016-6%)	-	-	(0.20)	(0.32)

ii) Interest Rate Risk

The group is exposed primarily to fluctuation in USD interest rates. Interest rate risk on financial debt is managed through interest rate swaps.

The group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the group agrees with other parties to exchange, at specified intervals (mainly quarterly), The difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Variable rate borrowings	185.77	300.48	380.38
Fixed rate borrowings	53.30	31.72	47.92
Total borrowings	**239.07**	**332.20**	**428.30**

As at the end of the reporting period, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	31st March, 2017			31st March, 2016			1st April, 2015		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	3.40%	185.77	77.70%	2.88%	300.48	90.45%	2.95%	380.38	88.81%
Interest rate Swaps (Notional principal amount)	-	-	-	1.25%	(89.64)	-	1.25%	(131.39)	-
Net Exposure to Cash Flow Interest rate Risk	**-**	**185.77**	**-**	**-**	**210.84**	**-**	**-**	**248.99**	**-**

Financial assets classified at amortized cost have fixed interest rate. Hence, the group is not subject to interest rate risk on such financial assets.

Sensitivity

(₹ in Crore)

Particulars	Impact on profit after tax		Impact on other component of equity	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Interest rates - Increase by 50 basis point (50 bps)	0.61	0.98	-	(0.29)
Interest rates - decrease by 50 basis point (50 bps)	(0.61)	(0.98)	-	0.29

iii) Price risk

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk , market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of Rs. 4.01 Crore on the overall portfolio as at 31st March, 2017 and Rs. 3.64 Crore as at 31st March, 2016.

Impact of hedging activities

Derivate Asset and Liabilities through Hedge Accounting

Derivative Financial Instruments

The group's derivatives mainly consist of currency forwards and options ; interest rate swaps. Derivatives are mainly used to manage exposures to foreign exchange, interest rate and commodity price risk as described in section Market risk

Derivatives are initially recognised at fair value. They are subsequently remeasured at fair value on a regular basis and at each reporting date as a minimum, with all their gains and losses, realised and unrealised, recognised in the statement of Profit and Loss unless they are in a qualifying hedging relationship.

Hedge Accounting

The group designates and documents certain derivatives and other financial assets or financial liabilities as hedging instruments against changes in fair values of recognised assets and liabilities (fair value hedges), highly probable forecast transactions (cash flow hedges). The effectiveness of such hedges is assessed at inception and verified at regular intervals.

Fair value hedges

The group uses fair value hedges to mitigate foreign currency and interest rate risks of its recognised assets and liabilities.

Changes in fair values of hedging instruments designated as fair value hedges and the adjustments for the risks being hedged in the carrying amounts of the underlying transactions are recognised in the statement of profit and loss.

The group uses cash flow hedges to mitigate a particular risk associated with a recognised asset or liability or highly probable forecast transactions, such as anticipated future export sales, purchases of equipment and raw materials

The effective part of the changes in fair value of hedging instruments is recognised in other comprehensive income, while any ineffective part is recognised immediately in the statement of Profit and Loss.

Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio effec-tiveness	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
31st March, 2017									
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	86.14	16.78	2.47	(0.52)	April 2017-March 2018	1:1	1 USD - Rs. 67.6804 1 AUD - Rs. 52.0500 1 EUR - Rs. 71.2450	1.24	(1.24)
Foreign Exchange Options Contracts	50.70	17.37	1.16	0.07	April 2017-February 2018	1:1	1 USD - Rs. 67.1404 1 AUD - Rs. 51.2200	0.49	(0.49)
Foreign Exchange Forward Contracts (For Foreign Currency Loan)	-	48.36	-	(1.69)	April 2017-July 2017	1:1	1 USD - Rs. 71.6750	(1.57)	1.57
31st March, 2016									
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	123.08	48.89	0.90	(0.20)	April 2016-February 2017	1:1	USD 1 - Rs. 68.4673 AUD 1 - Rs. 49.4850	1.10	(1.10)
Foreign Exchange Options Contracts	1.81	17.55	0.02	0.72	April 2016-March 2017	1:1	USD 1 - Rs. 66.8584 AUD 1 - Rs. 47.4090	0.16	(0.16)

NOTES

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Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio effec-tiveness	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Interest Rate Risk									
Interest Rate Swap	-	89.43	-	(0.39)	April 2016-February 2017	1:1	1.25%	0.78	(0.78)
Fair Value hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts (Foreign Currency Loan)	1.35	53.00	(19.58)	(0.11)	April 2016-February 2017	1:1	USD 1 - Rs. 68.8736 ZAR 1 - Rs. 4.4355	(0.15)	0.15
Foreign Exchange Options Contracts (Foreign Currency Loan)	-	53.00	-	1.76	April 2016-February 2017	1:1	USD 1 - Rs. 66.4009	1.76	(1.76)
1st April, 2015									
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	7.47	28.06	0.01	(0.40)	April 2015 to October 2015	1:1	USD 1 - Rs. 63.2336 AUD 1 - Rs. 50.8264 EUR 1 - RS. 72.8490	(1.03)	1.03
Foreign Exchange Options Contracts	27.33	23.49	0.08	0.50	April 2015 to November 2015	1:1	USD 1 - Rs. 62.1052 AUD 1 - Rs. 48.9800	(0.59)	0.59
Interest Rate Risk									
Interest Rate Swap	-	131.25	-	(1.17)	April 2015-February 2017	1:1	1.25%	0.60	(0.60)
Fair Value hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts (Foreign Currency Loan)	5.44	-	0.03	-	April 2015-December 2016	1:1	ZAR 1 - Rs. 5.1514	(0.17)	0.17

Disclosure of effects of Hedge Accounting on Financial Performance

(₹ in Crore)

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in Statement of Profit and Loss because of the reclassification
31st March, 2017				
Cash Flow				
Foreign Exchange Risk	1.74	-	(1.95)	Other expenses
Interest Rate Risk	-	-	(0.39)	Finance cost
Foreign Exchange Risk	(1.57)	-	1.65	Finance cost

(₹ in Crore)

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in Statement of Profit and Loss because of the reclassification
31st March, 2016				
Cash Flow				
Foreign Exchange Risk	1.26	–	0.85	Other expenses
Interest Rate Risk	(0.78)	_	(1.55)	Finance cost
Foreign Exchange Risk	1.61	–	(0.04)	Finance cost

29 Capital Management

(a) Risk Management

The group's capital management is driven by group's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the group's capital. The Management monitors the capital structure and the net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments.

The debt equity ratio highlights the ability of a business to repay its debts. As at 31st March, 2017, the ratio was 10.22%.

The Group complies with all statutory requirement as per the extant regulations.

(₹ in Crore)

Particulars	31st March 2017	31st March 2016	1st April 2015
Net Debt	239.08	332.20	428.31
Total equity	2,339.02	2,031.70	1,814.10
Net Debt to equity ratio	10.22%	16.35%	23.61%

(b) Dividend

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Equity shares		
Interim dividend for the year	451.59	435.43

30 Segment Information

(i) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the group. The CODM examine the group performance from a geographic perspective and has identified two of its following business as identifiable segments:

a) India - this part of the business includes domestic consumer goods

b) International

(ii) The amount of the group's revenue is shown in the table below.

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Segment revenue (Sales and other operating income)		
India	4,579.45	4,679.58
International	1,356.47	1,344.87
Total segment revenue	**5,935.92**	**6,024.45**
Less : Inter segment revenue	-	-
Total	**5,935.92**	**6,024.45**

Revenue from similar products from external customers (₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Edible	3,293.82	3,427.32
Hair Oils	1,419.85	1,366.83
Personal care	818.11	849.09
Others	404.14	381.21
Total	**5,935.92**	**6,024.45**

The country is domicile in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
India	4,579.45	4,679.58
Bangladesh	591.32	592.23
Vietnam	380.15	303.90
Others	385.00	448.74
	5,935.92	**6,024.45**
Segment results (Profit before tax and interest)		
India	1,058.83	963.12
International	198.66	207.40
Total segment results	**1,257.49**	**1,170.52**
Less : (i) Finance cost	16.58	20.62
(ii) Other un-allocable expenditure net of unallocable income	91.21	120.67
Profit before tax	**1,149.70**	**1,029.23**
Share of profit/ (loss) of Joint Venture	(1.00)	(0.53)
Profit Before Tax after share of profit/ (loss) of Joint Venture	**1,148.70**	**1,028.70**

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Segment assets			
India	1,695.72	1,369.68	1,376.76
International	914.44	981.06	967.61
Unallocated	989.36	1,030.43	782.13
Total segment assets	**3,599.52**	**3,381.17**	**3,126.50**
Segment liabilities			
India	703.05	723.07	670.58
International	287.65	301.67	220.98
Unallocated	269.80	324.73	420.84
Total segment liabilities	**1,260.50**	**1,349.47**	**1,312.40**

Geographical non-current assets (Property, plant and equipment, capital work in progress, investment properties, goodwill, other intangible assets and other non-current assets) are allocated based on the location of the assets.

Information regarding geographical non-current assets is as follows:

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
India	544.54	546.80	519.84
Bangladesh	50.43	55.25	59.48
Vietnam*	481.66	500.51	486.02
Others	37.45	45.84	56.44
	1,114.08	**1,148.40**	**1,121.78**

* Includes Goodwill on consolidation amounting to Rs. 453.92 as at 31st March, 2017, Rs. 473.03 Crore as at 31st March, 2016 and Rs. 461.29 Crore as at 1st April, 2015.

31 Interests in Other Entities

(a) Subsidiaries

The group's subsidiaries at 31st March, 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of Business/ Country of Incorporation	Ownership interest held by the group			Ownership interest held by the non controlling interest		
		31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
		%	%	%	%	%	%
Subsidiary companies:							
Marico Bangladesh Limited (MBL)	Bangladesh	90	90	90	10	10	10
Marico Middle East FZE (MME)	UAE	100	100	100	Nil	Nil	Nil
Marico Bangladesh Industries Limited (MBLIL)	Bangladesh	100	100	100	Nil	Nil	Nil
Egyptian American Company for Investment and Industrial Development SAE (EAIIDC)	Egypt	100	100	100	Nil	Nil	Nil
Marico Malaysia Sdn. Bhd. (MMSB)	Malaysia	100	100	100	Nil	Nil	Nil
MEL Consumer Care SAE (MELCC)	Egypt	100	100	100	Nil	Nil	Nil
Marico Egypt Industries Company (MEIC)	Egypt	100	100	100	Nil	Nil	Nil

Name of Entity	Place of Business/ Country of Incorporation	Ownership interest held by the group			Ownership interest held by the non controlling interest		
		31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
Marico South Africa Consumer Care (Pty) Limited (MSACC)	South Africa	100	100	100	Nil	Nil	Nil
Marico South Africa (Pty) Limited (MSA)	South Africa	100	100	100	Nil	Nil	Nil
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	Vietnam	100	100	100	Nil	Nil	Nil
Beaute Cosmetique Societe Par Actions (BCS)	Vietnam	Nil	Nil	99	Nil	Nil	1
Thuan Phat Foodstuff Joint Stock company (TPF)	Vietnam	Nil	99.99	99.99	Nil	0.01	0.01
Marico Consumer Care Limited (MCCL)	India	100	100	100	Nil	Nil	Nil
Marico Innovation Foundation (MIF)	India	NA	NA	NA	NA	NA	NA
Subsidiary firm:							
MEL Consumer Care & Partners - Wind (Through MELCC)	Egypt	99	99	99	1	1	1

During the previous year ended 31st March, 2015, Marico South East Asia Corporation (formerly known as International Consumer Product Corporation), a subsidiary of the Company in Vietnam has bought back its shares resulting into increase in the percentage of the Company's shareholding to 100%.

The principle activity of the group is consumer goods business.

Marico Innovation Foundation ("MIF"), a company incorporated under Section 25 of the Companies Act, 1956 (being a private company limited by guarantee not having share capital) primarily with an objective of fuelling and promoting innovation in India, is a wholly owned subsidiary of the Company with effect from 15th March, 2013. Based on control assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110

During the year ended 31st March, 2016, Marico South East Asia Corporation (formerly known as International Consumer Product Corporation) a subsidiary of the Company divested its entire stake in Beaute Cosmetique Societe Par Actions (BCS) on 14th May, 2015. Accordingly the financial statements of BCS are consolidated from 1st April, 2015 to 14th May, 2015. The profit on sale of this divestment amounting to Rs. 9.62 Crore has been included in Other Income under the Statement of Profit and Loss Account.

(b) Interest in joint ventures

Name of entity	Carrying Amount as at 31st March, 2017	Carrying Amount as at 31st March, 2016	Carrying Amount as at 1st April, 2015	Accounting method	Share in Profit/(loss)		
					31st March, 2017	31st March, 2016	1st April, 2015
Bellezimo Professionale Products Private Limited	-	0.82	-	Equity Method	(1.01)	(0.53)	-
Zed Lifestyle Pvt Limited	16.30	-	-	Equity Method	0.01	-	-
Total equity accounted investments	16.30	0.82	-		(1.00)	(0.53)	-

32 Related Party Transactions

I Name of related parties and nature of relationship:

(a) Joint venture:

Bellezimo Professionale Products Private Limited

Zed Lifestyle Pvt Limited

(b) Key management personnel (KMP):

Mr. Saugata Gupta, Managing Director and CEO

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Rajeev Bakshi, Independent Director

Mr. Atul Choksey, Independent Director

Mr. Nikhil Khattau, Independent Director

Mr. Anand Kripalu, Independent Director

Mr. Rajen Mariwala, Non Executive Director

Mr. B.S. Nagesh, Independent Director

Ms. Hema Ravichandar, Independent Director

(c) Individual holding directly / indirectly an interest in voting power and their relatives (where transactions have taken place) - Significant Influence:

Mr.Harsh Mariwala, Chairman & Non Executive Director

Mr.Rishabh Mariwala, son of Mr.Harsh Mariwala

(d) Post employment benefit controlled trust

Marico Limited Employees Provident Fund

Marico Limited Employees Gratuity Fund

(e) Others - Entities in which above (c) has significant influence and transactions have taken place:

Marico Kaya Enterprises Limited (upto 18th April, 2015)

Kaya Limited

Kaya Middle East FZE

II Transactions with related parties

The following transactions occurred with related parties:

Key management personnel compensation

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Short-term employee benefits	4.57	4.03
Post-employment benefits	0.19	0.16
Employee share-based payment	11.83	3.88
Total compensation	**16.59**	**8.07**
Remuneration / Sitting fees to Non-Executive Director (Exluding Non-Executive Chairman)	**2.19**	**1.54**

The above remuneration to Key Management personnel compensation does not include contribution to gratuity fund, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.

Contribution to post employment benefit controlled trust (refer note 15).

(₹ in Crore)

Particulars	Joint Venture (Referred in I (a), (b) and (c) above)		Others (Referred in I (e) and (f) above)	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Expenses paid on behalf of related parties	-	-	**0.61**	**1.24**
Kaya Limited	-	-	0.61	1.06
Marico Kaya Enterprises Limited	-	-		0.18
Others	-	-		
Expenses paid by Related parties on behalf of Marico Limited	**-**	**-**		**0.23**
Kaya Middle East FZE	-	-		0.23
Sale of goods	**-**	**-**	**0.11**	**0.24**
Kaya Limited	-	-	0.11	0.24
Sale of assets	**-**	**-**	**0.11**	**-**
Others	-	-	0.11	-
Lease Rental Income	**-**	**-**	**0.87**	**0.72**
Kaya Limited	-	-	0.87	0.71
Others	-	-		0.01
Loans and Advances Recovered	**-**	**-**	**1.95**	**1.99**
Kaya Limited	-	-	1.95	1.64
Marico Kaya Enterprises Limited	-	-	-	0.05
Others	-	-	-	0.30
Investments made during the year	**0.27**	**1.35**	**-**	**-**
Bellezimo Professionale Products Private Limited	0.27	1.35	-	-
Donation Given / CSR Activities	**0.46**	**2.15**	**-**	**-**
Marico Innovation Foundation	0.46	2.15	-	-
Deposit Taken	**-**	**-**	**-**	**0.10**
Kaya Limited	-	-	-	0.10
Loans given	**1.50**	**-**	**-**	**-**
Bellezimo Professionale Products Private Limited	1.50	-	-	-
Provision for Impairment of Investment	**0.08**	**-**	**-**	**-**
Bellezimo Professionale Products Private Limited	0.08	-	-	-
Professional fees paid	**-**	**-**	**6.36**	**6.36**
Mr. Harsh Mariwala, Chairman and Non Executive Director	-	-	6.35	6.35
Others	-	-	0.01	0.01

III Outstanding balances

(₹ in Crore)

Particulars	Joint Venture (Referred in I (a), (b) and (c) above) For the year ended			Others (Referred in I (g) above) For the year ended		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties						
Trade receivables	**-**	**-**	**-**	**-**	**0.12**	**-**
Kaya Limited	-	-	-		0.12	
Interest Accrued on Loan and advances	**0.11**	**-**	**-**	**-**	**-**	**-**
Bellezimo Professionale Products Private Limited	0.11	-	-	-	-	-
Security Deposit Payable	**-**	**-**	**-**	**0.10**	**0.10**	**-**
Kaya Limited	-	-	-	0.10	0.10	-
Dues Payable	**-**	**-**	**-**	**-**	**-**	**0.11**
Others	-	-	-	-	-	0.11
(e) Loans to/from related parties						
Kaya Limited						
Beginning of the year	-	-	-	**0.74**	**0.60**	**1.97**
Expense incurred on behalf of kaya limited	-	-	-	0.61	1.06	1.27
Rent Income	-	-	-	0.87	0.72	0.62
Remittance received	-	-	-	(1.95)	(1.64)	(3.26)
Balance at the end	-	-	-	**0.27**	**0.74**	**0.60**
Bellezimo Professionale Products Private Limited						
Beginning of the year	-	-	-	-	-	-
Loan given during the year	1.62	-	-	-	-	-
Balance at the end	**1.62**	**-**	**-**	**-**	**-**	**-**
Others	**-**	**-**	**-**	**-**	**-**	**0.06**

Terms and conditions of transaction with related parties

All the transactions are at arms length and in normal course of business.

Disclosure for loans and advances in terms of Securities & Exchange Board of India (Listing obligation and disclosure requirements) Regulations 2015.

Loans and advances in the nature of loans to joint venture :

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans to joint venture:Bellezimo Professionale Products Private Limited			
Balance as at the year end	1.62	-	-
Maximum amount outstanding at any time during the year	1.62	-	-

The joint ventures do not hold any shares in the Company.

33 Contingent Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Disputed tax demands / claims:			
Sales tax / VAT	116.55	94.01	47.55
Income tax	59.90	60.35	47.14
Service tax	0.17	0.17	0.17
Customs duty	0.31	0.31	0.31
Agricultural produce marketing cess	-	9.69	9.69
Employees state insurance corporation	0.18	0.18	0.18
Excise duty on subcontractors	0.54	0.54	0.54
Excise duty on CNO dispatches (Refer note below)	-	685.50	565.62
Excise duty on By-product	4.68	4.67	4.67
Excise duty on Oats	20.23		
Claims against the Company not acknowledged as debts	18.97	19.66	18.74
Corporate guarantees given to banks on behalf of Broadcast Audience Research Council (BARC)	0.60	0.60	0.60

It is not practicable for the group to estimate the timings of cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings.

Note:

This contingent liability pertained to a possible obligation in respect of pure coconut oil packs up to 200 ml. This claim had been contested by the excise department. Based on the various judicial pronouncements, management believed that the probability of success in the matter was more likely than not and accordingly, the possible excise obligation was treated as a contingent liability in accordance with requirements of Indian Accounting Standard (Ind AS) 37 “Provisions, Contingent Liabilities and Contingent Assets”. The possible obligation of Rs. 563.73 Crores as at 31st March, 2016 (Rs. 443.85 Crores as at April 1, 2015) for the clearances made after June 3, 2009 (i.e. the date of issue of Board circular) till March 31, 2016 and Rs. 121.77 Crores as at March 31, 2016 (Rs. 121.77 Crores as at April 1, 2015) for clearances made prior to June 3, 2009 was disclosed as contingent liability to the extent of the time horizon covered by show cause notices issued by the excise department within the normal period of one year (from the date of clearance) as per the excise laws.

The aforementioned amount has not been considered under contingent liability as on 31st March 2017 as the matter has now been settled by orders of different adjudication authorities in the current financial year holding that clearance of pure coconut oil packs up to 200ml merits classification under chapter 15 and not under chapter 33 as contemplated by the excise department and accordingly the excise department has also withdrawn its circular dated June 3,2009 .

Consequently pending show cause notices issued by the excise authorities will not survive and therefore the contingent liability has been deleted from current financial year.

34 Commitments

(a) Capital commitments:

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	59.09	59.80	14.60
Total	**59.09**	**59.80**	**14.60**

(b) Non-cancellable operating leases

The group’s significant leasing arrangements are in respect of residential flats, office premises, warehouses, vehicles etc. taken on lease. The arrangements range between 11 months to 3 years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been given.

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Lease rental payments recognized in the Statement of Profit and Loss.	44.22	33.57	33.45
In respect of assets taken on non-cancellable operating lease:			
Lease obligations			
Future minimum lease rental payments			
- not later than one year	30.09	24.21	18.86
- later than one year but not later than five years	63.20	55.01	25.00
- later than five years	16.85	20.91	0.16
Total	**110.14**	**100.13**	**44.02**

35 Share-Based Payments

(a) Employee stock option plan

The Corporate Governance Committee of the Board of Directors of Marico Limited had granted stock options to certain eligible employees of the Company and it's subsidiaries pursuant to the Marico Employees Stock Options Scheme 2007 ("the Scheme"). Each option represents 1 equity share in the Company. The vesting period and the exercise period under the Scheme was not less than one year and not more than 5 years. The Scheme was administered by the Corporate Governance Committee of the Board comprising Independent Directors. All stock options granted under the Scheme were exercised on 10th June, 2015.

Marico ESOS 2007	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Weighted average share price of options exercised	-	57.46	55.40
Number of options granted, exercised, and forfeited			
Balance as at beginning of the year	-	103,600	212,600
Granted during the year	-		
Less : Exercised during the year (prior to bonus issue, refer Note 12 (a))	-	103,600	109,000
Forfeited / lapsed during the year			
Balance as at end of the year	-	-	**103,600**
Weighted average remaining contractual life of options outstanding at end of period (in years)	**-**	**-**	0.03

During the year ended 31st March, 2015, the Company implemented the Marico Employee Stock Option Scheme 2014 ("Marico ESOS 2014"). Marico ESOS 2014 was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on 25th March, 2014 enabling the grant of 300,000 stock options to the Chief Executive Officer of the Company (Currently designated as Managing Director & CEO).

Pursuant to the said approval, on 1st April, 2014 the Company granted 300,000 stock options to the Managing Director & CEO of the Company, at an exercise price of Re.1 per stock option. Each option represents 1 equity share in the Company. The vesting period is 2 years from the date of grant and the exercise period is 18 months from the date of vesting. As at 31st March 2016, the aforesaid 300,000 stock options have increased to 600,000 on account of issue of bonus equity shares by the Company in the ratio of 1:1.

Marico ESOS 2014	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Weighted average share price of options exercised	1.00	-	-
Number of options granted, exercised, and forfeited			
Balance as at beginning of the year	600,000	300,000	-
Adjustment on account of bonus issue (Refer note 12 (a))	-	300,000	-
Granted during the year	-	-	300,000
Less : Exercised during the year	300,000	-	-
Forfeited / lapsed during the year	-	-	-
Balance as at end of the year	**300,000**	**600,000**	**300,000**
Weighted average remaining contractual life of options outstanding at end of period (in years)	0.50	1.00	2.00

During the year ended 31st March, 2015, the Company implemented the Marico MD CEO Employee Stock Option Plan 2014 ("MD CEO ESOP Plan 2014" or "the Plan"). The MD CEO ESOP Plan 2014 was approved by the shareholders at the 26th Annual General Meeting held on July 30, 2014 enabling grant of stock options not exceeding in the aggregate 0.5% of the number of issued equity shares of the Company, from time to time, through notification of one more Scheme(s) under the Plan. Each stock option represents 1 equity share in the Company. The vesting period and the exercise period under the Plan is not less than one year and not more than 5 years.

Pursuant to the aforesaid approval, on 5th January, 2015, the Company notified Scheme I under the Plan and granted 46,600 stock options to the Managing Director & CEO of the Company, at an exercise price of Re.1 per stock option. The vesting date for stock options granted under the Scheme I is 31st March, 2017. Further, the exercise period is one year from the date of vesting. As at 31st March 2016, the said 46,600 stock options have increased to 93,200 on account of issue of bonus equity shares by the Company in the ratio of 1:1. In view of the implementation of Marico Employee Stock Option Plan, 2016, as explained below, no further grant of stock options is envisaged under this Plan.

MD CEO ESOP Plan 2014	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Weighted average share price of options exercised	-	-	-
Number of options granted, exercised, and forfeited			
Balance as at beginning of the year	93,200	46,600	
Adjustment on account of bonus issue (Refer note 12 (a))	-	46,600	-
Granted during the year	-	-	46,600
Less : Exercised during the year	-	-	-
Forfeited / lapsed during the year	-	-	-
Balance as at end of the year	**93,200**	**93,200**	**46,600**
Weighted average remaining contractual life of options outstanding at end of period (in years)	1.00	2.00	3.00

Marico ESOP 2016

Marico ESOP 2016 was approved by the shareholders during the current year ended 31st March, 2017, enabling grant of stock options not exceeding in the aggregate 0.60% of the aggregate number of issued equity shares of the Company, from time to time. The plan envisages to grant stock options to employees of Marico on an annual basis through one or more Schemes notified under the Plan. Each option represents 1 equity share in the Company. The Vesting Period and the Exercise Period, both range from 1 year to 5 years. Pursuant to the said approval, the Company notified below schemes under the plan :

Particulars	Scheme I	Scheme II	Scheme III	Scheme IV
Options granted	80,000	939,700	101,080	719,830
Exercise price	1.00	280.22	1.00	256.78
Vesting date	31st March,2019	31st March,2019	30th Nov, 2019	30th Nov,2019

Particulars	Scheme I	Scheme II	Scheme III	Scheme IV
Marico ESOP 2016				
Weighted average share price of options exercised	-	-	-	-
Number of options granted, exercised, and forfeited				
Balance as at beginning of the year	-	-	-	-
Adjustment on account of bonus issue (Refer note 12 (a))	-	-	-	
Granted during the year	80,000	939,700	101,080	719,830
Less : Exercised during the year	**-**	**-**	**-**	**-**
Forfeited / lapsed during the year	-	-	-	-
Balance as at end of the year	**80,000**	**939,700**	**101,080**	**719,830**
Weighted average remaining contractual life of options outstanding at end of period (in years)	3.00	3.00	3.67	3.67

Particulars	2017	2016	2015
Aggregate of all stock options to current paid-up equity share capital (percentage)	0.17%	0.05%	0.07%

The following assumptions were used for calculation of fair value of grants (figures in bracket represent previous year):

Particulars	Marico ESOS 2014	MD CEO ESOP Plan 2014	Marico ESOP 2016 Scheme I	Marico ESOP 2016 Scheme II	Marico ESOP 2016 Scheme III	Marico ESOP 2016 Scheme IV
Risk-free interest rate (%)	(8.00%)	(8.00%)	7%	7%	6.75%	6.75%
Expected life of options (years)	(3 years)	(3 years 3 months)	3 years 2 months	3 years 2 months	3 years 6 months	3 years 6 months
Expected volatility (%)	(26.62%)	(23.66%)	26%	26%	26.10%	26.10%
Dividend yield (%)	(3.5%)	(3.5%)	1%	1%	0.96%	0.96%

(b) Share appreciation rights

The Corporate Governance Committee has granted Stock Appreciation Rights ("STAR") to certain eligible employees pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011 ("Plan"). The grant price is determined based on a formulae as defined in the Plan. There are schemes under each Plan with different vesting periods. Scheme I to IV have matured on their respective vesting dates. Under the Plan, the specified eligible employees are entitled to receive a Star Value which is the excess of the maturity price over the grant price subject to certain conditions. The Plan is administered by Corporate Governance Committee comprising independent directors.

Details of STAR Scheme:

Particulars	STAR II						STAR III					
Grant Date	1st December, 2011			1st December, 2012			1st December, 2012			2nd December, 2013		
Grant Price (Rs.)	148.53			213.91			213.91			208.96		
Vesting Date	30th November, 2014			30th November, 2014			30th November, 2015			30th November, 2015		
	As at 31st March			As at 31st March			As at 31st March			As at 31st March		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Number of grants outstanding at the beginning of the year	-	-	620,600	-	-	151,200	-	897,600	1,074,200	-	184,100	202,300
Add : Granted during the year	-	-	-	-	-	-	-	-	-	-	-	-
Less : Forfeited during the year	-	-	71,100	-	-	62,700	-	197,200	176,600	-	29,900	18,200
Less : Exercised during the year	-	-	549,500	-	-	88,500	-	700,400	-	-	154,200	-
Number of grants at the end of the year	-	-	-	-	-	-	-	-	897,600	-	-	184,100
Carrying amount of liability - included in employee benefit obligation												
Classified as long-term	-	-	-	-	-	-	-	-	-	-	-	-
Classified as short-term	-	-	-	-	-	-	-	-	12.58	-	-	2.26

	STAR IV						STAR V								
Grant Date	2nd December, 2013			5th August, 2015			5th August, 2015			4th November, 2015			1st December, 2015		
Grant Price (Rs.)	104.48			104.48			217.46			197.61			203.63		
Vesting Date	30th November, 2016			30th November, 2016			30th November, 2017			30th November, 2017			30th November, 2017		
	As at 31st March			As at 31st March			As at 31st March			As at 31st March			As at 31st March		
	2017	2016*	2015	2017	2016*	2015	2017	2016*	2015	2017	2016*	2015	2017	2016*	2015
Number of grants outstanding at the beginning of the year	1,414,600	1,823,200	1,057,600	429,400	-	-	1,360,000	-	-	156,200	-	-	5,400	-	-
Add : Granted during the year	-	-	-	-	555,400	-	-	1,521,600	-	-	156,200	-		5,400	-
Less : Forfeited during the year	134,600	408,600	146,000	81,600	126,000	-	219,400	161,600	-	13,500	-	-	5,400	-	-
Less : Exercised during the year	1,280,000	-	-	347,800		-		-	-		-	-		-	-
Number of grants at the end of the year	-	1,414,600	911,600	-	429,400	-	1,140,600	1,360,000	-	142,700	156,200	-	-	5,400	-
Carrying amount of liability - included in employee benefit obligation															
Classified as long-term			7.76				-	2.33			0.22			0.01	
Classified as short-term		15.79			0.89		6.88	-		1.00					

Particulars	STAR VI				STAR VII			
Grant Date	**1st December, 2015**		**5th August, 2016**		**2nd December, 2016**		**1st December, 2016**	
Grant Price (Rs.)	**203.63**		**280.22**		**256.78**		**256.78**	
Vesting Date	**30th November, 2018**		**30th November, 2018**		**30th November, 2018**		**30th November, 2019**	
	As at 31st March		**As at 31st March**		**As at 31st March**		**As at 31st March**	
	2017	**2016***	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Number of grants outstanding at the beginning of the year	1,702,200	-	-	-	-	-	-	-
Add : Granted during the year	-	1,723,800	135,800	-	137,700	-	536,260	-
Less : Forfeited during the year	284,400	21,600	-	-	15,240	-	41,190	-
Less : Exercised during the year	-	-	-	-	-	-	-	-
Number of grants at the end of the year	1,417,800	1,702,200	135,800	-	122,460	-	495,070	-
Carrying amount of liability - included in employee benefit obligation								
Classified as long-term	6.82	1.44	0.22	-	0.14	-	0.47	-
Classified as short-term	-	-	-	-	-	-	-	-

* Numbers are adjusted for 1:1 bonus issued in December 2015, wherever required.

The Company has formed "Welfare of Mariconians Trust" (The Trust) for the implementation of the schemes that are notified or may be notified from time to time by the Company under the Plan. The Company has advanced Rs.54.26 Crore as at 31st March, 2017 (Rs. 66.56 Crore as at 31st March, 2016 and Rs. 28.16 Crore as on 1st April, 2015) to the Trust for purchase of the Company's shares under the Plan As per the Trust Deed and Trust Rules, upon maturity, the Trust shall sell the Company's shares and hand over the proceeds to the Company. The Company, after adjusting the loan advanced and interest thereon (on loan advanced after 1st April, 2013), shall utilize the proceeds towards meeting its STAR Value obligation.

The fair value of the STARs was determined using the Black-Scholes model using the following inputs at the grant date and as at each reporting date:

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Share price at measurement date (INR per share)	294.9	244.3	385.8
Expected volatility (%)	24.5% - 27.1%	26.2% - 28.6%	24%-27%
Dividend yield (%)	0.96%	0.96%	0.57%
Risk-free interest rate (%)	6%	7%	7%

(c) Expense arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Employee stock option plan	4.02	3.46
Stock appreciation rights	13.89	15.74
Total employee share based payment expense	**17.91**	**19.20**

36 Earnings Per Share

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the company	6.21	5.53
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the company	6.20	5.53
(c) Earnings used in calculating earnings per share		
Basic earnings per share	798.59	711.48
Diluted earnings per share	798.59	711.48
(d)Weighted average number of shares used as the denominator		
Weighted average number of equity shares outstanding	1,290,233,390	1,290,164,173
Shares held in controlled trust	(3,666,161)	(3,594,443)
Weighted average number of equity shares in calculating basic earnings per share	1,286,567,229	1,286,569,730
Options	2,006,113	690,209
Weighted average number of equity shares and potential equity shares used in calculating diluted earnings per share	**1,288,573,342**	**1,287,259,939**

(e) Information concerning the classification of securities

(i) Options

Options granted to employees under Marico ESOS 2014,MD CEO ESOP Plan 2014 and Marico Employee Stock Option Plan 2016 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 35.

(ii) Treasury shares

Treasury shares are excluded for the purpose of calculating basic and diluted earnings per share.

37 Additional information required by Schedule III

Name of the Entities	Net Assets i.e. total assets minus total liabilities				Share in profit or loss			
	As a % of consolidated net assets		Amount		As a % of consolidated profit or loss		Amount	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Parent:								
Marico Limited	125.02%	108.52%	2,924.24	2,538.31	103.91%	85.24%	842.69	691.26
Subsidiaries:								
- Indian								
Marico Consumer Care Limited	1.37%	1.19%	32.15	27.80	0.54%	0.54%	4.35	4.41
- Foreign								
Marico Bangladesh Limited	5.50%	6.78%	128.62	158.59	15.17%	14.73%	122.99	119.44
Marico Bangaldesh Industries Limited	0.02%	0.01%	0.42	0.25	0.02%	0.00%	0.18	0.04
Marico Middle East	-7.37%	-6.82%	(171.04)	(159.45)	-1.88%	-0.97%	(15.24)	(7.85)
MEL Consumer Care	-0.27%	-0.46%	(6.32)	(10.88)	-0.23%	-0.27%	(1.81)	(2.18)
Marico Egypt Industries Company	1.55%	3.91%	36.33	91.39	-1.58%	0.40%	(12.82)	3.25
Egyptian American Company for Investment and Industrial Development SAE	-0.07%	-0.44%	(1.74)	(10.35)	0.67%	-0.24%	5.43	(1.92)
Marico South Africa Consumer Care	2.17%	1.92%	48.51	44.87	0.02%	0.00%	0.15	0.00
Marico South Africa	1.65%	1.46%	38.66	33.87	0.26%	0.29%	2.13	2.35
MEL Consumer Care & Partners - Wind	-0.84%	-1.34%	(19.56)	(31.42)	-0.92%	-0.69%	(7.43)	(5.58)
Marico Malaysia Sdn Bhd	0.01%	0.01%	0.20	0.25	0.00%	-0.01%	(0.01)	(0.06)
Marico South East Asia Corporation	1.09%	2.73%	25.56	63.81	1.65%	5.07%	13.41	41.16
Beaute Cosmetique Societe Par Actions	0.00%	0.33%	-	7.63	0.00%	-0.11%	-	(0.93)
Thuant Phat Foodstuff Joint Stock Company	0.63%	0.57%	14.80	13.40	0.25%	-0.06%	2.04	(0.52)
Joint Ventures								
- Indian								
Bellezimo Professionale Products Private Limited	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Zed Lifestyle Private Limited	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Subtotal			**3,050.83**	**2,768.07**			**956.06**	**842.87**
Intercompany Elimination & Consolidation Adjustments	-30.43%	-31.48%	(711.81)	(736.39)	-17.89%	-14.74%	(145.09)	(119.54)
Grand total:			**2,339.02**	**2,031.68**			**810.97**	**723.33**
Minority Interest in all subsidiaries	0.57%	0.61%	13.34	14.31	1.53%	1.46%	12.38	11.85

Name of the Entities	Share in other comprehensive income				Share in total comprehensive income			
	As a % of other comprehensive income		Amount		As a % of total comprehensive income		Amount	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Parent:								
Marico Limited	86.03%	-130.15%	15.52	23.048	108.23%	90.14%	858.21	714.74
Subsidiaries:								
- Indian								
Marico Consumer Care Limited	0.00%	0.00%	-	-	0.55%	0.56%	4.35	4.41
- Foreign								
Marico Bangladesh Limited	-3.55%	5.42%	0.64	(0.98)	15.59%	14.94%	123.63	118.46
Marico Bangaldesh Industries Limited	0.00%	0.00%	-	-	0.02%	0.01%	0.18	0.04
Marico Middle East	-33.50%	-0.30%	(0.23)	-	-1.95%	-0.99%	(15.47)	(7.85)
MEL Consumer Care	1.29%	0.00%	-	-	-0.23%	-0.27%	(1.81)	(2.18)
Marico Egypt Industries Company	0.00%	0.00%	-	-	-1.62%	0.41%	(12.82)	3.25
Egyptian American Company for Investment and Industrial Development SAE	0.00%	0.00%	-	-	0.68%	-0.24%	5.43	(1.92)
Marico South Africa Consumer Care	0.00%	0.00%	-	-	0.02%	0.00%	0.15	0.00
Marico South Africa	0.00%	0.00%	-	-	0.27%	0.30%	2.13	2.35
MEL Consumer Care & Partners - Wind	0.00%	0.00%	-	-	-0.94%	-0.70%	(7.43)	(5.58)
Marico Malaysia Sdn Bhd	0.00%	0.00%	-	-	0.00%	-0.01%	(0.01)	(0.06)
Marico South East Asia Corporation	0.00%	0.51%	-	(0.09)	1.69%	5.18%	13.41	41.07
Beaute Cosmetique Societe Par Actions	0.00%	0.00%	-	-	0.00%	-0.12%	-	(0.93)
Thuant Phat Foodstuff Joint Stock Company	0.00%	0.00%	-	-	0.26%	-0.07%	2.04	(0.52)
Joint Ventures								
- Indian								
Bellezimo Professionale Products Private Limited	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Zed Lifestyle Private Limited	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Subtotal			**15.93**	**22.41**			**971.99**	**865.28**
Intercompany Elimination & Consolidation Adjustments	188.30%	-22.45%	(33.97)	4.05	-22.58%	-14.57%	(179.06)	(115.49)
Grand total:			**(18.04)**	**26.46**			**792.93**	**749.79**
Minority Interest in all subsidiaries	0.06%	0.05%	(0.01)	(0.01)	1.56%	1.49%	12.37	11.84

38 First time adoption of Ind AS

Transition to Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March, 2017, the comparative information presented in these financial statements for the year ended 31st March, 2016 and in the preparation of an opening Ind AS balance sheet at 1st April, 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

The Group has applied same exemption for investment in subsidiaries, associates and joint ventures.

A.1.2 Cumulative translation differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired.

The group elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

A.1.3 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets and investment property covered by Ind AS 40 - Investment Properties.

Accordingly, the group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.1.4 Share-based payment transactions

Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. The standard addresses three types of share-based payment transactions: equity-settled, cash-settled, and with cash-alternatives. A first-time adopter is encouraged, but is not required, to apply Ind AS 102 to:

(i) equity instruments that vested before the date of transition to Ind AS,

(ii) liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS.

The Group has availed this exemption and has not applied fair value to the equity instruments and liabilities that were vested and settled before the date of transition to Ind AS.

A.2 Ind AS mandatory exceptions

A.2.1 Hedge accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation can not be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of 1st April, 2015 are reflected as hedges in the Group's result under Ind AS.

The Group had designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the entity had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Group continues to apply hedge accounting on and after the date of transition to Ind AS.

A.2.2 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for Investment in equity instruments carried at FVPL in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

A.2.3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirement provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.4 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Ind AS 101 requires the Group to reconcile equity, total comprehensive income, and cash flow for prior periods. The following reconciliation provide the explanantions and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

(A) Reconciliation of Equity as at 1st April, 2015 and as at 31st March, 2016

(B) Reconciliation of statement of profit and loss for the year ended 31st March, 2016 and

(C) The impact on cash flows from operating, investing and financing activities for the year ended 31st March, 2016

B: Reconciliation between previous GAAP and Ind AS

Reconciliation of Balance sheet as at date of transition (1st April, 2015)

(₹ in Crore)

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		556.67	-	556.67
Capital work-in-progress		3.04	-	3.04
Investment properties	14	17.99	-	17.99
Goodwill		489.15	-	489.15
Other intangible assets		30.10	-	30.10
Financial assets				
(i) Investments	1 (d) , 8	29.92	4.99	34.91
(ii) Loans	1 (c)	11.89	(8.40)	3.49
(iii) Other financial assets	9	16.98	(1.89)	15.09
Deferred tax assets	10	111.17	25.76	136.93
Other non-current assets	9	23.80	1.03	24.83
Total non-current assets		**1,290.71**	**21.49**	**1,312.20**
Current assets				
Inventories		994.72	-	994.72
Financial assets		-		
(i) Investments	8	297.81	2.80	300.61
(ii) Trade receivables		176.75	-	176.75
(iii) Cash and cash equivalents	1	78.80	0.26	79.06

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in Crore)

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
(iv) Bank balances other than (iii) above	1	129.75	2.30	132.05
(v) Loans	1 (c)	24.77	(19.76)	5.01
(vi) Other financial assets	9	1.14	0.40	1.54
Current tax assets (net)		0.12	-	0.12
Other current assets	9	95.33	0.40	95.73
		1,799.19	(13.60)	1,785.59
Assets classified as held for sale	14	28.71	-	28.71
Total current assets		**1,827.90**	**(13.60)**	**1,814.30**
Total assets		**3,118.61**	**7.89**	**3,126.50**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital		64.50	-	64.50
Other Equity				
Reserves and Surplus	1(a), 1(b), 4, 2	1,727.86	(56.80)	1,784.66
Other reserves	5, 10	32.40	(81.10)	(48.70)
Equity attributable to owners		1,824.76	(24.30)	1,800.46
Non-controlling interests		13.65	-	13.65
Total equity		**1,838.41**	**(24.30)**	**1,814.11**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	6	168.75	(0.35)	168.40
Employee benefit obligation	3	8.78	4.82	13.60
Deferred tax liabilities	10	0.07	16.21	16.28
		177.60	**20.68**	**198.28**
Current liabilities				
Financial liabilities				
(i) Borrowings		165.44	-	165.44
(ii) Trade payables		564.42	-	564.42
(iii) Other financial liabilities	6	122.83	(0.39)	122.44
Provisions		42.25	-	42.25
Employee benefit obligations	3	42.13	11.84	53.97
Current tax liabilities		39.00	0.02	39.02
Other current liabilities	1	126.53	0.04	126.57
Total current liabilities		**1,102.60**	**11.51**	**1,114.11**
Total liabilities		**1,280.20**	**32.19**	**1,312.39**
Total equity and liabilities		**3,118.61**	**7.89**	**3,126.50**

Reconciliation of Balance Sheet (31st March, 2016)

(₹ in Crore)

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		524.34	-	524.34
Capital work-in-progress		36.73	-	36.73
Investment properties	14	30.67	-	30.67
Goodwill		497.96	(0.60)	497.36
Other intangible assets	7,16	21.50	7.23	28.73
Investment accounted for using the equity method		-	0.82	0.82
Financial assets				
(i) Investments	1 (d) , 8	39.92	2.66	42.58
(ii) Loans	1 (c)	54.34	(50.59)	3.75
(iii) Other financial assets	9	15.48	(1.73)	13.75

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in Crore)

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
Deferred tax assets	10	58.18	6.75	64.93
Other non-current assets	9	29.99	0.58	30.57
Total non-current assets		**1,309.11**	**(34.88)**	**1,274.23**
Current assets				
Inventories	16	925.81	(0.25)	925.56
Financial assets		-		-
(i) Investments	8	463.28	6.51	469.79
(ii) Trade receivables	16	252.43	(0.34)	252.09
(iii) Cash and cash equivalents	1, 16	90.36	2.80	93.16
(iv) Bank balances other than (iii) above		223.98	-	223.98
(v) Loans	1 (c)	20.97	(15.97)	5.00
(vi) Other financial assets	1, 9	8.43	(1.36)	7.07
Current tax assets (net)		1.97	0.01	1.98
Other current assets	9	115.32	0.54	115.86
		2,102.55	**(8.06)**	**2,094.49**
Assets classified as held for sale	14	12.45	-	12.45
Total current assets		**2,115.00**	**(8.06)**	**2,106.94**
Total assets		**3,424.11**	**(42.94)**	**3,381.17**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital		129.02	-	129.02
Other Equity				
Reserves and Surplus	1(a), 1(b), 4, 2	1,890.01	17.63	1,907.64
Other reserves	5, 10	77.87	(97.16)	(19.29)
Equity attributable to owners		2,096.90	(79.53)	2,017.37
Non-controlling interests		14.31	-	14.31
Total equity		**2,111.21**	**(79.53)**	**2,031.68**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	16	0.41	(0.41)	-
Employee benefit obligations	3	11.61	1.20	12.81
Deferred tax liabilities	10	0.94	21.90	22.84
Total non-current liabilities		**12.96**	**22.69**	**35.65**
Current liabilities				
Financial liabilities				
(i) Borrowings		152.79	-	152.79
(ii) Trade payables	16	669.08	(0.04)	669.04
(iii) Other financial liabilities	6, 16	209.50	(0.43)	209.07
Provisions		50.64	-	50.64
Employee benefit obligations	3	40.04	14.21	54.25
Current tax liabilities	1	38.04	0.03	38.07
Other current liabilities	1, 16	139.85	0.13	139.98
Total current liabilities		**1,299.94**	**13.90**	**1,313.84**
Total liabilities		**1,312.90**	**36.59**	**1,349.49**
Total equity and liabilities		**3,424.11**	**(42.94)**	**3,381.17**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended 31st March, 2016

(₹ in Crore)

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
Continuing operations				
Revenue from operations	12, 16	6,139.17	(114.72)	6,024.45
Other income	1, 1(d), 8 , 9	93.36	(0.03)	93.33
Total Income		**6,232.53**	**(114.75)**	**6,117.78**
Expenses				
Cost of materials consumed	12, 16	2,848.64	6.92	2,855.56
Purchases of stock-in-trade		154.89	-	154.89
Changes in inventories of finished goods, stock-in-trade and work-in progress		60.10	-	60.10
Excise duty	11	7.13	-	7.13
Employee benefit expense	2, 3, 13, 16	364.00	9.40	373.40
Depreciation and amortization expense	7, 16	102.15	(7.29)	94.86
Other expenses	1, 5, 9, 12, 16	1,641.60	(119.61)	1,521.99
Finance costs	6, 16	20.25	0.37	20.62
Total expenses		**5,198.76**	**(110.21)**	**5,088.55**
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		1,033.77	(4.54)	1,029.23
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	16	-	(0.53)	(0.53)
Profit before exceptional items and tax		1,033.77	(5.07)	1,028.70
Exceptional items		-	-	-
Profit before tax from continuing operations		1,033.77	(5.07)	1,028.70
Income tax expense				
Current tax	1, 15	249.55	0.75	250.30
Deferred tax	10	47.58	7.49	55.07
Total tax expense		297.13	8.24	305.37
Profit for the year (A)		**736.64**	**(13.31)**	**723.33**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of post employment benefit obligations				(4.25)
Income tax relating to items that will not be reclassified to profit or loss				
Remeasurements of post employment benefit obligations				1.30
Total				**(2.95)**
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations				(4.05)
Change in fair value of hedging instruments				51.18
Income tax relating to items that will be reclassified to profit or loss				
Change in fair value of hedging instruments				(17.72)
Total				**29.41**
Other comprehensive income for the year (B)				**26.46**
Total comprehensive income for the year (A+B)				**749.79**

Reconciliation of Balance Sheet as at 31st March, 2016 and 1st April, 2015

(₹ in Crore)

Particulars	Notes to First time adoption	31st March, 2016	1st April, 2015
Shareholder's equity under previous GAAP		2,096.84	1,824.78
Add/Less :			
Gain/ (loss) on fair valuation of investments	1,8	4.66	3.27
(Increase)/ decrease due to fair valuation accounting of Share based payments	3	(30.78)	(16.66)
Increase/ (decrease) due to WEOMA Trust consolidation	1	(45.67)	(21.11)
Increase/ (decrease) due to reversal of amortisation of brands	7	7.28	-
Other adjustments	6,9	0.20	0.67
Tax impact of above Ind AS adjustments	10	(15.14)	9.50
Shareholder's equity under Ind AS		**2,017.39**	**1,800.45**

Reconciliation of total comprehensive income for the year ended 31st March, 2016

(₹ in Crore)

	Notes to First time adoption	31st March, 2016
Profit after tax as per previous GAAP		736.63
Add/Less :		
Fair valuation of investments	8	1.39
Share based payments	2, 3	(13.79)
Increase/ (decrease) due to WEOMA Trust consolidation	1	(1.99)
Increase/ (decrease) due to reversal of amortisation of brands	7	7.28
Remeasurement of post employment benefit obligation	13	4.13
Time value of option reclassfied to OCI	5	(1.68)
Other adjustments	9	(0.40)
Tax impact on the above		(8.24)
Total adjustments		(13.30)
Net profit/loss as per Ind AS		723.33
Other comprehensive income	15	26.46
Total comprehensive income as per IndAS		**749.79**

Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2016

(₹ in Crore)

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	832.56	(14.94)	817.62
Net cash flow from investing activities	(235.66)	38.78	(196.88)
Net cash flow from financing activities	(579.85)	(21.14)	(600.99)
Net increase/(decrease) in cash and cash equivalents	17.05	2.70	19.75
Cash and cash equivalents as at 1st April, 2015	77.39	1.67	79.06
Effects of exchange rate changes on cash and cash equivalents	(1.43)	-	(1.43)
Cash and bank balances adjusted upon divestment of business	(4.22)	-	(4.22)
Cash and cash equivalents as at 31st March, 2016	88.79	4.37	93.16

C: Notes on First-time adoption

1 Consolidation of the Trust

The company has formed Welfare of Mariconions Trust (WEOMA trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. WEOMA purchases shares of the Company out of funds borrowed from the Company. The Company treats WEOMA as its extension and shares held by WEOMA are treated as treasury shares.

The Consolidation of the WEOMA trust financials statements with that of the Company does not in any manner affect the independence of the trustees where the rights and obligations are regulated by the trust deed.

Own equity instruments (treasury shares) are recognised at cost and deducted from equity. Profit on sale of treasury shares by WEOMA trust is recognised in WEOMA reserve.

(i) The sources and application of funds of the Trust consolidated as at 31st March, 2016 and 1st April, 2015 were as follows:

(₹ in Crore)

Particulars	31st March, 2016	1st April, 2015
Corpus Fund	2.64	2.66
Current Liabilities	0.35	0.09
Cash & Bank equivalents	2.98	0.26
Fixed deposits	-	2.30
Non current investments	1.47	4.52
Other Current Assets	0.10	0.06
Net asset	**1.56**	**4.39**

(ii) Impact on the Company's profit and loss post WEOMA Trust consolidation for the year 31st March, 2016

(₹ in Crore)

Particulars	31st March, 2016
Income	
Interest on Fixed Deposits with Bank	0.15
Expenditure	
Administrative Expenses	0.02
Interest derecognition on loan from WEOMA-Consolidation	2.12
Impact on profit before tax	(1.99)

(iii) Summarised statement of cash flows of the Trust consolidated for the year ended 31st March, 2016

(₹ in Crore)

Particulars	31st March, 2016
Cash and cash equivalents 1st April, 2015	0.26
Cash flow from operating activities	2.73
Cash flow from investing activities	-
Cash flow from financing activities	-
Cash and cash equivalents 31 March 2016	2.99

Other items adjusted owing to the Trust consolidation include :

(a) Treasury shares

Upon consolidation, the investment in the Company's equity shares made by WEOMA Trust is debited to the Company's equity as treasury shares amounting to Rs. 68.37 Crore as at 31st March, 2016 (Rs. 28.29 Crore as at 1st April, 2015).

(b) WEOMA reserve

The income of the Trust till date forms a part of WEOMA reserve amounting to Rs. 20.18 Crore as at 31st March, 2016 (Rs. 2.66 Crore as at 1st April, 2015).

(c) Other Non Current Financial Assets and other income

Loan advanced to the Trust is eliminated on consolidation amounting to Rs. 50.59 Crore as at 31st March, 2016 (Rs. 8.40 Crore as at 1st April, 2015) forming a part of non current loans and Rs. 15.97 Crore as at 31st March, 2016 (Rs. 19.76 Crore as at 1st April, 2015) being current loans in previous GAAP Accordingly, interest on above loan is also eliminated amounting to Rs. 2.12 Crore.

(d) Investments

The fair value of investments held by the Trust consolidated as per Ind AS amounts to Rs 1.47 Crore as at 31st March, 2016 (Rs. 4.52 Crore as at 1st April, 2015). The profit for the year ended 31st March, 2016 decreased by Rs. 3.05 Crore.

2 Employee Stock Option Liability

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share option outstanding account decreased by Rs. 0.64 Crore as at 31st March, 2016 (1st April, 2015 - Rs. 0.31 Crore). The profit for the year ended 31st March, 2016 increased by Rs. 0.33 Crore. There is no impact on total equity.

3 STAR

Under the previous GAAP, the cost of cash-settled employee share-based plan were recognised using the intrinsic value of the rights (excess of market value as at year end and the Grant price) over the vesting period after adjusting amount recoverable from WEOMA trust. As per Ind AS 102, the Share appreciation rights liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered service to date. There is an increase in liability by Rs. 15.41 Crore whereby Rs. 1.20 Crore (Rs 4.82 Crore as at 1st April, 2015) is long term and Rs. 14.21 Crore (Rs 11.84 Crore as at 1st April, 2015) is short term. The profit for the year ended 31st March, 2016 decreased by Rs. 14.12 Crore. Equity has decreased by Rs 30.78 Crore as at 31st March, 2016 (1st April, 2015 - Rs 16.66 Crore)

4 Retained Earnings

Retained earnings as at 1st April, 2015 has been adjusted consequent to the above Ind AS transition adjustments

5 Time Value reclassified to OCI

Under previous GAAP, the Group recognised movements in time value of options and forward element of forward contracts and Interest rate swaps in profit or loss in the period in which they arose. Under Ind AS, these movements are reclassified to OCI and thereby decreasing hedge reserve balance by Rs. 2.15 Crore as at 31st March, 2016 (1st April, 2015 Rs. 0.47 Crore). The profit for the year ended 31st March, 2016 is decreased by Rs 1.68 Crore. There is no impact on total equity.

6 Borrowings

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to profit or loss as and when incurred. Ind AS 109 requires these transaction costs to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Accordingly, borrowings as at 31st March, 2016 have been reduced by Rs. 0.35 Crore (1st April, 2015 Rs. 0.73 Crore) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31st March 2016 reduced by Rs. 0.39 Crore as a result of the additional interest expense.

7 Other Intangible assets

In previous GAAP, there was a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. As per Ind AS 38, assets having an indefinite life are not amortised and tested annually for impairment. The amortisation charged on copyrights and trademarks is reversed thereby increasing the value of intangible assets, retained earning and profit by Rs 7.28 Crore as at 31st March, 2016.

8 Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March, 2016. This increased the retained earnings by Rs. 4.66 Crore as at 31st March, 2016 (1st April, 2015 - Rs 3.27 Crore). The profit for the year ended 31st March, 2016 increased by Rs. 1.39 Crore.

9 Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs 1.18 Crore as at 31st March, 2016 (1st April, 2015 Rs 1.49 Crore). The prepaid rent increased by Rs. 1.12 Crore as at 31st March, 2016 (1st April, 2015 - INR 1.40 Crore).Total equity decreased by Rs 0.06 Crore as on 1st April, 2015. The profit for the year and total equity as at 31st March, 2016 decreased by Rs 0.02 Crore due to amortisation of the prepaid rent of Rs 0.53 Crore which is partially off-set by the notional interest income of Rs 0.55 Crore recognised on security deposits.

10 Deferred tax has been recognised on adjustments made on transition to Ind AS

Revenue from operations

11 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March 2016 by Rs. 7.13 Crore. There is no impact on the total equity and profit

12 Revenue, Advertisement and Sales Promotion (ASP) and other expense

The group will recognise revenue at the fair value of consideration received or receivable. Any sales incentive, discounts or rebates in any form, including cash discounts given to customers will be considered as selling price reductions and accounted as reduction from revenue. Under IGAAP, some of these costs were included in 'advertising and sales promotion' expenses. Accordingly, Rs. 85.41 Crore has been reclassified from advertising and sales promotion expenses to Sales, Rs. 7.12 Crore has been reclassified from advertising and sales promotion expenses to cost of goods sold and Rs 28.92 Crore from other expenses to sales.

Employee benefits expense

13 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2016 increased by Rs. 4.13 Crore. There is no impact on the total equity as at 31st March, 2016.

14 Investment property and Asset held for sale

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

Under the previous GAAP, asset held for sale were presented as part of other current assets. Under Ind AS, asset held for sale are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

15 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss includes remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

16 Investment in Joint venture

Under previous GAAP, Bellizimo Professionale Product Private Limited was classified as jointly controlled entity and accounted for using the proportionate consolidation method. Under Ind AS, Bellizimo Professionale Product Private Limited has been classified as a joint venture and accounted for using the equity method since the company is a limited liability company whose legal form offers separation of the company from the investors. The parties to the joint arrangements do not have direct rights to the assets and liabilities of Bellizimo Professionale Product Private Limited.

(i) The following assets and liabilities were previously proportionately consolidated under previous GAAP:

(₹ in Crore)

Particulars	Proportionate share of assets and liabilities As at 31 March, 2016
Non-current assets	
Fixed assets	0.05
Other financial asset	0.04
Current assets	
Inventories	0.25
Trade receivables	0.34
Cash and cash equivalents	0.18
Current tax asset (net)	0.01
	0.87
Current liabilities	
Short-term borrowings	0.41
Trade payables	0.04
Other current financial liabilities	0.10
Other current liabilities	0.09
	0.64
Net assets derecognised	**0.23**

(ii) The following items of income and expenditure were previously proportionately consolidated under previous GAAP:

(₹ in Crore)

Particulars	As at 31 March, 2016
Revenue from operations	0.39
Expenses:	
Cost of material consumed	0.45
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(0.25)
Employee benefits expense	0.26

Particulars	As at 31 March, 2016
Finance costs	0.02
Depreciation and amortisation expense	0.01
Other expenses	0.43
Total expenses	**0.92**
Profit(Loss) for the period	**(0.53)**
Impact on account of equity accounting of the joint venture under Ind AS:	
Share of profits of joint venture recognised as per equity method	**(0.53)**

(iii) Summarised statement of cash flows for the year ended 31 March, 2016 not considered under Ind AS in the consolidated statement of cash flows:

(₹ in Crore)

Particulars	As at 31 March, 2016
Opening cash and cash equivalents 1st April, 2015	-
Cash flow from operating activities	(0.91)
Cash flow from investing activities	(0.06)
Cash flow from financing activities	1.15
Closing cash and cash equivalents 31st March, 2016	**0.18**

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place: Mumbai
Date: May 2, 2017

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

SURENDER SHARMA
Company Secretary
[Membership No.A13435]

Place: Mumbai
Date: May 2, 2017

INDEPENDENT AUDITORS' REPORT

To the Members of Marico Limited

Report on the Standalone Indian Accounting Standards (IND AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **Marico Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2016 and 31st March, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 29th April, 2016 and 30th April, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the

Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

        i. The Company has disclosed the impact, if any, of pending litigations as at 31st March, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 31;

        ii. The Company has made provision as at 31st March, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2017.

        iv. The Company has provided requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note [6(e)];

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 46061

Place: Mumbai
Date: May 2, 2017

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph [11 (f)] of the Independent Auditors' Report of even date to the members of Marico Limited on the Standalone Ind AS financial statements for the year ended 31st March, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Marico Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 46061

Place: Mumbai
Date: May 2, 2017

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph [11 (f)] of the Independent Auditors' Report of even date to the members of Marico Limited on the Standalone Ind AS financial statements for the year ended 31st March, 2017.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the Standalone Ind AS financial statements, are held in the name of the Company.

ii. The physical verification of inventory including stocks with third parties have been conducted at reasonable intervals by the Management during the year. Further in respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise at 31st March, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where the dispute is pending
The Central sales Tax Act and Local Sales Tax / value added tax	Sales tax including interest and penalty as applicable	4.98	Various years	Additional Commissioner - Sales Tax Appeals
		2.34	Various years	Deputy Commissioner - Sales Tax Appeals
		9.46	Various years	Joint Commissioner sales tax (Appeals)
		1.26	Various years	Sales Tax Tribunal
		0.07	Various years	High Court
The Indian Customs Act, 1962	Redemption fine and penalty	0.3	2002-2004	Customs Excise and Service Tax Appellate Tribunal
The Indian Customs Act, 1962	Customs duty	0.01	2008	Assistant Commissioner of Customs
The Central Excise Act, 1964	Excise duty	4.67	June 2010 to March 2014	Customs Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1964	Service tax	0.17	2005-10	Commissioner of Customs, Central Excise and Service tax.
Income Tax Act, 1961	Income tax	9.04	Assessment year 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	12.44	Assessment year 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	0.37	Assessment year 2012-13	Pending before Commissioner of Income Tax Appeals

viii. According to the records of the Company examined by us and the information and explanation given to us,

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph [11 (f)] of the Independent Auditors' Report of even date to the members of Marico Limited on the Standalone Ind AS financial statements for the year ended 31st March, 2017.

the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 46061

Place: Mumbai
Date: May 2, 2017

BALANCE SHEET

as at 31st March, 2017

(₹ in Crore)

Particulars	Note	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	473.91	436.18	458.00
Capital work-in-progress	3	7.94	36.54	2.07
Investment properties	4	23.86	24.29	11.76
Other intangible assets	5	21.58	23.38	23.56
Investment in subsidiaries and joint venture	6(a)	1,105.64	1,090.69	1,089.34
Financial assets				
(i) Investments	6(a)	57.12	41.39	33.81
(ii) Loans	6(c)	3.73	3.75	5.04
(iii) Other financial assets	6(f)	27.11	27.77	32.44
Deferred tax assets (Net)	7	-	54.58	132.41
Other non-current assets	8	16.78	26.39	24.46
Total non-current assets		**1,737.67**	**1,764.96**	**1,812.89**
Current assets				
Inventories	9	1,082.96	767.56	791.59
Financial assets				
(i) Investments	6(a)	501.49	438.79	269.46
(ii) Trade receivables	6(b)	227.61	192.10	130.55
(iii) Cash and cash equivalents	6(d)	5.06	15.58	21.96
(iv) Bank balances other than (iii) above	6(e)	63.47	124.59	78.67
(v) Loans	6(c)	4.36	4.03	6.25
(vi) Other financial assets	6(f)	25.45	25.39	11.59
Current tax assets (net)	16	-	1.86	-
Other current assets	10	71.69	91.22	74.50
		1,982.09	**1,661.12**	**1,384.57**
Assets classified as held for sale	11	12.45	12.45	28.71
Total current assets		**1,994.54**	**1,673.57**	**1,413.28**
Total assets		**3,732.21**	**3,438.53**	**3,226.17**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12(a)	129.05	129.02	64.50
Other equity				
Reserves and Surplus	12(b)	2,793.73	2,424.49	2,319.08
Other reserves	12(c)	1.46	(15.24)	(48.70)
Total equity		**2,924.24**	**2,538.27**	**2,334.88**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	13(a)	-	-	168.40
Employee benefit obligations	15	6.44	2.97	6.39
Deferred tax liabilities (Net)	7	9.75	-	-
Total non-current liabilities		**16.19**	**2.97**	**174.79**
Current liabilities				
Financial liabilities				
(i) Borrowings	13(a)	108.35	25.83	8.64
(ii) Trade payables	13(c)	476.24	484.78	405.55
(iii) Other financial liabilities	13(b)	11.01	188.56	103.01
Provisions	14	56.41	50.64	42.25
Employee benefit obligations	15	42.55	48.67	48.21
Current tax liabilities (Net)	16	1.08	-	7.68
Other current liabilities	17	96.14	98.81	101.16
Total current liabilities		**791.78**	**897.29**	**716.50**
Total liabilities		**807.97**	**900.26**	**891.29**
Total equity and liabilities		**3,732.21**	**3,438.53**	**3,226.17**
Significant accounting policies	1			
Critical estimates and judgements	2			

The above balance sheet should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place: Mumbai
Date: May 2, 2017

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

SURENDER SHARMA
Company Secretary
[Membership No.A13435]

Place: Mumbai
Date: May 2, 2017

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2017

(₹ in Crore)

Particulars	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue:			
Revenue from operations	18	4,868.88	4,867.99
Other income	19	261.86	190.56
Total Income		**5,130.74**	**5,058.55**
Expenses:			
Cost of materials consumed	20(a)	2,352.21	2,485.46
Purchases of stock-in-trade		169.44	79.95
Changes in inventories of finished goods, stock-in-trade and work-in progress	20(b)	(47.44)	37.06
Excise duty		18.13	7.13
Employee benefit expenses	21	250.92	228.20
Depreciation and amortization expense	22	64.10	68.82
Other expenses	23	1,169.07	1,201.02
Finance costs	24	12.59	15.17
Total expenses		**3,989.02**	**4,122.81**
Profit before tax		**1,141.72**	**935.74**
Income tax expense			
Current tax	25	243.52	189.53
Deferred tax	7	55.50	54.95
Total tax expense		**299.02**	**244.48**
Profit for the year (A)		**842.70**	**691.26**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15	(1.80)	(2.83)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		0.62	0.96
Total		**(1.18)**	**(1.87)**
Items that may be reclassified to profit or loss			
Change in fair value of hedging instruments		25.52	51.18
Income tax relating to items that may be reclassified to profit or loss			
Change in fair value of hedging instruments		(8.83)	(17.72)
Total		**16.69**	**33.46**
Other comprehensive income for the year, net of tax (B)		**15.51**	**31.59**
Total comprehensive income for the year (A+B)		**858.21**	**722.85**
Earnings per equity share for profit attributable to owners (in ₹.)	34		
Basic earnings per share		6.55	5.37
Diluted earnings per share		6.53	5.37
Significat accounting policy	1		
Critical estimates and judgements	2		

The above statment of profit and loss should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place: Mumbai
Date: May 2, 2017

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

SURENDER SHARMA
Company Secretary
[Membership No.A13435]

Place: Mumbai
Date: May 2, 2017

STATEMENT OF CHANGE IN EQUITY

A. Equity Share Capital

(₹ in Crore)

	Note	
As at 1st April, 2015		64.50
Changes in equity share capital	12 (a)	64.52
As at 31st March, 2016		**129.02**
Changes in equity share capital	12 (a)	0.03
As at 31st March, 2017		**129.05**

B. Other Equity

(₹ in Crore)

	Note	Attributable to owners							
		Reserves and surplus						Other reserves	Total other equity
		Securities Premium Reserve	Retained earnings	General reserve	Share based option outstanding account	Treasury shares	WEOMA reserve	Hedge reserve	
Balance as at 1st April, 2015		**234.49**	**1,744.78**	**362.48**	**2.96**	**(28.29)**	**2.66**	**(48.70)**	**2,270.38**
Profit for the year		-	691.26	-	-	-	-	-	691.26
Other comprehensive income for the year		-	(1.87)	-	-	-	-	33.46	31.59
Total comprehensive income for the year		**-**	**689.39**	**-**	**-**	**-**	**-**	**33.46**	**722.85**
Issue of equity share, net of transaction cost	12 (b)	0.49	-	-	-	-	-	-	0.49
Issue of bonus shares	12 (b)	-	-	(64.51)	-	-	-	-	(64.51)
Purchase/sale of treasury shares by the Trust during the year (net)	12 (b)	-	-	-	-	(40.08)	-	-	(40.08)
Dividend paid (including dividend distribution tax of Rs. 65.43 Cr)	12 (b)	-	(500.86)	-	-	-	-	-	(500.86)
Income of the Trust for the year	12 (b)	-	-	-	-	-	17.52	-	17.52
Gain/ (loss) transferred to Income Statement	12 (c)	-	-	-	-	-	-	67.02	67.02
Deferred Hedging Gain/ (loss) on hedging instruments	12 (c)	-	-	-	-	-	-	(49.89)	(49.89)
Deferred tax on hedge reserve	12 (c)	-	-	-	-	-	-	(17.13)	(17.13)
Compensation for options granted during the year	12 (b)	-	-	-	3.46	-	-	-	3.46
Balance as at 31st March, 2016		**234.98**	**1,933.31**	**297.97**	**6.42**	**(68.37)**	**20.18**	**(15.24)**	**2,409.25**
Balance as at 1st April, 2016		234.98	1,933.31	297.97	6.42	(68.37)	20.18	(15.24)	2,409.25
Profit for the year		-	842.70	-	-	-	-	-	842.70
Other comprehensive income for the year		-	(1.18)	-	-	-	-	16.69	15.51
Total comprehensive income for the year		**-**	**841.52**	**-**	**-**	**-**	**-**	**16.69**	**858.21**
Issue of equity share, net of transaction cost	12 (b)	2.82	-	-	-	-	-	-	2.82
Purchase/sale of treasury shares by the Trust during the year (net)	12 (b)	-	-	-	-	7.68	-	-	7.68
Dividend paid (including dividend distribution tax of Rs. 57.03 Cr)	12 (b)	-	(508.62)	-	-	-	-	-	(508.62)
Income of the Trust for the year	12 (b)	-	-	-	-	-	24.64	-	24.64
Gain/ (loss) transferred to Income Statement	12 (c)	-	-	-	-	-	-	35.20	35.20
Adjustments on account of exchange movement	12 (c)	-	-	-	-	-	-	(26.36)	(26.36)
Deferred Hedging Gain/ (loss) on hedging instruments	12 (c)	-	-	-	-	-	-	(8.83)	(8.83)
Appropriation during the year	12 (b)	-	-	-	(2.82)	-	-	-	(2.82)
Compensation for options granted during the year	12 (b)	-	-	-	4.02	-	-	-	4.02
Balance as at 31st March, 2017		**237.80**	**2,266.21**	**297.97**	**7.62**	**(60.69)**	**44.82**	**1.46**	**2,795.19**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place: Mumbai
Date: May 2, 2017

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

SURENDER SHARMA
Company Secretary
[Membership No.A13435]

Place: Mumbai
Date: May 2, 2017

CASH FLOW STATEMENT

For the year ended 31st March, 2017

(₹ in Crore)

	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
A	CASH FLOW FROM OPERATING ACTIVITIES		
	PROFIT BEFORE INCOME TAX	**1,141.72**	**935.74**
	Adjustments for:		
	Depreciation, amortisation and impairment	64.10	68.82
	Finance costs	12.59	15.17
	Interest income from financial assets at amortised cost	(24.87)	(18.59)
	Net (Gain)/ Loss on disposal of property, plant and equipment	0.91	(9.13)
	Gain on sale of investments	(30.31)	(1.94)
	Gain on fair value of financial asset and investment	(18.16)	(1.14)
	Dividend income from investments mandatorily measured at fair value through profit or loss	-	(25.10)
	Dividend income from subsidiaries	(171.39)	(114.06)
	Employees stock option charge	4.02	3.46
	Stock appreciation rights expense charge/(reversal)	(3.86)	(1.41)
	Provision for doubtful debts, advances, deposits and others	1.62	1.96
		(165.35)	**(81.96)**
	Operating profit before working capital changes	**976.37**	**853.78**
	Change in operating assets and liabilities:		
	(Increase)/ Decrease in inventories	(315.40)	24.03
	(Increase)/ Decrease in trade receivables	(35.51)	(61.55)
	(Increase)/ Decrease in other financials assets	0.34	(9.09)
	(Increase)/ Decrease in other non-current assets	(0.52)	0.71
	(Increase)/ Decrease in other current assets	19.53	(16.72)
	(Increase)/ Decrease in loans and other bank balances	61.56	(45.42)
	Increase/ (Decrease) in provisions	5.77	8.39
	Increase/ (Decrease) in employee benefit obligations	0.04	(3.42)
	Increase/ (Decrease) in other current liabilities	(2.67)	(2.35)
	Increase/ (Decrease) in trade payables	(8.54)	79.23
	Increase/ (Decrease) in other financial liabilities	1.62	0.49
	Changes in Working Capital	**(273.78)**	**(25.70)**
	Cash generated from Operations	**702.59**	**828.08**
	Income taxes paid (net of refunds)	(240.58)	(199.07)
	NET CASH INFLOW GENERATED FROM OPERATING ACTIVITIES	**462.01**	**629.01**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment for property, plant and equipment	(62.50)	(84.67)
	Proceeds from sale of property, plant and equipment	0.76	13.51
	Payment for purchase of investments	(2,352.67)	(3,137.70)
	Proceeds from sale of investments	2,355.15	2,997.85
	Investment in Joint Venture	(16.30)	(1.35)
	Payment for purchase of inter-corporate deposits placed	(249.50)	(94.50)
	Proceeds from redemption of inter-corporate deposits placed	220.50	62.00
	(Given)/ Repayment of loans by related parties	(0.22)	4.19
	Dividend income from subsidiaries	171.39	114.06
	Dividend income from investments mandatorily measured at fair value through Profit or Loss	-	25.10
	Interest received	20.87	15.60
	NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES	**87.48**	**(85.91)**

CASH FLOW STATEMENT

For the year ended 31st March, 2017

(₹ in Crore)

	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issuance of share capital (net of share issue expenses)	0.03	0.50
	(Purchase)/ Sale of Investments by WEOMA Trust (Net)	32.32	(22.56)
	Repayment of borrowings	(70.50)	(11.29)
	Interest paid	(13.13)	(15.44)
	Dividends paid to company's shareholders	(508.73)	(500.69)
	NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES	**(560.01)**	**(549.48)**
D	NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**(10.52)**	**(6.38)**
E	Cash and cash equivalents at the beginning of the financial year	15.58	21.96
F	**Cash and cash equivalents at end of the year (Refer note 6 (d))**	**5.06**	**15.58**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The above statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place: Mumbai
Date: May 2, 2017

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

SURENDER SHARMA
Company Secretary
[Membership No.A13435]

Place: Mumbai
Date: May 2, 2017

Back ground and operations

Marico Limited ("Marico" or 'the Company'), headquartered in Mumbai, Maharashtra, India, carries on business in branded consumer products. Marico manufactures and markets products under the brands such as Parachute, Parachute Advansed, Nihar, Nihar Naturals, Saffola, Hair & Care, Revive, Mediker, Livon, Set-wet, etc. Marico's products reach its consumers through retail outlets serviced by Marico's distribution network comprising regional offices, carrying & forwarding agents, redistribution centers & distributors spread all over India.

Note 1: Significant accounting policies:

This note provides a list of the significant accounting policies adopted in preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

The financial statements were approved for issue by Board of Directors on 2nd May, 2017.

a) Basis of preparation:

i. Compliance with IND AS :

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the act.

These financial statements for the year ended 31st March, 2017 are the first financials with comparatives prepared under Ind AS. For all periods upto and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the generally accepted accounting principles (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS.

The date of transition to Ind AS is 1st April, 2015. Refer Note 35 for the first time adoption exemptions availed by the Company.

Reconciliations and explanations for the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note 35.

ii. Historical cost convention:

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that are measured at fair value;
- assets held for sale measured at lower of cost or fair value less cost to sell;
- defined benefit plan assets measured at fair value; and
- share-based payment liability measured at fair value

b) Segment Reporting:

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Managing Director & CEO is designated as CODM.

c) Foreign currency transactions:

i. **Functional and presentation currencies:**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in INR which is the functional and presentation currency for Marico Limited.

ii. **Transactions and Balances:**

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

d) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The company recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

i. **Sale of goods:**

Timing of recognition: Sale of goods is recognized when substantial risks and rewards of ownership are passed to the customers, depending on individual terms, and are stated net of trade discounts, rebates, incentives, subsidy, sales tax and value added tax except excise duty.

Measurement of revenue: Accumulated experience is used to estimate and provide for discounts, rebates, incentives and subsidies. No element of financing is deemed present as the sales are made with credit terms, which is consistent with market practice.

ii. Revenue from services is recognized in the accounting period in which the services are rendered.

e) Income recognition:

i. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

ii. Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

iii. Revenue from royalty income is recognized on accrual basis.

f) Government Grants:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and reduce from corresponding cost.

Income from export incentives such as premium on sale of import licenses, duty drawback etc. are recognized on accrual basis to the extent the ultimate realization is reasonably certain.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

g) Income Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

h) Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

Transition to IND AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation and amortization

Depreciation is calculated using the straight-line method to allocate cost of property plant and equipment, net of residual values, over their estimated useful lives.

As per technical evaluation of the Company, the useful life considered for the following items is lower than the life stipulated in Schedule II to the Companies Act, 2013:

Assets	Useful Life (Years)
Motor Vehicle – Motor Car, Bus and Lorries, Motor Cycle, Scooter	5
Office equipment - Mobile and Communication tools	2
Computer – Server and Network	3
Plant & Machinery – Moulds	6
Leasehold lands	Lease period

Extra shift depreciation is provided on "Plant" basis.

Assets individually costing Rs. 25,000 or less are depreciated fully in the year of acquisition.

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures whichever is lower.

Depreciation on additions / deletions during the year is provided from the month in which the asset is capitalized up to the month in which the asset is disposed off.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

i) Intangible Assets:

i. Intangible assets with finite useful life:

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under:

Assets	Useful Life (Years)
Computer software	3

ii. Intangible assets with indefinite useful life:

Intangible assets with indefinite useful lives are measured at cost and are not amortised, but are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

iii. Research and Development:

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned in para h and i above. Revenue expenditure is charged off in the year in which it is incurred.

iv. Transition to IND AS:

On transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

j) Investment property:

Property (land or a building-or part of a building-or both) that is held for long term rental yields or for capital appreciation or both, rather than for:

i. use in the production or supply of goods or services or for administrative purposes; or

ii. sale in the ordinary course of business.

is recognized as Investment Property in the books.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation is provided on all Investment Property on straight line basis, based on useful life of the assets determined in accordance with para "h"above.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Transition to IND AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its investment properties recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

k) Non-Current Asset held for Sale:

Non-current assets are classified as Non-Current asset held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

l) Lease:

i. As a leasee

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary increase.

ii. As a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

m) Investment and Other financial assets:

i. Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

Classification of debt assets will be driven by the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement:

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset.

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cashflows and for selling the financial assets, where the assets cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive the dividend is established.

iii. Impairment of financial assets:

The Company assesses if there is any significant increase in credit risk pertaining to the assets and accordingly create necessary provisions, wherever required.

iv. Derecognition of financial assets:

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

  Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

  Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

n) Derivatives and hedging activities:

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 27. Movements in the hedging reserve in shareholders' equity are shown in Note 12(c). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge reserve

The effective part of the changes in fair value of hedge instruments is recognized in other comprehensive income, while any ineffective part is recognized immediately in the statement of profit and loss.

o) Inventories:

Raw materials, packing materials, stores and spares are valued at lower of cost and net realizable value.

Work-in-progress, finished goods and stock-in-trade (traded goods) are valued at lower of cost and net realizable value.

By-products and unserviceable / damaged finished goods are valued at estimated net realizable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost is assigned on the basis of weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

p) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at cost less provision for impairment.

q) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

r) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

s) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

t) Employee Benefits:

i. Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Superannuation Fund:

The Company makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by insurance companies. The Company has no obligation to the scheme beyond its monthly contributions.

iii. Provident fund:

Provident fund contributions are made to a trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the Company is additionally provided for. Actuarial losses and gains are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

iv. Gratuity:

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

v. Leave encashment / Compensated absences:

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

vi. Employee Stock Option Plan:

The fair value of options granted under the company's employee stock option scheme (excess of the fair value over the exercise price of the option at the date of grant) is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

vii. Employee Stock Appreciation Rights Scheme:

Liability for the company's Employee Stock Appreciation Rights (STAR), granted pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011, shall be measured, initially and at the end of each reporting period until settled, at the fair value of the STARs, by applying an option pricing model, be and is recognized as employee benefit expense over the relevant service period. The liability is presented as employee benefit obligation in the balance sheet.

u) Provisions and Contingent Liabilities:

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

v) Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

w) Impairment of assets:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

x) Investment in subsidiaries and joint ventures:

Investment in subsidiaries and joint ventures are recognised at cost as per Ind AS 27. Provision for diminution, if any, in the value of investments is made to recognise a decline in value, other than temporary.

y) Earnings Per Share

i. Basic earnings per share: Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii. Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

z) Contributed Equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

aa) Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

ab) Rounding off:

All amounts disclosed in the financial statement and notes have been rounded off to the nearest crore, unless otherwise stated

ac) Amendments to Ind AS 7, 'Statement of cash flows' on disclosure initiative:

The amendment to Ind AS 7 introduced an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes (i.e. changes in fair values), changes resulting from acquisitions and disposals and effect of foreign exchange differences. Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after 1st April, 2017.

ad) Amendments to Ind AS 102, 'Share based payments'

The amendment to Ind AS 102 clarifies the measurement basis for cash settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in Ind AS 102 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after 1st April, 2017.

The Company intends to adopt the amendments when it becomes effective. There are no other standards or amendments that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2 Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Company may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

(a) Impairment of financial assets (including trade receivable) (Note 27)

(b) Estimation of defined benefit obligations (Note 15)

(c) Estimation of current tax expenses and payable (Note 25)

(d) Estimated impairment of intangible assets with indefinite useful life (Note 5)

(e) Estimation of provisions and contingencies (Note 14 and 31)

(a) Impairment of financial assets (including trade receivable)

Allowance for doubtful receivables represent the estimate of losses that could arise due to inability of the customer to make payments when due. These estimates are based on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company as well as forward looking estimates at the end of each reporting period.

(b) Estimation of defined benefit obligations

The liabilities of the Company arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions. Refer note 15 for significant assumptions used.

(c) Estimation of current tax expenses and payable

Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the company operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities.

(d) Estimated impairment of intangible assets with indefinite useful life

Impairment testing for intangible assets with indefinite useful life is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions.

(e) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

3 Property, Plant and Equipment

(₹ in Crore)

	Freehold land	Leasehold land	Buildings	Plant and machinery	Furniture and fittings	Vehicles	Office Equip-ment	Leasehold im-provements	Total	CWIP
Year ended 31st March, 2016										
Gross carrying amount										
Deemed Cost as at 1 April, 2015	**1.72**	**25.93**	**229.46**	**188.57**	**8.25**	**0.26**	**2.76**	**1.05**	**458.00**	**2.07**
Additions	-	-	2.60	37.36	0.45	-	3.89	-	44.30	82.03
Disposals / transfers	-	-	(0.54)	(0.76)	(0.01)	-	(0.01)	-	(1.32)	(47.56)
Adjustments	0.12	(0.12)	-		0.40	-	-	(0.40)	(0.00)	-
Closing gross carrying amount	**1.84**	**25.81**	**231.52**	**225.17**	**9.09**	**0.26**	**6.64**	**0.65**	**500.98**	**36.54**
Accumulated depreciation										
Depreciation charge during the year	-	0.39	8.08	43.33	1.64	0.07	4.60	-	58.11	-
Disposals / transfers	-	-	(0.00)	-	-	-	(0.00)	-	(0.00)	-
Closing accumulated depreciation	**-**	**0.39**	**8.08**	**43.33**	**1.64**	**0.07**	**4.60**	**-**	**58.11**	**-**
Impairment loss										
Impairment charge/(reversal) during the year	-	-	0.18	6.46	-	-	0.05	-	6.69	-
Net carrying amount	**1.84**	**25.42**	**223.26**	**175.38**	**7.45**	**0.19**	**1.99**	**0.65**	**436.18**	**36.54**
Year ended 31st March, 2017										
Gross carrying amount										
Opening gross carrying amount	**1.84**	**25.81**	**231.52**	**225.17**	**9.09**	**0.26**	**6.64**	**0.65**	**500.98**	**36.54**
Additions	-	-	1.43	83.35	1.84	1.50	1.55	10.32	99.99	72.63
Disposals / transfers	-	-	-	(4.19)	(0.00)	(0.22)	(0.06)	-	(4.47)	(101.23)
Adjustments	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	**1.84**	**25.81**	**232.95**	**304.33**	**10.93**	**1.54**	**8.13**	**10.97**	**596.50**	**7.94**
Accumulated depreciation										
Opening accumulated depreciation	-	0.39	8.08	43.33	1.64	0.07	4.60	-	58.11	-
Depreciation charge during the year	-	0.40	7.85	47.03	2.35	0.32	1.84	1.04	60.83	-
Disposals / transfers	-	-	-	(2.77)	(0.00)	(0.06)	(0.01)	-	(2.84)	-
Closing accumulated depreciation	**-**	**0.79**	**15.93**	**87.59**	**3.99**	**0.33**	**6.43**	**1.04**	**116.10**	**-**
Impairment loss										
Opening accumulated impairment	**-**	**-**	**0.18**	**6.46**	**-**	**-**	**0.05**	**-**	**6.69**	**-**
Impairment charge/(reversal) during the year	-	-	0.95	(1.16)	0.04	-	(0.03)	-	(0.20)	-
Closing balance	**-**	**-**	**1.13**	**5.30**	**0.04**	**-**	**0.02**	**-**	**6.49**	**-**
Net carrying amount	**1.84**	**25.02**	**215.89**	**211.44**	**6.90**	**1.21**	**1.68**	**9.93**	**473.91**	**7.94**

(i) Property, plant and equipment pledged as security

First ranking pari passu charge over all current and future plant and machinery for External Commercial Borrowings loan as on 31st March, 2016 and 1st April, 2015 (Refer note 13(a)).

(ii) Impairment loss

Impairment loss mainly pertains to Building, Plant and machinery, Furniture and fittings and Office equipment which are lying idle, damaged and having no future use.

(iii) Contractual obligations

Refer to Note 32 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iv) Capital work-in-progress

Capital work-in-progress mainly comprises new manufacturing unit set up in Guwahati, India (North Eastern Region).

(v) Leased assets

Gross carrying amount of leasehold land represents amounts paid under lease agreements which are due for renewal in the years ranging from 2070 to 2109. In one case where the lease is expiring in 2070, the company has an option to purchase the property.

4 Investment Properties

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Gross carrying amount		
Opening gross carrying amount/Deemed cost	24.72	11.76
Additions (Refer note (v) below)	-	12.96
Closing gross carrying amount	**24.72**	**24.72**
Accumulated Depreciation	0.43	-
Depreciation charge	0.43	0.43
Closing accumulated depreciation	**0.86**	**0.43**
Net carrying amount	**23.86**	**24.29**

(i) Amounts recognised in profit or loss for investment properties

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Rental income	1.20	0.91
Direct operating expenses	0.15	0.20
Profit from investment properties before depreciation	**1.05**	**0.71**
Depreciation	0.43	0.43
Profit from investment properties	**0.62**	**0.28**

(ii) Leasing arrangements

Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Within one year	1.20	0.91	0.64
Later than one year but not later than 5 years	1.36	2.56	3.47
Later than 5 years	-	-	-

(iii) Fair value

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Investment properties	41.54	39.06	13.07

Estimation of fair value

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

(iv) The fair values of investment properties have been determined by independent valuer who holds recognised and relevant professional qualification . The main inputs used are rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

(v) During the year 2015-16 building appearing as asset held for disposal having a net carrying value of Rs.12.74 Crore (Deemed cost of Rs. 12.96 Crore less depreciation of Rs. 0.22 Crore) has been reclassified as Investment property.

5 Other Intangible Assets

(₹ in Crore)

	Trademarks and copyrights (refer note 7(i))	Computer software	Total
Year ended 31st March, 2016			
Gross carrying amount			
Deemed cost as at 1st April, 2015	**18.56**	**5.00**	**23.56**
Additions	-	3.26	3.26
Closing gross carrying amount	**18.56**	**8.26**	**26.82**
Accumulated amortisation			
Amortisation charge for the year	-	3.44	3.44
Closing accumulated amortisation	**-**	**3.44**	**3.44**
Closing net carrying amount	**18.56**	**4.82**	**23.38**
Year ended 31st March, 2017			
Gross carrying amount			
Opening gross carrying amount	**18.56**	**8.26**	**26.82**
Additions	-	1.24	1.24
Closing gross carrying amount	**18.56**	**9.50**	**28.06**
Accumulated amortisation			
Opening accumulated amortisation	-	3.44	3.44
Amortisation charge for the year	-	3.04	3.04
Closing accumulated amortisation	**-**	**6.48**	**6.48**
Closing net carrying amount	**18.56**	**3.02**	**21.58**

Note

Trademarks of Rs 18.56 Crore as at 31st March, 2017 (Rs. 18.56 Crore as at 31st March, 2016 and as at 1st April, 2015) are pending registration/ recording in the name of the Company, in certain countries.

6(a) Investments

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current Investments			
Investment in Subsidiaries and Joint venture			
Equity instruments			
Subsidiaries	1,089.34	1,089.34	1,089.34
Joint venture	16.30	1.35	-
	1,105.64	**1,090.69**	**1,089.34**
Other Non Current Investments			
Equity instruments			
Others	0.14	1.47	4.52
Intercorporate deposits	15.77	-	-
Bonds	24.78	24.78	24.78
Government securities	0.01	0.01	0.01
Mutual funds	16.42	15.13	4.50
	57.12	**41.39**	**33.81**
Current Investments			
Intercorporate deposits	110.79	94.74	60.76
Debentures	15.94	-	-
Mutual funds	374.76	344.05	208.70
	501.49	**438.79**	**269.46**
Total Investments	**1,664.25**	**1,570.87**	**1,392.61**
Non-current Investments			
Investment in equity instruments (fully paid-up)			
Quoted at cost			
In Subsidiary company			
Marico Bangladesh Limited	0.86	0.86	0.86
28,350,000 (31st March, 2016 : 28,350,000, 1st April, 2015 : 28,350,000) equity shares of Bangladesh taka 10 each fully paid			
(Quoted on Dhaka Stock exchange and Chittagong Stock exchange).			
Unquoted at cost			
In Subsidiary companies			
Marico Middle East FZE (wholly owned)	27.99	27.99	27.99
22 (31st March, 2016 : 22, 1st April, 2015 : 22) equity share of UAE dirham 1,000,000 fully paid			
Marico South Africa Consumer Care (Pty) Limited (wholly owned)	59.81	59.81	59.81
1,247 (31st March, 2016 : 1,247, 1st April, 2015 : 1,247) equity shares of SA Rand 1.00 fully paid			
Marico South East Asia Corporation (formerly known as International Consumer Products Corporation) (Wholly owned with effect from 10th December, 2014) (Refer note (i) below)	254.98	254.98	254.98
9,535,495 (31st March, 2016 : 9,535,495, 1st April, 2015 : 9,535,495) equity shares of VND 10,000 fully paid			
Marico Consumer Care Limited (wholly owned)	745.70	745.70	745.70
20,660,830 (31st March, 2016 : 20,660,830, 1st April, 2015 : 20,660,830) equity shares of Rs. 10 each fully paid			
Total investment in subsidiaries	**1,089.34**	**1,089.34**	**1,089.34**
Unquoted at cost			
In Joint Venture			
Bellezimo Professionale Products Private Limited (Joint Venture with effect from 21st October, 2015) (refer note (ii) below)	-	1.35	-
1,350,000 (31st March, 2016 : 1,350,000, 1st April, 2015 : Nil) equity shares of Rs. 10 each fully paid			

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Zed Lifestyle Private Limited (refer note (iii) below)	16.30	-	-
3,784 (31st March, 2016 : Nil, 1st April, 2015 : Nil) equity shares of Rs. 10 each fully paid			
Total investment in Joint Venture	**16.30**	**1.35**	**-**
Quoted at FVPL			
In others			
Nil (31st March, 2016 : 17,102, 1st April, 2015 : 29,648) equity shares of Kaya Limited	-	1.47	4.52
Unquoted at FVPL			
136,500 (31st March, 2016 : Nil, 1st April, 2015 : Nil) equity shares of Clover Energy Private Limited	0.14	-	-
Total investment in others	**0.14**	**1.47**	**4.52**
Investment in bonds at amortised cost			
Quoted			
Power Finance Corporation Limited	2.96	2.96	2.96
28,479 (31st March, 2016 : 28,479, 1st April, 2015 : 28,479) Secured, Redeemable, Tax free Non-convertible Bonds, 8.20%, face value of Rs. 1,000/- each, redeemable on 1st February, 2022)			
Indian Railway Finance Corporation	2.26	2.26	2.26
21,751 (31st March, 2016 : 21,751, 1st April, 2015 : 21,751) Secured, Redeemable, Tax free Non-convertible Bonds, 8.00%, face value of Rs. 1,000/- each, redeemable on 23rd February, 2022)			
National Highways Authority of India	2.57	2.57	2.57
24,724 (31st March, 2016 : 24,724, 1st April, 2015 : 24,724) Secured, Redeemable, Tax free Non-convertible Bonds, 8.20%, face value of Rs. 1,000/- each, redeemable on 25th January, 2022)			
Rural Electrification Corporation Limited	6.50	6.50	6.50
61,238 (31st March, 2016 : 61,238, 1st April, 2015 : 61,238) Secured, Redeemable, Tax free Non-convertible Bonds, 8.12%, face value of Rs. 1,000/- each, redeemable on 29th March, 2027)			
Rural Electrification Corporation Limited	5.25	5.25	5.25
50 (31st March, 2016 : 50, 1st April, 2015 : 50) Secured, Redeemable, Tax free Non-convertible Bonds, 8.46%, face value of Rs. 1,000,000/- each, redeemable on 29th August, 2028)			
Housing & Urban Development Corporation Ltd	5.24	5.24	5.24
50 (31st March, 2016 : 50, 1st April, 2015 : 50) Secured, Redeemable, Tax free Non-convertible Bonds, 8.56%, face value of Rs. 1,000,000/- each, redeemable on 2nd September, 2028)			
Total investment in Bonds	**24.78**	**24.78**	**24.78**
Investment in government securities at amortised cost			
Unquoted			
National Savings Certificates (Deposited with the government authorities)	0.01	0.01	0.01
Total investment in government securities	**0.01**	**0.01**	**0.01**
Investment in mutual funds at FVPL			
Quoted			
Reliance Fixed Horizon Fund-XXIX-Series 16-Growth Plan	11.13	10.24	-
10,000,000 (31st March, 2016 : 10,000,000, 1st April, 2015 : Nil) units of Rs. 10 each fully paid			

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
DHFL Pramerica Fixed Maturity Plan Series 62 - Regular Plan - Growth	5.29	4.89	4.50
41,25,148 (31st March, 2016 : 41,25,148, 1st April, 2015 : 41,25,148) units of Rs. 10 each fully paid			
Total investment in mutual funds	**16.42**	**15.13**	**4.50**
Aggregate amount of quoted investments	42.06	42.24	34.66
Market value/ Net asset value of quoted investments	2,361.48	3,173.59	3,342.14
Aggregate amount of unquoted investments	1,120.70	1,089.84	1,088.49

Notes:

(i) During the previous year ended 31st March, 2015, International Consumer Product Corporation, a subsidiary of the Company in Vietnam had bought back its shares resulting into increase in the percentage of Company's shareholding to 100%.

(ii) During the year ended 31st March, 2016, the Company had acquired 45% stake in Bellezimo Professionale Products Private Limited, a joint venture. During the year ended 31st March, 2017, the Company has impaired its investment in Bellezimo Professionale Products Private Limited.

(iii) During the year ended 31st March, 2017, the Company has acquired 35.43% stake in Zed Lifestyle Private Limited, a joint venture, on 17th March, 2017.

Current investments

Investment in debentures at amortised cost			
Quoted			
Kotak Mahindra Prime Limited	15.94	-	-
150 (31st March, 2016 : Nil, 1st April, 2015 : Nil) Unsecured, Non convertible debentures face value of Rs.1,000,000 each			
Total investment in bonds	15.94	-	-
Investment in mutual funds at FVPL			
Quoted			
LIC Nomura MF Fixed Maturity Plan Series 77-396 Days-Growth	-	-	8.79
Nil (31st March, 2016 : Nil, 1st April, 2015 : 80,00,000) units of Rs. 10 each fully paid			
ICICI Prudential FMP Series 78-95 Days-Plan K-Cumulative	-	15.17	-
Nil (31st March, 2016 : 15,000,000, 1st April, 2015 : Nil) units of Rs. 10 each fully paid			
Unquoted			
Axis Treasury Advantage Fund - Growth	-	-	7.76
Nil (31st March, 2016 : Nil, 1st April, 2015 : 50,053) Units of Rs. 1,000 each fully paid			
Birla Sun life Cash Plus -Growth-Regular	-	-	4.26
Nil (31st March, 2016 : Nil, 1st April, 2015 : 190,148) Units of Rs. 100 each fully paid			
Birla Sun life Floating Rate Long Term -Growth-Regular	20.32	5.01	5.10
1,022,046 (31st March, 2016 : 275,258, 1st April, 2015 : 304,582) Units of Rs. 100 each fully paid			
Birla Sun Life Savings Fund - Growth-Regular Plan	33.26	-	-
1,043,788 (31st March, 2016 : Nil, 1st April, 2015 : Nil) Units of Rs. 100 each fully paid			
DHFL Pramerica Low Duration Fund - Growth	-	21.18	-
Nil (31st March, 2016 : 10,371,654, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
DWS Treasury Fund -Cash-Growth	-	-	15.02
Nil (31st March, 2016 : Nil, 1st April, 2015 : 1,001,013) Units of Rs. 100 each fully paid			
HDFC Liquid Fund - Growth	-	5.01	11.01
Nil (31st March, 2016 : 16,801, 1st April, 2015 : 3,990,799) Units of Rs. 1000 each fully paid			
HDFC Cash Management Fund-Savings Plan-Growth	-	-	5.54
Nil (31st March, 2016 : Nil, 1st April, 2015 : 1,897,404) Units of Rs. 10 each fully paid			
HDFC Corporate Debt Opportunities Fund - Regular - Growth	28.21	25.53	-
20,803,342 (31st March, 2016 : 20,803,342, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			

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(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
HDFC Banking and PSU Debt Fund-Reg-Growth	-	-	2.00
Nil (31st March, 2016 : Nil, 1st April, 2015 :1,813,187) Units of Rs. 10 each fully paid			
HDFC Short Term Plan - Regular Plan - Growth	26.83	-	-
8,277,730 (31st March, 2016 : Nil, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
ICICI Prudential money market fund-regular plan growth	13.50	-	20.02
601,824 (31st March, 2016 : Nil, 1st April, 2015 : 1,036,048) units of Rs. 100 each fully paid			
ICICI Prudential Ultra Short Term - Growth	24.36	15.23	-
7,140,093 (31st March, 2016 : 9,948,137, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
IDFC Ultra Short Term Fund -Growth-Regular Plan	-	-	2.54
Nil (31st March, 2016 : Nil, 1st April, 2015 : 1,301,391) Units of Rs. 10 each fully paid			
IDFC Money Manager Fund-Treasury Plan-Growth	-	19.04	-
Nil (31st March, 2016 : 8,045,461, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
Kotak Liquid Scheme Plan A-Growth	-	5.76	20.03
Nil (31st March, 2016 : 18,754, 1st April, 2015 : 70,607) Units of Rs. 1,000 each fully paid			
Kotak Bond (Short Term) - Growth	38.02	25.25	-
12,368,951 (31st March, 2016 : 8,959,674, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
LIC Nomura Liquid Fund-Growth	-	10.68	-
Nil (31st March, 2016 : 38,956, 1st April, 2015 : Nil) Units of Rs. 1000 each fully paid			
LIC MF Savings Plus Fund - Regular Growth Plan-Short term growth	1.42	-	-
571,671 (31st March, 2016 : Nil, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
L&T Ultra Short Term Fund-Growth	-	-	2.29
Nil (31st March, 2016 : Nil, 1st April, 2015 : 1,011,382) units of Rs. 10 each fully paid			
Principal Debt Opportunities Fund Corporate Bond Plan-Regular Plan Growth	-	-	10.29
Nil (31st March, 2016 : Nil, 1st April, 2015 : 47,877) Units of Rs. 1,000 each fully paid			
Reliance Liquid Fund-Treasury Plan-Growth	20.01	-	20.03
50,597 (31st March, 2016 : Nil, 1st April, 2015 : 58,818) Units of Rs. 1,000 each fully paid			
Reliance Medium Term Fund-Growth	7.24	25.06	-
2,120,390 (31st March, 2016 : 7,986,353, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
Reliance Short Term Fund-Growth	16.50	15.14	-
5,355,039 (31st March, 2016 : 5,355,039, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
Religare Invesco Short Term Fund-Growth	11.47	-	10.97
53,098 (31st March, 2016 : Nil, 1st April, 2015 : 56,982) Units of Rs. 1,000 each fully paid			
Religare Invesco Credit Opportunities Fund-Growth	43.85	25.84	9.56
236,227 (31st March, 2016 : 149,408, 1st April, 2015 : 60,034) Units of Rs. 1,000 each fully paid			
Religare Invesco Medium Term Bond Fund-Growth	-	10.70	-
Nil (31st March, 2016 : 70,172, 1st April, 2015 : Nil) Units of Rs. 1,000 each fully paid			
SBI Magnum Insta Cash -Regular Plan-Growth	-	15.09	20.02
Nil (31st March, 2016 : 58,764, 1st April, 2015 : 64,792) Units of Rs. 1,000 each fully paid			
SBI Treasury Advantage Fund-Regular Plan-Growth	-	30.37	-
Nil (31st March, 2016 : 181,028, 1st April, 2015 : Nil) Units of Rs. 1,000 each fully paid			

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Templeton India TMA-SIP-Growth	-	-	3.51
Nil (31st March, 2016 : Nil, 1st April, 2015 : 16,797) Units of Rs. 1,000 each fully paid			
Baroda Pioneer Treasury Advantage Fund- Plan A-Growth	37.38	32.60	-
197,177 (31st March, 2016 : 187,598, 1st April, 2015 : Nil) units of Rs. 1,000 each fully paid			
JM Money Manager Fund-Super Plus Plan-Bonus Option-Bonus Units	5.24	4.85	4.47
3,748,072 (31st March, 2016 : 3,748,072, 1st April, 2015 : 3,748,072) units of Rs. 10 each fully paid			
JM Money Manager Fund-Super Plan-Bonus Option-Bonus Units	5.83	5.44	5.03
4,524,192 (31st March, 2016 : 4,524,192, 1st April, 2015 : 4,524,192) units of Rs. 10 each fully paid			
JP Morgan India Treasury Fund-SIP-Growth	-	-	20.46
Nil (31st March, 2016 : Nil, 1st April, 2015 : 11,140,952) units of Rs. 10 each fully paid			
Tata Short Term Bond Fund Regular Plan - Growth	3.05	-	-
999,164, (31st March, 2016 : Nil, 1st April, 2015 : Nil) Units of Rs. 1,000 each fully paid			
Uti-Short Term Income Fund- Institutional Option - Growth	4.53	-	-
2,273,863 (31st March, 2016 : Nil, 1st April, 2015 : Nil) Units of Rs. 10 each fully paid			
UTI Floating Rate Fund-STP-Growth	33.74	31.10	-
127,081 (31st March, 2016 : 127,081, 1st April, 2015 : Nil) units of Rs. 1,000 each fully paid			
Total investment in mutual funds	**374.76**	**344.05**	**208.70**
Aggregate amount of quoted investments and market value thereof	15.94	15.17	8.79
Aggregate amount of unquoted investments	485.55	423.62	260.67

6(b) Trade Receivables

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade receivables	173.33	164.75	115.10
Receivables from related parties (refer note 30)	57.20	30.32	18.34
Less: Allowance for doubtful debts	(2.92)	(2.97)	(2.89)
Total receivables	**227.61**	**192.10**	**130.55**
Current Portion	227.61	192.10	130.55
Non-Current Portion	-	-	-
Break up of security details			
Secured, considered good	-	-	-
Unsecured, considered good	227.61	192.10	130.55
Unsecured, considered doubtful	2.92	2.97	2.89
Total	**230.53**	**195.07**	**133.44**
Allowance for doubtful debts	(2.92)	(2.97)	(2.89)
Total trade receivables	**227.61**	**192.10**	**130.55**

Note:

For credit risk and provision for loss allowance refer note 27(A)

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To Financial Statements for the year ended 31st March, 2017

6(c) Loans

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non current			
Unsecured, considered good			
Loans to employees	3.73	3.75	3.49
Loans to subsidiaries (refer note below)	-	-	1.55
Total non current loans	**3.73**	**3.75**	**5.04**
Current			
Unsecured, considered good			
Loan to related parties (refer note below)	1.61	1.39	4.03
Loan to employees	2.75	2.64	2.22
Total current loans	**4.36**	**4.03**	**6.25**

Note: The above loan was given to a subsidiary/joint venture for various operational requirement and acquisition of brands and carries interest rate of Prime Lending Rate published by South African Reserve Bank for a subsidiary and 12% per annum for a joint venture. The said loan is repayable within a period of one year from 31st March, 2017 and 31st March, 2016 (As on 1st April, 2015 it is repayable within two years) and has been disclosed as short term loans and advances as on 31st March, 2017 and 31st March, 2016.

6(d) Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Bank balances in current accounts	1.23	12.01	14.27
Deposits with maturity of less than three months	3.76	3.40	6.75
Cheques on hand	-	-	0.76
Cash on hand	0.07	0.17	0.18
Total cash and cash equivalents	**5.06**	**15.58**	**21.96**

6(e) Bank balances other than cash and cash equivalents

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Fixed deposits with maturity more than 3 month but less than 12 months	63.14	124.15	78.40
Balances with banks for unclaimed dividend	0.33	0.44	0.27
Total bank balance other than cash and cash equivalents	**63.47**	**124.59**	**78.67**

The details of specified bank notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 as provided in the table below:

During the year, the company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated 31st March, 2017 on the details of the specified bank notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016. The denomination wise SBNs and other notes as per the notification are given below:

(₹ in Crore)

Details	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	0.14	0.06	0.20
(+) Permitted receipts	-	0.15	0.15
(-) Permitted payments	-	0.14	0.14
(-) Amount deposited in Banks	0.14	0.00	0.14
Closing cash in hand as on 30th December, 2016	0.00	0.07	0.07

* For the purpose of this clause, the term 'Specified Bank notes' shall have the same meaning provided in the notification of the Government of India, in the ministry of finance, department of Economic Affairs number S.O. 3407 (E), dated 8th November, 2016.

6(f) Other Non current financial assets

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured considered good (unless otherwise stated)			
Advances to Subsidiaries (Refer Note 30)			
Considered good	13.27	15.78	19.51
Considered doubtful	-	0.82	-
	13.27	16.60	19.51
Less: Provision for doubtful advances	-	(0.82)	
	13.27	15.78	19.51
Security deposits with public bodies and others			
Considered good	13.40	11.01	11.40
Considered doubtful	1.01	1.00	
	14.41	12.01	11.40
Less: Provision for doubtful deposits	(1.01)	(1.00)	-
	13.40	11.01	11.40
Fixed Deposits-Maturing after 12 months (refer note below)	0.44	0.98	1.53
Total other non-current financial assets	**27.11**	**27.77**	**32.44**

Note : Fixed deposits with banks include Rs. 0.12 Crore (31st March, 2016 : Rs. 0.21 Crore, 1st April, 2015 : Rs. 0.21 Crore) deposited with sales tax authorities, Rs. 0.06 Crore (31st March, 2016 : Rs. 0.36 Crore, 1st April, 2015 : Rs. 0.39 Crore) held as lien by banks against guarantees issued on behalf of the Company and Rs.0.12 Crore (31st March, 2016 : Rs. Nil, 1st April, 2015: Rs. 0.57 Crore) for other earmarked balances.

6(f) Other current financial assets

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(i) Derivatives			
Foreign exchange forward contracts, options and interest rate swaps	2.11	4.15	0.58
	2.11	**4.15**	**0.58**
(ii) Others			
Advances to Subsidiaries (Refer Note 30)	22.71	18.75	10.57
Security deposits	0.63	0.54	0.39
Insurance claim receivable	-	1.95	0.05
	23.34	**21.24**	**11.01**
Total other current financial assets	**25.45**	**25.39**	**11.59**

7 Deferred Tax Asset/ (Liabilities)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred tax Asset :			
Liabilities / provisions that are deducted for tax purposes when paid	22.15	18.78	15.43
On Intangible assets adjusted against Capital Redemption Reserve and Securities premium account under the Capital Restructuring scheme (refer note (i) below)	7.06	9.41	12.46
MAT Credit entitlement	7.75	57.08	119.02
	36.96	**85.27**	**146.91**
Other items:			
On hedge reserve	-	8.80	25.94
Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off	1.78	1.68	1.00
Other timing differences	0.42	1.53	2.67
	2.20	**12.01**	**29.61**
Total deferred tax assets	**39.16**	**97.28**	**176.52**
Deferred tax liability :			
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	40.17	40.13	42.86
Financial assets at fair value through Profit and loss	7.96	2.45	1.00
Other timing differences	0.78	0.12	0.25
Total deferred tax liabilities	**(48.91)**	**(42.70)**	**(44.11)**
Net deferred tax assets/ (liabilities)	**(9.75)**	**54.58**	**132.41**

Movement in deferred tax assets

(₹ in Crore)

Particulars	Defined benefit obligations	Liabilities / provisions that are deducted for tax purposes when paid	*On Intangible assets	MAT Credit entitlement	Other items	Total deferred tax assets
As at 1st April, 2015	**-**	**15.43**	**12.46**	**119.02**	**29.61**	**176.52**
(Charged)/credited :	-					
to Profit and Loss	-	3.35	(3.05)	(56.53)	(0.13)	(56.36)
to other comprehensive income	-	-	-	-	(17.13)	(17.13)
Deferred tax on basis adjustment	-	-	-	(5.41)	(0.34)	(5.75)
As at 31st March, 2016	**-**	**18.78**	**9.41**	**57.08**	**12.01**	**97.28**
(Charged)/credited :						
to Profit and loss	0.03	3.37	(2.35)	(49.33)	(1.01)	(49.29)
to other comprehensive income	(0.03)	-	-	-	(8.80)	(8.83)
As at 31st March, 2017	**-**	**22.15**	**7.06**	**7.75**	**2.20**	**39.16**

*On Intangible assets adjusted against Capital Redemption Reserve and Securities premium account under the Capital Restructuring scheme.

Movement in deferred tax liabilities

(₹ in Crore)

Particulars	Property plant and equipment and Investment property	Change in fair value of hedging instruments	Other items	Total deferred tax liabilities
As at 1st April, 2015	**42.86**	**1.00**	**0.25**	**44.11**
Charged/(credited) :				
to Profit and loss	(2.73)	1.45	(0.13)	(1.41)
to other comprehensive income	-	-	-	-
As at 31st March, 2016	**40.13**	**2.45**	**0.12**	**42.70**
(Charged)/credited :				
to Profit and loss	**0.04**	**5.51**	**0.66**	**6.21**
to other comprehensive income	**-**	**-**	**-**	**-**
As at 31st March, 2017	**40.17**	**7.96**	**0.78**	**48.91**

During the year ended 31st March, 2007 the Company carried out financial restructuring scheme ('Scheme') under the relevant provisions of the Companies Act, 1956 which was approved by the shareholders on 8th February, 2007 and subsequently by the Hon'ble High Court vide its order dated 23rd March, 2007. In terms of the Scheme, the Company adjusted the carrying value of Rs. 448.15 Crore of intangible assets such as trademarks, copyrights, business and commercial rights as on 31st January, 2007 and related deferred tax adjustment of Rs. 139.06 Crore (net adjustment of Rs. 309.09 Crore) against the balance in Securities Premium Reserve of Rs. 129.09 Crore and Capital Redemption Reserve of Rs. 180 Crore.

8 Other Non Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Advances	4.57	14.70	12.06
Fringe benefit tax payments	0.48	0.48	0.48
Deposits with statutory/government authorities	10.88	10.50	10.74
Prepaid expenses	0.85	0.71	1.18
Total other non-current assets	**16.78**	**26.39**	**24.46**

9 Inventories

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Raw Materials			
- In Stock	499.47	214.72	247.39
- In Transit	24.33	49.37	-
Packing materials	65.24	56.97	61.44
Work-in-progress	142.37	120.03	107.20
Finished goods	327.06	300.53	346.30
Traded goods	13.27	14.68	16.40
By-Product	3.14	3.16	5.56
Stores and Spares	8.08	8.10	7.30
Total inventories	**1,082.96**	**767.56**	**791.59**

Refer note 2(o) for basis of valuation

Amounts recognised in profit or loss

Write-downs/ (reversals) of inventories during the year to net realisable value amounted to Rs. (7.32) Crore (31st March, 2016 Rs. 8.33 Crore). These were recognised during the year and included under "change in value of inventories' of work-in-progress, stock-in-trade and finished goods in Statement of Profit and Loss.

10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances to vendors	33.50	72.05	59.11
Prepaid Expenses	11.97	10.51	8.65
Deposits with government authorities and others (refer note below)	26.01	8.48	6.53
Others	0.21	0.18	0.21
Total other current assets	**71.69**	**91.22**	**74.50**

Deposits with government authorities and others includes government grants of Rs. 6.75 Crore as on 31st March, 2017.

11 Assets Classified as Held for Sale

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Land and Building (refer note 4(v))	12.45	12.45	28.71
Total assets classified as held for sale	**12.45**	**12.45**	**28.71**

Non-recurring fair value measurements

Fair value of Building classified as held for sale was Rs. 40.69 Crore as at 31st March, 2017, Rs. 39.12 Crore as at 31st March, 2016 and Rs. 47.45 Crore as on 1st April, 2015. Building classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair values of these assets have been determined by independent valuer who holds recognised and relevant professional qualification. The main inputs include details obtained from "The Ready Reckoner", location factor and physical verification of the property. All resulting fair value estimates for asset held for sale are included in level 3.

The company decided to sell land and building which was classified as asset held for sale as on 31st March, 2015. The assets situated at Goa were sold during the year ended 31st March, 2016, and the gain of Rs. 9.23 Crore was included in net gain on disposal of Property, Plant and Equipment in Note 19. The other asset was reclassified to investment property during the year ended 31st March, 2016. The delay in respect of the remaining asset (building) which the company has committed to sell is caused by certain event and circumstances which are beyond the entity's control.

12(a) Equity Share Capital

(₹ in Crore)

Particulars	No. of shares (in Crore)	Amount
Authorised share capital		
As at 1st April, 2015		
Equity shares of Re. 1/- each	115.00	115.00
Preference shares of Rs. 10/- each	10.00	100.00
Total	**125.00**	**215.00**
As at 31st March, 2016		
Equity shares of Re. 1/- each	150.00	150.00
Preference shares of Rs. 10/- each	6.50	65.00
Total	**156.50**	**215.00**
As at 31st March, 2017		
Equity shares of Re. 1/- each	150.00	150.00
Preference shares of Rs. 10/- each	6.50	65.00
Total	**156.50**	**215.00**
Issued, subscribed and paid-up as at 31st March, 2017		
1,290,471,198 equity shares of Re. 1/- each fully paid-up (refer note (v) below)	129.05	129.05
Total	**129.05**	**129.05**

(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 1st April, 2015	64.50	64.50
Shares issued during the year - ESOP (refer note 33(a))	0.01	0.01
Bonus Issue (refer note (v) below)	64.51	64.51
As at 31st March, 2016	**129.02**	**129.02**
Increase during the year		
Shares issued during the year - ESOP (refer note 33(a))	0.03	0.03
As at 31st March, 2017	**129.05**	**129.05**

(ii) Rights, preferences and restrictions attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of Re.1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Shares reserved for issue under options

Information relating to Marico ESOS 2007, Marico ESOS 2014, MD CEO ESOP Plan 2014 and including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 33.

(iv) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Re. 1/- each fully paid-up				
Harsh C Mariwala with Kishore V Mariwala (For Valentine Family Trust)	148,337,200	11.49	146,752,000	11.37
Harsh C Mariwala with Kishore V Mariwala (For Aquarius Family Trust)	148,338,200	11.49	146,752,000	11.37
Harsh C Mariwala with Kishore V Mariwala (For Taurus Family Trust)	148,338,000	11.49	146,752,000	11.37
Harsh C Mariwala with Kishore V Mariwala (For Gemini Family Trust)	148,338,100	11.49	146,752,000	11.37
First State Investments Services (UK) Ltd (along with Persons acting in concert)	97,225,880	7.53	108,091,457	8.38

(v) During the year ended 31st March, 2016, the Company has issued 645,085,599 fully paid-up bonus equity shares of face value Re. 1 each in the ratio of 1:1 with record date of 24th December, 2015. As a result EPS has been adjusted for reporting as well as for all the comparative periods.

Aggregate number of shares allotted as fully paid-up by way of bonus shares	For the year ended 31st March, 2016
Equity shares allotted as fully paid-up bonus shares by capitalization of general reserve	645,085,599

12(b) Reserves and Surplus

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Securities premium reserve	237.80	234.98	234.49
Retained earnings	2,266.21	1,933.31	1,744.78
General reserve	297.97	297.97	362.48
Share based option outstanding account	7.62	6.42	2.96
Treasury Shares	(60.69)	(68.37)	(28.29)
WEOMA reserve	44.82	20.18	2.66
Total Reserves and surplus	**2,793.73**	**2,424.49**	**2,319.08**

(i) Securities premium reserve

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	234.98	234.49
Add: Receipt on exercise of employee stock options	2.82	0.58
Less : Amount adjusted towards bonus share issue expenses	-	(0.09)
Closing balance	**237.80**	**234.98**

(ii) General Reserve

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	297.97	362.48
Less: Transferred to share capital on account of issue of bonus shares	-	(64.51)
Closing balance	**297.97**	**297.97**

(iii) Share based option outstanding account (refer note 33)

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	6.42	2.96
Appropriations during the year	(2.82)	-
Add : Compensation for options granted	4.02	3.46
Closing balance	**7.62**	**6.42**

(iv) Treasury Shares (refer note 35)

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	(68.37)	(28.29)
Add :(Purchase)/sale of treasury shares by the trust during the year (net)	7.68	(40.08)
Closing balance	**(60.69)**	**(68.37)**

(v) WEOMA reserve (refer Note 35)

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	20.18	2.66
Add : Income of the Trust for the year	24.64	17.52
Closing balance	**44.82**	**20.18**

(vi) Retained earnings

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	1,933.31	1,744.78
Net Profit for the year	842.70	691.26
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(1.18)	(1.87)
Less: Dividend	(451.59)	(435.43)
Less: Tax on dividend (net of tax on dividend received from Indian and foreign subsidiaries of Rs. 34.89 Crore) (Previous year Rs. 23.22 Crore)	(57.03)	(65.43)
Closing balance	**2,266.21**	**1,933.31**

12(c) Other reserves

Hedge reserve

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
As per last Balance Sheet	(15.24)	(48.70)
Deferred Hedging Gain / (Loss) on hedging instruments	(9.67)	(16.43)
Gain / (Loss) transferred to Income Statement	35.20	67.02
Deferred tax on hedge reserve	(8.83)	(17.13)
Closing Balance Hedge Reserve	**1.46**	**(15.24)**

Nature and purpose of reserves

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

General Reserve

The General Reserve account is used from time to time to record transfer of profit from retained earnings, for appropriation purposes. As General Reserve is created by transfer from one component of equity to another and it is not an item of other comprehensive income, item included in the General Reserve will not be reclassified subsequently to Profit or Loss.

Share based option outstanding account

The share based option outstanding account is used to recognise the grant date fair value of options as on the grant date, issued to employees under Company's employee stock option schemes.

WEOMA reserve and Treasury shares

Profit on sale of treasury shares by WEOMA trust is recognised in WEOMA reserve. (refer note 35)

Hedge Reserve

The Company uses forward and options contracts to hedge its risks associated with foreign currency transactions relating to certain firm commitments and forecasted transactions. The Company also uses Interest rates swap contracts to hedge its interest rate risk exposure. The Company designates these as cash flow hedges. These contracts are marked to market as at the year end and resultant exchange differences, to the extent they represent effective portion of the hedge, are recognized directly in hedge reserve. The ineffective portion of the same is recognized immediately in the Statement of Profit and Loss.

Exchange differences taken to hedge reserve account are recognized in the Statement of Profit and Loss upon crystallization of firm commitments or occurrence of forecasted transactions or upon discontinuation of hedge accounting resulting from expiry / sale / termination of hedge instrument or upon hedge becoming ineffective.

NOTES

To Financial Statements for the year ended 31st March, 2017

13(a) Non-Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured						
Term Loan						
From banks						
External commercial borrowing from The Hongkong and Shanghai Banking Corporation Limited (refer note (ii) below)	USD 6 million due on 11th August, 2015 USD 9 million due on 11th February, 2016 USD 12 million due on 11th August, 2016 USD 15 million due on 11th February, 2017	The loan is repayable over a period of 6 years commencing from 11th February, 2011 on semi-annual instalments	3 months LIBOR + 2.1%	-	179.28	262.78
Total non-current borrowings				**-**	**179.28**	**262.78**
Less: Current Maturities of long-term debt (refer note 13(b))					178.53	93.36
Less: Interest accrued (refer note 13(b))					0.75	1.02
Non-current borrowings				**-**	**-**	**168.40**

13(a) Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans repayable on demand						
Secured						
From banks						
Cash credit (refer note (i) below)	Payable on demand	Payable on demand	9.5% to 12.25% per annum	-	10.83	8.64
Pre-shipment credit in Foreign Currency (refer note (i) below)	Repayable on 9th June, 2017 Rs. 21.25 Crore and Repayable on 21st July, 2017 Rs. 27.10 Crore (FY 16 - Nil)	For a term of twelve months	1.00% to 1.4% per annum (FY 16 - Nil)	48.35	-	-
Working Capital Demand Loan (refer note (i) below)	Repayable on 18th October, 2017 - Rs. 10 Crore 19th October, 2017 - Rs. 10 Crore 15th December, 2017 - Rs. 20 Crore	For a term of twelve months	Bank Base rate/relevant Benchmark Rate plus applicable spread ranging between 0.1% to 0.2% per annum (FY 16 - Nil)	40.21	-	-
Export Packing credit (refer note (i) below)	Repayable on 31st May, 2017 Rs. 10 Crore and 25th September, 2017 Rs. 10 Crore (FY 16 - Repayable on 27th May, 2016 and 20th June, 2016 for Rs. 10 Crore and 5 Crore respectively)	For a term of two months to six months (FY 16 - For a term of two to four months)	Bank Base rate/relevant Benchmark rate plus applicable spread ranging between 6.7% to 9.5% per annum less Interest Subvention of 3% per annum (FY 16 - Bank Base rate plus applicable/relevant Benchmark rate spread ranging between 8.9% to 9.5% per annum less Interest Subvention of 3% per annum)	20.00	15.00	-
Total current borrowings				**108.56**	**25.83**	**8.64**
Less: Interest accrued (refer note 13(b))				0.21	-	-
Current borrowings as per balance sheet				**108.35**	**25.83**	**8.64**

Note:-

(i) Cash Credit, Pre-shipment Credit in Foreign Currency, Working Capital Demand Loan and Export Packing Credit is secured by hypothecation of Inventory and Debtors, value of Rs. 1,310.57 Crore as at 31st March, 2017,Rs. 959.66 Crore as at 31st March, 2016 and Rs. 922.14 Crore as at 1st April, 2015.

(ii) ECB Loan was secured by (i) Pledge of shares of Marico South East Asia Corporation (a Subsidiary company, formerly known as International Consumer Products Corporation), carrying value of Rs. 254.98 Crore as at 1st April, 2015, 31st March, 2016 and 2017 (ii) First ranking pari passu charge over all current and future plant and machinery, carrying value of Rs. 188.57 Crore as at 1st April, 2015, Rs. 175.37 Crore as at 31st March, 2016 and the said loan has been repaid during the year and (iii) Mortgage on land and building situated at Andheri, Mumbai (Mortgage was only till previous year ended 31st March, 2015), carrying value of Rs. 44.08 Crore as at 1st April, 2015.

13(b) Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Current maturities of long-term debt (refer note 13(a))	-	178.53	93.36
Interest accrued but not due on borrowings (refer note 13(a))	0.21	0.75	1.02
Capital Creditors	4.00	3.14	4.28
Salaries and benefits payable	1.25	0.28	0.24
Bonus Payable	0.57	2.94	1.86
Security Deposits from customers and other	1.25	0.43	0.21
Unclaimed Dividend (refer note below)	0.33	0.44	0.27
Foreign-exchange forward contracts	3.14	1.42	0.36
Foreign-exchange Interest Rate Swaps used as designated Interest rate hedges contracts	-	0.39	1.17
Other liabilities	0.26	0.24	0.24
Total other current financial liabilities	**11.01**	**188.56**	**103.01**

Note : Amount payable to Investor Education and Protection Fund Rs. Nil as on 1st April, 2015, 31st March, 2016 and 31st March, 2017.

13(c) Trade Payables

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Trade payables (refer note below)	473.97	479.83	402.26
Trade payables to related parties (refer note 30)	2.27	4.95	3.29
Total trade payables	**476.24**	**484.78**	**405.55**

Note:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	10.80	16.01	7.31
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.03	0.06	0.01
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-	-
Interest due and payable towards suppliers registered under MSMED Act for payments already made.	-	-	-
Further interest remaining due and payable for earlier years.	0.07	0.01	0.01
Total	**10.90**	**16.08**	**7.33**

14 Provisions

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Disputed indirect taxes (refer note (a) & (b) below)	56.41	50.64	42.25
Total current provisions	**56.41**	**50.64**	**42.25**

(a) Provision for disputed indirect taxes mainly pertains to Entry tax dispute in the state of Himachal Pradesh and West Bengal where company has filed a writ petition in both the states before the honourable high court and the matter is sub judice. It is not practicable to state the timing of the judgement and final outcome. Management has assessed that unfavourable outcome of the matter is more than probable and therefore has created provisions for necessary amounts.

(b) Movement in provisions

(₹ in Crore)

Disputed indirect taxes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Charged / (credited) to profit or loss	50.64	42.25	25.15
Add: Additional provision recognised	6.02	12.41	17.60
Less: Amount used during the year	(0.25)	(4.02)	-
Less: Unused amounts reversed during the year	-	-	(0.50)
Balance as at the end of the year	**56.41**	**50.64**	**42.25**

15 Employee Benefit Obligation Current

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Leave encashment/Compensated absences (refer note (iii) below)	8.19	6.71	6.02
Gratuity (refer note (i) below)	2.95	2.68	2.60
Share-appreciation rights (refer note (v) below)	6.60	13.93	11.94
Incentives / Bonus	24.31	25.35	27.65
Others	0.50	-	-
Total employee benefit obligations current	**42.55**	**48.67**	**48.21**

Employee benefit obligation non current

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Share-appreciation rights (refer note (v) below)	6.44	2.97	6.39
Total employ benefit obligations non current	**6.44**	**2.97**	**6.39**

Notes:-

(i) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is funded through gratuity trust.

(ii) Provident fund

Contributions are made to a trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the Company is additionally provided for. There is no shortfall as at 31st March, 2017, 31st March, 2016 and 1st April, 2015.

(iii) Leave Encashment/Compensated absences.

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. The company encourages its employees to plan and avail their leave within a year, hence the company has classified leave encashment provision amount as current.

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current leave obligations expected to be settled within the next 12 months	8.19	6.71	6.02

(iv) Super annuation

The Company makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by Insurance companies. The company has no obligation to the scheme beyond its monthly contributions.

(v) Share-appreciation rights

In respect of Employee Stock Appreciation Rights (STAR) granted pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011, the liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, (excess of fair value as at the period end over the Grant price) and is recognized as employee compensation cost over the vesting period (refer note 33).

(a) Balance sheet amounts - Gratuity

(₹ in Crore)

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
1st April, 2015	17.67	15.07	2.60
Current service cost	1.05	-	1.05
Interest expense	1.39	-	1.39
Interest Income		1.94	(1.94)
Total amount recognised in profit or loss	**2.44**	**1.94**	**0.50**
Remeasurements			
(Gain)/loss from change in financial assumptions	0.14	-	0.14
Experience (gains)/ losses	1.90	0.79	2.69
Total amount recognised in other comprehensive income	**2.04**	**0.79**	**2.83**
Employer contributions	-	3.25	(3.25)
Benefit Payments	(2.17)	(2.17)	-
31st March, 2016	**19.98**	**17.30**	**2.68**

(₹ in Crore)

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
1st April 2016	19.98	17.30	2.68
Current service cost	1.68	-	1.68
Interest expense	1.54	-	1.54
Interest Income	-	1.34	(1.34)
Total amount recognised in profit or loss	**3.22**	**1.34**	**1.88**
Remeasurements			
(Gain)/loss from change in financial assumptions	0.95	-	0.95
Experience (gains)/ losses	1.47	(0.62)	0.85
Total amount recognised in other comprehensive income	**2.42**	**(0.62)**	**1.80**
Employer contributions	-	3.41	(3.41)
Benefit Payments	(2.20)	(2.20)	-
31st March, 2017	**23.42**	**20.47**	**2.95**

The Net liability disclosed above relates to funded and unfunded plans are as follows

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Present value of funded obligations	23.42	19.98	17.67
Fair value of plan assets	(20.47)	(17.30)	(15.07)
Deficit of gratuity plan	**2.95**	**2.68**	**2.60**

The significant actuarial assumptions were as follows

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Discount rate	6.77%	7.72%	7.89%
Rate of return on Plan assets*	6.77%	7.72%	7.89%
Future salary rise**	10.00%	10.00%	10.00%
Attrition rate	17.00%	17.00%	17.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate		

*The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations.

**The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

Sensitivity Analysis

The sensitivity of the defined benefit obligations to the changes in the weighted principal assumptions is as under:

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Projected benefit obligation on current assumptions	23.42	19.98
Delta effect of +1% change in rate of discounting	(0.99)	(0.81)
Delta effect of -1% change in rate of discounting	1.09	0.89
Delta effect of +1% change in rate of salary increase	0.72	0.60
Delta effect of -1% change in rate of salary increase	(0.71)	(0.59)
Delta effect of +1% change in rate of Employee turnover	(0.11)	(0.05)
Delta effect of -1% change in rate of Employee turnover	0.12	0.05

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The major categories of plans assets are as follows :

(₹ in Crore)

Particulars	31st March, 2017		31st March, 2016		1st April, 2015	
	Amount	in %	Amount	in %	Amount	in %
Special deposit scheme	0.53	2.59%	-	0.00%	-	0.00%
Insurer Managed funds	19.91	97.26%	17.30	100.00%	15.07	100.00%
Other	0.03	0.15%	-	0.00%	-	0.00%
Total	**20.47**	**100.00%**	**17.30**	**100.00%**	**15.07**	**100.00%**

(b) Provident Fund

Amount recognised in the Balance sheet

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Liability at the end of the year	-	-	-
Fair value of plan assets at the end of the year	122.01	98.60	85.80
Present value of benefit obligation as at the end of the period	(117.45)	(94.43)	(82.31)
Difference	4.56	4.17	3.49
Unrecognized past service Cost	(4.56)	(4.17)	(3.49)
(Assets) / Liability recognized in the Balance Sheet	-	-	-

Changes in defined benefit obligations:

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Liability at the beginning of the year	94.43	82.31	81.83
Interest cost	8.75	7.20	6.75
Current service cost	8.49	6.73	6.01
Employee contribution	10.78	9.40	8.21
Liability Transferred in	7.11	2.82	2.99
Liability Transferred out	(6.38)	(3.33)	(4.15)
Benefits paid	(5.73)	(10.70)	(19.34)
Actuarial (gain)/loss on obligations (Due to change in financial obligation)	-	-	-
Actuarial (gain)/loss on obligations (Due to Experience)	-	-	-
Liability at the end of the year	**117.45**	**94.43**	**82.31**

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Fair value of plan assets at the beginning of the year	98.60	85.80	82.59
Expected return on plan assets	8.77	7.21	6.75
Contributions	18.74	16.12	14.24
Transfer from other Company	7.11	2.82	2.99
Transfer to other Company	(6.38)	(3.33)	(4.15)
Benefits paid	(5.73)	(10.84)	(19.34)
Actuarial gain/(loss) on plan assets	0.90	0.82	2.72
Fair value of plan assets at the end of the year	**122.01**	**98.60**	**85.80**

Expenses recognised in the Statement of Profit and Loss :

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Current service cost	7.96	6.72	6.02
Interest cost	8.77	7.20	6.75
Expected return on plan assets	(8.77)	(7.20)	(6.75)
Net actuarial (gain)/loss to be recognized	-	-	-
(Income) / Expense recognised in the Statement of Profit and Loss	**7.96**	**6.72**	**6.02**

The major categories of plans assets are as follows :

(₹ in Crore)

Particulars	31st March, 2017		31st March, 2016		1st April, 2015	
	Amount	in %	Amount	in %	Amount	in %
Central Government securities	14.18	11.62%	24.37	24.72%	20.03	23.34%
State loan/State government Guaranteed Securities	13.71	11.24%	15.21	15.43%	15.32	17.86%
Public Sector Units	38.50	31.55%	43.33	43.94%	40.05	46.68%
Private Sector Units	7.41	6.07%	7.81	7.92%	6.50	7.57%
Equity / Insurance Managed Funds	45.03	36.91%	3.63	3.68%	-	0.00%
Others	3.18	2.61%	4.25	4.31%	3.90	4.55%
Total	**122.01**	**100.00%**	**98.60**	**100.00%**	**85.80**	100.00%

The significant actuarial assumptions were as follows:

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Discount rate	6.67%	7.72%	7.89%
Rate of return on Plan assets*	8.85%	8.80%	8.75%
Future salary rise**	10%	10%	10%
Attrition rate	17%	17%	17%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate		

*The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations.

**The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

(c) Privileged leave (Compensated absences for employees):

Amount recognized in the Balance Sheet and movements in net liability:

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Opening balance of compensated absences (a)	6.71	6.02	4.41
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	8.19	6.71	6.02

The privileged leave liability is not funded.

(d) Superannuation fund

The Company has recognised Rs. Nil for the year ended 31st March, 2017, Rs. 0.15 Crore for the year ended 31st March, 2016 and Rs. 0.22 Crore for the year ended 31st March, 2015 towards contribution to superannuation fund in the Statement of Profit and Loss.

The Company has recognised Rs.0.12 Crore for the year ended 31st March, 2017, Rs. 0.05 Crore for the year ended 31st March, 2016, Rs. 0.08 Crore for the year ended 31st March, 2015 towards employee state insurance plan in the Statement of Profit and Loss.

Risk exposure (For Gratuity and Provident Fund)

The Company is exposed to below risks, pertaining to its defined benefit plans.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The Trust ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the group's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

Defined benefit liability and employer contributions

The weighted average duration of the Gratuity is 6 years as at 31st March, 2017, as at 31st March, 2016 and as at 31st March, 2015.

The expected maturity analysis of Gratuity is as follows:

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Within the next 12 months	3.58	3.29	3.04
Between 2 and 5 years	11.84	13.43	9.38
Between 6 and 10 years	9.82	16.20	7.42
Total	**25.24**	**32.92**	**19.84**

16 Current Tax Liabilities/ (Assets)

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening balance (Receivables)/Payables	(1.86)	7.68
Current tax payable for the year	243.52	189.53
Less : Taxes paid	(240.58)	(199.07)
Closing balance Liabilities/(Assets)	**1.08**	**(1.86)**

17 Other Current Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Statutory dues, including provident fund and tax deducted at source	33.92	20.90	17.29
Contractual obligations	45.72	60.03	57.78
Advance from Customer	16.43	17.83	26.09
Other payable	0.07	0.05	-
Total other current liabilities	**96.14**	**98.81**	**101.16**

18 Revenue from Operations

The company derives the following types of revenue:

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of Products (including Excise Duty)		
Finished goods	4,513.16	4,616.39
Traded goods	230.22	131.22
By-product sales	108.51	111.20
Other operating revenue:		
Export incentives	8.49	4.82
Other incentives	2.14	-
Sale of scrap	6.36	4.36
Total Revenue	**4,868.88**	**4,867.99**
a) Details of Sales (Finished goods)		
Edible oils	2,805.62	2,947.22
Hair oils	1,301.89	1,262.54
Personal care	275.50	273.07
Others	130.15	133.56
Total	**4,513.16**	**4,616.39**
b) Details of Sales (Traded goods)		
Oil seeds (Copra)	114.17	8.14
Personal care	82.08	88.86
Others	33.97	34.22
Total	**230.22**	**131.22**

19 Other Income

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
(a) Other income		
Lease rental income	1.20	0.91
Dividend income from investments mandatorily measured at fair value through profit or loss	-	25.10
Dividend income from subsidiaries	171.39	114.06
Interest income from financial assets at amortised cost	24.87	18.59
Royalty Income	10.40	10.10
Others	5.53	9.59
Total	**213.39**	**178.35**
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment	-	9.13
Net gain on financial assets mandatorily measured at fair value through profit or loss and Net gain on sale of investments*	48.47	3.08
Total	**48.47**	**12.21**
Total Other Income	**261.86**	**190.56**

*Includes net gain on financial assets mandatorily measured at fair value through profit or loss of Rs. 18.16 Crore (31st March, 2016: Rs. 1.14 Crore)

20(a) Cost of materials consumed

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Raw materials at the beginning of the year	264.09	247.39
Add: Purchases	2,223.66	2,096.10
Less: Raw materials at the end of the year	523.80	264.09
Total Raw materials consumed	**1,963.95**	**2,079.40**
Packing materials at the beginning of the year	56.97	61.44
Add: Purchases	396.53	401.59
Less: Packing materials at the end of the year	65.24	56.97
Total Packing materials consumed	**388.26**	**406.06**
Total cost of materials consumed	**2,352.21**	**2,485.46**

20(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Opening inventories		
Finished goods	300.53	346.30
Work-in-progress	120.03	107.20
By-products	3.16	5.56
Stock-in-trade	14.68	16.40
Closing inventories		
Finished goods	327.06	300.53
Work-in-progress	142.37	120.03
By-products	3.14	3.16
Stock-in-trade	13.27	14.68
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(47.44)**	**37.06**

a. Details of Raw materials consumed

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Oil seeds (Copra and Kardi seeds)	867.40	936.75
Raw oils (other than Copra and Kardi seeds)	781.06	717.43
Others	315.49	425.22
Total	**1,963.95**	**2,079.40**

b. Details of Purchases of Stock-in-trade

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Oil seeds (Copra)	90.60	7.05
Personal care	52.51	48.96
Others	26.33	23.94
Total	**169.44**	**79.95**

c. Value of imported and indigenous Raw materials consumed

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Imported	183.14	253.41
Indigenous	1,780.81	1,825.99
Total	**1,963.95**	**2,079.40**

21 Employee Benefit Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Salaries, wages and bonus	205.95	187.98
Contribution to provident and other funds (refer note 15)	12.63	10.23
Employee share-based payment expense (refer note 33)	4.02	3.46
Stock appreciation right expenses (refer note 33)	13.21	14.65
Staff welfare expenses	15.11	11.88
Total Employee Benefit Expense	**250.92**	**228.20**

22 Depreciation and Amortization Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Depreciation on property, plant and equipment (refer note 3)	60.83	58.26
Depreciation on Investment properties (refer note 4)	0.43	0.43
Amortisation of intangible assets (refer note 5)	3.04	3.44
Impairment loss / (reversal of loss) of capitalised assets (refer note 3)	(0.20)	6.69
Total Depreciation and Amortization Expense	**64.10**	**68.82**

23 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Consumption of stores and spare parts	18.77	15.91
Power, fuel and water	26.46	28.31
Contract manufacturing charges	157.37	168.36
Rent and storage charges	39.30	27.99
Repairs to:		
- Building	8.95	8.69
- Machinery	20.05	19.31
- Others	2.54	2.25
Freight, forwarding and distribution expenses	179.62	177.60
Advertisement and sales promotion	467.47	511.49
Rates and taxes (net)	30.96	36.70
Commission to selling agents	2.79	2.52
Communication expenses	7.90	7.26
Printing and stationery	2.17	1.53
Travelling, conveyance and vehicle expenses	27.28	24.99
Royalty	5.78	5.30
Insurance	6.78	6.23

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Payments to the auditor as :		
- Statutory audit fees (including Limited Review)	1.13	1.09
- for other services as statutory auditors	0.10	0.12
- for reimbursement of expenses	0.05	0.02
Net loss on foreign currency transactions and translation (Refer note (a) below)	31.09	57.70
Commission to Non-executive directors	1.82	1.31
Provision for doubtful debts, loans, advances and investments	1.62	1.96
Miscellaneous expenses (Refer note (b) below)	129.07	94.38
Total Other Expenses	**1,169.07**	**1,201.02**

(a) Net loss on foreign currency transactions and translation is other than as considered in finance cost.

(b) Miscellaneous expenses include :

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Labour charges	19.68	13.37
Training and seminar expenses	6.91	5.21
Outside services	26.06	19.38
Legal and professional charges	48.93	33.91
Donation	4.56	7.59

(c) Corporate social responsibility expenditure

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Amount required to be spent as per the section 135 of the Act	13.15	11.35
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	14.56	10.02

(d) Research and Development expenses aggregating to Rs. 6.70 Crore for food and edible items and Rs. 23.15 Crore for others have been included under the relevant heads in the Statement of Profit and Loss. (Previous year ended 31st March, 2016 aggregating Rs. 25.04 Crore). Further Capital expenditure pertaining to this of Rs. 0.59 Crore for food and edible items and Rs. 2.11 Crore for others have been incurred during the year (Previous year ended 31st March, 2016 aggregating Rs. 2.43 Crore).

24 Finance Costs

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest and finance charges on financial liabilities not at fair value through profit or loss	6.55	8.15
Other borrowing costs	0.18	0.58
Fair value changes on interest rate swaps designated as cash flow hedges transfer from OCI	(0.39)	(0.78)
Bank and other financial charges	1.36	1.30
Exchange differences regarded as an adjustment to borrowing costs	4.89	5.92
Finance Costs	**12.59**	**15.17**

25 Income Tax Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
(a) Income tax expense		
Current tax		
Current tax on Profit for the year	243.83	196.56
Adjustment to current tax of prior periods	(0.31)	(7.03)
Total current tax expenses	**243.52**	**189.53**
Deferred tax		
(Decrease) /Increase in deferred tax liabilities	55.50	54.95
Total deferred tax expenses/(benefit)	**55.50**	**54.95**
Total Income tax expense	**299.02**	**244.48**
(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate		
Profit from operations before income tax expense	1,141.72	935.74
India tax rate	34.608%	34.608%
Tax at India tax rate	**395.12**	**323.84**
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Exempt income	(0.81)	(12.42)
Corporate social responsibility expenditure	4.39	2.42
Employee share based expense	5.96	6.27
Other items :		
Deduction under various sections of Income Tax Act, 1961	(73.51)	(50.20)
Dividend income from subsidiaries to be taxed at lower rate	(29.66)	(18.31)
Long Term Capital Gains on sale of land taxed at different rate	-	(1.50)
Interest income on loan to WEOMA trust eliminated in financial statement	1.18	0.73
Provision for impairment of investment in joint venture	0.56	-
Others	(3.90)	0.68
Adjustment to current tax of prior periods	(0.31)	(7.03)
Total Income tax expense	**299.02**	**244.48**

26 Fair Value Measurements

(a) Financial Instruments by category

(₹ in Crore)

Particulars	Note	31st March, 2017			31st March, 2016			1st April, 2015		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial Assets										
Investments										
Equity Instruments	6(a)	0.14	-	-	1.47	-	-	4.52	-	-
Bonds and debentures (including interest accrued)	6(a)	-	-	40.72	-	-	24.78	-	-	24.78
Mutual funds	6(a)	391.18	-	-	359.18	-	-	213.20	-	-
Government securities	6(a)	-	-	0.01	-	-	0.01	-	-	0.01
Trade receivables	6(b)	-	-	227.61	-	-	192.10	-	-	130.55
Inter corporate deposits (including interest accrued)	6(a)	-	-	126.56	-	-	94.74	-	-	60.76
Loans	6(c)	-	-	8.09	-	-	7.78	-	-	11.29
Derivative financial assets	6(g)	-	2.11	-	-	4.15	-	-	0.58	-
Security deposits	6(f),6(g)	-	-	14.03	-	-	11.55	-	-	11.79
Cash and cash equivalent	6(d)	-	-	1.63	-	-	12.62	-	-	15.48
Fixed deposits	6(d),6(e)&6(f)	-	-	67.34	-	-	128.53	-	-	86.68
Advances to subsidaries	6(f),6(g)	-	-	35.98	-	-	34.53	-	-	30.08
Insurance claim receviable	6(g)	-	-	-	-	-	1.95	-	-	0.05
Total financial assets		**391.32**	**2.11**	**521.97**	**360.65**	**4.15**	**508.59**	**217.72**	**0.58**	**371.47**
Financial Liabilities										
Borrowings (including interest accrued)	13(a)	-	-	108.56	-	-	205.11	-	-	271.42
Derivative financial liabilities	13(b)	-	3.14	-	-	1.81	-	-	1.53	-
Trade payables	13(c)	-	-	476.24	-	-	484.78	-	-	405.55
Capital creditors	13(b)	-	-	4.00	-	-	3.14	-	-	4.28
Others	13(b)	-	-	3.66	-	-	4.33			2.82
Total financial liabilities		**-**	**3.14**	**592.46**	**-**	**1.81**	**697.36**	**-**	**1.53**	**684.07**

Fair value hierarchy

(b) This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels in accordance with the applicable Accounting Standard. An explanation of each level follows underneath the table.

(₹ in Crore)

	Notes	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31st March, 2017					
Financial assets					
Equity Instruments	6(a)	-	-	0.14	0.14
Mutual funds	6(a)	16.42	374.76	-	391.18
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	2.11	-	2.11
Total financial assets		**16.42**	**376.87**	0.14	**393.43**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	3.14	-	3.14
Total financial liabilities		**-**	**3.14**	**-**	**3.14**
Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 31st March, 2017					
Financial Assets					
Investments					
Bonds and debentures (including interest accrued)	6(a)	42.75	-	-	42.75
Government securities	6(a)	-	-	0.01	0.01
Inter - corporate deposits (including interest accrued)	6(a)	-	-	126.56	126.56
Total financial assets		**42.75**	**-**	**126.57**	**169.32**
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	108.56	108.56
Total financial liabilities		**-**	**-**	**108.56**	**108.56**
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31st March, 2016					
Financial assets					
Listed equity instrument	6(a)	1.47	-	-	1.47
Mutual funds	6(a)	30.30	328.88	-	359.18
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	4.15	-	4.15
Total financial assets		**31.77**	**333.03**	**-**	**364.80**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	1.42	-	1.42
Foreign-exchange Interest Rate Swaps used as designated Interest rate hedges contracts	13(b)	-	0.39	-	0.39
Total financial liabilities		**-**	**1.81**	**-**	**1.81**

(₹ in Crore)

	Notes	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 31st March, 2016					
Financial Assets					
Investments					
Bonds (including interest accrued)	6(a)	26.46	-	-	26.46
Government securities	6(a)	-	-	0.01	0.01
Inter - corporate deposits (including interest accrued)	6(a)	-	-	94.74	94.74
Total financial assets		**26.46**	**-**	**94.75**	**121.21**
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	205.11	205.11
Total financial liabilities		**-**	**-**	**205.11**	**205.11**
Financial assets and liabilities measured at fair value - recurring fair value measurements as 1st April, 2015					
Financial assets					
Listed equity instruments	6(a)	4.52	-	-	4.52
Mutual funds	6(a)	13.29	199.91	-	213.20
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	0.58	-	0.58
Total financial assets		**17.81**	**200.49**	**-**	**218.30**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	0.36	-	0.36
Foreign-exchange Interest Rate Swaps used as designated Interest rate hedges contracts	13(b)	-	1.17	-	1.17
Total financial liabilities		**-**	**1.53**	**-**	**1.53**
Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 1st April, 2015					
Financial Assets					
Investments					
Bonds (including interest accrued)	6(a)	26.16	-	-	26.16
Government securities	6(a)	-	-	0.01	0.01
Inter corporate deposits (including interest accrued)	6(a)	-	-	60.76	60.76
Total financial assets		**26.16**	**-**	**60.77**	**86.93**
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	271.42	271.42
Total financial liabilities		**-**	**-**	**271.42**	**271.42**

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here.For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate. The mutual funds are valued using the closing NAV pubhlished by mutual fund

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the company carries such instruments at cost less impairment, if applicable.

The Company policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Crore)

Particulars	Note	31st March, 2017		31st March, 2016		1st April, 2015	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets							
Investments							
Bonds and debentures	6(a)	40.72	42.75	24.78	26.46	24.78	26.16
Government securities	6(a)	0.01	0.01	0.01	0.01	0.01	0.01
Inter - corporate deposits	6(a)	126.56	126.56	94.74	94.74	60.76	60.76
Total financial assets		**167.29**	**169.32**	**119.53**	**121.21**	**85.55**	**86.93**
Financial liabilities							
Borrowings	13(a)	108.56	108.56	205.11	205.11	271.42	271.42
Total financial liabilities		**108.56**	**108.56**	**205.11**	**205.11**	**271.42**	**271.42**

The carrying amounts of trade receivables, trade payables, capital creditors, loans and advances, security deposit, fixed deposit, insurance claim receivable, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

27 Financial Risk Management

Financial Risks

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk and interest rate risk, commodity price risk and equity price risk). This note presents the Company's objectives, policies and processes for managing its financial risk and capital.

Board of Directors of the Company has approved Risk Management Framework through policies regarding Investment, Borrowing and Foreign Exchange Management policy. Treasury Management Guidelines define,determine and classify risk,by category of transaction, specific approval, execution and monitoring procedures.

In accordance with the aforementioned policies, the company only enters into plain vanilla derivative transactions relating to assets, liabilities or anticipated future transactions.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments the company aims to minimize its financial credit risk through the application of risk management policies. Credit limits are set based on a counterparty value . The methodology used to set the list of counterparty limits includes, counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out. The Company avoids the concentration of credit risk on its liquid assets by spreading them over several asset management companies and monitoring of underlying sector exposure.

Trade receivables are subject to credit limits, controls and approval processes. Due to large geographical base and number of customers, the Company is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

The gross carrying amount of trade receivables is Rs. 227.61 Crore as at 31st March, 2017, Rs. 192.10 Crore as at 31st March, 2016 and Rs. 130.55 Crore as at 1st April, 2015.

Reconciliation of loss allowance provision- trade receivables

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Loss allowance at the beginning of the year	2.97	2.89
Add : Changes in loss allowances	(0.05)	0.08
Loss allowance at the end of the year	2.92	2.97

Security deposits are interest free deposits given by the Company for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposit is Rs. 15.04 Crore as at 31st March, 2017, Rs. 12.55 Crore as at 31st March, 2016 and Rs. 11.79 Crore as at 1st April, 2015.

Advances are given to subsidiaries and joint venture for various operational requirements. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of loans and advances is Rs. 37.59 Crore as at 31st March, 2017, Rs. 36.74 Crore as at 31st March, 2016 and Rs. 35.66 Crore as at 1st April, 2015

Reconciliation of loss allowance provision- deposits/advances

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Loss allowance at the beginning of the year	1.82	-
Add : Changes in loss allowances due to provision/(reversal/write off)	(0.81)	1.82
Loss allowance at the end of the year	1.01	1.82

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The current ratio of the company as at 31st March, 2017 is 2.52 (as at 31st March, 2016 is 1.87, as at 1st April, 2015 is 1.97) whereas the liquid ratio of the company as at 31st March, 2017 is 1.42 (as at 31st March, 2016 is 1.15, as at 1st April, 2015 is 1.01).

Maturities of financial liabilities

(₹ in Crore)

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Contractual maturities of financial liabilities 31st March, 2017						
Non-derivatives						
Borrowings	13(a)	115.41	-	-	-	**115.41**
Trade Payables	13(c)	476.24	-	-	-	**476.24**
Other Financial Liabilities	13(b)	7.66	-	-	-	**7.66**
Total Non- derivative liabilities		**599.31**	**-**	**-**	**-**	**599.31**
Derivative						
Foreign exchange forward contracts	13(b)	3.14	-	-	-	**3.14**
Principal swap						
Total derivative liabilities		**3.14**	**-**	**-**	**-**	**3.14**
Contractual maturities of financial liabilities 31st March, 2016						
Non-derivatives						
Borrowings	13(a)	211.08	-	-	-	**211.08**
Trade payables	13(c)	484.78	-	-	-	**484.78**
Other financial liabilities	13(b)	7.47	-	-	-	**7.47**
Total Non- derivative liabilities		**703.33**	**-**	**-**	**-**	**703.33**
Derivative						
Foreign exchange forward contracts	13(b)	1.81	-	-	-	**1.81**
Total derivative liabilities		**1.81**	**-**	**-**	**-**	**1.81**
Contractual maturities of financial liabilities 1st April, 2015						
Non-derivatives						
Borrowings	13(a)	110.21	174.37	-	-	**284.58**
Trade Payables	13(c)	405.55	-	-	-	**405.55**
Other Financial Liabilities	13(b)	7.10	-	-	-	**7.10**
Total Non- derivative liabilities		**522.86**	**174.37**	**-**	**-**	**697.23**
Derivative						
Foreign exchange forward contracts	13(b)	1.53	-	-	-	**1.53**
Total derivative liabilities		**1.53**	**-**	**-**	**-**	**1.53**

(C) Market Risk

The Company is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and future transactions.

(i) Foreign currency risk

The Company is exposed to foreign currency risk from transactions and translation.

Transactional exposures arise from transactions in foreign currency. They are managed within a prudent and systematic hedging policy in accordance with the Company's specific business needs through the use of currency forwards and options.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR as on 31st March, 2017

(₹ in Crore)

Particulars	AED	AUD	BDT	CAD	EGP	GBP	SGD	USD	VND	THB
Financial assets										
Foreign currency Debtors for export of goods	-	-	-	0.24	-	-	-	64.59	-	-
Bank balances	-	-	-	-	-	-	-	0.03	0.01	-
Other receivable / (payable)	0.01	0.01	0.01	-	-	0.01	0.01	0.38	-	0.01
Loans and advances to subsidiaries including interest accrued	2.88	-	10.98	-	0.22	-	-	20.05	1.37	-
Derivative asset										
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	-	(86.14)	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	-	(50.70)	-	-
Net Exposure to foreign currency risk (assets)	**2.89**	**0.01**	**10.99**	**0.24**	**0.22**	**0.01**	**0.01**	**(51.79)**	**1.38**	**0.01**

(₹ in Crore)

Particulars	EUR	LKR	GBP	AUD	USD	SGD
Financial liabilities						
Foreign currency Creditors for Import of goods and services	0.01	0.11	1.30	-	-	0.15
Foreign Currency Loan	-	-	-	-	48.35	-
Derivative liabilities						
Foreign exchange forward contracts buy foreign currency	(1.86)	-	-	(1.19)	(62.09)	-
Foreign exchange Option contracts buy option	-	-	-	(3.91)	(13.46)	-
Net Exposure to foreign currency risk (liabilities)	**(1.85)**	**0.11**	**1.30**	**(5.10)**	**(27.20)**	**0.15**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR as on 31st March, 2016

(₹ in Crore)

Particulars	AED	ARS	BDT	CAD	EGP	EUR	SGD	USD	VND	ZAR
Financial assets										
Foreign currency debtors for export of goods	0.01	-	-	0.19	-	1.18	-	52.15	-	-
Bank balances	-	-	-	-	-	-	-	0.03	0.01	-
Other receivable / (payable)	0.01	0.01	0.01	-	-	0.02	0.01	0.27	-	-
Loans and advances to subsidiaries including interest accrued	3.77	-	12.30	-	0.49	-	-	7.23	-	1.34
Derivative asset										
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	-	(123.08)	-	(1.35)
Foreign exchange option contracts sell option	-	-	-	-	-	-	-	(1.81)	-	-
Net Exposure to foreign currency risk (assets)	**3.79**	**0.01**	**12.31**	**0.19**	**0.49**	**1.20**	**0.01**	**(65.21)**	**0.01**	**(0.01)**

(₹ in Crore)

Particulars	BDT	LKR	GBP	AUD	USD
Financial liabilities					
Foreign currency creditors for import of goods and services	0.10	0.06	0.98	-	-
Foreign currency debtors for export of goods	-	-	0.00	-	-
Other receivable / (payable)	-	-	-	0.00	-
Derivative liabilities					
Foreign exchange forward contracts buy foreign currency	-	-	-	(4.83)	(44.06)
Foreign exchange option contracts buy option	-	-	-	(4.83)	(12.72)
Net Exposure to foreign currency risk (liabilities)	**0.10**	**0.06**	**0.98**	**(9.66)**	**(56.78)**

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR as on 1st April, 2015.

(₹ in Crore)

Particulars	AED	ARS	AUD	BDT	EGP	EUR	SGD	USD	VND	ZAR
Financial assets										
Foreign currency debtors for export of goods	0.01	-	-	-	-	-	-	35.95	-	-
Bank balances	-	-	-	-	-	-	-	0.03	0.01	-
Other receivable / (payable)	0.01	0.01	0.01	-	-	0.01	0.02	0.37	-	-
Loans and advances to subsidiaries including interest accrued	1.11	-	-	15.13	0.51	-	-	12.73	-	5.44
Derivative asset										
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	-	(7.47)	-	(5.44)
Foreign exchange option contracts sell option	-	-	-	-	-	-	-	(27.33)	-	-
Net Exposure to foreign currency risk (assets)	**1.13**	**0.01**	**0.01**	**15.13**	**0.51**	**0.01**	**0.02**	**14.28**	**0.01**	**(0.00)**

(₹ in Crore)

Particulars	BDT	EUR	GBP	SGD	USD	AUD
Financial liabilities						
Foreign currency creditors for import of goods and services	-	0.09	1.47	0.01	-	-
Other receivable / (payable)	0.01	-	-	-	-	-
Derivative liabilities						
Foreign exchange forward contracts buy foreign currency	-	(3.22)	-	-	(23.68)	(1.16)
Foreign exchange option contracts buy option	-	-	-	-	(20.76)	(2.73)
Net Exposure to foreign currency risk (liabilities)	**0.01**	**(3.13)**	**1.47**	**0.01**	**(44.44)**	**(3.89)**

Excludes Loans payable of Rs. 178.87 Crore [USD 27,000,000] (Rs. 262.49 Crore [USD 42,000,000]) assigned to hedging relationship against highly probable forecast sales. The Cash flows are expected to occur and impact the Statement of Profit and Loss within the period of 1 year (Previous year: 2 years).

(₹ in Crore)

Particulars	Impact on profit after tax		Impact on other component of equity	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
USD Sensitivity				
INR/USD Increase by 6% (31 March 2016-5%)	1.44	1.95	(2.40)	(2.23)
INR/USD Decrease by 6% (31 March 2016-5%)	(1.44)	(1.95)	2.40	2.23
AUD Sensitivity				
INR/AUD Increase by 6% (31 March 2016-6%)	0.01	(0.01)	0.17	0.32
INR/AUD Decrease by 6% (31 March 2016-6%)	(0.01)	0.01	(0.17)	(0.32)

ii) Interest rate risk

The Company is exposed primarily to fluctuation in USD interest rates. Interest rate risk on financial debt is managed through interest rate swaps.

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Company agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Variable rate borrowings	60.21	179.29	262.79
Fixed rate borrowings	48.35	25.83	8.64
Total borrowings	**108.56**	**205.12**	**271.43**

As at the end of reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	31st March, 2017			31st March, 2016			1st April, 2015		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	5.55%	60.21	55.47%	2.88%	179.29	87.41%	2.95%	262.79	96.82%
Interest rate Swaps (Notional principal amount)	-	-	-	1.25%	(89.64)	-	1.25%	(131.39)	-
Net Exposure to Cash Flow Interest rate Risk	**-**	**60.21**	**-**	**-**	**89.65**	**-**	**-**	**131.40**	**-**

Financial assets are classified at amortized cost have fixed interest rate. Hence, the Company is not subject to interest rate risk on such financial assets.

Sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

(₹ in Crore)

Particulars	Impact on profit after tax		Impact on other component of equity	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Interest rates - Increase by 50 basis point (50 bps)	0.20	0.59	-	(0.29)
Interest rates - decrease by 50 basis point (50 bps)	(0.20)	(0.59)	-	0.29

iii) **Price risk**

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of Rs. 3.91 Crore, Rs. 3.59 Crore and Rs. 2.13 Crore, on the overall portfolio as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 respectively.

Impact of hedging activities

Derivate Asset and Liabilites through Hedge Accounting

Derivative financial instruments

The Company's derivatives mainly consist of currency forwards and options ; interest rate swaps. Derivatives are mainly used to manage exposures to foreign exchange, interest rate and commodity price risk as described in section Market risk.

Derivatives are initially recognised at fair value. They are subsequently remeasured at fair value on a regular basis and at each reporting date as a minimum, with all their gains and losses, realised and unrealised, recognised in the Profit and Loss statement unless they are in a qualifying hedging relationship.

Hedge Accounting

The Company designates and documents certain derivatives and other financial assets or financial liabilities as hedging instruments against changes in fair values of recognised assets and liabilities (fair value hedges) and highly probable forecast transactions (cash flow hedges).The effectiveness of such hedges is assessed at inception and verified at regular intervals.

Fair value hedges

The Company uses fair value hedges to mitigate foreign currency and interest rate risks of its recognised assets and liabilities.

Changes in fair values of hedging instruments designated as fair value hedges and the adjustments for the risks being hedged in the carrying amounts of the underlying transactions are recognised in the Statement of Profit and Loss.

The Company uses cash flow hedges to mitigate a particular risk associated with a recognised asset or liability or highly probable forecast transactions, such as anticipated future export sales, purchases of equipment and raw materials.

The effective part of the changes in fair value of hedging instruments is recognised in other comprehensive income, while any ineffective part is recognised immediately in the Statement of Profit and Loss.

Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
31st March, 2017									
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	86.14	16.78	2.47	(0.52)	April 2017-March 2018	1:1	1 USD - Rs. 67.6804 1 AUD - Rs. 52.0500 1 EUR - Rs. 71.2450	1.24	(1.24)
Foreign Exchange Options Contracts	50.70	17.37	1.16	0.07	April 2017-February 2018	1:1	1 USD - Rs. 67.1404 1 AUD - Rs. 51.2200	0.49	(0.49)
Net Investment Hedge									
Foreign Exchange Forward Contracts (For Foreign Currency Loan)	-	48.36	-	(1.69)	April 2017-July 2017	1:1	1 USD - Rs. 71.6750	(1.57)	1.57
31st March, 2016									
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	123.08	48.89	0.90	(0.20)	April 2016-February 2017	1:1	USD 1 - Rs. 68.4673 AUD 1 - Rs. 49.4850	1.10	(1.10)
Foreign Exchange Options Contracts	1.81	17.55	0.02	0.72	April 2016-March 2017	1:1	USD 1 - Rs. 66.8584 AUD 1 - Rs. 47.4090	0.16	(0.16)
Interest Rate Risk									
Interest Rate Swap	-	89.43	-	(0.39)	April 2016-February 2017	1:1	1.25%	0.78	(0.78)
Fair Value hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts (Foreign Currency Loan)	1.35	53.00	(19.58)	(0.01)	April 2016-February 2017	1:1	USD 1 - Rs. 68.8736 ZAR 1 - Rs. 4.4355	(0.15)	0.15
Foreign Exchange Options Contracts (Foreign Currency Loan)	-	53.00	-	1.76	April 2016-February 2017	1:1	USD 1 - Rs. 66.4009	1.76	(1.76)

Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
1st April, 2015									
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	7.47	28.06	0.01	(0.40)	April 2015 - October 2015	1:1	USD 1 - Rs. 63.2336 AUD 1 - Rs. 50.8264 EUR 1 - RS. 72.8490	(1.03)	1.03
Foreign Exchange Options Contracts	27.33	23.49	0.08	0.50	April 2015 - November 2015	1:1	USD 1 - Rs. 62.1052 AUD 1 - Rs. 48.9800	(0.59)	0.59
Interest Rate Risk									
Interest Rate Swap	-	131.25	-	(1.17)	April 2015 - February 2017	1:1	1.25%	0.60	(0.60)
Fair Value hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts (Foreign Currency Loan)	5.44	-	0.03	-	April 2015-December 2016	1:1	ZAR 1 - Rs. 5.1514	(0.17)	0.17

Disclosure of effects of Hedge Accounting on Financial Performance

(₹ in Crore)

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income		Hedge ineffectiveness recognised in profit or loss		Amount reclassified from cash flow hedging reserve to profit or loss		Line item affected in Statement of Profit and Loss because of the reclassification
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016	
Cash Flow							
Foreign Exchange Risk	1.74	1.26	-	-	(1.95)	0.85	Other expenses
Interest Rate Risk	-	(0.78)	-	-	(0.39)	(1.55)	Finance cost
Foreign Exchange Risk	(1.57)	1.61	-	-	1.65	(0.04)	Finance cost

28 Capital Management

(a) Risk Management

Capital management is driven by Company's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Management monitors the capital structure and the net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments. The debt equity ratio highlights the ability of a business to repay its debts. Refer below for Debt equity ratio as on 31st March, 2017, 31st March, 2016 and 1st April, 2015.

The Company complies with all statutory requirement as per the extant regulations.

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Net debt	108.35	204.36	270.42
Total equity	2,924.24	2,538.27	2,334.88
Net debt to equity ratio	4%	8%	12%

(b) Dividend

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Equity shares		
Interim dividend for the year	451.59	435.43

29 Segment Information

(i) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one business segment i.e. manufacturing and sale of consumer products within India, hence does not have any reportable segment as per Indian Accounting Standard 108 "operating segments" in Standalone. The company while presenting the consolidated financial statements has disclosed the segment information as required under Indian Accounting Standard 108 "operating segments".

(ii) The amount of the Company's revenue from external customers broken down by each product and service is shown in the table below.

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Edible	2,805.62	2,947.22
Hair Oils	1,301.89	1,262.54
Others	275.50	273.07
Personal care	130.15	133.56
Total	**4,513.16**	**4,616.39**

(iiii) Revenue from external customer outside India and assets located outside India are not material. Further, the Company does not have revenue more than 10% of total revenue from single customer.

30 Related Party Transactions

I Name of related parties and nature of relationship:

a) Subsidiary Companies:

Name of Entity	Place of Business/Country of Incorporation	Ownership interest held by the group			Ownership interest held by the non controlling interest		
		31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
		%	%	%	%	%	%
Subsidiary companies:							
Marico Bangladesh Limited (MBL)	Bangladesh	90	90	90	10	10	10
Marico Middle East FZE (MME)	UAE	100	100	100	0	0	0
Marico Bangladesh Industries Limited (MBLIL)	Bangladesh	100	100	100	0	0	0
Egyptian American Company for Investment and Industrial Development SAE (EAIIDC)	Egypt	100	100	100	0	0	0
Marico Malaysia Sdn. Bhd. (MMSB)	Malaysia	100	100	100	0	0	0
MEL Consumer Care SAE (MELCC)	Egypt	100	100	100	0	0	0
Marico Egypt Industries Company (MEIC)	Egypt	100	100	100	0	0	0
Marico South Africa Consumer Care (Pty) Limited (MSACC)	South Africa	100	100	100	0	0	0
Marico South Africa (Pty) Limited (MSA)	South Africa	100	100	100	0	0	0
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	Vietnam	100	100	100	0	0	0
Beaute Cosmetique Societe Par Actions (BCS)	Vietnam	Nil	Nil	99	Nil	Nil	1
Thuan Phat Foodstuff Joint Stock company (TPF)	Vietnam	Nil	99.99	99.99	Nil	0.01	0.01
Marico Consumer Care Limited (MCCL)	India	100	100	100	0	0	0
Halite Personal Care India Private Limited (A Company under Voluntary Liquidation)	India	0	0	0	0	0	0
Marico Innovation Foundation (MIF)	India	NA	NA	NA	0	0	0

The Marico Innovation Foundation ("MIF"), a company incorporated under Section 25 of the Companies Act, 1956 (being a private company limited by guarantee not having share capital) primarily with an objective of fuelling and promoting innovation in India, is a wholly owned subsidiary of the Company with effect from 15th March, 2013.

During the year ended 31st March, 2016, Marico South East Asia Corporation (formerly known as International Consumer Product Corporation) a subsidiary of the Company divested its entire stake in Beaute Cosmetique Societe Par Actions (BCS) on 14th May, 2015.

Thuan Phat Food stuff Joint Stock company has been merged with Marico South East Asia Corporation (formerly known as International Consumer Product Corporation) w.e.f 1st December, 2016.

b) Subsidiary firm:

MEL Consumer Care & Partners - Wind (Through MELCC)

c) Joint venture:

Bellezimo Professionale Products Private Limited (During the year ended 31st March, 2016, the Company has acquired 45% stake on 21st October, 2015)

Zed Lifestyle Private Limited (During the year ended 31st March, 2017, the Company has acquired 35.43% stake on 17th March, 2017)

d) Key management personnel (KMP):

Mr. Saugata Gupta, Managing Director and CEO

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Rajeev Bakshi, Independent Director

Mr. Atul Choksey, Independent Director

Mr. Nikhil Khattau, Independent Director

Mr. Anand Kripalu, Independent Director

Mr. Rajen Mariwala, Non executive Director

Mr. B.S. Nagesh, Independent Director

Ms. Hema Ravichandar, Independent Director

e) Individual holding directly / indirectly an interest in voting power and their relatives (where transactions have taken place) - Significant Influence:

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Rishabh Mariwala, son of Mr. Harsh Mariwala

f) Post employment benefit controlled trust

Marico Limited Employees Provident Fund

Marico Limited Employees Gratuity Fund

g) Others - Entities in which above (e) has significant influence and transactions have taken place:

Marico Kaya Enterprises Limited (upto 18th April, 2015)

Kaya Limited

Kaya Middle East FZE

II Transactions with related parties

The following transactions occurred with related parties:

Key management personnel compensation

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Employee share-based payment	11.83	3.88
Short-term employee benefits	4.57	4.03
Post-employment benefits	0.19	0.16
Total compensation	**16.59**	**8.07**
Remuneration / sitting fees to Non-Executive and Independent Directors (Excluding Chairman)	2.19	1.54

The above remuneration to Key management personnel compensation does not include contribution to gratuity fund, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.

Contribution to post employment benefit controlled trust : refer note 15.

(₹ in Crore)

Particulars	Subsidiaries and Joint Venture (Referred in I (a), (b) and (c) above) For the year ended		Others (Referred in I (e) and (g) above) For the year ended	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Sale of goods	**206.47**	**98.56**	**0.11**	**0.24**
Marico Bangladesh Limited	115.13	16.98	-	-
Marico Middle East FZE	60.73	79.03	-	-
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	26.79	2.43		
Others	3.82	0.12	0.11	0.24
Sale of assets	**0.64**	**-**	**0.11**	
Marico Bangladesh Limited	0.62	-	-	-
Others	0.02	-	0.11	-
Purchases of goods	-	**6.59**	-	-
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	-	6.54	-	-
Wind Company	-	0.05	-	-
Other transactions				
Royalty income	**10.40**	**10.10**	-	-
Marico Bangladesh Limited	5.59	5.81	-	-
Marico Middle East FZE	2.98	3.74	-	-
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	1.44			
Others	0.39	0.55	-	-
Dividend income	**171.39**	**114.06**	-	-
Marico Bangladesh Limited	120.66	105.80	-	-
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	50.73	-	-	-
Others	-	8.26	-	-
Interest income	**0.14**	**0.31**	-	-
Marico South Africa Consumer Care (pty) Limited	0.03	0.31	-	-
Bellezimo Professionale Products Private Limited	0.11	-	-	-
Expenses paid on behalf of subsidiaries / Promoter Group Companies	**15.33**	**12.83**	**0.61**	**1.24**
Marico Bangladesh Limited	4.40	3.62	-	-
Marico Egypt Industries Company	2.36	2.36	-	-
Marico Middle East FZE	3.58	3.84	-	-
Kaya Limited	-	-	0.61	1.06

(₹ in Crore)

Particulars	Subsidiaries and Joint Venture (Referred in I (a), (b) and (c) above) For the year ended		Others (Referred in I (e) and (g) above) For the year ended	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	3.83	2.51	-	-
Others	1.16	0.50	-	0.18
Expenses paid by related parties on behalf of Marico Limited	**1.08**	**-**	**-**	**0.23**
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	1.08	-	-	-
Kaya Middle East FZE	-	-	-	0.23
Lease Rental Income	**-**	**-**	**0.87**	**0.72**
Kaya Limited	-	-	0.87	0.72
Royalty Expense	**5.78**	**5.30**	**-**	**-**
Marico Consumer Care Limited	5.78	5.30	-	-
Loans and Advances Recovered	**24.74**	**23.32**	**1.95**	**1.94**
Kaya Limited	-	-	1.95	1.64
Marico Bangladesh Limited	9.16	11.42	-	-
Marico South Africa Consumer Care (pty) Limited	1.43	4.07	-	-
Marico Egypt Industries Company	3.00	1.39	-	-
Marico Middle East FZE	8.10	3.37	-	-
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	2.46	2.33	-	-
Others	0.59	0.74	-	0.30
Investments made during the year	**0.27**	**1.35**	**-**	**-**
Bellezimo Professionale Products Private Limited	0.27	1.35	-	-
Donation Given / CSR Activities	**0.46**	**2.15**	**-**	**-**
Marico Innovation Foundations	0.46	2.15	-	-
Deposit taken	-	-	-	**0.10**
Kaya Limited	-	-	-	0.10
Loans given	**1.50**	**-**	**-**	**-**
Bellezimo Professionale Products private Limited	1.50	-	-	-
Provision for doubtful advances	**-**	**0.82**	**-**	**-**
Marico Bangladesh Limited (Written off in the current year ended 31st March, 2017)	-	0.82	-	-
Provision for Impairment of Investment	**1.62**	**-**	**-**	**-**
Bellezimo Professionale Products Private Limited	1.62	-	-	-
Professional fees paid	**-**	**-**	**6.36**	**6.36**
Mr. Harsh Mariwala, Chairman and Non Executive Director	-	-	6.35	6.35
Others	-	-	0.01	0.01

III Outstanding balances

(₹ in Crore)

Particulars	Subsidiaries and Joint Venture (Referred in I (a), (b) and (c) above) For the year ended			Others (Referred in I (g) above) For the year ended		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties						
Investments	**1,107.27**	**1,090.69**	**1,089.34**	**-**	**-**	**-**
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	254.98	254.98	254.98	-	-	-
Marico Consumer Care Limited	745.70	745.70	745.7	-	-	-
Others (The share capital of Bellezimo Professionale Products Private Limited is fully provided in books Rs. 1.62 Crore)	106.59	90.01	88.66	-	-	-
Trade payables (purchases of goods and services)	**0.92**	**3.69**	**2.12**	**-**	**-**	**-**
Wind Company	0.02	0.02	0.34	-	-	-
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	0.91	3.68	1.79	-	-	-
Others	(0.01)	(0.01)	(0.01)	-	-	-
Dues Payable (Royalty payable)	**1.35**	**1.26**	**1.06**	**-**	**-**	**0.11**
Marico Consumer Care Limited	1.35	1.26	1.06	-	-	-
Others	-	-	-	-	-	0.11
Trade receivables (sale of goods and services)	**57.20**	**30.20**	**18.29**	**-**	**0.12**	**0.05**
Marico Middle East FZE	24.68	20.88	17.25	-	-	-
Marico Bangladesh Limited	12.69	8.93	-	-	-	-
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	19.66	0.26	-	-	-	-
Others	0.17	0.13	1.04	-	0.12	0.05
Interest Accrued on Loan and advances	**0.11**	**0.04**	**0.14**	**-**	**-**	**-**
Marico South Africa Consumer Care (pty) Limited	-	0.04	0.14	-	-	-
Bellezimo Professionale Products Private Limited	0.11	-	-	-	-	-
Security Deposit Payable	**-**	**-**	**-**	**0.10**	**0.10**	**-**
Kaya Limited	-	-	-	0.10	0.10	-
Stand-by Letter of Credit given to banks	**136.83**	**139.78**	**131.87**	**-**	**-**	**-**
Marico Middle East FZE	136.83	139.78	131.87	-	-	-

IV Loans/advances to/from related parties

(₹ in Crore)

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Marico South Africa Consumer Care (pty) Ltd		
Beginning of the year	**1.39**	**5.58**
Loans advanced	-	-
Loan repayments received	(1.43)	(3.68)
Interest charged	-	0.31
Interest received	-	(0.39)
Exchange Gain	0.04	(0.34)
Interest accrued	-	(0.09)
Balance at the end of the year	**-**	**1.39**
Marico Bangladesh Limited		

(₹ in Crore)

Particulars	For the Year ended	
	31st March, 2017	31st March, 2016
Beginning of the year	**21.70**	**23.24**
Expenses paid on behalf of MBL	4.40	3.62
Exchange Gain	(0.46)	1.27
BG provision	-	(0.82)
Royalty Charged	5.59	5.81
Royalty received	(9.16)	(11.42)
Balance at the end of the year	**22.07**	**21.70**
Marico Middle East FZE		
Beginning of the year	**6.68**	**2.40**
Expenses paid on behalf of MME	3.58	3.84
Exchange Gain	0.16	0.07
Royalty Charged	2.98	3.74
Royalty received	(8.10)	(3.37)
Balance at the end of the year	**5.30**	**6.68**
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)		
Beginning of the year	**1.91**	**1.57**
Expenses paid on behalf of subsidiary	3.83	2.51
Exchange Gain	0.16	0.16
Royalty Charged	1.44	-
Remittance received	(2.46)	(2.33)
TDS receivable	(0.09)	-
Balance at the end of the year	**4.79**	**1.91**

V Loans/advances to/from related parties-Others

(₹ in Crore)

Outstanding balances	Subsidiaries and Joint Venture (Referred in I (a), (b) and (c) above) For the year ended			Others (Referred in I (g) above) For the year ended		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Others	**5.14**	**3.51**	**2.32**	**0.29**	**0.73**	**0.55**

Terms and conditions of transaction with related parties

All the transactions are at arms length and in normal course of business.

Disclosure for loans and advances in terms of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015.

Loans and advances in the nature of loans to subsidiaries/joint venture :

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans to subsidiary: Marico South Africa Consumer Care (pty) Limited			
Balance as at the year end	-	1.34	5.44
Maximum amount outstanding at any time during the year	3.63	7.41	11.94
Loans to joint venture:Bellezimo Professionale Private Limited			
Balance as at the year end	1.62	-	-
Maximum amount outstanding at any time during the year	1.62	-	-
The subsidiaries do not hold any shares in the Company.			

31 **Contingent Liabilities and Contingent Assets**

(a) Contingent liabilities

The Company had contingent liabilities in respect of : (₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Disputed tax demands / claims :			
Sales tax	22.26	22.58	14.67
Income tax	59.89	47.14	47.14
Customs duty	0.31	0.31	0.31
Agricultural produce marketing cess	-	9.69	9.69
Employees state insurance corporation	0.18	0.18	0.18
Excise duty on subcontractors	0.54	0.54	0.54
Service Tax	0.17	0.17	0.17
Excise duty on CNO dispatches (Refer note below)	-	685.50	565.62
Excise duty on By-Product	4.68	4.67	4.67
Excise duty on Oats	20.23	-	-
Claims against the Company not acknowledged as debts	0.08	0.08	0.14
Guarantees excluding financial guarantees:			
Corporate guarantees given to banks on behalf of Broadcast Audience Research Council (BARC)	0.60	0.60	0.60
Stand by Letter of Credit (SBLC) issued by the Company's banks on behalf of subsidiaries for credit and other facilities granted by banks. (Credit and other facilities availed by the subsidiaries as at the year end - Rs. 120.90 Crore (Rs. 119.95 Crore)) These SBLC are given for working capital requirement and are generally renewed every year.	136.83	139.78	131.87
Letter of credit	-	-	31.84

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings.

Note:

This contingent liability pertained to a possible obligation in respect of pure coconut oil packs up to 200 ml. This claim had been contested by the excise department. Based on the various judicial pronouncements, management believed that the probability of success in the matter was more likely than not and accordingly, the possible excise obligation was treated as a contingent liability in accordance with requirements of Indian Accounting Standard (Ind AS) 37 "Provisions, Contingent Liabilities and Contingent Assets". The possible obligation of Rs. 563.73 Crores as at 31st March, 2016 (Rs. 443.85 Crores as at April 1, 2015) for the clearances made after June 3, 2009 (i.e. the date of issue of Board circular) till March 31, 2016 and Rs. 121.77 Crores as at March 31, 2016 (Rs. 121.77 Crores as at April 1, 2015) for clearances made prior to June 3, 2009 was disclosed as contingent liability to the extent of the time horizon covered by show cause notices issued by the excise department within the normal period of one year (from the date of clearance) as per the excise laws.

The aforementioned amount has not been considered under contingent liability as on 31st March 2017 as the matter has now been settled by orders of different adjudication authorities in the current financial year holding that clearance of pure coconut oil packs up to 200ml merits classification under chapter 15 and not under chapter 33 as contemplated by the excise department and accordingly the excise department has also withdrawn its circular dated June 3,2009 .

Consequently pending show cause notices issued by the excise authorities will not survive and therefore the contingent liability has been deleted from current financial year.

32 Commitments

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a) Capital commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	15.70	12.02	11.83
b) Non-cancellable operating leases			
The Company's significant leasing arrangements are in respect of residential flats, office premises, warehouses, vehicles etc. taken on lease. The arrangements range between 11 months to 3 years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been given.			

(₹ in Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Lease rental payments recognized in the Statement of Profit and Loss.	32.95	24.00	22.33
In respect of assets taken on non-cancellable operating lease:			
Lease obligations			
Future minimum lease rental payments			
- not later than one year	23.79	20.44	12.45
- later than one year but not later than five years	49.12	49.87	19.93
- later than five years	16.85	20.68	0.06
Total	**89.76**	**90.99**	**32.44**

33 Share-Based Payments

(a) Employee stock option plan

The Corporate Governance Committee of the Board of Directors of Marico Limited had granted stock options to certain eligible employees of the Company and it's subsidiaries pursuant to the Marico Employees Stock Options Scheme 2007 ("the Scheme"). Each option represents 1 equity share in the Company. The vesting period and the exercise period under the Scheme was not less than one year and not more than 5 years. The Scheme was administered by the Corporate Governance Committee of the Board comprising Independent Directors. All stock options granted under the Scheme were exercised on 10th June, 2015.

Marico ESOS 2007	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Weighted average share price of options exercised	-	57.46	55.40
Number of options granted, exercised, and forfeited			
Balance as at beginning of the year	-	103,600	212,600
Granted during the year			
Less : Exercised during the year (prior to bonus issue, refer Note 12(a)(v))	-	103,600	109,000
Forfeited / lapsed during the year	-	-	-
Balance as at end of the year	**-**	**-**	**103,600**
Weighted average remaining contractual life of options outstanding at end of period (in years)	-	-	0.03

During the year ended 31st March, 2015, the Company implemented the Marico Employee Stock Option Scheme 2014 ("Marico ESOS 2014"). Marico ESOS 2014 was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on March 25, 2014 enabling the grant of 300,000 stock options to the Chief Executive Officer of the Company (Currently designated as Managing Director & CEO).

Pursuant to the said approval, on 1st April, 2014 the Company granted 300,000 stock options to the Managing Director & CEO of the Company, at an exercise price of Re.1 per stock option. Each option represents 1 equity share in the Company. The vesting period is 2 years from the date of grant and the exercise period is 18 months from the date of vesting. As at 31st March, 2016, the aforesaid 300,000 stock options have increased to 600,000 on account of issue of bonus equity shares by the Company in the ratio of 1:1.

Marico ESOS 2014	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Weighted average share price of options exercised	1.00	-	-
Number of options granted, exercised, and forfeited			
Balance as at beginning of the year	600,000	300,000	-
Adjustment on account of bonus issue (Refer note 12(a)(v))	-	300,000	-
Granted during the year	-	-	300,000
Less : Exercised during the year	300,000	-	-
Forfeited / lapsed during the year	-	-	-
Balance as at end of the year	**300,000**	**600,000**	**300,000**
Weighted average remaining contractual life of options outstanding at end of period (in years)	0.50	1.00	2.00

During the year ended 31st March, 2015, the Company implemented the Marico MD CEO Employee Stock Option Plan 2014 ("MD CEO ESOP Plan 2014" or "the Plan"). The MD CEO ESOP Plan 2014 was approved by the shareholders at the 26th Annual General Meeting held on July 30, 2014 enabling grant of stock options not exceeding in the aggregate 0.5% of the number of issued equity shares of the Company, from time to time, through notification of one more Scheme(s) under the Plan. Each stock option represents 1 equity share in the Company. The vesting period and the exercise period under the Plan is not less than one year and not more than 5 years.

Pursuant to the aforesaid approval, on 5th January, 2015, the Company notified Scheme I under the Plan and granted 46,600 stock options to the Managing Director & CEO of the Company, at an exercise price of Re.1 per stock option. The vesting date for stock options granted under the Scheme I is 31st March, 2017. Further, the exercise period is one year from the date of vesting. As at 31st March, 2016, the said 46,600 stock options have increased to 93,200 on account of issue of bonus equity shares by the Company in the ratio of 1:1. In view of the implementation of Marico Employee Stock Option Plan, 2016, as explained below, no further grant of stock options is envisaged under this Plan.

MD CEO ESOP Plan 2014	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Weighted average share price of options exercised	-	-	-
Number of options granted, exercised, and forfeited			
Balance as at beginning of the year	93,200	46,600	-
Adjustment on account of bonus issue (Refer note 12(a)(v))	-	46,600	
Granted during the year	-	-	46,600
Less : Exercised during the year	-	-	-
Forfeited / lapsed during the year	-	-	-
Balance as at end of the year	**93,200**	**93,200**	**46,600**
Weighted average remaining contractual life of options outstanding at end of period (in years)	1.00	2.00	3.00

Marico ESOP 2016

During the current year ended 31st March, 2017, the Company implemented Marico Employee Stock Option Plan, 2016 ("Marico ESOP 2016" or "the Plan"). The Marico ESOP 2016 was approved by the shareholders at the 28th Annual General Meeting held on 5th August, 2016, enabling grant of stock options to the eligible employees of the Company and its subsidiaries not exceeding in the aggregate 0.6% of the issued share equity share capital of the Company as on the commencement date of the Plan i.e. 5th August, 2016. Further, the stock options to any single employee under the Plan shall not exceed 0.15% of the issued equity share capital of the Company as on the commencement date (mentioned above). The Marico ESOP 2016 envisages to grant stock options to eligible employees of the Company and it's subsidiaries on an annual basis through one or more Scheme(s) notified under the Plan. Each option represents 1 equity share in the Company. The vesting period and the exercise period under the Plan is not be less than one year and not more than five years. Pursuant to the said approval, the Company notified below schemes under the Plan:

Particulars	Scheme I	Scheme II	Scheme III	Scheme IV
Options granted	80,000	939,700	101,080	719,830
Exercise price	1.00	280.22	1.00	256.78
Vesting date	31-Mar-19	31-Mar-19	30-Nov-19	30-Nov-19

Marico ESOP 2016	Scheme I	Scheme II	Scheme III	Scheme IV
Weighted average share price of options exercised	-	-	-	-
Number of options granted, exercised, and forfeited				
Balance as at beginning of the year	80,000	939,711	101,080	719,830
Granted during the year	-	-	-	-
Less : Exercised during the year	-	-	-	-
Forfeited / lapsed during the year	-	-	-	-
Balance as at end of the year	**80,000**	**939,711**	**101,080**	**719,830**
Weighted average remaining contractual life of options outstanding at end of period (in years)	3.00	3.00	3.67	3.67

Particulars	2017	2016	2015
Aggregate of all stock options to current paid-up equity share capital (percentage)	**0.17%**	**0.05%**	**0.07%**

The following assumptions were used for calculation of fair value of grants (figures in bracket represent previous year):

Particulars	Marico ESOS 2014	MD CEO ESOP Plan 2014	Marico ESOP 2016 Scheme I	Marico ESOP 2016 Scheme II	Marico ESOP 2016 Scheme III	Marico ESOP 2016 Scheme IV
Risk-free interest rate (%)	8.00%	8.00%	7.25%	7.25%	6.75%	6.75%
	(8.00%)	(8.00%)	-	-	-	-
Expected life of options (years)	3 years	3 years 3 months	3 years 2 months	3 years 2 months	3 years 6 months	3 years 6 months
	(3 years)	(3 years 3 months)	-	-	-	-
Expected volatility (%)	26.62%	23.66%	25.80%	25.80%	26.10%	26.10%
	(26.62%)	(23.66%)	-	-	-	-
Dividend yield (%)	3.50%	3.50%	0.96%	0.96%	0.96%	0.96%
	(3.50%)	(3.50%)	-	-	-	-

(b) Share appreciation rights

The Corporate Governance Committee has granted Stock Appreciation Rights ("STAR") to certain eligible employees pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011 ("Plan"). The grant price is determined based on a formulae as defined in the Plan. There are schemes under each Plan with different vesting periods. Scheme I, II, III and IV have matured on their respective vesting dates. Under the Plan, the specified eligible employees are entitled to receive a Star Value which is the excess of the maturity price over the grant price subject to certain conditions. The Plan is administered by Corporate Governance Committee comprising independent directors.

Details of STAR Scheme:

	STAR II						STAR III					
Grant Date	1st December, 2011			1st December, 2012			1st December, 2012			2nd December, 2013		
Grant Price (Rs.)	148.53			213.91			213.91			208.96		
Vesting Date	30th November, 2014			30th November, 2014			30th November, 2015			30th November, 2015		
	As at 31st March			As at 31st March			As at 31st March			As at 31st March		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Number of grants outstanding at the beginning of the year	-	-	542,200	-	-	139,600	-	771,600	938,100	-	121,100	133,600
Add : Granted during the year	-	-	-	-	-	-	-	-	-	-	-	-
Less : Forfeited during the year	-	-	70,100	-	-	51,100	-	170,800	166,500	-	21,000	12,500
Less : Exercised during the year	-	-	472,100	-	-	88,500	-	600,800	-	-	100,100	-
Number of grants at the end of the year	-	-	-	-	-	-	-	-	771,600	-	-	121,100
Carrying amount of liability - included in employee benefit obligation												
Classified as long-term	-	-	-	-	-	-	-	-	-	-	-	-
Classified as short-term	-	-	-	-	-	-	-	-	10.45	-	-	1.49

Details of STAR Scheme:

	STAR IV						STAR V								
Grant Date	2nd December, 2013			5th August, 2015			5th August, 2015			4th November, 2015			1st December, 2015		
Grant Price (Rs.)	104.48			104.48			217.46			197.61			203.63		
Vesting Date	30th November, 2016			30th November, 2016			30th November, 2017			30th November, 2017			30th November, 2017		
	As at 31st March			As at 31st March			As at 31st March			As at 31th March			As at 31st March		
	2017	2016*	2015	2017	2016*	2015	2017	2016*	2015	2017	2016*	2015	2017	2016*	2015
Number of grants outstanding at the beginning of the year	1,175,000	1,509,400	888,200	419,400	-	-	1,091,200	-	-	91,600	-	-	5,400	-	-
Add : Granted during the year	-	-	-	-	545,400	-	6,000	1,236,200	-	44,800	91,600	-	-	5,400	-
Less : Forfeited during the year	108,600	334,400	133,500	71,600	126,000	-	146,000	145,000	-		-	-	5,400	-	-
Less : Exercised during the year	1,066,400	-	-	347,800		-	-	-	-		-	-	-	-	-
Number of grants at the end of the year	-	1,175,000	754,700	-	419,400	-	951,200	1,091,200	-	136,400	91,600	-	-	5,400	-
Carrying amount of liability - included in employee benefit obligation															
Classified as long-term	-	-	6.39	-	-	-	-	1.70	-	-	0.13	-	-	0.01	-
Classified as short-term	-	13.07	-	-	0.86	-	5.74	-	-	0.86	-	-	-	-	-

	STAR VI				STAR VII			
Grant Date	**1st December, 2015**		**5th August, 2016**		**2nd December, 2016**		**1st December, 2016**	
Grant Price (Rs.)	**203.63**		**280.22**		**256.78**		**256.78**	
Vesting Date	**30th November, 2018**		**30th November, 2018**		**30th November, 2018**		**30th November, 2019**	
	As at 31st March		**As at 31st March**		**As at 31st March**		**As at 31st March**	
	2017	**2016***	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Number of grants outstanding at the beginning of the year	1,333,400	-	-	-	-	-	-	-
Add : Granted during the year	74,400	1,355,000	96,100	-	56,510	-	359,410	-
Less : Forfeited during the year	167,200	21,600	-	-	-	-	19,270	-
Less : Exercised during the year	-	-	-	-	-	-	-	-
Number of grants at the end of the year	1,240,600	1,333,400	96,100	-	56,510	-	340,140	-
Carrying amount of liability - included in employee benefit obligation								
Classified as long-term	5.89	1.13	0.15	-	0.07	-	0.33	-
Classified as short-term	-	-	-	-	-	-	-	-

* Numbers are adjusted for 1:1 bonus issued in December, 2015, wherever required.

The Company has formed "Welfare of Mariconians Trust" (The Trust) for the implementation of the schemes that are notified or may be notified from time to time by the Company under the Plan. The Company has advanced Rs. 54.26 Crore as at 31st March, 2017 (Rs. 66.56 Crore as at 31st March, 2016 and Rs. 28.16 Crore as on 1st April, 2015) to the Trust for purchase of the Company's shares under the Plan as per the Trust Deed and Trust Rules, upon maturity, the Trust shall sell the Company's shares and hand over the proceeds to the Company. The Company, after adjusting the loan advanced and interest thereon (on loan advanced after 1st April, 2013), shall utilize the proceeds towards meeting its STAR Value obligation.

The fair value of the STAR's was determined using the Black-Scholes model using the following inputs at the grant date and as at each reporting date:

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Share price at measurement date (INR per share)	294.9	244.3	385.8
Expected volatility (%)	24.5% - 27.1%	26.2% - 28.6%	24%-27%
Dividend yield (%)	0.96%	0.96%	0.57%
Risk-free interest rate (%)	6%	7%	7%

(c) Expense arising from share-based payment transactions recognised in Profit or Loss as part of employee benefit expense were as follows:

(₹ in Crore)

Particulars	31st March, 2017	31st March, 2016
Employee stock option plan	4.02	3.46
Stock appreciation rights	13.21	14.65
Total Employee share based payment expense	**17.23**	**18.11**

34 Earnings Per Share

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (in Rs.)	6.55	5.37
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company (in Rs.)	6.53	5.37
(c) Earnings used in calculating earnings per share		
Basic earnings per share	842.70	691.26
Diluted earnings per share	842.70	691.26
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares outstanding	1,290,233,390	1,290,164,173
Shares held in controlled trust	(3,666,161)	(3,594,443)
Weighted average number of equity shares in calculating basic earnings per share	1,286,567,229	1,286,569,730
Dilutive impact of Share Options	2,006,113	690,209
Weighted average number of equity shares and potential equity shares in calculating diluted earning per share	**1,288,573,342**	**1,287,259,939**

Information concerning the classification of securities

(i) Share Options

Options granted to Employees under Marico ESOS 2014,MD CEO ESOP Plan 2014 and Marico Employee Stock Option Plan 2016 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 33.

(ii) Treasury shares

The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.

35 First time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March, 2017, the comparative information presented in these financial statements for the year ended 31st March, 2016 and in the preparation of an opening Ind AS Balance Sheet at 1st April, 2015 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. **Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

The Company has applied same exemption for investment in subsidiaries and joint ventures.

A.1.2 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets and investment property covered by Ind AS 40 - Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.1.3 Share-based payment transactions

Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. The standard addresses three types of share-based payment transactions: equity-settled, cash-settled, and with cash-alternatives. A first-time adopter is encouraged, but is not required, to apply Ind AS 102 to:

(i) equity instruments that vested before the date of transition to Ind AS,

(ii) liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS.

The Company has availed this exemption and has not applied fair value to the equity instruments and liabilities that were vested and settled before the date of transition to Ind AS.

A.1.4 Investments in subsidiaries

When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either at cost; or in accordance with Ind AS 109.

If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

(a) cost determined in accordance with Ind AS 27; or

(b) deemed cost. The deemed cost of such an investment shall be its:

(i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

(ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost.

The Company has availed the exemption and has measured its investment in subsidiaries at deemed cost being the previous GAAP carrying amount at that date.

A.2 Ind AS mandatory exceptions

A.2.1 Hedge accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation can not be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of 1st April, 2015 are reflected as hedges in the company's result under Ind AS.

The Company had designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the entity had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the company continues to apply hedge accounting on and after the date of transition to Ind AS.

A.2.2 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for Investment in equity instruments carried at FVPL in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

A.2.3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirement provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS .

A.2.4 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Ind AS 101 requires the company to reconcile equity, total comprehensive income, and cash flow for prior periods. The following reconciliations provide the explanantions and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

(A) Reconciliation of Equity as at 1st April, 2015 and as at 31st March, 2016

(B) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016 and

(C) The impact on cash flows from operating, investing and financing activities for the year ended 31st March, 2016.

B: Reconciliation between previous GAAP and Ind AS

Reconciliation of Balance sheet as at date of transition (1st April, 2015)

(₹ in Crore)

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		458.00	-	458.00
Capital work-in-progress		2.07	-	2.07
Investment properties	14	11.76	-	11.76
Other intangible assets		23.56	-	23.56
Investment accounted for using the equity method		1,089.34	-	1,089.34
Financial assets				
(i) Investments	1 (d), 8	28.92	4.89	33.81
(ii) Loans	1 (c)	13.44	(8.40)	5.04
(iii) Other financial assets	9	34.33	(1.89)	32.44
Deferred tax assets	10	106.78	25.63	132.41
Other non-current assets	9	23.43	1.03	24.46
Total non-current assets		**1,791.63**	**21.26**	**1,812.89**
Current assets				
Inventories		791.59	-	791.59
Financial assets				
(i) Investments	8	266.93	2.53	269.46
(ii) Trade receivables		130.55	-	130.55
(iii) Cash and cash equivalents	1	21.70	0.26	21.96
(iv) Bank balances other than (iii) above	1	76.37	2.30	78.67
(v) Loans	1 (c)	26.01	(19.76)	6.25
(vi) Other financial assets	9	11.19	0.40	11.59
Other current assets	9	74.13	0.37	74.50
		1,398.47	**(13.90)**	**1,384.57**
Assets classified as held for sale	14	28.71	-	28.71
Total current assets		**1,427.18**	**(13.90)**	**1,413.28**
Total assets		**3,218.81**	**7.36**	**3,226.17**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital		64.50	-	64.50
Other Equity				
Reserves and Surplus	1(a), 1(b), 4, 2	2,353.36	(34.28)	2,319.08
Other reserves	5, 10	(74.97)	26.27	(48.70)
Total equity		**2,342.89**	**(8.01)**	**2,334.88**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	6	168.74	(0.34)	168.40
Employee benefit obligations	3	1.70	4.69	6.39
Total non-current liabilities		**170.44**	**4.35**	**174.79**
Current liabilities				
Financial liabilities				
(i) Borrowings		8.64	-	8.64
(ii) Trade payables		405.55	-	405.55
(iii) Other financial liabilities	6	103.40	(0.39)	103.01
Provisions		42.25	-	42.25
Employee benefit obligations	3	36.82	11.39	48.21
Current tax liabilities (Net)	1	7.66	0.02	7.68
Other current liabilities		101.16	-	101.16
Total current liabilities		**705.48**	**11.02**	**716.50**
Total liabilities		**875.92**	**15.37**	**891.29**
Total equity and liabilities		**3,218.81**	**7.36**	**3,226.17**

NOTES

To Financial Statements for the year ended 31st March, 2017

Reconciliation of Balance sheet (31st March, 2016)

(₹ in Crore)

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		436.18	-	436.18
Capital work-in-progress		36.54	-	36.54
Investment properties	14	24.29	-	24.29
Other intangible assets	7	17.95	5.43	23.38
Investment accounted for using the equity method		1,090.69	-	1,090.69
Financial assets				
(i) Investments	1 (d), 8	38.95	2.44	41.39
(ii) Loans	1 (c)	54.34	(50.59)	3.75
(iii) Other financial assets	9	29.50	(1.73)	27.77
Deferred tax assets	10	47.91	6.67	54.58
Other non-current assets	9	25.81	0.58	26.39
Total non-current assets		**1,802.16**	**(37.20)**	**1,764.96**
Current assets				
Inventories		767.56	-	767.56
Financial assets				
(i) Investments	8	432.72	6.07	438.79
(ii) Trade receivables		192.10	-	192.10
(iii) Cash and cash equivalents	1	12.60	2.98	15.58
(iv) Bank balances other than (iii) above		124.59	-	124.59
(v) Loans	1 (c)	20.00	(15.97)	4.03
(vi) Other financial assets	1, 9	26.75	(1.36)	25.39
Current tax assets (net)	1	1.87	(0.01)	1.86
Other current assets	9	90.68	0.54	91.22
		1,668.87	**(7.75)**	**1,661.12**
Assets classified as held for sale	14	12.45	-	12.45
Total current assets		**1,681.32**	**(7.75)**	**1,673.57**
Total assets		**3,483.48**	**(44.95)**	**3,438.53**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital		129.02	-	129.02
Other Equity				
Reserves and Surplus	1(a), 1(b), 4, 2	2,494.13	(69.64)	2,424.49
Other reserves	5, 10	(25.47)	10.23	(15.24)
Total equity		**2,597.68**	**(59.41)**	**2,538.27**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Employee benefit obligations	3	2.14	0.83	2.97
Total non-current liabilities		**2.14**	**0.83**	**2.97**
Current liabilities				
Financial liabilities				
(i) Borrowings		25.83	-	25.83
(ii) Trade payables		484.78	-	484.78
(iii) Other financial liabilities	6	188.91	(0.35)	188.56
Provisions		50.64	-	50.64
Employee benefit obligations	3	34.89	13.78	48.67
Other current liabilities	1	98.61	0.20	98.81
Total current liabilities		**883.66**	**13.63**	**897.29**
Total liabilities		**885.80**	**14.46**	**900.26**
Total equity and liabilities		**3,483.48**	**(44.95)**	**3,438.53**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES

To Financial Statements for the year ended 31st March, 2017

Reconciliation of total comprehensive income for the year ended 31st March, 2016

(₹ in Crore)

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
Continuing operations				
Revenue from operations	11, 12	4,954.50	(86.51)	4,867.99
Other income	1, 1(d), 8, 9	190.86	(0.29)	190.56
Total Income		**5,145.36**	**(86.80)**	**5,058.55**
Expenses				
Cost of materials consumed	12	2,478.34	7.12	2,485.46
Purchases of stock-in-trade		79.95	-	79.95
Changes in inventories of finished goods, stock-in-trade and work-in progress		37.06	-	37.06
Excise duty	11	7.13	-	7.13
Employee benefit expense	2, 3, 13	217.35	10.85	228.20
Depreciation and amortization expense	7	74.25	(5.43)	68.82
Other expenses	1, 5, 9, 12	1,292.40	(91.38)	1,201.02
Finance costs	6	14.78	0.39	15.17
Total expenses		**4,201.26**	**(78.45)**	**4,122.81**
Profit before tax from continuing operations		**944.10**	**(8.36)**	**935.74**
Income tax expense				
Current tax	1, 15	188.79	0.74	189.53
Deferred tax	10	53.45	1.50	54.95
Total tax expense		**242.24**	**2.24**	**244.48**
Profit for the year (A)		**701.86**	**(10.60)**	**691.26**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of post employment benefit obligations				(2.83)
Income tax relating to items that will not be reclassified to profit or loss				
Remeasurements of post employment benefit obligations				0.96
Total				**(1.87)**
Items that may be reclassified to profit or loss				
Change in fair value of hedging instruments				51.18
Income tax relating to items that will be reclassified to profit or loss				
Change in fair value of hedging instruments				(17.72)
Total				**33.46**
Other comprehensive income for the year (B)				**31.59**
Total comprehensive income for the year (A+B)				**722.85**

Reconciliation of total equity as at 31st March, 2016 and 1st April, 2015

(₹ in Crore)

Particulars	Notes to First time adoption	31st March, 2016	1st April, 2015
Shareholder's equity under previous GAAP		2,597.68	2,342.89
Add/Less :			
Gain/ (loss) on fair valuation of investments	1,8	4.04	2.89
(Increase)/ decrease due to fair valuation accounting of Share based payments	3	(30.10)	(16.08)
Increase/ (decrease) due to WEOMA Trust consolidation	1	(45.67)	(21.11)
Increase/ (decrease) due to reversal of amortisation of brands	7	5.43	-
Other adjustments	6,9	0.26	0.71
Tax impact of above Ind AS adjustments	10	6.63	25.58
Shareholder's equity under Ind AS		**2,538.27**	**2,334.88**

Reconciliation of total comprehensive income for the year ended 31st March, 2016

(₹ in Crore)

	Notes to First time adoption	31st March, 2016
Profit after tax as per previous GAAP		701.86
Add/Less :		
Gain/ (loss) on fair valuation of investments	1,8	1.14
(Increase)/ decrease due to fair valuation accounting of Share based payments	2,3	(13.68)
Increase/ (decrease) due to WEOMA Trust consolidation	1	(1.99)
Increase/ (decrease) due to reversal of amortisation of brands	7	5.43
Remeasurements of post employment benefit obligation	13	2.83
Time value of option reclassified to OCI	5	(1.68)
Gain/ (Loss) on fair valuation of security deposits	9	(0.02)
Gain/ (Loss) on borrowings - transaction cost adjustment	6	(0.38)
Tax impact of above Ind AS adjustments	10	(2.25)
Total adjustments		(10.60)
Net profit/loss as per Ind AS		691.26
Other comprehensive income	15	31.59
Total comprehensive income as per Ind AS		**722.85**

Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2016

(₹ in Crore)

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	656.73	(27.72)	629.01
Net cash flow from investing activities	(130.16)	44.25	(85.91)
Net cash flow from financing activities	(532.32)	(17.16)	(549.48)
Net increase/(decrease) in cash and cash equivalents	(5.75)	(0.63)	(6.38)
Cash and cash equivalents as at 1st April, 2015	14.95	7.01	21.96
Effects of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents as at 31st March, 2016	9.20	6.38	15.58

C: Notes on First-time adoption

1 Consolidation of the Trust

The company has formed Welfare of Mariconions Trust (WEOMA trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. WEOMA purchases shares of the Company out of funds borrowed from the Company. The Company treats WEOMA as its extension and shares held by WEOMA are treated as treasury shares.

The Consolidation of the WEOMA trust financials statements with that of the Company does not in any manner affect the independence of the trustees where the rights and obligations are regulated by the trust deed.

Own equity instruments (treasury shares) are recognised at cost and deducted from equity. Profit on sale of treasury shares by WEOMA trust is recognised in WEOMA reserve.

(i) The sources and application of funds of the Trust consolidated as at 31st March, 2016 and 1st April, 2015 were as follows:

(₹ in Crore)

Particulars	31st March, 2016	1st April, 2015
Corpus Fund	2.64	2.66
Current Liabilities	0.35	0.09
Cash & Bank equivalents	2.98	0.26
Fixed deposits	-	2.30
Non current investments	1.47	4.52
Other Current Assets	0.10	0.06
Net asset	**1.56**	**4.39**

(ii) Impact on the Company's profit and loss post WEOMA Trust consolidation for the year 31st March, 2016

(₹ in Crore)

Particulars	31st March, 2016
Income	
Interest on Fixed Deposits with Bank	0.15
Expenditure	
Administrative Expenses	0.02
Interest derecognition on loan from WEOMA-Consolidation	2.12
Impact on profit before tax	(1.99)

(iii) Summarised statement of cash flows of the Trust consolidated for the year ended 31st March, 2016

(₹ in Crore)

Particulars	31st March, 2016
Cash and cash equivalents 1st April, 2015	0.26
Cash flow from operating activities	2.73
Cash flow from investing activities	-
Cash flow from financing activities	-
Cash and cash equivalents 31st March, 2016	2.99

Other items adjusted owing to the Trust consolidation include :

(a) Treasury shares

Upon consolidation, the investment in the Company's equity shares made by WEOMA Trust is debited to the Company's equity as treasury shares amounting to Rs. 68.37 Crore as at 31st March, 2016 (Rs. 28.29 Crore as at 1st April, 2015).

(b) WEOMA reserve

The income of the Trust till date comprising of profit on sale of Marico shares, forms a part of WEOMA reserve amounting to Rs. 20.18 Crore as at 31st March, 2016 (Rs. 2.66 Crore as at 1st April, 2015).

(c) Other Non Current Financial Assets and other income

Loan advanced to the Trust is eliminated on consolidation amounting to Rs. 50.59 Crore as at 31st March, 2016 (Rs. 8.40 Crore as at 1st April, 2015) forming a part of non current loans and Rs. 15.97 Crore (Rs. 19.76 Crore as at 1st April, 2015) being current loans in previous GAAP Accordingly, interest on above loan is also eliminated amounting to Rs. 2.12 Crore.

(d) Investments

The fair value of investments held by the Trust consolidated as per Ind AS amounts to Rs 1.47 Crore as at 31st March, 2016 (Rs. 4.52 Crore as at 1st April, 2015). The profit for the year ended 31st March, 2016 decreased by Rs. 3.05 Crore.

2 Employee Stock Option Liability

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share based option outstanding account decreased by Rs. 0.64 Crore as at 31st March, 2016 (1st April, 2015 - Rs. 0.31 Crore). The profit for the year ended 31st March, 2016 increased by Rs. 0.33 Crore. There is no impact on total equity.

3 STAR

Under the previous GAAP, the cost of cash-settled employee share-based plan were recognised using the intrinsic value of the rights (excess of market value as at period end over the Grant price) over the vesting period after adjusting amount recoverable from WEOMA trust. As per Ind AS 102, the Share appreciation rights liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered service to date. There is an increase in liability by Rs. 14.61 Crore whereby Rs. 0.83 Crore (Rs. 4.69 Crore as at 1st April, 2015) is long term and Rs. 13.78 Crore (Rs. 11.39 Crore as at 1st April, 2015) is short term. The profit for the year ended 31st March, 2016 decreased by Rs. 13.99 Crore. Equity has decreased by Rs. 30.10 Crore as at 31st March, 2016 (1st April, 2015 - Rs. 16.08 Crore)

4 Retained Earnings

Retained earnings as at 1st April, 2015 has been adjusted consequent to the above Ind AS transition adjustments

5 Time Value reclassified to OCI

Under previous GAAP, the company recognised movements in time value of options and forward element of forward contracts and Interest rate swaps contract in profit or loss in the period in which they arose. Under Ind AS, these movements are reclassified to OCI and thereby decreasing hedge reserve balance by Rs. 2.15 Crore as at 31st March, 2016 (1st April, 2015 Rs. 0.47 Crore). The profit for the year ended 31st March, 2016 is decreased by Rs 1.68 Crore. There is no impact on total equity.

6 Borrowings

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to profit or loss as and when incurred. Ind AS 109 requires these transaction costs to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Accordingly, borrowings as at 31st March, 2016 have been reduced by Rs. 0.35 Crore (1st April, 2015 Rs. 0.73 Crore) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31st March, 2016 reduced by Rs. 0.38 Crore as a result of the additional interest expense.

7 Other Intangible assets

In previous GAAP, there was a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. As per Ind AS 38, Intangible Assets having an indefinite life are not amortised and tested annually for impairment. The amortisation charged on copyrights and trademarks is reversed thereby increasing the value of intangible assets, retained earning and profit by Rs. 5.43 Crore as at 31st March, 2016.

8 Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as non current investments or current investments based on the intended holding period and realisability. Non current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March, 2016. This increased the retained earnings by Rs. 7.09 Crore as at 31st March, 2016 (1st April, 2015 - Rs. 2.89 Crore). The profit for the year ended 31st March, 2016 increased by Rs. 4.20 Crore.

9 Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs. 1.18 Crore as at 31st March, 2016 (1st April, 2015 - Rs. 1.49 Crore). The prepaid rent increased by Rs. 1.12 Crore as at 31st March, 2016 (1st April, 2015 - Rs. 1.40 Crore). Total equity decreased by Rs. 0.06 Crore as on 1st April, 2015. The profit for the year and total equity as at 31st March, 2016 decreased by Rs. 0.02 Crore due to amortisation of the prepaid rent of Rs. 0.53 Crore which is partially off-set by the notional interest income of Rs 0.55 Crore recognised on security deposits.

10 Deferred tax has been recognised on adjustments made on transition to Ind AS.

Revenue from operations

11 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March, 2016 by Rs. 7.13 Crore. There is no impact on the total equity and profit.

12 Revenue, Advertisement and Sales Promotion (ASP) and other expense

The Company will recognise revenue at the fair value of consideration received or receivable. Any sales incentive, discounts or rebates in any form, including cash discounts given to customers will be considered as selling price reductions and accounted as reduction from revenue. Under IGAAP, some of these costs were included in 'advertising and sales promotion' expenses. Accordingly, Rs. 60.78 Crore has been reclassified from Advertisement and Sales Promotion to Sales, Rs. 7.12 Crore has been reclassified from Advertisement and Sales Promotion to Cost of Goods Sold and Rs. 25.73 Crore from other expense to Sales.

Employee benefits expense

13 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2016 increased by Rs. 2.83 Crore. There is no impact on the total equity as at 31st March, 2016.

14 Investment property and Asset held for sale

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the Balance Sheet. There is no impact on the total equity or profit as a result of this adjustment.

Under the previous GAAP, asset held for sale were presented as part of other current assets. Under Ind AS, asset held for sale are required to be separately presented on the face of the Balance Sheet. There is no impact on the total equity or profit as a result of this adjustment.

15 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss includes remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

36 Event occuring after Balance sheet date

As at 2nd May, 2017, the date of approval for issue of the standalone financial statement by the Board of Directors, the Company has no subsequent event which either warrant a modification in value of assets and liabilities or any other disclosure.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place: Mumbai
Date: May 2, 2017

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

SURENDER SHARMA
Company Secretary
[Membership No.A13435]

Place: Mumbai
Date: May 2, 2017

10 YEAR FINANCIAL HIGHLIGHTS

(₹ in Crore)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Income from Operations	**1,905.0**	**2,388.4**	**2,660.8**	**3,135.0**	**3,979.7**	**4,596.2**	**4,686.5**	**5,733.0**	**6,024.5**	**5,935.9**
EBITDA	246.4	304.0	375.1	418.1	484.4	625.8	748.0	870.1	1,051.4	1,159.3
Profit before Interest & Tax (PBIT)	225.1	280.4	333.3	368.5	444.4	576.7	729.0	844.6	1,049.8	1,166.3
Profit before Tax	194.5	244.7	307.7	327.5	402.1	518.7	694.6	821.7	1,029.2	1,149.7
Extraordinary / Exceptional items	(10.6)	15.0	9.8	(48.9)	1.8	(33.2)	-	-	-	-
Profit before Tax (PBT)	**205.0**	**229.6**	**299.7**	**371.4**	**395.4**	**542.1**	**675.9**	**810.2**	**1,017.4**	**1,137.3**
Profit after Tax (PAT)	169.1	188.7	235.4	286.4	317.1	395.9	485.4	573.5	711.5	798.6
Cash Profits (Profit after Current Tax + Depreciation + Amortisation)	220.1	258.4	334.5	400.3	391.6	481.1	573.4	656.3	806.9	889.9
Economic Value Added	**131.5**	**144.4**	**196.0**	**174.7**	**198.6**	**283.3**	**313.3**	**407.4**	**490.9**	**551.7**
Goodwill on consolidation	84.2	85.0	85.0	397.6	395.5	395.5	254.3	489.2	497.4	479.5
Net Fixed Assets	257.3	311.1	399.7	457.8	501.9	1,422.4	637.8	589.8	620.5	616.4
Investments	0.0	13.0	82.7	88.9	295.6	151.6	310.5	283.8	513.2	608.2
Net Current Assets	233.0	355.3	483.3	607.5	532.2	674.1	670.7	748.7	654.6	864.4
Miscellaneous Expenditure	-	-	-	-	-	-	-	-	-	-
Net Non Current Assets	-	-	-	129.9	205.2	250.5	212.6	162.8	35.3	21.8
Deferred Tax Asset (Net)	98.2	64.1	61.6	29.9	22.3	-	-	-	64.9	9.5
Total Capital Employed	**672.7**	**828.5**	**1,112.4**	**1,711.5**	**1,952.7**	**2,894.3**	**2,085.8**	**2,274.2**	**2,385.9**	**2,599.8**
Equity Share Capital	60.9	60.9	60.9	61.4	61.5	64.5	64.5	64.5	129.0	129.0
Reserves	253.7	392.6	593.0	854.0	1,081.5	1,917.0	1,296.1	1,760.3	1,888.4	2,196.6
Net Worth	**314.6**	**453.5**	**654.0**	**915.5**	**1,143.0**	**1,981.5**	**1,360.6**	**1,824.8**	**2,017.4**	**2,325.7**
Minority interest	0.1	-	12.5	21.9	24.9	35.1	35.8	13.7	14.3	13.3
Borrowed Funds	358.0	375.0	445.9	774.2	784.8	871.9	679.8	427.9	331.3	238.8
Deferred Tax Liability	-	-	-	-	-	5.8	9.6	7.9	22.8	22.0
Total Funds Employed	**672.7**	**828.5**	**1,112.4**	**1,711.5**	**1,952.7**	**2,894.3**	**2,085.8**	**2,274.2**	**2,385.9**	**2,599.8**
EBITDA Margin (%)	12.9	12.7	14.1	13.3	12.2	13.6	16.0	15.2	17.5	19.5
Profit before Tax to Turnover (%)	10.8	9.6	11.3	11.8	9.9	11.8	14.4	14.1	16.9	19.2
Profit after Tax to Turnover (%)	8.9	7.9	8.8	9.1	8.0	8.6	10.4	10.0	11.8	13.5
Return on Net Worth (%) (PAT / Average Net Worth $)	**66.7**	**49.1**	**42.5**	**36.5**	**30.8**	**25.3**	**30.1**	**36.0**	**37.0**	**36.8**
Return on Capital Employed (PBIT / Average Total Capital Employed @)	**40.3**	**37.4**	**34.5**	**26.1**	**24.3**	**23.8**	**30.4**	**38.7**	**45.1**	**46.8**
Net Cash Flow from Operations per share (Rs.) (Refer Cash Flow Statement)	2.3	3.0	3.4	4.0	6.5	6.7	10.2	10.3	6.5	4.7
Earning per Share (EPS) (Rs.) (PAT / No. of Equity Shares)	**2.8**	**3.1**	**3.9**	**4.7**	**5.2**	**6.1**	**7.5**	**8.9**	**5.5**	**6.2**
Economic Value Added per share (Rs.)	2.2	2.4	3.2	2.8	3.2	4.4	4.9	6.3	3.8	4.3
Dividend per share (Rs.)	0.7	0.7	0.7	0.7	0.7	1.0	3.5	2.5	3.4	3.5
Debt / Equity	**1.1**	**0.8**	**0.7**	**0.8**	**0.7**	**0.4**	**0.5**	**0.2**	**0.2**	**0.1**
Book Value per share (Rs.) (Net Worth / No. of Equity Shares)	**5.2**	**7.4**	**10.7**	**14.9**	**18.6**	**30.7**	**21.1**	**28.3**	**15.6**	**18.0**
Sales to Average Capital Employed @	3.4	3.2	2.7	2.2	2.2	1.9	2.0	2.6	2.6	2.4
Sales to Average Net Working Capital #	10.9	8.1	6.3	5.3	7.0	7.6	6.6	8.1	8.6	7.8

@ Average Capital Employed = (Opening Capital Employed + Closing Capital Employed)/2
$ Average Net Worth = (Opening Net Worth + Closing Net Worth)/2
# Average Net Working Capital = (Opening Net Current Assets + Closing Net Current Assets)/2
Note 1: FY11 onwards the financial figures are as per revised Schedule VI
Note 2: Profit Before Tax is after minority interest
Note 3: FY14 onwards, financials will not include Kaya as it has been demerged from Marico Group effective April 1,2013.
Note 4: FY16 and FY17 numbers per share numbers are calculated on the post bonus number of shares
Note 5: FY16 and FY17 numbers are as per IND - AS and hence not comparable with earlier years.

marico

make a difference

Purpose Statement

To transform in a sustainable manner, the lives of those we touch, by nurturing and empowering them to maximise thier true potential.

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