



TODAY

FOR TOMORROW

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26%

Total Shareholder
Return since listing

78%

Dividend payout in
FY18

41.3%

Return on Capital
Employed in FY18

33.5%

Return on Net
Worth in FY18

~USD 6.5 bn

Market Capitalisation on March 31, 2018

MARICO OF THE FUTURE

As we explore newer ways to create value in a digitally transformed world, bringing people closer through our offerings, we are evolving into a Marico that is in step with shifting consumer needs.

At Marico, we are passionate about making measurable impact through everything we do. Our new range of products, adoption of new technology, strategies to connect to newer markets and our new distribution models are testament to our efforts. Our culture of empowerment, agility, bias for action and consumer-centricity are strong enablers.

Going forward, we have identified five areas of transformation – Innovation, Go To Market, Value Management, IT and Analytics, and Enhancing our Talent Value Proposition – to build Marico of the future.



>> PG 18

How we are building future-ready verticals

> PG 22

How we are integrating analytics and automation for a smarter tomorrow

> PG 24

How we are strengthening our culture while creating a workplace for tomorrow

> PG 36

How we are pioneering distribution models of the future

Who we are

With over 25 years of experience in the beauty and wellness industry and with a presence in chosen emerging markets across Asia and Africa. Marico Limited has emerged as one of India's leading consumer products companies. It has an extensive portfolio spanning haircare, skincare, edible oils, healthy foods, male grooming and fabric care.

Marico is a household name in India with brands like Parachute, Parachute Advansed, Saffola, Hair & Care, Nihar Naturals, Livon, Set Wet, Mediker and Revive. In the international markets, Marico is represented by the brands Parachute, Parachute Advansed, Nihar Naturals, Isoplus, HairCode, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men and Thuan Phat.



16%

Topline CAGR since inception

22%

Revenue from International business

185+ mn

Households reached every month

24%

Bottomline CAGR since inception

155+ mn

Total no. of packs sold every month

5,000

Minimum population of towns mostly covered by Marico's distribution network

Nihar Naturals Shanti Amla Badam

Now a volume market leader in Amla hair oils

> CORE VALUES

At Marico, values are the guiding force behind our culture, people and actions. They keep everyone aligned to work towards the common goal of ensuring growth and success of the organisation.



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



Consumer Centric

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



Transparency and Openness

Allowing diversity of opinion by listening without bias and giving and receiving critique with mutual respect and trust for the other



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

>95%

A market leading position (No. 1 or No. 2)

2,348

Total number of members globally

50%

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

4.7 mn

Retail outlets are serviced by Marico's nationwide distribution network

56%

Of the total workforce are millennials

31%

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

1 out of every 10

Coconuts grown in India is used by Marico

Where we are present

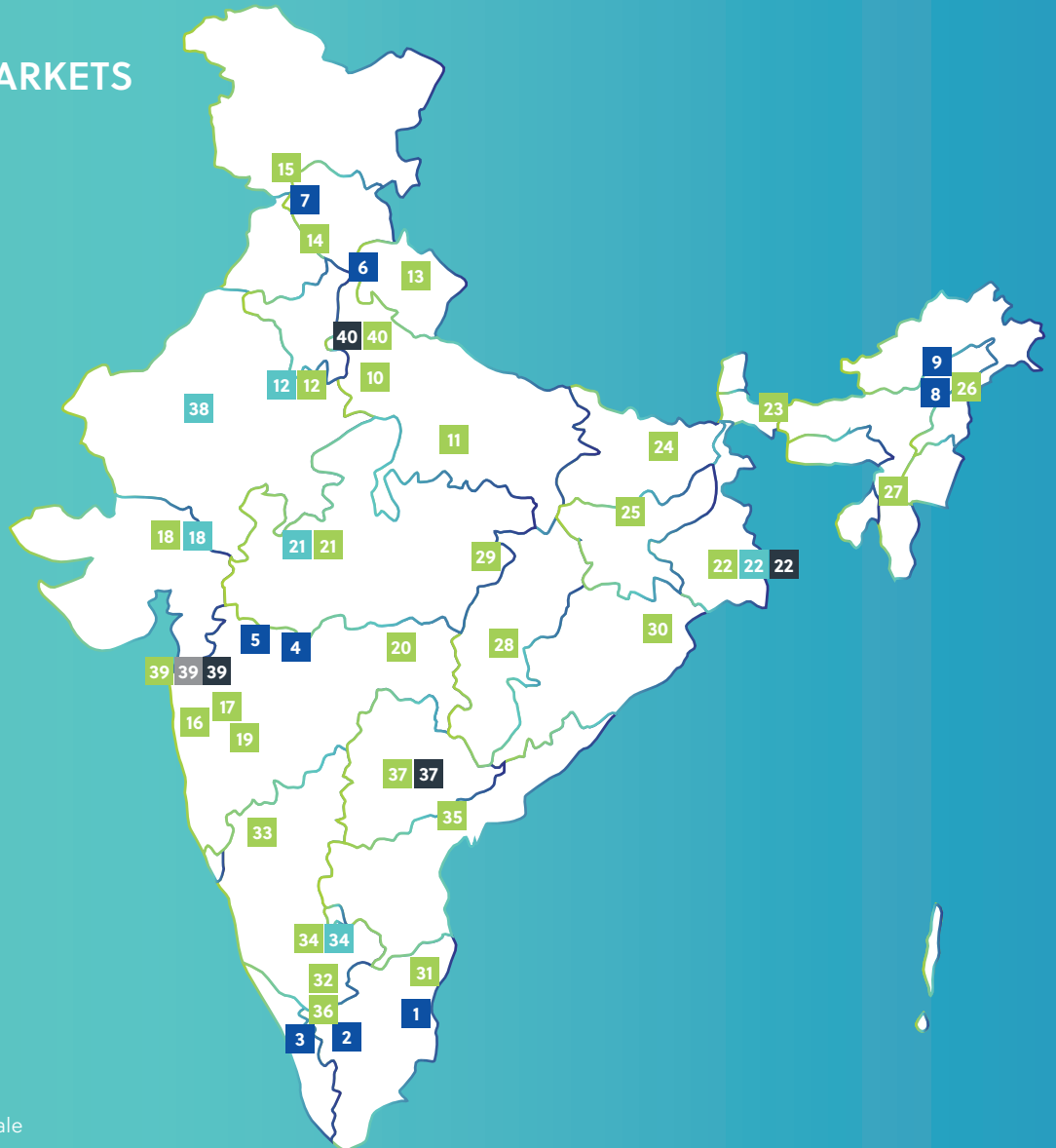
INTERNATIONAL MARKETS







Note: Map not to scale

> With a presence in chosen markets across emerging countries of Asia and Africa, Marico is further expanding in adjacent markets of South Asia, the Indo-China region as well as new export markets

INDIAN MARKETS



Note: Map not to scale

1	Puducherry	11	Lucknow	22	Kolkata	33	Hubli		Plants
2	Perundurai	12	Sonipat	23	Siliguri	34	Bengaluru		Depots
3	Kanjikode	13	Dehradun	24	Patna	35	Vijayawada		Redistribution Centres
4	Jalgaon	14	Zirakhpur	25	Ranchi	36	Palakkad		Regional Offices
5	Paldhi <i>(closed w.e.f. March 2018)</i>	15	Jammu	26	Guwahati	37	Hyderabad		Head Office
6	Paonta Sahib	16	Pimplas	27	Agartala	38	Jaipur		
7	Baddi	17	Lonad	28	Raipur	39	Mumbai: Head Office		
8	Guwahati: NER I	18	Ahmedabad	29	Jabalpur	40	NCR		
9	Guwahati: NER II	19	Pune	30	Cuttack				
10	Ghaziabad	20	Nagpur	31	Chennai				
		21	Indore	32	Coimbatore				

What we offer

We have created household brands, over the years, which have nurtured not only lifestyles and well-being but also strengthened relationships.

INDIA >

Coconut Oil

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

Hair Oil

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

Anti Hairfall

- ▶ Livon Hair Gain Tonic
- ▶ Parachute Advanced Ayurvedic Hair Oil
- ▶ Parachute Advanced Scalp Therapie Hair Oil

Hair Serum

- ▶ Livon Hair Serum
- ▶ Hair & Care Silk n Shine Leave-In Hair Conditioner

Skincare

- ▶ Parachute Advanced Body Lotion

Male Grooming & Styling

- ▶ Parachute Advanced Men Aftershower Hair Cream
- ▶ Set Wet Hair Gels
- ▶ Set Wet Beard Gels and Creams
- ▶ Set Wet Deodorants
- ▶ Set Wet Blast Deodorants
- ▶ Set Wet Hair Waxes
- ▶ Set Wet Studio X Range

Healthy Foods

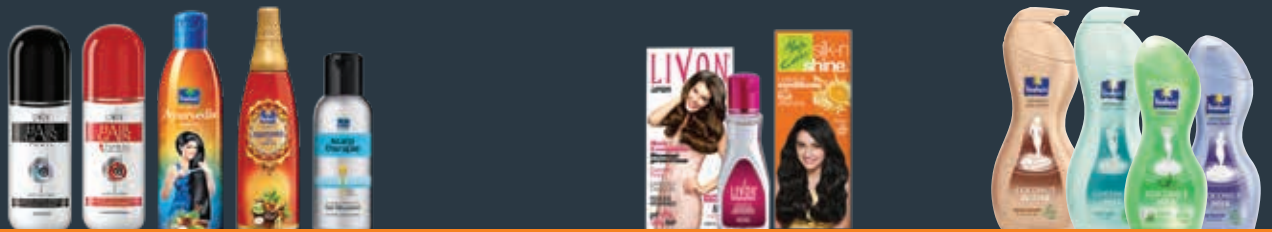
- ▶ Saffola Refined Edible Oils
- ▶ Saffola Aura – Olive & Flaxseed Oil
- ▶ Saffola Masala Oats
- ▶ Saffola Multigrain Flakes
- ▶ Saffola Active Soups
- ▶ Saffola Active Slimming Nutri Shakes

> Marico today touches the lives of 1 out of every 3 Indians



Coconut Oil

Hair Oil



Anti Hairfall

Hair Serum

Skincare



Male Grooming & Styling



Healthy Foods

BANGLADESH >

Coconut Oil

- ▶ Parachute Coconut Oil

Hair Care

- ▶ Parachute Advanced Cooling Hair Oil
- ▶ Parachute Advanced Extra Care Hair Oil
- ▶ Nihar Shanti Amla Badam Hair Oil
- ▶ Parachute Advanced Ayurvedic Gold Hair Oil
- ▶ Parachute Advanced Beliphool Hair Oil
- ▶ Parachute Advanced Enriched Hair Oil
- ▶ Hair Code Hair Dye
- ▶ Hair Code Crème Hair Color

Skincare

- ▶ Parachute Advanced Body Lotion

Male Grooming/Styling

- ▶ Set Wet Deodorants
- ▶ Set Wet Styling Gel

Healthy Foods

- ▶ Saffola Masala Oats
- ▶ Saffola Refined Edible Oils

SOUTH AFRICA >

Hair Care

- ▶ Caivil
- ▶ Black Chic
- ▶ IsoPlus

Healthcare

- ▶ Hercules
- ▶ Ingwe

VIETNAM >

Male Grooming

- ▶ X-Men Range
- ▶ X-Men for Boss

Food

- ▶ Thuan Phat

MALAYSIA >

Male Grooming

- ▶ Code 10

MYANMAR >

Male Grooming

- ▶ Code 10

Hair Care

- ▶ Hair & Care Silk n Shine Leave-In Hair Conditioner
- ▶ Parachute Advanced Coconut Hair Oil

MENA >

Hair Care

- ▶ Parachute Gold Range

Coconut Oil

- ▶ Parachute Coconut Oil

Male Grooming

- ▶ Hair Code
- ▶ Fiancee

> Parachute is the world's largest coconut oil brand



Bangladesh



Vietnam

Malaysia



Myanmar

MENA



South Africa

How we performed

CONSOLIDATED QUARTERLY FINANCIALS

(₹ in crore)

2017-18	Three Months Ended				Annual
	30-Jun-17	30-Sep-17	31-Dec-17	31-Mar-18	
Particulars					FY18
Total Revenue (Inclusive of other Income)	1,715.3	1,557.7	1,641.7	1,503.0	6,417.7
Total Expenditure	1,368.1	1,277.2	1,322.3	1,227.8	5,195.3
Profit before Finance Cost, Tax, Depreciation and Amortisation	347.2	280.5	319.5	275.1	1,222.4
Finance Cost	3.5	3.5	3.9	5.3	16.2
Depreciation and Amortisation	21.1	23.5	21.3	23.1	89.1
Profit before Share of Profit/Loss of Joint Ventures, Exceptional Items and Tax	322.6	253.5	294.3	246.8	1,117.1
Share of Profit/(Loss) of Joint Ventures	(0.1)	(0.6)	(0.1)	0.6	(0.1)
Exceptional Items	-	-	-	-	-
Profit before Tax	322.5	252.9	294.1	247.4	1,117.0
Tax Expense	86.6	67.9	70.9	64.2	289.6
Profit after Tax	235.9	185.0	223.3	183.2	827.5
Minority Interest	4.0	3.6	2.8	2.6	13.0
Net Profit attributable to Owners of the Company	232.0	181.4	220.5	180.6	814.5
Equity Share Capital	129.0	129.1	129.1	129.1	129.1
Earning per Share - (₹)	1.8	1.4	1.7	1.4	6.3

(₹ in crore)

2016-17	Three Months Ended				Annual
	30-Jun-16	30-Sep-16	31-Dec-16	31-Mar-17	
Particulars					FY17
Total Revenue (Inclusive of other Income)	1,781.8	1,467.5	1,440.0	1,344.4	6,033.2
Total Expenditure	1,380.3	1,189.8	1,143.9	1,063.5	4,776.7
Profit before Finance Cost, Tax, Depreciation and Amortisation	401.5	277.7	296.1	280.9	1,256.6
Finance Charges	5.4	2.1	4.4	4.7	16.6
Depreciation and Amortisation	20.8	20.9	21.8	26.5	90.3
Profit before Share of Profit/Loss of Joint Ventures, Exceptional Items and Tax	375.3	254.8	270.0	249.7	1,149.7
Share of Profit/(Loss) of Joint Ventures	(0.2)	(0.2)	(0.2)	(0.4)	(1.0)
Exceptional Items	-	-	-	-	-
Profit before Tax	375.1	254.6	269.7	249.3	1,148.7
Tax Expense	107.2	74.0	78.1	78.4	337.7
Profit after Tax	267.9	180.6	191.6	170.9	811.0
Minority Interest	3.8	3.6	2.7	2.2	12.4
Net Profit attributable to Owners of the Company	264.1	177.0	188.9	168.7	798.6
Equity Share Capital	129.0	129.0	129.0	129.1	129.1
Earning per Share - (₹)	2.1	1.4	1.5	1.3	6.2

ECONOMIC VALUE-ADDED

(₹ in crore)

	FY12	FY13	FY14	FY15	FY16	FY17	FY18
a) Average Capital Employed	1,852	2,421	2,395	2,180	2,330	2,493	2,747
b) Average Debt/Total capital (%)	42.0	34.2	30.9	25.4	16.3	11.4	10.0
c) Profit After Current Tax (excluding extraordinary items)	329.7	400.1	515.3	583.4	778.4	856.5	832.9
d) Add: Interest Post Tax	34.1	42.7	25	16.3	14.5	11.7	12
e) Net Operating Profit After Tax	363.8	442.8	540.3	599.7	792.9	868.2	844.9
f) Less: Cost of Capital	160.2	216	208.3	180.9	235.1	258.6	295
g) Economic Value-Added	203.6	226.8	332.0	418.8	557.8	609.6	549.9

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, 2018		8,000	17,500	100

Return	Through	Shares	Value (in ₹)	Indexed Value
March 31, 2018	Market value	8,000	26,08,400	14,905
March 2004	Redemption proceeds of Bonus Preference shares	200	2,000	11
April 1996 – March 2018	Dividend Received* #		1,45,899	834
Gross Returns			27,56,299	15,750
Compound Annual Return since IPO			26%	26%

* Dividends are inclusive of those received on Bonus Preference Shares

Subject to taxes as applicable

Know our financials

REVENUE FROM OPERATIONS (₹ in crore)



* FY16, FY17 and FY18 numbers are as per IND-AS and hence not comparable with earlier years which were as per I-GAAP

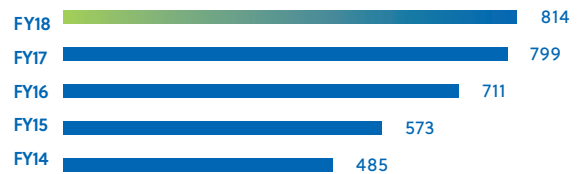
SHARE OF INTERNATIONAL FMCG BUSINESS (₹ in crore)



EBITDA MARGINS (%)

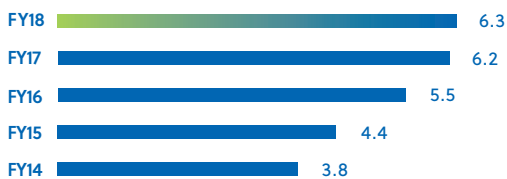


NET PROFIT (₹ in crore)



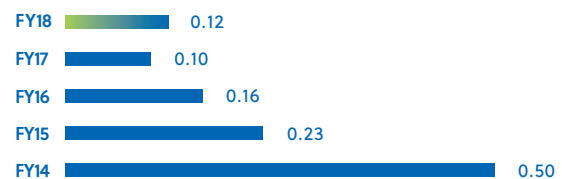
* FY16, FY17 and FY18 numbers are as per IND-AS and hence not comparable with earlier years which were as per I-GAAP

EARNINGS PER SHARE

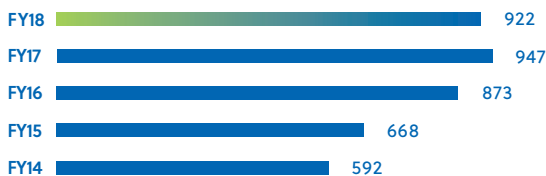


* FY14 and FY15 Earnings per share have been calculated on the post bonus number of shares

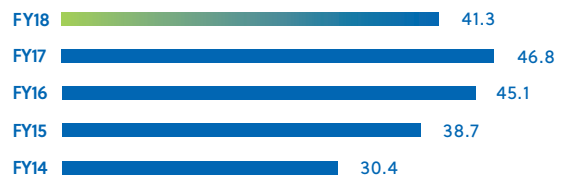
DEBT / EQUITY



CASH PROFIT (₹ in crore)



RETURN ON CAPITAL EMPLOYED (%)



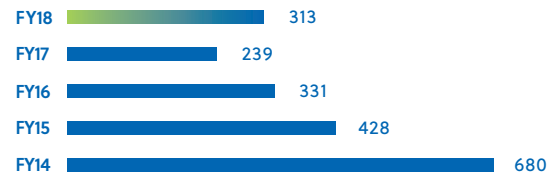
RETURN ON NET WORTH

(%)



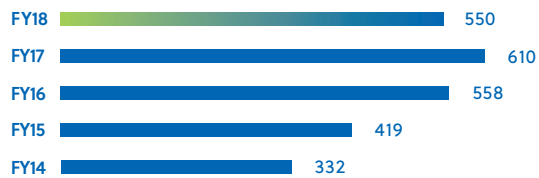
LOAN ON BOOKS

(₹ in crore)



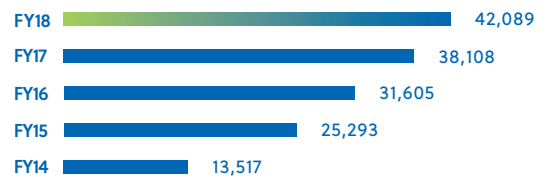
ECONOMIC VALUE ADDED

(%)



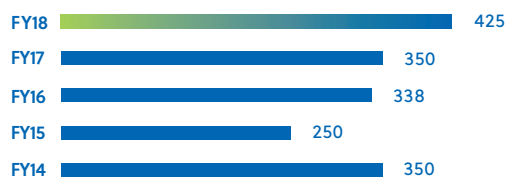
MARKET CAPITALISATION

(₹ in crore)



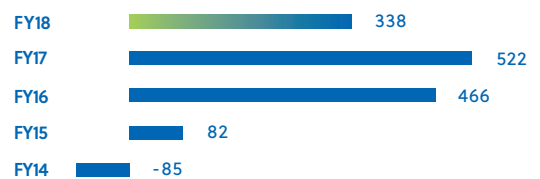
DIVIDEND DECLARED

(% of Face Value)



SURPLUS ON BOOKS

(₹ in crore)



What our Chairman has to say

DEAR SHAREHOLDERS,

It gives me immense pleasure to present to you the 30th Annual Report of your Company.

The year under review was marked by major challenges — the post demonetisation slowdown, initial troubles of GST migration, and rising input costs which impacted the economy. However, with consumption and industrial output improving, economic growth accelerated in the latter half of the year.

While Mr. Saugata Gupta, the MD and CEO of your Company, will share a detailed overview of the performance in his message, I would like to highlight that your Company worked diligently to mitigate the headwinds during the year, reporting modest volume and earnings growth amidst these macroeconomic challenges and structural reforms. Through concerted efforts, it has set a strong foundation to shape the future in the years to come.

MACRO ENVIRONMENT

According to World Bank's *Global Economic Prospects* report, global growth has eased but remains robust and is projected to reach 3.1 percent in 2018, similar to the estimated growth in 2017. It is expected to edge down over the next two years as global slack dissipates, trade and investment moderate, and financing conditions tighten. Growth in advanced economies is forecasted to decelerate toward potential rates as monetary policy is normalised and the effects of U.S. fiscal stimulus wane. In emerging market and developing economies (EMDEs), growth in commodity importers will remain strong, while the rebound in commodity exporters is projected to mature over the next two years.

India is now the world's sixth largest economy, as per International Monetary Fund's latest *World Economic Outlook* report. I believe that there are significant medium and long-term growth prospects in India. GST should help transform and strengthen the overall business environment in the long-term. It will be an enabler of growth for the organised sector, while bringing the unorganised sector into the formal economy. The World Bank has projected India's GDP growth at 7.3 per cent for 2018-19 and expects it to accelerate further to 7.5 per cent in 2019-20. India was also ranked at the 100th position, up 30 places, in the World Bank's Ease of Doing Business 2017 rankings and was declared the only country in South Asia to feature as one of the 10 economies that improved the most.

India's growth in the current fiscal will be buoyed by an increased demand in the rural economy. Agriculture, non-farming activities and a better global climate will facilitate this surge along with rising domestic consumption. We are enthused by the Government's agrarian agenda of doubling farmers' income by 2022, by helping reduce cultivation costs, ensuring profitable prices, processing of farm waste and creating non-farm sources of income. The hope for a revival in rural, however, rests on normal monsoons, which boosts grain production and helps curb food price inflation. The Government's focus on increasing employment opportunities, developing infrastructure and growing education avenues will add to the upbeat sentiment. Factors like rising income, rising urbanisation, rise of nuclear households, as well as a growing workforce should drive growth in India's organised FMCG sector. However, macro challenges like rising oil prices and trade protectionism by developed economies could have a dampening effect.



ENABLING INCLUSIVE GROWTH

Our purpose is to transform in a sustainable manner, the lives of those we touch, by nurturing and empowering them to maximise their true potential. I am very proud of the fact that our focus in business went hand in hand with our pursuit to preserve the environment and help communities thrive. Aligned to the UN Sustainable Development Goals 2030 (SDGs), your Company has made significant progress in areas of sustainable procurement, energy management, water management, waste management, product responsibility and future-ready capability building. We have significantly reduced energy consumption, cut greenhouse gas emissions and taken improved measures towards achieving water stewardship.

Our shift to renewable energy and conservation initiatives, through the Energy Conservation programme, has resulted in 31% reduction in energy intensity from the baseline year (FY2012-13). 80% of our in-house water consumption is conserved from the capacity created by farm ponds and other conservation projects. The Company also achieved 54% reduction of greenhouse gas (GHG) emission intensity against the baseline year FY2012-13.

31%

Reduction in energy intensity (from the baseline FY2012-13)

54%

Reduction of greenhouse gas emission intensity against the baseline year FY2012-13

Our farmer outreach programme, "Kalpavriksha" launched this year to help farmers double their incomes, has already made a difference to the lives of more than 3,000 farmer families by providing them training on scientific farming practices and helping them with day-to-day queries.

At Marico we are deeply committed to creating a sustainable environment and are constantly on the lookout for innovative and disruptive ideas. The Marico Innovation Foundation (MIF), a not-for-profit arm of the Company, continues to act as a catalyst for innovators helping them accelerate growth. With the MIF Scale-Up Programme, we have created a platform for innovators to be mentored by domain experts. The mentors devote their time and experience in developing an implementable plan and the entire process is monitored through pre-determined milestones. Some of these mentors are your Company's members. We have also instituted the MIF Awards to recognise and award unheralded innovations in the country.

I would encourage our shareholders to read the latest Sustainability Report which is available on your Company's website www.marico.com.

Your Company's efforts to achieve and sustain the highest standards of corporate governance were duly recognised during the year. In February 2018, your Company was ranked among the Top 10 in corporate governance among all constituent companies of the S&P BSE 100 Index in a study jointly conducted by International Finance Corporation (IFC), Institutional Investor Advisory Services

India Limited (a proxy advisory firm based in Mumbai), and Bombay Stock Exchange Limited (BSE), with the financial support of the Government of Japan.

LOOKING AHEAD

At Marico, we continue to reaffirm our commitment to deliver a sustainable long-term business and earnings growth by leveraging our key enablers – brands, talent and culture. Your Company has identified 5 areas of transformation where it will develop top quartile capability, processes and executional excellence ahead of growth – Innovation, Go to Market Transformation, Talent Value Proposition, IT & Analytics and Value Management. We are creating an integrated platform for an interconnected business and shopping experience by bringing together Marico employees, partners, customers, distributors and wholesalers, thereby building a 'Marico of the Future'.

Over the medium-term, Marico aims to attain leadership in two core categories of leave-in hair nourishment and male grooming in its chosen markets in South Asia, South East Asia, Middle East and North Africa and South Africa. We believe we are well-positioned to achieve our aspirations of becoming a leading emerging market MNC. We will also intensify our endeavour to achieve inclusive growth for your Company and all stakeholders, especially in the area of environmental sustainability.

I continue to act as the Non-Executive Chairman of the Board, while Mr. Saugata Gupta, MD & CEO of your Company, continues to steer the day-to-day operations of the Company. I also lead efforts to improve the collective functioning of the Board and am actively involved in the Company's Corporate Social Responsibility (CSR) initiatives. Your Company's Board, comprising of leaders with domain expertise from diverse fields such as business, strategy, finance, retail, e-commerce and human resources, continues to guide the top management in achieving its long-term goal.

I would like to take this opportunity to thank all our Marico members for their continuous engagement, commitment and support during the year. I also convey my deep appreciation to all our business partners, vendors and other business associates, for all they do which makes our Company successful. Finally, a very special thank you to all our shareholders for the faith they have bestowed on us over the years. We look forward to your continued support as we strengthen our today for our tomorrow.

Warm regards,



Harsh Mariwala

What is our MD & CEO's take on reinventing Marico

DEAR SHAREHOLDERS,

I am pleased to share with you an update on the overall performance of your Company during FY2017-18.

Against the backdrop of structural reforms and a challenging input cost environment, the past year was a test of resilience for the Indian economy and our business. However, relentless focus on execution and cost management and the strength of your Company's brands have helped us manage the headwinds and deliver a modest performance.

We are market leaders in 90% of our portfolio and continue to accelerate category leadership in newer markets. While our FY18 performance was soft, our commitment to deliver enhanced value for our stakeholders remains steadfast as we strive to deliver top-quartile performance and predictable sustainable growth in the coming years.

FY2017-18 OVERVIEW

During the year under review, the consolidated topline grew by 7%, with an underlying volume growth of 1.3%. The consolidated profit after tax registered a growth of 2%. More than 90% of the portfolio witnessed market share gains, despite Goods and Services Tax (GST) affecting business in the first half, sluggishness in the edible oils segment as well as concentrated price increases in the coconut oil portfolio in the second half impacting volume growth.

The India business grew 9% with an underlying volume growth of 1.5%. Annual volume growth was dampened by destocking in trade prior to GST implementation. The India business operating margins were dented by significant inflation in copra prices. The international business grew 9% in constant currency terms with an underlying volume growth of 1%.

In the India business, the Coconut Oil franchise reached a volume market share of 59% on the back of healthy offtake growth. The Value-Added Hair Oils portfolio also improved its volume market share to 34%. The Leave-in Hair Serums portfolio showed signs of sustainable growth. In the second half, the Male Grooming portfolio came back to a double digit growth path, signalling an upward trend. However, Saffola Edible Oils had a challenging year. We have now diagnosed the issue and rolled out a multi-pronged action plan to ensure recovery and growth. Saffola's Oats franchise consolidated its lead in the savoury oats category with a volume market share of 70%. Your Company also passed on the benefits of reduction in GST rates to consumers by lowering retail prices of Value-Added Hair

Oils and Saffola Edible Oils in July 2017 and Premium Hair Nourishment, Male Grooming and Skin Care portfolios in November 2017.

During the year, growth in the rural business outpaced growth in urban. e-commerce and Modern Trade posted healthy growth and should lead growth in FY19. e-commerce is now over 1% of the India turnover.

During the year, the international business grew 9% in constant currency terms. Though adverse forex movements muted the reported value growth, margins remained healthy. Bangladesh grew in double digits, while Vietnam had an exceptionally muted year due to sluggish growth in the male shampoo category and instability in our Go-to Market execution. We are taking definitive steps to reignite growth in this category. We are also strengthening our GTM by investing in a top-notch IT backbone. Middle East and North Africa showed signs of recovery where we remain cautiously optimistic about the future. New country markets such as Nepal and Myanmar showed positive movements. In South Africa, the integration of the newly acquired ethnic hair styling brand, Isoplus, has progressed well.

STRATEGIC OVERVIEW

During the year, we continued to focus on strengthening the core portfolio, driving premiumisation in leave-in hair nourishment, creating new engines of growth with portfolio expansion in existing and new markets, while also tapping into the bottom of the pyramid and embracing digital and e-commerce.

The leadership team's focus on nurturing new engines of growth in Premium Hair Nourishment, Male Grooming, Skin Care and Healthy Foods shall ensure broad-based growth in the coming years.

With rural sales contributing 32% of domestic revenues, the Company expects to take this up by at least 3-4 percentage points in the next 3-5 years by driving penetration through price point packs and focused GTM initiatives.

In sales and distribution, we are leveraging IT and digital technology to enable automation which will improve resource allocation and enhance sales productivity. With the use of analytics, we will continue to drive efficiencies and deliver better business outcomes.

During the year, we made a strategic investment in Revofit, an integrated fitness and holistic wellness solutions app, which complements our aspirations in the nutraceuticals and wellness space. The performance of Beardo, in which your Company invested in the previous year, was also satisfactory.

In the international business, we will invest towards scaling up the Male Grooming and Nourishment platforms, drive existing markets to their full potential and build One Marico synergies by leveraging digital, analytics and IT, while harnessing global capabilities and the expertise of our Centres of Excellence (COEs).

BUSINESS OUTLOOK

For FY19 and beyond, we retain the target of 8-10% volume growth in India accompanied by healthy market share gains. Accelerated innovation and our focus on Digital will be strong enablers. In the international business, while we will aim for a breakthrough performance in Bangladesh, we will also direct our efforts towards establishing a stable and predictable growth trajectory in the rest of the business, thereby delivering double-digit constant currency growth on an overall basis, in the medium-term.

While driving growth, we will continue to retain our focus on best-in-class governance, risk management and talent acquisition and development.

Given the stable macro environment and early forecasts of a normal monsoon, we hope for healthy consumption growth, especially in the rural segment. The Government's thrust on improving farmer disposable incomes should further provide the much needed fillip to rural consumption.

While the current inflationary input cost environment may impact profitability in the first half, we believe that focus on franchise expansion with threshold margins will stand us in good stead to write a medium-term profitable growth story.

COMMITMENT TO 'MAKING A DIFFERENCE'

We exist for all our stakeholders and Marico is fully committed to its purpose of 'Make a Difference' to all of them.

Our sustainability initiatives are focused around six areas – Sustainable Procurement, Energy Management, Water Management, Waste Management, Product Responsibility and Future-ready Capability Building.

Our brands, Nihar Naturals Shanti Amla Badam and Saffola, continue to stay true to their purpose, creating a social impact through education of underprivileged children and spreading awareness about heart health, respectively. Our community support programme, Sakshar Beti (translation: 'literate daughter'), empowers the girl child through education, and health camps organised at our plants for members as well as the community, enables access to better healthcare facilities.

MARICO OF THE FUTURE

The culture of innovation, empowerment, agility, bias for action and consumer-centricity, will enable us to build a 'Marico of the Future' and continue on the path of profitable growth and maximise shareholder value over the long-term.

Recognising that Digital is the future, we are embedding digital in consumer engagement, creating digital brands and charting aggressive growth plans for e-commerce. We are also working towards a differentiated operating model to accelerate our Horizon 2.0 initiatives. Our investments in Beardo and Revofit will augment our efforts further.

We take much pride in fostering a challenging, enriching and fulfilling workplace that maximise our people's potential. We deliver on this proposition by placing early responsibility, building both leadership and functional capabilities and creating an empowering work culture.

As we focus on steering our growth story firmly forward, I am happy to share that your Company has been ranked among the Top 50 'India's Best Companies To Work For' and also ranked the 8th Best Workplace in Manufacturing in India, as per studies conducted by Great Place to Work Institute. The dedication, ownership mentality and commitment of the members has made this possible and I would like to thank everyone for their consistent engagement and support in our journey.

I also take this opportunity to express my sincere gratitude to our shareholders, Board of Directors, Management team, customers, suppliers, bankers, investors and partners for their trust and abiding faith in Marico.

Warm regards,



Saugata Gupta





How we are building future-ready verticals



Incubating future engines of growth

Marico's portfolio of brands has remained the preferred choice for consumers with continuous enhancement of its offerings to meet their stated and unstated needs. In line with Marico's focus on the changing preference of the consumers for newer channels of retail – be it modern trade or buying online, or preference for newer formats of products, new and more premium products, we are creating the portfolio of the future with premium hair nourishment, male grooming and foods.

The Company recently launched new premium categories like nutraceuticals and invested in companies such as Zed Lifestyle (Beardo) and Revolutionary Fitness (Revofit). We are increasing our digital footprint to improve consumer engagement and drive sales through e-commerce. This will also help us build consumer insights and data analytics capabilities.

How we are making in-roads into male styling and grooming platforms



Marico is one of the leading players in the Indian male grooming segment with Set Wet and Parachute Advanced Men in its portfolio. To further our ambition of strengthening our presence and widening the portfolio in this segment, Marico acquired 45% equity stake in Zed Lifestyle Pvt. Ltd., the parent company of Beardo – an online-only male styling and grooming brand. With this investment, Marico has made an entry into the future-ready male grooming portfolio both in the online and salon space.

Beardo is a discerning brand for the urban man who is on a lookout for safe and specialised products/options to grow and maintain his beard. The Beardo product portfolio includes beard growth oil, wax and shampoo for beard; wax and serum for hair; lotion, soap, and facewash. Beardo has a strong presence in the online channels and salons, and almost three-fourth of its revenue is generated on e-commerce. With Beardo, Marico will cater to a niche category of consumers while gaining real-time access to rapidly changing trends data.

Business size and growth opportunity

The estimated ₹ 8,600 crore male grooming market is progressing at a rapid pace and is expected to grow at circa 20% CAGR over FY17-20 (as per the BCG analysis report). The online market share of male grooming products is also heavily increasing and has higher penetration in e-commerce channels as compared to the overall personal care market.

Ashutosh Valani, CEO of the Zed Lifestyle Private Limited said, **"We've always looked out for opportunities to reach more people with our growing product range in the men's grooming market. In Marico, we have found a perfect**

strategic partner to help us broaden our market segment and significantly grow our brand while remaining faithful to the founding principles of Beardo."

EXPERT STYLING FOR A CELEBRITY LOOK EVERY DAY WITH STUDIO X MALE GROOMING RANGE



As consumers evolve to a newly developed sense of styling inspired by the latest trends and celebrities, Set Wet has introduced Studio X, a new range of premium grooming products under its leading male grooming brand – Set Wet to offer its consumers expert styling for a celebrity look. Studio X is Marico's first digital exclusive brand.

Amplifying its presence in the male grooming market, the Studio X range comprising shampoos, body wash, face wash, hair pomade, hair wax, hair and beard serum and perfume will offer the 21 to 25 year old youth who have recently stepped out of their teenage years and developed a matured sense of fashion, a complete range of personal grooming that will help them achieve celebrity styling every day.

This range, from Marico's global stable, has been co-created by celebrity stylist Aalim Hakim.





How we are riding the wave of next generation health and wellness platforms



Over the years, Marico, through 'Saffola', has championed a proactive and healthy lifestyle. To take the commitment forward, the Company recently acquired 22.5% equity stake in Revofit, owned by Revolutionary Fitness Private Limited. This alliance is yet another step towards strengthening Marico's healthy lifestyle offerings, by leveraging Revofit's integrated platform.

Revofit (www.revofit.com) is an integrated fitness and wellness solutions app (available on Android and iOS) which provides a holistic approach to healthy lifestyle. It provides a wider choice to the urban, health conscious, working professional who is aware of his or her health habits and is looking to integrate changes through diet, fitness, nutrition and exercise in the daily schedule.

Sunjay Ghai, Co-founder and CEO, Revolutionary Fitness Private Limited, said, **"Marico stands for innovation and we take great pleasure in partnering with them on our journey to make India healthier. Marico's deep domain knowledge in marketing, distribution and product development, coupled with our strengths in digital channels and focus on niche FMCG products for millennials, will enable cross pollination of ideas to create a robust high growth business."**

MANAGING WEIGHT ISSUES WITH SAFFOLA ACTIVE SLIMMING NUTRI SHAKE

Saffola Active Slimming Nutri Shake is the latest addition in the range of proactive health solutions, a meal replacement product. Building on the promise of offering consumers diverse health choices and increasing the pace of product innovation, Marico forayed into nutraceuticals with Saffola Active Slimming Nutri-Shake. Demanding work-life and changing food habits have led to meal replacement options gaining popularity in India. This gives Marico an opportunity to offer customers a product that makes weight management easy. The new range of shakes is available on all leading e-commerce platforms, helping



consumers build and fortify their diet regime with ease.

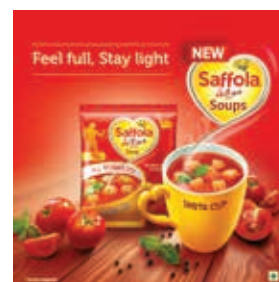
Being digitally present also gives Marico an advantage to further grow the online platform and engage with channel partners to introduce a new range of health foods. There are plans to introduce numerous health solutions such as health bars, health tonics and savoury foods that can become an integral part of the consumer's diet plan. These products will not only aid weight loss but also boost overall health.

The nutraceutical industry has grown via leaps and bounds and provides a massive opportunity for growth. Today this industry is worth approximately \$4 billion in India and is growing at 21% annually. Factors like changing mindsets, increase in disposable incomes, rise in healthcare awareness and willingness to explore better health options are fuelling the trend. Proliferation of retail chains specialising in pharma, beauty and healthcare products along with the ubiquity and ease of e-commerce shopping is also contributing to the growth.

STAYING FIT AND FULL WITH SAFFOLA ACTIVE SOUPS

Marico entered the soup segment with Saffola Active Soups, adding to the range of proactive health solutions. Saffola Active launched Saffola Active Soups, a high fibre option for the health-conscious consumer helping them stay full and stay fit. Saffola has been innovating in the health foods segment and this new range of in-between meal option will help Marico build the portfolio of the future. Saffola Active Soups is also a step towards adding premium products in the portfolio and helping people develop the habit of healthy snacking.

We launched the prototype in Mumbai and the response from trade and consumers has been encouraging, with a national rollout planned in H2 FY19. The soups category, estimated to be 300 crore has grown at 29% at a 3 Year CAGR level.



How we are integrating analytics and automation for a smarter tomorrow





At the heart of Marico's digital strategy lies a transformation model that encompasses value enhancement, business process transformation, IT, consumer engagement, online sales and analytics. We have developed a digital framework that harnesses the opportunities offered by new-age technologies. The Company is using 'innovation through digital models' to enhance its sustainable profitable journey.

DEPLOYING ARTIFICIAL INTELLIGENCE TO DRIVE REAL TIME FEEDBACK

Amber: CEO's personal digital assistant

Amber is a chatbot developed to engage talent within the organisation and communicate with the new members. Employees can connect with her at predefined milestones throughout their tenure and are free to share feedback and experiences. With Amber, Marico is creating a digitally connected workplace that connects people, systems and processes. Since its launch this year, it has been used by more than 70% of the new members. It has provided an additional platform for members to voice their opinion and share their suggestions to help make Marico a better workplace.

Sales Mood-o-Meter: My Voice

A Sales Mood-o-Meter has been launched to take continuous real time feedback from the sales team. The bot listens to the members in order to address issues, engages key talent and records additional feedback from the frontline field force of Marico. It has been prototyped with the east sales team and 52 members have been using it regularly since its launch.

Maricognize Kudos Bot: Say Wow. Say it Now

Marico has successfully integrated its internal social rewards and recognition platform 'Maricognize' on Facebook@ Workplace. With the use of a Kudos Bot and its 'Workplace first' approach, Marico has enabled members to give top-down and peer-to-peer recognitions publicly and globally. The bot also enables members to redeem their reward points online. The bot was launched in February 2018 and was an instant hit with more than 800 uses within one week of its launch.

BUILDING EFFICIENCY WITH ROBOTIC PROCESS AUTOMATION (RPA)

We have leveraged latest advancements in technology like the Robotic Process Automation (RPA) to improve efficiencies and drive accuracy through automating systems and processes across various functions of the organisation. Some of the examples are:

- ▶ **Budgetary control process in Finance:** RPA helped streamline the budget control process and significantly reduced the manual effort involved.
- ▶ **Freight invoice reconciliation process in Procurement:** Freight invoice reconciliation has been a manual and repetitive process which was streamlined using the RPA system thereby reducing the amount of time and resources spent on procurement-related activities
- ▶ **Recruitment process in HR:** Automation has helped simplify the recruitment process. We are currently piloting a bot which receives the search criteria, downloads profiles and resumes of relevant candidates and emails back the results to the recruitment team.

CREATING A COMPETITIVE EDGE WITH MANUFACTURING INTELLIGENCE

We have implemented the SAP Manufacturing Integration and Intelligence (SAP MII) software with the vision of making manufacturing a competitive advantage for Marico. Our factories are fast getting digitised with the help of sensors and analytics dashboards which monitors and measures information quickly. This aids faster decision-making and faster action thereby improving productivity and turnaround time.

SAP MII was chosen as an integration platform for prototyping at two of our plants, Baddi, and Perundurai. The machinery was integrated to derive real-time actionable insights to drive sustainable business value. This also helped in increasing data transparency and accuracy by reducing manual reporting, along with facilitating faster business decisions.


DRIVING TRANSPARENT PROCUREMENT PROCESS BY AUTOMATING COPRA COLLECTION

We automated the copra collection process with the help of a SMS-based bidding solution which provided buying rates directly to the farmers. This enabled the farmers to share their bid quotations directly and thereafter bring the produce to the collection centre. This outreach helped create a transparent procurement channel.

EMPOWERING THE WORKFORCE WITH INTEGRATED APPLICATIONS

At Marico, we are motivated to nurture an empowering work culture that encourages people to learn and grow while making a difference to the ecosystem. We have built multiple learning platforms for our members – ILearn, Workplace, Innovation Jam, Digital Think Tank and Young Board – and in 2017 we introduced Membrain.

Membrain, a Talent Management Suite powered by SuccessFactors, brings talent processes on one platform, making them simpler, streamlined and integrated. It is a step towards automating the HR processes and enhancing member experience across the organisation by providing accurate and real-time access to information for faster and effective decision-making. The platform will also be used to collate and integrate information for career management.

A photograph of three men in white Marico shirts. One man in the foreground is pointing at a document held by another man. A third man is leaning over them, looking at the document. The document has a tree logo and the Marico logo. A teal diagonal graphic is overlaid on the left side of the image.

How we are
strengthening
our culture
while creating
a workplace for
tomorrow



At Marico, we are focused on creating a future-ready workplace, strengthening our culture, nurturing talent and building business capabilities.

OUR FORWARD-LOOKING PRACTICES HELP BUILD A GREAT PLACE TO WORK

Transparency and openness is in our DNA. We always welcome new ideas and diverse perspectives which truly support our unique culture. In a drive to gather ideas from everyone we launched Innovation Jam sessions. Some of the ideas which emerged from these jams have been implemented.



MY DAY@MARICO



The idea is to give members a dedicated day devoid of meetings once a month, allowing them time for creative thinking, self-organising, capability building projects, etc. It is implemented across Marico offices in India, Vietnam, South Africa, Bangladesh, Egypt and Middle East and has helped members use time judiciously.

It enabled non-consumer facing functions to meet and interact with consumers who use hair oils and understand the challenges and the potential for our categories in the consumers' ecosystem. This has deepened our insight into the category, while bringing us closer to the consumers.

DISCONNECT TO CONNECT@MARICO



This programme was launched to help members disconnect from their devices during meetings, so as to become more mindful and connect with what matters in the moment. The objective of the 'no-device policy' was to leverage the productivity of the member and create a conducive atmosphere where he or she does not get distracted. Device-holders were placed in the meeting rooms to help members stay away from their mobile phones and make the most of meeting discussions.

ENHANCING SALES FORCE CAPABILITY WITH FRIDAY LEARNING

An idea to introduce more frequent learning interventions for Distributor Sales Representatives (DSRs) was launched in the form of short weekly sessions called Friday Learning. Though regular training is critical due to increasing business complexities, full-day sessions run the risk of man-day loss along with expensive logistics. Hence, a scalable and cost-optimal solution was introduced in the form of Friday Learning.

Under this initiative, weekly training sessions are provided by Territory Sales Officers (TSOs) to the Distributor Sales Representatives (DSRs) using presentations, video-based content and post-training quiz sessions.

UNDERSTANDING THE BUSINESS THROUGH THE LENS OF THE CONSUMERS



Customer centricity is a value which helps us keep the consumer at the heart of everything we do. In FY2017-18, we introduced Mariscope – consumer-connect initiative towards improving consumer know-how and increasing consumer intimacy.

Since its launch in July 2017, four years' worth of training man-hours, earlier costing ₹ 87 lakh have been delivered at zero cost. It has also become an effective medium to communicate information regarding new products, schemes, incentives, etc., to DSRs on the field with lesser time gaps.



CXOs recognise and reward members with unique experiences every quarter

How we are pioneering distribution models of the future





The Company's Go-To-Market strategy has focused on improving the width and depth of its distribution – both direct and wholesale. Strategic initiatives in sales and supply chain have ushered in efficiencies in selling and go-to-market.

PROMOTING SUSTAINABLE DISTRIBUTOR RELATIONSHIP WITH INTEGRATED SALES ROUTE OPTIMISATION (ISRO)

For long, sales route and beat design for Distributor Sales Representatives (DSRs) were made manually, leading to inefficiencies in the geographical cluster. Sometimes this could result in the same location being visited by both the weekly (those having 25 outlets per day, with each outlet being serviced once a week) and fortnightly (those having 35 outlets per day, with fortnightly service frequency) DSRs, leading to inefficiencies and higher transit time between outlets.

With ISRO this process was automated based on historical data and algorithm-based solutions, helping enhance cost-to-serve efficiencies through route optimisation.

We have successfully used geo-tagging and analytics for route optimisation and extended it to 26 distributors across 8 cities, which enables coverage of more outlets with lesser manpower. This efficiency in sales beats helped reduce manpower by 13%, which has been redeployed.

INFORMATION ON THE FINGERTIPS WITH TERRITORY SALES MOBILE APPLICATION

The territory sales officers and executives (TSO and TSE) at Marico play a major role in generating sales and revenue. They are constantly on the move across urban and rural markets ensuring business growth. To help them get the right information at the right time, we introduced the TSOE mobile application.

This app has a new module that generates a Permanent Journey Plan based on an algorithm that takes into consideration the performance of key sales metrics. It has all the important dashboards enabling territory sales

representatives to get real-time status of the business in their areas. The app has also been integrated with the Field Force Assessment application which empowers employees to take better decisions and helps build capabilities. It has also automated the assessment process for the field force. 1,800+ urban field force were assessed via this end-to-end in-house assessment app with better control and faster turnaround time.

DRIVING RETAILER INTELLIGENCE AND ANALYTICS

Started in Bengaluru in 2015, RETINA (Retailer Intelligence & Analytics), a recommendation engine has been deployed across 13 cities. It helps the Distributor Sales Representative to identify and focus on the next best Stock Keeping Units (SKU) by suggesting relevant Stock Keeping Units (SKU) and brands that have been on the shelf for more than 12 months at an outlet. This simplifies the job of the DSRs on each call and increases their productivity.

FAST-TRACKING THE DIGITAL MARKETPLACE WITH E-COMMERCE

Following an upward growth trajectory, the e-commerce industry has transformed the way business is done in India. Having forayed into this space in 2016, Marico has identified e-commerce as one of its key focus areas in terms of its distribution channels. With dedicated efforts to scale up, the e-commerce business has grown 4 times over in the last one year. Currently, e-commerce contributes over 1% to the Company's domestic business. In some personal care portfolios, the contribution of e-commerce has been recorded to be as high as 33%. The Company plans to launch a range of dedicated premium products across categories, which may be digital only or digital-first only

portfolios.

The Company has identified specific channel partners across beauty, food and groceries segments to help scale our e-commerce business.

The e-commerce business is expected to contribute ~2% of Marico's domestic turnover in FY19.

ENCOURAGING CROSS POLLINATION OF BEST SALES PRACTICES ACROSS DIFFERENT MARKETS

After successful integration of the automated order management system in India, we took this best practice to Bangladesh. The sales ordering process was rendered seamless with the help of Order Management, Midas Pro and General Trade Personal Device Assistants (PDAs) in the local language.

Midas Pro was designed to achieve time-effectiveness by reducing manual interventions in data management, incentives, schemes etc., thereby leading to better efficiencies such as faster claim processing and quick order-to-bill process among others.

The order management application automates and controls the primary sales process which was manual until last year leading to delayed dispatches. This transformation has ensured process-efficiency in the system along with more time bandwidth for the sales team.

The Order Management Project has been rolled out across 55 distributors of Dhaka Depot in Marico Bangladesh, enhancing operational efficiency across front-end functions and providing a competitive advantage for Marico.

Brand Speak



SAFFOLA

Making the journey to health easy, enjoyable & effective

The constant struggle to stay fit, adopt healthier habits and integrate them into the daily routine is real and most people think 'being healthy' is a difficult everyday practice'. Saffola's master-brand campaign was designed to inspire people to make their health journey an enjoyable and easy one. Through this campaign, Saffola encouraged people to find their own ways of staying fit and heart healthy, with the Saffola range of Oils partnering them in making their efforts more effective.

The TVC followed by an integrated marketing campaign across digital, radio, print and retail platforms relayed this message successfully in bringing together people from different demographics with different health requirements on one platform.

SAFFOLA MASALA OATS

The tasty way to stay fit

'The Tasty Way to Stay Fit' campaign encouraged consumers to adopt healthy yet appetising snacking options such as Saffola Masala Oats (SMO) over instant noodles. It highlighted the constant dilemma consumers face while trying to stay fit without compromising on taste, making them indulge in unhealthy snacks such as instant noodles, which are incorrectly perceived to be healthy and light.

The campaign across TV, print, PR, digital and on-ground platforms focused on educating consumers about instant noodles being deep-fried before being packed, and SMO being a healthier and tastier option with 70% less fat.

As a result, new trials for the brand jumped 39%, with 60% being instant noodle consumers. The category offtake increased 26% and volumes grew 19% in the post-campaign period.



> **New triers for the brand jumped 39%, with 60% being instant noodle consumers**



PARACHUTE ADVANSED

Love Jatao (All it takes is a little love)

With the strategic intent of creating a role for the brand beyond just the category for hair as well as finding a unifying platform for all variants to aid synergies & efficiency, in 2017, Parachute Advanced, an iconic brand with over 50 years of legacy, marked a new chapter in its history by embarking on a new purpose – of inspiring people to actively invest in their relationships.

The launch campaign transcended the discourse from nurturance for hair to nurturance for relationships, to increase relevance for the act of oiling in the consumers' life today.

The digital campaign invited consumers to promote the idea through a three-phase strategy involving sensitising people, engaging them to act on it and rewarding those who do. Stories built around the 'All it takes is a little love' theme were invited from consumers who were further urged by popular TV soap protagonists to actively invest in their relationships and share their experiences.

Post the launch of 'Love Jatao' campaign, the brand has seen a marked shift in growth trajectory. The new purpose is now also being taken across all variant communication.

> Parachute Advanced, marked a new chapter in its history by embarking on a new purpose of inspiring people to actively invest in their relationships

PARACHUTE ADVANSED JASMINE

Invest in yourself to Shine

The core audience for Parachute Advanced Jasmine (PAJ) is the youth in small towns, a mass of Indians who are hungry to make a mark & shine. In line with the mother brand's purpose, Parachute Advanced Jasmine launched a new 360 degree campaign to inspire young people to get out of the trap of self-doubt & invest in their own uniqueness & talents to shine in life.

The brand created a compelling parallel in the context of hair and oiling with the life-truth that 'if you love yourself, you will shine', leading to the product proposition of 'If you show love to your hair with Parachute Jasmine, hair will be nourished and Shine from within'. The campaign, which included a TVC featuring leading actress Kriti Sanon, followed by a consumer activation leg, was rolled out across digital, print and radio stations where people were invited to share their own music videos. During the campaign period, over 1.5 million consumers were engaged. Over 1,000 music submissions were received, of which five songs were produced and will be aired on TV.

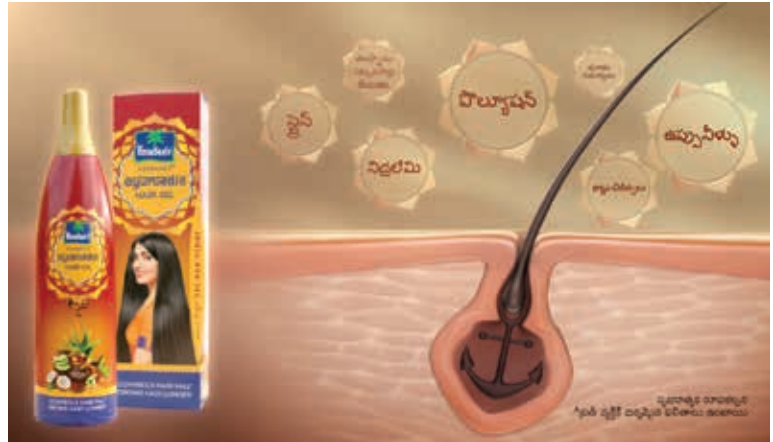


PARACHUTE ADVANSED AYURVEDIC

Be sure with Parachute Ayurvedic

The 2017 campaign for Parachute Advansed Ayurvedic Hair Oil was focused on building the anti-hair fall efficacy credentials for the brand. It was centered on the insight of consumers being apprehensive of trying a hair fall oil as its efficacy and safety are unclear.

The campaign established Parachute Advansed Ayurvedic Hair Oil as the best anti-hair fall oil. The brand's market share increased 160bps in the anti-hair fall category in South India to 31% post the launch in comparison to the same period last year.



NIHAR SHANTI AMLA BADAM

No.1 Brand

In the month of June 2017 (July 2017 is when we overtook Dabur Amla), Nihar Naturals Shanti Amla Badam became the largest hair oil brand in the country, by establishing superiority over other Amla hair oil players in the market. The high decibel campaign led by actor Vidya Balan stood out for its boldness in showing competitive advantage while establishing the comparative, communicating the 3 key benefits and moving the needle of preference for Nihar Naturals Shanti Amla Badam positively.

The campaign, across both print and television, effectively highlighted brand superiority in the aspects of being a better product (an oil with the goodness of both badam and amla), an economical brand and a brand that does good for society (5% of profits go towards child education).

> **Nihar Shanti Amla became the largest hair oil player in the market by establishing superiority over other Amla hair oil players**



SET WET GELS

Don't just comb your hair, style them too

The key life insight of our consumer is that for him- 'Anonymity is death'. It was critical for the brand to marry the key life insight of its consumer with the current category/styling behaviour. In order to urge consumers to start trying out gels, it became imperative to establish the insufficiency of styling their hair using the techniques of oil and water/comb. Hence the campaign thought of 'don't just comb your hair, style them too' emerged.

The film highlighted that to leave a lasting impression on the opposite sex, it was important to have well-styled hair, which gels can help achieve with minimum effort. The campaign was instrumental in business turnaround, with substantial growth reported in the regions where the film was aired.



LIVON SERUM

Salon in my bag

The millennials are highly conscious of their style & appearance, and always want to be looking great. With plans being increasingly made on-the-go, getting great hair at these impromptu occasions is a challenge. Addressing this need, Livon Serum launched the 'Salon in my Bag' campaign with the promise of delivering salon finish hair on demand.

The campaign reached more than 20 million women between the ages of 18 to 35 across all youth channels and digital platforms. With a significant shift in all India penetration, the campaign has fueled the growth of the serum category which has been dormant so far. Livon registered its highest-ever offtakes and deliveries post the campaign launch. New-age channels – Modern trade and e-commerce – registered ~130% volume growth and the brand became a best-seller on leading digital platforms like Nykaa and Amazon.



> The campaign reached more than 20 million women between the ages of 18 to 35 across all youth channels and digital platforms



HAIR & CARE FRUIT OILS

New-age source code of nourishment

Hair & Care, Marico's youth hair oil brand introduced a new-age source code of nourishment with Hair & Care Fruit Oils. The campaign was designed to announce the introduction of 'fruits for hair' for the first time.

The promotion was strategically designed around PR activities, blogger activations, TVCs, celebrity endorsements and promotions via print and digital mediums to trigger trials and engage consumers.

Innovative formats were used on TV media and Print. A vibrant outdoor campaign and interactive radio campaign was launched in focus markets to create surround impact. In a first, a digital campaign with interactive 'fruit warrior' games and 5+25s YouTube formats were created. Launch campaign followed by sustained inputs through the year helped the brand significantly increase spontaneous awareness in core markets. In urban markets, the brand was able to generate new trials; achieving a highest ever market share in West Bengal and Mumbai.

> In a first, a digital campaign with interactive 'fruit warrior' games and 5+25s YouTube formats were created



➤ Parachute Advansed Beliphool is the leading value added hair oil brand in Marico Bangladesh's portfolio and has experienced tremendous growth in FY2017-18

BANGLADESH

PARACHUTE ADVANSED BELIPHPOOL

Nuturing the power of Coconut oil and Methi

Parachute Advansed Beliphool (PAB), the perfumed light hair oil, is the leading value added hair oil brand in Marico Bangladesh's portfolio and has experienced tremendous growth in FY2017-18. To achieve this growth, PAB launched a 360-degree campaign focusing on sisterhood and the nurturing power of 'Coconut oil & Methi'. This was in continuation to the brand's previous successful campaigns – focusing on the benefit of thick and healthy hair through the goodness of coconut oil and methi.

The new communication was rolled out with an integrated plan for even greater impact – across TV, press, radio, digital, outdoor and on-ground activations. Celebrity endorsements, branded TV programmes, shop-sign executions and wholesale branding were some other activities undertaken as part of the campaign. Over a million engagements were achieved by reaching out to schools and colleges across the nation. The activities had substantial impact on the brand and the product now has high recall value, especially amongst youngsters.

PARACHUTE ADVANSED EXTRA CARE

Hairfall reduction in 45days!

Marico's Parachute Advansed Extra Care launched a 360-degree campaign to build on the existing benefits of hair fall reduction in 45 days. It also established that Parachute Advansed Extra Care is the only brand in the segment that is enriched with coconut oil, thus making it comparatively more effective vis-a-vis others.

With the intent to generate trials, the campaign was rolled out across TV, PR and digital platforms. It resulted in significant improvement in key parameters of overall brand imagery.

HAIR CODE HERBAL HAIR DYE

In May 2017, Marico Bangladesh's signature color brand Hair Code Herbal Dye was revamped and relaunched with a new packaging.

This strategic re-launch was supported through a 360 degree campaign covering both ATL & BTL initiatives. HairCode rolled out a hard-hitting TV campaign highlighting its superiority and benefits over competitors' offerings. Print ads across national dailies, localised launch events with trade partners and Barber loyalty programmes were also undertaken to gain top of mind recall and create brand endorsers.



VIETNAM

X-MEN FOR BOSS

Make a move, be a boss

X-Men for Boss, Marico's premium fragrance brand for men in Vietnam, was relaunched in October 2017 with a new packaging and differentiated communication.

The campaign idea 'Make a move, be a boss' is rooted in a powerful consumer insight 'Young men want to fast-track to success but don't know where to start, Boss'. This new differentiated communication showcased the journey of a young man who takes a big risk and builds his way up to success in life.

The new communication proved to be a game-changer for X-Men for Boss, helping the brand become No. 1 in General Trade.



➤ In a country where celebrities still play a major role in influencing consumers, Caivil pioneered the first and only Beauty Parlour at the South African Film and Television Awards 2018



SOUTH AFRICA

CAIVIL

The Caivil Glam Squad

In a country where celebrities still play a major role in influencing consumers, Caivil pioneered the first and only Beauty Parlour at the South African Film and Television Awards 2018. Through this association, the brand gained value from an explosion of celebrity endorsements on a consistent basis throughout the event build-up, during and thereafter across various platforms (Digital, Print, Radio and Television). In a bid to strengthen relationships with key influencers in the ethnic haircare category, the Caivil team created an additional platform and started a national campaign to showcase the creativity of stylists and select the 'best to serve' at SAFTAs as part of the prestigious Caivil Glam Squad.

The campaign was successful in creating awareness by implementing grassroots activations and engagements in salons, recognising and showcasing small business owners from disadvantaged groups. The Caivil Glam Squad styled multiple celebrities at the awards. Local radio stations gave added exposure to the campaign and it also gained additional value in TV airtime.

BLACK CHIC

Natural Kids

The natural hair movement across Africa and other countries has given both black women and women with textured hair an opportunity to showcase their natural crowns and heritage. This opportunity was extended to kids with textured hair with 'Naturals Kids', an ethnic haircare product specifically designed for kids' natural hair, which is both accessible and affordable and delivers on the key product features of Naturals product.

The Black Chic Natural Kids campaign was launched to showcase the unique nature of the range via a 'Through-The-Line' idea to create awareness, generate trials and drive sales whilst building distribution with key retailers. The overall sentiment of the campaign has been that Black Chic Natural Kids is truly African, answering not only to a trending consumer demand but providing relief in terms of the manageability of tightly coiled hair. Customers and the ethnic haircare industry have been positive about the product, which has entrenched Marico as the leader in the kids ethnic haircare market. Sales have exceeded beyond expectations.

How are we fulfilling our sustainability commitments



	FARMERS	WATER	ENERGY
TARGET	Increase farmer beneficiaries year-on-year by 5%	Achieve water stewardship by offsetting 100% of our water consumption in operations	Reduce energy intensity by 50%
PERFORMANCE	☞ The Kalpavriksha Programme established this year (FY2017-18) has enrolled and benefitted 2,681 coconut farmers	☞ 80% of our in-house water consumption is conserved from the capacity created by farm ponds and other conservation projects	☞ 31% reduction in energy intensity achieved from the baseline year FY2012-13

Sustainability at Marico is driven by a vision to create long-term shareholder value by managing our risks and embracing opportunities.

Marico believes in consciously maintaining and fulfilling the interests of all its stakeholders – shareholders, consumers, associates, employees, the Government, and the society at large – while growing responsibly and in a sustainable manner. Our sustainability journey is about making a meaningful contribution to national and global priorities, going beyond generating shareholder value to create larger societal impact.

Over the years, we have aligned our sustainability efforts to the global agenda of Sustainable Development Goals (SDGs) and have taken specific and focused measures within the parameters of our business operations. Sustainability at Marico is pursued under the themes of Climate Change, Resource Optimisation and Corporate Citizenship. In conjunction with the key stakeholders, we have set our sustainability goals along with measurable targets to be achieved by 2022.

We have made significant progress over the years in our core thrust areas of sustainable procurement, energy management, water management, waste management, product responsibility and future-ready capability building.

GREEN HOUSE GASES

Reduce GHG emission intensity by 75%

☞ Achieved 54% reduction of Green House Gas (GHG) emission intensity against the baseline year FY2012-13

RESPONSIBLE SOURCING

Certify 20% of critical suppliers for Level 1 criteria of Marico Responsible Sourcing (MARS) Guideline

☞ Identified critical material supplier categories; initiated communication on Level 1 requirement of Marico Responsible Sourcing (MARS) Guideline



EMPOWERING OUR FARMERS

A majority of Marico's raw materials are agricultural produce, hence improving and promoting farmer well-being is of utmost importance to us. We are committed in our efforts to strengthen and develop long-lasting relationships with the farmer community through various initiatives.

PROVIDING ECONOMICAL ADVANTAGE TO COCONUT FARMERS WITH KALPAVRIKSHA

Marico's flagship programme 'KALPAVRIKSHA – Double Coconut Farmer's Income' established on World Coconut Day on September 2, 2017, is aimed at creating a positive impact on coconut farmers' income, making a difference to their lives. This initiative supports coconut farmers to increase their yield by training them on all aspects of farm management like nutrient management, pest management, disease management and water management. A pilot project was launched in FY2015 in Tanjore district in the state of Tamil Nadu where Marico supported farmers in increasing their earnings mainly by enabling higher and sustainable crop yield, training and through sharing scientific research and knowledge. The programme was very well received by the farmers and we have touched the lives of more than 3,000 happy farmer families. Regular monitoring of farm diagnosis and enthusiastic participation by farmers have resulted in 18% increase in farm productivity.



2,681

Farmers enrolled and benefitted during FY2017-18

4,017

Farmers covered in the training programmes conducted



Safflower Extension Programme: Marico works closely with the seed companies, scientists and farmer community

PROMOTING SAFFLOWER CULTIVATION AND IMPROVING PRODUCTIVITY

Safflower, a minor oil seed, has not been the primary focus for any research organisation and this has impacted the availability of sowing seeds, seed quality, and non-availability of new variety development and scientific crop management practices.

Taking cognisance of this, Marico has undertaken several measures for the safflower farmers to promote safflower cultivation and aid productivity improvement. Seed development and propagation, promoting high yielding varieties, field demonstration of scientific farming techniques, Kisaan Mela, jeep campaigns and pre-sowing farmer training workshops, are among the key programmes conducted reaching to more than 60,000 farmers in five states.



ON OUR WAY TO ACHIEVE WATER STEWARDSHIP

Water is a core thrust area of Marico’s sustainability agenda and our objective is to offset 100% of our water consumption in operations by 2022. We consumed about 22.3 crore litres of water in our operations during FY2017-18. Initiatives like creating farm ponds, dam de-silting measures and setting up community check dams were undertaken during the year. Through these initiatives, capacities were created to harvest about 18 crore litres of water, offsetting 80% of our in-house water consumption, taking us a step closer to achieving water stewardship.

FARM POND CREATION

In India, farmers are at the mercy of rain Gods to meet their agricultural water requirements. Marico recognised this and understood that farm ponds would be a boon to these farmers and help them grow crops even during the Rabi season and achieve better productivity. In a triparty arrangement with the farmer community and Deshpande Foundation (an NGO), Marico created 60 farm ponds in Karnataka. This initiative, helped in storing about 35.17 crore litres of water in FY2017-18. In addition, extra capacity has been built to save water ahead of the monsoon season by setting up 30 additional farm ponds in the state.

CHECK DAM AND POND CREATION

In order to conserve water through community programmes at the locations we operate in, Marico constructed two check dams at Baddi of 10 lakh litres and 22 lakh litres respectively. The project has improved groundwater level and has supported the irrigation water requirement of farmers benefiting more than 1,500 people. Furthermore, revival of village pond was undertaken at Sanyasikuppam, Pondicherry which led to increase in water table and helped local villager’s livelihood with better water availability for agriculture needs and livestock rearing. Additionally, pond renovation and development work were undertaken at Pudussery panchayat in Kanjikode, Kerala, benefitting 150+ local community members.

60 Farm Ponds constructed
35.2 cr ltrs Water harvested in FY2017-18

All farm ponds geo-tagged

DAM DE-SILTING

With a focus to create a better environment through infrastructural development, Marico started de-silting the Yeldari Dam on Purna river in Jintur taluka of Parbhani district in the state of Maharashtra. It is the second-largest dam in Marathwada region. The objective of de-silting was to create a capacity for rainwater storage and preventing water shortage in the future. In addition to helping farmers meet agricultural water demands, the initiative also helped in providing water for domestic consumption and improved livelihood in the area.



PROMOTING ENVIRONMENTAL STEWARDSHIP

Green Manufacturing is at the heart of our environmental stewardship. Our persistent efforts around energy efficiency, water conservation, waste management and renewable energy have enhanced our sustainable footprint. We continue to focus on optimising resource consumption and improving operational efficiencies at our manufacturing locations. All Marico manufacturing units undergo continuous certification of ISO: 14001 Environment Management System and OSHAS: 18001 Health & Safety Management System. Our largest manufacturing unit at Baddi has been certified as per ISO: 50001 Energy Management System.

IMPROVING ENERGY EFFICIENCY

Commitment to reduced energy consumption is nurtured across our business initiatives. Over the years, we have been successful in improving our energy consumption by investing in energy efficient processes and practices. The two key focus areas are optimised energy consumption driven through our Energy Conservation programme and shift to renewable energy. This has resulted in 31% reduction in energy intensity from the baseline year FY2012-13.

31%

reduction in energy intensity from baseline year FY2012-13

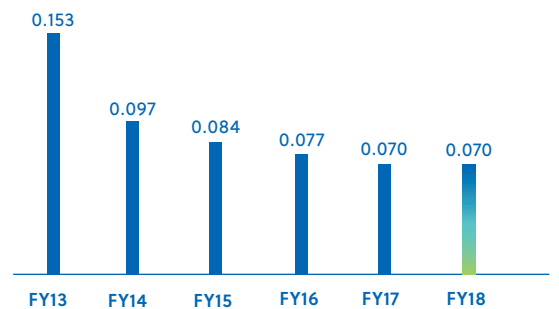
REDUCING OUR CARBON FOOTPRINT

We are also working towards restricting emissions by enhancing the energy efficiency of our processes, as well as by investing in low-carbon technologies. Continuous efforts are being made to reduce the Greenhouse Gas (GHG) emissions arising out of our operations. Over the years, our determined approach has resulted in curbing emissions to a significant extent, leading to 54% reduction in emission intensity from the baseline year FY2012-13.

54%

reduction in GHG emissions intensity from baseline year FY2012-13

GHG EMISSION INTENSITY (SCOPE I + II) in tCO₂e/KL



RESPONSIBLE SOURCING

Responsible sourcing at Marico is a business strategy extending our sustainability initiatives to our supply chain. Marico's Responsible Sourcing (MARS) guideline, instituted a year ago, underpins all our supply and procurement practices and rests on three pillars of responsible sourcing - ethical, social and environmental responsibility. Every Marico supplier is required to adhere to this guideline. In FY2017-18 we identified the critical material supplier categories comprising manufacturing, procurement, logistics and depots. We have initiated communication on the level 1 requirement of MARS guideline to the suppliers in these categories.

EDUCATE

Self declaration to Marico sustainability policy and the Marico Code of Business Ethics

Level 1

EVALUATE

Disclose goals and Key Performance Indicators, identify gaps

Level 2

EVOLVE

Handholding to improve existing systems and processes

Level 3



RESPONSIBLE CORPORATE CITIZENSHIP OUR CORPORATE SOCIAL RESPONSIBILITY (CSR) PHILOSOPHY

Marico's stated purpose is to 'Make a Difference' by ensuring a positive impact. We aim to transform in a sustainable manner, the lives of those we touch, by nurturing and empowering them to maximise their true potential. Marico works closely with its ecosystem to create a sustainable and inclusive growth for all. We firmly believe that all stakeholders in any organisation 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.

MARICO INNOVATION FOUNDATION (MIF)

Set up in 2003, Marico Innovation Foundation (MIF) is a not-for-profit organisation executing the Corporate Social Responsibility for Marico Limited. Through its sector agnostic programmes, the Foundation works towards nurturing innovations that have the potential to bring change and add immense value to the overall growth of the nation.

25+

organisations
scaled up

13+

sectors
impacted

90+

strong Marico
mentor pool

30+

external expert
mentors

Our MIF vision encompasses the innovation ecosystem in India. MIF believes that innovation can spur creation and sustenance of successful and enduring Indian brands. That will enable India to reposition itself as a global economic power. ~ Harsh Mariwala, Founder Marico Innovation Foundation

► Scale-Up Programme:

MIF's Scale-up Programme aims to help young 'innovative' organisations in accelerating their growth through what we call 'deep rooted and intensive mentoring' from a domain expert. The mentors devote their time and experience in developing an implementable course of action and the process is monitored by us through pre-determined milestones. The engagement ends when the challenge is resolved and the organisation is ready to scale up operations seamlessly.

► MIF Awards Programme:

Started in the year 2006, this is a biennial platform that identifies and awards innovations that hold the potential to generate large-scale impact. Over the previous editions, MIF has recognised more than 50 innovations across categories.

► MIF Talkies:

This is a recognition platform in the form of short online video series that showcases impactful innovations with an aim to increase their exposure. It has proven to amplify awareness, resulting in tangible benefits for innovations.

► MIF Innowin:

Committed to creating a culture of innovation in India, highlights of the journey of successful innovations and innovators form the crux of Innowin. Over time, the content of Innowin has evolved from the conventional magazine that it used to be, to MIF's weekly online newsletter.

OUR PURPOSE-LED BRANDS

SAFFOLALIFE: VISION TO CREATE HEART HEALTHY INDIA

Saffolalife remains committed to its vision of creating a Heart Healthy India. Over the years it has consistently launched many initiatives to educate consumers on the importance of taking care of their hearts. On the occasion of World Heart Day, Saffolalife launched the Saffolalife Study 2017 which highlighted the barriers that Indians face when it comes to leading a healthy life for a healthy heart. Identifying these barriers is the first step towards overcoming them, and Saffolalife encouraged people to overcome these barriers by changing their perspectives towards these barriers and finding ways of integrating focused efforts to stay heart healthy in their everyday lives. This study was conducted among 1306 respondents across Delhi, Mumbai, Lucknow, Hyderabad, Chennai and Kolkata.

Saffolalife: "Corporates for Safe and Nutritious Food" Campaign

This educational programme highlights the importance of eating safe and nutritious food. During the year FY2017-18, a prototype was started in Mumbai and Jalgaon region covering over 200 schools, and impacting 18,000+ students.

NIHAR SHANTI AMLA: CHOTTE KADAM PRAGATI KE AUR (SMALL STEPS TOWARDS PROGRESS)

In 2012, Marico under its hair oil brand Nihar Shanti Amla launched the programme 'Chotte Kadam Pragati ke Aur' to support the education of underprivileged children. Through Educate Girls, an NGO, we support quality education for underserved and marginalised girls by mobilising public, private and community resources, thus improving access to education and school quality. In FY2017-18, a total of 88,773 students were benefitted from this programme.

Three priority interventions:

- ▶ Retention
- ▶ Learning outcomes
- ▶ Soft & life skills trainings

Nihar Mobile Pathshala (called 'Pathshala Funwala') is another platform created for housing quality learning content co-designed with leading educationist organisation Pratham. The learning modules are available via a toll-free number (8055667788) and free-of-cost IVR (Interactive Voice Response) to educate children in a fun and engaging manner. Currently, the audio modules are designed to teach English. The time spent on the modules has gone up from 1.2 minutes to 16 minutes per caller.

88,773

students have benefitted In FY2017-18



MAKING A DIFFERENCE TO THE COMMUNITY

Community development is integral to building a harmonious relationship with the community living in and around our manufacturing facilities. At all our manufacturing locations, we work closely with the community and are committed towards making a sustainable impact on the society. Some of the key activities undertaken by our units in FY2017-18 are in the areas of education, healthcare, livelihood enhancement and water conservation.

▶ Promoting Women Hygiene

The rural women in India have very limited understanding of the need for basic health and hygiene practices. In order to sensitise village women towards good hygiene habits, the Paonta unit took upon the task of spreading awareness. Over 415 rural women and adolescent girls were covered through general consultation and discussions with senior gynaecologists, followed by a documentary film on good hygiene practices.

▶ Empowering the Girl Child: Sakshar Beti Sudhrid Samaj

The 'Sakshar Beti Sudhrid Samaj' programme was conducted for female students of the state-run Senior Secondary School in Majra, Paonta Sahib. As part of the programme, career counselling and motivational sessions were organised and stationery kits were distributed to around 234 girl students.

▶ Skill Development: Mobile Repair Workshop

To address the challenges of youth unemployment, free-of-cost mobile repair workshops were organised. 23 youth from 13 villages were enrolled during the first month of the workshop. Expert trainers were brought in to impart daily classroom study and practical sessions. The Chamber of Commerce has appreciated this effort and has ensured support to these people on securing loans and other financial aid for the start-ups.

Know our board members

BOARD OF DIRECTORS



Mr. Harsh Mariwala

Chairman &
Non-Executive Director



Mr. Saugata Gupta

Managing Director
& Chief Executive Officer



Mr. Anand Kripalu

Independent Director

(Ceased to be an Independent
Director w.e.f. Oct 6, 2017)



**Mr. Ananth
Sankaranarayanan**

Independent Director
(Appointed w.e.f. June 26, 2017)



Mr. B. S. Nagesh

Independent Director



**Ms. Hema
Ravichandar**

Independent Director



Mr. Nikhil Khattau

Independent Director



Mr. Rajeev Bakshi

Independent Director



Mr. Rajen Mariwala

Non-Executive Director



Mr. Rishabh Mariwala

Non-Executive Director
(Appointed w.e.f. May 2, 2017)

Know our management team

EXECUTIVE COMMITTEE



Mr. Saugata Gupta

Managing Director
& Chief Executive Officer



Mr. Amit Prakash

Executive Vice President
& Head – Human
Resources



**Ms. Anuradha
Aggarwal**

Chief Marketing Officer



Mr. Ashish Joshi

Chief Operating Officer
– South East Asia,
Middle East & Africa
Business



**Mr. Gaurav
Mediratta**

Executive Vice President
& Head – Legal



**Mr. Jitendra
Mahajan**

Chief Supply Chain
Officer



**Mr. Mukesh
Kripalani**

Chief Business Process
Transformation & IT



Mr. Sanjay Mishra

Chief Operating
Officer - India Sales &
Bangladesh Business



Dr. Sudhakar Mhaskar

Chief Technology Officer



Mr. Vivek Karve

Chief Financial Officer

Corporate Information

COMPANY SECRETARY & COMPLIANCE OFFICER

- ▶ Mr. Surender Sharma*
- ▶ Ms. Hemangi Ghag **

*Ceased to be the Company Secretary w.e.f. October 16, 2017

**Appointed as the Company Secretary w.e.f. October 30, 2017

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*
- ▶ Ms. Hemangi Ghag – Secretary to the Committee**

*Ceased to be the Secretary w.e.f. October 16, 2017

**Appointed as the Secretary w.e.f. October 30, 2017

CORPORATE GOVERNANCE COMMITTEE

- ▶ Ms. Hema Ravichandar – Chairperson
- ▶ Mr. Anand Kripalu – Member *
- ▶ Mr. Nikhil Khattau – Member **
- ▶ Mr. B.S. Nagesh – Member
- ▶ Mr. Rajeev Bakshi – Member
- ▶ Mr. Ashutosh Telang – Secretary to the Committee ***
- ▶ Ms. Shruti Ambegaokar – Secretary to the Committee ****#
- ▶ Mr. Amit Prakash, Executive Vice President & Head – Human Resources[§]

*Ceased to be a Member w.e.f. October 6, 2017

**Appointed as a Member w.e.f. October 30, 2017

***Ceased to be the Secretary w.e.f. October 27, 2017

**** Appointed as the Secretary w.e.f. October 30, 2017

#Ceased to be the Secretary w.e.f. May 2, 2018

§Appointed as the Secretary w.e.f. May 2, 2018

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- ▶ Mr. Rajeev Bakshi – Chairman
- ▶ Mr. Harsh Mariwala – Member
- ▶ Mr. Rajen Mariwala – Member
- ▶ Mr. Saugata Gupta – Member
- ▶ Mr. Ananth Sankaranarayanan – Member*
- ▶ Ms. Priya Kapadia – Secretary to the Committee#
- ▶ Mr. Udayraj Prabhu – Secretary to the Committee\$

*Appointed as a Member w.e.f. August 1, 2017

#Ceased to be the Secretary w.e.f. May 2, 2018

\$Appointed as the Secretary w.e.f. May 2, 2018

RISK MANAGEMENT COMMITTEE

- ▶ Mr. Harsh Mariwala – Chairman
- ▶ Mr. Saugata Gupta – Member
- ▶ Mr. Vivek Karve – Member & Secretary to the Committee

STAKEHOLDER RELATIONSHIP COMMITTEE

- ▶ Mr. Nikhil Khattau – Chairman
- ▶ Mr. Rajen Mariwala – Member
- ▶ Mr. Surender Sharma – Secretary to the Committee*
- ▶ Ms. Hemangi Ghag – Secretary to the Committee**

*Ceased to be the Secretary w.e.f. October 16, 2017

**Appointed as the Secretary w.e.f. October 30, 2017

BANKERS

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

STATUTORY AUDITORS

B S R & Co. LLP

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 (8 in India and 8 overseas)

Regional Offices – 4 in India

Depots – 32 in India

Overseas Offices – 20

WEBSITES

www.marico.com

www.maricobd.com

www.maricoinnovationfoundation.org

www.parachuteadvanced.com

www.saffolalife.com

www.setwet.com

www.livonhairgain.com

www.livonilovemyhair.com

www.hairsutras.com

www.fitfoodie.in

www.fitfoodie.in/SaffolaMultigrainFlakes/

www.fitfoodie.in/saffola-aura/

www.fitfoodie.in/saffola-masala-oats/

www.saffola.in

www.indiaparenting.com/bio-oil/

www.pblskin.com/

What were our achievements



CORPORATE

- ▶ Marico recognised as one of the 'Most Honoured Companies' across sectors by Institutional Investor Magazine, All-Asia Executive team rankings 2017
- ▶ Marico ranked in the Top 10 companies in Corporate Governance among 100 companies in S&P BSE Index, as per a joint study by IFC, IiAS and BSE Ltd., with the financial support of the Govt of Japan



MANAGEMENT

- ▶ Mr. Saugata Gupta, MD & CEO ranked #4 and #47 in the FMCG sector and Pan-India respectively in the Business Today-PWC list of India's Top 100 CEOs
- ▶ Ms. Anuradha Aggarwal, Chief Marketing Officer ranked #12 in Impact's 50 Most Influential Women 2018
- ▶ Mr. Vivek Karve, Chief Financial Officer, won the Financial Express CFO of the Year award 2018 in 1,000+ crore company category



MARKETING

- ▶ Marico won 5 awards at EMVIES 2017, 1 Gold & 2 Bronze for Saffola*life* and 1 Gold & 1 Silver for Nihar Shanti
- ▶ Set Wet in Nepal won Silver at Flame Awards 2017 in the experiential marketing campaign category
- ▶ Marico won 4 awards as EFFIE 2018, 2 Silver for Saffola Masala Oats and 2 Bronze for Saffola*life* and Livon Serum
- ▶ Set Wet Personalised Deo featured in Mintel India's Top 100 Innovative Products in 2017
- ▶ Marico Bangladesh won 2 awards at Brand Forum for Parachute Advanced as Best Hair oil brand and Best FMCG company ranked #8



SUSTAINABILITY

- ▶ 'Teach Little Minds' recognised as the Best CSR Practice at World Quality Congress
- ▶ Marico's Perundurai unit received the 100% Renewable Energy award by India CSR



QUALITY AND MANUFACTURING

- ▶ Marico's Baddi Unit won the 'World Class Award' by International Asia Pacific Quality Organisation
- ▶ Marico was recognised across 12 categories at INDIASTAR Packaging Awards 2017
- ▶ Marico won CII Commendation Certificate for Quality and Food Safety Practices for its Ameya Foods Plant
- ▶ Marico won the Walmart Best Supplier Award 2017 in non-foods category
- ▶ Marico's Bhiwandi Depot received the IMC RBNQA Performance Excellence Award
- ▶ Marico won the Best-in-Class Supply Chain Strategy & Design Award 2017 at Express Logistics and Supply Chain Leadership Awards
- ▶ Marico won the SAP ACE award 2018 for Operational Excellence- Supply Chain



HUMAN RESOURCES

- ▶ Marico is among the Best 25 Workplaces in Manufacturing in India, as per the study by Great Place to Work Institute
- ▶ Marico is among the 100 Best Companies for Women to work in India in a study conducted by AVTAR and Working Mother Media in 2017
- ▶ Marico is among the Top 50 People Capital Index companies in India, as per the survey conducted by Jombay
- ▶ Marico South East Asia won Asia's best Employer Branding Award 2017



INNOVATION

- ▶ Marico was awarded as the most Innovative Company in Consumer Care business by Customer Experience Engagement Loyalty Congress & Awards
- ▶ Marico was honoured for its Business Skills at India Innovation Awards by Skillssoft and SumTotal

Management Discussion And Analysis

This discussion covers the financial results and other developments for the year ended March 31, 2018 in respect of Marico Consolidated, comprising its domestic and international businesses. 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 competition, product demand and supply constraints within India and the countries within which the Group conducts its business.

UPDATE ON MACROECONOMIC INDICATORS

The Goods and Services Tax (GST) that went live on July 1, 2017 is the biggest tax reform that India has witnessed since independence. Its implementation encountered transitory headwinds and had an impact on the gross domestic output, resulting in a GDP growth of 6.6% compared to 7.1% in FY16-17. Notwithstanding the same, the GST has paved the way for a more integrated and efficient taxation system, an efficient supply chain ecosystem, competitiveness in manufacturing and a wider tax base. Fiscal consolidation slowed down with the Central Government revising its fiscal deficit from a target equal of 3.2% of GDP to 3.5%, unchanged from the last year's outcome. Strong capital flows kept the Indian rupee stable and India's reserve holdings increased by US\$50 billion in FY2017-18 to exceed US\$420 billion. Inflation eased and the current account deficit widened, but remained modest.

India has improved its ranking in the World Bank's *Doing Business Report* by 30 spots over its 2017 ranking; the country now ranks 100th among 190 countries in the 2018 edition of the Report. India has seen an addition of over 1,000 startups this year, strengthening its position as the third largest startup ecosystem across the world, only behind

the US and UK. This takes the total number of technology startups in India to nearly 5,200, according to the *NASSCOM Startup Report*.

Consumption is expected to remain an important growth driver in FY18-19. A healthy monsoon and various Government initiatives to improve farm productivity will help agriculture grow at a healthy rate. Government-sponsored initiatives around higher food procurement prices, agriculture market reform, crop insurance and investment in irrigation and logistics are expected to bolster the purchasing power of the farmer community. Stronger rural incomes augur well for rural consumption. The deferment of fiscal consolidation will allow Government consumption to increase, providing an impetus to growth.

Inflation has inched up since July 2017. With global oil prices forecasted to increase in 2018, decontrolled prices for fuels are expected to rise. Any strengthening of rural wages may affect retail food prices. However, prospects for a good monsoon, only modest increases in global food prices and Government efforts to improve agriculture supply management promise to mitigate the rise in food inflation. Core inflation could inch up as accelerated economic activity allows producers to pass their rising input costs on to consumers. Household inflation expectations turned higher from a year earlier. In sum, inflation is likely to range between 4.6-5.0% in FY2019 and FY2020, with further stabilisation of global commodity prices and strengthening of domestic demand.

The medium-term forecasts for growth and consumption in the Indian economy are promising. As per the latest estimates by Asian Development Bank (ADB), India's economy has bottomed out from the deceleration caused by one-time policy events. The economy is now expected to re-emerge as the fastest growing one in Asia and clock 7.3% rise in GDP in the current fiscal and further accelerate to 7.6% in FY2020. 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 the food, housing, consumer durables and transport and communication sectors. India's share of global consumption is also expected to expand more than twice to 5.8% by 2020*.

The medium-term challenges and key tasks for the Indian Government include capital investment in infrastructure, job creation, inclusive growth and regulatory reforms. Towards the end of FY2019, the country will vote for a new government at the Centre. This important political event may have a short-term bearing on the economic activity and growth rates.

BANGLADESH

Bangladesh, with a population of circa 166 million, is largely an ethnically homogenous society with the highest population density in the world (among countries with a population of over 10 million). The country’s GDP grew by 7.3% in FY2017 (ended June 30, 2017), edging up from 7.1% a year earlier. The pickup mainly reflected acceleration in private consumption expenditure, despite falling remittances and continued growth in public infrastructure investment. Inflation eased, but the current account fell into deficit.

As per ADB, GDP growth is expected to moderate to 7.0% in FY2018 (ended June 30, 2018), as consumption demand slackens despite a rebound in worker remittances. Remittance beneficiaries are likely to adopt a cautious approach to spending, repaying the debt incurred in recent years of remittance declines. Private investment is nevertheless expected to edge up with support from an accommodative credit policy and public

investment will expand as the authorities seek to speed up the implementation of infrastructure projects.

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 Fast-moving Consumer Goods (FMCG) sector to flourish. Political stability will further help the cause.

** 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.*

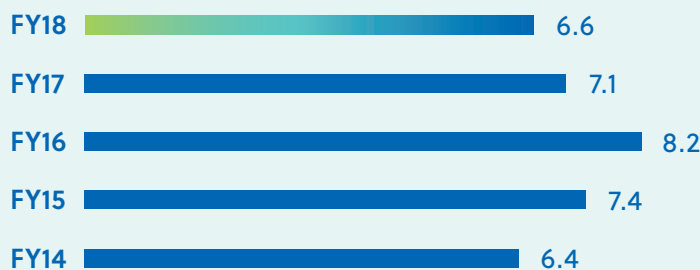
VIETNAM

Vietnam is one of the fastest growing countries in South East Asia. Since 1990, Vietnam’s per capita GDP growth has been among the fastest in the world, averaging 6.4% a year in the 2000’s. Despite uncertainties in the global environment, Vietnam’s economy remains resilient. The country’s medium-term outlook remains favourable, while the country’s fundamental drivers of growth—resilient domestic demand and export oriented manufacturing—remain in force.

Growth accelerated from 6.2% in 2016 to 6.8% in 2017, its highest rate since before the global financial crisis of 2008-09. A hefty rise in exports, a strong increase in investment and buoyant private consumption underpinned growth last year. As per ADB, GDP growth is expected to accelerate to 7.1% this year and then ease back to 6.8% in 2019,

INDIA GDP GROWTH

(%)



Source: Asian Development Bank

driven by rising foreign direct investment, vigorous export growth, strengthening agriculture and a robust domestic demand. Inflation will edge up but remain modest and the current account surplus will narrow. For Vietnam, closing its widening skills gap is key to remaining attractive to foreign investors and sustaining growth.

MYANMAR

Myanmar, defined as a lower-middle income economy by the World Bank, is one of the fastest growing economies in the East Asia and Pacific regions and globally. GDP growth picked up in FY2018 to 6.8% backed by stronger agriculture, growth in exports and robust private consumption, with investment continuing to soften. Inflation eased and the current account deficit widened. With continued economic reform, growth should be sustained this year and accelerate next year. Inflation will likely edge up and the current account deficit will widen further.

As per ADB, GDP growth is projected at an annualised 6.8% in the six months (April-September 2018) prior to Myanmar's adoption of a new fiscal year in October 2018. Growth is forecast at 7.2% in FY2019 (ending September 31, 2019). By pursuing reform to improve the business environment, policy makers can sustain the sizeable foreign direct investment needed over the medium-term to finance the current account deficit.

MIDDLE EAST AND NORTH AFRICA (MENA)

Growth in the Middle East and North Africa (MENA) region is estimated to have declined markedly to 1.8% in calendar year 2017 from 5.0% in the previous year, contributed by hydrocarbon-sector-led growth decelerations among regional oil exporters. In contrast, growth in oil importers in 2017 has strengthened to 3.7% from the previous year, supported by reforms and improved competitiveness. Both groups of economies continue to face growth headwinds from fiscal consolidation plans and geopolitical tensions.

Egypt experienced strong industrial production, investment and exports, supported by the effects of the exchange rate devaluation on competitiveness. Inflation rose rapidly from 2016 and remained elevated (above 2%, y-o-y) till December 2017. This reflected the effects of the currency float in November 2016, higher food prices and administered price hikes, prompting the central bank to hike interest rates twice in

2017, taking its overnight lending rate to 19.75%. However, these inflationary pressures have eased to some extent in 2018.

As per World Bank, Egypt is expected to grow by 5% in the calendar year 2018 and to increase gradually to 5.8% by FY2020. Growth is expected to be driven by resilient private consumption and investment, in addition to a gradual pickup in exports (notably from tourism and gas).

As per World Bank Group's flagship report, *Global Economic Prospects*, the growth in MENA is projected to increase steadily after 2017, to 3.0% in 2018 and 3.2% by 2020, reflecting accelerations among both oil exporters and importers. This forecast reflects the assumption of a moderation of geopolitical tensions as well as a modest rise in oil prices. The pickup in growth among oil exporters would be led by the Gulf Cooperation Council (GCC) economies.

Key downside risks to the outlook include continued conflicts in the region, weakness in oil prices and obstacles to reform process, which are only partly offset by the effects of a possible stronger-than-expected Euro area activity.

SOUTH AFRICA

South Africa, ranked as an upper-middle-income economy by the World Bank, is the second largest economy in Africa.

The International Monetary Fund (IMF) *World Economic Outlook*, published in April 2018, highlighted a change in fortunes for South Africa due to the recent changes in leadership. After experiencing a GDP growth of 1.3% in 2017, amid a difficult economic climate, the IMF penciled in 1.5% growth in 2018 and 1.7% in 2019. The IMF said that business confidence is likely to gradually firm up with the change in the political leadership, but warned that the country's growth prospects remain weighed down by structural bottlenecks. The medium-term outlook is subdued, it said, with growth expected to stabilise at 1.8% over 2020-2023.

FMCG SECTOR

FMCG is the fourth largest sector in the Indian economy. The FMCG market in India is expected to grow at a Compounded Annual Growth Rate (CAGR) of 27.9% and is expected to reach US\$104 billion by FY2021 from US\$53 billion in 2017-18[^]. Rising incomes and growing youth population have been the key growth drivers of the sector. Brand consciousness has also aided demand.

There are three main segments in the sector—50% is accounted for by Household and Personal Care, 31% by Healthcare (includes Over-the-Counter (OTC) products and ethicals) and the remaining 19% by Food and Beverages. Hair Care is the leading segment, accounting for 23% of the Personal Care segment in terms of revenue. The

➤ The FMCG market in India is expected to grow at a Compounded Annual Growth Rate (CAGR) of 27.9% and is expected to reach US\$104 billion by FY2021 from US\$53 billion in 2017-18

beauty, cosmetics and grooming market in India is expected to reach US\$20 billion by 2025 from US\$6.5 billion currently.[^]

Rural India accounts for about 60% of the total FMCG market. As income levels are rising, there is also a clear uptrend in the share of non-food expenditure in rural India. Demand for quality goods and services has been going up in rural India, on the back of improved distribution channels of manufacturing and FMCG companies.

The retail market in India is estimated to reach US\$1.1 trillion by 2020 from US\$672 billion in 2017, with modern trade expected to grow at 20-25% per annum, which is likely to boost the revenues of FMCG companies.[^]

Growth of consumer goods retailed through the newer channels is now outpacing the growth of FMCG products in traditional trade. Tier II and Tier III towns are witnessing a faster growth in the modern trade segment. Factors such as comfort, convenience, rising trust factor, modern store experience, access to a wide variety of categories and brands under a single roof and compelling value-for-money deals are attracting consumers to the newer channels in a big way.

As per a recent joint report by Google India and Boston Consulting Group (BCG), 40% of FMCG consumption in India will be driven digitally, translating to a value of US\$45 billion by 2020. The report finds that while time spent on digital is the same as that spent in front of the TV in urban India, share of digital advertising spends by FMCG companies was only 10% in 2016. This is, however, expected to grow substantially to reach 25-30% by 2020.

The report also highlights that there will be 650 million internet users by 2020, driven by increasing mobile penetration, with the highest growth coming from non-metros. This reinforces that digital in India is now a way to reach the masses, and not just a small, targeted opportunity.

From an audience perspective, the report estimates that online consumers spend two times more on FMCG purchases than offline consumers. India's 28 million affluent and elite households will contribute to about 40% of the overall online FMCG consumption by 2020, of which 60-65% will be digitally influenced.

The e-commerce segment within FMCG is expected to grow to become a US\$6 billion market in 2020, on the back of assortment, convenience and availability along with discounting.

In the same period, the number of online video users has grown by three times and digital video reach is already 2/3rd of TV reach in urban areas. Similarly, with the next wave of users coming in from non-metro cities, local language content is increasingly becoming important. There has been a ten times growth in vernacular 'searches', over two times growth in the watch time of vernacular

YouTube content and five times faster growth of Hindi content consumption on websites versus English in the last one year. Outlining opportunities for brands to tap the online consumers, the report states that users are today seeking the 3Vs—video, vernacular content and views.

Lastly, the implementation of the GST is seen to be positive for the sector. Over time, the implementation of a single tax regime is expected to benefit the FMCG sector immensely by reducing the overall incidence of taxation and unethical competition. GST has already reduced the cascading effect by replacing a multitude of indirect taxes. Moreover, FMCG companies are now able to optimise logistics and distribution costs in the GST era.

[^]According to a report by the Associated Chambers of Commerce of India (ASSOCHAM), an all-India industry association, and MRSS India, a market research agency.

> 40% of FMCG consumption in India will be driven digitally, translating to a value of US\$45 billion by 2020

THE MARICO GROWTH STORY

Marico achieved revenue from operations of ₹6,333 crore (US\$982 million) during FY2018, a growth of 7% over FY2017. Volume growth for the year was at 1.3%. The value growth was driven by price increases taken in the Coconut Oil portfolio to counter the significant inflation in one of the key inputs, copra, during the year. The operating margin was at 18.0%. The business reported bottom line of ₹814 crore (US\$126 million), a growth of 2% over last year.

Since inception, Marico's revenues and Profit After Taxes (PAT) have grown at a compounded annual growth rate of 16% and 24%, respectively. This places Marico in the top quartile in this sector. The focus on delivering sustainable business and earnings growth has so far resulted in a healthy shareholder return of 26% CAGR since the Company's listing in 1996.

DOMESTIC BUSINESS: MARICO INDIA

Marico India, the domestic business, achieved a turnover of ₹4,969 crore (US\$770 million) in FY2018, a growth of 9% over last year. Volume growth for the year was at 1.5%. The value growth was higher owing to price increases taken in the Coconut Oil portfolio. Annual volume growth this year was dampened by destocking in trade prior to GST implementation, which led to a sharp volume decline across portfolios in Q1 FY2018 and a subdued year for Saffola Edible Oils. The operating margin for the India business was at 21.3% (before corporate allocations) versus 24.3% in FY2017. Lower operating margins can be attributed mainly to the gross margin contraction on account of the severe input cost push during the year.

**Coconut Oil
(44% of India business)**



Parachute's rigid portfolio (packs in blue bottles) recorded a volume growth of 2% in FY2018, lower than the medium-term expectation. A few factors contributed to this lower growth—destocking by trade in Q1 in anticipation of the GST implementation and relatively concentrated price increases taken in H2 FY2018. While the full-year growth was lower at 2%, volumes grew 5% in H2 FY2018, as trade began to stabilise post the GST implementation.

During the year, the copra prices went up by 75% while the Company increased the consumer prices by ~22%, as it chose to resort to the approach of protecting the franchise at the cost of short-term margin losses. The Company expects copra prices to stay firm in H1 FY2019 and soften only in H2 FY2019.

The non-focused part of the portfolio (comprising Nihar Naturals, Oil of Malabar and pouch packs in Parachute) declined 7% in volume terms during the year.

During the year under review, Marico's Coconut Oil portfolio improved its volume market share to 59%, up 90 bps on a Moving Annual Total (MAT) basis.

Given Parachute's market share in rural India is lower than that in urban India, the expected consumption revival in the rural regions presents the Company with an opportunity to improve its rural market share in the medium-term.

Of the total coconut oil market, approximately 30-35% in volume terms is 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 operates in a band of gross margin per unit and will take judicious pricing decisions to maintain a sweet spot between volume growth and margins. The Company would continue to exercise a bias for franchise expansion and market share gains as long as margins remain within a band. Towards that end, the Company will continue to invest behind brand building and tactical inputs to remain competitive. Notwithstanding the lower volume growth this year, the Company retains the guidance of 5-7% volume CAGR over the medium-term.

**Saffola: Super Premium Refined Edible Oils
And Healthy Foods
(20% Of India Business)**



The Saffola refined edible oils franchise declined 1% in volume terms during FY2018. The franchise encountered multiple short-term headwinds during the year, namely, a slowdown in orders from the Canteen Stores Department (CSD) due to rationalisation of turnover limits imposed by the Ministry of Defence and sluggishness in the

super premium segment of edible oils market, while the mid segment witnessed growth.

Despite the headwinds, the brand gained a market share of 324 bps and further strengthened its leadership position in the super premium refined edible oils segment to 69% during the 12 months ended March 2018.

Also, the Company passed on the benefits, accruing on account of the GST, to the consumers by cutting retail prices by ~3.5% on a weighted average basis.

To overcome the near-term challenges, the Company has made tweaks in its variant communication, market/ channel/ media prioritisation, pricing and promotion strategies. We are confident that these initiatives will bear fruit towards the end of H1 FY2019.

The Saffola Aura range of Edible Oils, a blend of olive and flaxseed oil, launched last year, received a tepid response during the year. The Company has responded by correcting prices to further enhance the value proposition vis-à-vis other brands on the shelf and hopes to see improved traction in FY2019.

The growing consumer trend towards healthier culinary choices and the strong brand equity continue to lend confidence in the medium-term potential of the franchise.

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 28%. Saffola Oats is the highest distributed oats brand in the country. **Saffola Masala Oats (SMO)** maintained its momentum, on the back of focused inputs and a renewed promotional campaign, which led to a consolidation in its value share to 70% (March 2018 MAT) in the flavoured oats category. 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 the year, we launched three new exciting flavors under the Chef's choice range viz. **Pongal Surprise, Tandoori Magic and Tangy Chaat**. Also, we are expanding the prototyping of Saffola Masala Oats vending machines in corporate offices, gyms and hospitals in Mumbai, Pune and New Delhi. We have placed more than 150 vending machines currently, reaching ~83,000 consumers across 100 commercial establishments in these cities. We have also placed **Saffola Masala Cuppa Oats** in Out-of-Home (OOH) locations in Mumbai in addition to trade. These initiatives fuel consumer trials and repeats.

In October 2017, an all-new meal replacement product, the **Saffola Active Slimming Nutri-Shake** was launched in four variants—Swiss Chocolate, French Vanilla, Royal Kesar Pista and Pista Badam—in 400 gm and 50 gm packs. The

product has been made available on e-commerce and specialty pharmacy chains in metro cities, as a healthy meal option with essential nutrients that complement the busy urban lifestyle.

We further extended Saffola's footprint in the space of weight management and fitness with the launch of a range of **Saffola Active Soups** in November 2017, which is currently being prototyped in Mumbai. The high-fibre soups (5x fibre than other soups) boost one's metabolism and help in maintaining a healthier lifestyle. These are available in five flavours—Tangy Tomato, Creamy Sweet Corn, Fiery Hot & Sour, Garden Vegetables and Simmering Manchow—in two formats – single-serve instant soup sachets at ₹ 10 as well as multi-serve ready-to-cook packs at ₹ 55.

The initial response to Saffola Active Slimming Nutri-Shake and Saffola Active Soups has been encouraging.

Overall, the Healthy Foods franchise clocked a topline of ~₹ 125 crore in FY2018. The Company aspires to grow the Healthy Foods franchise to an ₹ 450-500 crore level over the next 4-5 years, on the back of continuous innovations in this space.

The growing relevance of the e-commerce channel has not replaced the need for direct consumer engagement. Towards this, the Company made a strategic investment in Revolutionary Fitness Private Limited, which owns Revofit, an integrated fitness and holistic wellness solutions app that provides a 360-degree approach to a healthy lifestyle. This alliance enables the Company to strengthen Marico's healthy lifestyle offerings by leveraging Revofit's integrated platform.

Leave-In Hair Nourishment (27% Of India Business)

The leave-in hair nourishment portfolio of the Company has two sub-segments: **value-added hair oils and leave-in serums**.

Value-added Hair Oils (26% of India business)

Marico's value-added hair oil brands registered a volume growth of 4% during the year, despite declining by 8% in Q1 FY2018 due to destocking in trade prior to GST implementation.

The Company passed on the benefits, accruing on account of the GST, to the consumers by cutting retail prices by ~5% on a weighted average basis.

The Company further strengthened its market leadership by 70 bps to 34% volume share on a MAT basis, with a value share of 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 has grown at ten-year CAGR of 19% and now accounts for 26% of the Company's business in India.

One of the key pivots of growth in Value-Added Hair Oils will be to target the bottom of the pyramid through price point packs of ₹ 10 and

₹ 20 each. The Company will continue to focus on the availability and affordability of these packs to ensure conversion.

Nihar Naturals Shanti Amla Badam achieved market leadership in volume terms and exited with a market share of ~41% within the Amla Hair Oils category. A renewed advertising campaign and the association of the brand with a societal purpose augmented the brand image. The gain of ~153 bps in market share during the year reflects the continuing strong growth trajectory. The increased scale of the franchise enables the Company to benefit from operating leverage, despite competitive pricing.

Nihar Naturals Sarson Kesh Tel, a value-added mustard oil targeting the loose mustard oil pool, post the launch across markets in North and parts of East India, continues to grow steadily and expand its reach. The brand had an exit volume market share of 10% in the perfumed mustard oil category. The Company will continue to invest behind the brand, encouraged by a large source pool of unorganised mustard oil. The Company's rural Go-to-Market (GTM) initiatives hold it in good stead to make the most of the same.

In May 2017, the Company launched **Hair & Care Fruit Oils** in two variants: (i) Olive, Mosambi and Green Apple and (ii) Orange, Anaar and Strawberry. The former (in green packs) received a satisfactory response, while the latter (in orange packs) failed to gain ground. The Company is in the process of revisiting its strategy for the brand to reignite growth.

Parachute Advanced Aloe Vera Enriched Coconut Hair Oil, available in Andhra Pradesh, Karnataka, Maharashtra, Tamil Nadu and Telangana, continued to gain traction during the year. The Company will continue to invest behind the brand in these markets and extend it to other markets.

Within the hairfall control segment, **Parachute Advanced Ayurvedic Oil** had a flattish year. The brand is present in the southern states of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Telangana and continues to hold ~30% market share in the region.

As a market leader in the Value-added Hair Oils category, the Company assumes the responsibility of expanding and growing the category. The culture of innovation fostered across the organisation, coupled with our ability to understand and cater to the evolving hair nourishment needs of the Indian consumer, should help us in maintaining our 'right to win' in Value-added Hair Oils. The Company will continue to focus on offering a variety of sensorial/functional benefits to consumers, thereby driving premiumisation-led growth in the category.



**The erstwhile Youth portfolio comprised of the following categories: Hair Gels, Deodorants, Hair Gain Tonic and Leave-in Serums. From FY2018, the communication with respect to this portfolio has been split accordingly in view of the different business dynamics of the segments.*



Leave-in Serums (1% of India business)

The leave-in serums portfolio of Livon and Hair & Care Silk n Shine grew by 13% in value terms during the year, on a comparable basis. Marico’s efforts in relevance building and reach have started yielding positive results. The portfolio was seen gaining further traction in H2 FY2018. Livon Serum sachets registered strong growth. With a reach of more than 1 Lakh stores, sachets are emerging as a key pack in ensuring accessibility and are generating more than 70% of brand trials. Livon Serums continued to witness higher growth in modern trade and e-commerce.

The new marketing campaign for Livon Serums–**Salon in my bag**–launched in January 2018, focused on delivering salon-finish hair on demand for millennials. With a media plan focusing on creating impact, the campaign reached out to more than 20 million girls in the age group of 18-35 across all youth channels and digital platforms such as Facebook, Instagram and YouTube.

Being the market leader with a volume share of ~82% (March 2018 MAT) in the Post wash Leave-on Serums segment, the Company will focus on driving category growth through innovation and consumer engagement.

There was a decline in the Livon Hair Gain business. However, we are closely monitoring the initial response to Livon Hair Gain Tonic, launched in a new 70 ml pack in March 2018.

Male Grooming (3% Of India Business)

Male Grooming (Set Wet Gels/ Waxes/ Deos and Parachute Advansed Men Hair Creams) declined 4% in value terms during the year on a comparable basis.

The value market share of **Set Wet Hair Gels** currently stands at 58%, constituting circa 60% of total Male Grooming Portfolio.

The portfolio witnessed a healthy growth of 21% in H2 FY2018 in value terms on a comparable basis, signalling a positive growth trajectory ahead.

The Company considers Male Grooming to be a big opportunity across its geographies and is determined to innovate and grow the market. The Company aims to have a broad spectrum play in this category and ultimately gain market leadership in various sub-segments.

In the early part of the year, the Company launched **Set Wet Blast**, an affordable pocket spray, priced at ₹ 49, in 2 variants–Aqua Blast and Citrus Blast. Promising 140 sprays that will last an entire month, the product received a good response from trade and consumers across all the launch markets. Given the positive response, the brand will be extended to other markets.



To further strengthen and premiumise our play in the Hair Styling Category, we launched **Set Wet Hair Waxes** in Q3 FY2018. The product has been launched on e-commerce and in select regions of Mumbai, Punjab, Delhi, Kerala, NER and Haryana, in two size variants–25 gms and 75 gms packs at ₹75 and ₹225, respectively. The initial response has been encouraging.

During the year, the Company also relaunched the **Parachute Advansed Men Hair Cream** in three variants–Classic, Anti-Dandruff and Anti-Hairfall. On gaining significant traction in Karnataka and Kerala, the brand has been extended to Maharashtra and Andhra Pradesh as well.

With the portfolio* coming back to grow in H2 FY2018, the Company will aim to revive a consistent value growth trajectory in the coming year.

The Company’s investment in Zed Lifestyle (which owns the brand ‘Beardo’) is likely to enhance its capability in e-commerce and salons over the medium-term.

PRICE REDUCTIONS IN MALE GROOMING, LEAVE-IN SERUMS AND SKIN CARE ON ACCOUNT OF REVISION IN INDIRECT TAX RATES UNDER THE GST

The Company cut retail prices in the Leave-in Serums, Male Grooming and Skin Care portfolios commensurate to the reduction in GST rates from 28% to 18%, announced in November 2017, to pass on the benefits to the consumers.

The price correction is expected to provide a fillip to consumption in these categories in the medium-term.

DISTRIBUTION

Rural growth outpaced urban growth during the year. Marico’s rural sales grew by 12%, while urban sales grew by 5%. The contribution of rural to the India turnover has increased from 26% in FY2012



to 32% in FY2018. Modern trade (11% of the India turnover in FY2018) grew by 15% in FY2018, fueled by factors such as a comfortable and modern shopping experience, access to diverse categories

as well as a wide variety of brands under a single roof and attractive prices. CSD (7% of the India turnover in FY2018) was flattish for the year.

The e-commerce channel contributed over 1% of India turnover in FY2018 and has become an important pivot of growth. This business almost quadrupled in FY2018, albeit on a low base. This segment is expected to contribute ~2% of the India business in FY2019.

GTM transformation is one of the key pillars of long-term growth for Marico. With its focus on building processes, driving new age initiatives, carving a state-of-the-art IT infrastructure and an advanced capability building cell, GTM transformation has witnessed an exciting journey in 2017-18:

- ▶ Project ONE (Outlet Network Expansion) has been the marquee project to expand the direct distribution of Marico over the past four years. We added 86,000 urban outlets in 2014-2017 across 34 cities, yielding a turnover of ₹88 crore every year. In 2017-18, we added another 12,000 urban outlets, which incrementally contributed ₹10 crore of incremental annual turnover to the kitty.
- ▶ In order to optimise travel time for the feet on ground and scientifically arrive at clearly demarcated sales routes, Integrated Sales Route Optimisation (ISRO) was implemented across six cities in the country. ISRO, a geo-tag based and analytics-led route optimisation model, has helped Marico cover more outlets with lesser manpower. The released manpower was in turn redeployed to further aid direct reach expansion.
- ▶ Further, in order to leverage technology as an enabler for sales, Retailer Intelligence & Analytics (RETINA) was rolled out across 13 cities. By suggesting the next best Stock Keeping Unit (SKU) to sell in every store, RETINA has enabled Marico to increase its range in the stores.
- ▶ Marico embarked on customised assessment and certification modules to analyse the quality of its field force and channel partners. This, coupled with predictive analytics, led to a reduction in attrition and enabled Marico to have the best-in-class infrastructure.
- ▶ The Capability Building cell leveraged IT to bring a structural shift in the way the field force is trained. While virtual e-learning modules and e-classroom trainings became a regular medium to train the field force, Marico has also developed an in-house content factory for its field force.

SUMMING UP THE STORY OF INDIA BUSINESS IN FY2018

FY2018 was a year of transformative change. The landmark reform of the GST created a level

playing field in the marketplace to the benefit of the organised players in the medium-term. It will also lead to supply chain efficiencies, which will further unlock value for the Company. However, the short-term volatility in the trade environment affected the Company's performance in H1 FY2018.

Despite the muted performance during the year, sustained offtake growth coupled with market share gains in 90% of the portfolio on a MAT basis affirmed the underlying strength of the franchise.

There have been early signs of a revival in rural India, as it outpaced urban growth in the last three quarters of FY2018. We expect the Government's spending plans to bolster rural development and raising of minimum support prices of crops to help regain the momentum in rural demand in the medium-term. Normal monsoons, as recently forecasted, would be critical for a pickup in the overall sentiment and demand growth in rural areas.

The year was also marked by hyperinflation in one of the key inputs, copra, which kept margins in check through the year. As sustained high prices

➤ **For FY2019 and beyond, the Company retains the target of 8-10% volume growth**

usually lead to rationing of demand, we expect the prices of copra to stabilise around current levels and soften only in H2 FY2019.

For FY2019 and beyond, the Company retains the target of 8-10% volume growth, healthy market share gains on the back of increased investment in the core portfolio, aggressive premiumisation and new product launches, distribution expansion, judicious pricing and tighter cost management.

INTERNATIONAL FMCG BUSINESS: MARICO INTERNATIONAL

The international business (its key geographical constituents being Bangladesh, South East Asia, Middle East, Egypt and South Africa) contributed to 22% of the Group turnover in FY2018. The business reported a 9% constant currency growth (volume growth of 1%) during the year. The operating margin for the full year was healthy at 16.6% (before corporate allocations).

Bangladesh (45% of the International Business)

In Bangladesh, topline grew by 13% in FY2018 (volume growth of 4%) in constant currency terms. In addition to volumes, growth was led by an improving revenue mix as the journey of premiumisation gathered pace during the year and price increases were taken to counter the input cost push.

Parachute Coconut Oil declined by 2% in constant currency terms, while maintaining the leadership position with ~87% volume market share. The scope of volume growth in the Coconut Oil segment is limited as the category has matured. However, the Company is confident of growing this franchise at a single-digit constant currency growth over the medium-term on the back of its dominant position and consumption growth.

The non-Coconut Oil portfolio in Bangladesh grew 32% in constant currency terms during FY2018. This was led by handsome volume-led growth in Value-added Hair Oils, driven by the flagship brand Parachute Advanced Beliphool. Currently in a firm second position, we aim to gain market leadership in this category in the medium-term. Premium Edible Oils and Male Grooming (Set Wet Gels and Deodorants) also responded well during the year.

Consequently, the non-Coconut Oil portfolio contributed to 26% of the total business in Bangladesh in FY2018 as compared to 10% in FY2012. The non-Coconut Oil portfolio is likely to grow ~30-35% over next two to three years. Therefore, the Company is confident of delivering a double-digit constant currency growth in the medium-term in this geography.



South East Asia (26% of the International Business)

Business in South East Asia (mainly Vietnam and Myanmar) declined by 2% in FY2018 in constant currency terms.

Vietnam declined 5% in constant currency in FY2018 due to under-performance in the male shampoo business. The flagship brand 'X-Men' maintained its leadership in male shampoos and second position in deodorants. The Foods business continued to post single-digit growth in constant currency terms. We are taking definitive steps to reignite growth in the male shampoo category and are investing in setting up a top-notch IT backbone to support our GTM initiatives. This is expected to deliver results by the end of H1 FY2019.

Myanmar grew steadily through the year and recorded a topline of over US\$8 million during the year.

Middle East and North Africa (MENA) (14% of the International Business)

In FY2018, the MENA business recovered to post a growth of 14% in constant currency terms.

The Middle East business grew by 12% and Egypt grew by 17% in FY2018, in constant currency terms. The devaluation of the Egyptian Pound (EGP) continued to put pressure on margins and optical value growth.



Hair Code in Egypt and Parachute in Middle East enjoy strong brand equities. However, the macros continue to be tough. As a result, we remain cautiously optimistic about the medium-term outlook on these markets.

South Africa (9% of the International Business)

Despite the challenging macro-economic conditions, the standalone South Africa business grew in low single digits in constant currency terms through the year.

In July 2017, the South Africa business acquired Isoplus, a leading hair styling brand in South Africa. This strategic buyout enabled the Company to have a full spectrum ethnic hair care play in South Africa. The newly acquired business is being integrated with the core business of ethnic hair care and health care.

Including Isoplus, the business posted a growth of 16% in FY2018 in constant currency terms.

New Country Development and Exports (5% of the International Business)

With expansion in adjacent markets such as Sri Lanka, Nepal and Bhutan and exports to diaspora and other markets, this business generated revenues of ~US\$11 million this year. This business grew 15% in FY2018, in constant currency terms. The Company remains positive on the future prospects of this business.

SUMMING UP THE STORY OF INTERNATIONAL BUSINESS IN FY2018

FY2018 has been a mixed bag for the international business. While the business grew in constant currency terms, adverse forex movements led to a flattish y-o-y reported growth. On the positive side, the EBITDA margins have remained healthy. Bangladesh grew in double digits on the back of aggressive growth in the non-Coconut Oil portfolio. Vietnam had an exceptionally challenging year due to sluggishness in the male shampoo category and high dependence on wholesale. The MENA region staged an impressive recovery in the second half of the year and we remain cautiously optimistic about this region. Growth in new country markets such as Nepal and Myanmar remains promising. In South Africa, the integration of the newly acquired Isoplus has progressed as per schedule and the operating results have been satisfactory.

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

CONSOLIDATED RESULTS OF OPERATIONS – AN OVERVIEW

During the year ended March 31, 2018 (FY2018), Marico registered consolidated revenue from operations of ₹ 6,333 crore, a growth of 7% over the previous year. The volume growth underlying this revenue growth was 1.3%. The value growth was higher owing to price increases in the Coconut Oil portfolio. PAT for FY2018 was ₹ 814 crore, a growth of 2% over FY2017.

TOTAL INCOME

Our total income consists of the following:

- 1) Revenue from operations comprises 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 FY2017 and FY2018:

(₹ in crore)		
Particulars (in ₹ crore)	FY18	FY17
Revenue from Operations	6,333.1	5,935.9
Other Income	84.6	97.3
Total Income	6,417.7	6,033.2

There has been 7% growth in revenue from operations on account of 9% growth 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 FY 2017 and FY 2018:

	For the year ended March 31			
	2018	% of Revenue	2017	% of Revenue
Revenue from Operations	6,333.1		5,935.9	
Expenditure				
Cost of Materials	3,359.1	53.0%	2,844.0	47.9%
Employees Cost	422.2	6.7%	404.2	6.8%
Advertisement and Sales Promotion	585.6	9.2%	651.0	11.0%
Other Expenditure	828.4	13.1%	877.5	14.8%
PBDIT margins	1,137.8	18.0%	1,159.3	19.5%
Depreciation, Amortisation and Impairment	89.1	1.4%	90.3	1.5%
Finance Charges	16.2	0.3%	16.6	0.3%
Tax	289.6	4.6%	337.7	5.7%
PAT	814.5	12.9%	798.6	13.5%

COST OF MATERIALS

Cost of materials 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 price of copra, one of the main inputs, was up 75% as compared to last year. The price of rice bran oil was down 4%, while the prices of liquid paraffin and safflower oil were up by 21% and 18%, respectively. The price of HDPE (a key ingredient in packaging material) was flat compared to FY2017. Considering copra accounts for a major proportion of input costs, the overall cost of materials increased by 18% during FY2018, leading to a gross margin contraction of ~510 bps.

EMPLOYEE COST

During the year under review, employee cost grew by 4% over FY2017 on account of annual salary revisions offset by lower provision for Stock Appreciation Rights (STARs) provisions and lower employee costs pertaining to the international business in Indian rupee terms due to comparatively weaker currencies.

ADVERTISEMENT AND SALES PROMOTION (ASP)

ASP spends to sales ratio during the year was 9.2%. Unlike in the previous taxation regime, the GST system allows the credit of taxes paid at each stage as a set-off against the taxes to be paid at every subsequent stage. In light of the same,

the ASP of the base year (FY2017) is 10.4% on a comparable basis. Advertising and Promotional (A&P) spends were down 5% over FY2017 on a comparable basis. The Company has been driving improvements in the efficiency of A&P spends, which have led to savings. The Company expects to operate in a band of 10-11% of sales over the medium-term. This has been revised from the earlier guidance of 11-12% of sales on account of the following factors: a) A&P expenses now being recognised in the Profit and Loss (P&L), net of taxes, under the GST regime and b) Improved efficiency in A&P spends achieved through cost savings programmes.

CAPITAL EXPENDITURE AND DEPRECIATION

For the full year, depreciation was at ₹ 89.1 crore (US\$13.8 million) as compared to ₹ 90.3 crore (US\$13.5 million) in FY2017.

The capital expenditure in FY2018 was ₹ 128 crore (US\$20 million). The capital expenditure in FY2019 is likely to be around ₹ 125-150 crore.

OTHER EXPENSES

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

Other expenses are not comparable with the base year (FY2017) on account of the following exceptions:

- Expenses being recognised in the P&L, net of taxes, under the GST regime
- One-time exchange loss in the base

On adjusting for these, other expenses were higher by 4% over FY2017.

Other expenses are likely to remain in the range of 12-14% of turnover in the medium-term.

(₹ in crore)

Other Expenses	FY18	FY17	% variation	% variation adjusting for exceptions (a-b)
Fixed	291.6	337.7	-14%	2%
Variable	536.9	539.8	-1%	5%
Total	828.4	877.5	-6%	4%

FINANCE CHARGES

Finance charges comprise interest on loans and other financial charges. For the full year, finance charges was at ₹ 16.2 crore (US\$2.5 million) as compared to ₹ 16.6 crore (US\$2.5 million) in FY2017.

DIRECT TAX

The Effective Tax Rate (ETR) for the Company during FY2018 was 25.9% as compared to 29.4% during FY2017. ETR was lower due to tax deductions in the new Guwahati manufacturing unit.

INDIAN ACCOUNTING STANDARD

The new accounting standards—Indian Accounting Standards (Ind AS) – have become effective from April 1, 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 detail in the Financial Statements.

CAPITAL UTILISATION

Given below is a snapshot of various capital efficiency ratios for Marico FY 2017 and FY 2018:

Ratio	FY18	FY17
Return on Capital Employed (ROCE)	41.7%	47.1%
Return on Net Worth (RONW)	33.5%	36.8%
Working Capital Ratios (Group)		
- Debtors Turnover (Days)	17	15
- Inventory Turnover (Days)	80	67
- Net Working Capital (Days), including surplus cash	58	46
Debt: Equity (Group)	0.12	0.11
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 fall in the Company's ROCE was on account of decrease in EBIT margins due to the input cost push. The inflation in copra and other key input prices in India and international geographies as well as position build-up in key commodities also led to the increase in inventory days.

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

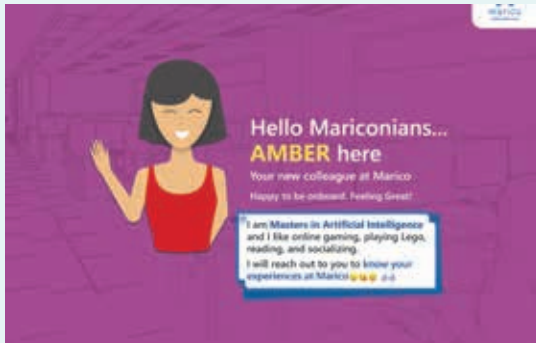
Keeping in mind the steady increase in operating cash flows and in an endeavour to maximise the returns to its shareholders, the Company increased its dividend payout during the year to 425% as compared to 350% during FY2017. The overall dividend payout ratio was 78% of PAT as compared to 64% during FY2017. Subject to its fund requirements towards inorganic growth, working capital and capacity creation, the Company shall endeavour to maintain a dividend payout ratio at ~60-65% in the medium-term.

HUMAN RESOURCES

Talent and culture are among the five key transformational areas to make Marico future ready. Over the last year, we have taken several initiatives in this direction, the key highlights of which are presented below:

Building depth of talent across levels is a thrust area to build capability for business. We continue to institutionalise the career architecture, and functional and behavioural competencies as the anchors for our talent development initiatives. After articulating the frameworks that outline the competency levels required for successful performance in different roles, we have started a **Competency Discussion Process**. This process enables members to create a focused Personal Development Plan to accentuate their strengths

and address the competency gaps after receiving holistic feedback on all competencies mapped to the role. This process is supplemented by a robust **Talent Review** process to take talent decisions, assess depth of talent across the functions and businesses and identify critical areas for functional competency development.



We have adopted **Accelerated Learning (AL)** techniques, which enable better and faster, post-training, on-the-job application. Leveraging AL, we have now designed and deployed functional training modules on topics such as Shopper Marketing, Category Management, Safety Training, etc. Friday Learning, a unique virtual training series, was launched to train the frontline field force, including the distributor workforce. Using the Train the Trainer approach and a combination of instructor-led videos, quizzes and other learning games, frontline sales personnel were trained on core sales topics.

We continue to strengthen **Automation** and the **Digital** footprint in Human Resources. Membrain is now established as Marico's integrated talent management digital suite covering members' lifecycle in the organisation. We have deployed Artificial Intelligence (AI) for enhancing member experience and taking real-time feedback. Amber and Maricognize Bot are some of the AI-based initiatives undertaken last year. **Amber** is our CEO's personal digital assistant who connects with new members at predefined milestones throughout their tenure in Marico. She listens to them by inviting them to share their experiences, feedback and suggestions to make Marico a better workplace. Through the **Maricognize Bot**, we have successfully integrated our social rewards and recognition platform Maricognize at the workplace. With the Kudos Bot and its 'workplace-first' approach, we have enabled members to give out top-down and peer-to-peer recognitions publicly, globally and spontaneously.

In our endeavour to make Marico future ready, we implemented progressive practices such as **Experiential Rewards** and **Disconnect to Connect**. These initiatives were launched as part of winning ideas from the **Innovation Jam 4**, our initiative to crowdsource ideas from Marico members. **Experiential Rewards** is part of Maricognize, our social recognition program.

New and coveted CXO Rewards were added to Maricognize 2.0 wherein CXOs appreciate and reward members every quarter for exemplary performance, out-of-the-box thinking and being institutional. The reward is a box with a series of experiences that they can enjoy and cherish. **Disconnect to Connect @Marico** is aimed towards aiding members to disconnect from devices during meetings, become more mindful and connect with what matters in the moment. The objective is to enable members to leverage devices (mobile phones, laptops, tablets, etc.) for enhancing productivity and dissuade them from using them to enable meaningful conversations during meetings.

We continue to engage with **lateral and campus talent** through LinkedIn, Instagram and Over the Wall, our flagship campus engagement programme on Marico Campus Connections (on Facebook). To enhance our campus connect, we started **Marico's JAM Sessions** – a new and unique programme wherein our Senior Leaders from the Marketing function visit Premiere B-schools and conduct JAM Sessions with the students, helping them discover how the most loved brands go about creating a clear, unique and advantageous position in people's minds. **Operations Bootcamp** aims to build students' perspectives on what they can expect when they select a career in the Operations function in an FMCG firm. The Bootcamp includes knowledge sharing sessions and interactions with Marico's senior leaders in the Supply Chain function and a visit to Marico's factories and 3P locations using **Virtual Reality Technology**. The students get a realistic 3-D view of all the manufacturing processes, right from raw material handling to finished goods in this virtual tour.

Our initiatives and efforts over the last few years have won us quite a few accolades. We are proud to share that:

1. 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 (Ranked 40 across industries)
2. Marico is ranked No. 8 in the Manufacturing industry in the 2018 Great Place to Work Study
3. Marico is among Top 100 Best Companies for Women and Working Mothers as per 2017 study conducted by Working Media & AVTAR
4. Marico was listed in Jombay's Top 50 People Capital Index (PCI) companies. Jombay is one of the fastest growing Talent Assessment and Capability Building companies. PCI is an indicator (or a measure) of employee perception on how well the organisation is developing their people capital and is inspired by the Human Capital Index published by the World Economic Forum for different countries.

Talent and culture will continue to be important pivots for Marico to scale business and create

a future-ready organisation while focusing on preserving the founder's mentality. Our focus over the next few years would be on the following strategic areas:

1. Developing Leadership Talent
2. Strengthening Culture of Performance, Collaboration and Innovation
3. Robust Talent Management
4. Creating a Future-ready Organisation

INFORMATION TECHNOLOGY AND DIGITAL

Marico continued to progress on its roadmap of using Digital, Analytics and Automation opportunities to deliver a better and integrated experience to its consumers, associates and employees.

CONSUMER ENGAGEMENT INITIATIVES



Your Company increased the use of Digital as a media platform significantly in the current year, with more brands having their presence through online, social and mobile media as well as through the use of programmatic buying. The use of Digital in the total mix is now in double digits in percent terms as compared to last year.

The Company continued to reinforce category leadership through engagement platforms.

Saffola FitFoodie platform, the health platform for Saffola Foods recorded a reach of 1.26 million. A tie-up with the **RevoFit** platform during the Saffola World Heart Day also helped increase the engagement. Marico also announced the acquisition of stake in the RevoFit platform at the end of the year. It is a digital wellness platform that helps health-conscious consumers build healthy habits, track and manage their nutritional intake, provide guided workouts with celebrity

fitness trainers and easy-to-cook recipes from India's leading Masterchefs and will also enable delivery of health- and fitness-related food supplements and accessories. This is a great fit to the existing fitfoodie.in platform and both will be API-integrated in future to help drive a new Digital Business Model for consumer engagement.

A content platform, www.HairSutras.com, which was launched last year, recorded a reach of 2.09 million. The HairSutras platform helps rediscover the ancient and timeless care secrets for gorgeous hair in this fast-paced world.

The Company also introduced digital devices to drive engagement. A sensor-based Sound of Skin device was used to drive tactical activation drives amongst consumers for Parachute Advanced Body Lotion in malls in the winter season. Similar experiments will be scaled up in the coming year.



PROCESS-LED INITIATIVES

Your Company migrated its internal and external systems to work with the new GST regime within the deadline, in order to meet the new rules of compliance and also harness the opportunities presented through **Analytics-led Network Optimisation**.

The Company also scaled up its sales supply system to cater to the high-growth modern trade and e-commerce segment channels. The **Supply Chain Planning System** was revamped to take care of the smaller batch sizes, freshness index and quick supply to these channels. A **future-ready mobile TSOE application** was rolled out to give information to the TSOs / TSEs on their fingertips. An On-the-go-Mobile Training cum assessment module helped the field force access new training materials easily, which was facilitated by the ease of data access now available through 4G networks.

Your Company also harnessed **geo-tags** and route **optimisation analytics** to rationalise the sales routes and improve salesman productivity. **Geo-tagging** in van routes along with **Rural Mobile App** in rural areas also helped improve

effectiveness of van deliveries, field force tracking and payouts.

The Company also harmonised the sales and supply processes in Marico Bangladesh in line with the initiatives rolled out in Marico India.

AI-led **Robotic Process Automation (RPA)** was also piloted during the year and is now being rolled out in Finance, Procurement and HR-led processes to begin with. This is expected to bring about process efficiency and improve accuracy.

Exception-led Analytics in the area of certain class of spends led to better control and visibility in the internal audit of such areas.

A new **Manufacturing Information and Intelligence** platform integrated with the sensors in production and non-production processes was implemented in two of the Company's plants, which gave significant visibility in the form of real-time event monitoring through Descriptive Analytics Dashboards and helped improve overall effectiveness.

A **Farmer Outreach Programme** helped improve ease, transparency and visibility to the bidding process in Copra Collection centres. Along with Kalpvriksha, the new farmer platform, it improved the Company's connect with its farm suppliers.

EMPLOYEE INITIATIVES

Augmented Reality (AR) based training modules, **SAP SuccessFactors**-led integrated HR platform and **AI-led** chatbot applications and employee mood tracker were launched and scaled up. These have been described in detail in the earlier sections of this report.

FUTURE

The Company will continue to focus on Analytics- and Automation-led initiatives which help drive consumer and customer experience, boost sales growth and efficiency and improve employee engagement.

OUTLOOK

Over the medium-term, Marico aspires to be an admired emerging market MNC with leadership in the two core categories of nourishment and male styling in the following regions—South Asia, South East Asia, Middle East and North Africa and South Africa. Marico plans to meet this aspiration by seeking to win amongst consumers, trade and talent. Towards this goal, the Company has identified five areas of transformation where it will develop top-quartile capability, processes and execution excellence ahead of growth: **Innovation, GTM Transformation, Talent Value Proposition, IT and Analytics and Cost Management.**

This strategy will be executed synergistically under the 'One Marico' umbrella. As the Company scales up, it has to maintain a delicate balance between its entrepreneurial way of working while continuing to strengthen governance and processes. The Company's focus will be on creating winning brands, winning culture and a winning talent pool to create a virtuous cycle of great talent and an enabling culture propelling innovation-driven growth.

MARICO INDIA

As the Company enters FY2019, there is a backdrop of two macro factors:

- ▶ Inflation in key commodities
- ▶ Monsoon

With this backdrop, the Company is targeting 8-10% volume growth and healthy market share gains, backed by increased investment in its core portfolio, aggressive new product launches, distribution expansion, judicious pricing and tighter cost management. The cost push and increased ASP investment would mean that the operating margins may stay at 20%+ levels, like in FY2018. In Parachute Rigids, the Company aims to grow volumes in the range of 5-7% in the medium-term. With the hyperinflation in copra witnessed through the year, the Company has already taken price increases aggregating to ~22% this year. The Company may evaluate the need for any further increases if the prices continue to stay firm. In the Value-added Hair Oils space, the Company aims to growing this franchise at a double-digit volume growth on the back of growth in core portfolio, the drive towards premiumisation and scale-up of new launches.

➤ **In Parachute Rigids, the Company aims to grow volumes in the range of 5-7% in the medium-term**



While Saffola had a tough year, it is likely to revert to a healthy growth trajectory in the near term on the back of focused marketing and sales promotion initiatives. In the medium-term, the Company expects to get back to double-digit volume growth in this category. In the Healthy Foods franchise, the Company will innovate aggressively to cater to the consumer need of tasty and healthy options and in the process maintain the healthy double-digit value growth momentum from this year. Investment in Revofit is expected to enhance our ability to improve engagement with the health-seeking digital consumer. We expect to continue on the recovery path in the Leave-in Serums and Male Grooming portfolios and build it into a growth engine for the future. The Company will also gradually create dedicated premium product offerings suited for modern trade and e-commerce channels to continue aggressively growing in these channels. The Company's GTM strategy will be focused on improving the width and depth of its distribution. Strategic initiatives in sales and supply chain will aim at ushering in efficiencies in selling and GTM. The Company will renew its efforts towards enhancing its GTM capabilities in salons, pharmacy chains, cosmetics and specialty food outlets. 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 the capability in e-commerce and salons over the medium-term. We are aggressively investing in the e-Commerce business and expect it to contribute ~2% of the India business by FY2019.

MARICO INTERNATIONAL

Over the last three years, the Company has systematically invested in the core international markets to strengthen both the brands and the organisational capability to handle growth. The Company is confident that each of these markets is well-poised to capitalise on the market opportunities. The business in Bangladesh had a promising year and is likely to continue the momentum as the medium-term macro prospects look promising. Therefore, the Company will continue to invest in brand building, GTM transformation and will diversify beyond Coconut Oil within its stated strategy. As a market leader, the Vietnam business will invest in reigniting the male shampoos category and foster excellence in sales and distribution systems. Myanmar and the rest of South East Asia are the new growth engine for the future. In the MENA region, the Company

will focus on getting its basics right by judiciously investing in brands and GTM initiatives. The South African business will leverage the new acquisition of Isoplus to gain scale and grow profitably. The Company will continue to invest in developing new countries and scale the business profitably. We expect to clock an organic top-line growth of 12-15% in constant currency in the near to medium-term. We aim to maintain the guidance of 16-17% operating margins over the medium-term. With considerable room for organic growth in the business, the Company will only be opportunistic with respect to acquisitions, which may either be immediately value accretive due to operating leverage or enable consolidation of leadership in existing categories.

MARICO CONSOLIDATED

The Company will aim at a volume growth of 8-10% and a topline growth of ~15% plus (depending on inflation) in the medium-term. The Company will focus on the following growth pivots:

- ▶ Grow the core of Parachute coconut oils, Saffola Edible Oils and Hair Oils in India and overseas
- ▶ Premiumise the leave-in hair nourishment play
- ▶ Nurture new growth engines of healthy foods and male grooming
- ▶ Disproportionately grow modern trade and e-commerce businesses
- ▶ Leverage the distribution play in Bangladesh to rapidly scale up in that market across chosen categories

Market growth initiatives in core categories and expansion into adjacent categories will be supported by investments in ASP in a band of 10-11% of sales with focus on brand building. 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. The Company will aggressively drive efficiencies in A&P spends, sales and marketing spends and all other costs to extract savings that will be redeployed towards igniting profitable growth.

Marico believes that social, environmental and economic values are interlinked and we belong to an interdependent ecosystem comprising Shareholders, Consumers, Associates, Employees, Government, Environment and Society. Our stated purpose is to 'Make a Difference' by ensuring a positive impact of our existence on all stakeholders. A firm has to work closely with its ecosystem to create a sustainable and inclusive growth for all. We have a focused approach in identifying sustainability goals in line with our business strategy and purpose. Corporate Social Responsibility (CSR) initiatives are an integral part of our sustainability efforts and Marico is committed to making a sustainable impact on the society.

➤ In the International business, we expect to clock an organic top-line growth of 12-15% in constant currency in the near to medium-term

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 insighting to adapt to changing preferences. The Company also actively watches the social media trends to spot early trends in consumer preferences. Marico has also introduced 'Mariscope', a consumer connect initiative for its members. With Mariscope, the Company wishes to move a step closer towards understanding its consumer base, knowing them better and strengthening relationships. The initiative of www.HairSutras.com is also aimed at keeping the hair-oiling habit relevant.

INPUT COSTS

Unexpected changes in commodity prices can impact margins. The past 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. Your Company's brands enjoy a significant equity with its consumers and thus holds adequate purchasing power. Your Company has also been investing behind significantly enhancing its forecasting capabilities. The initiative of Kalpavriksha, which aims at doubling the income of coconut farmers over the medium-term, will help supply assurance for the key commodity, which is copra.

MACROECONOMIC FACTORS

In situations of economic constraints, items that 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 in Value-added Hair Oils is an attempt in this direction. Portfolio diversification, which is one of the pivots of future.

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. It also moderates its growth aspirations depending on the geopolitical scenario.

COMPETITION

Increase in the number of competing brands in the marketplace, counter campaigning and aggressive pricing by competitors have the potential to create a disruption.

In the last few years, Marico has entered categories such as mass skin care, healthy foods, hair styling, post-wash leave-in conditioners, deodorants and hair colours where the competitive intensity is relatively higher as 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 their needs. With this approach, the Company expects to win and retain its consumer franchise. The Company also focuses on protecting volumes in preference to short-term profitability. Further, the Company focuses on being nimble-footed so that scarce resources can be deployed towards brand building and sales infrastructure. Finally, the Company is committed to investing commensurate resources for brand building to build a moat against the competitive threat.

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 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. The Company has also upped its efforts to identify and invest behind big-ticket new ideas in its chosen categories for driving growth.

FOREIGN CURRENCY EXPOSURE

Marico has a significant presence in Bangladesh, South East Asia, Middle East, Egypt and South Africa. The Group is therefore exposed to a wide variety of currencies such as the 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 funding inorganic growth. Changes in the 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 impose a financial burden on the parent entity or expose the Company to country-specific risks. 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. Further, the Company is more focused on organic growth. This implies that it will adopt a more opportunistic approach towards acquisitions.

PRIVATE LABELS

Expansion of modern trade can lead to the 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.

The Company invests commensurate brand-building resources to improve the saliency of its brands in the consumers' mind. This is expected to provide the necessary hedge.

TALENT ACQUISITION AND RETENTION

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

Marico invests heavily in 'hiring right' and 'talent

development and engagement'. This helps provide fulfilling careers to the members in Marico. Marico has identified having a robust talent value proposition as one of the transformation areas to drive sustainable growth over the long run. A detailed update has been provided in earlier paragraphs.

COMPLIANCE

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

Over the years, Marico has built a high-governance culture across the organisation with appropriate policies, processes and controls. 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 an adequate monitoring mechanism is 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

➤ **Marico has been able to integrate its acquisitions with the mainstream with focus on talent and 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 robust internal audit and review system
- ▶ A robust framework on Internal Financials Controls (IFC)
- ▶ An effective whistle-blowing mechanism
- ▶ Orderly and efficient conduct of business, including adherence to policies
- ▶ Safeguarding of its assets
- ▶ Prevention and detection of frauds

For listed companies, the requirement is to have an IFC framework in place and ensure operating effectiveness of controls. Marico India developed an 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 the management and later audited by the statutory auditors. Your statutory auditors have given a clean report after checking the effectiveness of controls.

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, such as 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 six years. The work of internal auditors is coordinated by an internal team at Marico. This combination of Marico's internal team and the expertise of a professional firm ensures independence as well as effective value addition.

The management believes that strengthening IFC is a continuous process and therefore, it will continue its efforts to make the controls smarter, with a 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, an IFC framework has already been implemented in Marico Bangladesh Limited, your Company's largest subsidiary.

➤ **The management believes that strengthening IFC is a continuous process and therefore, it will continue its efforts to make the controls smarter**

INTERNAL FINANCIAL CONTROLS (IFC)

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

- ▶ Accuracy and completeness of accounting records

Business Responsibility Report for 2017-18

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Making the journey to health easy, enjoyable & effective

No.	Particulars	Company Information
1	Corporate Identification Number (CIN) of the Company	L15140MH1988PLC049208
2	Name of the Company	Marico Limited
3	Registered Office & 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 31.03.18 (FY 2017-18)
7	Sector(s) that the Company is engaged in (industrial activity code-wise)*	Edible Oils – NIC Code 10402 Hair Care – NIC Code 20236 * Represents the business activities contributing 10% or more of the total turnover of the company
8	List three key products/services that the Company manufactures/ 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 5) (b) Number of National Locations	a) International locations: - Bangladesh, UAE, Egypt, Vietnam and South Africa b) National locations: - Corporate Office: Mumbai - R&D Center: Mumbai - Manufacturing Units: Puducherry, Kanjikode, Perundurai, Jalgaon, Paonta Sahib, Guwahati and Baddi - Regional Office: Delhi, Mumbai, Kolkata and Hyderabad
10	Markets served by the Company	- India through domestic operations - Exports are done to other countries such as Singapore, Malaysia, Nepal, Canada and the USA.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

No.	Particulars	Company Information
1	Paid up Capital as on 31.3.18	1,290,864,398 equity shares of Re. 1 each aggregating to INR 1,290,864,398
2	Total Turnover	INR 5,181.3 crores
3	Profit after Tax	INR 718.2 crores
4	Total Spending on Corporate Social Responsibility (CSR) a) in INR b) As a percentage of Average Net Profit of the Company for the last 3 financial years:	a) INR 16.53 Crores b) 2.03%
5	List the activities, in which expenditure in 4 above, has been incurred	Major areas in which the aforementioned expenditure has been incurred include the following: i. Scalability of Social Organizations ii. Community Development iii. Education iv. Health Care v. Livelihood enhancement vi. National Emergency & Disaster Relief

SECTION C: OTHER DETAILS

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

Yes

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Yes. One subsidiary company participates in BR initiatives of Marico Limited.

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

Yes. Marico actively encourages its associated entities to adopt BR initiatives. Currently less than 30% of the associated entities participate in BR initiatives of Marico.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION**1. Details of Director/Directors responsible for BR**

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

No.	Particulars	Details
1	DIN Number	05251806
2	Name	Mr. Saugata Gupta
3	Designation	Managing Director & CEO

- b. Details of BR head:

No.	Particulars	Details
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 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? Is 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/Marico_CoC.PDF 2. http://marico.com/investorspdf/CSR_Policy_(1).pdf 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	N	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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within 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 Business Responsibility (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 Report Committee (“the BRR Committee”)/the Sustainability Committee is constituted by the Board of Directors of the Company to assist the Managing Director & CEO, who is the Director responsible for ensuring the Business Responsibility/Sustainability activities of the Company. The BRR Committee is headed by the Chief Supply Chain Officer and comprises of three more Senior Managerial Personnel of the Company. The BRR Committee reviews the Business Responsibility and Sustainability 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 it is published?	Marico publishes Business Responsibility Report as well as the Sustainability report on annual basis. Marico will be publishing both the reports for the year ending on 31.03.2018 (FY 2017-18).

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 and associates. The Code sets out principle guidelines to be followed by all members (employees) and associates (distributors, consultants, vendors, suppliers, third party manufacturers etc.) of Marico.

Members of Code of Conduct Committee (CCC)

Question	Information
1	Chief - Business Process Transformation & IT
2	Chief Financial Officer
3	Head - Organization Development & Governance
4	Company Secretary & Compliance Officer
5	External Consultant

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/Contractors/NGOs /Others?	The COC policy provides guidelines on ethics, bribery and corruption to be abided by all the members of the group. It is mandatory for all Marico members (employees) to undergo the COC course. The MCOBE policy provides guidelines on ethics, bribery and corruption to be abided by the associates. The guidelines are communicated to most of our key associates like vendors, 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.	<p>Marico has taken significant steps to ensure that our members and associates 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 organization.</p> <p>In the financial year 2017-18, the company has received 20 complaints as follows:</p> <ul style="list-style-type: none"> • Quarter 1: 4 • Quarter 2: 5 • Quarter 3: 1 • Quarter 4: 10 <p>The Company satisfactorily resolved 75% of the registered complaints. It continues to investigate into the remaining cases through internal as well as independent external investigation agencies.</p>

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

Green Manufacturing is the vision that is at the heart of Marico’s environmental stewardship. The Company commitment is to ensure compliance with relevant standards of environment, health and safety commencing at the product design stage itself, and is extended to the entire life cycle of the product.

Information with reference to BRR framework:

No.	Question	Information																								
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. (a) . (b) . (c) .	<p>1. Parachute 2. Saffola 3. Nihar Shanti Amla</p> <p>The Life Cycle Assessment (LCA) study was carried out for the Saffola brand a year back to understand the product impacts in the entire value chain and obtain comprehensive information of the product ecological footprint. Further the LCA study is also planned to be carried out for the Parachute brand in the coming financial year.</p> <p>Through all the three brands, the Company has taken social relevant initiatives leading to social value and livelihood creation.</p> <p>1. Parachute – Kalpavriksha Program 2. Saffola – Saffolalife Healthy Lifestyle 3. Nihar Shanti Amla – Chotte Kadam Pragati Ke Aur</p>																								
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) 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, water) has been achieved since the previous year?	<p>The Company follows a series of Environmental Performance Indicators to monitor its efforts for sustainable use of natural resources in its operations. The Company is committed to conservation and optimal utilization of all resources.</p> <p>Resource Consumption:</p> <table border="1"> <thead> <tr> <th>SL. No</th> <th>Parameter</th> <th>Unit</th> <th>FY2017-18</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Energy Consumption</td> <td>GJ/KL of product manufactured</td> <td>1.50</td> </tr> <tr> <td>2</td> <td>Water Consumption</td> <td>m3/KL of product manufactured</td> <td>0.98</td> </tr> </tbody> </table> <p>a) Reduction achieved during production since baseline year The Company has aligned its sustainability efforts over the years and consequently the goals with measurable targets were set to be achieved by 2022 against FY2012-13:</p> <table border="1"> <thead> <tr> <th>SL. No</th> <th>Parameter</th> <th>% reduction from FY2012-13</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Energy Intensity</td> <td>31%</td> </tr> <tr> <td>2</td> <td>Water Intensity</td> <td>21%*</td> </tr> <tr> <td>3</td> <td>GHG Intensity</td> <td>54%</td> </tr> </tbody> </table> <p>+ FY2013-14 baseline year</p> <p>b) Reduction during usage by consumers Not applicable.</p>	SL. No	Parameter	Unit	FY2017-18	1	Energy Consumption	GJ/KL of product manufactured	1.50	2	Water Consumption	m3/KL of product manufactured	0.98	SL. No	Parameter	% reduction from FY2012-13	1	Energy Intensity	31%	2	Water Intensity	21%*	3	GHG Intensity	54%
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2	Water Intensity	21%*																								
3	GHG Intensity	54%																								
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.?	<p>The Company endeavors to integrate sustainability in the procurement of its products and services. The Marico’s Responsible Sourcing (MARS) policy instituted a year back forms the tenet of all procurement. The guideline rests on 3 pillars of responsible sourcing - ethical, social and environmental responsibility. Every supplier of Marico is required to adhere to these principles. The Company pursuit is to continuously increase the share of our procurement in compliance to MARS policy. Presently the Company has identified critical material supplier categories and initiated to communicate the Marico Responsible Sourcing (MARS) requirements. The Company has taken a target to certify 20% of Marico critical suppliers for level 1 criterion by 2022.</p> <p>Further as many of Marico’s raw materials are agricultural commodities, the Company engages or enables interventions which are win-win for the farmer & Marico. The initiatives drive to improve the farmers’ wellbeing and delivering uninterrupted supply to Marico. These initiatives are directed for Coconut and safflower production in India.</p>																								

No.	Question	Information
2.4	Has the company taken any steps to procure goods and services from local & 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?	<p>Yes, the Company works closely with the local farmer community. Therefore, driving consistent initiatives to improve the farmers' well-being is a prime motive behind the efforts.</p> <ul style="list-style-type: none"> • KALPAVRIKSHA program: the program was established on 2017 World Coconut Day and is aimed to create a positive impact on coconut farming income and make difference to the farmer lives. Under this program, the Company provided training based on scientific management practice & supported farmers by addressing their farming issues. About 2681 farmers are enrolled and benefited under this program in FY2017-18. • Safflower extension program: The Company has conducted various programs like seed development and propagation, promoting high yielding varieties, field demonstration of scientific farming techniques, Kisaan Mela, jeep campaigns, pre-sowing farmer training workshops in order to promote safflower cultivation and aid productivity improvement.
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.	<p>As the company sells consumer goods, it is difficult to reach to the end consumers to enhance the recycling process of products. However, the Company has a well-defined policy to take-back products which have expired or found with some packaging defects in order to recycle them to best possible extent.</p> <p>All the operations of Marico have established waste management systems. Presently <5% of waste is recycled.</p>

Principle 3: Business should promote the wellbeing of all employees.

The Company considers human resource as the most valuable asset and essential for persistent growth of business. Marico's Code of Conduct provides guidelines for employee well-being related to participation, freedom, gender equality, good environment and harassment free workplace. A strong mechanism is in-place for deployment of guidelines and grievance redressing mechanism.

We give emphasis on capability building of the personnel based on job/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.	Question	Information : as on 31.3.2018		
3.1	Please indicate the Total number of employees	1665		
3.2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	27		
3.3	Please indicate the Number of permanent women employees.	191		
3.4	Please indicate the Number of permanent employees with disabilities	1		
3.5	Do you have an employee association that is recognized by management?	Yes		
3.6	What percentage of your permanent employees is members of this recognized employee association?	10%		
3.7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Complaints	Filed	Resolved
		Child Labour / Forced labour	0	0
		Child Labour / Forced labour	0	0
		Sexual Harassment	0	0
		Discriminatory employment	0	0

No.	Question	Information : as on 31.3.2018	
3.8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Employee Categories	% trained on Safety & Skill Upgradation(*)
		a) Permanent employees	100%
		b) Permanent women employees	100%
		c) Contract employees	100%
		d) Employees with disabilities	100%
3.5	Do you have an employee association that is recognized by management?	Yes	

* 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 marginalized.

Information with reference to BRR framework:

No.	Question	Information
4.1	Has the company mapped its internal and external stakeholders? Yes/No	Yes. Marico has mapped its stakeholders as a part of the stakeholder's engagement process. The Company engages with its internal and external stakeholders through a constructive consultation process.
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes, Marico identifies communities around the manufacturing facilities focusing on women, children and small farmers as disadvantaged, vulnerable & marginalized stakeholders. The Company works towards betterment of these stakeholders 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 marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	<p>Marico makes conscious efforts for the disadvantaged, vulnerable and marginalized stakeholders residing in close proximity of the production units. The Company deploys need based community programs in the areas of education, health, skill development, sanitation, livelihood improvement. Some of the initiatives taken during the financial year are:</p> <ul style="list-style-type: none"> • Providing access to toilet and sanitation in rural households • Skill development through vocational trainings to youths and women's • Education for underprivileged girls and boys • School infrastructure support like benches, library, education kits • Health camps like dental check-up, eye check-up, oral hygiene, blood donation camps etc.

Principle 5: Businesses should respect and promote human rights.

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?	The Company COC and MCOBE cover the guidelines on human rights and are applicable to all members and associates of Marico group.

No.	Question	Information
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company did not receive any complaints with regard to human rights violation in the FY2017-18.

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

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.	The Sustainability Policy instituted by the Company is focused on nurturing and safeguarding the environment for sustainable business. It extends to all the stakeholders the Company deals with which include suppliers, contractors, NGOs and others.
6.2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	Yes, Marico has aligned the sustainability efforts to the global agenda of Sustainable Development Goals (SDGs) and has taken a very specific and focused approach within the parameters of the Company business operations. http://marico.com/india/make-a-difference/sustainability . The Company focuses to create value with brands and products that consumers prefer, while at the same time, conserve resources, protect the environment, and improve social conditions for those who need it most.
6.3	Does the company identify and assess potential environmental risks? Y/N	Yes. The Company has mechanism in-place to identify and assess potential environmental risks. All manufacturing unit conducts internal/ external audits and assessments to identify controllable/uncontrollable scenarios of the operations. Any deviation from laid-down policy and procedure are tackled and reviewed by effective procedures of corrective action.
6.4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No. The Company does not have project related to Clean Development Mechanism.
6.5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc..	<p>Yes, the Company has undertaken initiatives on clean technology, energy efficiency and renewable energy. Some of the initiatives are highlighted below:</p> <ul style="list-style-type: none"> • Use of agro-based fuel for thermal energy generation • Reduction on dependency on diesel, furnace oil with a focus to shift to clean fuel • Energy efficiency initiatives include - implementing energy efficient lighting fixtures, power factor correction capacitor banks, boiler efficiency improvement, retrofitting high efficiency motors and installation of variable frequency drives at all manufacturing units • The Perundurai unit operated on 100% wind energy • Opportunities in the field of solar power are being implemented like solar street lights, rooftop solar at our operations <p>The details of these initiatives in detail and with relevant case studies will be shared in Sustainability report FY2017-18.</p>

No.	Question	Information
6.6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, the Emissions/Waste generated by the Company is within the permissible limits given by CPCB/SPCB for the FY2017-18.
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.

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).	<p>Marico is associated with the following associations –</p> <ol style="list-style-type: none"> 1. AIFPA (All India Food Processors Association) 2. AFSTI Mysore & Mumbai (Association of Food Scientists and Technologists, India) 3. FICCI /CIFTI (Federation of Indian Chambers of Commerce and Industry)/(Confederation of Indian Food Trade and Industry) 4. NSI (Nutrition Society of India) Mysore & Mumbai chapter 5. All India Association of Industries 6. Indian society of cosmetics chemists (ISCC) 7. Ayurvedic Drug Manufacturers Association (ADMA) 8. India Home & Personal Care Industry Association (IHPCIA) 9. Central Food Technological Research Institute (CFTRI) 10. National Institute of Nutrition (NIN) 11. Department of Scientific and Industrial Research (DSIR) 12. Institute of Chemical Technology (ICT) (formerly known as UDCT) 13. Protein Foods and Nutrition Development Association of India (PFNDAI) 14. Indian Beauty & Hygiene Association (IBHA) 15. Tamil Nadu Agricultural University (TNAU) 16. Indian Agricultural Research Institute (IARI) 17. Solvent Extractors’ association (SEA) 18. Consumer guidelines society of India (CGSI) 19. Indian Merchant Chambers (IMC) 20. Confederation of Indian Industry (CII) 21. International Market Assessment India Private Limited
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, Others)	<p>Marico is associated with above institutions with an intention of mutual learning and contribution in development of processes. The Company contributes in development of Industry and government bodies in regulatory, operational and other areas by working along with these institutions. Food safety, consumer awareness is some of the areas where Marico has participated.</p>

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

Information with reference to BRR framework:

No.	Question	Information
8.1	Does the company have specified programs/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	<p>Yes, the Company have programmes/initiatives/ projects in pursuit of the policy related to Principle 8.</p> <p>Marico Innovation Foundation (MIF) aims to nurture innovation in India across the business and social sectors alike. Through its sector agnostic programs, the foundation works closely with organizations that are innovative and impactful and have the potential to bring change and add value to overall growth of the nation. Further the Company has specified programmes in pursuit of the CSR policy focusing on education, health care, community sustenance and innovation. The manufacturing units focus on the community development in the vicinity of Company operations. Brief particulars of the CSR initiatives undertaken by Marico in FY2017-18 are provided in the Sustainability section of this Annual Report.</p>

No.	Question	Information
8.2	Are the programs/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	<p>The Company through the MIF Scale Up program works with 'For Profit' and 'Not For Profit' organizations and is sector agnostic. It focuses on the innovative ideas and the impact an organization wishes to achieve. MIF's Scale-up program aims to help young 'innovative' organizations.</p> <p>The manufacturing teams take up the community development initiatives directly or in partnership with non-profit organizations. The initiatives undertaken in FY2017-18 either directly or in with NGOs includes Farm pond development, Dam De-silting, "Chotte Kadam Pragati ke Aur", Eco-toilet, Sakshar Beti, Check dam creation etc. Marico also works closely with FSSAI in a school contact program in urban and rural India.</p>
8.3	Have you done any impact assessment of your initiative?	For creating 'scalable and sustainable impact' by solving the critical business challenges faced by an organization, MIF measured the impact of Atomberg Technologies and Zaya Labs. Other initiatives like Saffolalife, Nihar Shanti Amla and Mobile Pathshala have gone through continuous monitoring process to ensure the impact. Also, internal teams at the manufacturing units evaluate the community development initiatives on a periodic basis. Details of the impact measured are mentioned in the Sustainability section of the annual Report.
8.4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Marico has spent overall INR 16.53 Crores for community development activities. Brief particulars of the CSR initiatives undertaken by Marico in FY2017-18 are provided in the Sustainability section of this Annual Report.
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 organizations. This helps in increasing reach as well as ensuring the adoption of initiative by communities. The CSR projects have been constantly evaluated to ensure maximum impact. 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.

It is a continuous endeavor of Marico to educate consumers on good lifestyle. Marico promotes good living habits and knowledge about health through the initiative "Saffola Life". The Company works with people as well as Government and private agencies to create awareness about hygiene and product regulations.

The Company believes that consumer opinion, concerns and inquiries communicated are important sources of information. Hence, the Corporate Quality team consciously makes efforts to cater to all consumer concerns. 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.

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.	There are 3 consumer cases pending as on the end of financial year ended on 31 Mar 2018.
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)	Yes, Marico adheres to all the applicable regulations regarding product labeling and displays relevant information on it. Additional information about the product is displayed over and above the mandated law wherever applicable.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior 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 31 Mar 2018.
9.4	Did your company carry out any consumer survey/ consumer satisfaction trends?	<p>Yes, Consumer satisfaction is important for the Company business sustenance. Marico connects with consumers through multiple touch points. A survey is conducted with sample consumers to understand the product quality feedback by Corporate quality team.</p> <p>The Company has also established a process of Consumer Complaint Management system ISO 10002. This helps in systematic resolution of all complaints and helps in improving consumer delight.</p>



STATUTORY REPORTS

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BOARD'S REPORT

To the Members,

Your Board of Directors ("Board") is pleased to present the Thirtieth Annual Report of Marico Limited ("Marico" or "the Company" or "your Company"), for the financial year ended March 31, 2018 ("the year under review" or "the year" or "FY18").

In compliance with the applicable provisions of 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, 2017 to March 31, 2018 and upto the date of the Board meeting held on June 28, 2018 to approve this report, 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

Particulars	₹ in Crore)	
	Year ended March 31, 2018	Year ended March 31, 2017
Consolidated Summary for the Group		
Revenue from Operations	6,333.09	5,935.92
Profit before Tax	1,117.02	1,148.70
Profit after Tax	827.45	810.97
Marico Limited – Revenue from Operations	5,181.32	4,868.88
Profit before Tax	953.73	1,141.72
Less: Provision for Tax for the current year	235.50	299.02
Profit after Tax for the current year	718.23	842.70
Other Comprehensive Income for the current year	(0.48)	(1.18)
Add: Surplus brought forward	2,266.21	1,933.31
Profit available for appropriation	2,983.96	2,774.83
Appropriations: Distribution to shareholders	548.58	451.59
Tax on dividend	87.26	57.03
	635.84	508.62
Surplus carried forward	2,348.12	2,266.21

REVIEW OF OPERATIONS

During FY 18, Marico posted revenue from operations of INR 6,333 Crores, a growth of 7% over the previous year. Volume growth for the year was at 1.3%. The value growth was led by price increases taken in the Coconut Oil portfolio to counter the significant input cost push during the year. The business delivered an operating margin of 18% and reported a bottom line of INR 814 Crores, a growth of 2% over the last year.

Marico India, the domestic FMCG business, achieved a turnover of INR 4,969 Crores in FY18, a growth of 9% over the last year. Volume growth for the year was 1.5%. The value growth was led by price increases in the Coconut Oil portfolio. Annual volume growth this year was dampened by destocking in trade prior to GST implementation, which led to a sharp volume decline across portfolios in Q1 FY18, and a subdued year for Saffola Edible Oil. The operating margin for the India business was at 21.3% (before corporate allocations) versus 24.3% in FY17. Lower operating margins can be attributed mainly to gross margin contraction on account of the severe input cost push during the year.

During the year, Marico International, the International FMCG business, posted a turnover of INR 1,364 Crores, a growth of 1% over the last year. The business reported a 9% constant currency growth (volume growth of 1%) during the year. The operating margin for the year was at 16.6% (before corporate allocations) reflecting a sustained structural shift over the last few years from levels of below 10%.

There are no material changes and commitments affecting the financial position of your Company, which have occurred between the end of the FY18 and the date of this report.

Further, there has been no change in the nature of business of the Company.

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. The Dividend Distribution Policy ("DD Policy") adopted by your Company is available on the Company's website which can be accessed using the link http://marico.com/investorspdf/Dividend_Distribution_Policy.pdf.

Based on the principles enunciated in the DD Policy, your Company's distribution to equity shareholders during FY18 comprised the following:

- First Interim Dividend of 175% on the equity base of ₹ 129.08 Crores aggregating to ₹ 225.89 Crores declared by your Board of Directors on October 30, 2017; and
- Second Interim Dividend of 250% on the equity base of ₹ 129.08 Crores aggregating to ₹ 322.69 Crores declared by your Board of Directors on February 9, 2018.

The total equity dividend for FY18 (including dividend distribution tax) aggregated to ₹ 636 Crores. Thus, dividend pay-out ratio was 78% of the consolidated profit after tax as compared to 64% in the previous year.

CHANGES IN SHARE CAPITAL

During FY18, the paid up share capital of the Company has been increased from ₹ 129.05 Crores to ₹ 129.09 Crores, pursuant to

BOARD'S REPORT

allotment of 3,93,200 Equity Shares of ₹ 1/- each under two different Employee Stock Option Schemes of the Company.

SUBSIDIARIES AND ASSOCIATE COMPANIES

A list of bodies corporate which are subsidiaries/associates of your Company is provided as part of the notes to Consolidated Financial Statements. During the year under review, M/s. MEL Consumer Care & Partners – Wind, a partnership firm in Egypt was converted in to a joint stock company and consequently became a subsidiary of your Company. Further, Bellezimo Professionale Products Private Limited ceased to be an associate company with effect from March 7, 2018.

A separate statement containing the salient features of the financial statements of all subsidiaries and associate companies of your Company (i.e. Form AOC - 1) forms part of the consolidated financial statements.

The financial statements 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 30th Annual General Meeting ("30th AGM"), as required under Section 136 of the Act. Any Member desirous of obtaining a copy of the said financial statements 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_Subsiidiaries.pdf. As per this Policy, your Company did not have a material subsidiary as on March 31, 2018.

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 the following matters

- 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 Initiative outlook, etc.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

I. Resignation of Mr. Anand Kripalu as a Director

Mr. Anand Kripalu (DIN: 00118324), Independent Director of the Company stepped down from the Board of Directors with effect from October 6, 2017 on account of his other professional commitments. The Board places on record its appreciation for the invaluable contribution made by Mr. Kripalu during his tenure with the Company as an Independent Director.

II. Appointment of Mr. Rishabh Mariwala and Mr. Ananth Sankaranarayanan as Directors

The Shareholders at their 29th Annual General Meeting (AGM) held on August 1, 2017 approved the appointment of Mr. Rishabh Mariwala (DIN: 03072284) as a Non-Executive (Non-Independent) Director and Mr. Ananth Sankaranarayanan (DIN: 07527676) as an Independent Director of the Company.

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. Rajen Mariwala (DIN 00007246) is liable to retire by rotation at the 30th Annual General Meeting and being eligible, has offered himself for re-appointment. Accordingly, the appointment of Mr. Rajen Mariwala is being placed for the approval of the Members at the 30th AGM. A brief profile of Mr. Rajen Mariwala and other related information is appended in the Corporate Governance Report.

IV. Declaration by Independent Directors

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

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules 2014.

V. Key Managerial Personnel

During the year under review, the Board at its meeting held on October 30, 2017 appointed Ms. Hemangi Ghag as the Company Secretary & Compliance Officer in place of Mr. Surender Sharma, who had resigned from the Company with effect from October 16, 2017. 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:

BOARD'S REPORT

- a. in the preparation of the annual financial statement for the financial year ended March 31, 2018, 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, 2018 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 the relevant provisions of the Act read with the corresponding Rules framed thereunder, the SEBI Regulations and the Guidance Note on Board Evaluation issued by SEBI vide its circular dated January 5, 2017, 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 and the outcome of the evaluation are explained in the Corporate Governance Report.

BUSINESS RESPONSIBILITY REPORT & SUSTAINABILITY REPORT

Pursuant to Regulation 34 of the SEBI Regulations, the Company is obliged to publish Business Responsibility Report along with its Annual Report. The Board has adopted the Sustainability Policy envisaging the broad principles that would drive the sustainability activities of the Company which can be accessed at this link <http://marico.com/make-a-difference/sustainability>.

The Board has nominated the Managing Director & CEO of the Company as the Director responsible for ensuring the Business Responsibility activities of the Company. A Sustainability Committee has been constituted by the Board to drive the sustainability activities of the Company and reviews the business responsibility and sustainability performance of the Company on annual basis. The Chief Supply Chain Officer of the Company heads the Sustainability Committee. The composition of the Committee is detailed in the Corporate Governance Report.

Your Company strives to ensure value for all stakeholders whilst growing responsibly and sustainably. Accordingly, your Company has aligned the sustainability efforts towards reducing environmental footprint and increasing positive social impact. Your Company has taken ambitious targets on increasing farmer beneficiaries, reducing energy intensity, reducing GHG emission intensity, achieving water positivity and responsible sourcing. During the year under review, the Company has made available its second Sustainability Report which is a voluntary report and exhibits your Company's approach towards sustainability. The said report has been exhibited in line with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (SRS) core guidelines. The report presents the Company sustainability performance across three pillars i.e. economic, environmental and social aspects as per the GRI SRS 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>.

AUDITORS & AUDITORS REPORT

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act, the Members at the 29th Annual General Meeting (AGM) held on August 1, 2017 had approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants, for a term of five years, to hold office till the conclusion of the 34th Annual General Meeting of the Company, subject to ratification of their appointment by the Members of the Company at every subsequent Annual General Meeting. Accordingly, your Directors seek ratification of the appointment of the Statutory Auditors for the financial year 2018-19. The Statutory Auditors have confirmed their eligibility for acting as the Statutory Auditors of the Company.

The Auditor's Report for the year ended March 31, 2018 on the financial statements of the Company forms part of Annual Report. There is no qualification, reservation or adverse remark or disclaimer in the said Auditor's Report. During the year under review, the Auditors have not reported any fraud under Section 143 (12) of the Act and therefore no detail are required to be disclosed under Section 134(3)(ca) of the Act.

COST AUDITORS

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and have them audited every year. The Board at its meeting held on May 2, 2018, based on the recommendation of the Audit Committee, approved the appointment of M/s. Ashwin Solanki & Associates, Cost Accountants, as the Cost Auditors of the Company to conduct audit of the cost records of the Company for the financial year ending March 31, 2019, at a fee of ₹ 9 lacs plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the Members at the ensuing 30th AGM. Accordingly, the matter relating to ratification of the remuneration payable to the Cost

BOARD'S REPORT

Auditors for the financial year ending March 31, 2019 is placed at the 30th AGM. The Company has received a written consent and certificate of eligibility from M/s. Ashwin Solanki & Associates.

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

SECRETARIAL AUDITOR

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, 2018, based on the recommendation of the Audit Committee, approved the 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, 2019. The Company has received a consent from Dr. K. R. Chandratre to act as such.

The Secretarial Audit Report for FY 18 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 and therefore no details are 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 Risk Management Committee ("RMC") constituted by the Board 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

Internal Financial Controls are an integrated part of the risk management process which in turn is a part of Corporate Governance addressing financial and financial reporting risks. The Internal Financial Controls have been documented, embedded in the business processes. 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. Assurances on the effectiveness of Internal Financial Controls is obtained through management reviews, self-assessment, continuous monitoring by functional heads as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

On a voluntary basis, your Company's largest overseas subsidiary, Marico Bangladesh Limited (MBL) has also adopted this framework and progress is reviewed by MBL's Audit Committee and its Board of Directors, which exhibits Marico's commitment to good governance at a group level.

RELATED PARTY TRANSACTIONS

All transactions with related parties are placed before the Audit Committee for its approval. An omnibus approval from 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 FY18 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 and the SEBI Regulations. 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 framed 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.

BOARD'S REPORT

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

Your Company has in place the Corporate Governance Committee which performs the functions of the Nomination and Remuneration Committee as mandated under the provisions of Section 178 of the Act and SEBI Regulations. The composition of the Committee is detailed in the Corporate Governance Report.

In terms of the applicable provisions of the Act, read with the Rules framed thereunder and the SEBI Regulations, your Board has in place a Policy for appointment, removal and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) and also on Board Diversity, Succession Planning and Evaluation of Directors ("NR Policy"). The remuneration paid to Directors, KMP and SMP of the Company are 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 features of this 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

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 Marico Employee Stock Option Scheme 2014 ('the Scheme') for the benefit of the Managing Director & Chief Executive Officer ('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.

During the year under review, the MD & CEO exercised 300,000 stock options vested on him. Pursuant to the exercise of stock options, the Securities Issue Committee of the Board allotted 300,000 equity shares to the MD & CEO on September 28, 2017. The perquisite value in respect of the stock option so exercised has been included as part of the disclosure on remuneration of the MD & CEO in the Corporate Governance Report. The Scheme is now closed as it was adopted for making a one-time grant of options to the MD & CEO which were fully exercised by him during the year.

• 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 Marico MD CEO Employee Stock Option Plan 2014 ('MD CEO ESOP Plan 2014' or 'the Plan') for the benefit of the MD & CEO.

The Corporate Governance Committee entrusted with the responsibility of administering the Plan had granted 46,600 stock options to MD & CEO. The said 46,600 stock options have been increased to 93,200 on account of issue of bonus equity shares by the Company.

During the year under review, the MD & CEO exercised 93,200 stock option available to him under this plan. Pursuant to the exercise of stock options, the Securities Issue Committee of the Board allotted 93,200 equity shares to the MD & CEO on March 20, 2018. The perquisite value in respect of the stock option so exercised has been included as part of the disclosure on remuneration of the MD & CEO in the Corporate Governance Report.

• 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 not exceeding 0.15 % of the issued equity share capital of the Company as on the commencement date to any individual employee.

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 B**" to this report.

As on March 31, 2018, an aggregate of 24,69,770 Options were outstanding which constitute about 0.19% of the issued equity share capital of the Company.

• Marico Employees Stock Appreciation Rights Plan, 2011

The Company had adopted Marico Stock Appreciation Rights Plan, 2011 ('STAR Plan') in the year 2011, for the welfare of its employees and those of its subsidiaries. Under the Plan, various schemes have been notified from time to time for conferring cash incentive benefit to the eligible employees through grant of stock appreciation rights (STARs). After the notification of SEBI (Share Based Employees Benefits) Regulations, 2014, approval of the Members was sought at the 27th Annual General Meeting of the Company held on August 5, 2015, for continuing implementation of the STAR Plan and schemes thereunder. The Corporate Governance

BOARD'S REPORT

Committee is the Compensation Committee for the purpose of the administration of the Plan. The Committee notifies various Schemes for granting 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, 2018 an aggregate of 17,90,530 STARs were outstanding which constitute about 0.14% of the current 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) Regulation, 2014 and SEBI Circular dated June 16, 2015 is enclosed as **"Annexure B"** and forms part of this report. Further, the Company has complied with the applicable accounting standards in this regard.

The Statutory Auditors of the Company i.e. M/s. B S R & Co. LLP, 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.

DISCLOSURES

MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Seven (7) meetings of the Board of Directors were held during the financial year under review. The details of the meetings of the Board and its Committees held during the year under review are stated in the Corporate Governance Report.

AUDIT COMMITTEE

The Audit Committee comprises Independent Directors namely Mr. Nikhil Khattau (Chairman), Mr. B. S. Nagesh, Ms. Hema Ravichandar and Non-Executive (Non-Independent) 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.

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 30th AGM. Any Member desirous of obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office Address.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 of the SEBI Regulations, a separate report on Corporate Governance along with the certificate from the Statutory Auditors on its compliance is annexed to this report and labelled as **"Annexure D"**.

VIGIL MECHANISM

Your Company has a robust vigil mechanism in the form of Unified Code of Conduct ("CoC") which enables employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Code. The CoC can be accessed on its website using the link http://marico.com/investorspdf/Marico_CoC.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.

Your Company has a policy for the prevention of sexual harassment which is embedded in the CoC. 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 the Prevention of Sexual Harassment Committee (PoSH Committee). During the FY18, this Committee has not received any complaint on sexual harassment.

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 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.

BOARD'S REPORT

- 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 person has been denied access to the Audit Committee.

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.

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 2017-18 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 F"** to this Report.

SECRETARIAL STANDARDS

The Company has complied with all the applicable provisions of Secretarial Standards issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs of India.

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 2017-18 or the previous financial year. Your Company did not accept any deposits during FY18.

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.

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 G"** 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, third party manufacturers, 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

Place : Mumbai
Date : June 28, 2018

Harsh Mariwala
Chairman
DIN: 00210342

ANNEXURE 'A' SECRETARIAL AUDIT REPORT

FORM NO. MR.3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

[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 2018 ('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 audit period 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 period under review 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. The changes in the composition of the

ANNEXURE 'A' SECRETARIAL AUDIT REPORT

Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 2018

ANNEXURE 'B' 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 exceeding 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.	Not Applicable. As per IND AS requirement, the Company has to use fair value method.		

ANNEXURE 'B' 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	Scheme V	Scheme VI	Scheme VII	
Number of options outstanding at the beginning of the period	300,000	93,200	80,000	939,700	101,060	719,830	-	-	-	-
Number of options granted during the year	-	-	-	-	18,730	133,790	67,120	97,050	589,430	-
Number of options forfeited / lapsed during the year	-	-	-	-	36,490	196,110	-	9,640	34,700	-
Number of options vested during the year	-	-	-	-	-	-	-	-	-	-
Number of options exercised during the year	300,000	93,200	-	-	-	-	-	-	-	-
Number of shares arising as a result of exercise of options	300,000	93,200	-	-	-	-	-	-	-	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company	300,000	93,200	-	-	-	-	-	-	-	-
Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Number of options outstanding at the end of the year	-	-	80,000	939,700	83,300	657,510	67,120	87,410	554,730	-
Number of options exercisable at the end of the year	-	-	-	-	-	-	-	-	-	-
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	1.00	-	-	-	-	-	-	-	-
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.	Employee 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 30 th 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.									

ANNEXURE 'B' 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

		Marico Employee Stock Option Plan 2016 (Marico ESOP 2016)											
		Scheme I	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme III (Part - 2)	Scheme IV (Part - 2)	Scheme III (Part - 3)	Scheme IV (Part - 3)	Scheme VI	Scheme VII	
7	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: i) the weighted-average values of share price ii) the weighted-average values of exercise price iii) the weighted-average values of expected volatility iv) the weighted-average values of expected option life v) the weighted-average values of expected dividends vi) the weighted-average values of the risk-free interest rate	Marico Employee Stock Option Scheme 2014 (Marico ESOS 2014)	₹ 209.15	₹ 1.00 per share	26.62%	3 years	3.50%	8.00%					
		Marico MD CEO Employee Stock Option Plan 2014 (Marico MD CEO ESOP Plan 2014)	₹ 329.95	₹ 1.00 per share	23.66%	3 years and 3 months	3.50%	8.00%					
		Scheme I	₹ 296.65	₹ 1.00 per share	25.80%	3.15 years	0.96%	7.25%					
		Scheme II	₹ 296.65	₹ 280.22	25.80%	3.15 years	0.96%	7.25%					
		Scheme III	₹ 255.30	₹ 1.00 per share	26.10%	3.5 years	0.96%	6.75%					
a	i) the weighted-average values of expected volatility ii) the weighted-average values of exercise price iii) the weighted-average values of expected volatility iv) the weighted-average values of expected option life v) the weighted-average values of expected dividends vi) the weighted-average values of the risk-free interest rate	Scheme IV	₹ 255.30	₹ 256.78	26.10%	3.5 years	0.96%	6.75%					
		Scheme V	₹ 310.10	₹ 1.00 per share	26.30%	1 years	0.96%	6.25%					
		Scheme III (Part - 2)	₹ 319.40	₹ 1.00 per share	26.70%	3.08 years	1.07%	6.25%					
		Scheme IV (Part - 2)	₹ 319.40	₹ 302.34 per share	26.70%	3.08 years	1.07%	6.25%					
		Scheme III (Part - 3)	₹ 310.40	₹ 1.00 per share	23.10%	2.5 years	1.07%	6.50%					
b	The method used and the assumptions made to incorporate the effects of expected early exercise; "How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and "	Scheme IV	₹ 255.30	₹ 256.78	26.10%	3.5 years	0.96%	6.75%					
		Scheme V	₹ 310.10	₹ 1.00 per share	26.30%	1 years	0.96%	6.25%					
		Scheme III (Part - 2)	₹ 319.40	₹ 1.00 per share	26.70%	3.08 years	1.07%	6.25%					
		Scheme IV (Part - 2)	₹ 319.40	₹ 302.34 per share	26.70%	3.08 years	1.07%	6.25%					
		Scheme III (Part - 3)	₹ 310.40	₹ 1.00 per share	23.10%	2.5 years	1.07%	6.50%					
c	Historical volatility of the share of the Company over the previous 3 years and 3 months 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 years and 3 months 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 31, 2016, based on the life of options Historical volatility of the share of the Company over the previous 3.5 years ended June 19, 2017, based on the life of options Historical volatility of the share of the Company over the previous 3.08 years ended May 2, 2017, based on the life of options Historical volatility of the share of the Company over the previous 2.5 years ended December 1, 2017, based on the life of options	Scheme IV	₹ 255.30	₹ 256.78	26.10%	3.5 years	0.96%	6.75%					
		Scheme V	₹ 310.10	₹ 1.00 per share	26.30%	1 years	0.96%	6.25%					
		Scheme III (Part - 2)	₹ 319.40	₹ 1.00 per share	26.70%	3.08 years	1.07%	6.25%					
		Scheme IV (Part - 2)	₹ 319.40	₹ 302.34 per share	26.70%	3.08 years	1.07%	6.25%					
		Scheme III (Part - 3)	₹ 310.40	₹ 1.00 per share	23.10%	2.5 years	1.07%	6.50%					
d	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. 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.	Scheme IV	₹ 255.30	₹ 256.78	26.10%	3.5 years	0.96%	6.75%					
		Scheme V	₹ 310.10	₹ 1.00 per share	26.30%	1 years	0.96%	6.25%					
		Scheme III (Part - 2)	₹ 319.40	₹ 1.00 per share	26.70%	3.08 years	1.07%	6.25%					
		Scheme IV (Part - 2)	₹ 319.40	₹ 302.34 per share	26.70%	3.08 years	1.07%	6.25%					
		Scheme III (Part - 3)	₹ 310.40	₹ 1.00 per share	23.10%	2.5 years	1.07%	6.50%					

ANNEXURE 'B' 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 SAR	STAR Scheme IV	STAR Scheme V	STAR Scheme VI	STAR Scheme VII	STAR Scheme VIII
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 - 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 8, 2016*	Approved by the Corporate Governance Committee of the Board of Directors on December 1, 2017*	Approved by the Corporate Governance Committee of the Board of Directors on December 1, 2017*
		*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 not be more than: i. 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. 2% in a financial year of the paid up equity share capital as at the end of the preceding financial year; and iii. 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 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				
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.				

ANNEXURE 'B' 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

4	SAR movement during the year (For each SAR scheme):	STAR V			STAR VI			STAR VII			STAR VIII	Total
		Tranche I	Tranche II	Tranche III	Tranche I	Tranche II	Tranche III	Tranche I	Tranche II	Tranche III		
	Number of SARs outstanding at the beginning of the year	951,200	136,400	-	1,240,600	96,100	56,510	340,140	-	-	-	2,820,950
	Number of SARs granted during the year	-	-	-	-	-	-	-	100,350	15,980	302,360	418,690
	Number of SARs forfeited / lapsed during the year	139,600	42,400	-	283,200	9,800	-	54,940	10,000	-	3,570	543,510
	Number of SARs vested during the year	811,600	94,000	-	-	-	-	-	-	-	-	905,600
	Number of SARs exercised /settled during the year	811,600	94,000	-	-	-	-	-	-	-	-	905,600
	Number of options outstanding at the end of the year	-	-	-	957,400	86,300	56,510	285,200	90,350	15,980	298,790	1,790,530
	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 -	No SARs were granted to the Senior Managerial Personnel during the year under review										
a	Senior managerial personnel;	No SARs 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 SARs 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 'B' 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

Details related to Trust		
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 - FY18	Details - FY17
I General Information		
1 Name of the Trust	Welfare of Mariconian Trust	Welfare of Mariconian Trust
2 Details of the Trustee(s)	IDBI Trusteeship Services Limited	IDBI Trusteeship Services Limited
3 Amount of loan disbursed by company / any company in the group, during the year	-	-
4 Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	374,504,849	542,551,230
5 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
6 Any other contribution made to the Trust during the year		
II Brief details of transactions in the shares by the Trust		
1 Number of shares held at the beginning of the year;	2,837,070	4,087,782
2 Number of shares acquired during the year :	-	-
(i) through primary issuance	-	-
(ii) through secondary acquisition		163,488
3 Acquisition as a percentage of paid up equity capital as at the end of the previous financial year,		0.01%
4 Weighted average cost of acquisition per share		282.39
5 Number of shares sold/vested to the employees	905,600	1,414,200
6 Purpose of shares sold	Vesting of STAR Scheme V	Vesting of STAR Scheme IV
7 Number of shares held at the end of the year.	1,931,470	2,837,070
III In case of secondary acquisition of shares by the Trust		
1 Number of shares		
2 Held at the beginning of the year	2,837,070	4,087,782
3 Acquired during the year	-	163,488
4 Sold during the year	905,600	1,414,200
5 Transferred to the employees during the year (No of shares vested)	905,600	1,414,200
6 Held at the end of the year	1,931,470	2,837,070

For Marico Limited

Harsh Mariwala
Chairman
DIN : 00210342

Place: Mumbai
Date: June 28, 2018

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 2017-18 is as follows :

Name of Director	Total Remuneration* (₹)	Ratio of remuneration of Director to the Median remuneration***
Mr. Harsh Mariwala	59,600,000	64.73
Mr. Saugata Gupta**	206,238,498**	223.98**
Mr. Rajeev Bakshi	3,300,000	3.58
Mr. Nikhil Khattau	3,500,000	3.80
Mr. Anand Kripalu	1,386,667	1.51
Mr. Rajen Mariwala	3,200,000	3.48
Mr. B.S. Nagesh	3,550,000	3.86
Ms. Hema Ravichandar	3,550,000	3.86
Mr. Rishabh Mariwala	2,616,667	2.84
Mr. Ananth Narayanan	2,130,556	2.31

* The remuneration to Non-Executive Directors includes sitting fees paid during the financial year 2017-18.

** The remuneration of Mr. Saugata Gupta, Managing Director & CEO includes the perquisite value of the stock options exercised by him and the stock appreciation rights vested on him during the financial year 2017-18 amounting to ₹ 124,503,200 and ₹ 14,510,097 respectively. Excluding that, the remuneration of Mr. Gupta works out to be ₹ 67,225,201 and accordingly the ratio of his remuneration to the Median remuneration works out to 73.01.

*** The median remuneration of the Company for all its employees is ₹ 9,20,787 for the financial year 2017-18. For calculation of median remuneration, the employee count taken is 1,150 which comprises employees who have served for whole of the financial year 2017-18.

B) Details of percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2017-18 are as follows :

Name	Designation	Remuneration (₹)	Increase/ (Decrease) (%)	
		2017-18	2016-17	
Mr. Harsh Mariwala	Chairman & Non-Executive Director	59,600,000	55,220,000	8%
Mr. Saugata Gupta*	Managing Director & CEO	206,238,498*	169,475,296*	22%
Mr. Anand Kripalu**	Independent Director	1,386,667	2,530,000	-45%
Mr. Atul Choksey**	Independent Director	-	2,550,000	-100%
Mr. B. S. Nagesh	Independent Director	3,550,000	2,790,000	27%

Name	Designation	Remuneration (₹)	Increase/ (Decrease) (%)	
		2017-18	2016-17	
Ms. Hema Ravichandar	Independent Director	3,550,000	2,940,000	21%
Mr. Nikhil Khattau	Independent Director	3,500,000	2,850,000	23%
Mr. Rajeev Bakshi	Independent Director	3,300,000	2,590,000	27%
Mr. Rajen Mariwala	Non- Executive Promoter Director	3,200,000	2,650,000	21%
Mr. Rishabh Mariwala***	Non- Executive Promoter Director	2,616,667	-	NA
Mr. Ananth Shankarnarayanan***	Independent Director	2,130,556	-	NA
Mr. Vivek Karve	Chief Financial Officer	21,903,678	25,841,321	-15%
Ms. Hemangi Ghag^^	Company Secretary & Compliance Officer	1,831,898	238,280	N.A.
Mr. Surender Sharma^^^	Company Secretary & Compliance Officer	6,939,434	12,125,202	N.A.

* The remuneration of Mr. Saugata Gupta, Managing Director & CEO includes the perquisite value of the stock options exercised by him and the stock appreciation rights vested on him during the financial year 2017-18 amounting to ₹ 139,013,297 and during the financial year 2016-17 amounting to ₹ 118,258,058. Excluding that, the remuneration for Mr. Gupta is ₹ 67,225,201 and ₹ 51,217,238 for FY2017-18 and FY2016-17 respectively.

** Mr. Atul Choksey and Mr. Ananth Kripalu ceased to be the Independent Directors of the Company w.e.f. April 1, 2017 and October 6, 2017 respectively.

*** Mr. Rishabh Mariwala and Mr. Ananth Shankarnarayanan were appointed as Additional Directors of the Company w.e.f. May 2, 2017 and June 26, 2017.

^^ In FY 2016-17, Ms. Hemangi Ghag was the Company Secretary till April 28, 2016 and in FY2017-18, she was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. October 30, 2017 and hence the remuneration paid to her in the financial year 2016-17 is not comparable with the remuneration paid to her in the FY2017-18

^^^ Mr. Surender Sharma was appointed the Company Secretary & Compliance Officer of the Company on April 29, 2016 and resigned w.e.f. October 16, 2017 and hence the remuneration paid to him in the financial year 2017-18 is not comparable with the remuneration paid to him in the financial year 2016-17.

C) Percentage increase in the Median Remuneration of all employees in the financial year 2017-18

	2017-2018	2016-2017	Increase (%)
	Median	Median	
Median* remuneration of all employees per annum "	920,787	938,205	-2%

* For calculation of median remuneration, the employee count taken is 1,150 and 1,095 for the financial year 2017-18 and 2016-17, 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, 2018

1,644 (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) Comparison of average percentage increase in remuneration of all employee other than the Key Managerial Personnel and the percentage increase in the remuneration of Key Managerial Personnel

	2017-18	2016-17	% Increase/ (Decrease)
Average percentage increase in the Remuneration of all Employees* other than Key Managerial Personnel	1,977,250,309	1,933,451,177	2.3%
Average Percentage increase in the Remuneration of Key Managerial Personnel**			
Mr. Saugata Gupta, Managing Director & CEO	206,238,498	169,475,296	21.7%
Mr. Vivek Karve, Chief Financial Officer	21,903,678	25,841,321	-15.2%
Ms. Hemangi Ghag, Company Secretary & Compliance Officer	1,831,898	238,280	N.A.
Mr. Surender Sharma, Company Secretary & Compliance Officer	6,939,434	12,125,202	N.A.

* 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.

For Marico Limited

**Place : Mumbai
Date : June 28, 2018**

**Harsh Mariwala
Chairman
DIN : 00210342**

ANNEXURE 'D'

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. Means of Communication
- XII. General Shareholder Information

I. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Basic Philosophy

Corporate governance encompasses a transparent set of rules and controls in which shareholders, directors and management have aligned incentives. It provides the framework for attaining a company's objectives while balancing the interests of all its stakeholders.

Corporate governance is also about what the Board of Directors does and how it sets the values of the company and it is to be distinguished from the day to day operational engagement of the company by full-time executives. The responsibilities of your Board thus include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the Company and reporting to shareholders on their stewardship. Together, the Management and the Board ensure that Marico remains a company of uncompromised integrity and excellence. Your Board has adopted a vision to make your company a 'best in class organization' surpassing the expectations of all stakeholders.

The field of corporate governance has been witnessing far reaching structural changes, thanks to various steps taken by the Government of India. Your company confirms compliance to the corporate governance requirements prescribed under law. However, corporate governance is more than a mere legal obligation. Effective corporate governance is about creating long-term sustainable value for its stakeholders. Marico continues to embrace the best practices of corporate governance and continuously reviews them to benchmark with the highest standards across the globe to strengthen corporate governance. The various awards and recognitions received by your Company in

the space of corporate governance are a testimony of the recognition given to it by the outside world. Your Company would continue to develop robust practices to ensure highest standards of governance.

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 constituted a Risk Management Committee in 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.

ANNEXURE 'D'

CORPORATE GOVERNANCE REPORT

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 40 days 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 investor community. The Company promptly discloses 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 updates 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 5 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 Independent Director. 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.

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 additionally meets atleast once in a quarter, 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 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.

The Dividend Distribution ("DD") Policy adopted by the Company ensures the right balance between the quantum

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CORPORATE GOVERNANCE REPORT

of dividend paid and amount of profits re-deployed to fund 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. Notices of the general meetings are comprehensive and the presentations made at the meetings are informative. 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 practice 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 in 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 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 and the

ANNEXURE 'D'

CORPORATE GOVERNANCE REPORT

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, the CGC and the Stakeholders' Relationship Committee attend the Annual General Meeting to address shareholders' queries, if any.
 - * The Chief Financial Officer, Secretary to CGC and the Company Secretary & Compliance Officer, in consultation with the Chairman of the Board/ respective 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 and other employees 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.

Marico's Board has adopted the following vision for itself:

*"We will be a group of **competent** individuals who will work **cohesively** to co-create Marico's vision along with management to deliver a **best in class** organization surpassing the expectations of all **stakeholders**."*

Towards fulfilling this vision, the Board has been working relentlessly for the past many years. Some of the unique aspects of the Board functioning in Marico are illustrated below:

- i) The Board has been meeting in an annual off-site. Apart from the agenda of evaluation of the performance of the Board and committees, the Board engages with the management on long term strategic issues such as growth strategies, innovation, succession planning & human capital management, culture, Go to Market strategies, technology etc. These insightful sessions allow the Board members to get a better understanding of the business of the Company and allows the senior management to solicit different perspectives from the Board.
- ii) The interaction with the Board is however not limited only to the meetings of the Board and Committees. The Chairman of the Board actively encourages interactions between the Board Members and the Senior Management outside the meetings. Depending on the area of expertise of an individual Director, the

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Functional Heads are encouraged to have separate sessions with the Director to discuss specific issues concerning the functional area. These are mentoring sessions aimed at broadening the Senior Management vision. This also helps build empathy and deeper understanding and deliberations.

- iii) Apart from the evaluation of individual Board Member by other Board Members, the Board also solicits feedback from the Senior Management. This initiative underlines the Marico's core philosophy of openness and transparency. The feedback obtained is objective and accepted by the Board members.
- iv) The Chief Financial Officer (CFO) and the Chief Human Resource Officer (CHRO) hold separate planning sessions with the Chairpersons of the Audit Committee and the Corporate Governance Committee (which also acts as the Nomination and Remuneration Committee), respectively, to ensure that the agenda of the meetings of these committees are comprehensive.
- v) The Board does not step into the Management shoes, rather, it critiques the strategy, asks the right questions and mentors the Senior Management for sustainable profitable growth of the Company. There is a complete alignment between the Board and the Management on the respective roles.

During the financial year, your Board met 7 (seven) times viz., on April 1, 2017, May 2, 2017, June 29, 2017, August 1, 2017, October 30, 2017, February 9, 2018 and March 24, 2018.

The composition of the Board, attendance of the Directors at the Board meetings and the Annual General Meeting held during the period April 1, 2017 to March 31, 2018 and the number of Board/ Committees of other companies in which the Director is a member or chairperson (#), is as under:

Name of the Director	Director Category	Attendance at Board Meetings	Attendance at Last AGM held on August 1, 2017	Other Board Position \$	Committee Position ^	
					As Member	As Chairperson
Mr. Harsh Mariwala	Chairman & Non-Executive	7 of 7	Yes	13	1	NIL
Mr. Saugata Gupta	Managing Director & CEO	7 of 7	Yes	6	NIL	NIL
Mr. Anand Kripalu*	Independent	2 of 4	No	-	-	-
Mr. Ananth Sankaranarayanan**	Independent	4 of 5	No	NIL	NIL	NIL
Mr. B. S. Nagesh	Independent	7 of 7	Yes	7	3	NIL
Ms. Hema Ravichandar	Independent	6 of 7	Yes	4	4	NIL
Mr. Nikhil Khattau	Independent	6 of 7	Yes	7	4	2
Mr. Rajeev Bakshi	Independent	6 of 7	No	4	1	NIL
Mr. Rajen Mariwala	Non-Executive	6 of 7	No	7	3	NIL
Mr. Rishabh Mariwala***	Non-Executive	6 of 6	Yes	5	NIL	NIL

As on March 31, 2018.

*resigned as Independent Director w.e.f. October 6, 2017

**appointed as an Additional Director (Independent) w.e.f. June 26, 2017.

***appointed as an Additional Director (Non-Executive) w.e.f. May 2, 2017.

\$ Excludes directorship held in Marico Limited.

^ Covers two committees, namely, Audit Committee and Stakeholders' Relationship Committee and excludes Committee position held in private limited Companies, foreign Companies and Section 8 Companies.

During the year under review, the Independent Directors met once on March 23, 2018, without the presence of Executive Directors or Management representatives inter alia to discuss the performance of Non-Independent Directors and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present for the meeting.

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 ("AC") comprises three Independent Directors and one Non-Executive Director. All Members of the AC 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 AC meetings for relevant agenda matters. Members of Senior Management team also attend the meetings depending on the agenda. Ms. Hemangi Ghag, Company Secretary & Compliance Officer, was appointed as the Secretary to the AC w.e.f. October 30, 2017 in place of Mr. Surender Sharma.

The AC met 7 (Seven) times during the period under review for FY 18 viz., April 13, 2017, May 2, 2017, July 31, 2017, October 11, 2017, October 30, 2017, January 12, 2018, and February 9, 2018. The composition of the AC 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 Meetings	
			Held	Attended
Mr. Nikhil Khattau	Independent	Chairman	7	7
Mr. B. S. Nagesh	Independent	Member	7	7
Ms. Hema Ravichandar	Independent	Member	7	6
Mr. Rajen Mariwala	Non-Executive	Member	7	6

There was no change in the composition of the AC during the year under review.

The Charter of the AC, *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.

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CORPORATE GOVERNANCE REPORT

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. Qualifications, if any, in the draft audit report;
 - h. 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 ₹ 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.

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CORPORATE GOVERNANCE REPORT

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 for the purpose of SEBI (Share Based Employee Benefits), Regulations, 2014. The CGC comprises four Members all of whom are Independent Directors.

The CGC met 5 (five) times during the period April 1, 2017 to March 31, 2018 viz: on May 2, 2017, August 1, 2017, October 30, 2017, February 9, 2018 and March, 23, 2018. 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 Meetings	
			Held	Attended
Ms. Hema Ravichandar	Independent	Chairperson	5	5
Mr. Anand Kripalu *	Independent	Member	2	1
Mr. B. S. Nagesh	Independent	Member	5	5
Mr. Rajeev Bakshi	Independent	Member	5	5
Mr. Nikhil Khattau **	Independent	Member	2	2

* resigned w.e.f. October 6, 2017

**appointed as Member w.e.f. October 30, 2017.

During the year under review, there were changes in the composition of the CGC as a result of resignation of Mr. Anand Kripalu from the Board and consequently as a Member of the CGC w.e.f. October 6, 2017 and appointment of Mr. Nikhil Khattau as a Member of the CGC w.e.f. October 30, 2017. Further, Mr. Ashutosh Telang, ceased to be the Secretary of the CGC with effect from October 27, 2017 consequent to his resignation. Ms. Shruti Ambegaoker, Head – Organization Development & Governance, was appointed as the Secretary of the CGC on October 30, 2017 and on May 2, 2018, Mr. Amit Prakash, Executive Vice President & Head HR, was appointed as the Secretary to the CGC in place of Ms. Ambegaoker, consequent to her resignation.

The charter of the CGC, inter-alia, articulates its responsibilities and authority as follows:

- Formulate criteria for qualifications, positive attributes and independence of a Director
- 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;
- Recommend to the Board a policy relating to the remuneration of the Director, Key Managerial Personnel and Senior Management (i.e. top management team one level below Executive Director including Functional Heads i.e. presently the members of the Executive committee) and other employees of the Company;
- Approve the remuneration (including revisions thereto) of the Director, Key Managerial Personnel and Senior Management;
- Formulate criteria for evaluation of Directors, Board and its Committees and Chairpersons;
- Devise a policy on Board diversity;
- Devise a succession plan for the Board, Key Managerial Personnel & Senior Management;
- Carry out the evaluation of each Director's performance;
- Decide whether to extend/continue the term of appointment of Independent Directors on the basis of their performance evaluation report;
- Participate in the review of Vigilance Mechanism conducted by Audit Committee of the Board;
- Design for Board Retreat and Board Effectiveness; and
- 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>

ANNEXURE 'D'

CORPORATE GOVERNANCE REPORT

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 the 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) of the Company. 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 advising the Managing Director & CEO and the Senior Managerial Personnel outside the Board/Committee meetings, the bulk of their measurable inputs come 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 are not 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 had approved the 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, quantum, recipients and the frequency of payment of such remuneration within the said limit.

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 a remuneration which is commensurate with his engagement beyond the Board meetings.

Directors' Remuneration and Shareholding

The remuneration of all Non-Executive Directors including the Chairman, as fixed by the Board, does not exceed the overall limit of 3% of the net profits of the Company as approved by the Members. The remuneration paid to the Managing Director & CEO is within the limit fixed by the Members at the time of his appointment.

Details of the remuneration of Directors for the financial year ended March 31, 2018 and their shareholding in the Company as on March 31, 2018, are as under:

Name	Director Category	Remuneration (₹ per annum)	Sitting Fees (₹)	Salary & Perquisite# (₹)	Annual Performance Incentive (₹)	Contribution to Provident & Pension Funds (₹)	Total (₹)	No. of Equity shares held in the Company
Executive Director								
Mr. Saugata Gupta	Managing Director and CEO	-	-	18,73,56,857	1,67,44,201	21,37,440	20,62,38,498	7,10,600
Non-Executive Directors								
Mr. Harsh Mariwala	Chairman of the Board & Non-Executive	5,88,50,000	7,50,000	-	-	-	5,96,00,000	19,862,900
Mr. Anand Kripalu*	Independent	11,36,667	2,50,000	-	-	-	13,86,667	NIL
Mr. Ananth Sankaranarayanan**	Independent	16,80,556	4,50,000	-	-	-	21,30,556	NIL
Mr. B. S. Nagesh	Independent	22,00,000	18,50,000	-	-	-	35,50,000	NIL
Ms. Hema Ravichandrar	Independent	23,50,000	12,00,000	-	-	-	35,50,000	NIL
Mr. Nikhil Khattau	Independent	23,50,000	11,50,000	-	-	-	35,00,000	NIL
Mr. Rajeev Balkshi	Independent	23,50,000	9,50,000	-	-	-	33,00,000	NIL
Mr. Rajen Mariwala	Non-Executive	22,00,000	10,00,000	-	-	-	32,00,000	55,32,900
Mr. Rishabh Marwala***	Non-Executive	20,16,667	60,00,000	-	-	-	26,16,667	2,49,76,500

includes perquisite value of Stock Options exercised during the year amounting to ₹12,45,03,200 and Stock appreciation rights granted amounting to ₹ 1,45,10,097.

*resigned w.e.f. October 6, 2017.

**appointed w.e.f. June 26, 2017.

***appointed 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

ANNEXURE 'D'

CORPORATE GOVERNANCE REPORT

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.
- A meeting of the Independent Directors was held 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 May 2, 2018.
- The Directors were satisfied with the evaluation process and have expressed their satisfaction with the evaluation process.

The performance evaluation exercise conducted for 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. Effectively overseeing the risk management strategies and practices amidst a highly volatile macro environment;
- b. Mentoring the Senior Management Personnel to set them up for success & helping in creating a process for succession to the level of Board, Managing Director and Senior Management Personnel and;
- c. Mentoring the Senior Management Personnel in creating a future-ready organization more specifically in areas of portfolio, digital strategies and best practices.

The Board is also committed to review the progress on these priorities during the annual Board Retreats held once a year.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has designed a Familiarisation Programme for its Independent Directors which is imparted at the time of appointment of an Independent Director on Board as well as annually. The Programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatise them with the processes, business and functionalities of the Company and to assist them in performing their role as Independent 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 Independent 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 ("SRC"). The SRC comprises of an Independent Director and a Non-Executive Director. The Company Secretary & Compliance Officer of the Company, acts as the Secretary to the SRC.

The SRC met once during the period April 1, 2017 to March 31, 2018 viz: on January 12, 2018. The composition of the SRC 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 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 SRC during the year under review. The terms of reference of the SRC include supervising shareholders complaints relating to transfer of shares, non-receipt of annual report, non-receipt of dividends declared, etc.

Name and Designation of Compliance Officer:

Ms. Hemangi Ghag, Company Secretary & Compliance Officer.

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CORPORATE GOVERNANCE REPORT

Status Report of Investor Complaints for the year ended March 31, 2018

Particulars	No. of Complaints
Non - Receipt of Dividend	- 22
Non - Receipt of Annual Report	- 2
Non- Receipt of Share Certificates	- 3
Miscellaneous	- 6
Total Complaints Received	- 33
Total Complaints Resolved	- 33

Your 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 the corresponding Rules framed thereunder, the Board has constituted a CSR Committee comprising of Independent Directors, Non-Executive Directors and the Managing Director & CEO of the Company. Mr. Udayraj Prabhu, Executive Vice President & Head – Procurement, is the Secretary to this Committee with effect from May 2, 2018 in place of Ms. Priya Kapadia.

The CSR Committee met once during the period April 1, 2017 to March 31, 2018 on July 31, 2017. 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 Meetings	
			Held	Attended
Mr. Rajeev Bakshi*	Independent	Chairman	1	1
Mr. Ananth Sankaranarayanan**	Independent	Member	NIL	NIL
Mr. Harsh Mariwala	Chairman of the Board & Non-Executive	Member	1	1
Mr. Rajen Mariwala	Non-Executive	Member	1	1
Mr. Saugata Gupta	Executive - Managing Director & CEO	Member	1	1

*member of the CSR Committee elected as the Chairman w.e.f. May 2, 2017 in place of the outgoing Chairman of the Committee, Mr. Atul Choksey, who resigned w.e.f. April 1, 2017.

**appointed as a Member w.e.f. August 1, 2017.

The CSR Committee is entrusted with the following responsibilities:

- To formulate and approve revisions to the CSR Policy and recommend the same to the Board for its approval.
- To recommend the annual CSR expenditure budget to the Board for approval.
- To approve unbudgeted CSR expenditure involving an annual outlay of more than ₹ 1 Crore and get such spends ratified by the Board of Directors.
- To nominate Members of the CSR Team and advise the team for effective implementation of the CSR programs and approve any change thereto.
- To establish monitoring mechanisms to track each CSR project and review the same at such intervals as the Committee may deem fit.
- To undertake wherever appropriate benchmarking exercises with other corporates to reassess itself of the effectiveness of the Company's CSR spends.
- To review:
 - Amounts spent towards CSR vis-à-vis the annual approved CSR budget;
 - Progress Report highlighting impact of CSR programs undertaken;
 - Report on feedback obtained, if any, from the beneficiaries on the CSR programmes and
 - Outcome of social audit, if any, conducted with regards to the CSR programmes.
- To review the adequacy of the CSR Charter at such intervals as the CSR Committee may deem fit and recommendation, if any, shall be made to the Board to update the same from time to time.
- 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.
- To approve the CSR disclosures that would form part of the Annual Report, website of the Company etc.

During the year under review, the CSR Policy and the charter of the CSR Committee were amended by the Board at its meeting held on October 30, 2017.

VII. RISK MANAGEMENT COMMITTEE

In line with the provisions of Regulation 21 of the SEBI Regulations, the Board constituted Risk Management Committee ("RMC") 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 the RMC and the Chief Financial Officer also acts as the Secretary to the RMC.

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The RMC met once during the period April 1, 2017 to March 31, 2018 on March 26, 2018. The composition of the Committee is detailed below along with the details of the meeting held and attended during the aforesaid period:

Name of the Member	Designation	Nature of Membership	No. of Meeting	
			Held	Attended
Mr. Harsh Mariwala	Chairman of the Board & Non-Executive Director	Chairman	1	1
Mr. Saugata Gupta	Executive -Managing Director & CEO	Member	1	1
Mr. Vivek Karve	Chief Financial Officer	Member & Secretary to the RMC	1	1

There was no change in the composition of the RMC during the year under review. The primary responsibility of the RMC 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 RMC, *inter-alia*, include:

- Framing and monitoring the risk management plan for the Company:
 - Defining calendar for reviews of existing risks of every function / business unit with the objective to refresh the prioritized risks at defined periodicity.
 - Review the top 5 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 that the calendar defined by the Board for review of the top 10 risks of the Company is adhered to.
- Risk Assessment and Mitigation Procedures
 - 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.
- While reviewing the top risks at function / business unit / company level, critically examine whether the mitigation plans as agreed are on track or not and whether any interventions are required.
- Implementation of Risk Management Systems and Framework.

VIII. OTHER COMMITTEES

ADMINISTRATIVE COMMITTEE

The Administrative Committee constituted by the Board ("the Committee") has an oversight on operational matters such as banking relations, authorizations / issuance of power of attorney, appointment of nominees under statutes, etc.

The Committee met 11 (eleven) times during the period April 1, 2017 to March 31, 2018 viz. on April 6, 2017, May 8, 2017, June 2, 2017, July 28, 2017, August 14, 2017, October 10, 2017, October 30, 2017, November 20, 2017, January 9, 2018, February 9, 2018 and March 14, 2018.

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below. The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

Name of the Member	Designation	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Saugata Gupta	Managing Director & CEO	Member	11	5
Mr. Rajen Mariwala	Non - Executive Director	Member	11	10
Mr. Vivek Karve	Chief Financial Officer	Member	11	11
Mr. Pawan Agrawal	Head - Finance, Marico Limited	Member	11	10
Mr. Ravin Mody*	Head - Treasury, IR and M&A	Member	1	NIL

*ceased to be a Member w.e.f May 2, 2017.

INVESTMENT & BORROWING COMMITTEE

The Investment & Borrowing Committee constituted by the Board ("the Committee") is responsible 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.

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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 Company Secretary & Compliance Officer of the Company acts as the Secretary to the Committee.

The Committee met 5 (five) times during the period April 1, 2017 to March 31, 2018 viz. on April 5, 2017, May 19, 2017, August 3, 2017, October 31, 2017, and February 19, 2018. 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 Meetings	
			Held	Attended
Mr. Harsh Mariwala	Chairman of the Board & Non-Executive	Member	5	5
Mr. Rajen Mariwala	Non-Executive	Member	5	5
Mr. Saugata Gupta	Executive - Managing Director & CEO	Member	5	4

SECURITIES ISSUE COMMITTEE

The Securities Issue Committee constituted by the Board ("the Committee") approves matters pertaining to issuance of securities, other matters incidental thereto and all such acts/ powers as may be entrusted to it by the Board from time to time.

The composition of the Committee is as follows. The Company Secretary & Compliance officer of the Company acts as the Secretary to the Committee.

Name of the Director	Director Category	Nature of Membership
Mr. Harsh Mariwala	Chairman of the Board & Non-Executive	Member
Mr. Nikhil Khattau	Independent	Member
Mr. Rajen Mariwala	Non-Executive	Member
Mr. Saugata Gupta	Executive – Managing Director & CEO	Member

There were no meetings of the Committee held during the period April 1, 2017 to March 31, 2018. However, the approval of the Committee on relevant matters was obtained through resolutions passed by circulation.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee constituted by the Board ("STC") is responsible to approve transfer, transmission, sub-division, consolidation and issuance of duplicate share certificate, requests lodged by the shareholders of the Company.

The STC met 5 (five) times during the period April 1, 2017 to March 31, 2018 viz: on October 10, 2017, October 31, 2017, November 17, 2017, December 21, 2017 and March 9, 2018. The composition of the STC along with the details of the meetings held and attended during the aforesaid period is detailed below. The Company Secretary & Compliance Officer of the Company acts as the Secretary to the Committee.

Name of the Director	Director Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Harsh Mariwala	Chairman of the Board & Non-Executive	Member	5	5
Mr. Nikhil Khattau	Independent	Member	5	2
Mr. Rajen Mariwala	Non-Executive	Member	5	2
Mr. Saugata Gupta	Executive – Managing Director & CEO	Member	5	5

SUSTAINABILITY COMMITTEE

The Board constituted the Sustainability Committee ("the Committee") in 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 Managing Director & CEO, responsible for implementation of BRR.

The Committee met 2 times (two) during the period April 1, 2017 to March 31, 2018 viz: on April 28, 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 Member	Designation	Nature of Membership	No. of 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	1
Mr. Ashutosh Telang*	Chief Human Resources Officer	Member	2	1
Dr. Sudhakar Mhaskar**	Chief Technology Officer	Member	NIL	NIL

ceased to be a Member w.e.f. March 9, 2018.

*ceased to be a Member w.e.f. October 27, 2017.

** appointed as a Member w.e.f. October 30, 2017

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CORPORATE GOVERNANCE REPORT

IX. GENERAL BODY MEETINGS

(a) & (b): Details of the last three Annual General Meetings:

Year	Venue	Date	Time	Nature of Special Resolutions Passed
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.	<ol style="list-style-type: none"> Adoption of new set of Articles of Association incorporating the provisions of the Companies Act, 2013 & Rules made thereunder. Approval of Marico Employee Stock Appreciation Rights Plan, 2011 for the employees of the Company. Approval of Marico Employee Stock Appreciation Rights Plan, 2011 for the employees of the subsidiary company (ies) of the Company. Authority to the Employee Welfare Trust for Secondary Acquisition for implementation of the Marico Employee Stock Appreciation Rights Plan, 2011. 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.	<ol style="list-style-type: none"> 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. Approval of the grant of stock options to the eligible employees of the Company's subsidiaries under the Marico Employee Stock Option Plan 2016.
2017	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 1, 2017	4.30 p.m.	None

(c) Resolutions passed through postal ballot and details of the voting pattern:

During the year under review, no resolution was passed through 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 Statutory 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 provisions of Schedule V Part C, further states that the non-mandatory requirements adopted by the Company be specifically highlighted in the Corporate Governance 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 Auditors 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 2017-18.

The web link for accessing the policy for determining material subsidiary and policy on dealing with related party transactions is <http://marico.com/india/investors/documentation/corporate-governance>

XI. 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.

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CORPORATE GOVERNANCE REPORT

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

XII. GENERAL SHAREHOLDER INFORMATION

Information required under regulation 36(3) of the SEBI Regulations and Secretarial Standard 2 with respect to Directors' re-appointment/appointment:

Mr. Rajen Mariwala	
Director Identification Number	00007246
Date of first appointment to the Board	July 26, 2005
Age	55 years
Qualification	Master in Chemical Engineering
Brief Profile	Mr. Rajen Mariwala has done his Masters in Chemical Engineering from Cornell University, USA. He is currently the Managing Director of Eternis Fine Chemicals Limited, formerly known as Hindustan Polyamides & Fibers Limited, a leading exporter of specialty chemicals – specifically chemicals for fragrances and personal care products. He brings with him a rich experience of over 18 years in leading a competitive global business in specialty chemicals. He has been on the Board of Directors of Marico Limited since July 26, 2005 and the details of his shareholdings in the Company have been disclosed earlier in this Report
Directorship Details*	Kaya Limited Patspin India Limited Eternis Fine Chemicals Limited Arctic Investment & Trading Company Private Limited Scientific Precision Private Limited AIMS Impex Private Limited HPFL BV Eternis (UK) Limited
Membership/Chairmanship of Committees of other Boards**	3
Shareholding in the Company	55,32,900 Equity Shares of Re. 1/- each

* Excludes directorship held in Marico Limited.

** Covers two committees, namely, Audit Committee and Stakeholders' Relationship Committee and excludes Committee position held in private limited Companies, foreign Companies and Section 8 Companies.

Annual General Meeting

Date	: Thursday, August 2, 2018
Time	: 9:00 a.m.
Venue	: Mumbai Educational Trust, 1st Floor, Convention Centre, Bandra Reclamation, Bandra (West), Mumbai - 400 050, Maharashtra, India
Interim Dividends Payment Date	: November 29, 2017 (1st Interim Dividend) and March 09, 2018 (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 1, 2017
• Half year	: October 30, 2017
• Third quarter	: February 9, 2018
• Annual	: May 2, 2018

Tentative Schedule for declaration of financial results during the financial year 2018-19

• First quarter	: August 2, 2018
• Half year	: November 1, 2018
• Third quarter	: February 5, 2019
• Annual	: Not scheduled

Listing Details

Name of Stock Exchange	Stock/ Scrip Code
BSE Limited	: 531642
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	
The National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex, Mumbai 400 051	: MARICO
ISIN	: INE196A01026
Company Identification Number (CIN)	: L15140MH1988PLC049208

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CORPORATE GOVERNANCE REPORT

The Company hereby confirms that it has made the payment of Annual Listing Fees for the FY 2018-2019 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 Companies Act, 2013 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, 2018
2010-11	2nd Interim Dividend	36	02/05/2011	07/06/2018	69,910
2011-12	1st Interim Dividend	30	04/11/2011	10/12/2018	70,531
	2nd Interim Dividend	40	03/05/2012	08/06/2019	87,323
2012-13	1st Interim Dividend	50	02/11/2012	07/12/2019	128,369
	2nd Interim Dividend	50	30/04/2013	05/06/2020	149,014
2013-14	1st Interim Dividend	75	29/10/2013	04/12/2020	167,574
	2nd Interim Dividend	100	31/01/2014	08/03/2021	206,030
	3rd Interim Dividend	175	25/03/2014	30/04/2021	273,805
2014-15	1st Interim Dividend	100	07/11/2014	13/12/2021	241,325
	2nd Interim Dividend	150	03/02/2015	11/03/2022	237,756
2015-16	1st Interim Dividend	175	04/11/2015	10/12/2022	297,827
	2nd Interim Dividend	150	30/01/2016	08/03/2023	195,734
	3rd Interim Dividend	100	10/03/2016	17/04/2023	289,826

Financial Year	Type of Dividend	Rate (%)	Date of Declaration	Due Date for transfer to IEPF	Amount unclaimed as on March 31, 2018
2016-17	1st Interim Dividend	150	04/11/2016	11/12/2023	240,785
	2nd Interim Dividend	200	02/02/2017	11/03/2023	1,165,542
2017-18	1st Interim Dividend	175	30/10/2017	6/12/2024	206,964
	2nd Interim Dividend	250	09/02/2018	18/03/2025	441,798

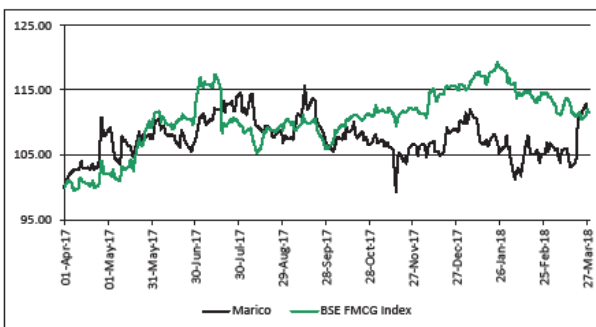
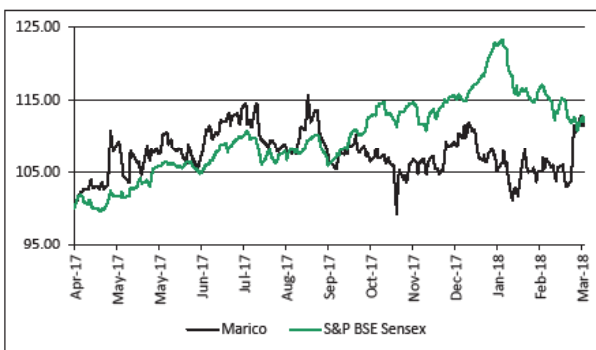
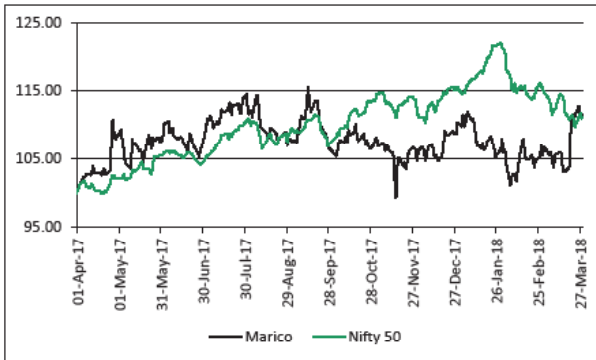
Reminder letters are periodically sent by the Company to concerned shareholders advising them to encash their dividend warrant or lodge their claims with respect to unclaimed dividends. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits 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)		National Stock Exchange (NSE)	
	(In ₹)		(In ₹)	
	High	Low	High	Low
Apr-17	324.50	293.25	325.30	293.05
May-17	329.80	301.00	328.00	301.00
Jun-17	326.60	304.05	326.05	304.50
Jul-17	334.95	313.30	335.90	312.80
Aug-17	337.50	310.05	337.85	309.70
Sep-17	347.80	308.00	348.70	307.40
Oct-17	323.10	307.55	323.90	307.50
Nov-17	334.60	289.55	318.20	288.25
Dec-17	325.25	293.00	325.30	293.05
Jan-18	328.00	305.15	328.00	304.40
Feb-18	319.00	284.05	319.00	284.15
Mar-18	333.35	300.00	333.80	299.55

ANNEXURE 'D' CORPORATE GOVERNANCE REPORT

PERFORMANCE IN COMPARISON: BSE SENSEX, S & P CNX NIFTY AND BSE FMCG



Share Transfer System	<p>: Transfers in physical form are registered by the Registrar and Transfer Agent immediately on receipt of completed documents and certificates are issued within 15 days of date of lodgement of transfer.</p> <p>Invalid share transfers are returned within 15 days of receipt.</p> <p>The Share Transfer Committee generally meets as may be warranted by the number of share transaction requests received by the Company.</p> <p>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.</p>
Registrar & Transfer Agent	<p>: Link Intime India Pvt Limited (Unit: Marico Ltd.) C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083</p>

Distribution of Shareholding as on March 31, 2018:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	55,183	85.15	5,535,847	0.43
501-1000	3,768	5.81	3,025,377	0.23
1001 -2000	2,126	3.28	3,479,592	0.27
2001-3000	675	1.04	1,741,343	0.13
3001-4000	614	0.95	2,321,315	0.18
4001- 5000	235	0.36	1,105,211	0.09
5001-10000	917	1.41	6,935,807	0.54
10001 & above	1,290	1.99	1,266,719,906	98.13
Total	64,808	100	1,290,864,398	100

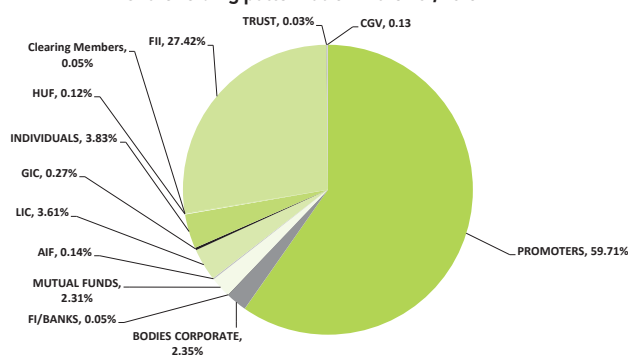
ANNEXURE 'D'

CORPORATE GOVERNANCE REPORT

Categories of Shareholding as on March 31, 2018

Category	No. of Shares held	Percentage of Shareholding
Promoters	770,730,240	59.71
FIs (including Foreign Portfolio Investors)	353,955,811	27.42
Individuals & HUF	47,081,604	3.65
Bodies Corporate & Trusts	30,714,441	2.38
Life Insurance Corporation	46,610,722	3.61
Mutual Funds and UTI	29,776,420	2.31
GIC & Subsidiaries	3,448,583	0.27
Non Resident Indians	3,832,827	0.30
Central Government	1,625,791	0.13
Alternative Investment Fund	1,747,883	0.14
Financial Institution & Banks	713,188	0.06
Clearing Members	617,178	0.05
Investor Education Fund (GOV)	9,710	0.00
Total	1,290,864,398	100

Shareholding pattern as on March 31, 2018



Dematerialization of Shares and Liquidity

: As on March 31, 2018, 99.91% 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, 2018, **33** complaints were received from the shareholders as per the details given below.

Nature of Complaint	Received	Resolved
Non-Receipt of Dividend	24	24
Non-Receipt of Share Certificates	3	3
Others (e.g. non-receipt of Annual Report etc.)	6	6
Total	33	33

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 Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Saugata Gupta
Managing Director & CEO

Place : Mumbai
Date : May 2, 2018

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We hereby certify that:

- (a) We have reviewed financial results for the quarter and financial year ended March 31, 2018 and to the best of our knowledge and belief:
 - (i) these results do not contain any materially untrue statement or omit any material fact or contain results that might be misleading;
 - (ii) these results 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, 2018

For **Marico Limited**
Vivek Karve
Chief Financial Officer

Place : Mumbai
Date : May 2, 2018

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Marico Limited

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. This certificate is issued in accordance with the terms of our agreement dated 23 August 2017.
2. This report contains details of compliance of conditions of corporate governance by Marico Limited ('the Company') for the year ended 31 March 2018 as stipulated in regulations 17-27, clause (b) to (i) of regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance of conditions of Corporate Governance is the responsibility of the Company's management including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

4. Our examination 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2018.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Listing regulations, as applicable..
9. 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.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Firm Registration No.: 101248W/W-100022
Chartered Accountants

Sadashiv Shetty
Partner
Membership Number: 048648

Place : Mumbai
Date : May 2, 2018

ANNEXURE 'E' TO THE BOARD'S REPORT

A. Conservation of Energy

- Steps taken/impact on conservation of energy and the steps taken for utilising alternate sources of energy

Your Company continues to endeavour to improve energy efficiencies and conservation. During the year, a host of initiatives were undertaken across the manufacturing locations to reduce the impact on environment. Some of the initiatives taken by the Company towards power and fuel conservation during FY2017-18 are outlined below:

Baddi

At Baddi unit, initiatives in power and fuel consumption reduction have resulted in savings of **241,782 units** of power and **721MT** of fuel corresponding to reduction in carbon foot-print by **198 MT CO_{2e}**.

Details of Initiatives are as below:

- Installation of Variable Frequency Drive (VFD) for pumps has resulted in overall savings of 144,742 units
- Air conditioners: Installation of eco plugs air conditioners have led to savings of 16,296 units
- Replacement of old efficiency pump to high efficiency pump at the crystallizer
- Installation of Fitch catalyst on DG set and Thermic Fluid Heater for fuel saving (HSD and FO)

Pondicherry:

The Pondicherry unit has undertaken several initiatives in power and fuel consumption reduction. The following initiatives have resulted in savings of **59,655 units** and **87MT** of fuel corresponding to reduction in carbon footprint by **96MT CO_{2e}** last year:

- Replacement of low efficiency motor with i3 motor (high efficiency) in the grinder unit resulting in savings of 10,492 units
- Replacement of reciprocating compressor (55kW) with screw compressor (18kW) resulting in power saving of 16,864 unit
- Installation of VFD's in screw conveyor and speed optimization resulting in saving 2,534 units
- Automation through Boiler Effimax leading to running time reduction in FD fan and ID fan

Perundurai:

The energy conservation initiatives at Perundurai have resulted in savings of **86,318 units in FY2017-18**. Details of the initiatives are as below:

- Installation of air regulator for PLF operation
- Installation of VFD for copra grinder
- Replacement of florescent lamps (at oil mill area and street lights) to LED lights

- Optimization of cooker blower through closed loop operations

Kanjikode:

The Kanjikode unit has achieved consistent improvement in specific fuel consumption by **0.86 Ltrs/MT in FY2017-18**. This led to overall savings of **18.66 KL of fuel**. Specific power consumption reduction through Power task force has resulted in overall savings of **25,944 Units in FY2017-18**.

Various Initiatives taken in Kanjikode have led to reduction in overall carbon footprint by **82MT CO_{2e}**.

- Refurbishment of Flash vessels in Pressure Powered Pump Package (PPPP) Unit has led to reduction of Specific fuel consumption. This has resulted in a Savings of 0.86 Ltr/MT.
- Implementation of the changes in the Oil Mill has resulted in SPC reduction of 25,944 Units / Annum.
 - Replaced Slip Ring Induction Motor (85% Efficiency) with Squirrel cage induction motor (89% Efficiency) in Expeller-108.
 - Eliminated CC bit conveyor drive motor – 3HP and made a chute mechanism for free flow of material.

Guwahati:

At Guwahati unit temperature optimization in heat tracing for tanks and pipe lines was executed and the line conveyors were also joined line conveyors to reduce the motors in the line. These initiatives have helped to achieve savings of **50,000 units** in FY2017-18.

Jalgaon:

The Jalgaon unit has achieved savings of **45,212 units** in FY2017-18 by replacing CFL lamps with LED lights and by replacement of low efficient pumps with high efficient pumps.

B. Technology Absorption

1. Research and Development (R&D)

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

In the past year, the R&D team directed their efforts towards strengthening understanding in the key areas of:

- Hair Nourishment
- Male Grooming
- Edible oils & Health Foods
- Premium Packaging

In Hair Nourishment, considerable energy was focussed on understanding consumer needs in hair oiling & developing differentiated products to fulfil those needs. Understanding of specialized hair needs of consumers led to the creation of differentiated products launched exclusively in salons.

ANNEXURE 'E' TO THE BOARD'S REPORT

Significant efforts were undertaken on de-risking of commodities & developing products that are 'designed to cost'.

In male grooming, R&D efforts focussed on harmonizing product formulations across geographies, bringing considerable synergy in the supply chain.

Advanced Research focussed on strengthening basic understanding of hair & scalp biology, developing technology solutions for unmet consumer needs & designing innovative diagnostics to communicate product benefits to consumers.

Consumer Technical Insight group took significant efforts to deep dive in the areas of Ayurveda, Hair Nourishment & Hair Fall. These insights led to the design of products closely meeting consumer expectations. Perfume building capability was especially built up, in order to design products with better sensorial acceptance.

Continuous capability building efforts helped the South East Asia Regional Technology Centre become fully functional & develop & deploy several new products in the Region.

In Bangladesh & Egypt, new products were developed in the category of hair gels & hair colours on the basis of better understanding of consumer needs.

In foods, in-depth understanding of flavours, led to the launch of new flavours in masala oats. Work on new formats led to the launch of healthy soups & nutri shakes.

In the area of packaging, work continued in terms of premiumization & value management.

Quality team sustained their efforts in the journey of attaining 'consumer quality'.

All these initiatives were enabled by using tools like FMEA, DOE, TRIZ, Design Thinking etc.

2. Benefits derived as the result of the above efforts

- Launch of new products – Parachute Advanced Gold range of oils, shampoo & mask in salons, relaunch of Hair & Care with Fruits Oils, Livon Hair Gain Shampoo, New variants in deodorants & gels in India & Egypt, launch of New Herbal Hair Colour powder & New launch of Hair Code Creme colour in Bangladesh & Saffola Masala Oats, soup & Nutrishake variants.
- Strengthening knowledge of Hair Biology to create new actives for hair problems.
- Increased capability in clinical studies leading to strong claim support for new products.

3. Technology absorption, adaptation and innovation

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

- New technologies sourced from vendors, universities etc were evaluated for implementation into Marico Business needs. Clinical Research Organizations, Original Equipments Manufacturers & University experts were engaged to develop new products & deploy them at a faster rate.
- Novel ideas like conducting in-house contests for developing innovative products were undertaken.

These efforts allowed higher idea generation & quicker conversion of ideas into products.

4. The Company has not imported any technology during last three years reckoned from the beginning of FY2017-18.

5. The expenditure incurred on Research and Development:

Particulars	As at March 31,	
	2018 ₹ in Crore	2017 ₹ in Crore
(a) Capital	0.96	2.70
(b) Recurring	29.88	29.85
Total	30.84	32.55
As a % of revenues	0.60	0.67

The expenditure above includes a capital expenditure of ₹ 0.23 Crore (LY ₹ 0.59 Crores) and a revenue expenditure of Rs 6.55 Crores (LY ₹ 6.70) 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,	
	2018 (₹ in Crore)	2017 (₹ in Crore)
Foreign Exchange earned	324.86	419.03
Foreign Exchange used	208.72	182.32

For Marico Limited

Harsh Mariwala
Chairman
DIN: 00210342

Place : Mumbai
Date : June 28, 2018

ANNEXURE 'F' 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 & 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 CSR policy can be accessed on <http://marico.com/india/investors/documentation/corporate-governance>.

The Government has notified various initiatives that qualify to be CSR for the purpose of the mandatory spend applicable to the companies. The CSR initiatives of Marico thus, for the purpose of such mandatory spend would exclude the benefits made by the Company exclusively or predominantly to its employees, shareholders, investors, creditors and business partners.

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:

1) Education

Marico believes that one of the most significant indicators of social progress is education. Education plays a decisive role for a society to achieve self – sustainable and equitable development. With an increasing global realization of how business community can and should contribute to social objectives, education deserves a higher level of corporate involvement. To that effect, Marico will work to solve the problems prevalent in the Indian education system thereby contributing to the growth of the nation.

2) Health Care

Marico is a keen proponent of a Healthy and active lifestyle and hence hopes to innovatively create impact in this sector. It aims to work towards identifying the root causes of the preventative as well as facilitative health care of India's populace and work towards facilitating a healthy and fit India.

3) Community Sustenance

Community Sustenance refers to Marico's belief of giving back to the society in which Marico operates by working in a sustainable manner in and for the communities where Marico is present. Marico also believes that we will be able to truly Make a Difference in the life of the Farmers by enhancing / their livelihood, creating and providing the farmers with a sustainable lifestyle. The two major pillars of Community Sustenance are Community Development and Sustainability.

a) Community Development is integral for building a harmonious relationship with the community dwelling in the areas where Marico operates. Marico will therefore work towards upliftment of communities and villages that border Marico's workplaces/units. This thought is rooted in Marico's belief that providing livelihood opportunities to the farmers and those in need is critical for economic empowerment of the Nation. Hence, creating sustainable livelihood and enhanced earning potential to the farmer community through knowledge, innovation and transformative actions is a key thrust area of Marico's CSR.

b) Marico believes that it is important to integrate Sustainability into our core purpose which is to "Make a Difference". Hence, Marico works closely with its ecosystem to create a sustainable and inclusive growth for all. Our plan is to work on various sustainability initiatives for areas in and around our workplaces and factories across our different markets in the areas of energy management, water management, farm productivity improvement, etc.

4) Innovation- Scalability of Social Organization

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.

5) National Emergency & Disaster Relief

Wherever appropriate, Marico will make contributions either through donations or otherwise during national

ANNEXURE 'F' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

emergencies arising out of external aggression (defence of India), or major disruptions of social and communal harmony or natural disasters or humanitarian relief.

Strategy for CSR Initiatives- In the past year, Marico has undertaken the following activities to fulfil its CSR objectives:

1. 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 & life skills within the age group of 4-14 years were identified as three priority education interventions. Under this program NSA has two broad areas of operation:

- i. Educate Girls: Udaipur and Jalore district of Rajasthan and Dhar district of Madhya Pradesh.
- ii. Mobile Pathshala.

i. Educate Girls:

Objective: Educate Girls (EG) is an NGO which provides 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 behavioral, 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.

The EG program model is focused on improving the Enrolment – Retention – Learning cycle of every child in the educationally backward districts in which it operates. Educate Girls tackles the problem at its roots by focussing on increasing enrolment and retention of marginalized girls in public schools and also improvement of learning outcomes by focusing on micro-competencies of children.

In order to improve learning levels in numeracy and literacy, the EG curriculum is implemented in schools for children in grade 3, 4 and 5. The curriculum is implemented with the use of specially designed kits called Gyan ka Pitara (GKP). The learning tools focus on building micro-competencies in English, Hindi and Math.

In the previous year Marico Innovation Foundation (MIF) worked with EG to solve the logistics challenge associated with their educational kit. The work done by MIF helped the organisation save an estimated cost of around ₹ 1.3 Crore in FY17 and FY18.

Estimated Impact: Total number of children benefitted from the EG Program in FY 2017-18 is 88,773.

ii. Mobile Pathshala:

Nihar Mobile Paathshala also called "Paathshala Funwala" is a Platform property which houses quality content that is designed with leading educationist organization Pratham. Paathshala Funwala is available via a toll free number

(8055667788) and provides IVR lead learning opportunities free-of-cost in a fun and engaging manner. The content and tonality is designed not just to make quality learning accessible but also improve the eventual learning outcome. Currently the Audio modules are designed to teach English. Having revamped our modules, the time spent on the modules has gone up from 1.2 minutes to 16 minutes per caller. Going forward, we are looking to expand content, awareness and spread of the platform so that we can impact a larger number of kids. Paathshala Funwala, is also being crafted and converted into an AFP on Radio in the state of UP, MP & Rajasthan to further increase reach and strengthen anytime – anywhere learning by expanding the mediums of access.

Estimated Impact: The response till now has been overwhelming. In its first few months of launch post the revamp - Pathshala Funwala has already received over 7 lakh enrolments via its toll free number with engagement rates continuously moving upwards.

2. Healthcare

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.

Saffolalife believes in purpose of fighting against obesity and inspiring consumers to begin their journey towards fitness & healthier lifestyle at a young age. Saffolalife started working closely in a school contact program in urban and rural India to teach young minds various aspect of nutrition & food safety. This also aligns with government's agenda of spreading awareness on the topic of food safety.

Details about the project:

It began with a prototype in Mumbai and Jalgaon where Marico undertook ground activation in schools. Marico also supported FSSAI through creation of content videos and marketing collaterals.

Estimated Impact: 200 schools and 18,000 + students.

3. Community Sustenance

Building a sustainable ecosystem is an important goal in Marico's CSR policy. All our manufacturing facilities exerted to help and support their immediate communities in an impactful fashion. Our defined CSR Focus Areas like Education, Healthcare, Livelihood Enhancement and Water Conservation gratified the community needs holistically and facilitate us to reach out to them with a defined goal of shaping the future in a better way. Glimpses of our community development projects are mentioned below:

A. Farmer Development

Coconut is an important crop in India cultivated in the Southern States by close to 1 million farmers. Most of

ANNEXURE 'F' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

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. It is estimated that livelihood of 20 Lakhs Indian farmers depends on Coconut crop. Your company evaluated a huge opportunity available for increasing Coconut Farmers income and hence **on 2nd September, World Coconut Day, your Company launched the Kalpavriksha program to Make a Difference in the life of Coconut farmers by supporting them –through:**

- Enabling higher & sustainable Crop Yield.
- Providing training to farmers to handle their farms independently.
- Transform myth and belief based farming into farming based upon scientific research and Knowledge.

The Program Model –

- Conduct Training & Awareness programmes propagating scientific farm practices on Nutrient, Disease & water management.
- Enrolling farmers into the Programme and providing on-field support for implementing right farm Practice.
- Regular interaction and monitoring of farm care and performance of crops.
- Leading to Increased farm yield and farm input optimization – Increase Farmer income.

Kalpavriksha Programme Implementation -

Modes of implementation

i) Farm Care Personnel (FCP)

To propagate our program, your company deployed FCP on ground that can interact with farmers in helping them understand their program, enroll farmers and visit their fields for providing on-field support. **Training** – Training module consisting of scientific farm practices for Nutrient & disease management were used for training farmer groups.

ii) Jeep campaigns

Your company deployed with agricultural experts who travelled across interior villages for propagating the Kalpavriksha program.

iii) Farmer training – Digital Library

35 videos were developed across 5 Languages (Tamil, Telugu, Malayalam, Kanada & English). Videos are intended to educate farmers on Best Farm Practices and Disease Management.

iv) Kalpavriksha Care Centre (IVR – Toll Free no 18002664646)

IVR was set up where farmers could call up and seek support on any farm issues they are facing, from agricultural experts who provided suggestions on crop management practices. This support is available in multiple local languages like Malayalam, Tamil, Telegu and Kanada.

Estimated Impact: 50,222 farmers reached through the IVR toll free line.

v) Digital promotions

A dedicated Facebook page (www.facebook.com/kalpavrikshamarico) is developed to support the farmers. Other digital platforms like Blogs (<http://mykalpavriksha.com/>) and YouTube channel (<https://www.youtube.com/channel/UCInfNe9wZ2AmtO5hBNIGjhg>) are chosen to create awareness among the coconut farmers. Digital library videos are uploaded on YouTube for easy accessibility.

Estimated Impact: 116,852 followers on Facebook and 135,343 YouTube views & 22,000 views of Blog

vi) Local TV channels

Local TV is thought to have largest farmer reach. We telecasted our program at dedicated timeslot on local TV channel for educating farmers.

vii) Agri information services

Your company also took help of Agriculture Information services (SMS, newsletters) for propagating our programme.

Difference we created in Life of Farmers -

- Conducted around 100 farmer trainings, training 7,500+ farmers.
- 3,300 farmers are enrolled in our Program across 100+ villages. They **experienced 18% increase in Productivity in their farms.**
- Propagated Kalpavriksha program to approx. 1.3 lakhs farmers by various modes.

Regular monitoring of farm diagnosis and enthusiastic participation among farmers has given us more than 3,000 happy farmers. In long term basis, we aspire to touch a large percentage of 20 Lakhs coconut farmers in India and Make them Happy by striving to double their Farm income.

B. Water Conservation

Water is a core thrust area of your company's agenda and our pursuit is to become a water positive

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Disclosure on Corporate Social Responsibility ("CSR")

organization. Initiatives like Farm Ponds, Dam De-silting and Community Check Dams are few projects that we undertook during FY2017-18 to create total water conservation capacity of close to 18 Crore litres and actual saving of 35 Crore litres.

Farm Pond: In the current year your company executed the project of constructing **60 farm ponds** in Karnataka in a triplicate arrangement between – *Marico, an NGO (Deshpande Foundation) and the Farmers community.* Through this initiative we were able to store about **35 Crore litres** of water in the FY2017-18. Additionally 30 farm ponds have been built which will enable further saving of water during the monsoon season.

Dam De-silting: In the current year your company undertook the work of de-silting the Yeldari Dam which is an earth fill dam on Purna River near Yeldari in Jintur taluka of Parbhani district in the state of Maharashtra, India. It is the second largest dam in Marathwada Region. The objective of de-silting was to create capacity for storing rain water and avoid water shortage in future. Additional stored water will help in providing more water for domestic consumption and improve livelihood in the area. Your company is planning to desilt approximately 2 lakhs cubic meter silt from the dam so water storing capacity of dam is likely to increase by 20 Crore litres of water

Check dam and community pond creation: Your Company has taken initiatives to conserve water through community programs at our operating locations and vis-à-vis improve the ground water table and water availability for the local community. At Baddi, two check dams were constructed of 10 lakhs litre and 22 lakhs litres capacity respectively. The project has improved the ground water table and has supported the irrigation water requirement of the farmers impacting 1,500+ beneficiaries. Further pond renovation and development work was undertaken at Puduserry Panchayat, Kanjikode benefitting over 150+ local community members.

C. Education

Your company believes that one of the most significant indicators of social progress is education, which plays a decisive role for a society to achieve self-sustainable and equitable development.

During FY2017-18, over **2,234 children** benefitted through programs like career counselling awareness, financial literacy camp, and access to education stationary materials and schools infrastructure development. Our program of **Sakshar Beti (Literate Daughter)** for girls of Government Schools in Paonta,

North India has **benefitted around 234 girl students** through career counselling and note book distribution.

D. Health Care, Hygiene and Sanitation

The problem of women hygiene in rural areas is very prominent, as they have very limited understanding of healthy and scientific hygiene practices. Being cognizant about this, the Paonta unit had taken initiative to bring general awareness in the habits of village women towards good hygiene up-keep. Over **415 rural women and adolescent girls** were covered through general consultation and discussion with Senior Gynaecologist

Aligning ourselves with India's National mission of **"Swachh Bharat Mission"**, your company has **built 30 Eco-toilet** in Periyapet village of Pondicherry. These eco-toilets are water free in nature and decompose waste by creating the aerobic conditions for bacteria and other macro and micro-organisms to thrive.

During FY2017-18, 11,228 people were benefitted from our healthcare initiative executed through health camps, women health & hygiene and medical equipment support to Primary health centres (PHC).

E. Livelihood Enhancement

Your Company strived to support the communities surrounding our operational units for their livelihood enhancement and empowerment. The initiatives undertaken include Training and Skill Up-gradation (Mobile Repairing workshop), Green awareness campaigns, Infrastructure Development (Public and Village household toilets, library for School, set up unit for decomposing wet waste and water harvesting), empowering them through Awareness drives on waste management and recycling practices and Road safety campaigns. Your Company has **benefitted an estimated 11,191 people** under our livelihood enhancement program.

4. Innovation

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 it's below mentioned programs:

A. MIF Scale Up Program:

MIF's Scale-up program aims to help young 'innovative' organisations in accelerating their growth through deep rooted and intensive mentoring from a domain expert at a nominal fee. The mentors devote their time and experience

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in developing an implementable course of action and this entire process is monitored by MIF through pre-determined milestones. The engagement ends when the challenge is resolved and the organization is ready to scale up operations seamlessly.

The Scale up program is also aided through multiple interventions:

- a) MIF leverages the expertise of Marico members, external CEO's and sectoral experts through measured and structured interventions which enables them to utilize their knowledge and skills and help the organizations to solve their business challenges.
- b) Student teams from leading B-Schools in India are brought in annually to help organizations with research (primary and secondary) and with critical inputs on their business models; 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 FY2017-18 the Foundation worked closely with the following organisations to scale them up:

i) Atomberg

Atomberg is an organization that has developed India's most energy efficient ceiling fan, the Gorilla fan using high quality super-efficient BLDC motors. It is India's most energy efficient ceiling fan, consuming just 25W, as compared to the other fans which consumes 75W, thereby cutting down a normal electricity bill by approximately 65%. It also comes with a smart remote and currently has the highest air delivery efficiency in the market. During the current FY, MIF helped Atomberg with solving their:

- a) Manufacturing and Supply Chain problem and;
- b) GTM Strategy- Boosting their E-Commerce Sales

MIF is helping boost the online sales of Atomberg's ceiling fans by helping them create and refine their E-commerce sales strategy.

ii) Faclon Labs

Faclon Labs is an integrated end to end technology provider for Smart Water Management. They have a product that can track the leakage of water in real time and helps in leakage detection. MIF is currently helping them formulate their GTM strategy and better their manufacturing processes.

iii) 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. MIF

worked with them on their GTM strategy by evaluating the possible business models they could adopt and then helped them to improve upon the franchisee model that they opted to implement.

iv) S4S Technologies

They have developed a technology that can dehydrate foods while maintaining nutrition levels of 85%-99%. This is much higher than that was previously possible with dehydrated foods. The cost of dehydrating is also significantly lower - almost 40%-50% lower than traditional dryers, which gives them an edge over competitive alternatives. MIF is working with them to:

- a) Improve their marketing strategy for their B₂C business by creating a brand and increasing sales through conventional marketing strategies.
- b) Improve their quality control processes to ensure consistent output by identifying the current processes followed by them and then implementing standard operating protocols followed by Marico.
- c) Setup a factory to increase their production capacity.
- d) Train them and help them to obtain funding by validating their valuations, pitch, focusing their presentation and connecting them with relevant investors.

v) Incredible Device

Incredible Device is an organization that has created an automatic Catheter Reprocessing system. MIF is currently helping the organisation:

- a. Set up its manufacturing operations and streamline various processes around it.
- b. Design their sales kit and other sales tools .

vi) Arture

An online fashion label that uses the bark of a tree (cork) to make 100% natural cork fabrics for wallets, handbags, sleeves and travel accessories for both men and women. The tree remains unharmed when sourcing the cork as it can regrow the bark. This process consumes 3 times more carbon dioxide thereby cleaning the air. MIF is working with them create an online sales strategy to help boost sales on their website. Additionally, MIF is also helping them set up their online and offline distribution networks so as to add to the topline.

vii) Kinemach Engineering

Kinemach Engineering is an organization that has developed an agricultural machine which can plough,

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dig and weed farms while mimicking human hand movement. It is the only machine that can do all three tasks and can save farmers 50% of the capital cost of farming. The machine is also capable of working in wet soil where other machines cannot be operated, consumes less fuel and needs less power since as it does not require drag force. MIF is working with them on creating the business strategy for their company.

viii) String Bio

String Bio is an organization that essentially produces animal and food protein from methane and solid waste. Their protein is significantly lower in cost compared to competitive and alternate sources of protein. Currently, MIF is helping them with obtaining necessary regulatory clearances and setting up a B₂B distribution network.

ix) Express Bike Works (EBW)

EBW has come up with India's first and fastest automatic motorcycle wash machine capable of washing the dirtiest of motorcycle within 2-5 minutes. The product being green in its design incorporates inbuilt water recycling unit and is energy efficient as well thus saving water and power. MIF is working with them on 2 challenges:

1. Fortifying their approach to the franchisee business model so as to penetrate a territory and increase presence.
2. Designing a customer acquisition and retention strategy.

x) Niramai

Niramai has created an innovative solution for early detection of breast cancer or malignancy of lumps in women. MIF is helping them improve their business development processes by understanding best practices implemented by organizations such as Kaya and connecting them with relevant businesses in the healthcare industry.

xi) Krishi Star

Krishi Star, a Mumbai-based agri-business start up that focuses on producing processed tomato products (like Tomato paste, Whole peeled tomatoes, tomato puree) and they are dedicated to improving incomes for small farmers in India. They are creating a network of profitable farmer-owned food processing units and selling their products through the Krishi Star brand. MIF has worked with them for improving Quality control processes and providing Food technology guidance on standardising output at each of their factory locations.

xii) Help Us Green

Help us Green is a social enterprise that collects floral waste from the temples in Uttar Pradesh thereby

preserving River Ganges from becoming a religious sewer. The waste is then handcrafted by rural women self-help groups into patented organic fertilizer and incense sticks and stones. MIF has worked closely with the founder to re- create the brand architecture that will be a part of the new communication and packaging for Help us Green.

xiii) Violet Health

Violet Health is an organization that is working towards solving the destructive, global cycle of anemia among pregnant women and their children through culturally appropriate iron-fortified products (biscuits with twice the adherence rate among pregnant women in India). Iron deficiency anemia affects over half of pregnant women in India and there is a huge challenge of pregnant women (and other anemic populations) taking iron tablets. It is responsible for 20% of maternal deaths, low birth weight, and life-long delays in children's cognitive and physical development. MIF helped them:

1. To obtain FSSAI clearances for their food Product.
2. By connecting them with different foundations/ NGOs to help them do pilots in the state of Maharashtra.

B. MIF Talkies

MIF Talkies is a series of short online videos that showcase impactful innovations that are truly transforming lives, communities, businesses and more. This series is aimed at bringing to light unknown innovations and has proven to amplify awareness for the featured innovations. For example, season 2 launched in 2017 featured Atomberg's Gorilla fan that uses a unique motor mechanism to reduce urban India's electricity consumption, thereby freeing up electricity for Indian towns and villages. The online sales of these fans shot up by 20% after the release of the video.

C. Collaboration with a Technology Business Incubator (TBI) in the agri-sector

In the current financial year, MIF collaborated with A-Idea which is a TBI of ICAR-NAARM supported by Department of Science & Technology, Government of India. The funding was to support them in their Agriculture Accelerator program which was launched to support Start-ups in the Agriculture and food space.

5. National Emergency and Disaster Relief and Other Projects

A. Contribution for Lakshadweep Relief Project

In the current year, Lakshadweep Islands were severely impacted by Cyclone Ockhi. Three islands Minicoy, Kalpeni & Kavaratti have been severely impacted. In Minicoy 80% of the coconut trees have been uprooted.

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Many Houses have been severely damaged. Fishing boats/fishing nets & Copra making equipment kept in open has been destroyed.

Indian Administration has provided immediate rations (Dry provisions like rice, dal, salt and potatoes, water) and survival equipment (blankets, raincoats, disposable clothes, mosquito nets, etc.). The administration has reached out for help in restoring life back to normal. The prime occupation apart from supporting tourism is coconut farming & fishing.

Your Company intends to help the affected families in Lakshadweep to restore life to normal. The benefit was provided directly to the fishermen/farmers by Marico Agri-extension team which works on the Kalpavriksha Program. LCMF (Lakshadweep Coconut Marketing Federation) & district administration will provide logistics support and help in identifying beneficiaries. We sought guidance from them in identifying the needs of the farmers/fishermen.

Action Plan for support:

Sr. No.	Articles	Numbers
1	Lifebuoys for fishing boats	1,300
2	Crates for fishing	2,000
3	Baskets for farming	2,000
4	Tarpaulins for House Repair/Copra making	480
5	Climbing Machines for coconut harvesting	100

B. Contribution towards JSW Sports Initiative:

Your Company made a contribution worth ₹ 25 Lakhs 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 CSR Committee:

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

ANNEXURE 'F' TO THE BOARD'S REPORT

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- III Average net profit of the Company for the last three financial years : ₹. 818.75 Crores
- IV Prescribed CSR Expenditure (2% of the amount as in item III above): ₹ 16.37 Crores
- V Details of CSR spent during the financial year: ₹ 16.66 Crores

- a Total amount to be spent for the financial year: ₹ 16.37 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							
				381,285	283,149	-	Through Implementation agency: MIF.
Current Projects							
a	Atomberg	Promoting education and ensuring environmental sustainability	Mumbai, Maharashtra	-	-	-	MIF is a not for Profit institution established in 2003, registered as a Section 25 company under Companies Act, 1956. MIF's Scale-up program aims to help young 'innovative' organisations in accelerating their growth through deep rooted and intensive mentoring from a domain expert at a nominal fee. There is no implementing agency since this project is being managed in-house by MIF.
b	Facion Labs	Promoting education and conservation of natural resources	Mumbai, Maharashtra	-	-	-	
c	S4S Technologies	Promoting education and Healthcare	Mumbai and Aurangabad, Maharashtra	-	-	-	
d	Incredible Devices	Promoting education and Healthcare	Chandigarh	-	-	-	
e	Arture	Promoting education and ensuring environmental sustainability and ecological balance	Bangalore, Karnataka	-	-	-	
f	Kinemach Engineering	Promoting Education and Livelihood Enhancement Project	Kerala	-	-	-	
g	String Bio	Promoting education and animal welfare	Bangalore, Karnataka	-	-	-	
h	Express Bike Works	Promoting education and ensuring environmental sustainability and conservation of natural resources	Mumbai, Maharashtra	-	-	-	
i	Niramai	Promoting Healthcare	Bangalore, Karnataka	-	-	-	
Exited Projects:							
a	Krishni Star	Livelihood enhancement project	Mumbai, Maharashtra	-	-	-	
b	Green Salute	Promoting education and conservation of natural resources	Pune, Maharashtra	-	-	-	
c	Help Us Green	Maintaining quality of water and ensuring environmental sustainability and Women empowerment	Kanpur, Uttar Pradesh	-	-	-	
d	Violet Health	Promoting healthcare including preventive healthcare	Mumbai, Maharashtra	-	-	-	

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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 ₹)	Direct or through implementing agency*
2	Thought Leadership	Promoting education	India	4,418,715	5,797,684	-	Dissemination of content through various platforms. Launched MIF Talkies which is a web series of short online videos that showcase impactful innovations that are truly transforming lives, communities, businesses and more.
3	Incubation support	Contribution to a Technology Incubators	Hyderabad, Telangana	500,000	500,000	-	Partnered with A-Idea which is a technology business incubator of ICAR-NAARM supported by Department of Science & Technology, Government of India.
TOTAL (A)				5,290,000	6,580,833	6,580,833	-
(B) Education							
1	Educate Girls (EG)	Promoting Education	Udaipur district, Rajasthan Dhar District, Madhya Pradesh	53,005,853	55,343,243	-	EG 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, EG aims to provide quality education for all underserved and marginalized girls by mobilizing and leveraging public, private, and community resources to improve access to education and school quality.
2	Mobile Pathshala Initiative	Promoting Education	Uttar Pradesh, Madhya Pradesh, Bihar, Chattisgarh and Rajasthan	41,065,265	41,351,424	-	Nihar Mobile Paathshala also called "Paathshala Funwala" is a Platform property which houses quality content and it is available via a toll free number (8055667788) and provides IVR lead learning opportunities free-of-cost in a fun and engaging manner.
TOTAL (B)				94,071,118	96,694,666	103,275,499	-
(C) Healthcare							
1	Saffolalife	Preventive Healthcare	Mumbai and Jalgaon	5,000,000	4,388,210	-	Direct
TOTAL (C)				5,000,000	4,388,210	107,663,709	-
(D) Community Sustainance							
1	Farmer Development	Livelihood enhancement	Karnataka, Kerala, Tamil Nadu, Andhra Pradesh	26,398,045	27,482,403	-	Direct
2	Sustainability	Water Development	India	12,100,000	10,962,781	-	Direct
3	Community Initiatives	Calamity	India	4,249,773	4,374,159	-	Direct
TOTAL (D)				42,747,818	42,819,343	150,483,052	-

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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) Other Initiatives							
1	JSW Initiative for Sports	Training to promote sports	Bangalore, Karnataka for wrestlers across the country	2,500,000	2,500,000	-	Direct
2	Calamity Led Initiative	Livelihood enhancement, Preventive Health care, Eradicating Hunger, poverty, malnutrition, Ecological balance, protection of flora and fauna	Lakshwadeep	5,000,000	4,394,500	-	Direct
TOTAL (E)				7,500,000	6,894,500	157,377,552	-
(F) TOTAL CSR SPEND (A)+(B)+(C)+(D)+(E)				154,618,936	157,377,552	157,377,552	-
Admin spends line is missing.				7,730,947	7,868,878	7,868,878	-
(G) Capacity Building and Administrative Expenditure (Limited to the cap of 5% of total spend)				162,349,883	165,246,430	165,246,430	-
TOTAL CSR SPEND (F)+(G)							

*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 : June 28, 2018

Saugata Gupta
Managing Director & CEO

Rajeev Bakshi
Chairman of the CSR Committee

ANNEXURE 'G' TO THE BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
As on financial year ended March 31, 2018

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	Company Limited by Shares/Non-Govt Company
v	Address of the Registered office & contact details	7 th 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, L B S 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	62
2	Hair Care	20236	29

ANNEXURE 'G' 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, Bangladesh	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 (Marico SEA) No.3, Road 5, Song Than 1 Industrial Zone, Di An Town, Binh Duong province, Vietnam	NA	Subsidiary	100%	2(87)(ii)
6	Marico Consumer Care Limited (MCCL) 7 th 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) 7 th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098	U24240MH2011PTC239427	Subsidiary	100% through MCCL	-
8	Marico Innovation Foundation (MIF) 7 th 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) Room A, 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	Marico for Consumer Care Products SAE (Erstwhile MEL Consumer Care & Partners-WIND)* Building 3, Section 1141, 34, IBAD Elrahman Street, Masaken Sheraton, Nozha District-Cairo-Egypt	NA	Subsidiary	100% through MELCC	2(87)(ii)(a)
15	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	40.60%	2(6)

* Became a subsidiary Company consequent to the conversion of the partnership firm into a Joint stock company w.e.f. December 19, 2017.

** Bellezimo Professionale Products Private Limited ceased to be an Associate Company w.e.f. March 7, 2018.

ANNEXURE 'G' TO THE BOARD'S REPORT

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 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	750,600,240	-	750,600,240	58.16	750,633,240	-	750,633,240	58.15	-
b) Central Govt./ State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	18,297,000	-	18,297,000	1.42	18,297,000	-	18,297,000	1.42	-
d) Bank/Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	768,897,240	-	768,897,240	59.58	768,930,240	-	768,930,240	59.57	-
(2) Foreign									
a) NRI- Individuals	1,800,000	-	1,800,000	0.14	1,800,000	-	1,800,000	0.14	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	1,800,000	-	1,800,000	0.14	1,800,000	-	1,800,000	0.14	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	770,697,240	-	770,697,240	59.72	770,730,240	-	770,730,240	59.71	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	17,721,561	-	17,721,561	1.37	29,776,420	-	29,776,420	2.31	68.02
b) Banks/Fl	497,116	-	497,116	0.04	713,188	-	713,188	0.06	43.47
c) Central Govt./State Govt.	1,929,720	-	1,929,720	0.15	1,625,791	-	1,625,791	0.13	-15.75
d) Venture Capital Fund	-	-	-	-	-	-	-	-	-
e) Insurance Companies	33,434,560	-	33,434,560	2.59	50,059,305	-	50,059,305	3.88	49.72
f) FIs	81,129,891	10,000	81,139,891	6.29	3,061,074	9,000	3,070,074	0.24	-96.22
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Foreign Portfolio Investor (Corporate)	291,648,966	-	291,648,966	22.60	350,885,737	-	350,885,737	27.18	20.31
i) Others (specify)	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	1,747,883	-	1,747,883	0.14	100.00
SUB TOTAL (B)(1):	426,361,814	10,000	426,371,814	33.04	437,869,398	9,000	437,878,398	33.92	2.70
(2) Non Institutions									
a) Bodies corporates									
i) Indian	34,296,454	68,000	34,364,454	2.66	30,230,542	68,000	30,298,542	2.35	-11.83
ii) Foreign	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	37,491,382	1,295,209	38,786,591	3.01	34,856,027	1,089,854	35,945,881	2.78	-7.32
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	13,562,382	-	13,562,382	1.05	9,606,337	-	9,606,337	0.74	-29.17

ANNEXURE 'G' TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
1. NRI	3,700,761	-	3,700,761	0.29	3,832,827	-	3,832,827	0.30	3.57
2. Clearing member	1,182,234	-	1,182,234	0.09	617,178	-	617,178	0.05	-47.80
3. Trusts	154,058	-	154,058	0.01	415,899	-	415,899	0.03	169.96
4. HUF	1,651,664	-	1,651,664	0.13	1,529,386	-	1,529,386	0.12	-7.40
6. IEPF	-	-	-	-	9,710	-	9,710	0.00	100.00
SUB TOTAL (B)(2):	92,038,935	1,363,209	93,402,144	7.24	81,097,906	1,157,854	82,255,760	6.37	-11.93
Total Public Shareholding (B)= (B)(1)+(B)(2)	518,400,749	1,373,209	519,773,958	40.28	518,967,304	1,166,854	520,134,158	40.29	0.07
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,289,097,989	1,373,209	1,290,471,198	100	1,289,697,544	1,166,854	1,290,864,398	100	0.03

ANNEXURE 'G' TO THE BOARD'S REPORT

(ii) & (iii) Shareholding of Promoters & Changes in Promoters' shareholding

Sl. No	Name	Shareholding at the beginning (01.04.2017)/end of the year(31.03.2018)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		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)	148,337,200	11.49	01-Apr-17	-	-	148,337,200	11.49
				18-May-17	61,500	Inter-se Transfer	148,398,700	11.50
				14-Jun-17	60,500		148,459,200	11.50
		148,459,200	11.50	31-Mar-18	-	-	148,459,200	11.50
2	Harsh Mariwala with Kishore Mariwala (For Aquarius Family Trust)	148,338,200	11.49	01-Apr-17	-	-	148,338,200	11.49
		-	-	18-May-17	54,500	Inter-se Transfer	148,392,700	11.50
		-	-	14-Jun-17	53,500		148,446,200	11.50
		148,446,200	11.50	31-Mar-18	-	-	148,446,200	11.50
3	Harsh Mariwala with Kishore Mariwala (For Taurus Family Trust)	148,338,000	11.49	01-Apr-17	-	-	148,338,000	11.49
		-	-	18-May-17	64,000	Inter-se Transfer	148,402,000	-
		-	-	14-Jun-17	63,000		148,465,000	-
		148,465,000	11.50	31-Mar-18	-	-	148,465,000	11.50
4	Harsh Mariwala with Kishore Mariwala (For Gemini Family Trust)	148,338,100	11.49	01-Apr-17	-	-	148,338,100	11.49
		-	-	18-May-17	62,000	Inter-se Transfer	148,400,100	11.50
		-	-	14-Jun-17	60,500		148,460,600	11.50
		148,460,600	11.50	31-Mar-18	-	-	148,460,600	11.50
5	The Bombay Oil Private Limited	18,297,000	1.42	01-Apr-17	-	No Change during the year	18,297,000	1.42
		18,297,000	1.42	31-Mar-18	-		18,297,000	1.42
6	Mr. Harsh Mariwala	20,100,400	1.56	01-Apr-17	-	-	20,100,400	1.56
		-	-	14-Jun-17	237,500	Inter-se Transfer	19,862,900	1.54
		19,862,900	1.54	31-Mar-18	-	-	19,862,900	1.54
7	Harshraj C Mariwala (HUF)	12,240,000	0.95	01-Apr-17	-	No Change during the year	12,240,000	0.95
		12,240,000	0.95	31-Mar-18	-		12,240,000	0.95
8	Mrs. Archana Mariwala	23,444,100	1.82	01-Apr-17	-	No Change during the year	23,444,100	1.82
		23,444,100	1.82	31-Mar-18	-		23,444,100	1.82
9	Ms. Rajvi Mariwala	28,408,000	2.20	01-Apr-17	-	No Change during the year	28,408,000	2.20
		28,408,000	2.20	31-Mar-18	-		28,408,000	2.20
10	Mr. Rishabh Mariwala	24,976,500	1.94	01-Apr-17	-	No Change during the year	24,976,500	1.94
		24,976,500	1.93	31-Mar-18	-		24,976,500	1.93
11	Mrs. Preeti Gautam Shah	1,800,000	0.14	01-Apr-17	-	No Change during the year	1,800,000	0.14
		1,800,000	0.14	31-Mar-18	-		1,800,000	0.14
12	Mrs. Pallavi Jaikishen	1,832,000	0.14	01-Apr-17	-	No Change during the year	1,832,000	0.14
		1,832,000	0.14	31-Mar-18	-		1,832,000	0.14
13	Mrs. Malika Chiray Amin	1,800,000	0.14	01-Apr-17	-	No Change during the year	1,800,000	0.14
		1,800,000	0.14	31-Mar-18	-		1,800,000	0.14
14	Mr. Kishore Mariwala	2,656,220	0.21	01-Apr-17	-	-	2,656,220	0.21
		-	-	08-May-17	2,000	Gift of Shares to it's Trusts	2,645,220	0.21
		-	-	18-May-17	242,000	Inter-se Transfer	2,412,220	0.19
		-	-	27-Nov-17	33,000	Purchase	2,445,220	0.19
		2,445,220	0.19	31-Mar-18	-	-	2,445,220	0.19

ANNEXURE 'G' TO THE BOARD'S REPORT

Sl. No	Name	Shareholding at the beginning (01.04.2017)/end of the year(31.03.2018)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
15	Mrs. Hema Mariwala	7,679,480	0.60	01-Apr-17	-	No Change during the year	7,679,480	0.60
		7,679,480	0.59	31-Mar-18	-		7,679,480	0.59
16	Mr. Rajen Mariwala	5,532,900	0.43	01-Apr-17	-	No Change during the year	5,532,900	0.43
		5,532,900	0.43	31-Mar-18	-		5,532,900	0.43
17	Mrs. Anjali Mariwala	7,414,700	0.57	01-Apr-17	-	No Change during the year	7,414,700	0.57
		7,414,700	0.57	31-Mar-18	-		7,414,700	0.57
18	Dr. Ravindra Mariwala	13,954,540	1.08	01-Apr-17	-	No change during the year	13,954,540	1.08
		13,954,540	1.08	31-Mar-18	-		13,954,540	1.08
19	Mrs. Paula Mariwala	7,189,100	0.56	01-Apr-17	-	No Change during the year	7,189,100	0.56
		7,189,100	0.56	31-Mar-18	-		7,189,100	0.56
20	Kishore Mariwala for Arnav Trust	5,200	-	01-Apr-17	-	-	5,200	-
		-	-	08-May-17	500	Gift from Mr. Kishore Mariwala	5,700	-
		5,700	-	31-Mar-18	-	-	5,700	-
21	Kishore Mariwala for Vibhav Trust	5,200	-	01-Apr-17	-	-	5,200	-
		-	-	08-May-17	500	Gift from Mr. Kishore Mariwala	5,700	-
		5,700	-	31-Mar-18	-	-	5,700	-
22	Kishore Mariwala for Taarika Trust	5,200	-	01-Apr-17	-	-	5,200	-
		-	-	08-May-17	500	Gift from Mr. Kishore Mariwala	5,700	-
		5,700	-	31-Mar-18	-	-	5,700	-
23	Kishore Mariwala for Anandita Trust	5,200	-	01-Apr-17	-	-	5,200	-
		-	-	08-May-17	500	Gift from Mr. Kishore Mariwala	5,700	-
		5,700	-	31-Mar-18	-	-	5,700	-

ANNEXURE 'G' TO THE BOARD'S REPORT

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs & ADRs)

Sl. No	Name	Shareholding at the beginning(01.04.2017)/ end of the year (31.03.2018)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shars Held	% of total Shares of the Company				No. of Shars Held	% of total Shares of the Company
1	First State Investments Icvc-Stewart Investors Asia Pacific Leaders Fund	59,670,978	4.62	-	-	-	59,670,978	4.62
				02-Jun-17	2,608,879	Sale	57,062,099	4.42
				09-Jun-17	2,010,707		55,051,392	4.27
				16-Jun-17	1,670,826		53,380,566	4.14
				23-Jun-17	155,533		53,225,033	4.12
				04-Aug-17	1,419,651		51,805,382	4.01
				11-Aug-17	4,810,162		46,995,220	3.64
2	Life Insurance Corporation Of India	28,135,950	2.18	-	-		-	28,135,950
				21-Jul-17	532,324	Purchase	28,668,274	2.22
				28-Jul-17	1,418,677		30,086,951	2.33
				04-Aug-17	2,697,941		32,784,892	2.54
				11-Aug-17	5,113,203		37,898,095	2.94
				18-Aug-17	1,189,066		39,087,161	3.03
				25-Aug-17	1,591,091		40,678,252	3.15
				01-Sep-17	1,779,061		42,457,313	3.29
				08-Sep-17	2,454,987		44,912,300	3.48
				15-Sep-17	1,692,622		46,604,922	3.61
				17-Nov-17	3,900		46,608,822	3.61
08-Dec-17	1,900	46,610,722	3.61					
3	Cartica Capital Limited	24,903,037	1.93	-	-	-	24,903,037	1.93
				07-Apr-17	293,283	Purchase	25,196,320	1.95
				14-Apr-17	613,936		25,810,256	2.00
				21-Apr-17	108,196		25,918,452	2.01
				28-Apr-17	310,688		26,229,140	2.03
				05-May-17	386,826		26,615,966	2.06
				12-May-17	532,027		27,147,993	2.10
				19-May-17	3,352		27,151,345	2.10
				02-Jun-17	350,000		27,501,345	2.13
				09-Jun-17	500,000		28,001,345	2.17
				16-Jun-17	1,050,000		29,051,345	2.25
				23-Jun-17	650,000		29,701,345	2.30
				25-Aug-17	572,847		30,274,192	2.35
				01-Sep-17	278,506		30,552,698	2.37
				08-Sep-17	59,761		30,612,459	2.37
				24-Nov-17	1,536,676		32,149,135	2.49
				01-Dec-17	268,674		32,417,809	2.51
08-Dec-17	268,738	32,686,547	2.53					
15-Dec-17	775,000	33,461,547	2.59					
02-Feb-18	200,000	33,661,547	2.61					
09-Feb-18	531,229	33,130,318	2.57					
16-Feb-18	3,914,199	29,216,119	2.26					
4	Arisaig India Fund Limited	28,647,339	2.22	-	-	-	28,647,339	2.22

ANNEXURE 'G' TO THE BOARD'S REPORT

Sl. No	Name	Shareholding at the beginning(01.04.2017)/ end of the year (31.03.2018)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shars Held	% of total Shares of the Company				No. of Shars Held	% of total Shares of the Company
5	Kuwait Investment Authority - fund no. 208	11,580,725	0.90	-	-	-	11,580,725	0.90
				07-Apr-17	1,167,124	Purchase	12,747,849	0.99
				14-Apr-17	882,765		13,630,614	1.06
				05-May-17	1,481		13,632,095	1.06
				12-May-17	235,330		13,867,425	1.07
				19-May-17	5,324		13,872,749	1.08
				26-May-17	1,359,860		15,232,609	1.18
				02-Jun-17	1,073,750		16,306,359	1.26
				16-Jun-17	56,400		16,249,959	1.26
				23-Jun-17	1,423,077	Sale	14,826,882	1.15
				30-Jun-17	129,340		14,697,542	1.14
				07-Jul-17	225,548	Purchase	14,923,090	1.16
				14-Jul-17	693,837		15,616,927	1.21
				28-Jul-17	1,084,428		14,532,499	1.13
				04-Aug-17	22,720	Sale	14,509,779	1.12
				15-Sep-17	3,777		14,506,002	1.12
				13-Oct-17	251,055		14,254,947	1.10
				24-Nov-17	297,151		14,552,098	1.13
				01-Dec-17	195,425		14,747,523	1.14
				08-Dec-17	653,373	Purchase	15,400,896	1.19
				09-Feb-18	111,429		15,512,325	1.20
				16-Feb-18	849,777		16,362,102	1.27
				23-Feb-18	231,265		16,593,367	1.29
				02-Mar-18	1,779,761	Sale	14,813,606	1.15
				09-Mar-18	54,867		14,868,473	1.15
23-Mar-18	763,500	Purchase	15,631,973	1.21				
31-Mar-18	455,500		16,087,473	1.25				
6	Prazim Trading and Investment Company Private Limited	16,372,395	1.27	-	-	-	16,372,395	1.27
				09-Feb-18	227864		16,144,531	1.25
				16-Feb-18	1050429	Sale	15,094,102	1.17
				23-Feb-18	345000		14,749,102	1.14
7	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus	10,326,809	0.80	-	-	-	10,326,809	0.80
				23-Jun-17	447,903		10,774,712	0.83
				30-Jun-17	52,097		10,826,809	0.84
				11-Aug-17	100,000		10,926,809	0.85
				17-Nov-17	400,000		11,326,809	0.88
				01-Dec-17	318,951		11,645,760	0.90
				08-Dec-17	470,419	Purchase	12,116,179	0.94
				22-Dec-17	70,198		12,186,377	0.94
				05-Jan-18	1,802		12,188,179	0.94
				12-Jan-18	278,000		12,466,179	0.97
				02-Mar-18	190,010		12,656,189	0.98
8	Arisaig Global Emerging Markets Consumer Fund (Singapore) Private Limited	9,218,930	0.71	-	-	-	9,218,930	0.71
				07-Jul-17	332692		8,886,238	0.69
				14-Jul-17	519525	Sale	8,366,713	0.65
				04-Aug-17	204683		8,162,030	0.63

ANNEXURE 'G' TO THE BOARD'S REPORT

Sl. No	Name	Shareholding at the beginning(01.04.2017)/ end of the year (31.03.2018)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shars Held	% of total Shares of the Company				No. of Shars Held	% of total Shares of the Company
9	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	8,032,878	0.62	-	-	-	8,032,878	0.62
				07-Apr-17	53,811	Purchase	8,086,689	0.63
				28-Apr-17	8,470		8,095,159	0.63
				05-May-17	67,760		8,162,919	0.63
				12-May-17	21,175		8,184,094	0.63
				19-May-17	45,738		8,229,832	0.64
				02-Jun-17	18,634		8,248,466	0.64
				07-Jul-17	29,645		8,278,111	0.64
				14-Jul-17	21,175		8,299,286	0.64
				04-Aug-17	18,634	Purchase	8,317,920	0.64
				11-Aug-17	24,563		8,342,483	0.65
				01-Sep-17	30,492		8,372,975	0.65
				08-Sep-17	43,197		8,416,172	0.65
				15-Sep-17	38,962		8,455,134	0.66
				06-Oct-17	25,410		8,480,544	0.66
				13-Oct-17	26,257		8,506,801	0.66
				20-Oct-17	19,481		8,526,282	0.66
				27-Oct-17	17,787		8,544,069	0.66
				22-Dec-17	408,931	Sale	8,135,138	0.63
				26-Jan-18	36,801	Purchase	8,171,939	0.63
02-Feb-18	32,886		8,204,825	0.64				
23-Mar-18	210,400		7,994,425	0.62				
31-Mar-18	40,250	Sale	7,954,175	0.62				
10	Morgan Stanley Investment Management Emerging Markets Trust	5,595,418	0.43	-	-	-	5,595,418	0.43
				07-Apr-17	685,635	Purchase	6,281,053	0.49
				14-Apr-17	533,398		6,814,451	0.53
				28-Apr-17	239,384		7,053,835	0.55
				05-May-17	1,080		7,054,915	0.55
				12-May-17	171,658		7,226,573	0.56
				19-May-17	3,361		7,229,934	0.56
				26-May-17	78,836		7,308,770	0.57
				02-Jun-17	614,546		7,923,316	0.61
				01-Sep-17	240,138		7,683,178	0.60
				22-Sep-17	334,840	Sale	7,348,338	0.57
				01-Dec-17	116,413		7,231,925	0.56
11	Barclays Merchant Bank (Singapore) Limited	10,371,114	0.80	-	-	-	10,371,114	0.80
				07-Apr-17	3,283,000		7,088,114	0.55
				02-Jun-17	24,704		7,063,410	0.55
				09-Jun-17	629,328		6,434,082	0.50
				18-Aug-17	1,139,806		5,294,276	0.41
				25-Aug-17	1,502,753		3,791,523	0.29
				01-Sep-17	1,388,093	Sale	2,403,430	0.19
				08-Sep-17	1,893,749		509,681	0.04
				08-Dec-17	6,975		502,706	0.04

Notes:

1. Paid up Share Capital of the Company (Face Value ₹ 1) at the end of the year is 1,290,864,398 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the time of change in capital of the Company

ANNEXURE 'G' TO THE BOARD'S REPORT

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Name	Shareholding at the beginning (01.04.2017)/end of the year (31.03.2018)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)		
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the Company	
Directors									
1	Mr. Harsh Mariwala (The Chairman of the Board & Non Executive Director)	20,100,400	1.56	01-Apr-17	-	-	20,100,400	1.56	
		-	-	14-Jun-17	237,500	Inter-se Transfer	19,862,900	1.54	
		19,862,900	1.54	31-Mar-18	-	-	19,862,900	1.54	
2	Mr. Rajen Mariwala (Non-Executive Director)	5,532,900	0.43	01-Apr-17	-	No Change during the	5,532,900	0.43	
		5,532,900	0.43	31-Mar-18	-	year	5,532,900	0.43	
3	Mr. Saugata Gupta (Managing Director & Chief Executive Officer)	317,400	0.02	01-Apr-17	-	-	317,400	0.02	
		-	-	28-Sep-17	300,000	Equity Shares acquired pursuant to exercise of stock options	617,400	0.05	
		-	-	20-Mar-18	93,200		710,600	0.06	
		710,600	0.06	31-Mar-18	-	-	710,600	0.06	
4	Mr. Anand Kripalu * (Independent Director)	-	-	-	-	Nil Holding	-	-	
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	-	-	
9	Mr. Rishabh Mariwala** (Non-Executive Director)	24,976,500	1.94	01-Apr-17	-	No Change during the	24,976,500	1.94	
		24,976,500	1.93	31-Mar-18	-	year	24,976,500	1.93	
10	Mr. Ananth Sankaranarayanan*** (Independent Director)	-	-	-	-	Nil Holding	-	-	

*Ceased to be an Independent Director w.e.f. October 6, 2017

** Appointed as a Non-Executive Director w.e.f May 2, 2017

*** Appointed as an Independent Director w.e.f June 26, 2017

Key Managerial Personnel

1	Mr. Vivek Karve (Chief Financial Officer)	49,900	-	01-Apr-17	-	No Change during the year	49,900	-
		49,900	-	31-Mar-18	-		49,900	-
2	Mr. Surender Sharma * (Company Secretary & Compliance Officer)	2	-	01-Apr-17	-	No Change during the year	2	-
		2	-	31-Mar-18	-		2	-
3	Ms. Hemangi Ghag** (Company Secretary & Compliance Officer)	-	-	01-Apr-17	-	Nil Holding	-	-
		-	-	31-Mar-18	-		-	-

* Ceased to be the Company Secretary & Compliance Officer w.e.f October 16, 2017

**Appointed as the Company Secretary & Compliance Officer w.e.f October 30, 2017

ANNEXURE 'G' TO THE BOARD'S REPORT

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 01.04.2017)				
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)	10,856.28	-	-	10,856.28
Change in Indebtedness during the financial year				
Additions (Principal)	26,774.00	-	-	26,774.00
Reduction (Principal)	-25,879.00	-	-	-25,879.00
Adjustment (Exchange Rate difference)	509.00	-	-	509.00
Net Change	1,404.00	-	-	1,404.00
Indebtedness at the end of the financial year (As on 31.03.2018)				
i) Principal Amount	12,238.00	-	-	12,238.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.00	-	-	3.00
Total (i+ii+iii)	12,241.00	-	-	12,241.00

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. #	814.92
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2.44
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	1245.03
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
5	Others, Please specify	-
	Total (A)	2062.38
	Ceiling as per the Act*	-

Includes Stock appreciations rights granted during the financial year.

*Remuneration paid to the Managing Director is within the ceiling provided under Section 197 of the Companies Act, 2013.

ANNEXURE 'G' TO THE BOARD'S REPORT

B. Remuneration to other directors:

(₹ in Lacs)

Sl.No	Particulars of Remuneration	Name of other Directors						Total
		Mr. Anand Kripalu (till October 6, 2017)	Ms. Hema Ravichandar	Mr. Rajeev Bakshi	Mr. Nikhil Khattau	Mr. B. S. Nagesh	Mr. Ananth Sankaranarayanan (w.e.f. June 26, 2017)	
1	Independent Directors							
	(a) Fee for attending Board / Committee Meetings	2.50	12.00	9.50	11.50	13.50	4.5	53.50
	(b) Commission	11.36	23.50	23.50	23.50	22.00	16.91	120.77
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	13.86	35.50	33.00	35.00	35.50	21.41	174.27
2	Other Non Executive Directors							
	(a) Fee for attending Board / Committee Meetings	7.50	10.00	6.00	-	-	-	23.50
	(b) Commission	588.50	22.00	20.17	-	-	-	630.67
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (2)	596.00	32.00	26.17	-	-	-	654.17
	Total B (1+2)	609.86	67.50	59.17	35.00	35.50	21.41	828.44
	Total Managerial Remuneration (Total A+B)	-	-	-	-	-	-	2,890.82
	Overall Ceiling as per the Act	₹ 10,660.52 Lacs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

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 (upto October 6, 2017)	Ms. Hemangi Ghag- Company Secretary & Compliance Officer w.e.f. October 30, 2017
		(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)
1	Gross salary	218.64	69.31	17.51
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.40	0.08	0.81
	(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	219.04	69.39	18.32

ANNEXURE 'G' TO THE BOARD'S REPORT

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.

For Marico Limited

Place : Mumbai
Date : June 28, 2018

Harsh Mariwala
Chairman
DIN : 00210342

FORM AOC - 1

Statement containing salient features of the financials statements of subsidiaries or associate companies or joint ventures.

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 ₹	0.777	6 th September, 1999	1 st April, 2017	31 st March, 2018	31.50 24.48	117.76 91.50	445.64 346.42	296.58 230.44	123.75 96.16	781.47 607.20	224.37 174.34	60.11 46.71	164.26 127.63	173.25 134.62	90
2	MBL Industries Limited	BDT ₹	0.777	2 nd August, 2003	1 st April, 2017	31 st March, 2018	0.10 0.08	0.40 0.31	0.80 0.62	0.30 0.24	-	-	(0.01) (0.01)	-	(0.01) (0.01)	-	100
3	Marico Consumer Care Limited	₹	1.000	20 th April, 2012	1 st April, 2017	31 st March, 2018	20.66 20.66	16.57 16.57	38.12 38.12	0.89 0.89	36.24 36.24	-	6.82 6.82	1.73 1.73	5.09 5.09	-	100
4	Marico Middle East FZE	AED ₹	17.745	8 th November, 2005	1 st April, 2017	31 st March, 2018	2.20 39.04	(12.19) (216.36)	4.21 74.77	14.21 252.10	-	20.17 357.94	(0.31) (5.42)	-	(0.31) (5.42)	-	100
5	MEL Consumer Care SAE	EGP ₹	3.693	1 st October, 2006	1 st April, 2017	31 st March, 2018	0.03 0.09	(10.03) (37.02)	1.40 5.18	11.40 42.11	-	-	(8.24) (30.44)	-	(8.24) (30.44)	-	100
6	Egyptian American Company for Investment and Industrial Development SAE	EGP ₹	3.693	19 th December, 2006	1 st January, 2017	31 st December, 2017	0.69 2.55	(1.00) (3.70)	0.02 0.07	0.33 1.22	-	-	0.81 3.00	0.16 0.59	0.65 2.41	-	100
7	Marico South Africa (Pty) Limited	ZAR ₹	5.542	17 th October, 2007	1 st April, 2017	31 st March, 2018	8.48 47.02	2.12 11.73	18.31 101.46	7.71 42.71	-	24.48 135.67	(0.50) (2.78)	0.11 0.59	(0.40) (2.19)	-	100
8	Marico South Africa Consumer Care (Pty) Limited	ZAR ₹	5.542	1 st November, 2007	1 st April, 2017	31 st March, 2018	9.01 49.91	4.03 22.32	13.04 72.24	* 0.01	-	-	* *	-	* *	-	100
9	Marico Egypt for industries SAE	EGP ₹	3.693	1 st January, 2008	1 st January, 2017	31 st December, 2017	1.23 4.54	(1.02) (3.77)	7.16 26.46	6.96 25.69	-	8.58 31.70	(11.83) (43.66)	(0.05) (0.18)	(11.88) (43.86)	-	100
10	Marico for Consumer Care Products SAE	EGP ₹	3.693	19 th December, 2017	1 st January, 2017	31 st December, 2017	1.45 5.34	(2.44) (9.02)	2.78 10.27	3.78 13.95	-	3.03 11.19	(1.45) (5.37)	(0.01) (0.05)	(1.47) (5.42)	-	100
11	Marico Malaysia Sdn. Bhd	MYR ₹	16.865	4 th December, 2009	1 st April, 2017	31 st March, 2018	1.77 29.78	(1.76) (29.61)	0.01 0.18	* 0.01	-	-	* (0.05)	-	* (0.05)	-	100
12	Marico South East Asia Corporation	VND ₹	0.00286	18 th February, 2011	1 st April, 2017	31 st March, 2018	9.535.90 27.27	2,662.61 7.62	46,464.30 132.89	34,265.79 98.00	2,205.89 6.31	125,187.16 358.04	10,404.32 29.76	2,145.97 6.14	8,258.35 23.62	5,000.21 14.30	100
13	Marico Innovation Foundation	₹	1.000	15 th March, 2013	1 st April, 2017	31 st March, 2018	-	(0.26) (0.26)	0.53 0.53	0.79 0.79	-	2.36 2.36	(0.11) (0.11)	-	(0.11) (0.11)	-	100

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, 2018.
- 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) 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 the Control assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.
- 6) *Amounts less than ₹ 1 lakh.

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	Zed Lifestyle Private Limited
1. Latest audited Balance Sheet	March 31, 2018
2. Shares of Joint Venture held by the Company on the year end	
- Number	4,712
- Amount of Investment In Associates/Joint Venture	20.30
- Extend of Holding	40.60%
3. Description of how there is significant influence	Shareholder's agreement
4. Reason why the joint venture is not consolidated	Not Applicable
5. Networth attributable to shareholding as per latest audited Balance Sheet	2.28
6. Profit/Loss for the year	
i. Considered in consolidation	(0.12)
ii. Not Considered in consolidation	(0.17)

Note:- Refer note 31(b) of the consolidated financial statements for information on joint venture.

- Names of Associates or joint venture which are yet to commence operations- Nil
- Names of Associates or joint venture which have been liquidated or sold during the year. -Bellezimo Professionale Products Private Limited ceased to be an Associate Company/Joint venture w.e.f. 7th March, 2018.

For and On behalf of Board of Directors

HARSH MARIWALA [DIN 00210342]	Chairman
SAUGATA GUPTA [DIN 05251806]	Managing Director and CEO
VIVEK KARVE	Chief Financial Officer
HEMANGI GHAG [Membership No. F9329]	Company Secretary

Place : Mumbai

Date : June 28, 2018



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CONSOLIDATED AUDITORS' REPORT

Independent Auditors' Report

To the Members of Marico Limited

Report on the Audit of Consolidated Financial Statements

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 venture, which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 state of affairs, consolidated profit/ loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture 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 venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the

audit, we have taken into account the provisions of the Act, 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its joint venture to cease to continue as a going concern.

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 2 (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated 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, 2018, and their consolidated profit (including other comprehensive income),

consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1. The audited consolidated Ind AS financial statements of the Group for the corresponding year ended 31st March, 2017 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor whose audit report dated 2nd May, 2017 expressed an unmodified opinion on those audited consolidated Ind AS financial statements. Our opinion is not modified in respect of this matter.
2. (a) We did not audit the financial statements/ financial information of six subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 744.96 crores as at 31st March, 2018, total revenues of ₹ 1,501.40 crores and net cash inflows amounting to ₹ 15.32 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 0.12 crore for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements / financial information of five subsidiaries, whose financial statements / financial information reflect total assets of ₹ 77.68 crores as at 31st March, 2018, total revenues of ₹ Nil and net cash outflows amounting to ₹ 0.12 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion above on the consolidated 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 / financial information certified by the Management

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint venture, as noted in the 'other matter' paragraph, 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 financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated 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, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture, incorporated in India, none of the directors of the Group companies and its joint venture, incorporated in India is disqualified as on 31st March, 2018 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 with reference to financial statements of the Holding Company, its subsidiary companies and joint venture, 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and

according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture. Refer Note 30 to the consolidated financial statements.
- ii. The Group and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2018.
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture incorporated in India during the year ended 31st March, 2018.

- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 have not been made since they do not pertain to the financial year ended 31st March, 2018. However amounts as appearing in the audited consolidated financial statements for the year ended 31st March, 2017 have been disclosed.

Mumbai
2nd May, 2018

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

- 31ST MARCH, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls with reference to financial statements of Marico Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies and its joint controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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, issued by ICAI and 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 issued by the Institute of Chartered Accountants of India. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.

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 with reference to financial statements.

Meaning of Internal Financial control with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies and its joint controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial

statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2018, based on the internal control with reference to financial statements 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

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls with reference to financial statements insofar as it relates to one jointly controlled company, which is incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No: 048648

Mumbai

2nd May, 2018

CONSOLIDATED BALANCE SHEET

as at 31st March, 2018

		(₹ in Crore)	
Particulars	Note	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	534.49	547.19
Capital work-in-progress	3	26.82	11.16
Investment properties	4	29.57	29.98
Goodwill	5	485.80	479.45
Other intangible assets	5	60.47	28.08
Investment accounted for using equity method		20.18	16.30
Financial assets			
(i) Investments	6(a)	36.84	58.41
(ii) Loans	6(c)	4.13	3.73
(iii) Other financial assets	6(f)	14.89	15.71
Deferred tax assets (Net)	7	9.24	9.54
Non-current tax assets (net)	17	33.19	25.47
Other non-current assets	8	32.44	18.22
Total non-current assets		1,288.06	1,243.24
Current assets			
Inventories	9	1,510.88	1,253.44
Financial assets			
(i) Investments	6(a)	485.78	533.50
(ii) Trade receivables	6(b)	340.56	246.99
(iii) Cash and cash equivalents	6(d)	50.57	42.65
(iv) Bank balances other than (iii) above	6(e)	149.55	193.31
(v) Loans	6(c)	4.35	6.12
(vi) Other financial assets	6(f)	1.70	3.17
Other current assets	10	250.04	97.88
Assets classified as held for sale	11	-	12.45
Total current assets		2,793.43	2,389.51
Total assets		4,081.49	3,632.75
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	129.09	129.05
Other equity			
Reserves and Surplus	12(b)	2,447.44	2,232.99
Other reserves	12(c)	(33.66)	(36.36)
Equity attributable to owners		2,542.87	2,325.68
Non-controlling interests	12(c)	12.51	13.34
Total equity		2,555.38	2,339.02
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	19.83	-
Employee benefit obligations	15	19.20	22.50
Deferred tax liabilities (Net)	16	29.44	22.03
Total non-current liabilities		68.47	44.53
Current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	289.45	238.80
(ii) Trade payables	13(c)	821.65	696.60
(iii) Other financial liabilities	13(b)	21.12	22.05
Other current liabilities	18	160.55	128.24
Provisions	14	57.18	56.41
Employee benefit obligations	15	55.91	49.98
Current tax liabilities (Net)	17	51.78	57.12
Total current liabilities		1,457.64	1,249.20
Total liabilities		1,526.11	1,293.73
Total equity and liabilities		4,081.49	3,632.75
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 B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W-100022

SADASHIV SHETTY

Partner

Membership No. 048648

For and on behalf of the Board of Directors
HARSH MARIWALA

Chairman

[DIN 00210342]

VIVEK KARVE

Chief Financial Officer

SAUGATA GUPTA

Managing Director and CEO

[DIN 05251806]

HEMANGI GHAG

Company Secretary

[Membership No. F9329]

Place: Mumbai

Date: 2nd May, 2018

Place: Mumbai

Date: 2nd May, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2018

Particulars	Note	₹ in Crore	
		Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue from operations	19	6,333.09	5,935.92
Other income	20	84.63	97.31
Total Income		6,417.72	6,033.23
Expenses			
Cost of materials consumed	21(a)	3,371.67	2,760.16
Purchases of stock-in-trade		196.01	122.39
Changes in inventories of finished goods, stock-in-trade and work-in progress	21(b)	(219.50)	(56.67)
Excise duty		10.91	18.13
Employee benefit expenses	22	422.22	404.18
Finance costs	25	16.17	16.58
Depreciation and amortization expense	23	89.08	90.30
Other expenses	24	1,414.02	1,528.46
Total expenses		5,300.58	4,883.53
Profit before, share of net profits of investments accounted for using equity method and tax		1,117.14	1,149.70
Share of net loss of joint ventures accounted for using the equity method	31	(0.12)	(1.00)
Profit before tax from continuing operations		1,117.02	1,148.70
Income tax expense			
Current tax	26	284.12	292.21
Deferred tax	26	5.45	45.52
Total tax expense		289.57	337.73
Profit for the year (A)		827.45	810.97
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15	(0.92)	(1.37)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		0.46	0.41
Total		(0.46)	(0.96)
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations	12(c)	3.97	(33.77)
Change in fair value of hedging instruments	12(c)	(1.94)	25.52
Income tax relating to items that will be reclassified to profit or loss			
Change in fair value of hedging instruments	12(c)	0.67	(8.83)
Total		2.70	(17.08)
Other comprehensive income for the year (B)		2.24	(18.04)
Total comprehensive income for the year (A+B)		829.69	792.93
Net Profit attributable to:			
Owners		814.49	798.59
Non-controlling interests		12.96	12.38
		827.45	810.97
Other comprehensive income attributable to:			
Owners		2.22	(17.98)
Non-controlling interests		0.02	(0.06)
		2.24	(18.04)
Total comprehensive income attributable to:			
Owners		816.71	780.61
Non-controlling interests		12.98	12.32
		829.69	792.93
Earnings per equity share for profit attributable to owners:	36		
Basic earnings per share		6.32	6.21
Diluted earnings per share		6.32	6.20
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 B S R & Co. LLP

Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY

Partner
Membership No. 048648

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

VIVEK KARVE
Chief Financial Officer

Place: Mumbai
Date: 2nd May, 2018

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31st March, 2018

(₹ in Crore)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE INCOME TAX	1,117.02	1,148.70
Adjustments for:		
Depreciation, amortisation and impairment	89.08	90.30
Share of net loss of joint ventures accounted for using the equity method	0.12	1.00
Finance costs	16.17	16.58
Interest income from financial assets at amortised cost	(33.61)	(36.32)
Gain on disposal of property, plant and equipment	(2.02)	(2.77)
Effect of translation differences on fixed assets	0.72	10.57
Effect of translation differences on goodwill on consolidation	(6.35)	17.91
Gain on sale of investments	(15.43)	(30.46)
Gain on fair value of financial assets and investment	(25.35)	(18.56)
Employees stock option charge	7.23	4.02
Stock appreciation rights expense charge	9.09	13.89
Provision for impairment of investment	-	0.09
Provision for doubtful debts, advances, deposits and others	(0.75)	-
	38.90	66.25
Cash generated from operations before working capital changes	1,155.92	1,214.95
Change in operating assets and liabilities:		
Increase in inventories	(257.44)	(327.88)
(Increase)/ decrease in trade receivables	(92.82)	5.10
Decrease in other financial assets	2.16	1.67
Increase in other non-current assets	(1.39)	(0.22)
(Increase)/ decrease in other current assets	(152.16)	17.98
Decrease in loans and advances and other bank balances	44.96	29.14
Increase in provisions	0.77	5.77
Decrease in employee benefit obligations	(6.93)	(14.03)
Increase/ (decrease) in other current liabilities	32.33	(11.75)
Increase in trade payables	125.05	27.56
Decrease in other financial liabilities	(0.98)	(3.15)
Changes in working capital	(306.45)	(269.81)
Cash Generated from operations	849.47	945.14
Income taxes paid (net of refunds)	(294.93)	(296.41)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	554.54	648.73
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(127.96)	(87.09)
Proceeds from sale of property, plant and equipment	4.86	5.61
(Purchase) / sale of investments (net)	69.71	1.49
Investment in joint venture	(4.00)	(16.57)
Payment for purchase of inter-corporate deposits placed	(318.69)	(249.49)
Proceeds from redemption of inter-corporate deposits placed	357.69	220.50
Interest received	35.26	34.03
Net cash generated from / (used in) investing activities (B)	16.87	(91.52)

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31st March, 2018

(₹ in Crore)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital (net of share issue expenses)	0.04	0.03
Sale of investments by WEOMA trust (net)	29.04	32.32
Other borrowings taken	214.72	192.00
Other borrowings repaid	(145.50)	(259.01)
Decrease in minority interest	(13.80)	(13.34)
Finance charges paid	(16.24)	(17.19)
Dividends paid to company's shareholders (including dividend distribution tax)	(635.72)	(508.76)
Net cash used in financing activities (C)	(567.46)	(573.95)
D Effect of exchange difference on translation of foreign currency cash and cash equivalents (D)	3.97	(33.77)
E NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	7.92	(50.51)
F Cash and cash equivalents at the beginning of the financial year	42.65	93.16
G Cash and cash equivalents at end of the year (Refer note 6 (d))	50.57	42.65

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 B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

VIVEK KARVE
Chief Financial Officer

Place: Mumbai
Date: 2nd May, 2018

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

HEMANGI GHAG
Company Secretary
[Membership No.F9329]

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2018

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, 2018.

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.

ii. Historical cost convention:

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial instruments (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 payments 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 and CEO is designated as the CODM.

d) Foreign currency transactions:

i) Functional and presentation currencies:

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2018

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 significant 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, value added tax and goods and service 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. Sale of services:

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 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 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 reduced 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.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2018

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:

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 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 substantively 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.

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 costs attributable to acquisition, construction of qualifying asset 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.

Depreciation and amortization:

Depreciation is calculated using the straight-line method to allocate the cost of Property, Plant and Equipment, net of their 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	3 - 5
Leasehold lands	Lease period

Apart from the above, the useful lives of other class of assets are in line with that prescribed in the Schedule II to the Companies Act, 2013.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2018

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 buildings	5 to 25
Plant and machinery	2 to 15
Furniture and fixtures (including leasehold improvements)	2 to 15
Vehicles	3 to 10

Assets individually costing ₹ 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 income.

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 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.

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:

- use in the production or supply of goods or services or for administrative purposes; or
- 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 asset's 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.

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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 lessee

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:

- o those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- o 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 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.

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- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cashflows & for selling the financial assets, where the asset's 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 (FVPL):** 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 cash flows from the financial asset or
- the Group retains the contractual rights to receive the cash flows of the financial asset, 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 retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised 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 involvement 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.

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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 period 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. 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 Group 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.

iii. 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

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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.

iv. 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 recognized in the Statement of Profit and Loss.

v. 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 (eg the entity's share price),
- excluding the impact of any service and non-market performance vesting conditions (eg 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 (eg the requirement for employees to save or holdings 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.

vi. 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, 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.

Amendment to Ind AS 7:

Effective 1st April, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from

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financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

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 consolidated financial statement and notes have been rounded off to the nearest crores, unless otherwise stated.

ac) New accounting pronouncements:

i) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1st April, 2018. The Group has evaluated the effect of this on the financial statements and the impact is not material.

ii) Ind AS 115- Revenue from Contract with Customers:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. Except for the disclosure requirements, the new standard will not materially impact the Group's financial statements. The amendment will come into force from 1st April, 2018.

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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 & associated assumptions are based on historical experience & management's best knowledge of current events & actions the Group may take in future.

Information about critical estimates & assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets & liabilities are included in the following notes:

- (a) Impairment of financial assets (including trade receivable) (Note 28)
- (b) Estimation of defined benefit obligations (Note 15)
- (c) Estimation of current tax expenses and payable (Note 26)
- (d) Estimated impairment of goodwill & intangible assets with indefinite useful life (Note 5)
- (e) Estimation of provisions & contingencies (Note 14 and 33)
- (f) Recognition of deferred tax assets (Note 7)
- (g) Recognition of MAT credit entitlements (Note 7)

(a) Impairment of financial assets (including trade receivable)

Impairment testing for financial assets (other than trade receivables) is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of the individual financial asset is determined based on value-in-use calculations which required use of assumptions.

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 & 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 & 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 and deferred tax expenses and payable

The Group's tax charge is the sum of total current and deferred tax charges. 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 & final tax assessments will impact the income tax as well as the resulting assets & liabilities.

(d) Estimated impairment of goodwill & 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 & 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 (%)	11%	7%
Avg Gross Margins (%)	47%	29%
Terminal Sales Growth (%)	2%	3%
Pre- tax discount rate	13%	11%

The growth rates & margins used to make estimate future performance are based on past performance & our estimates of future growths & margins achievable in the CGUs. Pre-tax discount rates reflect specific risks relating to the relevant segments & 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

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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.

(f) Recognition of deferred tax assets:

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future

against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(g) Recognition of MAT credit entitlements:

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Company.

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3 Property, Plant And Equipment

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office Equipment	Leasehold improvements	Total	(₹ In Crore) CWIP
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)
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 (refer note (i))										
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	-	-	-	0.59	-
Closing impairment loss	-	-	1.13	5.32	0.98	1.64	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
Year ended 31st March, 2018										
Gross carrying amount										
Opening gross carrying amount	16.65	32.14	264.41	358.89	14.15	2.67	12.56	11.14	712.61	11.16
Additions	-	-	4.50	49.05	4.79	0.88	4.16	0.50	63.88	81.06
Disposals / transfers	(0.14)	-	(1.00)	(5.04)	-	(0.40)	(0.07)	-	(6.65)	(65.39)
Exchange Differences	(0.65)	0.02	(0.77)	(1.60)	0.85	0.04	-	-	(2.11)	(0.01)
Adjustments (refer note (v))	-	-	12.74	-	-	-	-	-	12.74	-
Closing gross carrying amount	15.86	32.16	279.88	401.30	19.79	3.19	16.65	11.64	780.47	26.82
Accumulated depreciation										
Opening accumulated depreciation	-	1.23	27.66	112.60	5.62	1.03	8.79	1.04	157.97	-
Depreciation charge during the year	-	0.57	13.67	59.35	3.24	0.49	3.86	1.08	82.26	-
Disposals / transfers	-	-	(0.14)	(3.26)	-	(0.34)	(0.06)	-	(3.80)	-
Adjustments (refer note (v))	-	-	0.29	-	-	-	-	-	0.29	-
Exchange Differences	-	-	(0.42)	(0.97)	(0.01)	0.03	(0.03)	-	(1.40)	-
Closing accumulated depreciation	-	1.80	40.76	167.72	8.85	1.21	12.56	2.12	235.32	-
Impairment loss (refer note (i))										
Opening Impairment Loss	-	-	1.13	5.32	0.98	-	0.02	-	7.45	-
Impairment charge/ reversal during the year	-	-	0.29	2.84	0.19	-	(0.01)	-	3.31	-
Exchange Differences	-	-	-	(0.05)	(0.05)	-	-	-	(0.10)	-
Closing impairment loss	-	-	1.42	8.11	1.12	1.98	0.01	-	10.66	-
Net carrying amount	15.86	30.36	237.69	225.46	9.82	1.98	4.08	9.51	534.49	26.82

(i) **Impairment loss**

Impairment loss pertains to Plant and equipment which are in damaged condition or are lying idle and have no future use.

(ii) **Contractual obligations**

Refer to Note 34 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) **Capital work-in-progress**

Capital work-in-progress mainly comprises spends towards capacity expansion at Guwahati, India (North Eastern Region) for new manufacturing unit set up during the previous year and at Perundurai, India for enhancing the manufacturing capacity.

(iv) **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 2114. In one case where the lease is expiring in 2070, the company has an option to purchase the property.

(v) **Adjustments**

Adjustments in building comprises reclassification of one office building to Property, Plant and Equipment. This building was earlier classified as asset held for sale in the financial year ended 31st March, 2017.

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To Consolidated Financial Statements for the year ended 31st March, 2018

4 Investment Properties

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Gross carrying amount		
Opening gross carrying amount / Deemed cost	31.41	31.41
Additions	-	-
Closing gross carrying amount	31.41	31.41
Accumulated Depreciation		
Depreciation charge during the year*	0.41	0.69
Closing accumulated depreciation	1.84	1.43
Net carrying amount	29.57	29.98
* Includes exchange differences		
(i) Amounts recognised in profit or loss for investment properties		
Rental income	1.20	1.20
Direct operating expenses for property that generated rental income	0.15	0.15
Profit from investment properties before depreciation	1.05	1.05
Depreciation	(0.43)	(0.43)
Profit from investment properties	0.62	0.62

(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, 2018	As at 31st March, 2017
Within one year	0.16	1.20
Later than one year but not later than 5 years	-	0.16
Later than 5 years	-	-

(iii) Fair value

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Investment properties	62.96	58.09

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 the 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.

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To Consolidated Financial Statements for the year ended 31st March, 2018

5 Intangible assets

Particulars	(₹ in Crore)			
	Trademarks and copyrights (refer note (i), (ii) and (iii) below)	Computer software	Total	Goodwill
Year ended 31st March, 2017				
Opening gross carrying amount	21.83	10.99	32.81	497.36
Additions	0.22	2.35	2.57	-
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	-
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
Year ended 31st March, 2018				
Opening gross carrying amount	22.91	13.22	36.13	479.45
Additions (refer note iv below)	29.85	1.51	31.36	1.17
Exchange differences	5.07	(1.00)	4.07	5.18
Closing gross carrying amount	57.83	13.73	71.56	485.80
Accumulated amortisation	0.21	7.84	8.05	-
Amortisation charge for the year	-	3.08	3.08	-
Exchange differences	-	(0.04)	(0.04)	-
Closing accumulated amortisation	0.21	10.88	11.09	-
Closing net carrying amount	57.62	2.85	60.47	485.80

- (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 ₹ 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 ₹ 139.06 crore (net adjustment of ₹ 309.09 crore) against the balance in securities premium Reserve of ₹ 129.09 crore and capital redemption reserve of ₹ 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 ₹ 723.72 Crore, was duly approved and given effect to.
- (iii) Trademarks of ₹ 18.56 Crore as at 31st March 2018 (₹ 18.56 Crore as at 31st March 2017) are pending registration / recording in name of the Company, in certain countries.
- (iv) During the year ended 31st March, 2018, the group acquired the business & brand called 'ISOPLUS' in South Africa for a total consideration of ZAR 75 million. Consequent to which intangibles aggregating ZAR 60 million (Approx. ₹ 29.85 Crores) and goodwill aggregating ZAR 2.10 million (approx. ₹ 1.17 Crores) were recognised in the books and balance consideration was attributable towards other tangible assets.

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To Consolidated Financial Statements for the year ended 31st March, 2018

6(a) Investments

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Non current investment		
Equity instruments		
In others	0.14	0.14
Intercorporate deposits	-	15.77
Bonds	24.78	24.78
Government securities	0.01	0.01
Mutual funds	11.91	17.71
	36.84	58.41
Current investments		
Intercorporate deposits	107.99	131.62
Debentures	-	15.94
Mutual funds	377.79	383.97
Government or trust securities	-	1.97
	485.78	533.50
Total Investments	522.62	591.91
Non current investment		
Investment in equity instruments (fully paid-up)		
In others		
Unquoted at FVTPL		
Clover Energy Private Limited	0.14	0.14
136,500 (31st March, 2017 : 136,500) equity shares of of ₹ 10 each fully paid.		
Total (equity instruments)	0.14	0.14
Investment in bonds (at amortised cost)		
Quoted		
Power Finance Corporation Limited	2.96	2.96
28,479 (31st March 2017 : 28,479) Secured, Redeemable, Tax free Non-convertible Bonds, 8.20%, face value of ₹ 1,000/- each.		
Indian Railway Finance Corporation	2.26	2.26
21,751 (31st March 2017 : 21,751) Secured, Redeemable, Tax free Non-convertible Bonds, 8.00%, face value of ₹ 1,000/- each.		
National Highways Authority of India	2.57	2.57
24,724 (31st March 2017 : 24,724) Secured, Redeemable, Tax free Non-convertible Bonds, 8.20%, face value of ₹ 1,000/- each.		
Rural Electrification Corporation Limited	6.50	6.50
61,238 (31st March 2017 : 61,238) Secured, Redeemable, Tax free Non-convertible Bonds, 8.12%, face value of ₹ 1,000/- each.		
Rural Electrification Corporation Limited	5.25	5.25
50 (31st March 2017 : 50) Secured, Redeemable, Tax free Non-convertible Bonds, 8.46%, face value of ₹ 1,000,000/- each.		
Housing & Urban Development Corporation Limited	5.24	5.24
50 (31st March 2017 : 50) Secured, Redeemable, Tax free Non-convertible Bonds, 8.56%, face value of ₹ 1,000,000/- each.		
Total investment in Bonds	24.78	24.78

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To Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Investment in government securities at amortised cost		
Unquoted		
National Savings Certificates (Deposit with government authorities)	0.01	0.01
Total	0.01	0.01
Investment in mutual funds at FVTPL		
Quoted		
Reliance Fixed Horizon Fund-XXIX-Series 16-Growth Plan 10,000,000 (31st March, 2017 : 10,000,000) units of ₹ 10 each	11.91	11.13
DHFL Pramerica Fixed Maturity Plan Series 62 - Regular Plan - Growth Nil (31st March, 2017 : 41,25,148) units of ₹ 10 each fully paid	-	5.29
Reliance Fixed Horizon Fund-XXVI-Series 2-Growth Plan Nil (31st March, 2017 : 1,000,000) units of ₹ 10 each fully paid	-	1.29
Total investment in mutual funds	11.91	17.71
Aggregate amount of quoted investments	36.69	42.49
Market value/ Net asset value of quoted investments	38.72	58.39
Aggregate amount of unquoted investments	0.15	0.15

Notes:

i) The Company's investment in 45% of equity share capital of Bellezimo Professionale Products Private Limited (BPPPL), a joint venture which was completely impaired during the previous year ended 31st March, 2017 has been sold off for a consideration of ₹ 100/- to the promoters of BPPPL during current year ended 31st March, 2018.

ii) During the previous year ended 31st March, 2017, the Company had acquired 35.43% stake in Zed Lifestyle Private Limited, a joint venture. During the year ended 31st March, 2018 the Company acquired additional stake of 5.17% in joint venture.

₹ in Crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current investments		
Investment in debentures at amortised cost		
Quoted		
Kotak Mahindra Prime Ltd Nil (31st March, 2017 : 150) Unsecured, Non convertible debentures face value of ₹ 1,000,000 each	-	15.94
Total investment in bonds	-	15.94
Investment in mutual funds at FVTPL		
Quoted		
Reliance Fixed Horizon Fund - XXXVI - Series 4 - Growth Plan 5,000,000 (31st March, 2017 : Nil) units of ₹ 10 each fully paid	5.04	-
Reliance Fixed Horizon Fund - XXXVI - Series 4 - Direct Growth Plan 5,000,000 (31st March, 2017 : Nil) units of ₹ 10 each fully paid	5.04	-
UTI-Fixed Income Interval Fund - V- Quarterly Interval Plan- Retail Option - Reg Plan - Growth 3,580,602 (31st March, 2017 : Nil) units of ₹ 10 each fully paid	7.58	-
UTI-Fixed Income Interval Fund - V- Quarterly Interval Plan- Retail Option - Direct-Growth 3,544,960 (31st March, 2017 : Nil) units of ₹ 10 each fully paid	7.58	-

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Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Unquoted		
Birla Sun life Floating Rate Long Term -Growth-Regular 1,022,046 (31st March, 2017 : 1,022,046) units of ₹ 100 each fully paid	21.75	20.32
Birla Sun Life Savings Fund - Growth-Regular Plan 1,043,788 (31st March, 2017 : 1,043,788) units of ₹ 100 each fully paid	35.69	33.26
HDFC Corporate Debt Opportunities Fund - Regular - Growth 20,803,342 (31st March, 2017 : 20,803,342) units of ₹ 10 each fully paid	29.98	28.21
HDFC Short Term Plan - Regular Plan - Growth Nil (31st March, 2017 : 8,277,730) units of ₹ 10 each fully paid	-	26.83
ICICI Prudential Money Market Fund -Regular Plan -Growth 230,060 (31st March, 2017 : 601,824) units of ₹ 100 each fully paid	5.51	13.50
ICICI Prudential Ultra Short Term - Growth Nil (31st March, 2017 : 7,140,093) units of ₹ 10 each fully paid	-	24.36
Kotak Bond (Short Term) - Growth 12,368,951 (31st March, 2017 : 12,368,951) units of ₹ 10 each fully paid	40.12	38.02
LIC MF Savings Plus Fund - Regular Growth Plan-Short term growth 571,671 (31st March, 2017 : 571,671) units of ₹ 10 each fully paid	1.52	1.42
L&T Ultra Short Term Fund-Growth 4,069,102 (31st March, 2017 : Nil) units of ₹ 10 each fully paid	11.54	-
Reliance Liquid Fund-Treasury Plan-Growth 8,636 (31st March, 2017 : 58,368) units of ₹ 1,000 each fully paid	3.65	23.08
Reliance Medium Term Fund-Growth 2,120,390 (31st March, 2017 : 2,120,390) units of ₹ 10 each fully paid	7.73	7.24
Reliance Money Manager Fund - Growth Plan Growth Option 89,012 (31st March, 2017 : Nil) units of ₹ 1000 each fully paid	21.31	-
Reliance Short Term Fund- Growth 5,355,039 (31st March, 2017 : 5,355,039) units of ₹ 10 each fully paid	17.49	16.50
Religare Invesco Short Term Fund- Growth Nil (31st March, 2017 : 53,098) units of ₹ 1,000 each fully paid	-	11.47
Religare Invesco Credit Opportunities Fund-Growth 236,227 (31st March, 2017 : 236,227) units of ₹ 1,000 each fully paid	46.83	43.85
SBI Premier Liquid Fund - Direct Plan - Growth 14,707 (31st March, 2017 : Nil) units of ₹ 1000 each fully paid	4.01	-
SBI Premier Liquid Fund - Regular Plan - Growth 14,754 (31st March, 2017 : Nil) units of ₹ 1000 each fully paid	4.01	-

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To Consolidated Financial Statements for the year ended 31st March, 2018

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Baroda Pioneer Treasury Advantage Fund- Plan A-Growth 197,177 (31st March, 2017 : 197,177) units of ₹ 1,000 each fully paid	40.09	37.38
JM Money Manager Fund-Super Plus Plan-Bonus Option-Bonus units 3,748,072 (31st March, 2017 : 3,748,072) units of ₹ 10 each fully paid	5.59	5.24
JM Money Manager Fund-Super Plan-Bonus Option-Bonus units Nil (31st March, 2017 : 4,524,192) units of ₹ 10 each fully paid	-	5.83
Edelweiss Liquid Fund - Super IP - Gr (Formerly known as JP Morgan India Liquid Fund-SIP-Growth) 4,218 (31st March, 2017 : 1,269,009) units of ₹ 10 each fully paid	0.94	2.64
Tata Short Term Bond Fund Regular Plan - Growth Nil (31st March, 2017 : 999,164) units of ₹ 1,000 each fully paid	-	3.05
UTI-Short Term Income Fund- Institutional Option - Growth Nil (31st March, 2017 : 2,273,863) units of ₹ 10 each fully paid	-	4.53
UTI Floating Rate Fund-STP-Growth 127,081 (31st March, 2017 : 127,081) units of ₹ 1,000 each fully paid	35.89	33.74
Aditya Birla Sun Life Cash Plus Fund-Reg-Growth 117,552 (31st March, 2017 : Nil) units of ₹ 100 each fully paid	3.27	-
Aditya Birla Sun Life Savings Fund-Reg-Growth 162,650 (31st March, 2017 : Nil) units of ₹ 100 each fully paid	5.53	-
Kotak Floater-Short Term-Growth 35,494 (31st March, 2017 : Nil) units of ₹ 1000 each fully paid	10.10	-
UTI Money Market - IP - Growth Nil (31st March, 2017 : 19,238) units of ₹ 1,000 each fully paid	-	3.50
Total	377.79	383.97
Investments in government or trust securities at amortised cost		
Unquoted		
Investments in government or trust securities	-	1.97
Total	-	1.97
Aggregate amount of quoted investments	25.24	15.94
Market value/ Net asset value of quoted investments	25.24	15.94
Aggregate amount of unquoted investments	352.55	385.93

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To Consolidated Financial Statements for the year ended 31st March, 2018

6(b) Trade receivables

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Trade receivables	344.31	250.01
Less: Allowance for doubtful debts	(3.75)	(3.02)
Total receivables	340.56	246.99
Current Portion	340.56	246.99
Non-Current Portion	-	-
Break up of security details		
Secured, considered good	-	-
Unsecured, considered good	340.56	246.99
Doubtful	3.75	3.02
Total	344.31	250.01
Allowance for doubtful debts	(3.75)	(3.02)
Total trade receivables	340.56	246.99

For credit risk and provision for loss allowance refer note 28(a)

6(c) Loans

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non current		
Unsecured, considered good		
Loans to employees	4.13	3.73
Total non current loans	4.13	3.73
Current		
Unsecured, considered good		
Loan to related parties (Refer Note 32)	0.48	1.89
Loan to employees	3.87	4.23
Total current loans	4.35	6.12

6(d) Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balances with banks		
- Bank balance in current accounts	26.34	26.66
Deposits with original maturity of less than three months	24.02	12.87
Remittance in transit	-	2.89
Cash on hand	0.21	0.23
Total cash and cash equivalents	50.57	42.65

6(e) Bank balances other than cash and cash equivalents

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Fixed deposits with maturity more than 3 months but less than 12 months	149.10	192.98
Balances with banks for unclaimed dividend	0.45	0.33
Total bank balance other than cash and cash equivalents	149.55	193.31

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To Consolidated Financial Statements for the year ended 31st March, 2018

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 venture had specified bank notes or other denomination note 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 the 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	Total
Closing cash in hand as on 8th November, 2016	0.14	0.07	0.07
(+) Permitted receipts	-	0.17	0.17
(-) Permitted payments	-	0.15	0.15
(-) Amount deposited in Banks	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, 2018	As at 31st March, 2017
Unsecured considered good (Unless otherwise stated)		
Security deposits with public bodies and others		
Considered good	14.54	15.23
Considered doubtful	1.00	1.01
	15.54	16.24
Less: Provision for doubtful deposits	(1.00)	(1.01)
	14.54	15.23
Fixed deposits-maturing after 12 months (Refer Note below)	0.35	0.48
Total other non current financial assets	14.89	15.71

Note : Fixed deposits with banks include ₹ 0.12 Crore (₹ 0.12 Crore as at 31st March, 2017) deposited with sales tax authorities, ₹ 0.06 Crore (₹ 0.06 Crore as at 31st March, 2017) held as lien by banks against guarantees issued on behalf of the Group and ₹ 0.12 Crore (₹ 0.12 Crore as at 31st March, 2017) for other earmarked balances.

6(f) Other current financial assets

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(i) Derivatives		
Foreign exchange forward contracts, options and interest rate swaps	0.84	2.11
	0.84	2.11
(ii) Others		
Security deposits	0.34	0.67
Other deposits	0.52	0.39
	0.86	1.06
Total other current financial assets	1.70	3.17

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To Consolidated Financial Statements for the year ended 31st March, 2018

7 Deferred Tax Assets (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Liabilities / provisions that are deducted for tax purposes when paid	2.60	3.23
Defined benefit obligations	1.76	1.48
	4.36	4.71
Other items:		
Other timing differences	6.51	6.07
	6.51	6.07
Total deferred tax assets	10.87	10.78
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)
Other timing differences	1.63	1.26
Total deferred tax liabilities	1.63	1.24
Net deferred tax assets	9.24	9.54

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 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
(Charged)/credited:						
to Profit and loss	(0.63)	0.08	-	-	0.44	(0.11)
to other comprehensive income	-	0.20	-	-	-	0.20
As at 31st March, 2018	2.60	1.76	-	-	6.51	10.87

*On Intangible assets adjusted against Capital Redemption Reserve and Securities premium account under the Capital Restructuring scheme (Refer Note 12(c)).

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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 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	-	-	-	-
As at 31st March, 2017	(0.02)	-	1.26	1.24
(Charged)/credited :				
to Profit and loss	0.02	-	0.37	0.39
to other comprehensive income	-	-	-	-
As at 31st March, 2018	-	-	1.63	1.63

8 Other Non-Current Assets

			(₹ in Crore)
Particulars	As at 31st March, 2018	As at 31st March, 2017	
Capital advances	18.84	6.01	
Advances to vendors	1.40	-	
Prepaid expenses	1.18	0.85	
Fringe benefit tax payments	0.48	0.48	
Deposits with statutory/government authorities	10.54	10.88	
Total other non-current assets	32.44	18.22	

9 Inventories

			(₹ in Crore)
Particulars	As at 31st March, 2018	As at 31st March, 2017	
Raw Materials			
- In Stock	614.38	569.03	
- In Transit	34.54	50.69	
Packing materials			
- In Stock	93.13	85.96	
- In Transit	1.89	0.05	
Work-in-progress	257.84	159.35	
Finished goods			
- In Stock	476.27	361.83	
- In Transit	0.40	0.40	
Traded goods	14.87	13.12	
By-Products	8.33	3.51	
Stores and Spares	9.23	9.50	
Total inventories	1,510.88	1,253.44	

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 ₹ 18.37 Crore (31st March, 2017: ₹ (1.59) Crore). These were recognised as an expense during the year and included under "Changes in inventories of finished goods, stock-in-trade and work-in-progress" and "Cost of materials consumed" in Statement of Profit and Loss.

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10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances to vendors	125.31	52.23
Deposits with statutory/government authorities and others	36.87	20.94
Input Tax credit receivable	73.80	10.81
Prepaid expenses	13.85	13.68
Others	0.21	0.22
Total other current assets	250.04	97.88

11 Assets Classified as Held for Sale

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Land and Building	-	12.45
Total assets classified as held for sale	-	12.45

Non-recurring fair value measurements

Building classified as held for sale was being measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. Fair value of building classified as held for sale was ₹ 40.69 Crore as at 31st March, 2017. The fair values of these assets have been determined by an 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.

During the current year 31st March, 2018 the same has been reclassified to property, plant and equipment and will now be utilised for business purposes in the coming years.

12(a) Equity Share Capital

Particulars	No. of shares (In Crore)	Amount (₹ in Crore)
Authorised share capital		
As at 31st March, 2017		
Equity shares of ₹ 1/- each	150.00	150.00
Preference shares of ₹ 10/- each	6.50	65.00
Total	156.50	215.00
As at 31st March, 2018		
Equity shares of ₹ 1/- each	150.00	150.00
Preference shares of ₹ 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 ₹ 1/- each fully paid-up	129.05	129.05
Total	129.05	129.05
Issued, subscribed and paid-up as at 31st March, 2018		
1,290,864,398 equity shares of ₹ 1/- each fully paid-up	129.09	129.09
Total	129.09	129.09

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2018

(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 31st March, 2016 (Equity shares of ₹ 1/- each)	129.02	129.02
Shares issued during the year - ESOP (Refer Note 35)	0.03	0.03
As at 31st March, 2017 (Equity shares of ₹ 1/- each)	129.05	129.05
Shares issued during the year - ESOP (Refer Note 35)	0.04	0.04
As at 31st March, 2018	129.09	129.09

(ii) Rights, preferences and restrictions attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of ₹ 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 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, 2018		As at 31st March, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 1/- each fully paid-up				
Harsh C Mariwala with Kishore V Mariwala (For Valentine Family Trust)	148,459,200	11.50	148,337,200	11.49
Harsh C Mariwala with Kishore V Mariwala (For Aquarius Family Trust)	148,446,200	11.50	148,338,200	11.49
Harsh C Mariwala with Kishore V Mariwala (For Taurus Family Trust)	148,465,000	11.50	148,338,000	11.49
Harsh C Mariwala with Kishore V Mariwala (For Gemini Family Trust)	148,460,600	11.50	148,338,100	11.49
First State Investments Services (UK) Ltd (along with Persons acting in concert)	69,813,543	5.41	97,225,880	7.53

(v) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	As at 31st March, 2018	As at 31st March, 2017
No. of equity shares allotted as bonus	645,085,599	645,085,599
No. of equity shares granted under employee stock option plans	1,007,000	1,039,448

12(b) Reserves and Surplus

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Securities premium reserve	415.54	411.28
General reserve	298.70	298.70
Share based option outstanding account	10.59	7.62
Treasury Shares	(42.23)	(60.69)
WEOMA reserve	55.40	44.82
Retained earnings	2,433.16	2,254.98
Adjustment pursuant to the Scheme of Capital Reduction of MCLL (Refer note 12 (c))	(723.72)	(723.72)
Total Reserves and surplus	2,447.44	2,232.99

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To Consolidated Financial Statements for the year ended 31st March, 2018

(i) Securities premium reserve

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	411.28	408.46
Add: Exercise of employee stock options	4.26	2.82
Closing Balance after Minority Interest	415.54	411.28

(ii) General Reserve

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	298.70	298.70
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, 2018	As at 31st March, 2017
Opening Balance	7.62	6.42
Exercise of employee stock options	(4.26)	(2.82)
Share based payment expense	7.23	4.02
Closing Balance after Minority Interest (ESOP)	10.59	7.62

(iv) Treasury Shares

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	(60.69)	(68.37)
Add : (Purchase)/sale of treasury shares by the trust during the year (net)	18.46	7.68
Closing Balance after Minority Interest	(42.23)	(60.69)

(v) WEOMA reserve

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	44.82	20.18
Add : Income of the trust for the year	10.58	24.64
Closing Balance after Minority Interest	55.40	44.82

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2018

(vi) Retained earnings

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	2,254.98	1,965.97
Net Profit for the year	814.49	798.59
Remeasurement of post employment benefit obligation, net of tax	(0.48)	(0.90)
Less: Dividend	(548.58)	(451.59)
Less: Tax on dividend (net of tax on dividend received from Indian and foreign subsidiaries of ₹ 24.43 Crore) (Previous year ₹ 34.89 Crore)	(87.25)	(57.09)
Closing Balance (Retained earnings after Minority Interest)	2,433.16	2,254.98

12(c) Other Reserves

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Hedge reserve	0.19	1.46
Foreign currency translation reserve	(33.85)	(37.82)
Total other reserves	(33.66)	(36.36)

Hedge reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening balance	1.46	(15.24)
Deferred Hedging Gain / (Loss) on hedging instruments	0.30	(9.67)
Gain / (Loss) transferred to Income Statement	(2.24)	35.20
Deferred tax on hedge reserve	0.67	(8.83)
Closing Balance hedge reserve	0.19	1.46

Foreign currency translation reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening balance	(37.82)	(4.05)
Less: Transferred to retained earnings	-	-
Exchange gain/(loss) on translation during the year	3.97	(33.77)
Closing Balance Foreign currency translation reserve	(33.85)	(37.82)

Non controlling interest (NCI)

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening balance	13.34	14.31
Total Comprehensive Income for the year	12.98	12.32
Less : Dividend distributed to minority shareholders	(13.65)	(13.45)
Other adjustments	(0.16)	0.16
Closing Balance Non controlling interest (NCI)	12.51	13.34

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To Consolidated Financial Statements for the year ended 31st March, 2018

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 Companies Act, 2013

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 Company has established various equity settled share based payment plans for certain category of employees of the company. Refer note 35 for further details of this plans.

WEOMA reserve and Treasury shares

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. Profit on sale of treasury shares and dividend earned on the same by WEOMA trust is recognised in WEOMA reserve.

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.

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 ₹ 723.72 Crore, were adjusted against the Share capital to the extent of ₹ 53.96 Crore and securities premium to the extent of ₹ 669.76 Crore. Consequently, in the consolidated financial statements of Marico, intangible assets to the extent of ₹ 723.72 Crore were adjusted under Reserves and Surplus.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2018

13(a) Non-Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon / Interest rate	As at 31st March, 2018	As at 31st March, 2017
Unsecured					
Term Loan					
From banks					
Loan in ZAR from Standard Bank of South Africa Limited	August 2022	Equal monthly instalments from April 2018 to August 2022	Relevant benchmark rate + 50 basis point	23.28	-
Total non-current borrowings				23.28	-
Less: Current Maturities of long-term debt (Refer note 13 (b))				3.42	-
Less: Interest accrued (Refer note 13 (b))				0.03	-
Non-current borrowings				19.83	-

The scheduled maturity of long term borrowings is summarized as under:

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Within one year (refer note 10 - Current maturities of long term debt)	3.42	-
After 1 year but within 2 years	19.83	-
Total	23.25	-

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To Consolidated Financial Statements for the year ended 31st March, 2018

13(a) Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2018	As at 31st March, 2017
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	5.38	-
From banks					
- Pre-shipment credit in foreign currency (refer note (i) below)	31st March, 2018 : Nil (31st March, 2017 : Repaid in June, 2017 ₹ 21.25 Crore and July, 2017 ₹ 27.10 Crore)	For a term of Twelve months	31st March, 2018 : Nil (31st March, 2017: 1.00% to 1.4% per annum)	-	48.35
- Export packing credit (refer note (i) below)	31st March, 2018 : Repayable in May, 2018 ₹ 8 Crores June, 2018 ₹ 7 Crores August, 2018 ₹ 20 Crores (31st March, 2017 : Repaid in May, 2017 ₹ 10 Crore and September, 2017 ₹ 10 Crores)	For a term of Two to Six months	Bank Base rate/Relevant Benchmark rate plus applicable spread ranging between 0.4% to 0.9% per annum less Interest Subvention of 3.00% per annum; (31st March, 2017 : Bank Base rate/Relevant Benchmark rate plus applicable spread ranging between 0.7% to 1.5% per annum less Interest Subvention of 3% per annum)	35.00	20.00
- Working capital demand loan	Repayable in April 2018 - ₹ 15 Crore May 2018 - ₹ 5 Crore June, 2018 - ₹ 25 Crore September, 2018 - ₹ 20 Crore December, 2018 - ₹ 7 Crore February, 2019 - ₹ 10 Crore (31st March, 2017: Repaid in October, 2017 - ₹ 20 Crores December, 2017 - ₹ 34.19 Crore)	For a term of Six months to Twelve months	Bank Base rate/relevant Benchmark Rate plus applicable spread ranging between 0.1% to 0.2% per annum; (31st March, 2017 : Bank Base - rate/relevant Benchmark Rate plus applicable spread ranging between 0.1% to 0.2% per annum)	82.03	54.19
Unsecured					
- Working Capital Demand Loan	31st March, 2018 : Repayable with interest in - May 2018 - ₹ 78.74 Crores June, 2018 - ₹ 23 Crores December, 2018 - ₹ 26 Crores (31st March 2017: Repaid in May, 2017 - ₹ 57.89 Crore and December, 2017 - ₹ 18.99 Crore.)	For terms upto Twelve months	LIBOR plus applicable spread ranging from 0.70% to 0.90% per annum (31st March, 2017 : LIBOR plus applicable spread ranging from 0.80% to 1.10% per annum)	127.74	76.88
- Cash credit	Payable on demand	Payable on demand	31st March, 2018: LIBOR + applicable spread of 0.7% to 0.9% per annum, or applicable bank benchmark rate; (31st March, 2017: LIBOR + applicable spread of 0.8% to 1.10% per annum)	39.47	39.65
Total current borrowings				289.62	239.08
Less: Interest accrued (Refer Note 13(b))				0.17	0.27
Current borrowings as per balance sheet				289.45	238.80

- (i) Cash Credit, export packing credit, and working capital demand loan is secured by hypothecation of inventory and debtors, value of ₹ 1,601.33 crore as at 31st March, 2018, ₹ 1,177.65 crore as at 31st March, 2017.

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To Consolidated Financial Statements for the year ended 31st March, 2018

13(b) Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current		
Current maturities of long-term debt (refer note 13(a))	3.42	-
Interest accrued and not due on borrowings (refer note 13(a))	0.20	0.27
Creditors for capital goods	3.07	4.66
Salaries, bonus and other benefits payable to employees	12.27	12.04
Security deposits from customers and others	1.39	1.25
Unclaimed dividend (refer note below)	0.45	0.33
Forward exchange contracts (net)	-	3.14
Others	0.32	0.36
Total other current financial liabilities	21.12	22.05

Note : As at 31st March, 2018, there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the company. Unclaimed dividend if any, shall be transferred to IEPF as and when they become due.

13(c) Trade Payables

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current		
Trade payables	821.65	696.60
Total trade payables	821.65	696.60

14 Provisions

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current		
Disputed indirect taxes (refer Note (a))	57.18	56.41
Total current provisions	57.18	56.41

- (a) Provision for disputed indirect taxes mainly pertains to Entry tax dispute in the states of Himachal Pradesh and West Bengal where company has filed a writ petitions in both the states before the respective Honourable High Courts 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, 2018	As at 31st March, 2017
Balance as at the beginning of the year	56.41	50.64
Add: Additional provision recognised	1.71	6.02
Less: Amount used during the year	(0.94)	(0.25)
Balance as at the end of the year	57.18	56.41

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To Consolidated Financial Statements for the year ended 31st March, 2018

15 Employee benefit obligations current

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Gratuity (refer note (i) below)	4.19	3.68
Leave encashment/Compensated absences (refer note (iii) below)	3.18	2.95
Share-appreciation rights (refer note (iv) below)	12.21	7.88
Incentives / bonus	36.33	34.97
Others	-	0.50
Total employee benefit obligations current	55.91	49.98

Employee benefit obligations non current

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Gratuity (refer note (i) below)	4.99	5.28
Leave encashment/Compensated absences (refer note (iii) below)	8.79	7.82
Share-appreciation rights (refer note (iv) below)	2.38	7.65
Others	3.04	1.75
Total employee benefit obligations non current	19.20	22.50

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 and more 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 2018 and 31st March, 2017.

(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, 2018	As at 31st March, 2017
Current leave obligations expected to be settled within the next 12 months	3.18	2.95

(iv) 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) and is recognized as Employee compensation cost over the vesting period .

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To Consolidated Financial Statements for the year ended 31st March, 2018

(a) Balance sheet amounts - Gratuity

(₹ in Crore)

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
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	0.95	-	0.95
(Gain)/ loss from change in financial	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
1st April, 2017	29.43	20.47	8.96
Current service cost	3.99	-	3.99
Interest expense	1.97	-	1.97
Past service cost	2.59	-	2.59
Interest income	-	(1.39)	(1.39)
Total amount recognised in profit or loss	8.55	(1.39)	7.16
Remeasurements			
(Gain)/loss from change in demographic assumptions	0.22	-	0.22
(Gain)/loss from change in financial assumptions	(1.20)	-	(1.20)
Experience (gains)/ losses	0.39	(0.16)	0.23
Total amount recognised in other comprehensive income	(0.59)	(0.16)	(0.75)
Employer contributions	(0.75)	4.95	(5.70)
Benefit Payments	(3.06)	(2.57)	(0.49)
31st March, 2018	33.58	24.40	9.18

The Net liability disclosed above relates to funded & unfunded plans are as follows

(₹ in Crore)

Particulars	31st March, 2018	31st March, 2017
Present value of funded obligations	28.22	23.42
Fair value of plan assets	(24.40)	(20.47)
Deficit of funded plan	3.82	2.95
Unfunded plans	5.36	6.01
Deficit of gratuity plan	9.18	8.96

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To Consolidated Financial Statements for the year ended 31st March, 2018

The following table shows a breakdown of the defined benefit obligation (Gratuity) and plan assets by country:

Plan type	31st March, 2018				31st March, 2017				
	India	Bangladesh	Dubai	Total	India	Bangladesh	Dubai	Egypt	Total
Present value of obligations	28.22	3.44	1.92	33.58	23.42	2.96	2.57	0.48	29.43
Fair value of plan assets	(24.40)	-	-	(24.40)	(20.47)	-	-	-	(20.47)
Total liability	3.82	3.44	1.92	9.18	2.95	2.96	2.57	0.48	8.96

The significant actuarial assumptions were as follows

	31st March, 2018			31st March, 2017			
	India	Bangladesh	Dubai	India	Bangladesh	Dubai	Egypt
Discount rate	7.50%	11.00%	2.83%	6.77%	11.00%	3.18%	8.00%
Rate of return on Plan assets*	7.50%	NA	NA	6.77%	NA	NA	NA
Future salary rise**	10.00%	12.00%	5.00%	10.00%	12.00%	5.00%	14.40%
Attrition rate	16.00%	17.50%	5.25%	17.00%	17.50%	5.25%	10.00%

*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 expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

**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.

Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

	₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Projected benefit obligation on current assumptions	33.58	29.43
Delta effect of +1% change in rate of discounting	(1.58)	(1.39)
Delta effect of -1% change in rate of discounting	1.75	1.55
Delta effect of +1% change in rate of salary increase	1.44	1.17
Delta effect of -1% change in rate of salary increase	(1.36)	(1.10)
Delta effect of +1% change in rate of Employee turnover	(0.21)	(0.19)
Delta effect of -1% change in rate of Employee turnover	0.23	0.21

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The major categories of plans assets are as follows:

Particulars	₹ in Crore)			
	31st March, 2018		31st March, 2017	
	Amount	in %	Amount	in %
Special deposit scheme	0.53	2.17%	0.53	2.59%
Insurer managed funds	23.83	97.66%	19.91	97.26%
Other	0.04	0.17%	0.03	0.15%
Total	24.40	100.00%	20.47	100.00%

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To Consolidated Financial Statements for the year ended 31st March, 2018

(b) Provident Fund

(₹ in Crore)

Amount recognised in the Balance sheet	31st March, 2018	31st March, 2017
Liability at the end of the year	-	-
Fair value of plan assets at the end of the year	140.94	122.01
Present value of benefit obligation as at the end of the period	(136.65)	(117.45)
Difference	4.29	4.56
Unrecognized past service cost	(4.29)	(4.56)
(Assets) / Liability recognized in the Balance Sheet	-	-

Changes in defined benefit obligations:

(₹ in Crore)

Particulars	31st March, 2018	31st March, 2017
Liability at the beginning of the year	117.45	94.43
Opening balance adjustment	2.00	-
Interest cost	10.68	8.75
Current service cost	9.31	8.49
Employee contribution	12.26	10.78
Liability Transferred in	4.59	7.11
Liability Transferred out	(9.04)	(6.38)
Benefits paid	(10.60)	(5.73)
Liability at the end of the year	136.65	117.45

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	31st March, 2018	31st March, 2017
Fair value of plan assets at the beginning of the year	122.01	98.60
Opening balance adjustment	1.22	-
Expected return on plan assets	10.68	8.77
Contributions	21.57	18.74
Transfer from other Company	4.59	7.11
Transfer to other Company	(9.04)	(6.38)
Benefits paid	(10.60)	(5.73)
Actuarial gain/(loss) on plan assets	0.51	0.90
Fair value of plan assets at the end of the year	140.94	122.01

Expenses recognised in the Statement of Profit and Loss :

(₹ in Crore)

Particulars	31st March, 2018	31st March, 2017
Current service cost	9.31	7.96
Interest cost	10.68	8.77
Expected return on plan assets	(10.68)	(8.77)
(Income) / Expense recognised in the Statement of Profit and Loss	9.31	7.96

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2018

Major categories of plans assets are as follows :

Particulars	31st March 2018		31st March, 2017	
	Amount	in %	Amount	in %
Central Government securities	14.11	10.01%	14.18	11.62%
State loan/State government Guaranteed Securities	12.96	9.20%	13.71	11.24%
Government Securities debt instruments	61.66	43.75%	-	0.00%
Public Sector Units	33.88	24.04%	38.50	31.55%
Private Sector Units	7.41	5.26%	7.41	6.07%
Equity / Insurance Managed Funds	6.07	4.31%	45.03	36.91%
Others	4.85	3.43%	3.18	2.61%
Total	140.94	100.00%	122.01	100.00%

The significant actuarial assumptions were as follows:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Discount rate	7.50%	6.67%
Rate of return on Plan assets*	8.65%	8.65%
Future salary rise**	10.00%	10.00%
Attrition rate	16.00%	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 expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

**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.

(c) Privileged leave (Compensated absences for employees):

Amount recognized in the Balance Sheet and movements in net liability:

	(₹ in Crore)	
	31st March, 2018	31st March, 2017
Opening balance of compensated absences (a)	10.77	9.75
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	11.97	10.77

The privileged leave liability is not funded.

(d) Employee State Insurance Corporation

Marico India has recognised ₹ 0.28 Crore (₹ 0.12 Crore for the year ended 31st March 2017) 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.

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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 3 to 12 years as at 31st March 2018 and 4.88 to 12.37 years as at 31st March 2017.

The expected maturity analysis of gratuity is as follows:

(₹ in Crore)		
Particulars	31st March, 2018	31st March, 2017
Within the next 12 months	4.62	4.07
Between 2 and 5 years	16.68	14.85
Between 6 and 10 years	14.69	15.79
Beyond 10 years	12.39	8.42
Total	48.38	43.13

16 Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred tax assets		
Liabilities / provisions that are deducted for tax purposes when paid	26.88	22.15
On Intangible assets adjusted against Capital Redemption Reserve and Securities Premium Account under the Capital Restructuring Scheme	5.37	7.06
MAT Credit entitlement	1.41	7.74
	33.66	36.95
Other items:		
Provision for doubtful debts / advances that are deducted for tax purposes when written off	2.17	1.77
Other timing differences	0.90	0.42
	3.07	2.19
Total deferred tax assets	36.73	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.	41.23	40.35
Financial assets at fair value through Profit & Loss	13.84	7.96
Outside basis tax	11.08	11.85
Other timing differences	0.04	1.01
Total deferred tax liabilities	66.19	61.17
Net deferred tax liabilities	29.44	22.03

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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 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
(Charged)/credited :					
to Profit and loss	4.73	(1.69)	(6.33)	0.88	(2.41)
to other comprehensive income	-	-	-	-	-
As at 31st March, 2018	26.88	5.37	1.41	3.07	36.73

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 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	-	-	-	-	-
As at 31st March, 2017	40.35	7.96	11.85	1.01	61.17
(Charged)/credited :					
to Profit and loss	0.88	5.88	(0.77)	(3.45)	2.54
to other comprehensive income	-	-	-	(0.67)	(0.67)
Deferred tax on basis adjustment	-	-	-	3.15	3.15
As at 31st March, 2018	41.23	13.84	11.08	0.04	66.19

17 Tax assets and liabilities

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non current tax assets (net)	33.19	25.47
Current tax liabilities (net)	51.78	57.12

The Current tax assets and liabilities has been derived at based on individual entity.

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18 Other current liabilities

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Statutory dues (including provident fund, tax deducted at source and others)	24.10	40.88
Deffered income on government grants	6.23	-
Book overdraft	11.19	8.67
Other current liabilities	41.52	49.56
Contractual obligation	96.48	54.61
Advance from customer	22.43	23.16
Others	0.12	0.91
Total other payables	119.03	78.68
Total other current liabilities	160.55	128.24

19 Revenue From Operations

(₹ in Crore)		
Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of products (including excise duty)		
Finished goods*	6,153.60	5,788.94
By-products	147.17	129.09
Other operating revenue:		
Export incentives	2.36	8.49
Other incentives	21.38	2.14
Sale of Scrap	8.58	7.26
Total Revenue from continuing operations	6,333.09	5,935.92

*Finished goods includes traded goods

Note for Indian entities: According to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the year ended 31st March, 2017 was reported inclusive of excise duty. Goods and Services Tax ("GST") has been implemented with effect from 1st July, 2017 which subsumes various taxes including Excise Duty. As per Ind AS 18, the revenue for the period from 1st July, 2017 to 31st March, 2018 is net of GST.

20 Other Income

(₹ in Crore)		
Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Other income		
Rental income	1.34	1.20
Interest income from financial assets at amortised cost	33.61	36.32
Others	4.64	8.00
Total of other income	39.59	45.52
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment / business	2.02	2.77
Net gain on financial assets mandatorily measured at fair value through profit or loss and Net gain on sale of investments*	40.78	49.02
Net foreign exchange gain	2.24	-
Total of other gain/(losses)	45.04	51.79
Total other income	84.63	97.31

*Includes net gain on financial assets mandatorily measured at fair value through profit or loss of ₹ 15.43 Crore (31st March 2017: ₹ 18.56 Crore)

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21(a) Cost of Materials Consumed

Particulars	₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Raw materials at the beginning of the year	619.72	359.33
Add: Purchases	2,961.44	2,568.11
Less: Raw materials at the end of the year	648.92	619.72
Total raw materials consumed	2,932.24	2,307.72
Packing materials at the beginning of the year	86.01	75.21
Add: Purchases	448.44	463.24
Less: Packing materials at the end of the year	95.02	86.01
Total packing materials consumed	439.43	452.44
Total cost of materials consumed	3,371.67	2,760.16

21(b) Changes in Inventories of finished goods, stock-in-trade and work-in-progress

Particulars	₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening inventories		
Finished goods	362.23	322.83
Work-in-progress	159.35	137.21
By-products	3.51	3.79
Stock-in-trade	13.12	17.71
Closing inventories		
Finished goods	476.67	362.23
Work-in-progress	257.84	159.35
By-products	8.33	3.51
Stock-in-trade	14.87	13.12
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	(219.50)	(56.67)

22 Employee Benefit Expense

Particulars	₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries, wages and bonus	361.44	342.36
Contribution to provident fund (refer note 15)	18.01	14.28
Employee share-based payment expense (refer note 35)	7.23	4.02
Stock appreciation right expenses (refer note 35)	9.09	13.89
Staff welfare expenses	26.45	29.63
Total employee benefit expense	422.22	404.18

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23 Depreciation and Amortization Expense

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation on property, plant and equipment (refer note 3)	82.26	85.34
Depreciation on investment properties (refer note 4)	0.43	0.44
Amortisation of intangible assets (refer note 5)	3.08	4.03
Impairment loss / (reversal of loss) of capitalised assets (refer note 3)	3.31	0.49
Total Depreciation and amortization expense	89.08	90.30

24 Other Expenses

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Consumption of stores, spare and consumables	23.65	21.31
Power, fuel and water	33.57	29.32
Contract manufacturing charges	201.41	187.35
Rent and storage charges	54.80	50.56
Repairs to:		
- Building	11.56	11.65
- Plant and equipment	15.57	14.42
- Others	11.05	12.04
Freight, forwarding and distribution expenses	240.75	238.59
Advertisement and sales promotion	585.61	650.98
Insurance	9.18	8.94
Rates and taxes	7.27	31.16
Communication expenses	10.65	10.36
Printing, stationery and communication expenses	2.59	3.06
Research and development expenses	5.59	7.31
Net loss on foreign currency transactions and translation (Refer note (iii) below)	-	33.35
Travelling, conveyance and vehicle expenses	42.58	45.60
Commission to Non-executive directors	1.73	1.82
Provision for doubtful debts, loans, advances and investments	0.75	0.09
Miscellaneous expenses (refer note (i) below)	155.71	170.55
Total	1,414.02	1,528.46

(i) Miscellaneous expenses include :

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Labour charges	25.14	26.03
Training and seminar expenses	6.27	8.48
Outside services	41.38	43.56
Legal and professional charges	51.34	60.33
Donation	6.29	5.73

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(ii) Corporate social responsibility expenditure

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Amount required to be spent as per the Section 135 of the Act	16.25	13.15
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	16.53	14.56

(iii) Net Losses on foreign currency transactions and translations is other than as considered in finance cost.

25 Finance Costs

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest and finance charges on financial liabilities not at fair value through profit or loss	9.55	9.24
Bank and other financial charges	3.92	2.29
Fair value changes on interest rate swaps designated as cash flow hedges transfer from OCI	-	(0.39)
Exchange differences regarded as an adjustment to borrowing costs	0.87	4.89
Other borrowing costs	1.83	0.55
Finance costs expended in profit or loss	16.17	16.58

26 Income Tax Expense

(a) Income tax expense

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Current tax on profits for the year	284.38	292.21
Deferred tax	6.32	45.52
Total income tax expenses recognised during the year	290.70	337.73

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit from operations before income tax expense (a)	1,117	1,149
Income tax rate as applicable (b)	34.608%	34.608%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	386.58	397.54
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Effect of income that is exempt from taxation	(0.76)	(0.77)
Effect of expenses that are not deductible in determining taxable profit	25.02	11.92
Effect of expenses that are deductible in determining taxable profit	(119.34)	(73.57)
Effect of Income which is taxed at special rate	(23.40)	(39.44)
Difference in tax rates in foreign jurisdictions	15.12	42.38
Others	7.48	(0.34)
Income tax expense	290.70	337.73

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27 Fair Value Measurements

(a) Financial Instruments by category

(₹ in Crore)

Particulars	Note	31st March, 2018			31st March, 2017		
		FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets							
Investments							
Equity Instruments	6(a)	0.14	-	-	0.14	-	-
Bonds and debentures	6(a)	-	-	24.78	-	-	40.72
Mutual funds	6(a)	389.72	-	-	401.68	-	-
Government securities	6(a)	-	-	0.01	-	-	1.98
Trade receivables	6(b)	-	-	340.56	-	-	246.99
Inter corporate deposits	6(a)	-	-	107.99	-	-	147.39
Loans	6(c)	-	-	8.48	-	-	9.85
Derivative financial assets	6(f)	-	-	-	-	2.11	-
Security deposits	6(f)	-	-	-	-	-	16.29
Cash and bank balances	6(d),6(e)	-	-	-	-	-	21.43
Fixed deposits	6(d),6(e)&6(f)	-	-	-	-	-	206.33
Total financial assets		389.86	-	481.82	401.82	2.11	690.98
Financial Liabilities							
Borrowings (including interest accrued)	13(a)	-	-	312.91	-	-	239.07
Derivative financial liabilities	13(b)	-	-	-	-	3.14	-
Trade payables	13(c)	-	-	821.65	-	-	696.60
Capital creditors	13(b)	-	-	3.07	-	-	4.66
Others	13(b)	-	-	14.43	-	-	18.57
Total financial liabilities		-	-	1152.06	-	3.14	958.90

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 prescribed under the 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, 2018					
Financial assets					
Equity Instruments	6(a)	-	-	0.14	0.14
Mutual funds	6(a)	11.93	377.79	-	389.72
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	-	-	-
Total financial assets		11.93	377.79	0.14	389.86
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	-	-	-
Total financial liabilities		-	-	-	-

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	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, 2018					
Financial Assets					
Investments					
Bonds and debentures (including interest accrued)	6(a)	26.80	-	-	26.80
Government securities	6(a)	-	-	0.01	0.01
Inter - corporate deposits (including interest accrued)	6(a)	-	-	107.99	107.99
Total financial assets		26.80	-	108.00	134.80
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	312.91	312.91
Total financial liabilities		-	-	312.91	312.91
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)	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
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

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.

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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 company 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)

Particulars	Note	31st March, 2018		31st March, 2017	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets					
Investments					
Bonds and debentures	6(a)	24.78	26.80	40.72	42.76
Government securities	6(a)	0.01	0.01	1.98	1.98
Inter - corporate deposits	6(a)	107.99	107.99	147.39	147.39
Total financial assets		132.78	134.80	190.09	192.13
Financial liabilities					
Borrowings	13(a)	312.91	312.91	239.07	239.07
Total financial liabilities		312.91	312.91	239.07	239.07

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.

Boards of Directors of Marico Limited and some of its subsidiaries have approved Risk Management Framework through policies regarding Investment, Borrowing and Foreign Exchange Management policy for the respective entities. 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.

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(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 ₹ 340.56 Cr as at 31st March, 2018 (31st March, 2017 ₹ 246.99 Crore).

Reconciliation of loss allowance provision- Trade receivables

Particulars	₹ in Crore)	
	31st March, 2018	31st March, 2017
Loss allowance at the beginning of the year	3.02	3.39
Add : Changes in loss allowances	0.73	(0.37)
Loss allowance at the end of the year	3.75	3.02

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 ₹ 15.58 Crore as at 31st March, 2018 and ₹ 16.28 Crore as at 31st March, 2017.

Reconciliation of loss allowance provision- Deposits/advances

Particulars	₹ in Crore)	
	31st March, 2018	31st March, 2017
Loss allowance at the beginning of the year	1.01	1.00
Add : Changes in loss allowances due to provision	(0.01)	0.01
Loss allowance at the end of the year	1.00	1.01

(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 company as at 31st March, 2018 is 1.92 (as at 31st March, 2017 is 1.91) whereas the liquid ratio of the group as at 31st March, 2018 is 0.91 (as at 31st March, 2017 is 1.07).

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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,2018						
Non-derivatives						
Borrowings (including interest accrued)	13(a)	312.91	-	-	-	312.91
Trade Payables	13(c)	821.65	-	-	-	821.65
Other Financial Liabilities	13(b)	17.49	-	-	-	17.49
Total Non- derivative liabilities		1152.05	-	-	-	1152.05
Derivative (Net - Settled)						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Total derivative liabilities		-	-	-	-	-
Contractual maturities of financial liabilities 31st March,2017						
Non-derivatives						
Borrowings (including interest accrued)	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

(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.

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The group's exposure to foreign currency risk at the end of the reporting period expressed in INR as on 31st March, 2018

(₹ in Crore)

Particulars	CAD	EUR	GBP	AUD	USD	IDR	AED	MYR	SGD
Financial assets									
Foreign currency Debtors for export of goods	0.55	-	-	-	84.19	-	-	-	-
Bank balances	-	-	-	-	15.77	0.06	-	0.08	-
Other receivable / (payable)	-	0.40	3.45	5.25	12.48	-	0.02	0.04	0.01
Derivative asset									
Foreign exchange forward contracts sell foreign currency	-	-	-	-	(76.61)	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	(53.06)	-	-	-	-
Net Exposure to foreign currency risk (assets)	0.55	0.40	3.45	5.25	(17.23)	0.06	0.02	0.12	0.01

(₹ in Crore)

Particulars	EUR	LKR	GBP	AUD	USD	CAD	SGD	MYR	SAR
Financial liabilities									
Foreign currency creditors for import of goods and services	0.68	0.12	0.76	-	43.39	0.01	0.30	0.03	3.59
Foreign Currency Loan	-	-	-	-	142.22	-	-	-	-
Derivative liabilities									
Foreign exchange forward contracts buy foreign currency	(0.62)	-	(3.36)	(2.30)	(24.14)	-	-	-	-
Foreign exchange Option contracts buy option	-	-	-	-	(4.20)	-	-	-	-
Net Exposure to foreign currency risk (liabilities)	0.06	0.12	(2.60)	(2.30)	157.27	0.01	0.30	0.03	3.59

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

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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

(₹ in Crore)

Particulars	Impact on profit after tax		Impact on other component of equity	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
USD Sensitivity				
INR/USD Increase by 6%	(2.86)	(5.10)	(3.96)	2.62
INR/USD Decrease by 6%	2.86	5.10	3.96	(2.62)
AUD Sensitivity				
INR/AUD Increase by 6%	0.21	-	0.09	0.20
INR/AUD Decrease by 6%	(0.21)	-	(0.09)	(0.20)

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, 2018	31st March, 2017
Variable rate borrowings	287.86	185.77
Fixed rate borrowings	25.05	53.30
Total borrowings (including interest accrued)	312.91	239.07

As at the end of reporting period, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	31st March, 2018			31st March, 2017		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	5.00%	287.86	92.00%	3.40%	185.77	77.70%
Net Exposure to Cash Flow Interest rate Risk		287.86			185.77	

Financial assets are classified at amortized cost have fixed interest rate. Hence, the Group is not subject to interest rate risk on such financial assets.

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To Consolidated Financial Statements for the year ended 31st March, 2018

Sensitivity

(₹ in Crore)

Particulars	Impact on profit after tax		Impact on other components of equity	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Interest rates - Increase by 50 basis point (50 bps)	0.94	0.61	-	-
Interest rates - decrease by 50 basis point (50 bps)	(0.94)	(0.61)	-	-

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 ₹ 3.88 Crores on the overall portfolio as at 31st March, 2018 and ₹ 4.01 Crores as at 31st March, 2017.

Impact of hedging activities

Derivate Asset and Liabilites 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 income statement 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.

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Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio effective-ness	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, 2018									
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	76.61	30.42	0.18	0.33	April 2018-March 2019	1:1	1 USD - ₹66.04 1 AUD - ₹ 50.50 1 GBP - ₹ 85.80 1 EUR - ₹ 81.23	(1.44)	1.44
Foreign Exchange Options Contracts	53.06	4.20	0.16	0.17	April 2018-March 2019	1:1	1 USD - ₹ 64.49	(0.50)	0.50
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 - ₹ 67.68 1 AUD - ₹ 52.05 1 EUR - ₹ 71.25	1.24	(1.24)
Foreign Exchange Options Contracts	50.70	17.37	1.16	0.07	April 2017-February 2018	1:1	1 USD - ₹ 67.14 1 AUD - ₹ 51.22	0.49	(0.49)
Foreign Exchange Forward Contracts (Foreign Currency Loan)	-	48.36	-	(1.69)	April 2017-July 2017	1:1	1 USD - ₹ 71.68	(1.57)	1.57

Disclosure of effects of Hedge Accounting on Financial Performance

31st March, 2018

(₹ 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, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	
Cash Flow							
Foreign Exchange Risk	0.30	1.74	-	-	(2.24)	(1.95)	Other expenses
Interest Rate Risk	-	-	-	-	-	(0.39)	Finance cost
Fair Value Hedge							
Foreign Exchange Risk	-	(1.57)	-	-	-	1.65	Finance cost

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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 by currency. 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, 2018, the ratio was 12.24%.

The group complies with all statutory requirement as per the extant regulations.

(₹ in Crore)		
Particulars	As at 31st March 2018	As at 31st March 2017
Net debt	312.70	239.08
Total equity	2,555.38	2,339.02
Net debt to equity ratio	12.24%	10.22%

(b) Dividend

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
(i) Equity shares		
Interim dividend for the year	548.58	451.59

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 examines the group's performance from a geographic perspective and has identified two of its following business as identifiable segments :

- a) India - this part of the business comprises domestic consumer goods
- b) International

(ii) The amount of the group's revenue is shown in the table below.

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Segment revenue (Sales and other operating income)		
India	4,969.04	4,579.45
International	1,364.05	1,356.47
Total segment revenue	6,333.09	5,935.92
Less : Inter segment revenue	-	-
	6,333.09	5,935.92

Revenue from similar products from external customers

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Edible	3,665.26	3,293.82
Hair Oils	1,504.40	1,419.85
Personal care	745.98	818.11
Others	417.45	404.14
	6,333.09	5,935.92

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The amount of revenue from external customers broken down by location of the customers is shown in the table below:

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
India	4,969.04	4,579.45
Bangladesh	616.27	591.32
Vietnam	358.31	380.15
Others	389.47	385.00
	6,333.09	5,935.92
Segment results (Profit before tax and interest)		
India	1,003.55	1,058.83
International	210.12	198.66
Total segment results	1,213.67	1,257.49
Less : (i) Finance cost	16.17	16.58
(ii) Other un-allocable expenditure net of unallocable income	80.36	91.21
Profit before tax	1,117.14	1,149.70
Share of profit/ (loss) of Joint Venture	(0.12)	(1.00)
Profit Before Tax after share of profit/ (loss) of Joint Venture	1,117.02	1,148.70

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Segment assets		
India	2,012.37	1,695.72
International	1,086.37	914.44
Unallocated	982.75	1,022.59
Total segment assets	4,081.49	3,632.75
Segment liabilities		
India	711.09	703.05
International	338.86	287.65
Unallocated	476.16	303.03
Total segment liabilities	1,526.11	1,293.73

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:

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
India	560.61	544.54
Bangladesh	42.40	50.43
Vietnam*	486.62	481.66
Others	79.96	37.45
	1,169.59	1,114.08

* Includes goodwill on consolidation amounting to ₹ 455.45 Crore as at 31st March, 2018, ₹ 453.92 Crore as at 31st March, 2017.

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31 Interests in Other Entities

(a) Subsidiaries

The group's subsidiaries at 31st March, 2018 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, 2018	31st March, 2017	31st March, 2018	31st March, 2017
		%	%	%	%
Subsidiary companies:					
Marico Bangladesh Limited (MBL)	Bangladesh	90	90	10	10
Marico Middle East FZE (MME)	UAE	100	100	Nil	Nil
Marico Bangladesh Industries Limited (MBLIL)	Bangladesh	100	100	Nil	Nil
Egyptian American Company for Investment and Industrial Development SAE (EAIIDC)	Egypt	100	100	Nil	Nil
Marico Malaysia Sdn. Bhd. (MMSB)	Malaysia	100	100	Nil	Nil
MEL Consumer Care SAE (MELCC)	Egypt	100	100	Nil	Nil
Marico Egypt Industries Company (MEIC)	Egypt	100	100	Nil	Nil
Marico for Consumer Care Products SAE (w.e.f. December 19th, 2017)*	Egypt	100	0	Nil	Nil
Marico South Africa Consumer Care (Pty) Limited (MSACC)	South Africa	100	100	Nil	Nil
Marico South Africa (Pty) Limited (MSA)	South Africa	100	100	Nil	Nil
Marico South East Asia Corporation (Formerly known as International Consumer Products Corporation)	Vietnam	100	100	Nil	Nil
Marico Consumer Care Limited (MCCL)	India	100	100	Nil	Nil
Marico Innovation Foundation (MIF)	India	NA	NA	NA	NA
Subsidiary firm:					
MEL Consumer Care & Partners - Wind (Through MELCC) (upto December 19th, 2017)*	Egypt	0	99	0	1

* MEL Consumer Care & Partners - Wind a partnership firm got converted into joint stock company Marico for Consumer Care Products SAE w.e.f. 19th December, 2017

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 the Control assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.

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(b) Interest in joint ventures

Name of entity	Carrying Amount as at 31st March, 2018	Carrying Amount as at 31st March, 2017	Accounting method	Share in Profit/(loss)	
				31st March, 2018	31st March, 2017
Bellezimo Professionale Products Private Limited (refer note 6 (a) (i))	-	-	Equity Method	-	(1.01)
Zed Lifestyle Private Limited	20.18	16.30	Equity Method	(0.12)	0.01
Total equity accounted investments	20.18	16.30		(0.12)	(1.00)

32 Related Party Transactions

I Name of related parties and nature of relationship:

(a) Joint venture:

Bellezimo Professionale Products Private Limited (w.e.f. 7th March, 2018 the Company ceased to be an associate company)

Zed Lifestyle Pvt Limited

(b) Key management personnel (KMP):

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Saugata Gupta, Managing Director and CEO

Mr. Anand Kripalu, Independent Director (Resigned w.e.f. 6th October, 2017)

Mr. Ananth Sankaranarayanan, Independent Director (Appointed w.e.f 26th June, 2017)

Mr. Atul Choksey, Independent Director (Resigned w.e.f. 1st April, 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, Non executive Director (Appointed w.e.f 2nd May, 2017)

Mr. Vivek Karve, Chief Financial Officer

Ms. Hemangi Ghag, Company Secretary & Compliance Officer (Appointed w.e.f 30th October, 2017)

Mr. Surender Sharma, Head-Legal, International Business & Company Secretary

(Resigned w.e.f 16th October, 2017)

(c) Individual holding directly / indirectly an interest in voting power & their relatives (where transactions have taken place) - Significant Influence:

Mr. Harsh Mariwala, Chairman & Non Executive Director

Mr. Rajen Mariwala, Non executive Director

Mr. Rishabh Mariwala, son of Mr. Harsh Mariwala and Non executive Director

Mrs. Archana Mariwala, wife of Mr. Harsh Mariwala

(d) Post employment benefit controlled trust

Marico Limited Employees Provident Fund

Marico Limited Employees Gratuity Fund

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(e) **Others - Entities in which above (b) and (c) has significant influence and transactions have taken place:**

Aqua Centric Private Limited
 Ascent India Foundation
 Feedback Business Consulting Services Private Limited
 Kaya Limited
 Kaya Middle East FZE
 Mariwala Health Foundation
 Soap Opera
 The Bombay Oil Private Limited

II Transactions with related parties

The following transactions occurred with related parties:

Key management personnel compensation

(₹ in Crore)

Particulars	31st March, 2018	31st March, 2017
Employee share-based payment	14.36	12.96
Short-term employee benefits	9.04	7.53
Post-employment benefits	0.30	0.28
Total compensation	23.70	20.77
Remuneration / sitting fees to Non-Executive Directors (Excluding Non- Executive Chairman)	2.32	2.19

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

(₹ in Crore)

Particulars	31st March, 2018	31st March, 2017
Marico Limited Employees Provident Fund	21.57	18.74
Marico Limited Employees Gratuity Fund	4.95	3.41
	26.52	22.15

(₹ in Crore)

Particulars	Joint Venture (Referred in I (a), (b) and (c) above)		Others (Referred in I (e) above)	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Expenses paid on behalf of related parties	-	-	0.64	0.61
Kaya Limited	-	-	0.62	0.61
Others	-	-	0.02	-
Sale of goods	-	-	0.06	0.11
Kaya Limited	-	-	0.04	0.11
The Bombay Oil Pvt Ltd	-	-	0.02	-
Sale of assets	-	-	0.08	0.11
Others	-	-	0.08	0.11
Sale of Shares	0.01	-	-	-
Bellezimo Professionale Products Private Limited	0.01	-	-	-

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(₹ in Crore)

Particulars	Joint Venture (Referred in I (a), (b) and (c) above)		Others (Referred in I (e) above)	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Lease Rental Income	-	-	1.01	0.87
Kaya Limited	-	-	0.87	0.87
Others	-	-	0.14	-
Loans and Advances Recovered	1.50	-	1.38	1.95
Kaya Limited	-	-	1.36	1.95
Bellezimo Professionale Products Private Limited	1.50	-	-	-
Others	-	-	0.03	-
Investments made during the year	4.00	0.27	-	-
Bellezimo Professionale Products Private Limited	-	0.27	-	-
Zed lifestyle Pvt Limited	4.00	-	-	-
Donation Given / CSR Activities	2.22	0.46	-	-
Marico Innovation Foundations	2.22	0.46	-	-
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	-	-
Interest Income	0.04	-	-	-
Bellezimo Professionale Products Private Limited	0.04	-	-	-
Business Consultancy Services	-	-	0.02	-
Feedback Business Consulting Services Private Limited	-	-	0.02	-
Interest written off	0.15	-	-	-
Bellezimo Professionale Products Private Limited	0.15	-	-	-
Intra Group Service (including mark-up)	-	-	0.04	-
Kaya Limited	-	-	0.01	-
Kaya Middle East FZE	-	-	0.03	-
Professional fees paid	-	-	6.09	6.36
Mr. Harsh Mariwala, Chairman and Non Executive Director	-	-	6.09	6.35
Others	-	-	-	0.01

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(d) 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, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties				
Trade receivables	-	-	0.02	-
The Bombay Oil Private Limited	-	-	0.02	-
Investments	20.30	-	-	-
Zed lifestyle Pvt Limited	20.30	-	-	-
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
(e) Loans to/from related parties				
Kaya Limited				
Beginning of the year	-	-	0.27	0.74
Expense incurred on behalf of kaya limited	-	-	0.62	0.61
Rent Income	-	-	0.93	0.87
Intra Group Service Arrangement (including mark-up)	-	-	0.02	-
Remittance received	-	-	(1.36)	(1.95)
Balance at the end	-	-	0.48	0.27
Soap Opera				
Beginning of the year	-	-	-	-
Lease rental Income	-	-	0.09	-
Expenses paid on behalf of Soap Opera	-	-	0.01	-
Balance at the end	-	-	0.10	-
Bellezimo Professionale Private Limited				
Beginning of the year	1.62	-	-	-
Interest on loans	0.04	-	-	-
Loans recovered	(1.50)	-	-	-
Interest income write off	(0.15)	-	-	-
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 transaction 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.

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Loans and advances in the nature of loans to subsidiaries/joint venture :

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
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 joint ventures do not hold any shares in the Company.

33 Contingent Liabilities

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Disputed tax demands / claims:		
Sales tax / VAT	144.71	116.55
Income tax	84.21	59.90
Service tax	0.34	0.34
Customs duty	0.25	0.25
Employees state insurance corporation	0.18	0.18
Excise duty on subcontractors	0.78	0.54
Excise duty on By-product	6.35	6.35
Excise duty on Oats	27.99	27.99
Claims against the Company not acknowledged as debts	18.08	18.97
Corporate guarantees given to banks on behalf of Broadcast Audience Research Council (BARC)	0.60	0.60
Total	283.49	231.67

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.

34 Commitments

(a) Capital commitments:

(₹ in Crore)

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	37.85	59.09
Total	37.85	59.09

(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 5 years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been given.

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Lease rental payments recognized in the Statement of Profit and Loss:	50.67	44.22
In respect of assets taken on non-cancellable operating lease:		
Lease obligations		
Future minimum lease rental payments		
- not later than one year	26.30	26.73
- later than one year but not later than five years	39.74	43.69
- later than five years	-	1.80
Total	66.04	72.22

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To Consolidated Financial Statements for the year ended 31st March, 2018

35 Share-Based Payments

(a) Employee stock option plan

During the year ended 31st March, 2014, 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 ₹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. During the year ended 31st March 2016, the aforesaid 300,000 stock options had 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, 2018	As at 31st March, 2017
Weighted average share price of options exercised	1.00	1.00
Number of options granted, exercised, and forfeited		
Balance as at beginning of the year	300,000	600,000
Granted during the year	-	-
Less : Exercised during the year	300,000	300,000
Forfeited / lapsed during the year	-	-
Balance as at end of the year	-	300,000
Weighted average remaining contractual life of options outstanding at end of period (in years)	-	0.50

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 30th July, 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 ₹ 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, 2018	As at 31st March, 2017
Weighted average share price of options exercised	1.00	1.00
Number of options granted, exercised, and forfeited		
Balance as at beginning of the year	93,200	93,200
Granted during the year	-	-
Less : Exercised during the year	93,200	-
Forfeited / lapsed during the year	-	-
Balance as at end of the year	-	93,200
Weighted average remaining contractual life of options outstanding at end of period (in years)	-	1.00

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To Consolidated Financial Statements for the year ended 31st March, 2018

Marico ESOP 2016

During the 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 group 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 group 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 will 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			Scheme V	Scheme VI	Scheme VII
	Part I	Part II	Part I	Part II	Part I	Part II	Part III	Part I	Part II	Part III			
Options outstanding as at 31st March, 2018	80,000	939,700	67,610	10,740	4,950	75,530	44,820	537,160	44,820	67,120	87,410	554,730	
Exercise price	1.00	280.22	1.00	1.00	1.00	302.34	307.77	256.78	307.77	1.00	1.00	307.77	
Vesting date	31-Mar-19	31-Mar-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	31-Mar-20	30-Nov-20	30-Nov-20	

Particulars	Scheme I		Scheme II		Scheme III			Scheme IV			Scheme V	Scheme VI	Scheme VII
	Part I	Part II	Part I	Part II	Part I	Part II	Part III	Part I	Part II	Part III			
Weighted average share price of options exercised	-	-	-	-	-	-	-	-	-	-	-	-	-
Number of options granted, exercised, and forfeited													
Balance as at beginning of the year	80,000	939,700	101,080	-	-	719,830	-	-	-	-	-	-	
Granted during the year	-	-	13,780	4,950	-	88,970	44,820	67,120	97,050	589,430	-	-	
Less : Exercised during the year	-	-	-	-	-	-	-	-	-	-	-	-	
Forfeited / lapsed during the year	-	-	33,470	3,040	-	182,670	13,440	-	9,640	34,700	-	-	
Balance as at end of the year	80,000	939,700	67,610	10,740	4,950	537,160	44,820	67,120	87,410	554,730			
Weighted average remaining contractual life of options outstanding at end of period (in years)	2.00	2.00	2.67	2.67	2.67	2.67	2.67	2.67	2.67	3.00	3.67	3.67	

	2018	2017
Aggregate of all stock options outstanding as at year end to current paid-up equity share capital (percentage)	0.19%	0.17%

The following assumptions were used for calculation of fair value of grants:

Particulars	Marico ESOS 2014	MD CEO ESOP Plan 2014	Marico ESOP 2016 Scheme I	Marico ESOP 2016 Scheme II	Marico ESOP 2016 Scheme III Part I	Marico ESOP 2016 Scheme III Part II	Marico ESOP 2016 Scheme III Part III	Marico ESOP 2016 Scheme IV Part I	Marico ESOP 2016 Scheme IV Part II	Marico ESOP 2016 Scheme IV Part III	Marico ESOP 2016 Scheme V	Marico ESOP 2016 Scheme VI	Marico ESOP 2016 Scheme VII
Risk-free interest rate (%)	8.00%	8.00%	7.25%	7.25%	6.75%	6.25%	6.50%	6.75%	6.25%	6.50%	6.25%	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 1 months	2 years 6 months	3 years 6 months	3 years 1 months	2 years 6 months	3 years 4 months	3 years 6 months	3 years 6 months
Expected volatility (%)	26.62%	23.66%	25.80%	25.80%	26.10%	26.70%	23.10%	26.10%	26.70%	23.10%	26.30%	25.50%	25.50%
Dividend yield (%)	3.50%	3.50%	0.96%	0.96%	0.96%	1.07%	1.07%	0.96%	1.07%	1.07%	0.96%	1.07%	1.07%

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To Consolidated Financial Statements for the year ended 31st March, 2018

(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:

Grant Date	STAR IV		STAR V		STAR VI		STAR VII		STAR VIII	
	2nd December, 2013	5th August, 2015	5th August, 2015	4th November, 2015	2nd December, 2016	2nd December, 2016	2nd May, 2017	1st December, 2017	1st December, 2017	1st December, 2017
Grant Price (₹)	104.48	104.48	217.46	197.61	256.78	256.78	302.34	256.78	256.78	307.77
Vesting Date	30th November, 2016	30th November, 2016	30th November, 2017	30th November, 2017	30th November, 2019	30th November, 2019	30th November, 2019	30th November, 2019	30th November, 2019	30th November, 2020
	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018
	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
Number of grants outstanding at the beginning of the year	-	1,414,600	-	1,140,600	1,360,000	1,360,000	142,700	156,200	-	5,400
Add : Granted during the year	-	-	-	-	-	-	-	-	-	-
Less : Forfeited during the year	-	134,600	-	156,800	219,400	219,400	42,400	13,500	-	5,400
Less : Exercised during the year	-	1,280,000	-	983,800	347,800	983,800	100,300	-	-	-
Number of grants at the end of the year	-	-	-	-	1,140,600	1,140,600	-	142,700	-	-
Carrying amount of liability - included in employee benefit obligation	-	-	-	-	-	-	-	-	-	-
Classified as long-term	-	-	-	-	-	-	-	-	-	-
Classified as short-term	-	-	-	-	6.88	6.88	-	1.00	-	-

Particulars	STAR VI		STAR VII		STAR VIII	
	1st December, 2015	5th August, 2015	2nd December, 2016	2nd May, 2017	1st December, 2017	1st December, 2017
Grant Date	203.63	280.22	256.78	302.34	256.78	307.77
Vesting Date	30th November, 2018	30th November, 2018	30th November, 2019	30th November, 2019	30th November, 2019	30th November, 2020
	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018
	2017	2017	2017	2017	2017	2017
Number of grants outstanding at the beginning of the year	1,417,800	135,800	-	-	-	-
Add : Granted during the year	-	135,800	137,700	110,830	30,570	416,740
Less : Forfeited during the year	294,600	30,500	18,800	2,810	-	6,030
Less : Exercised during the year	-	-	-	-	-	-
Number of grants at the end of the year	1,123,200	105,300	103,660	108,020	30,570	410,710
Carrying amount of liability - included in employee benefit obligation	-	-	-	-	-	-
Classified as long-term	-	-	-	-	-	-
Classified as short-term	11.22	0.44	0.14	0.24	0.04	0.43

The Company has formed "Welfare of Maricoians 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 ₹ 37.45 Crore as at 31st March, 2018 (₹ 54.26 Crore as at 31st March 2017) 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.

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To Consolidated Financial Statements for the year ended 31st March, 2018

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, 2018	31st March, 2017
Share price at measurement date (INR per share)	326.1	294.9
Expected volatility (%)	20.1% - 23.2%	24.5% - 27.1%
Dividend yield (%)	1.07%	0.96%
Risk-free interest rate (%)	6.75%	6%

- (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, 2018	31st March, 2017
Employee option plan	7.23	4.02
Stock appreciation rights	9.09	13.89
Total employee share based payment expense	16.32	17.91

36 Earnings Per Share

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the company	6.32	6.21
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the company	6.32	6.20
(c) Earnings used in calculating earnings per share (₹ in Crore)		
Basic earnings per share	814.49	798.59
Diluted earnings per share	814.49	798.59
(d) Weighted average number of shares used as denominator		
Weighted average number of equity shares outstanding	1,290,624,530	1,290,233,390
Shares held in controlled trust	(2,558,830)	(3,666,161)
Weighted average number of equity shares in calculating basic earnings per share	1,288,065,700	1,286,567,229
Options	671,090	2,006,113
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	1,288,736,790	1,288,573,342

(e) Information concerning the classification of securities

(i) Options

Options granted to employees under Marico ESOS 2014, MD ESOP Plan 2014 and Marico Employee 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.

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To Consolidated Financial Statements for the year ended 31st March, 2018

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				Share in other comprehensive income				Share in total comprehensive income			
	As a % of consolidated net assets		Amount (₹ in Crore)		As a % of consolidated profit or loss		Amount (₹ in Crore)		As a % of other comprehensive income		Amount (₹ in Crore)		As a % of other comprehensive income		Amount (₹ in Crore)	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Parent:																
Marico Limited	119.01%	125.02%	3,041.19	2,924.24	86.80%	103.91%	718.23	842.70	-78.05%	86.03%	15.51	86.35%	108.23%	716.48	858.21	
Subsidiaries:																
- Indian																
Marico Consumer Care Limited	1.46%	1.37%	37.23	32.15	0.61%	0.54%	5.09	4.35	0.00%	0.00%	-	0.61%	0.55%	5.09	4.35	
- Foreign																
Marico Bangladesh Limited	4.54%	5.50%	115.97	128.62	15.64%	15.17%	129.44	122.99	8.27%	-3.55%	0.19	15.62%	15.59%	129.62	123.63	
Marico Bangladesh Industries Limited	0.02%	0.02%	0.39	0.42	0.00%	0.02%	(0.01)	0.18	0.00%	0.00%	-	0.00%	0.02%	(0.01)	0.18	
Marico Middle East FZE	-6.94%	-7.37%	(177.33)	(171.04)	-0.65%	-1.88%	(5.36)	(15.24)	0.00%	-33.50%	(0.23)	-0.65%	-1.95%	(5.36)	(15.47)	
MEL Consumer Care SAE	-1.45%	-0.27%	(36.93)	(6.32)	-3.61%	-0.23%	(29.83)	(1.81)	0.00%	1.29%	-	-3.60%	-0.23%	(29.83)	(1.81)	
Marico Egypt Industries Company	0.04%	1.55%	1.11	36.33	-4.29%	-1.58%	(35.52)	(12.82)	0.00%	0.00%	-	-4.28%	-1.62%	(35.52)	(12.82)	
Egyptian American Company for Investment and Industrial Development SAE	-0.03%	-0.07%	(0.71)	(1.74)	0.13%	0.67%	1.06	5.43	0.00%	0.00%	-	0.13%	0.68%	1.06	5.43	
Marico South Africa Consumer Care (Pty) Limited	2.83%	2.17%	72.23	48.51	0.00%	0.02%	(0.00)	0.15	0.00%	0.00%	-	0.00%	0.02%	(0.00)	0.15	
Marico South Africa (Pty) Limited	2.30%	1.65%	58.75	38.66	-0.24%	0.26%	(1.97)	2.13	0.00%	0.00%	-	-0.24%	0.27%	(1.97)	2.13	
Marico for Consumer Care Products SAE	-0.21%	-0.84%	(5.28)	(19.56)	-0.65%	-0.92%	(5.39)	(7.43)	0.00%	0.00%	-	-0.65%	-0.94%	(5.39)	(7.43)	
Marico Malaysia Sdn Bhd	0.01%	0.01%	0.18	0.20	-0.01%	0.00%	(0.05)	(0.01)	0.00%	0.00%	-	-0.01%	0.00%	(0.05)	(0.01)	
Marico South East Asia Corporation	1.37%	1.09%	34.97	25.56	2.83%	1.65%	23.45	13.41	0.00%	0.00%	-	2.83%	1.69%	23.45	13.41	
Thuant Phat Foodstuff Joint Stock Company	0.00%	0.63%	-	14.80	0.00%	0.25%	-	2.04	0.00%	0.00%	-	0.00%	0.26%	-	2.04	
Joint Ventures																
- Indian																
Bellezimo Professionale Products Private Limited	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-	0.00%	0.00%	-	-	
Zed Lifestyle Private Limited	0.00%	0.00%	-	-	-0.02%	-0.12%	(0.12)	(1.00)	0.00%	0.00%	-	-0.01%	-0.13%	(0.12)	(1.00)	
Subtotal			3,141.77	3,050.83			799.02	955.07			(1.56)	15.92		797.46	970.99	
Intercompany Elimination & Consolidation Adjustments																
	-22.95%	-30.43%	(586.39)	(711.81)	3.44%	-17.77%	28.43	(144.10)	169.78%	188.24%	3.80	3.88%	-22.46%	32.23	(78.06)	
Grand total:			2,555.38	2,339.02			827.45	810.97			2.24	(18.04)		829.69	792.93	
Minority interest in all subsidiaries	0.49%	0.57%	12.51	13.34	1.57%	1.53%	12.96	12.38	0.89%	0.33%	0.02	1.56%	1.56%	12.98	12.32	

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To Consolidated Financial Statements for the year ended 31st March, 2018

38 Previous year's figures have been regrouped/reclassified to make them comparable with those of current year.

For B S R & Co. LLP

Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY

Partner
Membership No. 048648

Place: Mumbai

Date: 2nd May, 2018

For and on behalf of the Board of Directors

HARSH MARIWALA

Chairman
[DIN 00210342]

VIVEK KARVE

Chief Financial Officer

Place: Mumbai

Date: 2nd May, 2018

SAUGATA GUPTA

Managing Director and CEO
[DIN 05251806]

HEMANGI GHAG

Company Secretary
[Membership No.F9329]

INDEPENDENT AUDITORS' REPORT

To the Members of Marico Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Marico Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

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 that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, 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.

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. Those Standards 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.

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 auditor's 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.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

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, 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Other Matters

The audited Ind AS financial statements of the Company for the corresponding year ended 31st March, 2017 prepared in accordance with Ind AS included in these standalone Ind AS financial statements, have been audited by the predecessor auditors whose audit report dated 2nd May, 2017 expressed an unmodified opinion on those audited standalone Ind AS financial statements. Our opinion is not modified in respect of these matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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, the Cash Flow Statement and 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 prescribed under section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's 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 Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31st March, 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the year ended 31 March, 2017 have been disclosed.

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sadashiv Shetty

Partner

Place: Mumbai

Date: 2nd May, 2018

Membership Number: 048648

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT - 31st MARCH, 2018

(Referred to in our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 3 to the Standalone Ind AS financial statements, are held in the name of the Company.
- (ii) The inventory, except goods-in-transit has been physically verified by the management during the year. For inventory lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, 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. Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act during the year. The Company has complied with the provisions of Section 186 of the Act, in respect grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not 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 on the basis of our examination of the records of the Company, amounts deducted/acrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax and Value added tax as at 31st March, 2018, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Enclosure I to this report.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company does not have any loans or borrowings from financial institutions and Government, nor has it issued any debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, 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.

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT - 31st MARCH, 2018

(Referred to in our Report of even date)

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sadashiv Shetty

Place: Mumbai

Partner

Date: 2nd May, 2018

Membership Number: 048648

Enclosure I to Annexure A to the Independent Auditors' Report – 31st March, 2018

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the Amount relates	Amount under dispute (₹ in Crores)	Amount paid under protest (₹ in Crores)
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	High Court	Various years	51.92	1.98
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	Additional Commissioner - Sales tax	Various years	6.27	1.26
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	Joint commissioner - Sales tax	Various years	13.68	2.67
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	Deputy Commissioner - Sales tax	Various years	3.68	0.78
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	Assistant Commissioner	Various years	0.15	0.15
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	Tribunal	Various years	6.68	1.29
The Customs Act, 1962	Custom Duty (including penalty if applicable)	Customs, Excise and Service Tax Appellate Tribunal	2002 -2003	0.25	-
The Central Excise Act	Excise Duty (including penalty if applicable)	Customs, Excise and Service Tax Appellate Tribunal	Various years	36.28	3.09
Service Tax (Finance Act, 1994)	Service Tax (including penalty if applicable)	Customs, Excise and Service Tax Appellate Tribunal	2006 - 2012	0.34	-
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 1998 - 99 to AY 2000 - 01, AY 2002 - 03	1.42	-
Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	AY 2010 - 11 to AY 2013 - 14	10.39	-

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT - 31st MARCH, 2018

On Standalone Ind AS Financial Statements

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Marico Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financials Reporting issued by the Institute of Chartered Accountants of India". 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financials Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and 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 Institute of Chartered Accountants of India. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.

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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sadashiv Shetty

Partner

Place : Mumbai

Date : 2nd May, 2018

Membership Number: 048648

BALANCE SHEET

as at 31st March, 2018

		(₹ in Crore)	
Particulars	Note	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	465.55	473.91
Capital work-in-progress	3	24.61	7.94
Investment properties	4	23.43	23.86
Intangible assets	5	20.11	21.58
Investment in subsidiaries and joint venture	6(a)	1,020.48	1,105.64
Financial assets			
(i) Investments	6(a)	36.84	57.12
(ii) Loans	6(c)	3.73	3.73
(iii) Other financial assets	6(f)	33.36	27.11
Non current tax assets (net)	16	30.39	22.12
Other non-current assets	8	26.91	16.78
Total non-current assets		1,685.41	1,759.79
Current assets			
Inventories	9	1,313.18	1,082.96
Financial assets			
(i) Investments	6(a)	449.56	501.49
(ii) Trade receivables	6(b)	288.15	227.61
(iii) Cash and cash equivalents	6(d)	7.41	13.74
(iv) Bank balances other than (iii) above	6(e)	53.40	63.47
(v) Loans	6(c)	2.69	4.36
(vi) Other financial assets	6(g)	35.04	25.45
Other current assets	10	185.05	71.69
Assets classified as held for sale	11	-	12.45
Total current assets		2,334.48	2,003.22
Total assets		4,019.89	3,763.01
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	129.09	129.05
Other equity			
Reserves and Surplus	12(b)	2,911.91	2,793.73
Other reserves	12(c)	0.19	1.46
Total equity		3,041.19	2,924.24
LIABILITIES			
Non-current liabilities			
Employee benefit obligations	15	9.50	13.08
Deferred tax liabilities (net)	7	18.05	9.75
Total non-current liabilities		27.55	22.83
Current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	122.38	108.35
(ii) Trade payables	13(c)	586.65	476.24
(iii) Other financial liabilities	13(b)	7.82	11.01
Other current liabilities	17	120.96	104.82
Provisions	14	57.18	56.41
Employee benefit obligations	15	39.12	35.91
Current tax liabilities (net)	16	17.04	23.20
Total current liabilities		951.15	815.94
Total liabilities		978.70	838.77
Total equity and liabilities		4,019.89	3,763.01
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 B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W-100022

SADASHIV SHETTY

Partner

Membership No. 048648

For and on behalf of the Board of Directors**HARSH MARIWALA**

Chairman

[DIN 00210342]

VIVEK KARVE

Chief Financial Officer

SAUGATA GUPTA

Managing Director and CEO

[DIN 05251806]

HEMANGI GHAG

Company Secretary

[Membership No. F9329]

Place: Mumbai

Date: 2nd May, 2018

Place: Mumbai

Date: 2nd May, 2018

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2018

Particulars	Note	(₹ in Crore)	
		Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue:			
Revenue from operations	18	5,181.32	4,868.88
Other income	19	217.22	261.86
Total Income		5,398.54	5,130.74
Expenses:			
Cost of materials consumed	20(a)	3,014.97	2,347.14
Purchases of stock-in-trade	20(d)	73.46	169.44
Changes in inventories of finished goods, stock-in-trade and work-in progress	20(b)	(221.62)	(47.44)
Excise duty		10.91	18.13
Employee benefit expenses	21	274.27	250.92
Finance costs	24	7.55	12.59
Depreciation and amortization expense	22	66.90	64.10
Other expenses	23	1,114.37	1,174.14
Total expenses		4,340.81	3,989.02
Profit before exceptional items and tax		1,057.73	1,141.72
Exceptional items	6(a)	(104.00)	-
Profit before tax		953.73	1,141.72
Income tax expense			
Current tax	25	229.57	243.52
Deferred tax	7	5.93	55.50
Total tax expense		235.50	299.02
Profit for the year (A)		718.23	842.70
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15	(0.74)	(1.80)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	25	0.26	0.62
Total		(0.48)	(1.18)
Items that will be reclassified to profit or loss			
Change in fair value of hedging instruments	12(c)	(1.94)	25.52
Income tax relating to items that will be reclassified to profit or loss			
Change in fair value of hedging instruments	12(c)	0.67	(8.83)
Total		(1.27)	16.69
Other comprehensive income for the year, net of tax (B)		(1.75)	15.51
Total comprehensive income for the year (A+B)		716.48	858.21
Earnings per equity share for profit attributable to owners (in ₹)			
Basic earnings per share	34	5.58	6.55
Diluted earnings per share		5.57	6.53
Significant accounting policy	1		
Critical estimates and judgements	2		

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For B S R & Co. LLP

Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY

Partner
Membership No. 048648

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

VIVEK KARVE
Chief Financial Officer

Place: Mumbai
Date: 2nd May, 2018

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2018

A. Equity Share Capital

	Note	(₹ in Crore)
As at 1st April 2016		129.02
Changes in equity share capital	12 (a)	0.03
As at 31st March 2017		129.05
Changes in equity share capital	12 (a)	0.04
As at 31st March 2018		129.09

B. Other Equity

	Note	Attributable to owners						Total other equity
		Securities Premium Reserve	Retained earnings	General reserve	Share based option outstanding account	Treasury shares	WEOMA reserve	
Balance as at 1st April, 2016		234.98	1,933.31	297.97	6.42	(68.37)	20.18	2,409.25
Profit for the year		-	842.70	-	-	-	-	842.70
Other comprehensive income for the year		-	(1.18)	-	-	-	-	15.51
Total comprehensive income for the year		-	841.52	-	-	-	-	858.21
(Purchase) / sale of treasury shares by the trust during the year (net)	12 (b)	-	-	-	-	7.68	-	7.68
Dividend paid on equity shares (including dividend distribution tax of ₹ 57.03 Crore)	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
Deferred hedging gain / (loss) on hedging instruments	12 (c)	-	-	-	-	-	(26.36)	(26.36)
Deferred tax on hedge reserve	12 (c)	-	-	-	-	-	(8.83)	(8.83)
Exercise of employee stock options	12 (b)	2.82	-	-	(2.82)	-	-	-
Share based payment expense	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	2,795.19
Balance as at 1st April, 2017		237.80	2,266.21	297.97	7.62	(60.69)	44.82	2,795.19
Profit for the year		-	718.23	-	-	-	-	718.23
Other comprehensive income for the year		-	(0.48)	-	-	-	-	(1.75)
Total comprehensive income for the year		-	717.75	-	-	-	-	716.49
(Purchase) / sale of treasury shares by the trust during the year (net)	12 (b)	-	-	-	-	18.46	-	18.46
Dividend paid on equity shares (including dividend distribution tax of ₹ 87.25 Crore)	12 (b)	-	(635.84)	-	-	-	-	(635.84)
Income of the trust for the year	12 (b)	-	-	-	-	-	10.58	10.58
Gain/(loss) transferred to Income Statement	12 (c)	-	-	-	-	-	(2.23)	(2.23)
Deferred hedging gain / (loss) on hedging instruments	12 (c)	-	-	-	-	-	1.56	1.56
Deferred tax on hedge reserve	12 (c)	-	-	-	-	-	0.67	0.67
Exercise of employee stock options	12 (b)	4.26	-	-	(4.26)	-	-	-
Share based payment expense	12 (b)	-	-	-	7.23	-	-	7.23
Balance as at 31st March, 2018		242.06	2,348.12	297.97	10.59	(42.23)	55.40	2,912.10

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For B S R & Co. LLP

Chartered Accountants
Firm Registration No. 101248/W-100022

SADASHIV SHETTY

Partner
Membership No. 048648

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

VIVEK KARVE
Chief Financial Officer

Place: Mumbai
Date: 2nd May, 2018

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

(₹ in Crore)

STATEMENT OF CASH FLOW

For the year ended 31st March, 2018

(₹ in Crore)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE INCOME TAX	953.73	1,141.72
Adjustments for:		
Depreciation, amortisation and impairment	66.90	64.10
Finance costs	7.55	12.59
Interest income from financial assets at amortised cost	(18.99)	(24.87)
Net (Gain)/ Loss on disposal of property, plant and equipment	(0.28)	0.91
Gain on sale of investments	(24.42)	(30.31)
Gain on fair value of financial asset and investment	(15.43)	(18.16)
Dividend income from subsidiaries	(134.29)	(171.39)
Employees stock option charge	6.78	4.02
Stock appreciation rights expense charge	7.40	13.21
Provision for investment impairment	104.00	-
Provision for doubtful debts, advances, deposits and others	0.75	1.62
	(0.03)	(148.28)
Cash generated from operations before working capital changes	953.70	993.45
Change in operating assets and liabilities:		
Increase in inventories	(230.22)	(315.40)
Increase in trade receivables	(61.29)	(35.51)
(Increase)/ decrease in other financial assets	(15.52)	0.34
(Increase)/ decrease in other non-current assets	0.20	(0.52)
(Increase)/ decrease in other current assets	(113.36)	19.53
Decrease in loans and other bank balances	10.07	61.56
Increase in provisions	0.77	5.77
Decrease in employee benefit obligations	(8.50)	(17.04)
Increase in other current liabilities	16.15	6.00
Increase/ (decrease) in trade payables	110.41	(8.54)
Increase/ (decrease) in other financial liabilities	(3.13)	1.62
Changes in Working Capital	(294.42)	(282.18)
Cash generated from operations	659.28	711.26
Income taxes paid (net of refunds)	(240.71)	(240.58)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	418.57	470.68
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(72.71)	(62.50)
Proceeds from sale of property, plant and equipment	1.80	0.76
Payment for purchase of investments	(2,533.24)	(2,352.67)
Proceeds from sale of investments	2,613.06	2,355.15
Investment in joint venture and subsidiary	(18.84)	(16.30)
Payment for purchase of inter-corporate deposits placed	(306.69)	(249.50)
Proceeds from redemption of inter-corporate deposits placed	337.69	220.50
Loans (given to)/ repaid by related parties	1.50	(0.22)
Dividend income from subsidiaries	134.29	171.39
Interest received	20.52	20.87
NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	177.38	87.48

STATEMENT OF CASH FLOW

For the year ended 31st March, 2018

(₹ in Crore)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital (net of share issue expenses)	0.04	0.03
Sale of investments by WEOMA trust (net)	29.04	32.32
Other Borrowing taken	152.48	187.52
Other Borrowing repaid	(140.38)	(258.02)
Interest paid	(7.73)	(13.13)
Dividends paid to company's shareholders (including dividend distribution tax)	(635.73)	(508.73)
NET CASH USED IN FINANCING ACTIVITIES (C)	(602.28)	(560.01)
D NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(6.33)	(1.84)
E Cash and cash equivalents at the beginning of the financial year	13.74	15.58
F Cash and cash equivalents at end of the year (Refer note 6 (d))	7.41	13.74

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 B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W-100022

SADASHIV SHETTY

Partner

Membership No. 048648

Place: Mumbai

Date: 2nd May, 2018

For and on behalf of the Board of Directors

HARSH MARIWALA

Chairman

[DIN 00210342]

VIVEK KARVE

Chief Financial Officer

Place: Mumbai

Date: 2nd May, 2018

SAUGATA GUPTA

Managing Director and CEO

[DIN 05251806]

HEMANGI GHAG

Company Secretary

[Membership No. F9329]

NOTES

To Financial Statements for the year ended 31st March, 2018

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 Advanced, 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, 2018.

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.

ii. Historical cost convention:

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial instruments (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 payments 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 significant 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, value added tax and goods and service 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. Sale of services:

Revenue from services is recognized in the accounting period in which the services are rendered.

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To Financial Statements for the year ended 31st March, 2018

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 reduced 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

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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.

Depreciation and amortization

Depreciation is calculated using the straight-line method to allocate the 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 & equipment - Moulds	3-5
Leasehold lands	Lease period

Apart from the above, the useful lives of other class of assets are in line with that prescribed in the Schedule II to the Companies Act, 2013.

Extra shift depreciation is provided on "Plant" basis.

Assets individually costing ₹ 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 income.

i) Intangible Assets:

i. Intangible assets with finite useful life:

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated 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.

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.

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

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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.

D) Lease:

i. As a lessee

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 & for selling

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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 (FVTPL):** 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
- the company retains the contractual rights to receive the cash flows of the financial asset, 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 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 retained 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.

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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. 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.

iii. 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.

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iv. 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.

v. 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.

vi. 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.

Amendment to Ind AS 7:

Effective 1st April, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

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

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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) New accounting pronouncements:

i) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1st April, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

ii) Ind AS 115- Revenue from Contract with Customers:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. Except for the disclosure requirements, the new standard will not materially impact the Company's financial statements. The amendment will come into force from 1st April, 2018.

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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 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 and investment in subsidiaries and joint venture (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)
- (f) Recognition of deferred tax assets (Note 7)
- (g) Recognition of MAT credit entitlements (Note 7)
- (a) Impairment of financial assets and investment in subsidiaries and joint venture (including trade receivable)**

Impairment testing for financial assets including investment in subsidiaries and joint ventures (other than trade receivables) is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of the individual

financial asset is determined based on value-in-use calculations which required use of assumptions.

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 and deferred tax expenses and payable

The Company's tax charge is the sum of total current and deferred tax charges. 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 as 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

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To Financial Statements for the year ended 31st March, 2018

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.

(f) Recognition of deferred tax assets:

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset

against the future taxable profits. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(g) Recognition of MAT credit entitlements:

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Company.

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3 Property, Plant and Equipment

	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office Equipment	Leasehold im-provements	Total	CWIP
(₹ in Crore)										
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)	-	(0.22)	(0.06)	-	(4.47)	(101.23)
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)	-	(0.06)	(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 (refer note (i))										
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

Year ended 31st March, 2018										
Gross carrying amount										
Opening gross carrying amount	1.84	25.81	232.95	304.33	10.93	1.54	8.13	10.97	596.50	7.94
Additions	-	-	3.99	38.00	1.06	0.80	0.68	0.50	45.03	62.58
Disposals / transfers	(0.14)	-	(1.00)	(2.49)	-	-	(0.05)	-	(3.68)	(45.91)
Adjustments (refer note (v))	-	-	12.75	-	-	-	-	-	12.75	-
Closing gross carrying amount	1.70	25.81	248.69	339.84	11.99	2.34	8.76	11.47	650.60	24.61
Accumulated depreciation										
Opening accumulated depreciation	-	0.79	15.93	87.59	3.99	0.33	6.43	1.04	116.10	-
Depreciation charge during the year	-	0.40	8.45	48.26	2.02	0.31	1.36	1.08	61.88	-
Disposals / transfers	-	-	(0.14)	(1.77)	-	-	(0.04)	-	(1.95)	-
Adjustments (refer note (v))	-	-	0.29	-	-	-	-	0.29	0.29	-
Closing accumulated depreciation	-	1.19	24.53	134.08	6.01	0.64	7.75	2.12	176.32	-
Impairment loss (refer note (i))										
Opening accumulated impairment	-	-	1.13	5.30	0.04	-	0.02	-	6.49	-
Impairment charge/(reversal) during the year	-	-	0.29	1.95	0.01	-	(0.01)	-	2.24	-
Closing balance	-	-	1.42	7.25	0.05	-	0.01	-	8.73	-
Net carrying amount	1.70	24.62	222.74	198.51	5.93	1.70	1.00	9.35	465.55	24.61

- (i) **Impairment loss**
Impairment loss pertains to Plant and equipment which are in damaged condition or are lying idle and have no future use.
- (ii) **Contractual obligations**
Refer to Note 32 for disclosure of contractual commitments for acquisition of property, plant and equipment
- (iii) **Capital work-in-progress**
Capital work-in-progress mainly comprises spends towards capacity expansion at Guwahati, India (North Eastern Region) for new manufacturing unit set up during the previous year and at Perundurai, India for enhancing the manufacturing capacity.
- (iv) **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 2114. In one case where the lease is expiring in 2070, the company has an option to purchase the property.
- (v) **Adjustments**
Adjustments in building comprises reclassification of one office building to Property, Plant and Equipment. This building was earlier classified as asset held for sale in the financial year ended 31st March, 2017.

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4 Investment Properties

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Gross carrying amount		
Opening gross carrying amount / Deemed cost	24.72	24.72
Additions	-	-
Closing gross carrying amount	24.72	24.72
Accumulated Depreciation	0.86	0.43
Depreciation charge	0.43	0.43
Closing accumulated depreciation	1.29	0.86
Net carrying amount	23.43	23.86

(i) Amounts recognised in profit or loss for investment properties

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Rental income	1.20	1.20
Direct operating expenses	0.15	0.15
Profit from investment properties before depreciation	1.05	1.05
Depreciation	0.43	0.43
Profit from investment properties	0.62	0.62

(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:

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Within one year	0.16	1.20
Later than one year but not later than 5 years	-	0.16
Later than 5 years	-	-

(iii) Fair value

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Investment properties	42.42	41.54

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 an 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.

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5 Intangible Assets

(₹ in Crore)

	Trademarks and copyrights	Computer software	Total
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
Year ended 31st March, 2018			
Gross carrying amount			
Opening gross carrying amount	18.56	9.50	28.06
Additions	-	0.88	0.88
Closing gross carrying amount	18.56	10.38	28.94
Accumulated amortisation			
Opening accumulated amortisation	-	6.48	6.48
Amortisation charge for the year	-	2.35	2.35
Closing accumulated amortisation	-	8.83	8.83
Closing net carrying amount	18.56	1.55	20.11

Note

Trademarks of ₹ 18.56 Crore as at 31st March, 2018 (₹ 18.56 Crore as at 31st March, 2017) are pending registration/ recording in the name of the Company, in certain countries.

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6(a) Investments

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-current Investments		
Investment in Subsidiaries and Joint venture		
Equity instruments		
Subsidiaries	1,000.18	1,089.34
Joint venture	20.30	16.30
	1,020.48	1,105.64
Other Non Current Investments		
Equity instruments		
Others	0.14	0.14
Intercorporate deposits	-	15.77
Bonds	24.78	24.78
Government securities	0.01	0.01
Mutual funds	11.91	16.42
	36.84	57.12
Current Investments		
Intercorporate deposits	95.28	110.79
Debentures	-	15.94
Mutual Funds	354.28	374.76
	449.56	501.49
Total Investments	1,506.88	1,664.25
Non-current Investments		
Investment in equity instruments (fully paid-up)		
Quoted at cost		
In Subsidiary company		
Marico Bangladesh Limited	0.86	0.86
28,350,000 (31st March, 2017 : 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
22 (31st March, 2017 : 22) equity share of UAE dirham 1,000,000 fully paid		
Marico South Africa Consumer Care (Pty) Limited (wholly owned) (refer note (iii) below)	74.65	59.81
1,569 (31st March, 2017 : 1,247) equity shares of SA Rand 1.00 fully paid		
Marico South East Asia Corporation (wholly owned)	254.98	254.98
9,535,495 (31st March, 2017 : 9,535,495) equity shares of VND 10,000 fully paid		
Marico Consumer Care Limited (wholly owned) (refer note (iv) below)	745.70	745.70
20,660,830 (31st March, 2017 : 20,660,830) equity shares of ₹ 10 each fully paid		
Less: Provision for impairment in value of investment (refer note (iv) below)	(104.00)	-
	641.70	745.70
Total investment in subsidiaries	1,000.18	1,089.34

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To Financial Statements for the year ended 31st March, 2018

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Unquoted at cost		
In Joint Venture		
Zed Lifestyle Private Limited (refer note (ii) below)	20.30	16.30
4,712 (31st March, 2017 : 3,784) equity shares of ₹ 10 each fully paid		
Total investment in Joint Venture	20.30	16.30
In Others		
Unquoted at FVTPL		
Clover Energy Private Limited	0.14	0.14
136,500 (31st March, 2017 : 136,500) equity shares of ₹ 10 each fully paid.		
Total investment in others	0.14	0.14
Investment in bonds at amortised cost		
Quoted		
Power Finance Corporation Limited	2.96	2.96
28,479 (31st March 2017 : 28,479) Secured, Redeemable, Tax free Non-convertible Bonds, 8.20%, face value of ₹ 1,000/- each.		
Indian Railway Finance Corporation	2.26	2.26
21,751 (31st March 2017 : 21,751) Secured, Redeemable, Tax free Non-convertible Bonds, 8.00%, face value of ₹ 1,000/- each.		
National Highways Authority of India	2.57	2.57
24,724 (31st March 2017 : 24,724) Secured, Redeemable, Tax free Non-convertible Bonds, 8.20%, face value of ₹ 1,000/- each.		
Rural Electrification Corporation Limited	6.50	6.50
61,238 (31st March 2017 : 61,238) Secured, Redeemable, Tax free Non-convertible Bonds, 8.12%, face value of ₹ 1,000/- each.		
Rural Electrification Corporation Limited	5.25	5.25
50 (31st March 2017 : 50) Secured, Redeemable, Tax free Non-convertible Bonds, 8.46%, face value of ₹ 1,000,000/- each.		
Housing & Urban Development Corporation Limited	5.24	5.24
50 (31st March 2017 : 50) Secured, Redeemable, Tax free Non-convertible Bonds, 8.56%, face value of ₹ 1,000,000/- each.		
Total investment in Bonds	24.78	24.78
Investment in government securities at amortised cost		
Unquoted		
National Savings Certificates (Deposited with the government authorities)	0.01	0.01
Total investment in government securities	0.01	0.01

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To Financial Statements for the year ended 31st March, 2018

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Investment in mutual funds at FVTPL		
Quoted		
Reliance Fixed Horizon Fund-XXIX-Series 16-Growth Plan 10,000,000 (31st March, 2017 : 10,000,000) units of ₹ 10 each fully paid	11.91	11.13
DHFL Pramerica Fixed Maturity Plan Series 62 - Regular Plan - Growth Nil (31st March, 2017 : 41,25,148) units of ₹ 10 each fully paid	-	5.29
Total investment in mutual funds	11.91	16.42
Aggregate amount of quoted investments	37.55	42.06
Market value/ Net asset value of quoted investments	2,753.00	2,361.48
Aggregate amount of unquoted investments	1,019.76	1,120.70
Aggregate amount of impairment in the value of investments	104.00	-

Notes:

- (i) The Company's investment in 45% of equity share capital of Bellezimo Professionale Products Private Limited (BPPPL), a joint venture which was completely impaired during the previous year ended 31st March, 2017 has been sold off for a consideration of ₹ 100/- to the promoters of BPPPL during current year ended 31st March, 2018.
- (ii) During the previous year ended 31st March, 2017, the Company had acquired 35.43% stake in Zed Lifestyle Private Limited, a joint venture. During the year ended 31st March, 2018 the Company acquired additional stake of 5.17% in joint venture.
- (iii) During the current year ended 31st March, 2018 additional equity infusion was done in Marico South Africa Consumer Care (Pty) Limited (MSACC) whereby 322 equity shares were issued by MSACC for a consideration of ZAR 30 Million.
- (iv) During the current year, the Company has made an assessment of the fair value of investment made in its subsidiary Marico Consumer Care Limited ('MCCL'), taking into account the past business performance, prevailing business conditions and revised expectations of the future performance. Based on above factors the Company has recognised an impairment loss in the value of investment made in MCCL of ₹ 104 crores. The same is disclosed under "Exceptional items" in the Statement of Profit and Loss. The recoverable amount of the investment is determined at ₹ 641.70 crores, which is based on its value in use. This value in use calculation is performed taking into account the discount rate of 10.90% per annum.

(₹ in Crore)		
Current investments	As at 31st March, 2018	As at 31st March, 2017
Investment in debentures at amortised cost		
Quoted		
Kotak Mahindra Prime Limited Nil (31st March, 2017 : 150) Unsecured, Non convertible debentures face value of ₹ 1,000,000 each	-	15.94
Total investment in bonds	-	15.94
Investment in mutual funds at FVTPL		
Quoted		
Reliance Fixed Horizon Fund - XXXVI - Series 4 - Growth Plan 5,000,000 (31st March, 2017 : Nil) units of ₹ 10 each fully paid	5.04	-
Reliance Fixed Horizon Fund - XXXVI - Series 4 - Direct Growth Plan 5,000,000 (31st March, 2017 : Nil) units of ₹ 10 each fully paid	5.04	-
UTI-Fixed Income Interval Fund - V- Quarterly Interval Plan- Retail Option - Reg Plan - Growth 3,580,602 (31st March, 2017 : Nil) units of ₹ 10 each fully paid	7.58	-
UTI-Fixed Income Interval Fund - V- Quarterly Interval Plan- Retail Option - Direct-Growth 3,544,960 (31st March, 2017 : Nil) units of ₹ 10 each fully paid	7.58	-

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	(₹ in Crore)	
Current investments	As at 31st March, 2018	As at 31st March, 2017
Unquoted		
Birla Sun life Floating Rate Long Term -Growth-Regular 1,022,046 (31st March, 2017 : 1,022,046) units of ₹ 100 each fully paid	21.75	20.32
Birla Sun Life Savings Fund - Growth-Regular Plan 1,043,788 (31st March, 2017 : 1,043,788) units of ₹ 100 each fully paid	35.69	33.26
HDFC Corporate Debt Opportunities Fund - Regular - Growth 20,803,342 (31st March, 2017 : 20,803,342) units of ₹ 10 each fully paid	29.98	28.21
HDFC Short Term Plan - Regular Plan - Growth Nil (31st March, 2017 : 8,277,730) units of ₹ 10 each fully paid	-	26.83
ICICI Prudential money market fund-regular plan growth 230,060 (31st March, 2017 : 601,824) units of ₹ 100 each fully paid	5.51	13.50
ICICI Prudential Ultra Short Term - Growth Nil (31st March, 2017 : 7,140,093) units of ₹ 10 each fully paid	-	24.36
Kotak Bond (Short Term) - Growth 12,368,951 (31st March, 2017 : 12,368,951) units of ₹ 10 each fully paid	40.12	38.02
LIC MF Savings Plus Fund - Regular Growth Plan-Short term growth 571,671 (31st March, 2017 : 571,671) units of ₹ 10 each fully paid	1.52	1.42
L&T Ultra Short Term Fund-Growth 4,069,102 (31st March, 2017 : Nil) units of ₹ 10 each fully paid	11.54	-
Reliance Liquid Fund-Treasury Plan-Growth Nil (31st March, 2017 : 50,597) units of ₹ 1,000 each fully paid	-	20.01
Reliance Medium Term Fund-Growth 2,120,390 (31st March, 2017 : 2,120,390) units of ₹ 10 each fully paid	7.73	7.24
Reliance Money Manager Fund - Growth Plan Growth Option 89,012 (31st March, 2017 : Nil) units of ₹ 1000 each fully paid	21.31	-
Reliance Short Term Fund-Growth 5,355,039 (31st March, 2017 : 5,355,039) units of ₹ 10 each fully paid	17.49	16.50
Religare Invesco Short Term Fund-Growth Nil (31st March, 2017 : 53,098) units of ₹ 1,000 each fully paid	-	11.47
Religare Invesco Credit Opportunities Fund-Growth 236,227 (31st March, 2017 : 236,227) units of ₹ 1,000 each fully paid	46.83	43.85
SBI Premier Liquid Fund - Direct Plan - Growth 14,707 (31st March, 2017 : Nil) units of ₹ 1000 each fully paid	4.01	-

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(₹ in Crore)		
Current investments	As at 31st March, 2018	As at 31st March, 2017
SBI Premier Liquid Fund - Regular Plan - Growth 14,754 (31st March, 2017 : Nil) units of ₹ 1000 each fully paid	4.01	-
Baroda Pioneer Treasury Advantage Fund- Plan A-Growth 197,177 (31st March, 2017 : 197,177) units of ₹ 1,000 each fully paid	40.09	37.38
JM Money Manager Fund-Super Plus Plan-Bonus Option-Bonus units 3,748,072 (31st March, 2017 : 3,748,072) units of ₹ 10 each fully paid	5.59	5.24
JM Money Manager Fund-Super Plan-Bonus Option-Bonus units Nil (31st March, 2017 : 4,524,192) units of ₹ 10 each fully paid	-	5.83
Tata Short Term Bond Fund Regular Plan - Growth Nil (31st March, 2017 : 999,164) units of ₹ 1,000 each fully paid	-	3.05
UTI-Short Term Income Fund- Institutional Option - Growth Nil (31st March, 2017 : 2,273,863) units of ₹ 10 each fully paid	-	4.53
UTI Floating Rate Fund-STP-Growth 127,081 (31st March, 2017 : 127,081) units of ₹ 1,000 each fully paid	35.89	33.74
Total investment in mutual funds	354.28	374.76
Aggregate amount of quoted investments and market value thereof	25.24	15.94
Aggregate amount of unquoted investments	424.32	485.55

6(b) Trade Receivables

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Trade receivables	245.07	173.33
Receivables from related parties (refer note 30)	46.75	57.20
Less: Allowance for doubtful debts	(3.67)	(2.92)
Total receivables	288.15	227.61
Current Portion	288.15	227.61
Non-Current Portion	-	-
Break up of security details		
Secured, considered good	-	-
Unsecured, considered good	288.15	227.61
Unsecured, considered doubtful	3.67	2.92
Total	291.82	230.53
Allowance for doubtful debts	(3.67)	(2.92)
Total trade receivables	288.15	227.61

Note:

For credit risk and provision for loss allowance refer note 27(A)

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6(c) Loans

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non current		
Unsecured, considered good		
Loans to employees	3.73	3.73
Total non current loans	3.73	3.73
Current		
Unsecured, considered good		
Loan to related parties (refer note below)	-	1.61
Loan to employees	2.69	2.75
Total current loans	2.69	4.36

Note: The above loan was given to a joint venture for various operational requirements carrying interest rate of 12% per annum. The said loan was repaid in the current financial year.

6(d) Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Bank balances in current accounts	5.76	9.90
Deposits with original maturity of less than three months	1.60	3.76
Cash on hand	0.05	0.07
Total cash and cash equivalents	7.41	13.74

6(e) Bank balances other than cash and cash equivalents

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Fixed deposits with maturity more than 3 month but less than 12 months	52.95	63.14
Balances with banks for unclaimed dividend	0.45	0.33
Total bank balance other than cash and cash equivalents	53.40	63.47

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 the 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.

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6(f) Other Non current financial assets

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Unsecured considered good (unless otherwise stated)		
Advances to Subsidiaries (Refer Note 30)		
Considered good	21.29	13.27
Considered doubtful	-	-
	21.29	13.27
Less: Provision for doubtful advances	-	-
	21.29	13.27
Security deposits with public bodies and others		
Considered good	11.77	13.40
Considered doubtful	1.00	1.01
	12.77	14.41
Less: Provision for doubtful deposits	(1.00)	(1.01)
	11.77	13.40
Fixed Deposits-Maturing after 12 months (refer note below)	0.30	0.44
Total other non-current financial assets	33.36	27.11

Note : Fixed deposits with banks include ₹ 0.12 Crore (31st March, 2017 : ₹ 0.12 Crore) deposited with sales tax authorities, ₹ 0.06 Crore (31st March, 2017 : ₹ 0.06 Crore) held as lien by banks against guarantees issued on behalf of the Company and ₹ 0.12 Crore (31st March, 2017 : ₹ 0.12 Crore) for other earmarked balances.

6(g) Other current financial assets

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(i) Derivatives		
Foreign exchange forward contracts, options and interest rate swaps	0.84	2.11
	0.84	2.11
(ii) Others		
Advances to Subsidiaries (Refer Note 30)	33.90	22.71
Security deposits	0.30	0.63
	34.20	23.34
Total other current financial assets	35.04	25.45

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To Financial Statements for the year ended 31st March, 2018

7 Deferred Tax Asset/ (Liabilities)

The balance comprises temporary differences attributable to :

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Deferred tax Asset :		
Liabilities / provisions that are deducted for tax purposes when paid	26.88	22.15
On Intangible assets adjusted against Capital Redemption Reserve and Securities premium account under the Capital Restructuring scheme (refer note (i) below)	5.37	7.06
MAT credit entitlement	1.41	7.75
	33.66	36.96
Other items:		
Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off	2.17	1.78
Other timing differences	0.90	0.42
	3.07	2.20
Total deferred tax assets	36.73	39.16
Deferred tax liability :		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	41.10	40.17
Financial assets at fair value through Profit and loss	13.57	7.96
Other timing differences	0.11	0.78
Total deferred tax liabilities	(54.78)	(48.91)
Net deferred tax assets/ (liabilities)	(18.05)	(9.75)

Movement in deferred tax assets

Particulars	(₹ in Crore)					
	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 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
(Charged)/credited :						
to Profit and loss	-	4.73	(1.69)	(6.34)	0.87	(2.43)
to other comprehensive income	-	-	-	-	-	-
As at 31st March, 2018	-	26.88	5.37	1.41	3.07	36.73

*On intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme.

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To Financial Statements for the year ended 31st March, 2018

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 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
(Charged)/credited :				
to Profit and loss	0.93	5.61	(3.04)	3.50
to other comprehensive income	-	-	(0.67)	(0.67)
Deferred tax on basis adjustment	-	-	3.04	3.04
As at 31st March, 2018	41.10	13.57	0.11	54.78

8 Other Non Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Capital Advances	14.90	4.57
Fringe benefit tax payments	0.48	0.48
Deposits with statutory/government authorities	10.54	10.88
Prepaid expenses	0.99	0.85
Total other non-current assets	26.91	16.78

9 Inventories

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Raw materials		
- In stock	524.55	499.47
- In transit	-	24.33
Packing materials	73.46	65.24
Work-in-progress	234.78	142.37
Finished goods		
- In stock	452.04	327.06
- In transit	0.30	-
Traded goods	14.72	13.27
By-product	5.63	3.14
Stores and spares	7.70	8.07
Total inventories	1,313.18	1,082.96

Refer note 1(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 ₹ 15.98 Crore (31st March, 2017 ₹ (7.32) Crore). These were recognised as an expense during the year and included under "Changes in inventories of finished goods, stock-in-trade and work-in-progress" and "Cost of materials consumed" in Statement of Profit and Loss.

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To Financial Statements for the year ended 31st March, 2018

10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances to vendors	68.93	33.50
Prepaid Expenses	11.53	11.97
Deposits with government authorities and others	36.83	20.90
Input Tax Credit receivables	67.54	5.11
Others	0.22	0.21
Total other current assets	185.05	71.69

11 Assets Classified as Held for Sale

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Land and Building (refer note 4 (v))	-	12.45
Total assets classified as held for sale	-	12.45

Non-recurring fair value measurements

Building classified as held for sale was being measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. Fair value of Building classified as held for sale was ₹ 40.69 Crore as at 31st March, 2017. The fair values of these assets have been determined by an 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.

During the current year 31st March, 2018 the same has been reclassified to Property, Plant and Equipment and will now be utilised for business purposes in the coming years.

12(a) Equity Share Capital

Particulars	No. of shares (in Crore)	Amount (₹ in Crore)
Authorised share capital		
As at 31st March, 2017		
Equity shares of ₹ 1/- each	150.00	150.00
Preference shares of ₹ 10/- each	6.50	65.00
Total	156.50	215.00
As at 31st March, 2018		
Equity shares of ₹ 1/- each	150.00	150.00
Preference shares of ₹ 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 ₹ 1/- each fully paid-up	129.05	129.05
Total	129.05	129.05
Issued, subscribed and paid-up as at 31st March, 2018		
1,290,864,398 equity shares of ₹ 1/- each fully paid-up	129.09	129.09
Total	129.09	129.09

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To Financial Statements for the year ended 31st March, 2018

(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 31st March, 2016	129.02	129.02
Shares issued during the year - ESOP (refer note 33(a))	0.03	0.03
As at 31st March, 2017	129.05	129.05
Shares issued during the year - ESOP (refer note 33(a))	0.04	0.04
As at 31st March, 2018	129.09	129.09

(ii) Rights, preferences and restrictions attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of ₹ 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 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 33.

(iv) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 1/- each fully paid-up				
Harsh C Mariwala with Kishore V Mariwala (For Valentine Family Trust)	148,459,200	11.50	148,337,200	11.49
Harsh C Mariwala with Kishore V Mariwala (For Aquarius Family Trust)	148,446,200	11.50	148,338,200	11.49
Harsh C Mariwala with Kishore V Mariwala (For Taurus Family Trust)	148,465,000	11.50	148,338,000	11.49
Harsh C Mariwala with Kishore V Mariwala (For Gemini Family Trust)	148,460,600	11.50	148,338,100	11.49
First State Investments Services (UK) Ltd (along with Persons acting in concert)	69,813,543	5.41	97,225,880	7.53

(v) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	As at 31st March, 2018	As at 31st March, 2017
No. of equity shares allotted as bonus	645,085,599	645,085,599
No. of equity shares granted under employee stock option plans	1,007,000	1,039,448

12(b) Reserves and Surplus

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Securities premium account	242.06	237.80
Retained earnings	2,348.12	2,266.21
General reserve	297.97	297.97
Share based option outstanding account	10.59	7.62
Treasury Shares	(42.23)	(60.69)
WEOMA reserve	55.40	44.82
Total Reserves and surplus	2,911.91	2,793.73

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To Financial Statements for the year ended 31st March, 2018

(i) Securities premium reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	237.80	234.98
Add: exercise of employee stock options	4.26	2.82
Closing balance	242.06	237.80

(ii) General reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	297.97	297.97
Closing balance	297.97	297.97

(iii) Share based option outstanding account (refer note 33)

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	7.62	6.42
Exercise of employee stock options	(4.26)	(2.82)
Add : Share based payment expense	7.23	4.02
Closing balance	10.59	7.62

(iv) Treasury shares

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	(60.69)	(68.37)
Add : (Purchase)/sale of treasury shares by the trust during the year (net)	18.46	7.69
Closing balance	(42.23)	(60.69)

(v) WEOMA reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	44.82	20.18
Add : Income of the Trust for the year	10.58	24.64
Closing balance	55.40	44.82

(vi) Retained earnings

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	2,266.21	1,933.31
Net Profit for the year	718.23	842.70
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(0.48)	(1.18)
Less: Dividend (₹ 4.25 per equity share (31st March, 2017: ₹ 3.50 per equity share))	(548.58)	(451.59)
Less: Tax on dividend (net of tax on dividend received from foreign subsidiaries of ₹ 24.43 Crore) (Previous year ₹ 34.89 Crore)	(87.26)	(57.03)
Closing balance	2,348.12	2,266.21

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To Financial Statements for the year ended 31st March, 2018

12(c) Other reserves

Hedge reserve

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	1.46	(15.24)
Changes in fair value	0.30	(9.67)
Reclassified to statement of profit and loss	(2.24)	35.20
Deferred tax on above	0.67	(8.83)
Closing Balance Hedge Reserve	0.19	1.46

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 Companies Act, 2013.

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 Company has established various equity settled share based payment plans for certain category of employees of the company. Refer note 33 for further details of this plans.

WEOMA reserve and Treasury shares

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. Profit on sale of treasury shares and dividend earned on the same by WEOMA trust is recognised in WEOMA reserve.

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, 2018

13(a) Current Borrowings

(₹ in Crore)					
Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2018	As at 31st March, 2017
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	5.38	-
- Pre-shipment credit in foreign currency (refer note (i) below)	(Repaid in June, 2017 ₹ 21.25 Crore and July, 2017 ₹ 27.10 Crore)	For a term of twelve months	1.00% to 1.4% per annum	-	48.35
- Working capital demand loan (refer note (i) below)	Repayable in April 2018 - ₹ 15 Crore May 2018 - ₹ 5 Crore June, 2018 - ₹ 25 Crore September, 2018 - ₹ 20 Crore December, 2018 - ₹ 7 Crore February, 2019 - ₹ 10 Crore (FY 17 - Repaid in October, 2017 - ₹ 20 Crore December, 2017 - ₹ 20 Crore)	For a term of six months to twelve months	Bank Base rate/relevant Benchmark Rate plus applicable spread ranging between 0.1% to 0.2% per annum; (FY 17 - Bank Base rate/relevant Benchmark Rate plus applicable spread ranging between 0.1% to 0.2% per annum)	82.03	40.21
- Export packing credit (refer note (i) below)	Repayable on May, 2018 ₹ 8 Crore June, 2018 ₹ 7 Crore August, 2018 ₹ 20 Crore (FY 17 - Repaid in May, 2017 ₹ 10 Crore September, 2017 - ₹ 10 Crore)	For a term of six months	Bank Base rate/Relevant Benchmark rate plus applicable spread ranging between 0.4% to 0.9% per annum less Interest Subvention of 3.00% per annum; (FY 17 - Bank Base rate/Relevant Benchmark rate plus applicable spread ranging between 0.7% to 1.5% per annum less Interest Subvention of 3% per annum)	35.00	20.00
Total current borrowings				122.41	108.56
Less: Interest accrued (refer note 13(b))				0.03	0.21
Current borrowings as per balance sheet				122.38	108.35

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, amounting ₹ 1,601.33 crore as at 31st March, 2018 and ₹ 1,310.57 crore as at 31st March 2017.

13(b) Other Financial Liabilities

(₹ in Crore)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Current		
Interest accrued but not due on borrowings (refer note 13(a))	0.03	0.21
Creditors for capital goods	3.91	4.00
Salaries, bonus and other benefits payable to employees	1.80	1.82
Trade Deposits from customers and other	1.39	1.25
Unclaimed Dividend (refer note below)	0.45	0.33
Forward exchange contracts (net)	-	3.14
Others	0.24	0.26
Total other current financial liabilities	7.82	11.01

Note : As at 31st March, 2018, there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the company. Unclaimed dividend if any, shall be transferred to IEPF as and when they become due.

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To Financial Statements for the year ended 31st March, 2018

13(c) Trade Payables

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current		
Trade payables:		
Dues to Micro and small enterprises (refer note below)	4.16	10.90
Dues to related parties (refer note 30)	1.77	2.27
Dues to others	580.72	463.07
Total trade payables	586.65	476.24

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, 2018	As at 31st March, 2017
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year	4.06	10.83
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	0.10	0.07
Total	4.16	10.90

14 Provisions

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current		
Disputed indirect taxes (refer note (a) & (b) below)	57.18	56.41
Total current provisions	57.18	56.41

(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 respective Honourable High Courts 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, 2018	As at 31st March, 2017
Balance as at the beginning of the year	56.41	50.64
Add: Additional provision recognised	1.71	6.02
Less: Amount used during the year	(0.94)	(0.25)
Balance as at the end of the year	57.18	56.41

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To Financial Statements for the year ended 31st March, 2018

15 Employee Benefit Obligation Current

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Gratuity (refer note (i) below)	3.82	2.95
Leave encashment/ compensated absences (refer note (iii) below)	1.77	1.55
Share-appreciation rights (refer note (iv) below)	10.19	6.60
Incentives / Bonus	23.34	24.31
Others	-	0.50
Total employee benefit obligations current	39.12	35.91

Employee Benefit Obligation Non Current

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Leave encashment/ compensated absences (refer note (iii) below)	7.77	6.64
Share-appreciation rights (refer note (iv) below)	1.73	6.44
Total employee benefit obligations non current	9.50	13.08

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 and more 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 and the company makes contributions to the 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, 2018 and 31st March, 2017.

(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.

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current leave obligations expected to be settled within the next 12 months	1.77	1.55

(iv) 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).

NOTES

To Financial Statements for the year ended 31st March, 2018

(a) Balance sheet amounts - Gratuity

(₹ in Crore)			
Particulars	Present value of obligation	Fair value of plan assets	Net Amount
31st March 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
31st March 2017	23.42	20.47	2.95
Current service cost	2.30	-	2.30
Past service cost	2.59	-	2.59
Interest expense	1.58	-	1.58
Interest Income	-	1.39	(1.39)
Total amount recognised in profit or loss	6.47	1.39	5.08
Remeasurements			
(Gain)/loss from change in demographic assumptions	0.22	-	0.22
(Gain)/loss from change in financial assumptions	(0.98)	-	(0.98)
Experience (gains)/ losses	1.66	(0.16)	1.50
Total amount recognised in other comprehensive income	0.90	(0.16)	0.74
Employer contributions	-	4.95	(4.95)
Benefit Payments	(2.57)	(2.57)	-
31st March 2018	28.22	24.40	3.82

The Net liability disclosed above relates to funded and unfunded plans are as follows

(₹ in Crore)

Particulars	31st March, 2018	31st March, 2017
Present value of funded obligations	28.22	23.42
Fair value of plan assets	(24.40)	(20.47)
Deficit of gratuity plan	3.82	2.95

The significant actuarial assumptions were as follows

Particulars	As at 31st March, 2018	As at 31st March, 2017
Discount rate	7.50%	6.77%
Rate of return on Plan assets*	7.50%	6.77%
Future salary rise**	10.00%	10.00%
Attrition rate	16.00%	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 expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

**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.

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To Financial Statements for the year ended 31st March, 2018

Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Crore)

Particulars	As at	As at
	31st March, 2018	31st March, 2017
Projected benefit obligation on current assumptions	28.22	23.42
Delta effect of +1% change in rate of discounting	(1.24)	(0.99)
Delta effect of -1% change in rate of discounting	1.36	1.09
Delta effect of +1% change in rate of salary increase	1.06	0.72
Delta effect of -1% change in rate of salary increase	(1.02)	(0.71)
Delta effect of +1% change in rate of Employee turnover	(0.16)	(0.11)
Delta effect of -1% change in rate of Employee turnover	0.16	0.12

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The major categories of plans assets are as follows :

(₹ in Crore)

Particulars	31st March, 2018		31st March, 2017	
	Amount	in %	Amount	in %
Special deposit scheme	0.53	2.17%	0.53	2.59%
Insurer Managed funds	23.83	97.66%	19.91	97.26%
Other	0.04	0.17%	0.03	0.15%
Total	24.40	100.00%	20.47	100.00%

(b) Provident Fund

Amount recognised in the Balance sheet

(₹ in Crore)

Particulars	31st March, 2018	31st March, 2017
Liability at the end of the year	-	-
Fair value of plan assets at the end of the year	140.94	122.01
Present value of benefit obligation as at the end of the period	(136.65)	(117.45)
Difference	4.29	4.56
Unrecognized past service Cost	(4.29)	(4.56)
(Assets) / Liability recognized in the Balance Sheet	-	-

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To Financial Statements for the year ended 31st March, 2018

Changes in defined benefit obligations:

(₹ in Crore)

Particulars	31st March, 2018		31st March, 2017	
	Amount	in %	Amount	in %
Liability at the beginning of the year	117.45		94.43	
Opening balance adjustment	2.00		-	
Interest cost	10.68		8.75	
Current service cost	9.31		8.49	
Employee contribution	12.26		10.78	
Liability Transferred in	4.59		7.11	
Liability Transferred out	(9.04)		(6.38)	
Benefits paid	(10.60)		(5.73)	
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	136.65		117.45	

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	31st March, 2018		31st March, 2017	
	Amount	in %	Amount	in %
Fair value of plan assets at the beginning of the year	122.01		98.60	
Opening balance adjustment	1.22		-	
Expected return on plan assets	10.68		8.77	
Contributions	21.57		18.74	
Transfer from other Company	4.59		7.11	
Transfer to other Company	(9.04)		(6.38)	
Benefits paid	(10.60)		(5.73)	
Actuarial gain/(loss) on plan assets	0.51		0.90	
Fair value of plan assets at the end of the year	140.94		122.01	

Expenses recognised in the Statement of Profit and Loss :

(₹ in Crore)

Particulars	31st March, 2018		31st March, 2017	
	Amount	in %	Amount	in %
Current service cost	9.31		7.96	
Interest cost	10.68		8.77	
Expected return on plan assets	(10.68)		(8.77)	
(Income) / Expense recognised in the Statement of Profit and Loss	9.31		7.96	

The major categories of plans assets are as follows :

(₹ in Crore)

Particulars	31st March, 2018		31st March, 2017	
	Amount	in %	Amount	in %
Central Government securities	14.11	10.01%	14.18	11.62%
State loan/State government Guaranteed Securities	12.96	9.20%	13.71	11.24%
Government Securities debt instruments	61.66	43.75%	-	0.00%
Public Sector Units	33.88	24.04%	38.50	31.55%
Private Sector Units	7.41	5.26%	7.41	6.07%
Equity / Insurance Managed Funds	6.07	4.31%	45.03	36.91%
Others	4.85	3.43%	3.18	2.61%
Total	140.94	100.00%	122.01	100.00%

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The significant actuarial assumptions were as follows:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Discount rate	7.50%	6.67%
Rate of return on plan assets*	8.65%	8.85%
Future salary rise**	10.00%	10.00%
Attrition rate	16.00%	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 expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

**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.

(c) Privileged leave (Compensated absences for employees)

Amount recognized in the Balance Sheet and movements in net liability:

Particulars	₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening balance of compensated absences (a)	8.19	6.71
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	9.54	8.19

The privileged leave liability is not funded.

(d) Employee State Insurance Corporation

The Company has recognised ₹ 0.28 Crore (₹ 0.12 Crore for the year ended 31st March 2017) 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 company 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 is 6 years as at 31st March, 2018 and as at 31st March, 2017

The expected maturity analysis of gratuity is as follows:

Particulars	₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Within the next 12 months	4.08	3.58
Between 2 and 5 years	14.42	11.84
Between 6 and 10 years	12.37	9.82
Beyond 10 years	12.39	8.42
Total	34.26	33.66

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16 Tax assets and liabilities

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Non current tax assets (net)	30.39	22.12
Current tax liabilities (net)	17.04	23.20

17 Other Current Liabilities

Particulars	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Statutory dues, including provident fund and tax deducted at source	11.72	33.92
Deferred income on government grants (refer note below)	6.23	-
Book overdraft	10.51	8.67
Contractual obligations	70.83	45.72
Advance from customer	21.52	16.43
Others	0.15	0.07
Total other current liabilities	120.96	104.82

The Company is eligible for government grants which are conditional upon construction of new factories in North east region. The Company has initiated the process for claim. The factories had been constructed and been in operation since May 2016 and March 2017. These grants, recognized as deferred income, is being amortized over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised.

18 Revenue from Operations

The company derives the following types of revenue:

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of Products (including Excise Duty)		
Finished goods	4,906.36	4,513.16
Traded goods	115.21	230.22
By-product sales	128.73	108.51
Other operating revenue:		
Export incentives	2.35	8.49
Other incentives	21.38	2.14
Sale of scrap	7.29	6.36
Total Revenue	5,181.32	4,868.88
a) Details of Sales (Finished goods)		
Edible oils	3,186.85	2,805.62
Hair oils	1,346.92	1,301.89
Personal care	248.79	275.50
Others	123.80	130.16
Total	4,906.36	4,513.16
b) Details of Sales (Traded goods)		
Oil seeds (Copra)	0.65	114.17
Personal care	64.73	82.08
Others	49.83	33.97
Total	115.21	230.22

Note: According to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the year ended 31st March, 2017 was reported inclusive of excise duty. Goods and Services Tax ("GST") has been implemented with effect from 1st July, 2017 which subsumes various taxes including Excise Duty. As per Ind AS 18, the revenue for the period from 1st July, 2017 to 31st March, 2018 is net of GST.

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19 Other Income

(₹ in Crore)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Other income		
Lease rental income	1.34	1.20
Dividend income from subsidiaries	134.29	171.39
Interest income from financial assets at amortised cost	18.99	24.87
Royalty income	10.54	10.40
Others	8.36	5.53
Total	173.52	213.39
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment	0.28	-
Net gain on foreign currency transactions and translation	3.57	-
Net gain on financial assets mandatorily measured at fair value through profit or loss and Net gain on sale of investments*	39.85	48.47
Total	43.70	48.47
Total Other Income	217.22	261.86

*Includes net gain on financial assets mandatorily measured at fair value through profit or loss of ₹ 15.43 Crore (31st March 2017: ₹ 18.16 Crore)

20(a) Cost of materials consumed

(₹ in Crore)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Raw materials at the beginning of the year	523.80	264.09
Add: Purchases	2,633.51	2,218.59
Less: Raw materials at the end of the year	524.55	523.80
Total Raw materials consumed	2,632.76	1,958.88
Packing materials at the beginning of the year	65.24	56.97
Add: Purchases	390.43	396.53
Less: Packing materials at the end of the year	73.46	65.24
Total Packing materials consumed	382.21	388.26
Total cost of materials consumed	3,014.97	2,347.14

20(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Crore)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening 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
Closing inventories		
Finished goods	452.34	327.06
Work-in-progress	234.77	142.37
By-products	5.63	3.14
Stock-in-trade	14.72	13.27
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	(221.62)	(47.44)

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20(c) Details of Raw materials consumed

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Oil seeds (Copra and Kardi seeds)	1,400.68	867.40
Raw oils (other than Copra and Kardi seeds)	732.67	781.06
Others	499.41	310.42
Total	2,632.76	1,958.88

20(d) Details of purchases of stock-in-trade

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Oil seeds (Copra)	0.54	90.60
Personal care	39.26	52.51
Others	33.66	26.33
Total	73.46	169.44

20(e) Value of imported and indigenous raw materials consumed

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Imported	182.89	183.14
Indigenous	2,449.87	1,775.74
Total	2,632.76	1,958.88

21 Employee Benefit Expense

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries, wages and bonus	230.45	210.09
Contribution to provident and other funds (refer note 15)	16.62	12.63
Employee share-based payment expense (refer note 33)	6.78	4.02
Stock appreciation right expenses (refer note 33)	7.40	13.21
Staff welfare expenses	13.02	10.97
Total Employee Benefit Expense	274.27	250.92

22 Depreciation and Amortization Expense

Particulars	(₹ in Crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation on property, plant and equipment (refer note 3)	61.88	60.83
Depreciation on investment properties (refer note 4)	0.43	0.43
Amortisation of intangible assets (refer note 5)	2.35	3.04
Impairment loss / (reversal of loss) of capitalised assets (refer note 3)	2.24	(0.20)
Total Depreciation and Amortization Expense	66.90	64.10

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23 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Consumption of stores, spare and consumables	19.57	18.77
Power, fuel and water	30.22	26.46
Contract manufacturing charges	171.36	157.37
Rent and storage charges	41.74	39.30
Repairs to:		
- Building	8.59	8.95
- Machinery	13.02	13.24
- Others	9.69	9.35
Freight, forwarding and distribution expenses	184.86	179.62
Advertisement and sales promotion	437.44	458.99
Rates and taxes	6.41	30.96
Printing, stationery and communication expenses	10.13	10.07
Travelling, conveyance and vehicle expenses	27.76	27.28
Insurance	7.00	6.78
Payments to the auditor as :		
- Statutory audit fees (including Limited Review)	0.88	1.13
- for other services as statutory auditors	0.10	0.10
- for reimbursement of expenses	0.06	0.05
Net loss on foreign currency transactions and translation (refer note (a) below)	-	31.09
Commission to Non-executive directors	1.73	1.82
Provision for doubtful debts, loans, advances and investments	0.75	1.62
Miscellaneous expenses (refer note (b) below)	143.06	151.19
Total	1,114.37	1,174.14

(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, 2018	Year ended 31st March, 2017
Labour charges	20.36	19.68
Training and seminar expenses	4.49	6.91
Outside services	39.57	39.61
Legal and professional charges	45.74	48.92
Donation	5.64	4.56

(c) Corporate social responsibility expenditure

(₹ in Crore)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Amount required to be spent as per the section 135 of the Act	16.25	13.15
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	16.53	14.56
(iii) Above includes a contribution of ₹ 2.22 crores (31st March, 2017: ₹ 0.46 crores) to Marico Innovation Foundation which is a Section 8 registered Company under Companies Act, 2013, with the main objectives of working in the areas of educational, social, cultural, and creative and sports related enterprises.		
(iv) The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.		

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- (d) Research and Development expenses aggregating to ₹ 6.55 Crore for food and edible items and ₹ 23.33 Crore for others have been included under the relevant heads in the Statement of Profit and Loss. (Previous year ended 31st March, 2017 aggregating ₹ 29.85 Crore). Further Capital expenditure pertaining to this of ₹ 0.23 Crore for food and edible items and ₹ 0.73 Crore for others have been incurred during the year (Previous year ended 31st March, 2017 aggregating ₹ 2.70 Crore).

24 Finance Costs

(₹ in Crore)		
Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest expenses on financial liabilities at amortised cost	5.25	6.55
Other borrowing costs	0.19	0.18
Fair value changes on interest rate swaps designated as cash flow hedges	-	(0.39)
Bank and other financial charges	1.24	1.36
Exchange differences regarded as an adjustment to borrowing costs	0.87	4.89
Finance costs expensed in profit or loss	7.55	12.59

25 Income Tax Expense

(₹ in Crore)		
Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Income tax expense		
Current tax on Profit for the year	229.83	243.52
Deferred tax	6.60	55.50
Total income tax expenses recognised during the year	236.43	299.02
(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate		
Profit from operations before exceptional items and income tax expense (a)	1,057.73	1,141.72
Income tax rate as applicable (b)	34.608%	34.608%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	366.06	395.12
Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
Permanent tax differences due to:		
Effect of income that is exempt from taxation	(0.76)	(0.81)
Effect of expenses that are not deductible in determining taxable profit	12.09	10.35
Effect of expenses that are deductible in determining taxable profit	(119.15)	(73.51)
Effect of Income which is taxed at special rate	(23.24)	(29.66)
Others	1.43	(2.47)
Income tax expense	236.43	299.02

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To Financial Statements for the year ended 31st March, 2018

26 Fair Value Measurements

(a) Financial Instruments by category

(₹ in Crore)

Particulars	Note	31st March, 2018			31st March, 2017		
		FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets							
Investments							
Equity Instruments	6(a)	0.14	-	-	0.14	-	-
Bonds and debentures (including interest accrued)	6(a)	-	-	24.78	-	-	40.72
Mutual funds	6(a)	366.19	-	-	391.18	-	-
Government securities	6(a)	-	-	0.01	-	-	0.01
Trade receivables	6(b)	-	-	288.15	-	-	227.61
Inter corporate deposits (including interest accrued)	6(a)	-	-	95.28	-	-	126.56
Loans	6(c)	-	-	6.42	-	-	8.09
Derivative financial assets	6(g)	-	0.84	-	-	2.11	-
Security deposits	6(f),6(g)	-	-	12.07	-	-	14.03
Cash and cash equivalent	6(d)	-	-	6.26	-	-	1.63
Fixed deposits	6(d),6(e)&6(f)	-	-	54.85	-	-	67.34
Advances to subsidiaries	6(f),6(g)	-	-	55.19	-	-	35.98
Total financial assets		366.33	0.84	543.01	391.32	2.11	521.97
Financial Liabilities							
Borrowings (including interest accrued)	13(a)	-	-	122.41	-	-	108.56
Derivative financial liabilities	13(b)	-	-	-	-	3.14	-
Trade payables	13(c)	-	-	586.65	-	-	476.24
Capital creditors	13(b)	-	-	3.91	-	-	4.00
Others	13(b)	-	-	3.88	-	-	3.66
Total financial liabilities		-	-	716.85	-	3.14	592.47

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 prescribed under the 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, 2018					
Financial assets					
Equity Instruments	6(a)	-	-	0.14	0.14
Mutual funds	6(a)	37.14	329.05	-	366.19
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	0.84	-	0.84
Total financial assets		37.14	329.89	0.14	367.17
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	-	-	-
Total financial liabilities		-	-	-	-

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	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, 2018					
Financial Assets					
Investments					
Bonds and debentures (including interest accrued)	6(a)	26.80	-	-	26.80
Government securities	6(a)	-	-	0.01	0.01
Inter - corporate deposits (including interest accrued)	6(a)	-	-	95.28	95.28
Total financial assets		26.80	-	95.29	122.09
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	122.41	122.41
Total financial liabilities		-	-	122.41	122.41
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
Foreign currency options	6(f)	-	-	-	-
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

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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 published 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, 2018		31st March, 2017	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets					
Investments					
Bonds and debentures	6(a)	24.78	26.80	40.72	42.75
Government securities	6(a)	0.01	0.01	0.01	0.01
Inter - corporate deposits	6(a)	95.28	95.28	126.56	126.56
Total financial assets		120.07	122.08	167.29	169.32
Financial liabilities					
Borrowings	13(a)	122.41	122.41	108.56	108.56
Total financial liabilities		122.41	122.41	108.56	108.56

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. Management ensures the implementation of strategies and achievement of objectives as laid down by the Board through central Treasury function.

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.

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To Financial Statements for the year ended 31st March, 2018

(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 & approval processes. Due to large geographical base & 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 ₹ 291.82 Crores as at 31st March, 2018, ₹ 230.53 Crores as at 31st March, 2017

Reconciliation of loss allowance provision- trade receivables

Particulars	(₹ in Crore)	
	31st March, 2018	31st March, 2017
Loss allowance at the beginning of the year	2.92	2.97
Add : Changes in loss allowances	0.75	(0.05)
Loss allowance at the end of the year	3.67	2.92

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 ₹ 13.07 Crores as at 31st March, 2018 and ₹ 15.04 Crores as at 31st March, 2017.

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 ₹ 55.19 Crores as at 31st March, 2018 and ₹ 35.99 Crores as at 31st March, 2017.

Reconciliation of loss allowance provision- deposits/advances

Particulars	(₹ in Crore)	
	31st March, 2018	31st March, 2017
Loss allowance at the beginning of the year	1.01	1.82
Add : Changes in loss allowances due to provision/(reversal/write off)	(0.01)	(0.81)
Loss allowance at the end of the year	1.00	1.01

(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, 2018 is 2.45 (as at 31st March, 2017 is 2.46) whereas the liquid ratio of the company as at 31st March, 2018 is 1.17 (as at 31st March, 2017 is 1.40).

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To Financial Statements for the year ended 31st March, 2018

Maturities of financial liabilities

(₹ in Crore)

Particulars	Note	Less than	1 year to	2 years to	3 years	Total
		1 year	2 years	3 years	and above	
Contractual maturities of financial liabilities as at 31st March, 2018						
Non-derivatives						
Borrowings (including interest accrued)	13(a)	122.41	-	-	-	122.41
Trade Payables	13(c)	586.65	-	-	-	586.65
Other Financial Liabilities	13(b)	7.79	-	-	-	7.79
Total Non- derivative liabilities		716.85	-	-	-	716.85
Derivative						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Total derivative liabilities		-	-	-	-	-
Contractual maturities of financial liabilities as at 31st March, 2017						
Non-derivatives						
Borrowings (including interest accrued)	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
Total derivative liabilities		3.14	-	-	-	3.14

Apart from the above, the company also has an exposure of corporate guarantees / stand by letter of credit (SBLC) given to banks on behalf of subsidiaries for credit and other facilities granted by banks (refer note 31). It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above corporate guarantees / SBLC.

(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.

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To Financial Statements for the year ended 31st March, 2018

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR as on 31st March, 2018

(₹ in Crore)

Particulars	AED	AUD	BDT	CAD	EGP	GBP	USD	VND	EUR
Financial assets									
Foreign currency Debtors for export of goods	-	-	-	0.48	-	-	64.12	-	-
Bank balances	-	-	-	-	-	-	0.02	-	-
Other receivable / (payable)	0.02	5.25	-	-	-	3.45	12.08	-	0.09
Advances to subsidiaries (including interest accrued)	3.11	-	16.29	-	0.26	-	19.39	1.34	-
Derivative asset									
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	(76.61)	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	(53.06)	-	-
Net Exposure to foreign currency risk (assets)	3.13	5.25	16.29	0.48	0.26	3.45	(34.06)	1.34	0.09

(₹ in Crore)

Particulars	AUD	CAD	EUR	GBP	LKR	MYR	SGD	USD
Financial liabilities								
Foreign currency Creditors for Import of goods and services	-	0.01	-	0.76	0.12	0.07	0.30	-
Derivative liabilities								
Foreign exchange forward contracts buy foreign currency	(2.30)	-	(0.62)	(3.36)	-	-	-	(24.14)
Foreign exchange Option contracts buy option	-	-	-	-	-	-	-	(4.20)
Net Exposure to foreign currency risk (liabilities)	(2.30)	0.01	(0.62)	(2.60)	0.12	0.07	0.30	(28.34)

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
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

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To Financial Statements for the year ended 31st March, 2018

(₹ 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

(₹ in Crore)

Particulars	Impact on profit after tax		Impact on other component of equity	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
USD Sensitivity				
INR/USD Increase by 6%	3.73	1.44	(3.96)	(2.40)
INR/USD Decrease by 6%	(3.73)	(1.44)	3.96	2.40
AUD Sensitivity				
INR/AUD Increase by 6%	0.21	0.01	0.09	0.17
INR/AUD Decrease by 6%	(0.21)	(0.01)	(0.09)	(0.17)
BDT Sensitivity				
INR/BDT Increase by 6%	0.64	-	-	-
INR/BDT Decrease by 6%	(0.64)	-	-	-

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, 2018	31st March, 2017
Variable rate borrowings	122.41	60.21
Fixed rate borrowings	-	48.35
Total borrowings (including interest accrued)	122.41	108.56

As at the end of reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	31st March, 2018			31st March, 2017		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	5.55%	122.41	100.00%	2.88%	179.29	87.41%
Interest rate Swaps (Notional principal amount)	-	-	-	1.25%	(89.64)	-
Net Exposure to Cash Flow Interest rate Risk	-	122.41	-	-	89.65	-

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.

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To Financial Statements for the year ended 31st March, 2018

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, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Interest rates - Increase by 50 basis point (50 bps)	0.40	0.20	-	-
Interest rates - decrease by 50 basis point (50 bps)	(0.40)	(0.20)	-	-

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 ₹ 3.66 Crores and ₹ 3.91 Crores, on the overall portfolio as at 31st March, 2018 and 31st March, 2017 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.

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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, 2018									
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	76.61	30.42	0.18	0.33	April 2018-March 2019	1:1	1 USD - ₹ 66.04, 1 AUD - ₹ 50.50, 1 GBP - ₹ 85.80, 1 EUR - ₹ 81.23	(1.44)	1.44
Foreign Exchange Options Contracts	53.06	4.20	0.16	0.17	April 2018-March 2019	1:1	1 USD - ₹ 64.49	(0.50)	0.50
Net Investment Hedge									

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 - ₹ 67.68 1 AUD - ₹ 52.05 1 EUR - ₹ 71.25	1.24	(1.24)
Foreign Exchange Options Contracts	50.70	17.37	1.16	0.07	April 2017-February 2018	1:1	1 USD - ₹ 67.14 1 AUD - ₹ 51.22	0.49	(0.49)
Net Investment Hedge									
Foreign Exchange Forward Contracts (Foreign Currency Loan)	-	48.36	-	(1.69)	April 2017-July 2017	1:1	1 USD - ₹ 71.68	(1.57)	1.57

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, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	
Cash Flow							
Foreign Exchange Risk	0.30	1.74	-	-	(2.24)	(1.95)	Other expenses
Interest Rate Risk	-	-	-	-	-	(0.39)	Finance cost
Fair Value Hedge							
Foreign Exchange Risk	-	1.61	-	-	-	1.65	Finance cost

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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 level currency. 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, 2018 and 2017.

The Company complies with all statutory requirement as per the extant regulations.

(₹ in Crore)		
Particulars	31st March, 2018	31st March, 2017
Net debt	122.38	108.35
Total equity	3,041.19	2,924.24
Net debt to equity ratio	4%	4%

(b) Dividend

(₹ in Crore)		
Particulars	31st March, 2018	31st March, 2017
(i) Equity shares		
Interim dividend for the year	548.58	451.59

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, 2018	31st March, 2017
Edible	3,186.85	2,805.62
Hair Oils	1,346.92	1,301.89
Personal care	248.79	275.50
Others	123.80	130.15
Total	4,906.36	4,513.16

- (iii) 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.

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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, 2018	31st March, 2017	31st March, 2018	31st March, 2017
		%	%	%	%
Subsidiary companies:					
Marico Bangladesh Limited (MBL)	Bangladesh	90	90	10	10
Marico Middle East FZE (MME)	UAE	100	100	0	0
Marico Bangladesh Industries Limited (MBLIL)	Bangladesh	100	100	0	0
Egyptian American Company for Investment and Industrial Development SAE (EAIIIDC)	Egypt	100	100	0	0
Marico Malaysia Sdn. Bhd. (MMSB)	Malaysia	100	100	0	0
MEL Consumer Care SAE (MELCC)	Egypt	100	100	0	0
Marico Egypt Industries Company (MEIC)	Egypt	100	100	0	0
Marico for Consumer Care Products SAE (w.e.f. 19th December, 2017)*	Egypt	100	0	0	0
Marico South Africa Consumer Care (Pty) Limited (MSACC)	South Africa	100	100	0	0
Marico South Africa (Pty) Limited (MSA)	South Africa	100	100	0	0
Marico South East Asia Corporation (MSEA)	Vietnam	100	100	0	0
Thuan Phat Foodstuff Joint Stock company (TPF)**	Vietnam	Nil	Nil	Nil	Nil
Marico Consumer Care Limited (MCCL)	India	100	100	0	0
Halite Personal Care India Private Limited (A Company under Voluntary Liquidation)	India	0	0	0	0
Marico Innovation Foundation (MIF)	India	NA	NA	0	0
Subsidiary firm:					
MEL Consumer Care & Partners - Wind (Through MELCC) (upto 19th December, 2017)*	Egypt	0	99	0	1

*MEL Consumer Care & Partners - Wind a partnership firm got converted into joint stock company Marico for Consumer Care Products SAE w.e.f. 19th December, 2017.

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.

**Thuan Phat Food stuff Joint Stock company has been merged with Marico South East Asia Corporation w.e.f. 1st December, 2016.

b) Joint venture:

Bellezimo Professionale Products Private Limited (w.e.f. 7th March, 2018, the Company ceased to be an Associate Company)

Zed Lifestyle Private Limited (During the previous year ended 31st March, 2017, the Company had acquired 35.43% stake on 17th March, 2017, during the year ended 31st March 2018 the Company acquired additional stake of 5.17%.

c) Key management personnel (KMP):

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Saugata Gupta, Managing Director and CEO

Mr. Anand Kripalu, Independent Director (Resigned w.e.f. 6th October, 2017)

Mr. Ananth Sankaranarayanan, Independent Director (Appointed w.e.f. 26th June, 2017)

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Mr. Atul Choksey, Independent Director (Resigned w.e.f. 1st April, 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, Non executive Director (Appointed w.e.f. 2nd May, 2017)
 Mr. Vivek Karve, Chief Financial Officer
 Ms. Hemangi Ghag, Company Secretary & Compliance Officer (Appointed w.e.f. 30th October, 2017)
 Mr. Surender Sharma, Head-Legal, International Business & Company Secretary (Resigned w.e.f. 16th October, 2017)

d) 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. Rajen Mariwala, Non Executive Director
 Mr. Rishabh Mariwala, son of Mr. Harsh Mariwala and Non executive Director
 Mrs. Archana Mariwala, wife of Mr. Harsh Mariwala

e) Post employment benefit controlled trust

Marico Limited Employees Provident Fund
 Marico Limited Employees Gratuity Fund

f) Others - Entities in which above (c) and (d) has significant influence and transactions have taken place:

Aqua Centric Private Limited
 Ascent India Foundation
 Feedback Business Consulting Services Private Limited
 Kaya Limited
 Kaya Middle East FZE
 Mariwala Health Foundation
 Soap Opera
 The Bombay Oil Private Limited

II Transactions with related parties

The following transactions occurred with related parties:

Key management personnel compensation

(₹ in Crore)

Particulars	31st March, 2018	31st March, 2017
Employee share-based payment	14.36	12.96
Short-term employee benefits	9.04	7.53
Post-employment benefits	0.30	0.28
Total compensation	23.70	20.77
Remuneration / sitting fees to Non-Executive and Independent Directors (Excluding the Chairman)	2.32	2.19

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.

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Contribution to post employment benefit controlled trust.

(₹ in Crore)

Particulars	31st March, 2018	31st March, 2017
Marico Limited Employees Provident Fund	21.57	18.74
Marico Limited Employees Gratuity Fund	4.95	3.41
	26.52	22.15

(₹ in Crore)

Particulars	Subsidiaries and Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (d) and (f) above) For the year ended	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Sale of goods	124.43	206.47	0.05	0.11
Marico Bangladesh Limited	5.86	115.13	-	-
Marico Middle East FZE	82.82	60.73	-	-
Marico South East Asia Corporation	35.74	26.79	-	-
Others	0.01	3.82	0.05	0.11
Sale of assets	-	0.64	0.08	0.11
Marico Bangladesh Limited	-	0.62	-	-
Others	-	0.02	0.08	0.11
Sales returns	0.03	-	-	-
Marico for Consumer Care Products SAE	0.03	-	-	-
Purchases of goods	0.30	-	-	-
Marico South East Asia Corporation	0.30	-	-	-
Other transactions				
Royalty income	10.53	10.40	-	-
Marico Bangladesh Limited	5.88	5.59	-	-
Marico Middle East FZE	3.07	2.98	-	-
Marico South East Asia Corporation	1.33	1.44	-	-
Others	0.25	0.39	-	-
Dividend income	134.29	171.39	-	-
Marico Bangladesh Limited	119.99	120.66	-	-
Marico South East Asia Corporation	14.30	50.73	-	-
Interest income	0.04	0.14	-	-
Marico South Africa Consumer Care (pty) Limited	-	0.03	-	-
Bellezimo Professionale Products Private Limited	0.04	0.11	-	-
Business consultancy services	-	-	0.02	-
Feedback Business Consulting Services Private Limited	-	-	0.02	-
Interest written off	0.15	-	-	-
Bellezimo Professionale Products Private Limited	0.15	-	-	-

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(₹ in Crore)

Particulars	Subsidiaries and Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (d) and (f) above) For the year ended	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Expenses paid on behalf of related parties	5.54	15.33	0.64	0.61
Marico Bangladesh Limited	1.67	4.40	-	-
Marico Egypt Industries Company	0.89	2.36	-	-
Marico Middle East FZE	0.62	3.58	-	-
Kaya Limited	-	-	0.62	0.61
Marico South East Asia Corporation	1.87	3.83	-	-
Marico South Africa (Pty) Limited	0.47	-	-	-
Others	0.02	1.16	0.02	-
Expenses paid by related parties on behalf of Marico Limited	2.03	1.08	-	-
Marico South East Asia Corporation	0.01	1.08	-	-
Marico Middle East FZE	1.91	-	-	-
Others	0.11	-	-	-
Lease Rental Income	-	-	1.01	0.87
Kaya Limited	-	-	0.87	0.87
Others	-	-	0.14	-
Royalty Expense	5.06	5.78	-	-
Marico Consumer Care Limited	5.06	5.78	-	-
Loans and Advances Recovered	26.15	24.74	1.40	1.95
Kaya Limited	-	-	1.38	1.95
Marico Bangladesh Limited	-	9.16	-	-
Marico South Africa Consumer Care (pty) Limited	-	1.43	-	-
Marico Egypt Industries Company	4.63	3.00	-	-
Marico Middle East FZE	8.67	8.10	-	-
Marico South East Asia Corporation	8.84	2.46	-	-
Others	4.01	0.59	0.02	-
Investments made during the year	18.84	0.27	-	-
Bellezimo Professionale Products Private Limited	-	0.27	-	-
Marico South Africa Consumer Care (pty) Limited	14.84	-	-	-
Zed Lifestyle Private Limited	4.00	-	-	-
Donation Given / CSR Activities	2.22	0.46	-	-
Marico Innovation Foundations	2.22	0.46	-	-
Loans given	-	1.62	-	-
Bellezimo Professionale Products private Limited	-	1.62	-	-
Remittances made during the year	5.81	5.10	-	-
Marico Consumer Care Limited	4.81	5.10	-	-
Marico South East Asia Corporation	0.91	-	-	-
Others	0.09	-	-	-

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(₹ in Crore)

Particulars	Subsidiaries and Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (d) and (f) above) For the year ended	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
	Agency commission for copra procurement	2.13	-	-
Marico Middle East FZE	2.13	-	-	-
Recovery of corporate guarantee commission/SBLC charges	1.00	-	-	-
Marico Middle East FZE	0.90	-	-	-
Marico South Africa (Pty) Limited	0.10	-	-	-
Provision for impairment of investment	104.00	1.62	-	-
Bellezimo Professionale Products Private Limited	-	1.62	-	-
Marico Consumer Care Limited	104.00	-	-	-
Intra group service arrangement	11.93	-	0.04	-
Marico Bangladesh Limited	4.30	-	-	-
Marico Egypt Industries Company	1.51	-	-	-
Marico South East Asia Corporation	3.62	-	-	-
Marico Middle East FZE	1.48	-	-	-
Others	1.02	-	0.04	-
Professional fees paid	-	-	6.09	6.36
Mr. Harsh Mariwala, Chairman and Non Executive Director	-	-	6.09	6.35
Others	-	-	-	0.01

III Outstanding balances

(₹ in Crore)

Particulars	Subsidiaries and Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (f) above) For the year ended	
	As at	As at	As at	As at
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties				
Investments	1,020.49	1,107.27	-	-
Marico South East Asia Corporation	254.98	254.98	-	-
Marico Consumer Care Limited	641.70	745.70	-	-
Others (31st March, 2017 : The share capital of Bellezimo Professionale Products Private Limited is fully provided in books ₹ 1.62 Crore)	123.81	106.59	-	-
Trade payables (purchases of goods and services)	0.36	0.92	0.02	-
Marico for Consumer Care Products SAE	-	0.02	-	-
Marico South East Asia Corporation	0.33	0.91	-	-
Others	0.03	(0.01)	0.02	-
Dues Payable (Royalty payable)	1.77	1.35	-	-
Marico Consumer Care Limited	1.77	1.35	-	-

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To Financial Statements for the year ended 31st March, 2018

(₹ in Crore)

Particulars	Subsidiaries and Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (f) above) For the year ended	
	As at	As at	As at	As at
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Trade receivables (sale of goods and services)	46.75	57.20	0.02	-
Marico Middle East FZE	37.43	24.68	-	-
Marico Bangladesh Limited	0.12	12.69	-	-
Marico South East Asia Corporation	9.19	19.66	-	-
Others	0.01	0.17	0.02	-
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
Corporate guarantee	174.20	-	-	-
Marico Middle East FZE	149.26	-	-	-
Marico South Africa (Pty) Limited	24.94	-	-	-
Stand-by Letter of Credit given to banks	-	136.83	-	-
Marico Middle East FZE	-	136.83	-	-

IV Loans/advances to/from related parties

(₹ in Crore)

Particulars	For the Year ended	
	31st March, 2018	31st March, 2017
Marico South Africa Consumer Care (pty) Ltd		
Beginning of the year	-	1.39
Loan repayments received	-	(1.43)
Exchange gain	-	0.04
Balance at the end of the year	-	-
Marico Bangladesh Limited		
Beginning of the year	22.07	21.70
Expenses paid on behalf of MBL	1.67	4.40
Exchange loss	(0.51)	(0.46)
Intra group service arrangement	4.30	-
Royalty charged	5.88	5.59
Royalty received	-	(9.16)
Balance at the end of the year	33.41	22.07
Marico Middle East FZE		
Beginning of the year	5.30	6.68
Expenses paid on behalf of subsidiary	0.62	3.58
Expenses paid by subsidiary	(1.91)	-

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To Financial Statements for the year ended 31st March, 2018

(₹ in Crore)

Particulars	For the Year ended	
	31st March, 2018	31st March, 2017
Exchange gain	0.24	0.16
Royalty charged	3.07	2.98
Royalty received	(8.67)	(8.10)
Agency commission for copra procurement	2.13	-
Intra group service arrangement	1.48	-
Corporate guarantee commission/ recover of SBLC charges	0.90	-
Balance at the end of the year	3.16	5.30
Marico South East Asia Corporation		
Beginning of the year	4.79	1.91
Expenses paid on behalf of subsidiary	1.87	3.83
Expenses paid by subsidiary	(0.01)	-
Exchange gain	0.04	0.16
Royalty charged	1.33	1.44
Dividend income	14.30	-
Remittance received	(8.84)	(2.46)
TDS receivable	-	(0.09)
Intra group service arrangement	3.62	-
Balance at the end of the year	17.10	4.79

V Loans/advances to/from related parties-Others

(₹ in Crore)

Particulars	Subsidiaries & Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (f) above) For the year ended	
	As at	As at	As at	As at
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Others	1.04	5.26	0.65	0.29

Terms and conditions of transaction with related parties

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31st March, 2017. Management believes that the Company's international transactions with related parties post 31st March, 2017 continue to be at arm's length and that the transfer pricing legislation will not have any material impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

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 subsidiaries/joint venture :

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Loans to subsidiary: Marico South Africa Consumer Care (pty) Limited		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	3.63
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	1.65	1.62
The subsidiaries / joint venture do not hold any shares in the Company.		

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To Financial Statements for the year ended 31st March, 2018

31 Contingent Liabilities and Contingent Assets

The Company had contingent liabilities in respect of :

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Disputed tax demands / claims :		
Sales tax	79.23	22.26
Income tax	84.21	59.89
Customs duty	0.25	0.25
Employees state insurance corporation	0.18	0.18
Excise duty on subcontractors	0.78	0.54
Service Tax	0.34	0.34
Excise duty on By-Product	6.35	6.35
Excise duty on Oats	27.99	27.99
Claims against the Company not acknowledged as debts	0.08	0.08
Guarantees excluding financial guarantees:		
Corporate guarantees given to banks on behalf of Broadcast Audience Research Council (BARC)	0.60	0.60
Corporate guarantees given to 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 - ₹ 166.41 Crore). These corporate guarantees are given for working capital requirement and are generally renewed every year.	174.20	-
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 ended 31st March, 2017 was ₹ 120.90 Crore).	-	136.83

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.

32 Commitments

(₹ in Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	37.74	15.70
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 5 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, 2018	As at 31st March, 2017
Lease rental payments recognized in the Statement of Profit and Loss.	36.86	32.95
In respect of assets taken on non-cancellable operating lease:		
Lease obligations		
Future minimum lease rental payments		
- not later than one year	18.20	20.43
- later than one year but not later than five years	21.24	29.61
- later than five years	-	1.80
Total	39.44	51.84

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To Financial Statements for the year ended 31st March, 2018

33 Share-Based Payments

(a) Employee stock option plan

During the year ended 31st March, 2014, 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 ₹ 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. During the year ended 31st March, 2016, the aforesaid 300,000 stock options had 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, 2018	As at 31st March, 2017
Weighted average share price of options exercised	1.00	1.00
Number of options granted, exercised, and forfeited		
Balance as at beginning of the year	300,000	600,000
Granted during the year		
Less : Exercised during the year	300,000	300,000
Forfeited / lapsed during the year	-	-
Balance as at end of the year	-	300,000
Weighted average remaining contractual life of options outstanding at end of period (in years)	-	0.50

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 30th July, 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 ₹ 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, 2018	As at 31st March, 2017
Weighted average share price of options exercised	1.00	1.00
Number of options granted, exercised, and forfeited		
Balance as at beginning of the year	93,200	93,200
Granted during the year	-	-
Less : Exercised during the year	93,200	-
Forfeited / lapsed during the year	-	-
Balance as at end of the year	-	93,200
Weighted average remaining contractual life of options outstanding at end of period (in years)	-	1.00

Marico ESOP 2016

During the 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 its 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:

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To Financial Statements for the year ended 31st March, 2018

Particulars	Scheme I		Scheme II		Scheme III			Scheme IV			Scheme V	Scheme VI	Scheme VII
	31-Mar-19	31-Mar-19	30-Nov-19	30-Nov-19	Part I	Part II	Part III	Part I	Part II	Part III	31-Mar-20	30-Nov-20	30-Nov-20
Options outstanding as at 31st March, 2018	80,000	939,700	67,610	10,740	4,950	537,160	75,530	44,820	67,120	87,410	554,730		
Exercise price	1.00	280.22	1.00	1.00	1.00	256.78	302.34	307.77	1.00	1.00	307.77		
Vesting date	31-Mar-19	31-Mar-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	31-Mar-20	30-Nov-20		

Particulars	Scheme I		Scheme II		Scheme III			Scheme IV			Scheme V	Scheme VI	Scheme VII
	31-Mar-19	31-Mar-19	30-Nov-19	30-Nov-19	Part I	Part II	Part III	Part I	Part II	Part III	31-Mar-20	30-Nov-20	30-Nov-20
Weighted average share price of options exercised	-	-	-	-	-	-	-	-	-	-	-	-	-
Number of options granted, exercised, and forfeited													
Balance as at beginning of the year	80,000	939,700	101,080	-	-	719,830	-	-	-	-	-	-	-
Granted during the year	-	-	-	13,780	4,950	-	88,970	44,820	67,120	97,050	589,430		
Less : Exercised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Forfeited / lapsed during the year	-	-	33,470	3,040	-	182,670	13,440	-	-	9,640	34,700		
Balance as at end of the year	80,000	939,700	67,610	10,740	4,950	537,160	75,530	44,820	67,120	87,410	554,730		
Weighted average remaining contractual life of options outstanding at end of period (in years)	2.00	2.00	2.67	2.67	2.67	2.67	2.67	2.67	3.00	3.67	3.67		

Particulars	2018	2017
Aggregate of all stock options outstanding as at the year end to current paid-up equity share capital (percentage)	0.19%	0.17%

The following assumptions were used for calculation of fair value of grants:

Particulars	Marico ESOS 2014	Marico ESOP 2016 Scheme I	Marico ESOP 2016 Scheme II	Marico ESOP 2016 Scheme III Part I	Marico ESOP 2016 Scheme III Part II	Marico ESOP 2016 Scheme III Part III	Marico ESOP 2016 Scheme IV Part I	Marico ESOP 2016 Scheme IV Part II	Marico ESOP 2016 Scheme IV Part III	Marico ESOP 2016 Scheme V	Marico ESOP 2016 Scheme VI	Marico ESOP 2016 Scheme VII
Risk-free interest rate (%)	8.00%	7.25%	7.25%	6.75%	6.25%	6.50%	6.75%	6.25%	6.50%	6.25%	6.75%	6.75%
Expected life of options (years)	3 years	3 years 2 months	3 years 2 months	3 years 6 months	3 years 1 months	2 years 6 months	3 years 6 months	3 years 1 months	2 years 6 months	3 years 4 months	3 years 6 months	3 years 6 months
Expected volatility (%)	26.62%	25.80%	25.80%	26.10%	26.70%	23.10%	26.10%	26.70%	23.10%	26.30%	25.50%	25.50%
Dividend yield (%)	3.50%	0.96%	0.96%	0.96%	1.07%	1.07%	0.96%	1.07%	1.07%	0.96%	1.07%	1.07%

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To Financial Statements for the year ended 31st March, 2018

(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 V 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:

Grant Date	STAR IV				STAR V			
	2nd December, 2013	5th August, 2015	5th August, 2015	1st December, 2015	4th November, 2015	5th August, 2015	30th November, 2016	30th November, 2017
	104.48	104.48	104.48	203.63	197.61	217.46	197.61	203.63
Vesting Date	30th November, 2016	30th November, 2016	30th November, 2016	30th November, 2017	30th November, 2016	30th November, 2017	30th November, 2016	30th November, 2017
	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March
	2018	2017	2018	2017	2018	2017	2018	2017
Number of grants outstanding at the beginning of the year	-	1,175,000	-	419,400	951,200	1,091,200	136,400	91,600
Add : Granted during the year	-	-	-	-	-	6,000	-	44,800
Less : Forfeited during the year	-	108,600	-	71,600	139,600	146,000	42,400	-
Less : Exercised during the year	-	1,066,400	-	347,800	811,600	-	94,000	-
Number of grants at the end of the year	-	-	-	-	951,200	-	136,400	-
Carrying amount of liability - included in employee benefit obligation								
Classified as long-term	-	-	-	-	-	-	-	-
Classified as short-term	-	-	-	5.74	-	0.86	-	-

Grant Date	STAR VI				STAR VII				STAR VIII	
	1st December, 2015	5th August, 2016	2nd December, 2016	1st December, 2016	2nd May, 2017	1st December, 2017	30th November, 2019	30th November, 2019	1st December, 2017	30th November, 2020
	203.63	280.22	256.78	256.78	302.34	307.77	302.34	307.77	307.77	307.77
Vesting Date	30th November, 2018	30th November, 2018	30th November, 2018	30th November, 2018	30th November, 2019	30th November, 2019	30th November, 2019	30th November, 2019	30th November, 2019	30th November, 2020
	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Number of grants outstanding at the beginning of the year	1,240,600	1,333,400	96,100	-	340,140	-	-	-	-	-
Add : Granted during the year	-	74,400	-	56,510	-	-	-	-	-	-
Less : Forfeited during the year	283,200	167,200	9,800	56,510	359,410	100,350	15,980	15,980	302,360	-
Less : Exercised during the year	-	-	-	-	54,940	19,270	10,000	-	-	3,570
Number of grants at the end of the year	957,400	1,240,600	86,300	56,510	285,200	340,140	90,350	15,980	298,790	-
Carrying amount of liability - included in employee benefit obligation										
Classified as long-term	-	5.89	-	0.15	1.20	0.33	0.20	0.02	-	0.31
Classified as short-term	9.53	-	0.36	0.30	-	-	-	-	-	-

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To Financial Statements for the year ended 31st March, 2018

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 ₹ 37.45 Crore as at 31st March, 2018 (₹ 54.26 Crore as at 31st March 2017) 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	As at 31st March, 2018	As at 31st March, 2017
Share price at measurement date (INR per share)	326.1	294.9
Expected volatility (%)	20.1% - 23.2%	24.5% - 27.1%
Dividend yield (%)	1.07%	0.96%
Risk-free interest rate (%)	6.75%	6%

(c) Expense arising from share-based payment transactions recognised in Profit or Loss as part of employee benefit expense were as follows:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Employee stock option plan	6.78	4.02
Stock appreciation rights	7.40	13.21
Total employee share based payment expense	14.18	17.23

(₹ in Crore)

34 Earnings Per Share

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the company (in ₹)	5.58	6.55
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the company (in ₹)	5.57	6.53
(c) Earnings used in calculating earnings per share (₹ in Crore)		
Basic earnings per share	718.23	842.70
Diluted earnings per share	718.23	842.70
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares outstanding	1,290,624,530	1,290,233,390
Shares held in controlled trust	(2,558,830)	(3,666,161)
Weighted average number of equity shares in calculating basic earnings per share	1,288,065,700	1,286,567,229
Dilutive impact of Share Options	671,090	2,006,113
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	1,288,736,790	1,288,573,342

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To Financial Statements for the year ended 31st March, 2018

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 Previous year's figures have been regrouped/reclassified to make them comparable with those of current year.

For B S R & Co. LLP

Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY

Partner
Membership No. 048648

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board of Directors

HARSH MARIWALA

Chairman
[DIN 00210342]

VIVEK KARVE

Chief Financial Officer

Place: Mumbai
Date: 2nd May, 2018

SAUGATA GUPTA

Managing Director and CEO
[DIN 05251806]

HEMANGI GHAG

Company Secretary
[Membership No. F9329]

10 Years' Financial Highlights

(₹ in crore)

Year ended March 31,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Income from Operations	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	6,333.1
EBITDA	304.0	375.1	418.1	484.4	625.8	748.0	870.1	1,051.4	1,159.3	1,137.8
Profit before Interest & Tax (PBIT)	280.4	333.3	368.5	444.4	576.7	729.0	844.6	1,049.8	1,166.3	1,133.3
Profit before Tax (PBT)	229.6	297.9	376.4	400.3	551.9	694.6	821.7	1,028.7	1,148.7	1,117.0
Net Profit attributable to Owners of the Company	188.7	231.7	286.4	317.1	395.9	485.4	573.5	711.5	798.6	814.5
Cash Profits (Profit after Current Tax + Depreciation + Amortisation)	258.4	332.7	405.3	396.6	490.9	592.1	667.7	873.2	946.8	922.0
Economic Value-Added	198.2	200.7	179.7	203.6	226.8	332.0	418.8	557.8	609.6	549.9
Goodwill on consolidation	85.0	85.0	397.6	395.5	395.5	254.3	489.2	497.4	479.5	485.8
Net Fixed Assets	311.1	399.7	457.8	501.9	1,422.4	637.8	589.8	620.5	616.4	651.4
Investments	13.0	82.7	88.9	295.6	151.6	310.5	283.8	513.2	608.2	542.8
Net Current Assets	355.3	483.3	607.5	532.2	674.1	670.7	748.7	654.6	845.6	1,139.5
Net Non-Current Assets	-	-	129.9	205.2	250.5	212.6	162.8	35.3	40.6	65.5
Deferred Tax Asset (Net)	64.1	61.6	29.9	22.3	-	-	-	64.9	9.5	9.2
Total Capital Employed	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	2,894.1
Equity Share Capital	60.9	60.9	61.4	61.5	64.5	64.5	64.5	129.0	129.0	129.1
Reserves	392.6	593.0	854.0	1,081.5	1,917.0	1,296.1	1,760.3	1,888.4	2,196.6	2,413.8
Net Worth	453.5	654.0	915.5	1,143.0	1,981.5	1,360.6	1,824.8	2,017.4	2,325.7	2,542.9
Minority interest	-	12.5	21.9	24.9	35.1	35.8	13.7	14.3	13.3	12.5
Borrowed Funds	375.0	445.9	774.2	784.8	871.9	679.8	427.9	331.3	238.8	309.3
Deferred Tax Liability	-	-	-	-	5.8	9.6	7.9	22.8	22.0	29.4
Total Funds Employed	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	2,894.1
EBITDA Margin (%)	12.7	14.1	13.3	12.2	13.6	16.0	15.2	17.5	19.5	18.0
Profit before Tax to Turnover (%)	9.6	11.2	12.0	10.1	12.0	14.8	14.3	17.1	19.4	17.6
Profit after Tax to Turnover (%)	7.9	8.7	9.1	8.0	8.6	10.4	10.0	11.8	13.5	12.9
Return on Net Worth (%)	49.1	41.8	36.5	30.8	25.3	30.1	36.0	37.0	36.8	33.5
(PAT / Average Net Worth \$)										
Return on Capital Employed	37.4	34.3	26.1	24.3	23.8	30.4	38.7	45.1	46.8	41.3
(PBIT / Average Total Capital Employed @)										
Net Cash Flow from Operations per share										
(₹) (Refer Cash Flow Statement)	3.0	3.4	4.0	6.5	6.7	10.2	10.3	6.5	5.0	4.3
Earning per Share (EPS) (₹)	3.1	3.8	4.7	5.2	6.1	7.5	8.9	5.5	6.2	6.3
(PAT / No. of Equity Shares)										
Economic Value-Added per share (₹)	3.3	3.3	2.9	3.3	3.5	5.1	6.5	4.3	4.7	4.3
Dividend per share (₹)	0.7	0.7	0.7	0.7	1.0	3.5	2.5	3.4	3.5	4.3
Debt / Equity	0.8	0.7	0.8	0.7	0.4	0.5	0.2	0.2	0.1	0.1
Book Value per share (₹)	7.4	10.7	14.9	18.6	30.7	21.1	28.3	15.6	18.0	19.7
(Net Worth / No. of Equity Shares)										
Sales to Average Capital Employed @	3.2	2.7	2.2	2.2	1.9	2.0	2.6	2.6	2.4	2.3
Sales to Average Net Working Capital #	8.1	6.3	5.3	7.0	7.6	6.6	8.1	8.6	7.9	6.4

@ 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: FY14 onwards, financials will not include Kaya as it has been demerged from Marico Group effective April 1, 2013.

Note 3: FY16 onwards, per share numbers are calculated on the post bonus number of shares.

Note 4: FY16 onwards, financials are as per IND-AS and hence not comparable with earlier years.



PURPOSE STATEMENT

To transform in a sustainable manner, the lives of those we touch, by nurturing and empowering them to maximise their true potential.

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