

PILLARS POWERING PROGRESS

Diversification | Distribution | Digital | Diversity

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At Marico, we have always had an unwavering intent to deliver consistent value to stakeholders, aligned with our commitments. Today we are envisaging our next leg of growth, powered by next generation leadership, coupled with new processes and capabilities.

With socially-inclusive and profitable growth at the core and targeted sustainable value creation initiatives, we envisage a Marico that will be driven by our **4Ds framework**, which act as our pillars of progress, enabling double-digit growth.

Diversification

We will continue to invest in new engines of growth in the domestic and international businesses to create a future-ready portfolio and drive accelerated revenue growth. This will also enable us to broaden our presence as well as premiumise our play in the respective geographies.

Distribution

Distribution expansion will enable consumers across regions access our products, thus becoming a key lever for driving next leg of growth. We will continue our efforts towards go-to-market transformation in urban and rural.

Digital

It is an imperative for us to raise the digital quotient across value chain to make the organisation future-forward. By innovating, incubating, and scaling, we are fronting a digital culture throughout the organisation and are aligning our digital strategy with our business priorities to ensure that we win amongst evolving consumer and marketplaces.

Diversity

Diverse talent and socially inclusive culture will continue to be strong business drivers for us. We are accelerating diversity throughout the organisation, across gender, ability and thought. We believe a positive, enabling and inclusive culture will amplify opportunities for different groups, and in turn, become a competitive people advantage for Marico.



FY22 value-creation highlights

Investors

97% Dividend payout	44.8% Return on Capital Employed
25% Total Shareholder Return	₹ 9.5 EPS

Consumers

10+ New Products launched	96% Customer satisfaction index score
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Members

30% Diversity in leadership positions	96% Members recognise Marico's talent practices to be above global benchmarks
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Value chain partners

46% critical value chain partners completed Level 1 of Marico's responsible sourcing programme	94% Procurement spends were from local/indigenous suppliers in FY22
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Our Supplier Quality Excellence (SQE) programme has resulted in y-o-y reduction of quality incidents in raw materials by **11%** and packing materials by **26%**

Communities

2.55 Lakh acres and 62,918 farmers cumulatively enrolled under the Parachute Kalpavriksha programme with y-o-y productivity improvement rate of 15%	263 Crore litres of cumulative water conservation potential created by the Jalashay program
	3 Lakh+ lives Touched cumulatively by Marico's community sustenance programme

Environment

70% Renewable energy share in operations	80.5% Reduction in Marico's direct GHG Emission (Scope 1+2) intensity as compared to FY13 base year
12% Reduction in Scope 3 emissions intensity compared to FY19 base year	96% recyclable packaging portfolio as of FY22



About this Report

This is Marico's fourth Integrated Report, reflecting our performance and strategy aligned to the current business context. It encompasses both qualitative and quantitative disclosures regarding our financial performance, critical sustainability impact and socially inclusive endeavours conducted during the year.

The sustainability impacts section of this Report sketches out our targets for 2030 in material areas, reinforcing our commitment to sustainability as an industry leader and global corporate citizen. Further, it reflects upon the responsible practices and initiatives undertaken during the year to reduce environmental footprint and encourage social upliftment. The Report is aimed at transparently communicating to our stakeholders, our business progress as well as reflecting our ongoing efforts to assess our most significant environmental, social and governance (ESG) impacts, risks and opportunities.

Reporting frameworks

The financial statements and statutory disclosures including the Board's Report, Management Discussion and Analysis (MDA), and Corporate Governance Report are presented in conformance to the requirements of the Companies Act, 2013 (and the rules made thereunder), Indian Accounting Standards, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India.

The non-financial section is guided by the International Integrated Reporting <IR> framework (including January 2022 amendments) published by the International Integrated Reporting Council (IIRC) (now the Value Reporting Foundation). The Key Performance Indicators (KPIs) have been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The Report also references the nine principles of the Ministry of Corporate Affairs' National Voluntary Guidelines (NVGs) on the social, environmental and economic responsibilities of business and aligns with the relevant United Nations Sustainable Development Goals (UN SDGs).

Reporting boundary

The financial metrics and information presented in the FY22 Integrated Report pertains to Marico Limited, including its domestic and international business, subsidiaries and joint ventures. The non-financial disclosures are limited to Marico's India operations, unless otherwise specified at relevant sections.

Reporting Period

The FY22 Integrated Report covers financial and non-financial performance of the Company from April 01, 2021 to March 31, 2022.



Read the full report online at

www.marico.com/page/DigitalReport2021-22



Any queries/feedback to be directed to

investor@marico.com
sustainability@marico.com

Management responsibility statement

The management of Marico acknowledges its responsibility in ensuring the integrity, transparency and accuracy of information presented in the Integrated Report. The management also confirms that the report addresses all business-critical material issues pertaining to the organisation and its stakeholders, and communicates the organisation's ability to pursue prospects and mitigate risks.

Assurance of Report content

Reporting element	Assurance status
Financial information	The financial statements presented in the report have been audited by BSR & Co. LLP
Selected non-financial performance metrics	Verification of FY13 Baseline GHG Emissions; FY22 Energy, Water, Waste & GHG disclosures; FY22 Carbon Neutrality of Perundurai by DNV GL Business Assurance Pvt. Ltd.
All other non-financial performance information	Internally verified and assured by the Management

Restatements

The reporting scope for some of the non-financial impact areas have been expanded based on the market drivers, value enablers and social commitments during the year. These have been elaborated in the respective sections of the report.

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In FY22, Marico continued to deliver on its various stakeholder commitments. We went on to successfully conclude the actions of Sustainability 1.0 Roadmap with outstanding results. We also launched a new **ESG 2.0** programme to further demonstrate our commitments in this decade of action.



CORPORATE OVERVIEW

ABOUT Marico

Marico Limited is one of India's leading consumer goods companies operating in global beauty and wellness categories.

We nurture leading brands across categories of hair care, skin care, edible oils, immunity boosting and healthy foods, male grooming, and fabric care. In India, we touch the lives of one out of every three Indians through our portfolio of brands, such as Parachute, Saffola, Nihar Naturals, Saffola FITTIFY Gourmet, Saffola Immuniveda, Hair & Care, Parachute Advansed, Mediker, Coco Soul, Revive, Set Wet, Beardo, Just Herbs and Livon.

Our international product portfolio includes brands such as Parachute, Parachute Advansed, HairCode, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Mediker SafeLife, Thuan Phat and Isoplus.

Headquartered in Mumbai, we are present in over 25 countries across emerging markets of Asia and Africa.

We operate seven factories in India, located at Puducherry, Perundurai, Jalgaon, Guwahati, Baddi, and Sanand.

₹ 9,512 Crore

Turnover

₹ 1,689 Crore

EBITDA (Excluding one offs)

₹ 1,230 Crore

Profit after Tax (Excluding one offs)

Marico - Make a Difference

Approaching value creation

Creating value for our stakeholders

Statutory Reports

Financial Statements

Our Values



Consumer centric

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



Transparency & Openness

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



Opportunity Seeking

Identifying early opportunity signals in the environment to generate growth options



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



Boundarylessness

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



Innovation

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



Global Outlook

Sensitivity and adaptability to cultural diversity and learning from different cultures



GLOBAL FOOTPRINT

INNOVATING across geographies

With a primary presence in India, and select markets across emerging countries of Asia and Africa, Marico intends to develop scale in the businesses in South East Asia, the Middle East, Egypt and South Africa.

23%
Share of International FMCG Business

National Markets

Depots

- 1 Sonipat
- 2 Ghaziabad
- 3 Lucknow
- 4 Zirakpur
- 5 Jammu
- 6 Jaipur
- 7 Kolkata
- 8 Siliguri
- 9 Guwahati
- 10 Patna
- 11 Ranchi
- 12 Cuttack
- 13 Agartala
- 14 Indore
- 15 Pune
- 16 Bhiwandi
- 17 Nagpur
- 18 Solapur
- 19 Ahmedabad
- 20 Hyderabad
- 21 Vijayawada
- 22 Hubli
- 23 Bengaluru
- 24 Chennai
- 25 Coimbatore

Redistribution Centres

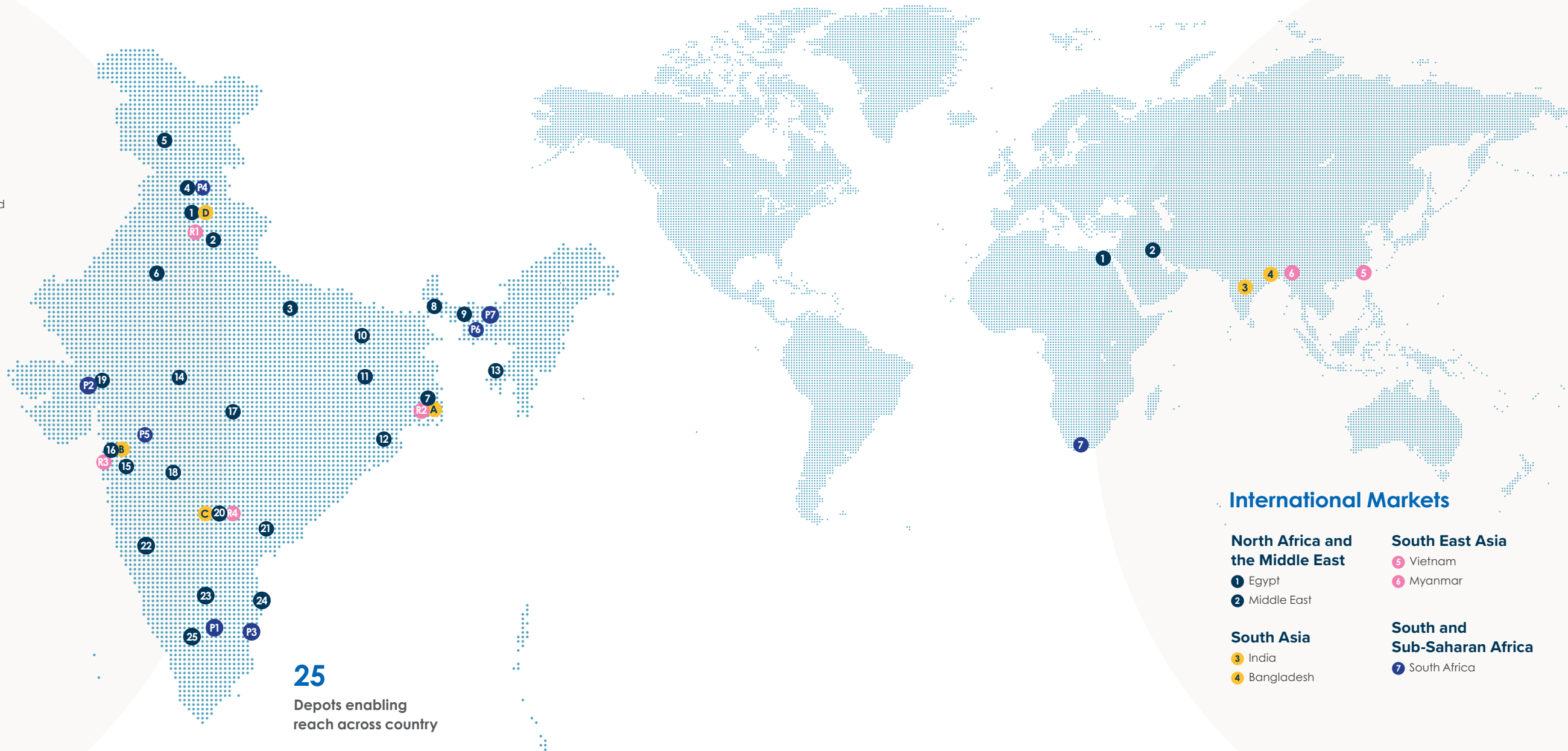
- A Kolkata
- B Bhiwandi
- C Hyderabad
- D Sonipat

Regional Offices

- R1 New Delhi
- R2 Kolkata
- R3 Mumbai
- R4 Hyderabad

Plant Locations

- P1 Perundurai, Tamil Nadu
- P2 Sanand, Gujarat
- P3 Puducherry
- P4 Baddi, Himachal Pradesh
- P5 Jalgaon, Maharashtra
- P6 NER 1, Guwahati, Assam
- P7 NER 2, Guwahati, Assam



25
Depots enabling reach across country

International Markets

North Africa and the Middle East

- 1 Egypt
- 2 Middle East

South Asia

- 3 India
- 4 Bangladesh

South East Asia

- 5 Vietnam
- 6 Myanmar

South and Sub-Saharan Africa

- 7 South Africa

Note: Both maps not to scale and for representational purpose only



CHAIRMAN'S MESSAGE

ON A JOURNEY GUIDED BY unwavering principles



Your Company will remain focused on fortifying its **three core assets, namely brand, people, and culture**, which will ensure that it continues to withstand the seemingly constant forces of unpredictability and disruption."

Dear Shareholders,

It is a pleasure to present the fourth Integrated Report of your Company for FY22.

The last year was extraordinarily challenging for everyone, including our consumers, our people, our business associates and the community at large. However, it was the resilience and positive spirit of all stakeholders that led your Company's performance to belie, to a large extent, the difficult circumstances during the year, which were brought about by emerging variants of the COVID-19, geo-political tensions and their accompanying effects on the macro-economic environment. In the VUCA world, we remained committed to our purpose of creating shared value for all. Your Company will remain focused on fortifying its three core assets, namely brand, people and culture, which will ensure that it continues to withstand the seemingly constant forces of unpredictability and disruption. While the core domestic and international portfolios continue to anchor the performance, the new portfolios and capability building initiatives pave the way for sustained and profitable growth in the long run. The near term notwithstanding, we remain confident of the medium- and long-term prospects of the FMCG sector as transient macro disturbances settle, and fundamental drivers of the Indian consumption story come to the fore.

Relentless pursuit of a sustainable world

At Marico, sustainability has always been at the core of our business strategy such that we ensure a long-term win-win situation for all stakeholders. You will be pleased to note that your Company was able to surpass the five-year targets set across our environmental, social and governance (ESG) parameters up to FY22 through cohesive and structured set of interventions.

FY22 has been a milestone year in our sustainable value creation journey as we also stepped up our overall climate resilience and ESG leadership agenda. In February 2022, your Company announced its commitment to achieve net zero emissions in its global operations by 2040. This will entail transitioning to 100% certified carbon neutral operations across Marico's global operations (India, Bangladesh, Vietnam and Egypt) and utilising 100% renewable energy, while reducing direct GHG emissions across its global footprint.

Water stewardship has been one of the pillars of our sustainability agenda as we aim to ensure there is



At Marico, **sustainability has always been at the core of our business strategy** such that we ensure a long-term win-win situation for all stakeholders. You will be pleased to note that your Company was able to surpass the five-year targets set across our environmental, social and governance (ESG) parameters up to FY22 through cohesive and structured set of interventions."

enough water for community usage and agricultural purposes. Under the 'Jalashay' programme, your Company has created 263 Crore litres of water conservation capacities pan-India, till date.

Under the Parachute Kalpavriksha initiative, we aim to improve productivity of small-scale farmers. Nearly 71,660 acres of farms, encompassing over 24,000 farmers, were enrolled in FY22, while the programme has boosted productivity by 15% y-o-y in the last three years for the farmer members who have participated in the programme for over a year.

Towards plastic waste management, your Company has achieved 96% recyclable packaging through the 'Upcycle' programme. Additionally, in-line with Extended Producer Responsibility (EPR) towards collection and environmentally safe disposal of post-consumer plastic waste, we collected, co-processed and recycled ~6,300 MT of plastic waste in FY22. Your Company has also joined the India Plastics Pact (IPP), a global leadership platform to propel India's future



Under the 'Jalashay' programme, your Company has created **263 Crore litres** of water conservation capacities pan-India, till date.

Additionally, we collected and co-processed **~6,300 MT** of plastic waste in FY22."





CHAIRMAN'S MESSAGE

towards integration of circularity principles in the plastics' ecosystem, as a Founding Member.

More recently, we have launched the Marico ESG 2.0 framework, which serves as a launchpad to the next Decade of Action (2030). It comprises over 50 key performance indicators across ESG parameters that are of material relevance to your Company and its stakeholders, now and into the future. The eight focus areas that will top the agenda are achievement of net zero targets, water neutrality, circular economy, responsible sourcing, brands with purpose, inclusion and diversity, sustainable coconut and mandatory human rights certification across value chain. On the governance front as well, your Company has maintained best-in-class practices under the able guidance of the Board.

During the year, our sustainability efforts stood validated, as Marico was the only FMCG Company to feature in the 'Leadership' category in the CRISIL Sustainability Yearbook 2022 and Marico's MSCI ESG rating moved up to AA this year.

Your Company also continued to drive social value creation through education, skilling and livelihood sustenance initiatives. Marico's flagship CSR programme, Nihar Shanti Pathshala Funwala touched lives of over 3 Lakh teachers and 4 Lakh students through an amalgamation of digitally powered and workbook-led English literacy courses. A vocational skill empowerment academy, specifically designed to create livelihood generation opportunities for women and youth, was launched

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Marico Innovation Foundation (MIF), a not-for-profit institution and a subsidiary of Marico, has strived to fuel and nurture innovation in India, and so far has engaged with over 100 mentors and has been associated with 100+ indigenous innovations.”

“
Over the years, our people, values and culture have formed the bedrock of what Marico is today. We have trusted our members to deliver the right outcomes for the business.”

in FY22. Till date, over 8,000 beneficiaries have been successfully enrolled into the programme, of which over 5,800 have already received placement opportunities.

Marico Innovation Foundation (MIF), a not-for-profit institution and a subsidiary of Marico, has strived to fuel and nurture innovation in India. It has enabled innovators across sectors such as agriculture, clean energy, education, consumer goods and med-tech, among others and has helped solve business challenges across functions like sales, distribution, marketing, finance, among others. So far, MIF has engaged with over 100 mentors and has been associated with 100+ indigenous innovations.

Evolving our already strong culture

At times, adversities bring out the best in us. The pandemic has reset major work trends and made us revisit our people policies. I believe that for companies that have always put people first, it gets relatively easy to navigate such uncertainties. Over the years, our people, values and culture have formed the bedrock of what Marico is today. We have trusted our members to deliver the right outcomes for the business.

We have realised that with changing times and business priorities, people's aspirations are continuously evolving as well. With a strong belief that business and talent aspirations go hand in hand, we launched our new Talent Value Proposition (TVP) this year. It is aimed at nurturing the growth of the

members by fostering a diverse, autonomous and transparent work environment. Talent and diversity are key in creating a culture of innovation as it brings in great ideas, an open culture where one can communicate ideas and, the most important of all, is to remove the fear of failure, because it halts innovation. With this step, we aim to futureproof the talent proposition for our members.

Your Company introduced new Ways of Working in the latter half of 2021 and became one of the first few companies to launch a hybrid work model. We have moved to this model for the long term and have adapted our workplace to create a sustainable hybrid framework.

Building a resilient future

Your Company aims to become a leading emerging market FMCG multinational in chosen markets in Asia and Africa. We consistently endeavour to delight consumers with best-in-class products that meet their needs and aspirations by nurturing and building trusted brands with a strong purpose and proposition. In addition to strengthening the core franchises, your Company is directing significant energies towards diversification of the overall portfolio with focus on foods, premium personal care including digital-first brands, and accelerated growth in the international business. We foster a long-term mindset to build an organisation that outlives the founders and wish to leave behind a legacy that thrives through generations. Constant innovation and a culture that encourages new ideas will be key to realising this vision.

Your Company benefits greatly from the wisdom of its Board, who is committed to providing constructive critique on strategic matters and advice on matters requiring domain expertise. I continue to act as the Non-Executive Chairman and Saugata continues to

“
Your Company also continued to drive social value creation through education, skilling and livelihood sustenance initiatives.”

lead your Company's strategic growth initiatives. I will also continue to lead efforts to improve the collective functioning of the Board and am actively involved in the Company's CSR initiatives. I had stated our intent to undertake a Board rejuvenation exercise in my last letter. We were pleased to welcome Mr. Rajeev Vasudeva, Ms. Apurva Purohit and Ms. Nayantara Bali as Independent Directors on the Board of your Company and appreciate the fresh perspective that they bring to the table.

I thank the Board for their ongoing engagement and guidance, and our shareholders for putting their trust in Marico. I take this opportunity to thank all our people for their extraordinary commitment to the organisation even in the face of unprecedented challenges. I would also like to express my sincere gratitude towards all our business partners, vendors and associates for their unwavering support as we are geared up to make concerted efforts which shall propel Marico into the next phase of growth.

Warm regards,

Harsh Mariwala
Chairman



MD AND CEO MESSAGE

COMMITTED TO OUR PURPOSE of making a difference



Consumers are visibly gravitating towards brands and products that enhance their health and wellbeing. The desire for more ethical and sustainable products is also on the rise. These trends echo the inherent ethos of your Company and its brands. **Our brands have always led the way with authenticity and purpose to create deeper connections with consumers and do more for the communities."**

Dear Shareholders,

I am pleased to present your Company's Integrated Report for the year ended March 31, 2022.

FY22 was unprecedented in many ways and possibly had a lasting effect on all of us. However, through this period of uncertainty, your Company has been resilient and has worked hard to enhance the long-term value of the business and emerge stronger. It has been inspiring to see the agility, positivity and grit that our members have exhibited during these times. I would like to thank the incredible team at Marico, and especially the frontline sales and manufacturing personnel, for their sheer commitment to living our purpose every step of the way. I would also like to extend heartfelt gratitude to the extended Marico family – vendors, suppliers, distributors – who have been strong pillars of support and equal partners in this journey.

The challenging circumstances over the last couple of years have brought about a structural transformation in consumption patterns and shopping behaviours. Consumers have adapted and navigated uncertainty by means of technology and they expect brands to do the same as well. Having commenced our digital transformation initiatives ahead of the curve, we have been able to respond to these trends far more effectively. We have been aggressively investing towards ramping up this journey to enhance consumer engagement of brands and build capabilities in data analytics for faster and efficient decision-making across the value chain.

As the world becomes increasingly connected and the FMCG space becomes more competitive, the need for companies to differentiate their products is ever increasing. Consumers are visibly gravitating towards brands and products that enhance their health and wellbeing. The desire for more ethical and sustainable products is also on the rise. These trends echo the inherent ethos of your Company and its brands. Our brands have always led the way with authenticity and purpose to create deeper connections with consumers and do more for the communities. The impact of Nihar Naturals Shanti Badam Amla's initiatives in education have received recognition across various industry and media platforms including Economic Times Shark Awards, CSR Journal Excellence Award and FICCI CSR awards. The Parachute Kalpavriksha programme has brought us closer to the farming community and has been a fulfilling initiative for us, as we have been able to make a positive difference to their lives.

FY22 Overview

As a company founded on the principles of conscious capitalism, we have strived to uphold the ideals of People, Planet and Profit. We strategically invested in our people, processes, technology and brands, which enabled us to deliver a stable performance in the year under review and should hold us in good stead over the long term as well. Hence, despite sharp volatility in business conditions, new COVID variants, geopolitical tensions, demand slowdown, interspersed with spikes in input costs, your Company was able to deliver a steady performance through the year.

As the year progressed, the impact of the pandemic on public health in India reduced and mobility levels picked up. However, since then, multi-year high inflation and the unleashing of pent-up demand in discretionary and out-of-home categories has resulted in consumers allocating a lower share of wallet to FMCG. Under these circumstances, your Company single-mindedly focused on strengthening the equity of its brands and executing smartly, which reflected in the consistent market-beating revenue growth along with robust market share and penetration wins across the domestic portfolio. The core portfolios of Parachute Coconut Oil, Saffola Edible Oils and Value-added Hair Oils held steady against this backdrop, and given that the market construct and growth drivers of these categories remain intact, we expect these to grow in line with the stated medium-term aspiration, once inflation levels and consumption patterns normalise. We also took visible strides towards diversification of the portfolio during the year. In Foods, we see tremendous potential to build scale at an accelerated pace by picking categories with significant growth tailwinds and solving for unmet consumer needs through differentiated offerings. We are committed to delivering 'better for you' offerings to our consumers under our power brand, Saffola, and expanding its total addressable market in the bargain. The recent foray into nut butters and spreads is another step in this direction. The strategic investment in True Elements, a clean-label healthy breakfast and snacks brand, should only accelerate our journey in Foods. We expect to replicate learnings from the successful scale-up of the Oats business, as we aim to achieve similar scale and resultant efficiencies in the newer Foods initiatives. We crossed the aspirational milestone of ₹ 450 Crore this year and now set our sights on the ₹ 850-1,000 Crore mark in





MD AND CEO MESSAGE



two years' time. Livon Serums and the Set Wet Male Grooming portfolio grew in high double digits this year as mobility levels increased. Notably, Premium Personal Care categories have grown exponentially on Digital platforms over the last few years. With Beardo crossing the ₹ 100 Crore run rate and the strategic investment in the D2C Ayurvedic personal care brand, Just Herbs, your Company continues to ramp up its presence on Digital through organic and acquired brands. The digital-first brand portfolio clocked an exit run rate of ₹ 180 to 200 Crore in FY22 and we aspire to achieve the ₹ 450 to 500 Crore target by FY24.

The International business had a stellar year with handsome double-digit constant currency growth across markets, led by Bangladesh and South East Asia. The overall business inspires tremendous confidence of charting a sustainable and profitable growth trajectory over the medium term.

Sharp inflation in edible oils and crude-related raw & packaging materials exerted pressure on profitability through the year. However, copra provided some respite, as prices softened owing to a good crop yield and no linkage to global markets. Your Company took calibrated pricing actions and tightly managed costs to counter the cost-push in respective portfolios, but also continued to invest in long-term brand building instead of protecting short-term margins, as advertising spends grew healthily in line with revenues.

4 Ds - fulcrum to deliver sustainable growth

At all times, the trusted equity, leadership position and accessibility of our power brands have allowed us to maintain a stronghold in our core categories. The organisation also continually pursues all avenues of cost optimisation and aims to curb any inefficiencies in operations and processes through its ongoing institutionalised cost management programme (MarVal). Both of these enable your Company to remain competitive and consistently punch above its weight. In addition, we believe that focus on four strategic dimensions will enable us to unlock the next phase of growth - internally dubbed as the '4 Ds' – Diversification, Distribution, Digital and Diversity.

The first dimension is diversification of business in both domestic and international markets, led by innovation. In the context of domestic business, we will continue to drive premiumisation of our hair nourishment play,



We believe that focus on four strategic dimensions will enable us to unlock the next phase of growth - internally dubbed as the '4 Ds' – Diversification, Distribution, Digital and Diversity."

turbocharge growth in Foods and scale up premium personal care along with the digital-first brand portfolio. In International markets, the focus will be to scale up newer portfolios in Bangladesh and similarly expand the addressable market of the businesses in Southeast Asia and MENA by replicating our successful operating model in Bangladesh.

The second dimension is Distribution, which encompasses our go-to-market (GTM) efforts within the evolving distribution landscape. While we strengthen the faster growing new channels, we believe traditional trade will continue to be the largest ecosystem for consumers. In rural, while we extend our footprint, we are also expanding our stockist network to expand our direct reach. In urban, we will maintain focus on augmenting our reach in chemist and cosmetic outlets. We are also setting up a dedicated food GTM as we widen our portfolio and aim to accelerate growth. We have recently institutionalised a Sales team framework to strengthen our micro market focus and execution, bring enhanced agility with on-ground decision-making and leverage technology and analytics. The new framework moves away from the four division (North, South, East and West) approach to multiple clusters, defined by consumer behaviour, brand preference and geographical contiguity. We will replicate distribution led growth in our key international markets as well.

The third dimension is Digital, which aims to raise the digital quotient across our value chain to make the organisation future ready. We continue to build capabilities in Digital and Analytics, which also reflects in how we are reinventing talent management strategies, such as adopting an agile hybrid working model, upskilling our existing talent and hiring people with digital skill sets.

The fourth dimension is Diversity. We look at diversity at the workplace not only from a gender lens but holistically - including race, caste, religion, ethnicity, sexual orientation, age, among others. We are

amplifying equal opportunity for all at the workplace and believe that our positive, enabling and inclusive culture will give us a strong and competitive edge over the longer term. We have instituted Inclusion & Diversity (I&D) Council, comprising diverse member cohorts within Marico, in our endeavour to ensure all diverse voices within the organisation are equally heard and understood.

Creating 360° value, now and in the future

Underlying all our actions is our commitment towards sustainability. While profitability, productivity and revenues remain as important as ever – they cannot come at the cost of sustainability and people. Companies are now increasingly being evaluated on how they achieve their people, environmental, social and good governance objectives. Our ESG 2.0 framework is not only a set of commitments that will determine the business' transformation journey in this decade of action, but will also be anchored as a constantly evolving and monitoring strategy to strengthen the business's core purpose of making a difference to the planet and people who matter.

Our Chairman has apprised you of the progress in our ESG agenda, the set of goals for the next decade and our commitment to achieve net zero emissions in our global operations by 2040. Towards achieving net zero emissions, we have pivoted our carbon management strategy on three key aspects – resource optimisation and efficiency, transitioning to 100% renewable energy sources to meet operational requirements and investing in technological interventions that accelerate decarbonisation of our operations and value chain. You will be pleased to note that your Company's entire global manufacturing landscape is designed using a zero-coal strategy. In FY22, 70% of your Company's operational energy requirements came from renewable sources. Consequent to these initiatives, our direct GHG emissions intensity have seen a reduction of 80% from FY13 baseline.

We are also working along with our suppliers to drive up social and environmental standards in our supply chain by capacitating them to commit to sustainability goals. This is fundamental to the future growth of our business and our ambition to deliver positive impact. 46% of our critical value chain partners have been certified with SAMYUT (Marico's Responsible Sourcing Framework) Level 1. Of these, 10% of our critical and largest vendors have also completed the Level 2 certification.

In line with our endeavour to achieve a sustainable future for all, we are proud to share Marico's sustainability achievements. We were ranked among the top 3 India's Most Sustainable Companies in 2021-22 by BW Businessworld for setting a benchmark in integrating suppliers into the Company's sustainability strategy. We have also been recognised as the 'Masters of Risk' in the ESG category in the 8th edition of the India Risk Management Awards 2022 by CNBC-TV18 & ICICI Lombard. Additionally, we have received a Special Jury Citation in Fraud Prevention & Ethics Management in the Large Cap category. These recognitions are a testament to Marico's efforts in keeping up with the call to action towards UN's Sustainable Development Goals (SDGs) as well as identification, assessment, and mitigation of ESG risks as part of our business excellence Strategy.

Strong governance and risk management practices have always been integral to the way we do business. You will be pleased to note that your Company has been recognised in the 'Leadership' category among S&P BSE 100 companies for two consecutive years as per the Indian Corporate Governance Scorecard, compiled by the Institutional Investor Advisory Services India Limited.

As a recognition of our people-first approach and empowering work culture, Marico has featured amongst India's Top 30 Best Workplaces in Manufacturing 2021 by Great Place to Work® Institute. We were also ranked in top 20 in Best Companies To Work For by Business Today and were second in the FMCG industry.

The resilient performance delivered this year would not have been possible without the unflinching support from you, our shareholders. On behalf of the entire leadership team and all our members, I thank you for your continued faith in Marico.

Warm regards,

Saugata Gupta
Managing Director & Chief Executive Officer





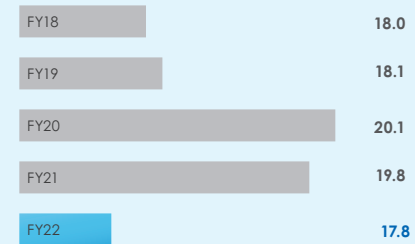
KEY PERFORMANCE INDICATORS

HEALTHY PROGRESS ACROSS parameters

Sales & Services* (₹ Crore)



EBIDTA Margins (%)



Cash profits (₹ Crore)



Return on Capital Employed (%)



Net Profit* (₹ Crore)



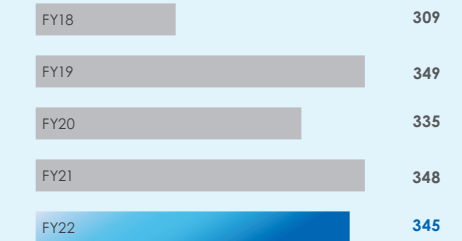
Earnings per share (₹)



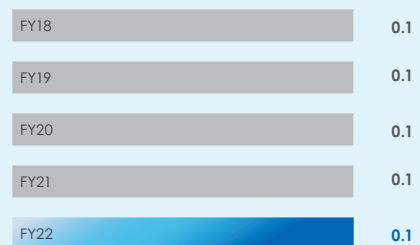
Return on Net Worth (%)



Loan on Books (₹ Crore)



Debt / Equity (x)



Dividend declared (%)



Surplus on Books (₹ Crore)



EVA (₹ Crore)



Net Profit excludes the impact of one-offs and extraordinary items
P&L for FY19, FY20, FY21 and FY22 are as per Ind-AS 116 and hence not comparable with earlier years.



PRODUCT SHOWCASE

PORTFOLIO CENTERING around consumers

India



COCONUT Oils



SUPER PREMIUM Refined Edible Oils



Foods



VALUE-ADDED Hair Oils



PREMIUM Personal Care



DIGITAL FIRST Premium Personal Care





PRODUCT SHOWCASE

Bangladesh



COCONUT Oils



HAIR Care, Colour, Serums



VALUE-ADDED Hair Oils



SKIN Care



MALE Grooming & Styling



BABY Care



HYGIENE



EDIBLE Oils



FOODS



Vietnam

MALE Grooming



FOODS



Myanmar



PRODUCT SHOWCASE

Middle East & North Africa



COCONUT Oils



HAIR Care



South Africa

HAIR Care



MALE Grooming & Styling



BABY & KIDS Care



Foods



HEALTH Care





MATERIALITY

SUSTAINABILITY at Marico

The risk horizon for ESG is changing fast: mitigating climate risks, optimising on consumption of natural assets and protecting social capital are becoming strategic business imperatives across global markets. While considering a global risk canvas, environmental and social risks seem to top the charts both from a short- and long-term perspective.

Sustainable finance and an accelerated pace of ESG investing is creating a paradigm shift in terms of how a responsible business should identify, manage, and annually disclose on relevant environmental, social and governance topics that are critical for its sustenance and agile transformation. There are 20 times more non-financial disclosure requirements today than there were five years ago, and voluntary disclosures are quickly becoming mandatory provisions. Several new regulatory developments and responsible investment drivers are putting non-financial issues at the forefront of corporate strategy and reporting.

All these inter-connected factors synergise to define what is material for a business and how it would define the creation of a sustainable future for its entire ecosystem.

Completion of Marico's 5-year Sustainability 1.0 Roadmap

Marico's first 5-year sustainability goals have been the value-based differentiator for the business, that helped demonstrate stakeholder capitalism, social inclusion, responsible production and consumption, and above all deep-seated impact on the communities that help us thrive. Through a cohesive and structured set of policies, strategies and interventions, we were able to surpass the 5-year targets that we had set up across our material environmental, social and governance (ESG) related goals upto FY22.

Marico's first 5-year ESG Material Goals (FY17-FY22)



Energy and Emissions

FY22 Goal (Energy)
Reduce energy intensity (plant operations) by 50% from FY13

Status in 2022
73.3%

FY22 Goal (Emissions)
Reduce GHG emission intensity (Scope 1 and 2) by 75% from FY13

Status in 2022
80.5%

Water Stewardship

Continual Goal
Offset 100% of water used in own operations through capacity creation and conservation measures

Status in 2022
263 Crore litres of water capacity created for communities till date which is 3x that of our consumption in operations

Circular Economy

FY22 Goal (PVC)
Have 'Zero PVC' use in packaging

Status in 2022
0.37% PVC in packaging. Goal extended to FY25 and shall be achieved by then

FY25 Goal (Recyclable Packaging)
Have 100% recyclable, reusable or compostable packaging portfolio

Status in 2022
96%. This is on track and the goal shall be achieved by FY25.

Responsible Sourcing

FY22 Goal
Certify 20% of critical value-chain partners on Level 1 of responsible sourcing

Status in 2022
46% of critical value-chain partners have completed Level 1 certification and 10% have completed Level 2 certification

Social Value Creation

Continual efforts to accelerate social impacts of all initiatives undertaken within the program boundary (2017-2022).

Sustainable Coconut

Continual Goal
Increase farmer beneficiaries by 5% y-o-y

Status in 2022
Over 62,000 farmers have been enrolled in Marico's sustainable coconut programme reflecting a y-o-y addition of 15,000+ beneficiaries. 2.55 Lakh acres have been enrolled in the programme till date demonstrating a productivity improvement of 15% overall

Product Responsibility

Continual Goal
Ensure 100% adherence to all product compliance

Status in 2022
Marico's Product Sustainability Index, a first-of-its kind framework has been developed that quantifies products environmental, social and governance impacts using a set of 25 key performance indicators with measurable scales

Corporate Governance & Behaviour

100% compliance and execution of corporate governance framework to create transparency, accountability and social inclusion within the business ecosystem (2017-22)



MATERIALITY

Vision for 2030

Launch of ESG 2.0 to demonstrate our commitments in this Decade of Action

Moving ahead, we would like to deepen the penetration of our ESG impact across the business ecosystem and for that we launched Marico ESG 2.0 framework on June 5, 2022, commemorating the 50th anniversary of UNEP World Environment Day.

ESG 2.0 is a launchpad to achieve our Decade of Action (2030) vision and purpose. It comprises of over 50 key performance indicators across ESG parameters that are of material relevance to us and our stakeholders, now and into the future.

Marico's approach to materiality

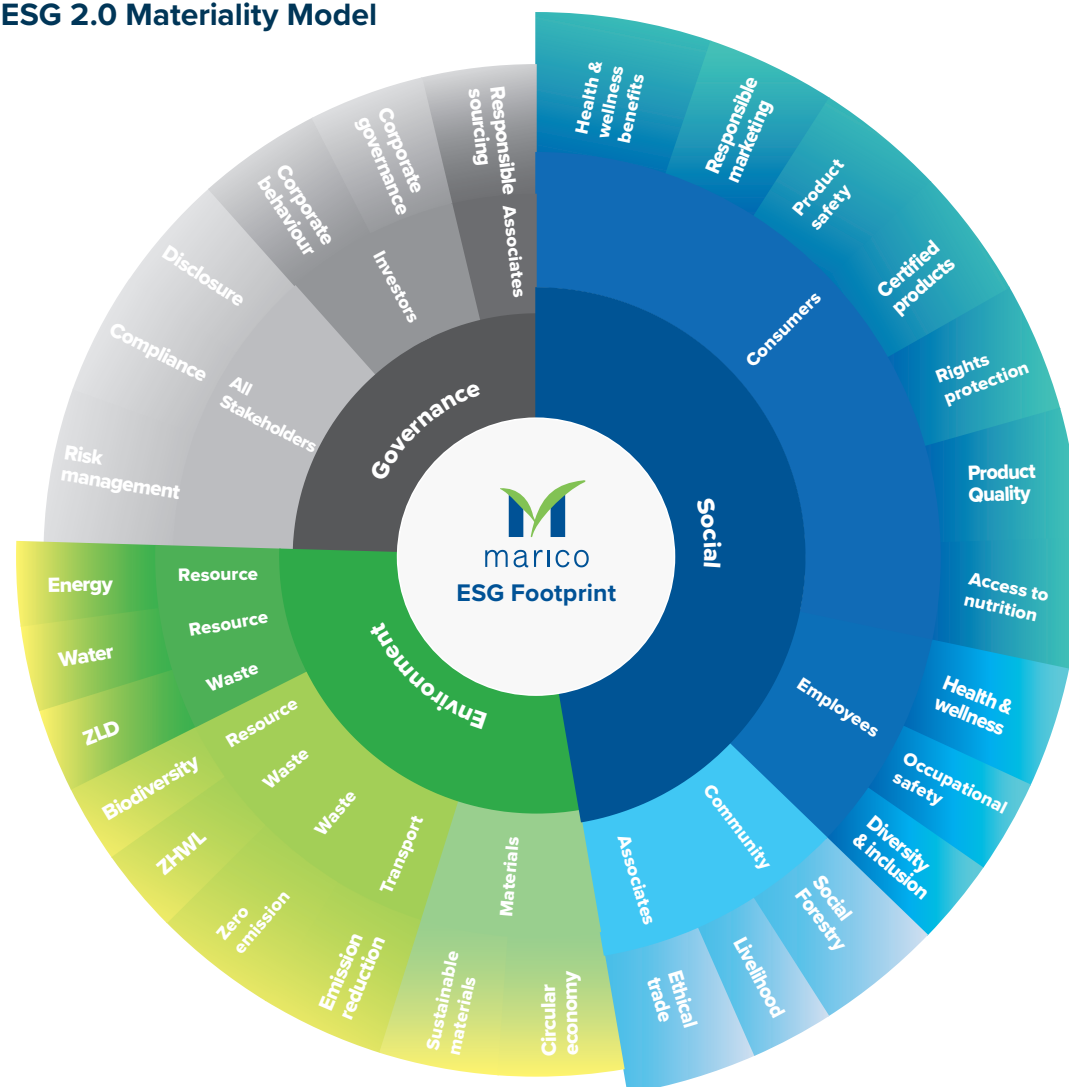
Marico's ESG 2.0 framework is not just a set of material issues that will determine the business's transformation journey in this decade of action; rather, it was developed with the intent of establishing a constantly evolving and monitoring

strategy constantly evolving and monitoring strategy to strengthen the business's core purpose of making a difference to the planet and people who matter.

The framework will enable best-in-class enterprise-wide ESG policy and implementation plan that have cross-functional success metrics. It will help in permeating the principles of material ESG issues across all levels in the organisation and embed it in every business line/investment strategy.

We will also leverage this framework to capacitate our value chain partners in building resilient and sustainable business enterprises. Additionally, we will integrate people and planet positive goals within our overall talent attraction, retention and engagement strategies such that we can foster the culture of an ESG-first enterprise within our business ecosystem.

Our ESG 2.0 Materiality Model



While the ESG 2.0 Materiality Model encompasses more than 50 key performance issues which will be tracked and annually reported across Marico geographies upto 2030, we have outlined an extensive 8-point commitment to effect change around the following key focus areas:

Net Zero emissions in operations

Marico's net zero emissions' target in global operations has been set for 2040. In India, however, we intend to achieve net zero in operations by 2030. Transition to renewables, investments in low-carbon technology options, carbon forestry and 100% phase-out of fossil fuels from our operations are the key enablers for the Company to transcend into its net zero, carbon neutral and climate resilient future.



Water Stewardship

The Company aims to achieve certified water-neutral operations across all its manufacturing facilities by offsetting 100% of its consumption volume with capacity created for community use. To this end, we have estimated the water stress potential of our facilities in 2022 and created long-term plans (upto 2030) to replenish more water for the communities than consumed in our operations. Additionally, operational measures will be adopted in each unit to optimise our surface water consumption intensity by implementing water efficiency-based systems, rainwater usage for process cooling purposes and deploying zero liquid discharge (ZLD) principles to reduce consumption in our manufacturing units.



Recycling and Circular Economy initiatives

Marico aims to achieve 100% recyclable packaging by 2025, with a focus on sustainable packaging interventions and promoting circularity to reduce its carbon footprint. During this period, it plans to phase out hazardous substances such as PVCs while introducing at least 30% r-PCR in its packaging portfolio, wherever applicable.

Responsible Sourcing (Samyut)

Marico's Responsible Sourcing Framework (Samyut) is anchored on three pivotal themes – Environmental Stewardship, Ethical Responsibilities and Social Empowerment. The framework is instituted by a three-part maturity-based roadmap that imbibes our value chain partners into Marico's philosophy and purpose of creating sustainable impact across its value chain. By 2030, the Company plans to roll out Level 1 (Capacity building and voluntary declaration of commitments) across 100% of its critical suppliers, and Level 2 (Independent risk-based external audits to validate voluntary commitments) to 50% of its critical suppliers who have completed Level 1. Additionally, annual reporting of key metrics such as traceability, indigenous materials' procurement share, and sustainable materials share will be part of Marico's 2030 goals on responsible sourcing.





MATERIALITY

Sustainable coconut farming and boosting farmers' livelihoods

Marico aims to empower approx. 1+ Lakh farmers about sustainable practices and develop a Sustainable Coconut standard that provides recommendations to offset the crop's carbon footprint across its entire lifecycle. These measures are aimed at improving productivity and enhancing climate resilience, as well as offsetting carbon impact through afforestation programmes, across coconut plantations. The programmes aims to enrol 4+ Lakh acres of coconut plantation by 2025 and achieve a cumulative productivity improvement rate of 16%.



Responsible Brands

By virtue of the organisation's core value systems, sustainable value creation is ingrained in every brand's existence and purpose. By 2030, Marico aims to cohere the purpose, messaging, and impact-based actions of its top 5 brands by revenue with the goals and targets outlined by the United Nations Sustainable Development Goals. Each of the top 5 brands will annually quantify and disclose on the sustainable impacts created y-o-y in adherence to the relevant UN-SDGs along with its targets and indicators.



Inclusion and Diversity

Marico believes in fostering a diversity conscious, diversity ready, and socially inclusive workplace. Towards this, we target to enhance our gender diversity ratio to 30% and the differently abled to 5%, as part of our decade of action roadmap. Various programs and activities such as sensitisation training, policy and process rollouts, infrastructure enablement, etc. – will be overseen by the Inclusion & Diversity council and Organisation Effectiveness teams to create a workplace free from discrimination and harassment.



Human Rights and Ethics

At Marico, all activities are led by a sense of responsibility, underpinned by our principles of good governance. Our corporate governance framework enables us to maintain highest standards of human rights, ethics, and integrity across our operations. Throughout our decade of action journey, we will continue to imbibe the philosophy and principles related to human rights and ethics amongst our entire stakeholder ecosystem (members, value chain partners and business associates). Mandatory trainings, knowledge management sessions and periodic evaluations will be undertaken at regular intervals to track performance, preparedness, risks, and opportunities related to human rights and business ethics across organisational hierarchy.

Marico's sustainability goals have been the value-based differentiator for the business, that helped demonstrate stakeholder capitalism, social inclusion, responsible production and consumption, and above all deep-seated impact on the communities that help us thrive.





BUSINESS MODEL

THE PROCESS of creating value

Inter-relationship of Capitals

<p>Financial Capital Pool of funds allocated efficiently and utilised for business activities</p> <p>Material Aspect/ Focus area</p> <ul style="list-style-type: none"> Governance and compliance Taxation Economic performance <p>Relationship with other capitals</p> <ul style="list-style-type: none"> IPs and patents Employee satisfaction Increased productivity Regulatory compliance Better brand reputation
<p>Manufactured Capital Assets built or manufactured including factories, offices, other infrastructure, equipment that facilitate production, storage and delivery of goods</p> <p>Material Aspect/ Focus area</p> <ul style="list-style-type: none"> Operational excellence Capital Investment <p>Relationship with other capitals</p> <ul style="list-style-type: none"> Improved performance Reduced environmental impact
<p>Human Capital Human talents onboarded and empowered to manage and grow the business</p> <p>Material Aspect/ Focus area</p> <ul style="list-style-type: none"> Learning and Development Inclusion and diversity Employee well being Health and safety Human Rights <p>Relationship with other capitals</p> <ul style="list-style-type: none"> Efficiency enhancement of members Talent attraction Increased revenue generation Better brand reputation Regulatory compliance
<p>Natural Capital All environmental resources like energy, water, soil, atmosphere that support business and get affected through operational activities</p> <p>Material Aspect/Focus area</p> <ul style="list-style-type: none"> GHG emission reduction Circularity of material/waste Energy efficiency Water conservation Biodiversity <p>Relationship with other capitals</p> <ul style="list-style-type: none"> Operational cost reduction Long term value creation for every stakeholder Regulatory compliance
<p>Social and Relationship Capital Building trust and maintaining with key stakeholder groups like customers, suppliers, investors, local communities, governments and regulators</p> <p>Material Aspect/ Focus area</p> <ul style="list-style-type: none"> Human Rights Customer relationship Responsible supply chain Responsible marketing and communication <p>Relationship with other capitals</p> <ul style="list-style-type: none"> Long-term value creation for customer, supplier and investor Increased business performance/revenue generation Better brand reputation Long-term value creation for customer, supplier and investor Reduced environmental impact Revenue from increased sale Better brand reputation
<p>Intellectual Capital Intellectual properties developed by the organisation through research and innovation in packaging material and techniques, new products and improvements in manufacturing and logistics</p> <p>Material Aspect/ Focus area Research and development</p> <p>Relationship with other capitals</p> <ul style="list-style-type: none"> Customer retention through satisfaction and attraction of new customer Revenue from increased sale of modified or new products

<p>Financial Capital</p> <p>Debt ₹ 345 Crore</p> <p>Equity ₹ 3,348 Crore</p> <p>Capex ₹ 132 Crore</p> <p>Working capital ₹ 1,352 Crore</p>
<p>Manufactured Capital</p> <p>Domestic manufacturing facilities 6</p> <p>International manufacturing facilities 8</p> <p>Regional offices 4</p> <p>Overseas offices 21</p> <p>Depots and warehouses 25</p>
<p>Human Capital</p> <p>Total number of employees 1,657</p> <p>Manhours spent in safety trainings for members and contractual workers across Marico facilities in India ~3,000</p>
<p>Natural Capital</p> <p>Water consumed across operations 1,18,596.1 KL</p> <p>Renewable energy consumed across operations (Biomass used in boilers, electricity from solar and wind energy) 1,25,545 GJ</p> <p>Non-renewable energy consumed across operations 54,577 GJ</p> <p>Raw material consumed in FY22 3,34,924 MT</p> <p>Packaging material consumed in FY22 39,329.5 MT</p> <p>Floral species planted in Miyawaki forests within Marico operations, as part of the carbon forestry program 1,225</p> <p>Marico's Product Sustainability Index framework Launched</p>
<p>Social and Relationship Capital</p> <p>Expenditure on CSR initiatives in FY22 ₹ 22.32 Crore</p> <p>Agribusiness centres established under Parachute Kalpavriksha Program 4</p> <p>Agronomists deployed under Parachute Kalpavriksha Program 100+</p> <p>Value-chain partners 412+</p> <p>Strong retail outlets network 5.6 Million</p> <p>Marico to become the partner of choice for channel partners across the country through Launch of Project SARAL</p>
<p>Intellectual Capital</p> <p>Investment in R&D ₹ 29 Crore</p> <p>Number of R&D team members 94</p> <p>% of Sales invested in brand building in FY22 8.4%</p>

Value-creation approach

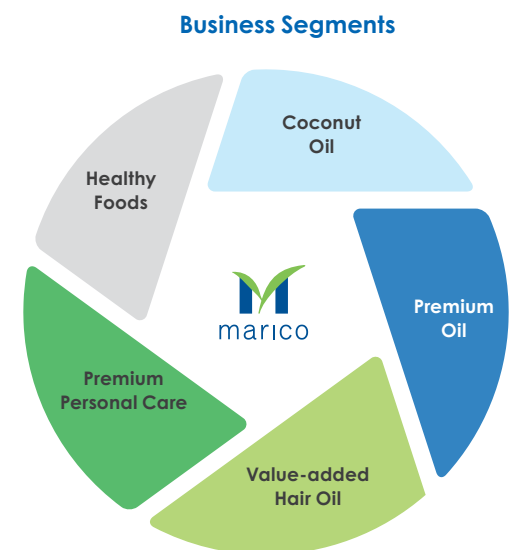
Purpose
To transform in a sustainable manner, the lives of those we touch by nurturing and empowering them to maximise their true potential

Strategic Pillars

- Grow the core
- New growth engines
- Create shared value

Enablers

- Business and Go-to-Market Models
- Product Innovations
- Digital and Technology
- Cost Management
- Talent and Culture
- Mainstreaming Sustainability



Outputs

<p>Market Capitalisation US\$8.6 Billion</p> <p>Return On Capital Employed 44.8%</p> <p>Return on Equity 37.3%</p>	<p>Dividend Payout in FY22 96%</p> <p>Turnover ₹ 9,512 Crore</p> <p>EBITDA ₹ 1,689 Crore</p>	<p>Operating Margin 17.8%</p> <p>Profit After Tax (excl. one-offs) (CAGR since inception: 23%) ₹ 1,230 Crore</p> <p>EPS ₹ 9.5</p>
<p>Number of packs sold every year 1.5+ billion</p>	<p>Our talent practices rated above global benchmark by our members 96%</p> <p>% of our decision-making roles (Managers & Partners) having diverse talent ~27%</p>	<p>Increase in diverse talent representing our leadership positions (partners & CXOs) ~30%</p> <p>% of current leadership team that is home-grown talent 84%</p>
<p>GHG emission intensity 1.5 tCO₂e/unit Crore revenue (80.5% reduction in GHG emissions intensity (Scope 1+ 2) as compared to base year FY13)</p> <p>Renewable energy share 70%</p> <p>Scope 3 GHG emission intensity reduction ~12% (as compared to base year FY19)</p>	<p>Cumulative water conservation potential created 263 Crore litre (47.7 Crore litre in FY22 by constructing 246 farm ponds). This is 3x of water consumed across Marico's operations</p> <p>Water intensity 16.43 Crore litre/unit Crore revenue (63% decrease from base year FY14)</p>	<p>% of Members that experience Marico as a harassment and discrimination-free workplace 89%</p> <p>LTIFR 0.404</p> <p>Incidents 23</p> <p>Fatalities 0</p> <p>Post consumer plastic waste collected and recycled or co-processed 6,299 MT</p> <p>Recyclable packaging material used 96%</p> <p>Carbon sequestration potential (across lifespan of trees) generated through Afforestation activity (in its first year) >18,000 tCO₂e</p>
<p>Parachute Kalpavriksha Foundation 2.55 Lakh acres and 62,918 farmers cumulatively enrolled, with 15% y-o-y productivity improvement rate</p> <p>Farmers benefitted through Agri-business centres 850</p> <p>Nihar Shanti Pathshala English literacy programme beneficiaries 2.89 Lakh teachers and 4.17 Lakh students</p>	<p>Nihar Skills Academy benefitted 7,900+ women and youth</p> <p>Distribution of COVID-relief materials 55 Lakh beneficiaries across 17 Indian cities</p> <p>Critical suppliers certified under Level 1 of Samyut responsible sourcing programme 46%</p> <p>Critical suppliers certified under Level 2 of Samyut responsible sourcing program 10%</p>	<p>Procurement through spends from local/ indigenous suppliers 94%</p> <p>Product outreach Touched 59,000 villages in India and almost every Indian town with population over 5,000</p>
<p>Patent granted till date 17 till date of which 3 were filed in FY22</p>	<p>Customer satisfaction index 96%</p>	<p>Brands owned by Marico in India 20+</p>

RISK MANAGEMENT

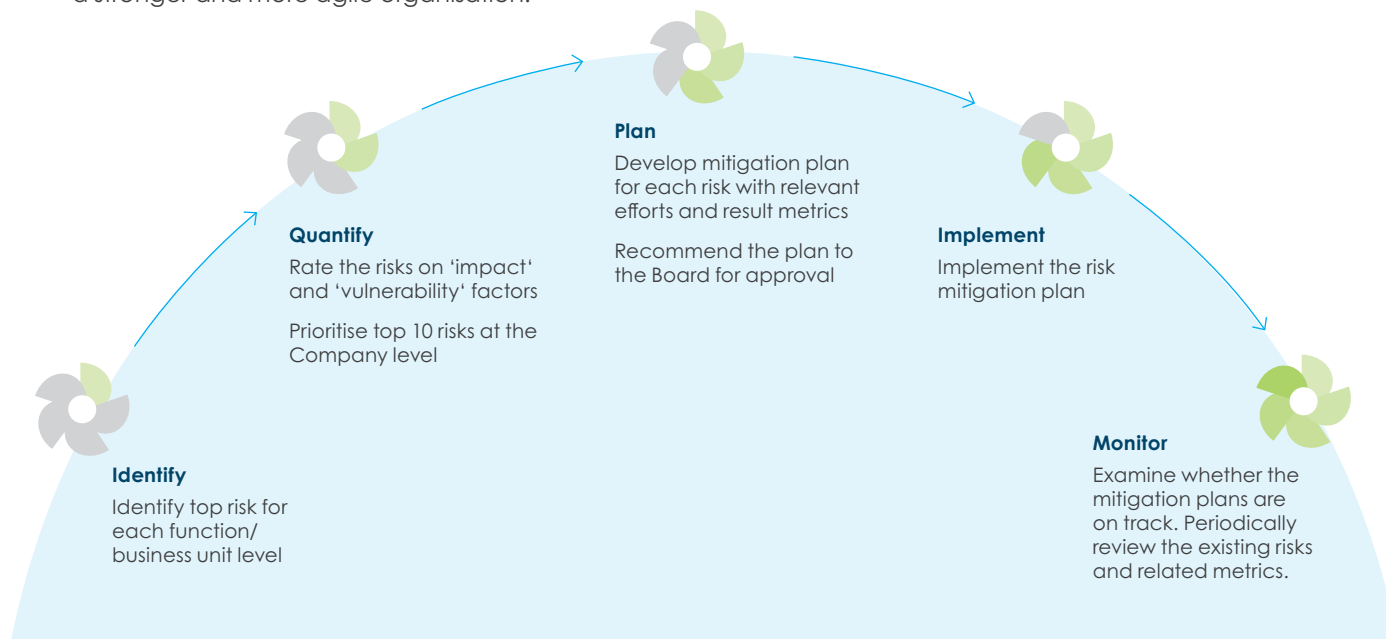
BEING VIGILANT and action-driven

As the cascading impacts of COVID-19 continue to pose critical threats to the FMCG industry, it is imperative for companies to use risk management as a tool to protect company resources, and maintain operational efficiency, thereby, ensuring business continuity.

Taking a proactive approach, we have re-analysed our exposure to risks across various categories, and strengthened the existing risk management framework, to draw up comprehensive mitigation plans for identified risks.

Risk management framework

Risk management is an integral part of our business strategy. In conducting our business and executing our strategy, we identify the risks, analyse their likelihood, quantify their consequential impact, and prepare our response plan for the same. While managing these risks, we also consider them as opportunities to emerge as a stronger and more agile organisation.



Continuous monitoring of the identified risks is a part of our practice, where we track the effectiveness of our efforts and update the Risk Management Committee on the progress. Risk related issues, if any, are discussed at review meetings. The Committee looks after strategic as well as operational risks.

Risk Management Committee governance structure

Our risk management process scans through all significant business processes to identify risks that can be classified under following categories:

Risk Management Committee (RMC)			
Comprises Lead Independent Director, Managing Director and CEO, and the Chief Financial Officer	Assists the Board and Audit Committee	Material Risks are reviewed annually by the RMC	Manages risks both at strategic and operational level

Key risk categories and mitigation plans

Our risk management process scans through all significant business processes to identify risks that can be classified under following categories:



Strategic Risks

Risk Type and Description	Mitigation Strategies/Efforts
Changing consumer preferences Consumer tastes, preferences and behaviours have been evolving over the years. This trend has only accelerated after unexpected events post the outbreak of the pandemic. In addition, with increasing social media penetration, brand awareness levels and the speed of shifts in consumer preferences has dramatically risen. It is, therefore, an imperative that our portfolio and brand communication also evolves in line with consumer demand so that we continue to remain relevant and competitive in our categories.	<ul style="list-style-type: none"> Investment in consumer in-sighting to adapt to changing consumer preferences Actively monitor social media trends to spot early consumer trends; quickly respond to these trends with innovative offerings that lead with quality, safety and nutritional quotient Shape brand communication to effectively reach the consumer and convey its proposition and purpose Frequent consumer awareness campaigns and outreach initiatives to demonstrate the nutritional value of products and the use of safe ingredients to enhance product responsibility
Increasing Competitive intensity With the increasing number of competing brands across offline and online marketplaces, counter campaigning and aggressive pricing by competitors, maintaining brand relevance, market shares and pricing power is critical to sustained growth.	<ul style="list-style-type: none"> Diversification in product offerings and ensuring availability in relevant channels thereby leading to wider presence and reach Protect consumer franchise during periods of short-term volatility or headwinds Invest in brand building through responsible marketing campaigns Building agile marketing response mechanisms to counter competitive moves



RISK MANAGEMENT

Risk Type and Description	Mitigation Strategies/Efforts
<p>Underperformance of new product launches</p> <p>Given that the success rate for new product launches in the FMCG sector is typically low, new products may not gain traction among consumers or may fail to scale up as planned. This risk is pronounced in cases where industry leaders invest in creating new categories.</p>	<ul style="list-style-type: none"> Invest in a new product development process with a funnel approach to ensure continuous flow of new ideas coupled with rigorous governance around scalable ideas Prototyping approach to new product introductions for accelerated learning and adjustment Identify and invest in big-ticket new ideas in the chosen categories for driving growth Resilient presence in marketplace with adequate investments in brand building
<p>Underachievement of acquisition deliverables</p> <p>Acquisitions may impose a financial burden on the parent entity, if the acquired business significantly underperforms vis-a-vis expectations. Integration of operations and cultural harmonisation may also take time, thereby deferring benefits of synergies.</p>	<ul style="list-style-type: none"> A well-defined playbook for selection of targets, due diligence, value finalisation and integration Well-defined performance tracking systems for monitoring progress periodically Cross-application of governance practices of the parent organisation soon after take over to ensure controls

Financial Risks

Risk Type and Description	Mitigation Strategies/Efforts
<p>Volatility in interest rates</p> <p>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 could impact the financial performance of the Company. Further, this risk may also impact income on Company's investment and lead to mark-to-market losses on its investment portfolio.</p>	<ul style="list-style-type: none"> Well-defined framework for capital gearing Maintain a liquidity chest for immediate working capital requirements In case of foreign currency borrowings, implement hedging as per policy Manage interest rate risk to investments by implementing a Board-approved investment policy, which focuses on safety and liquidity, thereby mitigating short-term interest risks

Risk Type and Description	Mitigation Strategies/Efforts
<p>Foreign currency exposure</p> <p>Marico has significant local presence in Bangladesh, South East Asia, Middle East, Egypt and South Africa. The Company is thus exposed to a wide variety of currencies. Fluctuations in these currencies could impact the Company's financial performance. The risk of currency depreciation is accentuated during periods of high inflation in these economies.</p>	<p>While the 'translation risk' will continue to be unhedged, Marico has a well-defined hedging framework for managing any foreign exchange risk in India and Bangladesh. The Board-approved policy in this regard is periodically reviewed for its effectiveness.</p>

Operational Risks

Risk Type and Description	Mitigation Strategies/Efforts
<p>Commodity risk</p> <p>Unexpected changes in commodity prices and supply could impact business margins and ability to service demand. The past few years have witnessed wide fluctuations in input prices. As a result, the overall uncertainty in the environment continues to be high.</p>	<ul style="list-style-type: none"> A comprehensive process manual drives commodity procurement for each of the categories, which governs norms related to price discovery, inventory policy, supplier management, governance mechanism The Company policy defines purchase of commodity in line with business requirement in accordance with inventory policy and does not encourage speculative buying or trading of said commodity either in physical form or on the exchanges The Company has developed and deployed various programmes in order to ensure sustainable availability of agriculture commodities to support future business requirements. Few of the programmes are: <ol style="list-style-type: none"> Sponsoring research in agriculture breeding technology; Developing strategic sourcing alternatives from other geographies; Strategic presence in the extended backward value chain <p>The Company has well-defined norms for building strategic inventory positions as a hedge against price volatility.</p>



RISK MANAGEMENT

Risk Type and Description		Mitigation Strategies/Efforts
Geo-political instability in operating geographies	Unrest and political instability in countries of operation could significantly impact business results.	<ul style="list-style-type: none"> • A comprehensive insurance programme to hedge all insurable risks • At a macro level, our country selection template lay emphasis on geopolitical stability and robust growth prospects
Macro-economic factors	Factors such as low GDP growth and high food inflation could result in down trading from branded to non-branded or premium to mass market products	<ul style="list-style-type: none"> • Focus on value-added products available to masses at affordable prices by driving aggressive cost management • Focus on franchise growth over short-term profitability during macro-economic headwinds • Thrust on portfolio diversification as one of the pivots of future growth
Cyber and data security	Disruption in business operation due to non-availability of critical Information Systems through cyber-attack and loss of sensitive information due to unauthorised access.	<ul style="list-style-type: none"> • Identification of business critical IT systems and having a disaster recovery plan in place. The plans are tested periodically for scope of enhancements • Implementation of IT security practices in line with ISO 27001 standard • Implementation of latest cyber security technologies with preventive, detective and reactive controls • We perform periodic internal assessments for the controls implemented for the continuity of the operations • Mock Runs are conducted to ensure that all controls are performing as expected and all relevant stakeholders are aligned on their roles in the event of a cyber-crisis

Compliance and Governance risks

Risk Type and Description		Mitigation Strategies/Efforts
Non-compliance with regulatory requirements	Inadequate compliance systems and processes can pose reputation risk for the Company. This could expose the Company to legal consequences; result in financial losses and penalties.	<ul style="list-style-type: none"> • Invest in IT-enabled compliance systems and processes • Ensure all functions and units are aware of the laws and regulations to comply with • Ensure adequate monitoring mechanism towards compliance • Communicate periodically to reiterate the importance of compliance

Risk Type and Description		Mitigation Strategies/Efforts
Violation of ethics and business integrity	Failure to act with integrity or behave in a manner inconsistent with Marico's purpose statement and values defined can damage the corporate reputation and affect business results.	<ul style="list-style-type: none"> • Code of Conduct (CoC) and Marico Code of Business Ethics (MCoBE) outlines the Company commitment to ethics and integrity • Robust vigil mechanism, which enables all stakeholders to report, concerns about unethical behaviour, fraud or violation of code • Detailed personal orientation and mandatory certification on CoC for all employees, suppliers and contractual workers • Effective oversight by the Board of Directors

ESG Risks

Risk Area(s)	Material Risk(s)	Mitigation Strategies	Risks turned into Opportunities
Climate change impacts	Carbon emissions	Reduction in direct and indirect emissions footprint through: <ul style="list-style-type: none"> • Investment in low-carbon technologies and equipment • Increase in share of renewable and clean energy • Carbon sequestration through afforestation 	<ul style="list-style-type: none"> • Minimisation of environmental footprint from operations; enhanced fuel, energy, and cost savings
	Reduction in agricultural productivity	<ul style="list-style-type: none"> • Mapping of physical climate risks across agri-value chain • Deployment of sustainable coconut cultivation measures to improve climate resilience 	<ul style="list-style-type: none"> • Establishing traceability of agro-based raw materials directly from the source of origin • Boosting productivity and livelihood generation for farmers by deploying sustainable agricultural techniques
Pollution from waste generation	Increased cost of operations due to plastic waste material handling	<ul style="list-style-type: none"> • Dematerialisation, use of recycled as well as recyclable plastic materials in packaging • 100% compliance to Extended Producer Responsibility (EPR) framework to ensure collection, proper recycling/coprocessing, and environmentally safe disposal of pre- and post-consumer plastic waste 	<ul style="list-style-type: none"> • Creation of sustainable packaging portfolio based on circularity principles • Minimisation of products' emissions footprint, thus reducing the overall Scope 3 emission intensity • Active participation in promoting circular economy principles within sectoral and market dynamics



RISK MANAGEMENT

Risk Area(s)	Material Risk(s)	Mitigation Strategies	Risks turned into Opportunities
Natural resource depletion	Water shortages	<ul style="list-style-type: none"> Source water vulnerability assessment for all operations (using scientific tools and methods) to identify water stress quotients near Marico's manufacturing footprint. Replenishment of equivalent volumes of water as consumed in operations, through various capacity creation measures that benefit local community and agriculture Installation of water efficient measures, rainwater storage units and technological upgrades across commercial and operational premises Integrating zero liquid discharge principles 	<ul style="list-style-type: none"> Rejuvenation of water balance in the ecosystem through replenishment of reserves in areas of water stress Reduced dependence on freshwater sources by switching to stored rainwater within facilities to meet process-related requirements, and recycling effluents for industrial and domestic consumption
	Fuel shortages leading to energy unavailability	<ul style="list-style-type: none"> Conservation of energy by increasing investments in energy-efficient systems Increase in share of renewable and clean energy 100% phase-out of fossil fuel consumption 	Minimisation of overall GHG footprint by transitioning to low carbon energy sources
Product footprint	Product safety	Conducting Product Sustainability Assessments (PSI) for top product SKUs (by revenue) to measure product quality, ingredient safety, and product environmental footprint across lifecycle, and certify products on internal standards	<ul style="list-style-type: none"> Reduction in environmental and social footprint of products Establishment of traceability Ensuring 100% compliance with world-class quality and safety norms Accelerating consumer-centric product innovation

Risk Area(s)	Material Risk(s)	Mitigation Strategies	Risks turned into Opportunities
Employment concern	Talent acquisition and retention	<ul style="list-style-type: none"> Promoting culture of diversity, inclusion, openness, transparency, and meritocracy, coupled with growth orientation, to help attract top talent and retain Investing in 'hiring right', 'talent development and engagement' best practices 	<ul style="list-style-type: none"> Attracting and retaining diverse talent, especially the workforce of tomorrow Redefining the future of work Building a socially inclusive and responsible culture that leads with ethics, ownership, and trust
	Employee health safety and well being	<ul style="list-style-type: none"> Focus on reducing risk exposure and enhancement of mitigation practices across facilities through training, monitoring, and implementation of safe practices Promoting SHE and social accountability related policies to demonstrate safe and socially inclusive behaviour at workplace Driving employee engagement and wellbeing programmes for better mental health and stress-free life 	<ul style="list-style-type: none"> Risk-free operations and improved productivity Building a safe and sustainable working environment to boost employee motivation
Social responsibility	Supply chain disruptions	<ul style="list-style-type: none"> Promoting local procurement Implementation of responsible sourcing framework 'Samyut' for critical suppliers - raw material, packaging material suppliers, depots and warehouses, third party manufacturing units Advocating business ethics and human rights principles through trainings and business communications for all suppliers to help them imbibe human rights principles in their operations 	<ul style="list-style-type: none"> Adoption of responsible business practices across value chain Promotion of local, indigenous produce that has a significantly lower environmental footprint
	Social license to operate	<ul style="list-style-type: none"> Constant engagement with local community stakeholders to understand their needs Continue to implement social outreach programmes and initiatives to deliver socio-economic, environmental, educational and health-related benefits 	Inducing stakeholder capitalism amongst communities that matter





STRATEGY

UNLOCKING the next leg of growth

The last year presented unforeseen challenges in the form of new COVID-19 variants, geopolitical tensions, commodity inflation and volatility, and demand slowdown. While we have worked towards anticipating and tackling the external headwinds, we have also kept a sharp focus on laying a strong foundation to build future readiness.

Marico has continued to step up its performance year-on-year and delivered profitable volume growth ahead of the market. We have also significantly strengthened our competitive position in the domestic market with 97% of our portfolio consolidating or gaining market share and 94% of our portfolio gaining penetration. We have also been able to inch up our gross margins quarter-on-quarter with calibrated price hikes and cost rationalisation, aided by a deflationary copra cycle.

Sustainable and profitable growth in the core portfolio continues to be the key driver of our performance. Despite the cost pressures, we have continued to invest in strengthening our brands and expanding our distribution reach to drive penetration in the core portfolios. Expansion of the total addressable market of our power brands through consumer-centric innovation remains a central pivot of our strategy.

The International Business had a stellar year with a strong momentum of sustained and profitable growth.

Each of the markets – Bangladesh, Vietnam, MENA, & South Africa - posted double-digit constant currency growth and contributed handsomely.

We have also taken significant strides in our ESG initiatives and have surpassed our 2022 ESG goals – leading to a positive movement in independent ESG ratings and multiple recognitions throughout the year. In line with our motto 'Making a difference', we have introduced multiple sustainability initiatives across our global operations and committed to achieve net-zero emissions in our global operations by 2040.

We will focus on continuing the good work on driving sustainable and profitable growth in the core, managing costs aggressively and staying true to our purpose in our ESG commitments. However, to unlock the next leg of growth, we need to drive the **four Ds** to deliver long-term profitable growth – **Diversification, Distribution, Digital, & Diversity**.

Driving 4Ds to make Marico future-ready

Unlock the next leg of growth through...



Diversification

In the domestic business, there are three pillars of diversification – Foods, Premium Hair Nourishment and Digital Brands. In Foods, we have met our aspirational topline target of reaching ₹ 450-500 Crore for this year, and expanded the total addressable market of the brand 'Saffola' to ₹ 6,000 Crore through a portfolio of healthy and superior offerings. We aim to scale our Foods business to ₹ 850 to 1,000 Crore by FY24 on the back of innovation, distribution and market development. In Premium Hair Nourishment, we will maintain our focus on premiumising the mix through innovative solutions with superior sensorials and formats. The current portfolio of Digital first brands clocked ₹ 180 to 200 Crore in annual run rate on exit basis in FY22 and we will aim to reach ₹ 450 to 500 Crore by FY24.

The International business has made great progress on both the vectors of diversification – geographical diversification and portfolio diversification. Each of the markets is on a strong growth momentum and contributed materially towards delivering a high double-digit constant currency growth in FY22. In Bangladesh, we will continue the diversification journey through accelerated growth in hair care and baby care portfolios, among others. In Vietnam and MENA, we have set the fundamentals right and will now suitably replicate attributes from the operating model that has worked in Bangladesh, in order to build a sustained growth momentum in both businesses.



Distribution

We will continue efforts towards expanding our reach through go-to-market transformation. We have institutionalised a Sales 3.0 framework, to strengthen micro market focus and execution, bring enhanced agility with on-ground decision-making leveraging technology and analytics. The new framework represents a shift in our sales operating structure from four divisions to multiple clusters, defined based on similar consumer behaviour, brand preference and geographical contiguity. We are also scaling up a dedicated GTM to drive our aspirational target in Foods. There is headroom for driving distribution led growth on similar lines across all our key international markets of Bangladesh, Vietnam, Middle East and Egypt, and we continue to work towards enhancing our consumer reach.



Digital

We are investing towards raising the digital quotient across the value chain to make the organisation future ready. This is also reflecting in our talent strategy and how we are imbibing new ways of working, which we believe will enable us to transform into a digitally savvy organisation and win amongst evolving consumer and marketplaces. Ahead-of curve investments in e-commerce capabilities has kept us much ahead of the industry in sales contribution from the channel. Nearly a fourth of our advertisement spends are now on the digital platforms. We have also made significant progress in our journey to build strong digital-led analytical capabilities to enable real-time data-led decision making. We will continue to strengthen this further for prioritised use cases such as spend effectiveness, demand sensing and social listening driven innovations, among others.



Diversity

We believe that a positive, enabling and inclusive culture will give us a strong and competitive edge over the long term. We are amplifying equal opportunity for all at the workplace and are working towards creating a workforce with enhanced 'Gender', 'Differently Aabled' and 'Thought' diversity. We are making efforts towards fostering a culture of inclusion through focused interventions such as:

- ensuring accessibility of infrastructure, policies, and processes for diverse groups;
- driving sensitisation and awareness on the right actions, behaviours and practices for an inclusive workplace; and
- monitoring transparency of talent processes to create a sense of 'quality', 'openness' and 'belongingness' within the organisation.

...and continue to maintain focus on





OUR LEADERSHIP

KNOW OUR Board Members



Harsh Mariwala
Chairman & Non- Executive Director



Saugata Gupta
Managing Director & Chief Executive Officer



Nikhil Khattau
Lead Independent Director



Nayantara Bali
Independent Director
(w.e.f. April 7, 2022)



Ananth Sankaranarayanan
Independent Director



Apurva Purohit
Independent Director
(w.e.f. April 7, 2022)



Rajendra Mariwala
Non-Executive Director



Hema Ravichandar
Independent Director



Milind Barve
Independent Director
(w.e.f. August 2, 2021)



Rajeev Vasudeva
Independent Director
(w.e.f. November 1, 2021)



Rishabh Mariwala
Non-Executive Director



OUR LEADERSHIP

KNOW OUR Management Team



Saugata Gupta
Managing Director & Chief Executive Officer



Amit Bhasin
Chief Legal Officer & Group General Counsel



Pawan Agrawal
Chief Financial Officer



Sanjay Mishra
Chief Operating Officer - India Business &
Chief Executive Officer – New Business



Amit Prakash
Chief Human Resources Officer



Ashish Goupal
Chief Operating Officer, Bangladesh,
MENA & NCD Business



Dr. Shilpa Vohra
Chief Technology Officer
(w.e.f. March 16, 2022)



Vaibhav Bhanchawat
Chief Operating Officer – South East Asia and
South Africa (w.e.f. April 1, 2022)



Koshy George
Chief Marketing Officer



Vrijesh Nagathan
Chief Information & Digital Technology
Officer (w.e.f. March 23, 2022)



STAKEHOLDER ENGAGEMENT

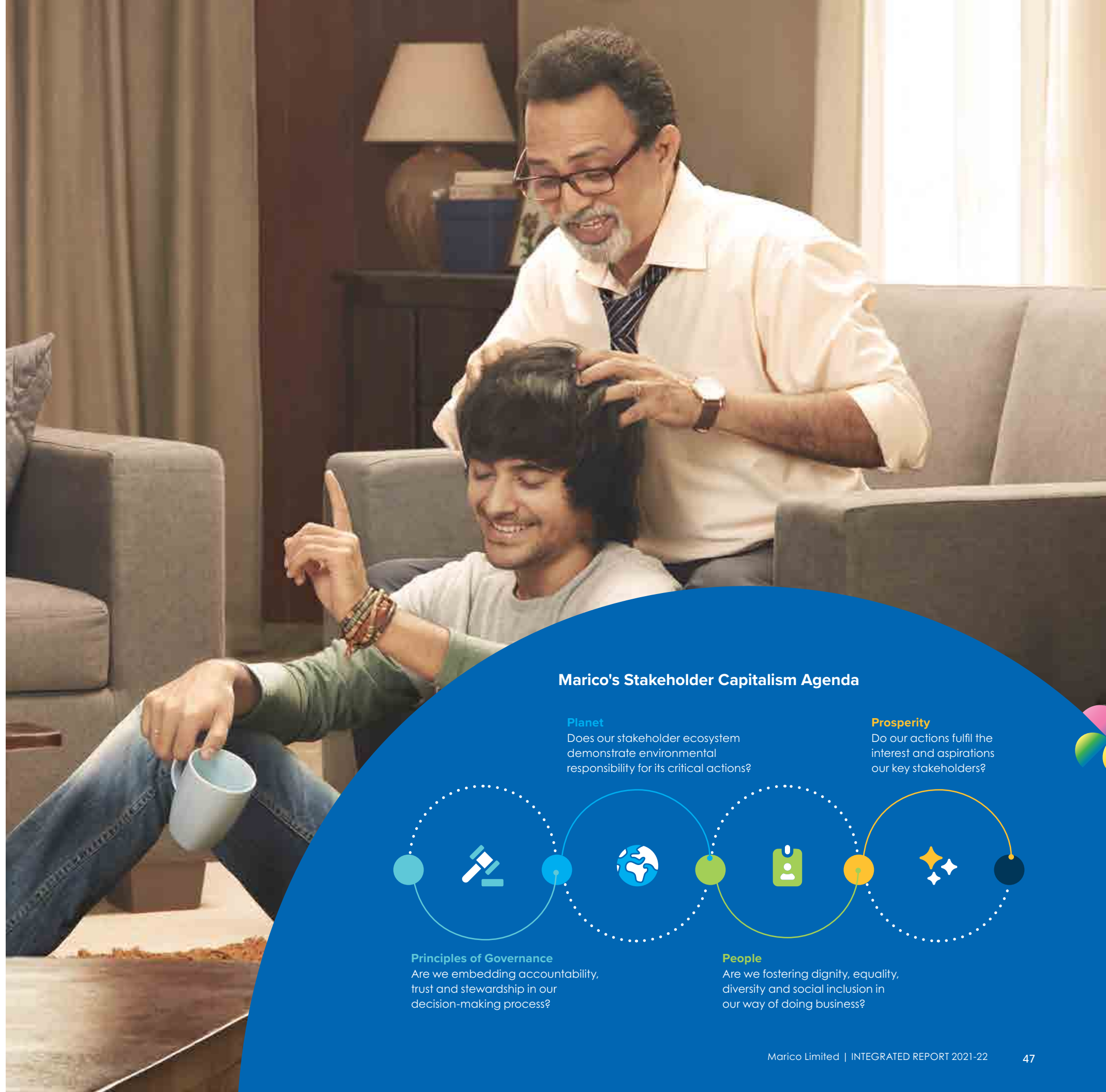
MAXIMISING STAKEHOLDER CAPITALISM to deliver value

Stakeholder capitalism sits at the heart of Marico's business vision, strategy and responsible growth story.

It defines our purpose and accelerates our impact creation potential such that we are able to make a difference in the lives of all stakeholders who inspire us to survive and thrive.

Using our Sustainability 2.0 framework as a lever, we revisited our engagement strategies with each of our critical stakeholder groups to validate whether our interventions are adding direct value in addressing the key needs.

Our aim is to safeguard our stakeholders interests and futureproof the value delivered to each one of them, over short, medium and long term. We believe that by prioritising our stakeholders' needs, we will create symbiotic bonds built on trust, resilience, agility and responsible growth.



Marico's Stakeholder Capitalism Agenda

Planet

Does our stakeholder ecosystem demonstrate environmental responsibility for its critical actions?

Prosperity

Do our actions fulfil the interest and aspirations of our key stakeholders?



Principles of Governance

Are we embedding accountability, trust and stewardship in our decision-making process?

People

Are we fostering dignity, equality, diversity and social inclusion in our way of doing business?



STAKEHOLDER ENGAGEMENT

CAPITALS

Financial | Manufactured | Intellectual | Human | Social & Relationship | Natural



Consumers	Shareholders	Value-chain Partners	Employees	Community	Government and regulators	
Unique Value Proposition	DELIGHT	DELIVER	INCLUDE	EMPOWER	NURTURE	ADHERE

Definition	Definition	Definition	Definition	Definition	Definition
With our uncompromising quality, trusted brands and product innovations, we endeavour to provide a unique value proposition to our consumers. Our brands differentiate themselves across the core and aspirational market segments. We strive to bring innovation in every facet of our operations, while ensuring the availability of products at the right time and for the right price.	Consistent shareholder value creation remains our topmost priority. This is achieved by strengthening our core segments and achieving growth in niche markets through our innovation and entrepreneurial approach. Our value creation potential with shareholders has led to a steady focus on maximising volumes, market share gains and cost optimisation, despite the pandemic-induced market slowdown, availability of resources and other macro headwinds.	As a responsible organisation, Marico believes that mutual and inclusive growth of our value-chain partners is critical to the overall purpose of creating shared value. We strive to maintain the right balance by meeting the needs of our partners through continuous capacity enhancement drives, proactive engagement and timely response strategies. As part of our mission to drive inclusive growth across our stakeholder ecosystem, we strive to play a significant role in the growth stories of our value-chain partners.	At Marico, we offer all our members a defined talent value proposition to challenge, enrich and fulfill their aspirations, so that they can maximise their true potential to make a difference. Further, our values are based on the principles of 'go beyond', 'grow beyond' and 'be the impact' which enable our human capital to bring purpose to work. The cultures of diversity, equality and inclusion are the forerunning guiding principles for any initiative that we take for our members.	Communities influence and inspire our existence and hence we strive to touch their lives in every possible way so as to make a difference. To safeguard our communities from the socio-economic and health-related disruptions caused by the pandemic, we try to maximise our efforts in helping our communities sustain and thrive in these changing times.	Marico is committed to be a leading consumer goods company that meets and exceeds compliance and regulatory mandates towards its products and processes.

Material Needs	Material Needs	Material Needs	Material Needs	Material Needs	Material Needs
<ul style="list-style-type: none"> Affordability, accessibility, quality, reliability and safety Product innovation and reconfiguration centered on consumers' preferences and evolving needs Enhancing health and nutritional quotient of products without compromising on quality/taste Minimisation of products' environmental footprint at each stage of the products' lifecycle 	<ul style="list-style-type: none"> Business resilience and agility Safeguarding value: lives, assets and reputation Responsible growth and profitability Mainstreaming mitigation of environmental, social and governance (ESG) risks and maximising opportunities 	<ul style="list-style-type: none"> Cost-benefit terms, payment modalities Quality expectations Supplier Code of Conduct and Business Ethics Safety and operational risk management Harnessing the power of technology and data to provide traceability and accuracy Commitments on responsible sourcing, circular economy, human rights, resource efficiency etc 	<ul style="list-style-type: none"> Career growth opportunities, compensation packages Redefining value in the future of work Capacity enhancement and competence building Leadership and people management skills Occupational health, safety and wellbeing Diversity, Equality and Inclusion Tech-based support for improving quality of outputs 	<ul style="list-style-type: none"> Health and Community welfare Enhancing socio-economic development and livelihood restoration Fostering social innovation that creates incremental value for communities Drive eco-conscious behaviour and lifestyles changes to improve sustainability footprint 	<ul style="list-style-type: none"> Compliance, governance and risk mitigation Product safety assurance Propelling social leadership and empowerment Safeguarding natural assets Adhering to all labour laws and ensuring implementation of human rights, safe and secure workplace and 100% adherence to ethical standards of work

Engagement Objective	Engagement Objective	Engagement Objective	Engagement Objective	Engagement Objective	Engagement Objective
<ul style="list-style-type: none"> Develop relationships based on trust, loyalty and social commitments Understand the shift in preferences to catalyse product innovation Create shared vision on environmental and social commitments, transition to eco-conscious lifestyles and carve out a sustainable future for all 	<ul style="list-style-type: none"> Become a better investee company Create high shareholder value Communicate performance and future growth plans Understand concerns and expectations 	<ul style="list-style-type: none"> Sharing of mutual expectations and needs, especially with regard to quality, cost and timely delivery Capability building and growth plans Sharing of best practices Responsible Sourcing (Samyut) framework for integrating sustainability within our value chain in a phased manner 	<ul style="list-style-type: none"> Communicating organisational vision, purpose, ethos and integrity. Clear understanding provided on the role of each member to help achieve the purpose and goals of the organisation Technical, functional and need-based training and development Support career growth plan Workplace needs and expectations One-to-one consultations and counselling on health, wellness and other daily challenges 	<ul style="list-style-type: none"> Maintain cordial relationship Improve livelihood and create positive impact Shared eco-system 	<ul style="list-style-type: none"> Understand compliance and applicable regulations Collaborations on national agendas

Mode of Engagement	Mode of Engagement	Mode of Engagement	Mode of Engagement	Mode of Engagement	Mode of Engagement
<ul style="list-style-type: none"> One-on-one interaction Consumer satisfaction survey Call centre/Consumer Cell to track insights and feedback Digital platforms, social media handles 	<ul style="list-style-type: none"> Annual General Meeting Investor calls Press releases Published results 	<ul style="list-style-type: none"> Periodic interactions (physical, telephone, mailer) Annual meets/events Training programmes and workshops 	<ul style="list-style-type: none"> Personal development programme Learning and development Engagement survey Organisation communication Digital interactions Health and wellness drives Social inclusion based townhalls on themes like diversity, inclusion, human rights, sustainability, CSR etc 	<ul style="list-style-type: none"> One-on-one interactions Field visits and trainings Digital platforms CSR and sustainability initiatives Pandemic relief campaigns - healthcare facilities, provision of meals and rations, PPEs to frontline workers etc 	<ul style="list-style-type: none"> Business meetings Engagement in industry forums, trade associations, interest groups, sectoral associations and scientific/R&D based thought leadership initiatives Stakeholder consultations

Frequency	Frequency	Frequency	Frequency	Frequency	Frequency
Continuous	Quarterly, Half-yearly, Annually (Note: Financial calendar)	Continuous	Continuous, Half-yearly, Annually	Continuous	Need-based

Capital Linkages	Capital Linkages	Capital Linkages	Capital Linkages	Capital Linkages	Capital Linkages

WINNING COMBINATION of Enterprising Spirit and Agility

The year was characterised by unprecedented challenges on all fronts, as we contended with rising input costs, sharp volatility in business conditions, new COVID variants, geopolitical tensions and a demand slowdown. In these times, dynamic financial management, strategic clarity, a strong cost management programme and calibrated pricing actions helped protect our business model and strengthen our consumer franchise. As a result, we were able to deliver competitive and profitable growth during the year.





INVESTORS

Despite transient cost headwinds, the Company invested in brand building of its core and new portfolios, including Digital-first brands. Advertising and Promotion spend, at 8.4% of sales, was up 14%, as we prioritised building long-term brand equity over short-term margin protection.

During the year, the Company incurred capital expenditure of ₹ 132 Crore for capacity expansion and maintenance of existing manufacturing facilities. Cash generated from operations, at ₹ 1,016 Crore in FY22, remained the primary source of liquidity. The Company also continued to accrue savings from the institutionalised cost management initiatives across domestic and overseas operations, which helped reduce the impact of sharp input cost inflation during the year.

We continued to integrate the possible risks and their mitigation in our business planning processes as a part of the organisation-wide risk management program. The Company drove profitable operations and enjoyed a comfortable net cash surplus situation during the year. Net surplus at the end of the year was at ₹ 956 Crore. While current borrowings are mainly for working capital requirements, the Company actively explores opportunities to optimise borrowing costs and maximise yield on investments while maintaining conservative guardrails on safety, liquidity and returns. The Company ensures adequate access to funding and leverages the surplus to meet its operating needs and strategic objectives while managing its cash flows in a cost-efficient manner. Moreover, in case any

exigencies arise in future affecting the liquidity position, the Company would be in a comfortable position to borrow capital given that it enjoys AAA credit rating and maintain a strong balance sheet. As on March 31, 2022, its Debt/EBITDA was extremely comfortable at 0.20x.

Owing to the aforementioned approach, there was a further improvement in the capital efficiency ratios during the year. Return on Capital Employed (ROCE) improved from 44.3% to 44.8% and Return on Equity (ROE) was up from 37.1% to 37.3%.

Financial Performance

In FY22, Marico achieved a consolidated turnover of ₹ 9,512 Crore, up 18% y-o-y, and consolidated PAT (excluding one-offs) of ₹ 1,230 Crore, up 6% y-o-y. The operating margin stood at 17.8%. The Company's dividend payout ratio for the year was at 97%, as a result of the healthy operating performance and stable financial position.

A detailed discussion on the financial and operational performance in FY22 is available in the Management Discussion and Analysis section of the Report.

Key Performance Indicators

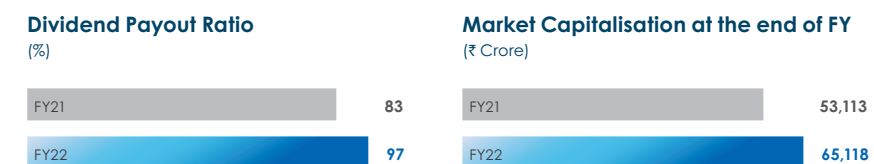
Key Financial Capital Inputs



Key Financial Capital Outputs



Key Financial Capital Outcomes



Key Financial Highlights – FY22

₹ 9,512 Crore
Consolidated turnover

₹ 1,689 Crore
EBITDA (excluding one-offs)

₹ 1,230 Crore
Consolidated PAT (excluding one-offs)

₹ 132 Crore
Capital expenditure for capacity expansion and maintenance of existing manufacturing facilities

₹ 1,016 Crore
Cash generated from operations

₹ 956 Crore
Net surplus at the end of the year

44.8%
Return on Capital Employed (RoCE)

37.3%
Return on Equity (RoE)

XX / XX Change

CONSUMERS

UNDERSTANDING NEEDS, transforming experiences

Keeping consumers at the centre of our value-creation approach, we aspire to transform customer experience by delivering quality products that complement their uncovered needs.

Our agile operation model, advance production facilities, experienced research teams and strong supply chain network work in synergy to develop and distribute trusted products. Well-connected distribution channel ensures availability and easy accessibility of these products to our consumers.

Our work principles are influenced by consumer-centric culture that empathises with consumer needs, values feedback, believes in timely response and looks forward to bringing satisfaction and delight to every consumer.

Our Consumer Value Proposition



Affordability

Offer benefit to the consumers through affordable and fair priced products



Availability

Establish robust distribution network, digital and e-commerce channels to make products available across the country



Early Innovation

Meet evolving needs of consumers by catching early trends and innovation across product categories



Product Sustainability

Re-invent product formulation, packaging, quality and health benefits to meet consumers' stated and unstated needs and provide desired experience



Purposeful Brands

Products with strong purpose covering beauty, wellness, health and nutrition

CONSUMERS

Consumer-centric R&D

To deliver on our consumer value proposition of providing exceptional product experience at affordable price points, we are constantly innovating and creating unique and differentiated product offerings that address consumers' growing needs. Through our best-in-class research and development (R&D) facility at Mumbai, we ensure that every product we develop meets the highest standards of quality. **The team comprises of 94 domain experts** (of which 50 are women) with extensive experience in science, technology, and pharmacology.

**₹ 29 Crore**

Invested in R&D activities in FY22

17 patents granted

fill date, of which 3 were filed in FY22

Innovation within Healthy Foods Range

Marico is a keen proponent of healthy and active lifestyle. We not only reach out to consumers with our healthy products, but also engage with relevant stakeholders to bring a behavioural change towards making the right choice in eating and healthy living.

Healthy food range has witnessed significant innovations in FY22 that aim to provide nutrition and build immunity of our consumers. We extended our Saffola Immuniveda range of products with the major objective towards providing health benefits and improving the immunity of our consumers.

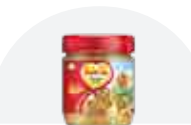
FY22 Food Innovations that help our consumers lead with health and happiness



Sugar-free variant of Golden Turmeric Milk and traditional ayurvedic sugar-free Kadha mix along with the age-old ayurvedic recipe for improving immune health, the Saffola Immuniveda Chywanprash.



Saffola launched NMR Tested Honey, Premium Wild Forest Organic Honey containing natural antioxidants bearing benefits.



Exploring the 'Ready to Eat' category with the right balance of nutrition and taste, Saffola launched a healthy tasty and high protein snacking spread, Saffola Peanut Butter with jaggery and no added refined sugar. For all types of consumers, Saffola expanded its footprints via its health and wellness DTC brand Saffola FITTIFY with 7 variants of Peanut butter like Natural Peanut Butter-Unsweetened, Whey Protein Peanut Butter-Unsweetened, Plant Protein Peanut Butter, Vegan Protein Peanut Butter, Tasty Peanut Butter- Dark Chocolatey, Whey Protein Peanut Butter- Dark Chocolatey, Original Peanut Butter with Omega 3.



Saffola Mayonnaise with the goodness of milk cream and Vitamin A, D and, E also entered the market this year.



Innovation within Personal Care Range

Marico's personal care products undergo innovation to address specific issues faced by

consumers. In FY22, some of our advanced hair oil products like Jataa for Men and Parachute Advanced Onion hair oil were launched on digital commerce platforms to amplify consumer outreach.

FY22 Personal Care Innovations that help our consumers lead with confidence and satisfaction



Jataa for Men, first of its kind, is a specialist ayurvedic oil that is clinically proven to help reduce hair fall and promote hair growth.



Parachute Advanced Onion hair oil, a hair growth promoting hair oil was launched with the power of natural coconut, onion extract and vitamin E. This oil penetrates deep into the hair and makes hair healthy.



Innovation with Packaging

Marico conducts several packaging design innovation projects to arrive at solutions that ensures product safety till end use, while driving sustainability.



In FY22, the Packaging team won 15 Packaging Excellence Awards from different renowned institutions and industry forums



Awareness through Product Labelling





Transparent communication through product labelling helps in spreading awareness about our products among consumers, which in turn, builds their trust in our brands.

We also communicate the nutritional benefits on our labels designed as per the Food Safety and Standards (Advertainment and Claims) Regulation 2018 and mention benefits of balanced diet and exercise for our consumers.



By November 2021, we ensured that our entire portfolio of food product labels display relevant nutrient details, including Saturated fat, Trans fat, Added Sugar, Sodium, and Dietary fibres on the product labels

CONSUMERS

FY22 Packaging Innovations	FY22 Optimised Packaging Update
 <p>Bi-injection cap for Parachute Coconut Oil in Bangladesh to ensure the consumers receive genuine products which are difficult to counterfeit in market.</p>	<p>200 MT Reduction in plastic consumption in our rigid packaging</p> <hr/> <p>33% Reduction in label thickness across hair oil portfolio</p> <hr/> <p>33% Weight reduction in overall paper consumption through removal of mono carton in hair serum product Livon and shifting from 5-layer to 3-layer in outer case packaging</p>
 <p>The hexagonal beehive design squeezable pack for Saffola Honey provides easy usage, drip-free dispensing and better spreadability of honey for the consumers.</p>	
 <p>Agran, Shea and Almond oil were launched in Marico Middle-east and North Africa (MENA) with premium packs having superior aesthetics and premium look and feel.</p>	
 <p>New and more robust caps were designed for Parachute Coconut Oil to ensure that the oil packs ordered online are delivered to the consumer without damage.</p>	

The total reduction in carbon footprint from these sustainable packaging interventions are detailed out in the [Circular Economy section of the Environment chapter](#)

In-house product testing facilities

Our R&D facilities are well equipped with modern analytical instruments (HPLC/GC/MS) that are used to analyze levels (ppm to %) of key ingredients, actives, contaminants, in our products. Inputs from analytical teams are critical for storage stability studies, quality checks, nutrition labelling, claim substantiation, process optimisation, competition benchmarking and new vendor clearance as per Marico standards.

Our cell culture facility tests product efficacy and scientifically measures benefits such as shine, strength of hair, compatibility of hair, hair breakage, skin moisturisation, skin lightening and so on. We even partner with reputed analytical labs to support commercial batch testing. As a part of our policy, none of our products are tested on animals.



Offering Safe and High-Quality Products

Product safety and uncompromised quality are of utmost priority to us, at Marico. Marico's quality Management Framework governs ingredient safety and product quality at each stage in the value chain. Well-defined implementation and monitoring systems help in achieving 100% compliance with regulatory requirements.

All our products are tested in accordance with the applicable regulations at laboratories conforming to ISO/IEC 17025 and are certified by the National Accreditation Board for Testing and Calibration (NABL)

Product quality and compliance



- Raw materials**

We meticulously select the best quality raw materials and packaging essentials. This is to ensure that they are of the finest quality and are in-line with consumer expectations. We follow a rigorous safety process to analyse every ingredient before we consider it for our products.
- Suppliers**

We perform exhaustive quality audits for suppliers and maintain strict controls with respect to reliability and traceability. It enables us to ensure the quality of raw materials and packaging essentials.
- Manufacturing**

Our manufacturing units are USFDA, Halal, FSSC-22000 ver 4, HACCP certified, which ensure that robust systems and processes are in place to deliver high quality output.
- Packaging**

Strict controls on the quality of final packaging is maintained to ensure a pleasant consumer experience.
- Finished products**

Our teams ensure that the formula is compatible with its packaging throughout the shelf-life duration mentioned on our products.

Product Compliance

Value chain partners are mandated to undertake certifications related to product quality compliance, ingredient safety (including efficacy, use of artificial/hazardous substances), responsible and ethical sourcing. Ingredients are procured only from those partners who have successfully completed the mandatory certifications and screening metrics. Compliance with global regulations pave the route for registration of products across geographies.

We adhere to following protocols for ingredient safety assessment

International Standard Organisation (ISO); European Union (EU); Gulf Standard Organisation (GSO); Toxic Substances Control Act (TSCA); Vietnam chemical database system; Taiwan's chemical substance inventory (TCSI); Korea-National chemical information system; Australian Inventory of Chemical Substances (AICS); Industrial Safety and Health Law (ISHL) - Japan; China Cosing Database; Philippines Inventory of Chemicals and Chemical Substances (PICCS); Chem Sec (SIN)- Sweden; ECHA SVHC - European Chemicals Agency (ECHA) (Substances of Very High Concern (SVHCs); Washington's Children's List; Proposition 65; California DTSC; GHS - Globally Harmonised system of classification & Labelling of chemicals.

We adhere to all applicable product related compliances listed below

National
FSSAI, BIS, Ayush, AGMARK, APEDA, D&C, Legal metrology

International
European Union (EU), Gulf Standard Organisation (GSO), Regulations from countries like – China, Australia, Vietnam, Taiwan, Korea, USA, Japan, Canada, Thailand, New Zealand and Philippines

CONSUMERS

On-job training program on product quality and safety

Our workforce and business associates attend technical as well as functional training sessions and capacity enhancement courses on quality, safety, material handling and associated guidelines to deliver uncompromised quality of products to consumers.

Training topics include

COVID – Protocols, Packaging and Product quality, IMEM, Legal compliance, Operations and Inspections SOP, Food Safety, HALAL, NABL, GMP, GHP, GLP, IMS training, FoSTac, HACCP and FSSC 22000 version 5.1, FOSCOS, USFDA, First-aid and Fire Safety, SWAM, 7QC tools, Risk Assessment training and others.

FY22 training highlights



Over 650

Trainings across facilities investing more than 9,000 man-hours

Over 780

Marico members and 100% contractual workforce undertook these trainings

Key Alliances to Accelerate India's Journey towards Good Health

To promote shared goals on futureproofing consumers' health and safety, we participate in several industry-led thought leadership initiatives and represent on various national and international regulatory forums to understand and provide inputs for framing regulations related to ingredient safety. In association with Food Safety and Standards Authority of India (FSSAI), we run a diverse range of programs including:



Heart Health

A plethora of initiatives under the Saffolalife programme along with FSSAI



Safe and Nutritious Food

To educate school children on safe and healthy eating habits



Eat Right India

A collective effort by FSSAI and other key stakeholders, to spread the message of food hygiene to India's masses

Eat Right Movement



Dr. Prabodh Halde, Head- Technical Regulatory Affairs, Marico India receiving the Eat Right Patron Award

With the vision of transforming the country's food habits into a healthy and sustainable system, FSSAI's 'Eat Right Limited' movement is a collective effort of key stakeholders and is aligned with Government's recent focus on public health through its three key programs, namely 'Ayushman Bharat', 'Swachh Bharat Mission', and 'POSHAN Abhiyaan'.

Since last 5 years, Marico has actively been involved with Eat Right Initiative across

In FY22, FSSAI jury recognised Marico as **Eat Right Patron** for exemplary work

the country to 'Make a difference' by promoting food safety and healthy eating habits among consumers.

In FY22, we supported and achieved 42 Eat Right Certifications and conducted 4 capacity development sessions, touching lives of nearly 50 lac beneficiaries.

Marico was also recognised with the prestigious Eat Right Patron Award. The recognition was given by Mr. Arjun Munda - Honorable Cabinet Minister of Tribal Affairs, Dr. Bharati Pawar – Honorable State Minister Health And Family Welfare, GOI and Mrs. Preeti Choudhary - Director FSSAI WR at the Eat Right Mela, Nashik.

Consumer Connect and Outreach

We, at Marico, have an established Consumer Services Cell since 2007 that handles consumer queries and feedback as per regulatory guidelines. The ISO 10002 certified Cell follows a structured mechanism to respond to all queries and resolve issues, if any. **Currently we are well equipped to handle more than 5,000 calls per month through various channels like social media platforms, email, phone and video calls.**

Social Channels

Dedicated ORM desk established to track social media responses

Monitoring and Managing Risk

Crisis management protocol playbook and holding statements are readily available for reference. Measurable indicators like abandonment rate, first call resolution, average handling time, etc., are mapped to continuously measure and improve the consumer response management process. Periodic mystery quality audits are conducted

Customer Relationship Management

Consumer complaints/feedback are managed through online portal 'Darpan' that helps with complaint lodging, root cause analysis, record actions taken, maintain consumer database and gather insights

Visibility

Contact details for customer feedback is given on every product pack and our website

Training

Documented procedures and standardised training materials are prepared to train new joiners and conduct refresher training for existing members

Team

Consists of external contact center as well as internal quality team members

Process

Team members respond to consumers' queries and feedback based on FAQs to attempt first call resolution. If unresolved, level-based escalation matrix is followed. Escalated complaints & queries are immediately addressed by Corporate Quality Assurance team either through personal visit or email or phone/video calls. Post working hours, auto-responder mechanism is used to ensure a 24/7 connect with the consumers

Knowledge Management System

Internal knowledge portal consisting of defined protocols, FAQs, SOPs etc. is developed for contact centre. Technical docket of consumer complaint responses are made available to Quality team members



The Quality team at Marico maintains strong connect with our consumers through various initiatives that are designed to enrich consumer experience, capture their insights, preference and incorporate their feedback to improve product configuration. Proactive approach undertaken includes tracking online reviews posted by consumers, preparing 360 degree questionnaire to engage with them, sharing new product samples with select consumers with personalised messages.

Consumer Satisfaction Index

Understanding and responding to our consumers' needs, concerns and interests are of utmost importance to Marico. For this, the team conducts customer satisfaction index surveys every year.

As on FY22, 96% of survey respondents have shown satisfaction against a target of 85%.

Rewards and Recognitions

- "Best End to End Consumer Solution" award to Marico Consumer Response Management Team at the World Quality Congress
- "Most Innovative Company in Consumer Care Business" at the Customer Experience Engagement Loyalty Congress and Awards (CXELA).
- Awarded a "Special Recognition" in the Manufacturing stream for its initiative "CONnect - Journey Towards Consumer Engagement" (Consumer Connect Dawn to Dusk & Bond) at the Sixth CII National Excellence Practice Competition 2018: Customer Engagement & Satisfaction Practices

Maintaining strong connect

National Consumer Day Celebration

On the occasion National Consumer Day, we had conducted an awareness campaign in presence of senior FSSAI officials in December 2021. Several live fun-based learning events were organised on topics of Consumer Rights, Consumer Protection Act, etc. It received an active and enthusiastic participation from all our internal members.

QINTEL App Launch

In FY22, we have launched a mobile App based platform QINTEL for our internal members to capture and share their usage experience and feedbacks on our products/ packaging, new competition packs, new product categories etc., which appear in markets across the regions



CONSUMERS

Responsible Marketing Campaigns for enhanced consumer experience

The Tamil avatar of Parachute Coconut Oil

Parachute Coconut Oil launched an exclusive pack of the iconic Parachute Coconut Oil for Tamil Nadu. The new packaging design celebrated Kolam, the traditional decorative art of Tamil Nadu, which complements the iconic pack, giving it a novel regional touch while retaining its classical familiarity. The new-yet-familiar packaging also carries the famous tagline "100% pure coconut oil" translated in Tamil to strengthen its connection to the regional consumer base. The product's exclusive Tamil Nadu launch was accompanied by digital and print announcements as well as a TVC.

The TVC further underscored the product's roots by drawing attention to the fact that the product's raw material grows in Tamil Nadu, one of the major coconut farming states in India. The exclusive pack, therefore, was as much a new beginning as it is a homecoming for the brand in its Tamil avatar.



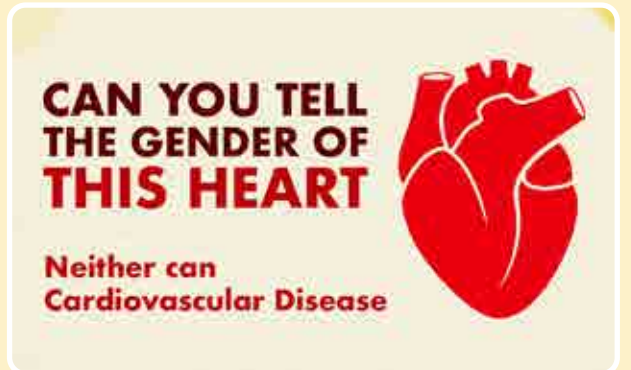
Nihar Naturals

A thought-provoking TVC campaign by Nihar Naturals highlights how hair is not just a marker of beauty and femininity for a woman but also a reflection of her chosen identity and an expression of her self-esteem. With its intellectual focus centred on the experiences of the modern Bengali woman, the TVC underscores the brand's role as an essential companion for her hair as she undertakes the transformative journey to achieve her aspirations.

Saffolalife 'World Heart Day'

Saffolalife has always championed the cause of heart health with a vision to create a 'Heart Healthy India'. In line with its objective to bring about effective change, Saffolalife launched yet another impactful campaign on World Heart Day 2021.

There have been many studies which have identified disparities between coronary heart diseases amongst men and women. While both men and women are impacted by heart problems, research shows that women are less likely than men to get their heart checked. This is because the signs of poor heart health do not appear as visibly in women as they do in men. This puts them at greater risk. This is further exacerbated by the lack of self-awareness among women about risk factors and the prevention of CVDs.



Therefore, Saffolalife urged women to choose #SelfCare, by getting a simple heart check up done and encourage the other woman in her life to get one too.



Saffola Plain Oats

Saffola Oats with its new TVC campaign attempts to revitalise Oats consumption experience in Kerala. The story revolves around the life of a young couple who have a typical banter at the breakfast table. The husband assumes the oats porridge to be the mundane experience he's used to and doesn't pay attention to it despite the wife asking him to do so. The brand enters the film when the husband takes his first bite of the oats porridge and realises that its much creamier than usual. This is when the wife informs him of the soft grains of Saffola Oats that lead to creamy porridge providing a much more enjoyable oats consumption experience.

Saffola Oodles #DoTheRings

Saffola Oodles' #DoTheRings campaign was launched to build excitement and fun around the launch of the Saffola Oodles brand.

The key attribute of the brand, the Ring Shape was used to create a clutter breaking ring-eye hook-step and was amplified across digital and social. This helped spike the awareness about Oodles in the target audience and weave fun and excitement into snack time.



CONSUMERS

SET WET

SET WET's campaign with long-time ambassador Ranveer Singh shows Ranveer in a pre-historic alter ego. It showcases the ingenuity, creativity, and cheeky nature of youth today, and aims to give young men a timely tip on the art of making an impression. The campaign aired across TV and digital platforms, complimented by the debut of an all-new look and packaging for SET WET products.

SET WET has played a key role in standing by young men, and helping them showcase the best version of themselves and display their innate playful, sexy and charming side with the time-tested motto, 'Sada Sexy Raho'.



Just Herbs

Sameera's aura syncs perfectly with Just Herb's brand ethos. Her raw and real self has always been and that's exactly brand's promise: Transparency and Honesty. The brand collaborated with Sameera Reddy for Just Herb's latest age -defense range to promote the idea of preserving one's natural beauty without having to worry about any reactions that may occur due to the potency of active ingredients.

Another campaign with Sameera was to draw attention to the alarming amount of lipstick that a woman consumes in a lifetime. Discontinuing the use of lipsticks is definitely not a valid solution. Therefore, the brand's herb-enriched liquid lipstick comes as the answer to all your glam needs without dumping unnecessary nasties in your body!

Beardo

Beardo's newest campaign Arrival of Don Beardo features the hottest celebrity of B-town Hrithik Roshan.

The 45 second film intimately highlights the characteristics of a true BEARDO - impeccable style, confident personality, and killer looks. Each aspirational quality has been naturally embraced by Hrithik in his larger-than-life persona, both on-screen and off it. The campaign's opening line - "Wanna Play Don?" sets the tone for what men can expect when they groom with Beardo.

Driven by timeless unwavering style, the vision behind the campaign is to inspire men to hone their sexiness and irresistibility by unleashing the BEARDO within.



Saffola Honey

Saffola Honey collaborated with the renowned actress Priya Mani for its new TVC campaign. The TVC aimed at generating conversations around the need for Indian consumers to demand the certification of purity and quality of the products they consume. The film highlights that Saffola Honey is 100% Pure Honey which passes all FSSAI standards and other advanced tests for any added sugar/ exogeneous adulteration, further underscores its commitment to delivering high-quality, zero adulteration products to its consumers.

Saffola Honey (Bangladesh)

To cater to the consumers pursuing healthy lifestyle, Saffola Honey was launched in 2020. Saffola Honey delivers great nutrition value and immunity boosting benefits to consumers. As one of the most trusted international brands in the region, Saffola Honey has continued its journey with its proposition of purity – which is further substantiated by international lab testing of each batch to ensure the 100% purity of each jar of Saffola honey.





CONSUMERS

Parachute Naturale Shampoo (Bangladesh)

Parachute Naturale Shampoo was launched with 3 exciting variants: Nourishing Care, Anti Hair-Fall and Damage Repair. The brand rolled out campaigns highlighting the route of "Say Yes to Parachute Naturale Shampoo" to further strengthen the brand's natural shampoo proposition.



Keeping consumers at the centre of our value creation approach, we aspire to transform customer experience by delivering quality products that complement their uncovered needs.



Caivil Colour Shines (South Africa)

At the beginning of FY22, Caivil underwent a packaging relaunch of its Caivil Colour Shines Hair Colour range.

Considering that consumers use hair colour not only to cover grey hair but also to make a style statement and augment their personality. Caivil was perceived to be a brand for an older audience and did not stand out on shelf.

Thus, began the journey to give the Caivil Colour Shines a revamp and ultimately give the mother brand the boost that it needed. The positioning was altered to give the brand a trendier and more youthful feel, thus making it relatable to the consumer. The packaging now encompasses the signature gold colour and incorporates the use of fashion mood boards to create a world of colour; the shoes, nail polish, fashion that pair with the hair colour to evoke a sense of 'a world of colour'.

This relaunch was support by a 360 plan that incorporated digital advertising, the use of influencers, TV promotion, instore support, digital, radio and OOH advertising.



MEMBERS

PEOPLE FIRST Business Next

KEY HR HIGHLIGHTS FROM THIS YEAR

Member Engagement

~90%

of our members voiced their opinion to make Marico a future-ready workplace

83*

Member engagement score through the year, 5 points above global benchmark

96%

of our talent practices rated above global benchmark by our members

Internal Talent Pipeline

84%

of the current leadership team is home-grown talent

100+ promotion and 200+ internal role movements

Opportunities provided to members, in line with their aspirations

91%

of our members are deeply connected with Marico purpose

85%

of our members say that Marico provides great opportunities to learn and grow

87%

of our members have strong sense of belongingness and connectedness with Marico

Talent Acquisition

64%

of our managerial talent hiring is sourced internally through alternate channels and referral

Member Recognition

269

Members recognised for their commitment to Marico through Long Service Awards

83%

Of our members say that Marico takes care of their wellbeing

Inclusion & Diversity

Inclusion

86%

of our members experience Marico as an inclusive workplace where diverse perspectives are valued

Gender, Differently abled, and thought Diversity

~27%

of our decision-making roles (Managers & Partners) have diverse talent

Equal

Gender diversity representation in decision-making roles (Managers & Partners) of our consumer facing functions (Marketing and Technology)

89%

of our members experience Marico as a harassment and discrimination-free workplace

~30%

Increase in diverse talent representing our leadership positions (partners & CXOs)

Member Volunteering

#MentorToEmpower program

50+

Volunteering members

100+

Hours volunteered

~2,000 students

Mentored on employability skills across 25 colleges of India

#MaricoGreenFootprints program

20,000+

Trees planted for creation of Marico Forest through volunteering activities

#PledgeToCause program

USD\$ 5,000+

and in-kind donations made by members, across locations, to causes close to their hearts via Give India, Goonj etc.

*Engagement scores are measured on favourability



MEMBERS

Our People Philosophy

At Marico, in line with our **People-first ethos**, our members have always been ahead and above everything else. We believe membership is superior to employee-ship and hence consciously, all Mariconians are called 'members' and our culture is founded on our core beliefs of trust, transparency, care, inclusion, and teamwork.

Our **talent, culture, and capability practices** to deliver our unique talent and business promise over the next 3 years, are driven by '**GROW**' umbrella - Grow the business, Refresh the culture, organise for future, Win with talent. We are committed towards continuing to drive strong business performance by **building a Future-ready, Inclusive, and Happy workplace** for all Mariconians.

Building a Future-ready workplace

Leveraging our learnings through the COVID pandemic and re-imagining Marico of future, we continue to focus on enabling growth in our new growth verticals and channels, invest in future-fit digital, leadership, and functional capabilities to prepare leaders of tomorrow, and attract new-age skills through our purpose-led employer brand.



Developing a future-ready talent pipeline

Marico has extensive online learning programmes not only to enable our people to upskill and reskill for their roles but also to help them prepare for the changing landscape of work and groom them into 'leaders of tomorrow'.

Digital Capability Journey

Our ambition is to ensure all our people can reskill, upskill, work more flexibly, and adapt to the changing world of work.

In the shift from "Doing Digital" to "Being Digital", we crafted a Digital Capability Journey for enhancing Digital Quotient of Members through;

Digital Enablement Journey Chrysalis was developed which comprised of the following -

Digital Awareness - To explore the deeper nature of the digital technologies and exponential trends, and to learn to execute in the digital world by;

- A Digital readiness and awareness to check on the digital quotient
- Delving into the concepts through a wealth of external resources

- Understanding the impact of digital in business and ways of working and understanding how digital innovation impacts the business
- Digital Enablement - Learning the techniques of critical thinking and the cognitive by Digital Marketing Courses by **Sampliner**

Digital Marketing Certificate Program by Wharton

To further build on the advanced level skills of members in this domain, we created an advanced digital marketing journey in association with **Wharton** to develop the Digital DNA traits and capabilities identified as relevant in the digital journey. Designed by world renowned marketing professors at Wharton School, the journey focuses on key marketing skills most in demand today to enable members to upskill and be future ready in domains like omni-channel marketing, marketing analytics, social media strategy and analysis, and data-driven customer-centric approaches to customer retention.

FutureSkills is an initiative by NASSCOM and leading IT & ITES companies is "A Skilling Ecosystem focused on Emerging Technologies" to upskill our Members in the Business Process Transformation and IT Domain

in new age technologies and professional skills. **FutureSkills** is powered by EdCast and is designed to:

- Build familiarity with key tech topics
- Keep up to date with the latest technology trends
- Nurture curiosity and culture of continuous learning
- Learn fundamental concepts and use of languages in sync with emerging tech
- Build in-depth knowledge and skills through formal courses, assessments and labs

Nurturing our Growth Culture

As an organisation, we have embarked on the journey of setting up **Marico 3.0** by establishing some of the critical pivots of organisation structure, talent and leadership, and ways of working, which will accelerate our future readiness and catapult our transition into the next phase of transformation and growth;

- Reorganised the **Sales Function into Sales 3.0**. This will help us continue to win in markets by **Winning in Many India's** by strengthening our Micro Market focus and execution, enhanced agility with on-ground decision making and leveraging technology and analytics.
- To help build a healthy pipeline, we launched a Sales Development Program – **Skill Up**. The primary objective of Skill Up is to build functional depth, increase productivity and stability among sales Members. The journey is planned to build functional and leadership capabilities by defining standards on a competency scale, thorough assessments and building holistic learning solutions keeping in view current business challenges with help of internal and external facilitators, simulation workshops, mobile based learning etc.

Internal Talent Pipeline

84% of the current leadership team is home-grown talent

100+ promotion and 200+ internal role movements opportunities provided to members, in line with their aspirations

Strengthening our Learning Culture

We have created bespoke interventions under **BLINK** and have individual development plans for our leaders with the right mix of immersions, on-the-job learning, and coaching. We continue to explore newer channels of learning with platforms like **Udemy, getAbstract and Go1**. We have seen a shift in consumption of learning which is now byte-sized modules consumed on the go.

Hiring Future-Ready Skills

To enable Marico's accelerated growth journey, it is imperative to attract and retain top talent across diverse background, education, and experience.

Digital Hiring

Launched the next-gen, AI based recruitment platform to enable one-stop solution for hiring process.

Focused Hiring Programs

To ensure a **diverse talent pipeline**, we have further strengthened our efforts in this direction through multiple initiatives:

- Identify and hire differently abled candidates through specialist recruitment partners
- Identify and hire from diverse profile backgrounds of education, industry, overall experience, nationality, employment model





MEMBERS

Diversifying Talent Sourcing

To ensure a diverse talent pipeline, we have further strengthened our efforts in this direction through multiple initiatives:

• Alternate Hiring

Leveraged job portals like Naukri, IIM jobs & social media platform like LinkedIn to reach out to prospective talent resulting in faster hiring closures and direct cost savings.

• Talent Referred By Mariconians (TAREEF)

Encourage our Members to refer professionals from their social network and get rewarded for every successful referral. 28% of vacancies at the mid-management level was filled through our referral program.

64%

of our managerial talent hiring is sourced internally through alternate channels and referrals

• Homecoming

Our strong alumni network acts as a potential source of talent pipeline for us. Through our re-hire policy, we have welcomed several ex-Mariconians back into the Marico family.

• Graduate Leadership Program

With a focus on incorporating thought diversity in our talent, we hire Graduate Trainees from top institutes like Shri Ram College of Commerce, Lady Shri Ram College for Women & Shaheed Sukhdev College for Business Studies. The trainees work on several cross-functional projects enabling an all-round learning and development for them. This year, the 1st ever GLP batch has successfully completed their 18-month program and has been absorbed in different functions at managerial positions.



• Campus talent

We proudly rose by two positions to secure the 7th rank as the **most desirable FMCG/Beverage Company** in B-Schools in the Dare2Compete Award. This is a testimony to our robust campus programs which are among the strongest sources of upcoming young talent from premier B-Schools.

Robust campus programs

IGNITE

Our flagship leadership program, IGNITE provides a holistic learning to the management trainees who undergo cross-functional stints under the close guidance of the leadership. The number of leaders at senior positions who joined us as IGNITE management trainees are a testimony to the success of our campus program and an inspiration for the new batches.

Summer Training at Marico's Pace (STAMP)

The 2-month internship program for students from premier B-Schools provides them an opportunity to work on high-impact live projects under the guidance of the leadership. In efforts to make our program holistic, this year we went international and provided the interns opportunity to work on cross-geography projects to enable them to grow beyond.

Over The Wall

Our flagship case competition this year was bigger than ever and received an overwhelming response from over **18,000 students** from 18 B-Schools. The competition, in line with our philosophy of nurturing and mentoring young talent, provides students an opportunity to share innovative business ideas and a chance to work on live projects. Through its comprehensive design and mentorship structure, OTW Season 9 was featured among the **Top 20 Prestigious B-School Competitions by Student Community Platform- Dare2Compete.**

Looking ahead with New-age Policies and newer Ways of Working (WOW Culture Code of Marico)

We embraced hybrid working during the pandemic and leveraged our key learnings through this shift to shape future of work **where our members feel empowered, trusted, and connected.**

Outcome oriented goal management process (Management By Results - MBR)

We strengthened our performance management process by aligning member goals to strategic business plan on next 3-4 years horizon and defined goals in terms of clear outcome and impact on business.

Empowered leaders by redesigning talent processes/systems

to bring in transparency and supervisor ownership in driving Engagement, Development, Performance for their respective teams through Glint, Blink, and MBR systems

Reimagined flexible working with work-life integration policies

- Location flexibility policy provides members flexibility to avail work-from-anywhere for an extended time-period
- Life-stage flexibility policy provides members flexibility to avail sabbatical leave to balance their personal and professional commitment

Catapulting Engine 2.0 with differentiated talent focus

With a focus to build Business Units (BUs) as separate, agile, start-up organisation within Marico, we laid a strong foundation with the right business strategy, talent mix and core cultural pillars in last one year.



Continuous enhancement of flexible working experience basis member feedback, global context, cultural tenets, and technology trends

under these three key members needs to inspire and build trust irrespective of work location -

• Connect

Increased frequency and mediums of informal connect –Yammer, Fireside Chats with leaders, Happy Team Hours on Friday, and multiple recognition mechanisms

• Communication

Increased frequency and rigor in formal communication channels – senior leadership connect (Facetime and Org Communication), Functional connect (Townhall), HR connects, Team Huddle and Burst communications

• Capability

Upskilled supervisors on 'Leading Remote Teams' and stepping up to become 'Coaches from Managers', enhanced rigor on managing work-life integration and 'ME time' for focused work, enabled 'back to office' transition through Roster, Travel, Connectivity, and enhanced safety guidelines

The talent focus for new businesses in last one year has been on:

- Building the right structure and new age capabilities like performance marketing, content specialist and e-commerce for Digital First Brands
- Identifying and instilling key cultural tenets and behavioural attributes (Growth mindset, Risk Taking, Fail Fast, Independence, Cost Consciousness, Speed and Agility) which will enable BUs to succeed



MEMBERS

Building an Inclusive workplace

Inclusion & Diversity has been a strong focus for Marico as we believe an environment that lets our employees bring their authentic selves to work can help build a workplace that is truly inclusive, respects diverse thought processes, encourages varied ideas and is able to make the right business decisions that create truly valuable outcomes for our consumers

In the last few years, through leadership commitment and by aligning the larger ecosystem, we have made significant strides in building our I&D vision that has resulted in significant policy, process, and infrastructural changes. From making all our policies gender neutral to extending same sex partner benefits we have tried to ensure our employees feel valued and safeguarded irrespective of their diversities.

Our I&D vision prioritises inclusion as we believe that no significant progress can be made in terms of diversity unless we have an environment where each of our employee feels a sense of belongingness. Over the last two years, we have led various proactive sensitisation



efforts to create awareness around sexual harassment, discrimination, and workplace respect. Additionally, we have run sessions to generate awareness around Unconscious biases that can impact our work environments as well as hiring and retention of key talent. On a quarterly basis, we also look at our inclusion scores which primarily measure if the organisation values diverse perspectives and if our employees are experiencing a discrimination and harassment free work environment. Over, the last one year, on an average 81% of our employees feel included and our endeavour is to build on the same further

Leadership Commitment demonstrated through Policy, Programs & Infrastructure Led Changes

In alignment with our People-first philosophy, we continue to accelerate our efforts to bring-in further policy, programs, and infrastructural changes to build a more inclusive workplace.

Identifying members' diverse needs

Actively engaged with our members to listen to their feedback using multiple mechanisms of Culture & Engagement Survey, Focused Group Discussions with the specific diversity 'cohorts', One on One interactions with representative groups and organisation wide workshops to craft targeted interventions.

Diversity intelligence and sensitisation

In order to continuously enhance Inclusion Quotient of our members, we sensitise our members regularly on diversity related topics to help them proactively prevent potential discrimination or harassment.

- Every year, we celebrate "Marico Inclusion Month"
- We have a dedicated D&I webpage to position Marico as an Equal Opportunity organisation

- We conduct round-the-year sensitisation trainings and workshops on related topics
- Sought declaration from members to understand Invisible types of disability/sexual orientations/gender identities

Driving Policy Enablement

- Bouquet of reimbursement benefits for 'new parents' including offering around transport, physical, and mental wellness
- Post maternity Flexi work options
- Fully paid adoption leaves similar to maternity/ paternity benefits
- 'Same Sex' Partner benefit for all policies of Marico; gender neutrality in all policies/guidelines
- Specific need based Mediclaim policy for differently abled members
- OPD coverage for persons with disability
- Audit of all policies and guidelines to continually enhance Gender neutrality

Driving Infrastructural Enablement

- Gender Neutral/Disability friendly Infrastructure – Corporate Office, R & D Office, Sanand & Guwahati Plants (India) Infrastructural facilities for Differently-abled
- New ID Cards with 'pronouns I prefer'

Inclusive Hiring Practices

- Expanding list of management campuses to diversify our campus talent pipeline
- Launch of Graduate Trainee Program that aims to identify top graduate talent
- Identify and hire second career women (women on career breaks) as consultants
- Identify and hire differently abled candidates by partnering with specialist recruitment partners
- Identify and hire from diverse profile backgrounds of education, industry, overall experience, nationality, employment models

Our people roadmap is focused around developing future-ready capabilities, building a digital-first Marico, enabling critical and differentiated talent.



Governance mechanisms

- Inclusion & Diversity council has been set up to provide governance and oversight to the I&D vision. The council is led by the CEO and has a total of 8 members including one external member acting as a consultant
- Inclusion metrics are laid out, tracked, and quarterly reported to the CEO/Executive committees
- Grievance reporting and redressal is facilitated through Code of conduct and Internal Committee. Marico's POSH policy is gender neutral.
- POSH surveys conducted for members of all genders to understand issues, challenges, and drive focused sensitisation efforts

Inclusion

86%

of our members experience Marico as an inclusive workplace where diverse perspectives are valued

89%

of our members experience Marico as a harassment and discrimination-free workplace

Gender, Differently abled, and thought Diversity

~27%

of our decision-making roles (Managers & Partners) have diverse talent

~30%

Increase in diverse talent representing our leadership positions (partners & CXOs)

Equal

gender diversity representation in decision-making roles (Managers & Partners) of our consumer facing functions (Marketing and Technology)



MEMBERS

Building a Happy Workplace

In order to enhance organisation effectiveness while strengthening Marico culture, our focus is to create **High Performing and Innovating teams** nurtured with trust and care.

Through the year, our utmost priority has been to continuously listen to member needs and aspirations and align our people practices to support their holistic wellbeing and growth.



Member communication and engagement

We enhanced frequency and rigor of virtual **leadership connects** via **Townhall and Facetimes** for regular **two-way communication** with members

We strengthened our **Member listening and action taking** by moving from annual engagement survey to frequent bi-monthly pulses and benchmarked ourselves against global companies on **'Glint'** – a LinkedIn platform. We empowered supervisors to drive their team engagements through sharp insights and focused action plans on Glint. ~90% of our members voiced their opinion to make Marico a future-ready workplace with the following results:

- We had consistent high member engagement score of 83 through the year, 5 points above global benchmark
- 96% of our talent practices rated above global benchmark by our members

- 91% of our members are deeply connected with Marico purpose
- 85% of our members say that Marico provides great opportunities to learn and grow
- 87% of our members have strong sense of belongingness and connectedness with Marico
- 83% of our members say that Marico takes care of their wellbeing
- 269 members recognised for their commitment to Marico through Long Service Awards

“Amber - CEO’s personal digital assistant”

It is a Chatbot developed to communicate with our new members and take their regular feedback.

Go Beyond, Grow Beyond, Be The Impact with Marico – our new Talent Value Proposition

We recalibrated our talent promise to enable all members to 'Go Beyond, Grow Beyond, Be The Impact' with our new Talent Value Proposition (TVP). We charted a refreshed roadmap for the future with our members wherein **we aim to support their aspirations of leaving a positive mark on the society, while also unlocking and nurturing their true potential and raising the bar of excellence** with Marico

We launched various experiences for members to bring each of the 3 TVP pillars alive

- **Go Beyond**
100+ **promotions** and 200+ role **movements**, in line with member aspirations
- **Grow Beyond**
Reinforcement of trust, flexibility and inclusivity through location flexibility, sabbatical policy and forming of Inclusion & Diversity council towards building a **futuristic and inclusive workplace**
- **Be The Impact**
Built various member volunteering avenues towards **fulfilling member purpose** at Marico through programs like-

- #MentorToEmpower: 50+ members volunteered 100+ hours for mentoring ~2,000 students on employability skills across 25 colleges of India, with overall beneficiary feedback of 4.5/5
- #MaricoGreenFootprints: Creation of Marico Forest with 20,000+ trees, contributed by members through various initiatives such as Impact League (1 Kilometre walked = 1 tree donated)
- #PledgeToCause: facilitating monetary donation to causes via Give India, Goonj etc. (USD\$ 5,000+ and in-kind donation across locations)

Holistic Health and Wellbeing of members, families, and extended workforce

COVID related support for our extended family-

- Vaccination drive covering both doses for 100% of workforce and their nominated dependents (family and house-helpers)
- COVID war-rooms to ensure emergency resources, medical advisory through on-call and empanelled doctors, tie-ups for ambulance, oxygen cylinders, COVID testing etc.
- Aiding infected members through emergency salary advance, Quarantine care treatment cover in Mediclaim, reimbursement of COVID expense for off-role field force
- Support in case of unfortunate demise through continuing salary credit for a year, supporting kids' education till completion of higher education, Medical Insurance support for family members, waiver of employee loans, and personalised financial assistance and advisory

Insurance Policy enhancements

such as Extension of medical insurance benefits to the extended family members (parents/in-laws) and Enhanced Maternity benefit, insured ailments

‘Stronger Together’ wellness offerings

in partnership with leading experts to provide support through various “Stronger Together” initiatives on physical, mental, social, and psychological wellness;

- Tie-up with India's leading healthcare app for remote consultations and medicines delivery at doorstep
- Dedicated **“My Well-being Hour”** for members to take off 1 hour each week to focus on their wellbeing through various wellness initiatives
- Accelerated efforts on **mental wellness** this year through active reach-out, training and communication and counselling services for members and their immediate family. We also conducted regular assessment to gauge the mental health of our members and took immediate action in case of any red flags
- Launched a **Member Health & Lifestyle App** to support members improve their wellbeing through healthy Lifestyle choices
- Combined our Wellbeing and Sustainability agenda, organised **“MaricoGreenFootsteps”** initiative – 1 tree planted for each Kilometre a member walked towards building Marico Forest



*Engagement scores are measured on favourability

MEMBERS

Occupational Health and Safety

At Marico, occupational health and safety forms a part of daily work habits and permeates through every function. With this mindset, we have successfully induced behavioural changes to eliminate unsafe practices and take preventive actions. The active safety culture practiced across the organisational footprint, protects our people against injuries, builds their morale and improves overall employee health, thereby enhancing efficiency and productivity.



FY22 Health and Safety Performance

Zero fatalities

for 5 years in a row

23

Incidents

0.404

LTIFR*

*LTIFR refers to Lost Time Injury Frequency Rate, the number of lost time injuries occurring in a workplace per 1 million hours worked

Incident Trend for India Operations

	2017-18	2018-19	2019-20	2020-21*	2021-22
Fatal	0	0	0	0	0
LTI*	5	4	0	4	2
FAC	45	24	17	21	16
MTC	7	6	4	2	5
RWC	0	0	0	0	0

*Loss time injury is one wherein the person does not report for duty for two consecutive shifts.

*Note: Number of LTI and MTC cases of FY21 have been updated based on changes in data curation process. However, total number of incidents for FY21 remains the same, i.e., 27 (as reported in previous Integrated Annual Report)

SHE Governance Mechanism

Health and safety at our manufacturing facilities is managed by Safety Health and Environment (SHE) Management Committee. The committee is headed by Works Head and includes departmental heads.

Health and safety officers are responsible for driving SHE related activities at the factories and directly report to respective Works Heads about SHE performance. SHE performance of facilities is reviewed by the committee and corporate team on monthly basis to analyse the risks and take appropriate action to improve performance.

Concerted efforts are put to investigate each incident and derive meaningful insights to deploy the corrective and preventive actions across all our sites to prevent a similar mishap in future.

"I felt Safe" Campaign




This campaign was started as a pilot program at our facilities to convey the significance of building a safe work culture and safeguard lives. The campaign was conducted in vernacular languages for the ease of understanding.

At the end of their shifts, workers and members were asked to vote whether they felt safe at work or not. This helped us identify areas of improvement when people raised safety concerns through the voting process.

Safety Trainings

Trained workforces create safe work environment thereby transforming safety culture of the organisation. We provide adequate safety training to each of our members and business associates depending on the role that he/she has been assigned with.

In-house training competency matrix developed at Marico, maps each role to corresponding training requirements. It is ensured that 100% of the workforce, including contractual workers, receive safety training before starting their respective jobs. Classroom as well as video-based training sessions are conducted on a regular basis. Safety training kiosks installed at each of

our facilities have helped us automate the basic safety trainings in English and vernacular languages. New workers mandatorily undergo training through these kiosks as a part of their induction.

~3,000 manhours of safety trainings conducted for members and contractual workers across all facilities in India in FY-22

We are committed towards continuing to drive strong business performance by building a future-ready, inclusive, and happy workplace for all Mariconians.



Road Safety

Job role of a large part of our workforce involves local travel. With an intent of making business journeys safer for our members and associates, we have partnered with eDriving, a US-based organisation to deploy tech-based solutions for road safety. It allows us to monitor the riding/driving behaviours of our members and associates and help them improve their driving skills thereby reducing the risks of meeting with accidents.

Audits and Inspections

Audits and inspections are important parts of the SHE management systems. All our sites are ISO 14001:2015 and ISO 45001:2018 certified by accredited external agencies. Apart from these external audits, cross functional audits are also conducted at all Marico owned facilities throughout the year. The audit findings are discussed during the monthly factory SHE management meetings and corporate review sessions to map out measurable corrective actions.

COLLECTIVE EFFORTS towards responsible growth

Collaborative association with our value chain partners plays an intrinsic role in attaining mutually beneficial outcomes and steering responsible business practices. We regularly engage with them to understand their modus operandi, business-critical concerns, and expectations from their relationship with Marico.

Throughout our engagements we try to synchronise our vision towards a socially inclusive and sustainable future with the actions that are currently being taken by our partners. Our efforts are maneuvered towards elevating local economy and outspreading positivity in lives of those who are linked with our value chain while maintaining business continuity.

Distribution of Value chain partners/Suppliers

 **~412**
Total suppliers
as of FY22



Raw material
& Packaging
Material Suppliers



Convertors



Depots and
Warehouses



Logistic Partners



VALUE-CHAIN PARTNERS

Responsible Sourcing Practice

We continue to take forward Marico's responsible sourcing program, Samyut, to educate our value chain partners about our sustainability vision of upholding ethical, social and environmental commitment through strong governance.

Read more on Pg. 98 described in the Environment chapter of the Integrated Report

Ensuring ethics and integrity across the value chain

Marico's Code of Business Ethics (MCoBE) encompasses the organisation's philosophy, vision, policy and actions towards integrating human rights and ethics in every stratum of the business ecosystem.

All value chain partners must adhere to the mandatory guidelines on MCoBE that constitutes a non-negotiable component of every business contract.

The following components of MCoBE ascertain that our partners understand and reciprocate on our value towards protection of business ethics and human rights across the value chain.

- Anti-bribery and corruption
- Human Rights (Child Labour, Forced Labour, Wages, Working conditions)
- Diversity & Inclusion
- Safety, Health and Wellness
- Prevention of Sexual Harassment
- Environmental commitments

Raw Material & Packaging Material Suppliers

Upstream supply chain, especially of raw and packaging materials, prompt production and distribution patterns that tacitly influence consumption behaviour. We prioritise supplier relationship management that operates with the philosophy of creating synergistic business goals and inspire our partners to deliver excellence and efficiency. Some of the important facets of supply chain that we pay special attention to, while maintaining supplier relations are described here.

Supplier Selection Process

The supplier selection process is applicable for procurement of commodities and non-commodities by the organisation. The policy guidelines elucidate the following stages in the standard vendor evaluation process:

Vendor identification: The identification of appropriate vendors is done based on the business needs and is influenced by critical factors like the vendor's current business share, price, availability of the material etc.

Vendor Evaluation: Scrutinisation of vendors' competence, credibility, and background verification are performed on the identified vendors considering illustrative parameters such as tenure in business, local credentials, market credibility, production capacity, alignment with Marico's pre-requisites and mandatory compliance with regulatory requirements (VAT, PAN registration etc.). The vendors are also be assessed on the geographical area of operation.

Vendor Application & Registration: Once the background screening process is completed, the shortlisted vendors are requested to fill Marico's Vendor Application and Registration form with all relevant details as required.

Vendor audits: Based on the nature of goods procured (commodities or non-commodities), the Consumer Quality audits are conducted based on predefined audit boundaries. The outcomes of these audits help the procurement team to ascertain the technical and financial credibility of the vendor, ahead of the selection process. In other instances, the audits help in periodic tracking of the vendors' performance on specific requirements.

Vendor Selection: Recommendations from the dedicated Vendor Evaluation (comprising of the Procurement Head, respective procurement managers and commercial experts from buying team) are sought at this stage, to validate credentials provided by the vendor. The final selection of vendors take place on the basis of technical parameters, quality aspects and cost considerations. The absolute must-haves derived from Marico's responsible sourcing principles (ethical responsibility, environmental conservation and social commitments) are also vetted at this stage, in case the vendor qualifies as a 'critical vendor' in the respective category.

Delegation of Authority: All documents submitted by the vendors are scanned and maintained on the Vendor Master Gateway. Based on the size of the business share, the

Supplier Development & Supply Assurance

We embrace the expertise of our diverse suppliers and work closely to align their performance with our broader goals. New vendors are identified from diverse background and are on-boarded after rigorous screening assessment. Capacity Development programs are organised intermittently to resolve quality issues, drive innovation, enhance performance and assure time-bound supply, that in turn, strengthens our long-term relationship and earns competitive advantage.

Supplier Quality Excellence (SQE) @ Marico

Based on, and in line with, recognised schemes of Global Food Safety Initiatives (GFSI), Marico's 'Supplier Quality Excellence' program aims at enabling value-chain partners to ensure that supplied products are safe, legally compliant and conforms to agreed quality specification.

Scope

- Developing supplier capability to deliver zero defect products
- Attaining excellence through benchmarking and continual improvement
- Monitoring system efficiency and effectiveness
- Reducing Cost of Poor Quality (COPQ) and improving supplier profit margins

Outcomes till date

- Reduction of quality incidents in raw materials by **11%** and packing materials by **26%** from FY21 to FY22 despite multifold increase in volumes and number of SKUs sourced
- Managed to reduce the inventory by norm reduction in selected categories of **packing materials by 17%, foods by 10% and raw materials by 6%** when compared to FY21

Quality within Supply Chain

The procurement and central quality assurance team at Marico jointly drives the **Supplier Quality Excellence (SQE)** program which aims at capacitating our value-chain partners to accelerate performance and deliver excellence.

Approach

- 1 As-is study and benchmarking
- 2 Developing comprehensive SQE Handbook and Audit check sheet with periodic updates
- 3 **Gap Analysis & Capability Building** Supplier Self Audits, Marico Visits and Training Programs
- 4 **Verification & Corrections** Audits, Audit Closure Reports and Data analysis
- 5 **Continuous Improvement** CAPA Insights Document created and shared with all suppliers as a proactive measure to identify quality issues & their prevention methods

- Managed to bring down COPQ by **24%** in packing materials through structural interventions when compared to FY21
- **85%** of our suppliers enrolled in the program are placed under premium category of vendors basis performance evaluation

Encouraging local procurement

Sheltering numerous sustainable implications, local/indigenous procurement has reserved our preference. It reinforces flexibility, transparency, and control over supply chain, thereby establishing stability in operations.

As of FY22, 94% of our procurement by spends were from local/indigenous suppliers.

VALUE-CHAIN PARTNERS

Diversity in PCNO cluster



Packaging support activities of Parachute products, our signature brand, takes place at third party units in and around our Perundurai and Pondicherry units which together forms the Parachute Coconut Oil Cluster (PCNO) including Coimbatore. The PCNO manufacturing cluster provides livelihood generation opportunities to local community, especially women, proclaiming diversity in workforce and inducing economic stability in society. **Out of 1,500 employees working in the cluster, around 600 employees are local residents.**

40%
of total workforce comprises of women employees

40%
of total workforce belong to local communities

Convertors

Our salient ally with convertors or third-party manufacturers ensures uninterrupted operations. They share the responsibility of transforming our products into packaged finished goods, that are ready for dispatch. We assist our business associates in upgrading their facilities to make best quality products with minimum environmental footprint. We also provide on-site assistance to our convertors with respect to technology upgradation, quality management, capability building, process modification, operational excellence and safety, health, and environment (SHE) initiatives.

Our key coconut cluster convertors have FSSC 22000 certification on food safety management. Some of our packaging partners also undergo commercial audits conducted by external agency. In FY22, in addition to external audits and certifications, Marico team has conducted several training and upskilling programs for dedicated third-party manufacturers on machinery maintenance procedures, 7QC tools, food

safety, operational SOPs, quality management system and safety procedures as a part of our common development goal.

Some of initiatives undertaken in FY22 to improve operational efficiencies of our filling and packaging associates include:

- 1 New mold installation for productivity improvement
- 2 Automation initiatives like online conveyors, auto capping machines
- 3 Projects on rejection moulding

Depots and Warehouses

Synchronised functioning of our downstream value chain partners, depots and warehouses, facilitate smooth delivery of our products in different regions. We aid their capability elevation journey by means of several engagement programs.

Hyderabad, Sonipat, Coimbatore & Bhiwandi Warehouses

Depots with Warehouse Management System

Automation in Warehouses

Incorporation of 'Warehouse Management System' (WMS) in four of our major warehouses has helped us improve operational efficiency and stocks accuracy by automating elementary functions like goods receipt, storage, warehouse control, picking and retrieval of goods.

~500 man hours

spent in FY22 towards safety trainings to depot staff and contractual workers on themes like fire safety, electrical safety, loading/unloading techniques along with storage/handling, crisis management, Leakage & Damage, Food Safety, DQR & QMS Goods In Transit and waste management.

Zero major incident reported in any of the depots and warehouses. This has been the trend for the last 5 years.

Logistics and Transportation

Strategic involvement with logistic and transportation throughout planning, execution and monitoring of product movement is crucial for enhancing customer experience while bypassing geographical limitations. Our initiatives with logistics partners are thoughtfully designed to build an agile and sustainable distribution network with wider market coverage at competitive costs.



FY22 initiatives

- Vaccination drive conducted for all depot and ground staffs
- Crisis Management workshop was conducted for leadership team
- Alternate network planning was undertaken to identify any at-risk lanes
- Expansion of Logistics Process Digitisation project

Occupational Health & Safety systems at Depots and Warehouses

Considering health and safety vulnerabilities in our supply, we have adopted an integrated approach on identifying potential risks and hazards, prevention of hazards and protection of personnel against occupational risks.

Every manufacturing partner and depot operator is expected to follow health and safety guidelines covered under Samyut Policy and qualify a set of critical SHE criteria to continue their associations with Marico.

SHE trainings are conducted by Marico's SHE manager for respective depot managers or leads. The same training is then conducted for depot workers by depot managers. Monthly reviews are conducted for depots to check their incident preparedness and proactiveness to mitigate future risks. External agencies are appointed to add an extra layer of due diligence to existing health and safety practices at depots and third party manufacturing units. In FY22, Safety Health and Environment audit was conducted by M/s QACA.

No major health and safety related incident was recorded in FY22



MAKING A DIFFERENCE sustainably

Community forms an integral part of our stakeholder ecosystem, and largely determines business ongoings and success. Our shared value creation model thrives with community partnership and trust. We look beyond our operational boundaries to have positive impact on society by nurturing and empowering community with education, skill development opportunities, good health, livelihood, and innovation. Keeping sustainable transformation at the epicentre, we expand the scope of social development initiatives around key thrust areas through our corporate social responsibility program.



2.55 Lakh acres with over 62,918 farmers*

Enrolled in Parachute Kalpavriksha program



2.89 Lakh teachers and 4.17 Lakh students

Impacted by the Nihar Shanti Pathshala program that boosts English literacy for students, who have limited access to advanced educational systems



3 Lakh+ lives*

Touched by Marico's community sustenance program, conducted across all manufacturing units in the last 3 years



8 new disruptive innovations

Onboarded by the Marico Innovation Foundation in FY22



263 Crore litres*

Water conservation potential created by Jalashay program through construction of farm ponds. This is over 3 times of total water that Marico consumed in its operations in FY22



5,800+ placements

Achieved by the different skill empowerment programs offered under Nihar Skills Academy



55 Lakh beneficiaries across 17 Indian cities

Supported with Covid-relief efforts



16 Lakh beneficiaries

From the 'Eat Right certification program', conducted in collaboration with FSSAI



30,000+ trees planted

As part of Marico's Afforestation and Habitat Restoration program



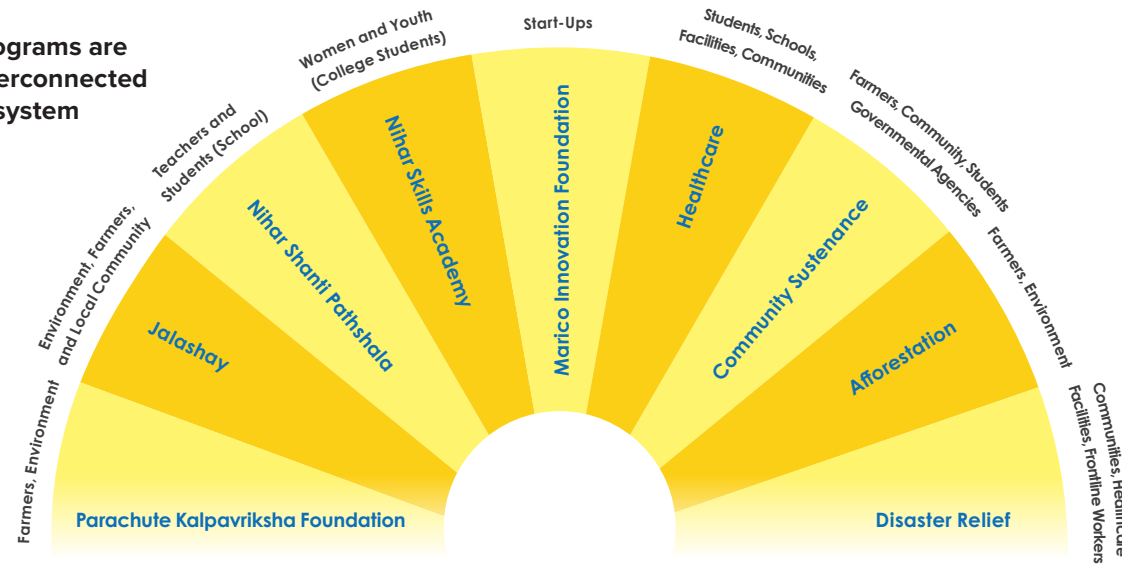
COMMUNITIES

CSR governance

The scope of existing and new social value creation initiatives is worked out every year upon consultation with community representatives, and CSR committee. The goals and objectives along with the annual budgets for CSR are discussed and signed off at the beginning of the year. The CSR team implements the activities, and ensures timely progress.

The implementation of the CSR programs happens through multiple channels- Marico Innovation Foundation, Parachute Kalpavriksha Foundation, local government bodies, and external NGO partners. The Committee reviews the efficacy and effectiveness of the ongoing programs, and monitors the outcome.

Marico's CSR programs are impacting an interconnected stakeholder ecosystem



Marico's business purpose is embodied in the way we demonstrate sustainable value creation for our stakeholders. We aspire to transcend beyond compliance boundaries and create deep-seated impact that matters, now and into the future."

Amit Bhasin
Chief Legal Officer & Group General Counsel and Secretary, CSR Committee



Our Key Initiatives

Kalpavriksha Program

Parachute Kalpavriksha Foundation (PKF) is a non-profit organisation that steers to drive steps of change in the lives of farmers.

Objectives

- Equip farmers to have increased sustainable crop yield leading to enhanced income opportunity
- Train farmers on scientific and research-based agricultural practices which results the productivity improvement

Support activities

- Consultation with experts (on phone)
- Water conservation through farm pond construction
- Classroom training for farmers

Support centres

Kalpavriksha Knowledge Centre (KKC)

Companion of farmers for increasing production and knowledge

Agri-Business Centre (ABC)

Agri-clinic offering farm care inputs and technical services

Activities that Boost Productivity Improvement

Kalpavriksha Knowledge Centre (KKC)

KKC was formed in 2021 to resolve cultivation related problems of small-scale farmers. The training and guidance sessions organised by KKC on pest control, nutrition management, water management at farm or disease prevention, have improved crop productivity.



FY25 Target

4.05 Lakh acres

Total area to be covered

1,16,660

Farmers to be enrolled under Kalpavriksha Program

16%

Increase in productivity

FY22 Performance

2.55 Lakh acres

Acreage enrollment till FY22

62,918

Farmers enrolled till FY22

24,135

Digitally enabled trainings conducted for farmers to enhance productivity

100+

On-field agronomists engaged

15%

Enhancement in productivity rates in FY22

4.22 out of 5

Average rating (rated by 1,054 farmers)

Agri-Business Centre (ABC)

The Agri-Business Centre is a local enterprise from where farmers can obtain farm care inputs, and avail technical services offered by local entrepreneurs. It provides a platform for farmers to hire high quality farm machinery, equipment, and technical assistance as well as labour, at cost effective prices, based on their requirements. By offering these services and goods through the Agri-Business Centre, local agripreneurs are gaining exposure and recognition, in addition to financial stability.

850+

Farmers covered with extended services through 4 Agri-Business Centres, in FY22

COMMUNITIES

Jalashay

Marico's water stewardship program, 'Jalashay,' focuses on replenishing more water for the community than that consumed in its own operations, year-on-year. In a country that experiences disproportionate rainfall throughout the year, it is important that we identify the environmental, social, and economic concerns that might emerge out of water stress, and take conscious efforts towards abating them.

Objectives

- Promote effective conservation and management of water across the country
- Replenish more water back to the community than that Marico uses for its operations by capacity creation

Support activities

Farm ponds constructed in Tamil Nadu for farmers to help them with water management



FY25 Target

412 Crore litres

Total water harvesting capacity to be built across India

FY22 Performance

246

Farm ponds constructed

47.7 Crore litres

Total capacity of farm ponds constructed

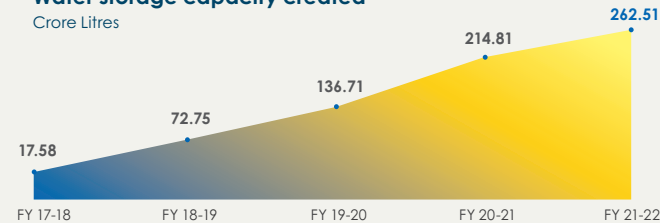
Water storage potential created

through farm pond creation, desilting water bodies and construction of water storage facilities in various states till date

~263 Crore litres

Total capacity of water storage facilities in various states till date

Water storage capacity created



Nihar Shanti Paathshala Funwala (NSPF)

Nihar Naturals X Nihar CSR Programs: Living the Brand's Purpose

As one of Marico's signature brands that keeps purpose at the centre of its existence, Nihar Naturals has always focused on education and skill empowerment in alignment with its overall value proposition.

Initiated about four years back, the Nihar Shanti Pathshala Funwala program is focused on upskilling and empowering the government school teachers to resolve the pressing issue of lack of consistency, and fluency in English Literacy, within the Indian education system. The program intends to increase the proficiency level of reading and speaking capabilities among the students from underserved areas. Over the years, contextualised content and comprehensive training processes have improved the teachers' subject-matter knowledge, and enabled them to engage better with the students. The accessibility of digital learning resources has enhanced learning environment for students.

The Nihar Skills Academy was launched on September 25, 2021, as the next milestone towards deeper implementation of the brand purpose. Literacy is not just restricted to education, but also broadens to the concept of skills, which comprises technical expertise, vocational skills, transferable skills, digital skills, and other such knowledge and abilities required for employment and livelihood. To address this, and contribute to India's share of employable workforce of tomorrow, the brand 'Nihar' collaborated with 3 implementation partners in FY22, to impart skill-based education, followed by placement opportunities to women and the youth of the country.



NSPF concentrates on English learning solutions for government school teachers, since fluency and communication in English have been a continuing area of concern. In collaboration with various state governments, we provided government teachers with quality teaching material. For students, we designed a scalable and fun-based learning model, supported by online as well as offline tools that not just impart education, but also bring about a transformation in the overall literacy quotient of our country.

Staying at par with technological advancements, the WhatsApp Enterprise model-based learning programs were developed, to upgrade teachers' capabilities in learning and imparting English literacy. Engaging formats that were innovative, practical, and rural-ready in nature, were deployed to create measurable and value-adding outcomes.

In FY22, WhatsApp (online) as well as workbook (offline)-led education was imparted in the states of Madhya Pradesh, Rajasthan, Jharkhand, Bihar, and Chhattisgarh. Expansion in the scope and footprint of this program in the year under review, has advanced us towards our FY25 target.

FY25 Target

10 Lakh

Children to be made literate in English by 2025

FY22 Performance

4.17 Lakh

Students impacted

2.89 Lakh

Teachers reached

5

States covered (Madhya Pradesh, Rajasthan, Jharkhand, Bihar and Chhattisgarh)

COMMUNITIES

Nihar Skills Academy (NSA)

In tandem with good education, relevant skills pave way for employment opportunities. In order to enhance the livelihood acquirement process, Marico initiated Nihar Skills Academy (NSA) program in the reporting year. It was inaugurated on September 25, 2021, by Hon'ble Secretary of Ministry of Women and Child Development. The program conducts digital, vocational, and soft skills trainings for women and youth, making them industry-ready, in addition to organising placement drives for trained individuals.



FY25 Target

15,000

Women and youth to be provided livelihood opportunities by 2025

FY22 Performance

7,900+

Women and youth benefitted through NSA

5

States covered

Marico Innovation Foundation (MIF)

Marico Innovation Foundation's vision is to identify hidden, potential game-changing innovations and help them rapidly scale-up in India. Over the past 19 years, MIF has grown to be a torchbearer of driving change in the Indian startup ecosystem, having been associated with more than 100 Indian innovations through various programs, and themes that cuts across the various clauses of Schedule VII under Companies Act. MIF aims to nurture social innovation in India in a way that futureproofs the country's transformational agenda in terms of scale, growth and impact.

Scale-Up Program

It is a 360-degree philanthropic growth program that provides deep-rooted mentorship to high potential innovations. Key issues addressed by MIF under this program are related to product quality, marketing, and sales.



'SCALE-UP PROGRAM' IN FY22

8

New disruptive innovations onboarded

23+

Strategic and functional mentors engaged

15

Collaborations with Game-changing Indian innovations



45% increase in sales and 2X increase in awareness



Agriculture Sector

Development of robust compliance framework that would help in setting up zero cost of non-compliance in the future



Healthcare Sector

• 100% increase in manufacturing capacity

• Reduction in transit damage rate reduced from 30% to 0%

• Development of sales framework that helped achieve 3X revenue growth



Healthcare Sector

6% cost savings and strengthened internal controls

New Collaborations



Atal Innovation Mission

Under Atal Innovation Mission (Niti Aayog initiative), MIF is currently working on a pilot mentor exchange program to support, and help scale the impact of their incubated organisations from the Northeast.



Intel Plug-In Alliance

Intel Plug-In Alliance (accelerator for Industry 4.0 innovations) is a first-of-its-kind industry technology alliance, to transform India into a global hub for smart industrial solutions. Together, MIF aims to share best practices, and expertise to boost the innovation ecosystem.

Community Sustenance: Our CSR Activities Around Facilities

Community sustenance initiatives are an opportunity to give back to the society we operate in, by addressing the needs of the local people. The program has its footprint in the areas located around our facilities, and comprises multiple activities.

FY22 activities

Education

- Building libraries for underprivileged students
- Digitalisation support to school and orphanage
- Provision of educational support for marginalised students

Environment

- Conducted beach clean-up drives
- Rejuvenation of village ponds
- Initiation of afforestation activity
- Distribution of biodegradable bags & saplings for community

Infrastructure

- Provision of infrastructure support to primary health centre, schools, old age home
- Provision of streetlight for community

Disaster Relief

- Distribution of PPE kits among public
- Support to frontline workers
- Contribution to government relief fund

Health

- Organised medical health check-up camp for local residents and police personnel

WASH

- Conducted food safety education and awareness campaigns
- Provision for drinking water facility

COMMUNITIES

Mission Health

Government officials of the age of 40 years and above, especially Police personnel have benefitted from this program. This mission covers Pondicherry, Perundurai, Guwahati, Jalgaon.

Issue

After certain years of service, police personnel start facing health issues ensued from improper diet, lack of sleep rotational shifts and no routine body checkups, mental stress owing to the nature of their job.

Solution

Marico planned to organize medical camps for police personal across plant locations offering full body check up to each beneficiary along with doctor consultation free of cost.

Implementation

Health camps organised for police personnel across Pondicherry, Perundurai, Guwahati, Jalgaon offered more than 70 types of medical tests to each beneficiary that included tests related to lipid profile, liver function, hemogram, thyroid profile, iron, kidney function, urine routine, eye and ear, to mention a few. This program was implemented and monitored by our NGO partner 'Go Dharmic Foundation' in coordination with government officials.



Activities undertaken

- Registration of police personnel
- Arranged for the medical tests
- Shared medical report with beneficiaries
- Organised doctor consultation for beneficiaries
- Distribution of health products among beneficiaries (Saffola honey)

Outcome

More than 550 police personnel benefitted

Collaborative efforts to enhance learning experiences in schools



Gouripur LP School in Guwahati is a true testament of Marico's collaborative efforts to enhance learning experience in schools. We have extended its support through educational programs for students, infrastructural support, teachers' trainings, etc, for a duration of over 5 years. The collaboration has so far benefitted 100 students and teachers.

Afforestation

Afforestation is an effective tool for carbon sequestration and has the potential to combat global warming, arrest soil erosion, reduce air pollution and biodiversity loss. We spearheaded the afforestation program in FY22 to do our bit towards environmental protection, and forest resource preservation. This year we planted more than 30,000 trees that contributed to the creation of more than **18,000 tCO₂e** carbon sequestration potential across life span of trees'. The plantation drives were conducted through two projects: fruit tree distribution, and habitat protection.

Heading to come here



Kimin Village, District Papum pare, Arunachal Pradesh

Bake Yama, a woman farmer from Papum pare district of Arunachal Pradesh, had plenty of land and zeal to cultivate sellable crops, but lacked the capital and technical know-how. We supported her through the afforestation program, by planting more than 1,000 lemon saplings on her land, and providing technical guidance on citrus fruit farming. Now, Bake has successfully discovered a livelihood to achieve financial independence.



Fruit Tree Distribution

Under this project, **16,129 fruit trees** were distributed among farmers, living in remote areas, and technical guidance was also provided to them to facilitate healthy growth of these trees.

Habitat Protection

Through the 'Impact League' initiative, **15,000 trees** were planted, to protect the habitat of migratory birds.

We made an attempt to strengthen the local rural economy by spreading awareness about the habitat area of migratory birds like spot billed pelicans, painted storks, and greater adjutant storks at Telineelapuram bird sanctuary.



Eat Right Program

Eat Right India movement is our collaborative project with FSSAI, and is a collective effort of some of our important stakeholders. It is aligned with government's public health programs- 'Ayushman Bharat', 'Swachh Bharat Mission', and 'POSHAN Abhiyaan'.

This project is aimed at bringing large-scale social and behavioural change, by engaging with consumers, and educating them on eating right at vegetable market, places of worship or stations. In the reporting year, we have aided 42 vegetable market certifications, and several capacity development sessions. This initiative has touched the lives of more than **16 Lakh beneficiaries**, so far.

COMMUNITIES

Marico Against COVID 19

While we were recovering from the first wave of Covid-19, the country was hit by the second and third waves in FY22. Recognising our social responsibility during these difficult times, we distributed necessary food kits across the country with the help of government as well as private agencies.

55 Lakh

Beneficiaries in 17 cities

21

Oxygen concentrators arranged in 5 hospitals

60

Nebulisers arranged



Impact Evaluation of CSR activities - Outcomes at a Glance

In FY22, we appointed an external agency to conduct impact evaluation for our flagship programs- Parachute Kalpavriksha Foundation, Jalashay, Nihar Shanti Pathshala Funwala, and Nihar Skills Academy. Key outcomes of the exercise are highlighted below:

	Project Kalpavriksha	Jalashay	Nihar Shanti Paathshala Funwala	Nihar Skills Academy*
Program Design and Delivery	<ul style="list-style-type: none"> Farmers rated program delivery as 'Very Good'. Key benefits reported: productivity improvement through enhanced soil health 	<ul style="list-style-type: none"> Farmers rated program delivery as 'Excellent' 	<ul style="list-style-type: none"> Teachers - 85% of the teachers agreed benefiting from teacher training techniques. 95% teachers rated the quality of training material to be 'Good'. Students - 98% of students have reported to gain learning capabilities, i.e., reading and speaking 	<ul style="list-style-type: none"> 78% of the beneficiaries reported showing interest in work after completing their graduation Students prefer Data Analytics as course of interest
Efficiency and Effectiveness	<ul style="list-style-type: none"> 100% farmers stated that PKF supported them in agricultural inputs. 80.5% of farmers have sought support from Agribusiness centres Average spike in the income of the farmers have been 15%. Around 92.3% have stated spike in their monthly income 	<ul style="list-style-type: none"> 100% of farmers have expressed increase in the groundwater levels as a result of the intervention. 3-year outcomes of the study will yield the average increase in groundwater table due to capacity creation by the program 46.2% farmers believe that creation of farm ponds within or in vicinity of their farms have boosted productivity 	<ul style="list-style-type: none"> 100% teachers expressed interest in honing their training techniques. The technology-enabled medium proved extremely beneficial in virtual learning session 	<ul style="list-style-type: none"> 90% of the students reported that the course has helped them to acquire better employability skills 17% of students have received placement support and 23% have been offered job opportunities
Way Forward	<ul style="list-style-type: none"> Set up community-owned and community driven enterprise that decides sales price of the yield as well as ideate on additional income generation schemes Proper marketing and promotion of agri-based products to generate long-term benefits 	<ul style="list-style-type: none"> Explore traction of fishing as a secondary source of income Trainings on water stewardship to farmers for judicious management & conservation Draw linkages with government/NABARD irrigation schemes for increased benefit to farmers 	<ul style="list-style-type: none"> Increase training duration for teachers for better uptake Contextualize content based on grade for appropriate learning outcomes Approach telecom companies for collaboration to provide beneficiaries with subsidised learning data plans 	<ul style="list-style-type: none"> Mobilizing principals, coordinators, mentors of the institute towards creating job pool for students for timely program delivery Create awareness about the initiative among parents by inviting them during the certification or similar ceremonies

*Note – Nihar Skills Academy commenced in FY22 and the preliminary impact assessment was voluntarily conducted to assess the viability and impact creation potential of the program.

FUTUREPROOFING assets for tomorrow

Environmental sustainability is a crucial element of Marico's purpose-led long-term strategy. Owing to the nature of our products, we share an intricate relationship with natural resources and preserving them is our prime responsibility. Impact objectives of resource optimisation, responsible consumption, climate resilience, sustainable manufacturing operations and waste minimisation are deep rooted in our company goals. We intend to amplify our efforts such that we benchmark ourselves against the global best practices and expand our horizons towards protection of natural assets across our global business footprint and beyond.

“The Earth is all we
have in common.”

– Wendell Berry



ENVIRONMENT

Expanding horizons in the decade of action

Marico's first 5-year sustainability roadmap was launched in 2017, with targets mapped till 2022. Since FY18, our sustainability impact goals have driven responsible growth and boosted capabilities, helping our business processes, systems, and operations, to address material issues related to environmental conservation and social empowerment. These impact areas and goals have capacitated the business to prioritise risks, create shared imperatives, and leverage on opportunities to drive a sustainable and socially inclusive future for all.

Having surpassed the first 5-year sustainability goals (2017-2022), we have moved on to identify all business-critical environmental aspects that are material to our business ecosystem, and set ambitious yet quantifiable targets for each of them as part of our decade of action roadmap (2022-2030).

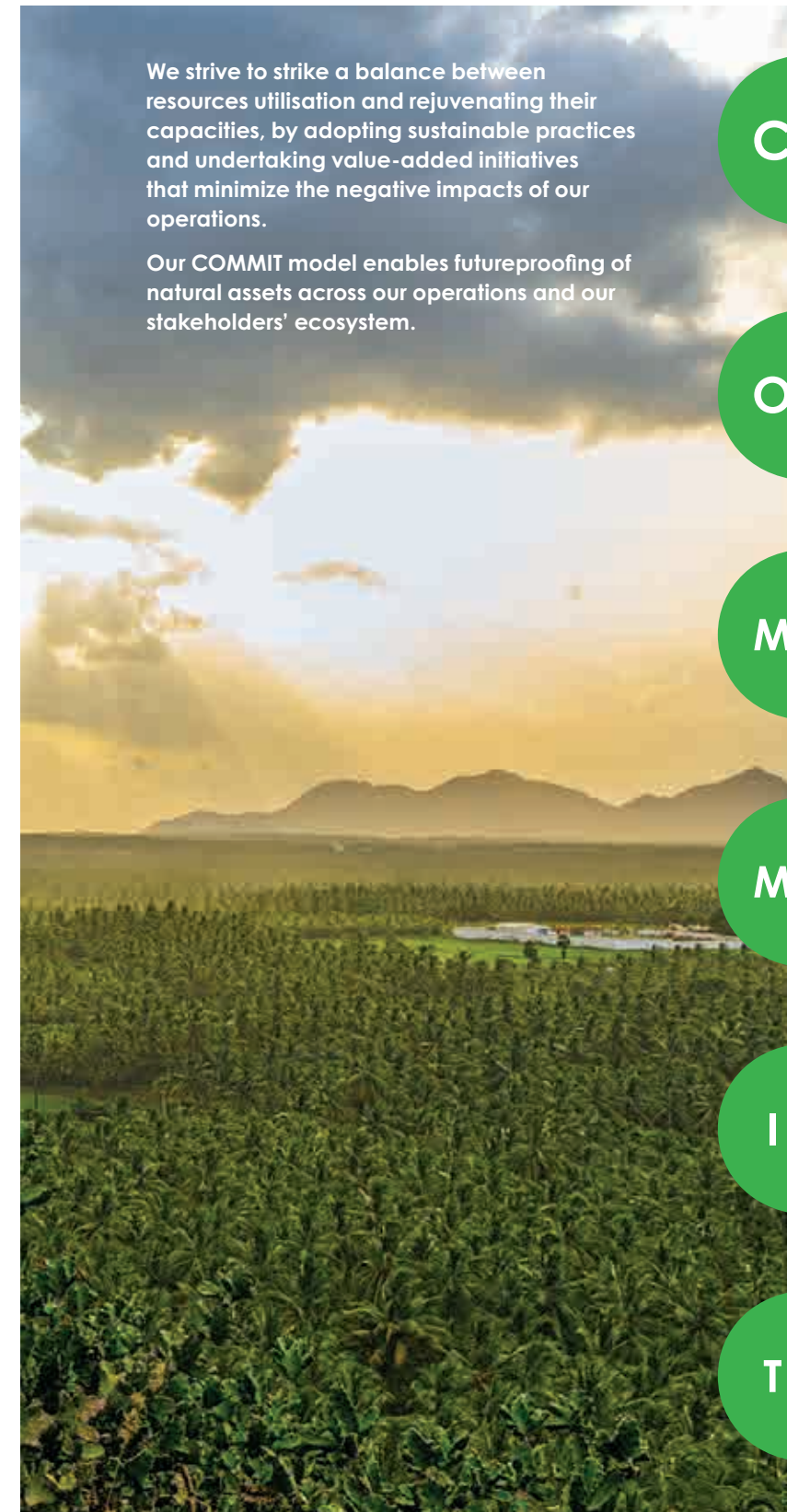
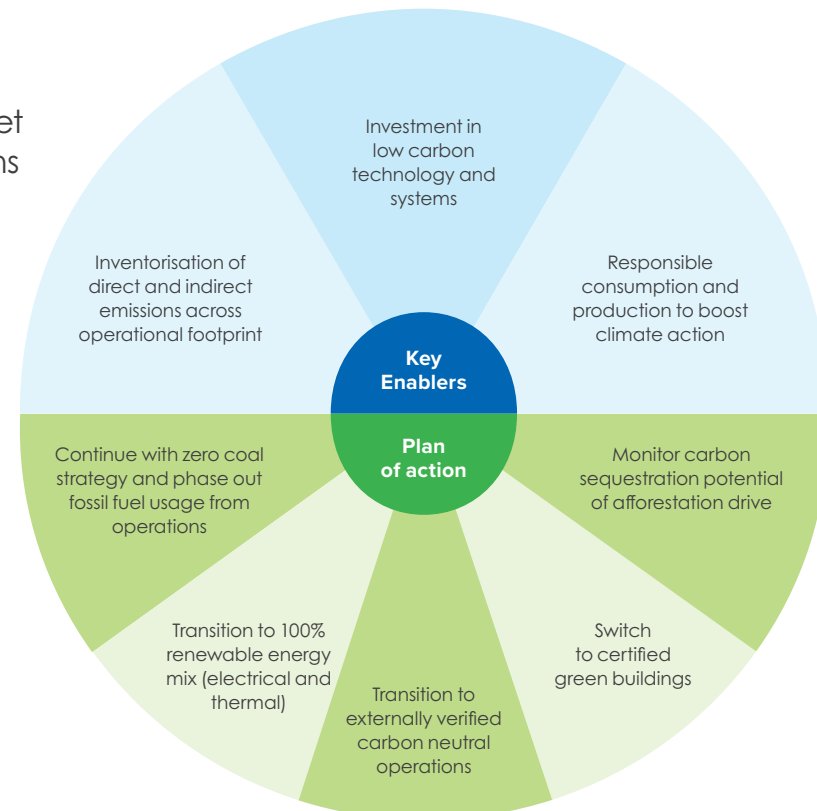


Achieving net zero in global operational emissions

As a responsible business that aspires to actively contribute to the climate action agenda, we have undertaken bold steps and commitments to go beyond compliance boundaries, proactively reducing our overall emissions' footprint across operations. These commitments have been consolidated to form our net zero emission reduction targets in global operations by 2040.

2040 Net Zero Goal in Operations

Marico has taken up the target of achieving net-zero emissions across global operations by 2040



We strive to strike a balance between resources utilisation and rejuvenating their capacities, by adopting sustainable practices and undertaking value-added initiatives that minimize the negative impacts of our operations.

Our COMMIT model enables futureproofing of natural assets across our operations and our stakeholders' ecosystem.

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Conserve energy and reduce emissions

- Implementation of energy efficiency measures and transition to renewable sources
- Reduction of direct and indirect GHG emission footprint
- Investments in low carbon projects, technologies and infrastructure that minimise GHG emission intensity
- Development of local carbon sinks through afforestation



Offsetting water consumption

- 100% replenishment of water consumed in operations through water stewardship initiatives
- Optimisation of water consumption practices



Managing sustainability footprint of products

- Measurement of sustainability footprint of products' across lifecycle
- Focus on driving sustainable product innovation to optimise environmental footprint and ensure quality, safety and nutritional enhancement



Mitigate environmental risks in operations

- Identification critical environmental risks related to operations: air quality, water consumption, discharge of effluents and waste management
- Implementation of scientifically proven solutions to mitigate risks and accelerate the transitions towards a low carbon future



Integrate circularity into packaging

- Concerted efforts to increase recyclability of packaging
- Use of recycled packaging materials
- Dematerialisation and elimination of hazardous materials in packaging



Transform value chain sustainability

- Adoption of a maturity based responsible sourcing framework that is defined by environmental, social and ethical standards
- Incorporation of traceability and accountability in value chain



ENVIRONMENT

Conserve Energy and Reduce Emissions

Conservation of energy and minimisation of organisational emissions footprint are comprehended by Marico as the first step towards establishing a climate-first business agenda.

Being cognisant of the climate-related risks that arise from high energy demand, we have developed a robust carbon management strategy that prioritises actions related to energy efficiency, fossil fuel avoidance, renewable energy transition, carbon forestry, and reduction of carbon footprint across our product's life cycle.



In FY22, we had set forth a course of action that would majorly contribute to our net zero target, beside preserving non-renewable resources, and protecting the Company against volatile energy markets.

Course of action towards net zero target

Avoid activities that cause emissions

Business model change, process change

Most favoured option

Change activities to reduce to reduce emissions

Changes in layout, equipment elimination

Change sources to reduce emissions

Design change, equipment modification

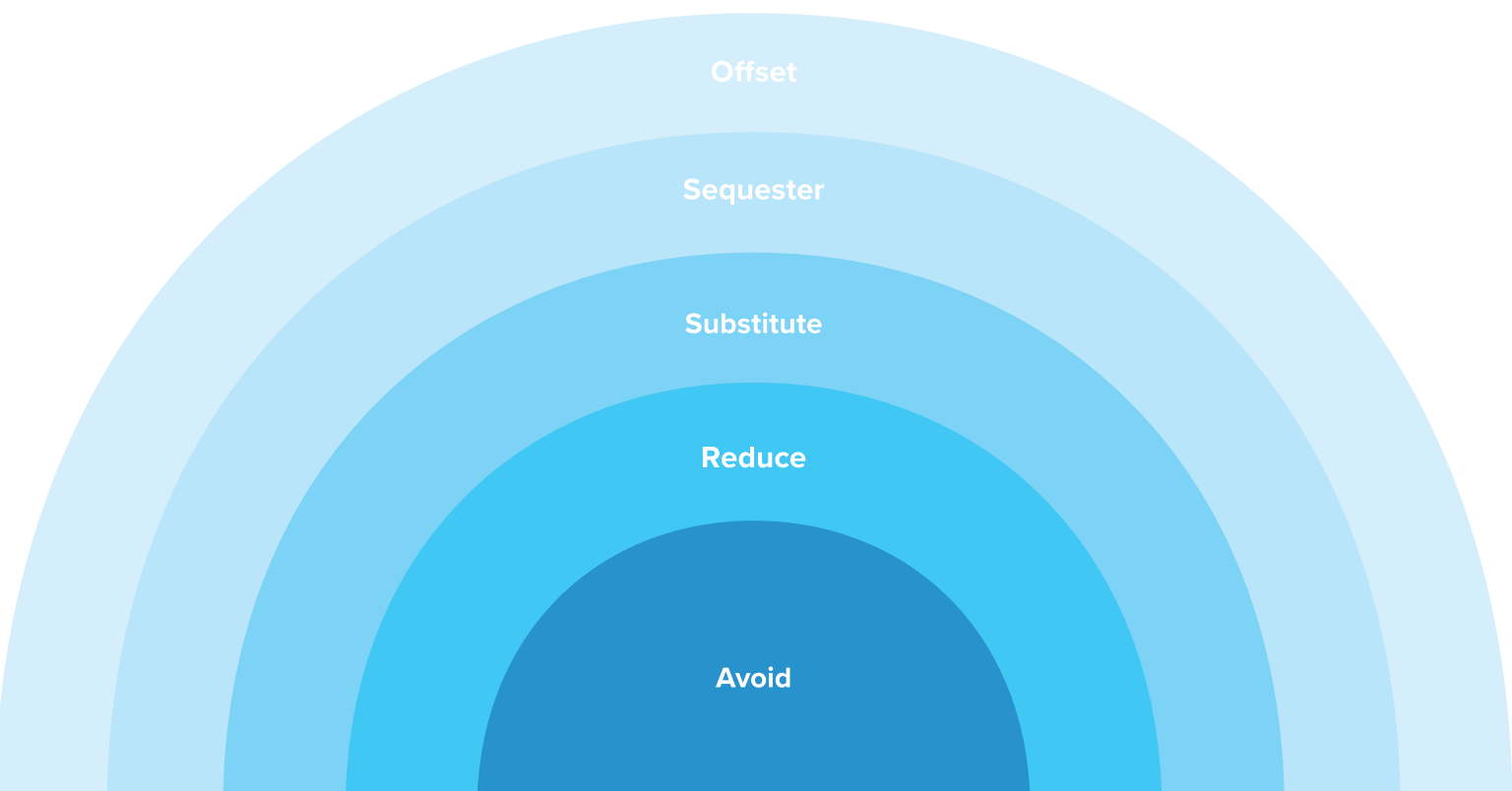
Undertake activities to store emissions

Carbon forestry

Offset residual emissions

Carbon credit purchase

Least favoured option



Net Zero Emissions Target for India Operations

Marico Limited (India Business) commits to reduce Scope 1 and Scope 2 GHG emissions by 93%, and offset remaining 7% emissions through sequestration, and carbon offset by 2030, from the baseline year FY13.

To drive Marico's net zero agenda, we have categorised our manufacturing profile, based on its climate-action potential to ensure cross-functional capacity enhancement and successful completion of targets with no major business barriers caused in the process.

A systematic GHG inventory is maintained to identify and quantify all direct and indirect (Scope 1, 2 and 3) emissions from our operations and value chain. We aim at gradually imbibing each of our units into the transitional pathway of carbon neutrality by optimising their energy footprint, investing in low-carbon technology to minimise operational emissions, switching to renewable sources of energy to meet operational requirements, and opt for local carbon sinks to sequester carbon for offsets.

Marico India's Emission Footprint: Baseline vs 2030 Targets

Year	Electrical energy			Thermal energy				Offsets		RE-Share
	Purchase from EB	Wind	Solar	Furnace Oil	Biomass	Gas	Diesel	Afforestation	Carbon Credits	
FY12-13	19%	0%	0%	53%	27%	0%	1%	0%	0%	27%
FY21-22	26%	12.4%	2.3	0%	55.1%	1%	3.2%	0%	-1%	70%
Target FY30*	5%	10%	20%	0%	60%	1%	4%	-7%	-3%	100%

*Note: The 2030 targets have been set with certain assumptions. These will be subject to further modifications based on business performance and emerging areas of importance between now and 2030.

We believe that the aforementioned targets will enable us to contribute significantly towards India's commitments for United Nations' Sustainable Development Goals (SDGs), in particular Goal 7, to ensure universal access to affordable, reliable and modern energy services, and take significant strides towards increasing the share of renewable energy in the energy mix, and the improvement of the energy efficiency rate.

Absolute Emissions (Scope 1+2)

Our emission accounting was initiated a decade ago, earmarking FY13 as the base year for our first 5-year roadmap that ended in FY22.

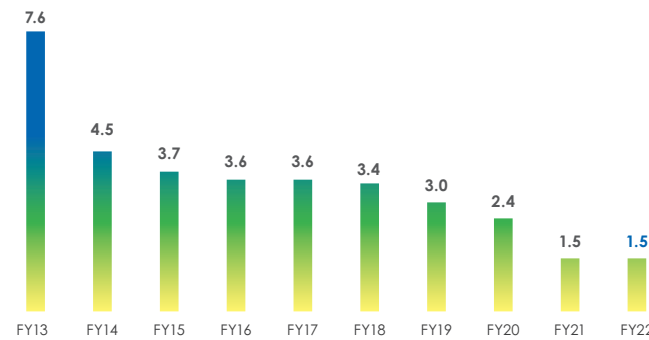
Commitment	FY22 Performance	FY30 Target
By 2022, reduce absolute GHG emission (scope 1 and 2) intensity (tCO ₂ e per unit Core revenue) by 75% from FY13 base year	<p>In FY22, Absolute direct emissions (Scope 1+2) stood at 10997 tCO₂e.</p> <p>GHG emission intensity for FY22 remained at 1.5 tCO₂e/unit Core revenue, showing 80.5% reduction in GHG emissions intensity (Scope 1+2) as compared to base year 2013</p>	<p>By 2030, we target to reduce GHG emission (Scope 1 and 2) intensity (tCO₂e per unit core revenue) by 100% from FY13 base year.</p> <p><i>Enablers: Expansion of renewable energy footprint (solar and biomass), carbon forestry for offsets as per standards, and investments in low-carbon tech to drive energy efficiency in operations</i></p>

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Steady decrease in y-o-y GHG emission intensity is attributed to our constant efforts to improve operational efficiencies, adoption of energy saving mechanisms, use of clean fuel like bio-briquettes, and inclusion of renewable energy in our portfolio.

These efforts have also helped us to over-achieve the set emission reduction target, despite a growing manufacturing footprint.

GHG Emission Intensity
tCO₂e/Unit Crore Revenue



Scope 3 Emissions Footprint

Indirect emissions (Scope 3) occurring in Company's value chain, both upstream and downstream, often account for majority of its GHG footprint. It has been observed that more than 95% of our overall GHG emission is contributed by Scope 3. Monitoring and accounting this emissions trajectory, helps firm up our strategies to identify reduction opportunities, and frame carbon minimisation solutions across our value chain.

To maintain transparency, and better align with our goals to become a carbon-neutral business, we calculate Scope 3 emission footprint of the entire organisation by compiling relevant category-wise emissions data. The reporting boundary of each Scope 3 category is limited to 'operational influence' and is aligned with on the Science-based Targets initiative. Emission factors for each material or fuel are referred from the Greenhouse Gas Protocol.

In FY22, the Scope 3 GHG emissions for India operations stood at 5,61,192 tCO₂e, resulting in ~12% reduction in Scope 3 Emission Intensity as compared to base year FY19. The post pandemic boom lifted some of the critical business hauls, induced in global market dynamics, thus causing an increase in the absolute indirect emissions footprint for the year for most companies. This has led to a significant reduction in our overall Scope 3 emissions intensity as compared to base year FY19.



In FY22, the Scope 3 GHG emissions for India operations stood at 5,61,192 tCO₂e, resulting in ~12% reduction in Scope 3 Emission Intensity as compared to base year FY19.

However, as a future-forward company, we have identified the critical business risks associated with increase in Scope 3 emissions across each of the relevant categories.

Quantifiable and pragmatic reduction targets have been taken over a short, medium and long-term by integrating them in cross-functional KPIs, and performance incentive scorecards. Optimisation of business-related travels, reconfiguration of logistics footprint, sustainable packaging solutions, recycling and reuse of waste, and joining forces with critical value chain partners to implement green projects, top the charts.

Scope 3 Emission Category	Description	Emissions in FY22 (in tCO ₂ e)
Category 1 Purchased Goods	All our raw and packaging materials are covered under this category	4,40,697
Category 3 Fuel Activities	Total quantity of fuel consumed in operations is considered	4,657
Category 4 Upstream Transportation	Distance between source and destination points for transportation of raw materials, packaging materials, and finished goods, is considered	43,067
Category 5 Waste Generated	Quantities of different categories of waste generated in operations are considered	9,956
Category 6 Business Travel	Details of emissions pertaining to total distance travelled by air, rail, and road, for business, are considered	394
Category 7 Employee Commuting	Average distance between office and employee residence is considered, along with total number of employees and working days	755
Category 8 Upstream Leased Assets	Energy utilisation of all our depots and relevant third-party manufacturing units is considered	30,144
Category 9 Downstream Transportation	Average distance covered for transportation of finished goods from retailers to consumers is considered	3,597
Category 12 End-of-life Treatment	Total quantity of post-consumer waste generated through packaging materials is considered	27,925



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Certified Carbon Neutral Operations

Marico's Perundurai facility was certified as 'carbon neutral' by external assurance agency DNV GL. This is the third year in a row that this plant has received external certification on carbon neutrality.

The plant completely operates on renewable energy sources, and has been upgraded with smart energy installations that enhance the overall operational efficiency. Further, this plant has a Miyawaki forest spread over 3,000 sq. ft. within the premises. The goal behind this afforestation initiative is to develop a natural sink for carbon sequestration that offsets the minimal footprint from operations.



Marico's Perundurai facility

The Perundurai facility is Marico's first certified carbon neutral facility, and has also been awarded the prestigious CII GreenCo Platinum rating certification. In pursuit of creating a safe and sustainably built environment, this facility also received 'Platinum' level certification for achieving the Green Building Standards by CII - Indian Green Building Council (IGBC).



Marico Perundurai was awarded the prestigious CII-GreenCo Star Performer Award in FY22 for its extensive commitments and actions not just to mitigate environmental risks, but also to reimagine them as business opportunities, and making a greater difference.

Carbon Forestry within our manufacturing premises



Certain eco-friendly initiatives are undertaken to increase floral and faunal richness of the area and regular inspection is conducted to monitor plant growth. Some of our efforts are featured below:

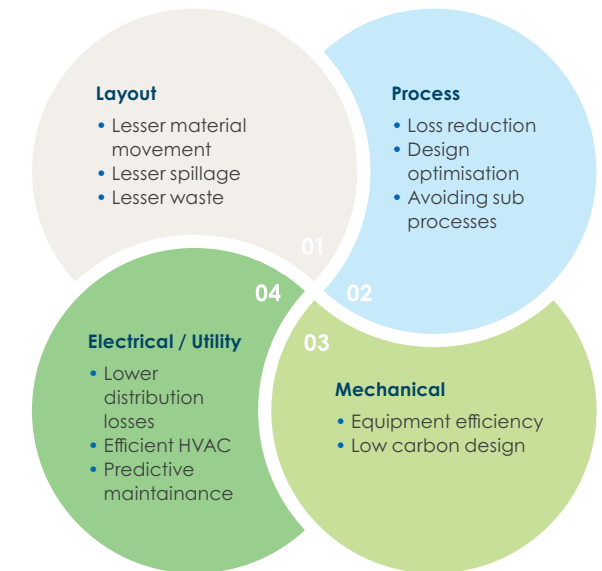
- Usage of natural materials like coco peat to retain water in soil
- Usage of organic fertilizers like cow manure and vermicompost
- Drip irrigation is practised to avoid water wastage
- Mix of trees, shrubs, canopy are planted to create multi layered natural forest
- Area is made free of plastic and other waste materials
- Wooden sticks are provided to support fast growth of plants

With the intent of increasing green belt cover in and around our premises, Miyawaki forest was set up in 2019 at the Perundurai facility. Initially local tree species were planted to increase survival rate. Today the forest thrives with more than 1,225 trees. It is home to several species of plants and animals.

Energy Consumption

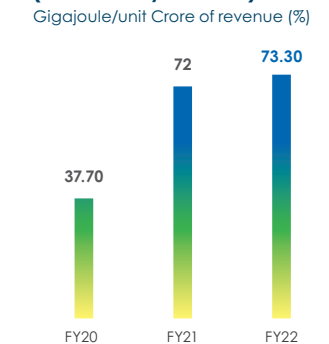
Marico has a central energy management cell, which works on a defined energy reduction strategy in conformance to the business goals and targets set for every year. Energy monitoring systems accurately capture the minutest reduction opportunities across the operational footprint.

Through a set of strategically designed ideation sessions, energy management projects are executed throughout the year. Every change in process and equipment is checked for energy consumption against standards, while decision making. The energy reduction framework that is followed across Marico's operational landscape is illustrated here.



With respect to our 2022 commitment, we are happy to have surpassed the set target by achieving a reduction of 73.3% in energy intensity compared to FY13 base year. This has been possible because of our continuous focus on operations excellence achieved through optimisation of energy consumption, introduction of energy efficient systems, and exploring renewable energy options.

Reduction in Energy intensity (from base year FY13)



Commitment

By 2022, reduce energy intensity (plant operations) by 50% as compared to the base FY13

FY22 Performance

73.3% reduction in energy intensity compared to base FY13

Transition to renewables

Our operational energy requirements can be categorised into thermal and electricity. The thermal energy requirement is majorly fulfilled by bio-based briquettes, making renewable energy (for heating purpose) contribute 98% of the total thermal energy used across operations. Remaining thermal energy is derived from Piped Natural Gas (PNG), and High-Speed Diesel (HSD).



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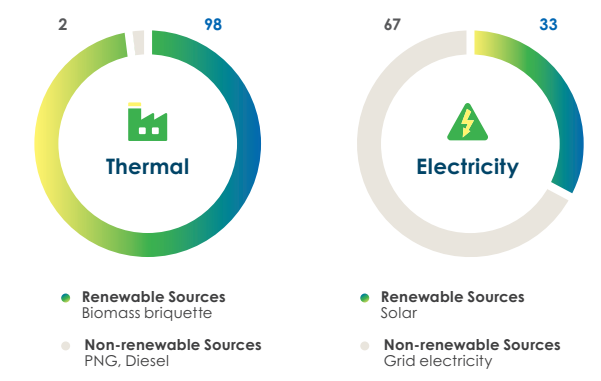
“The environment is where we all meet; where we all have a mutual interest; it is the one thing all of us share.”

– Lady Bird Johnson

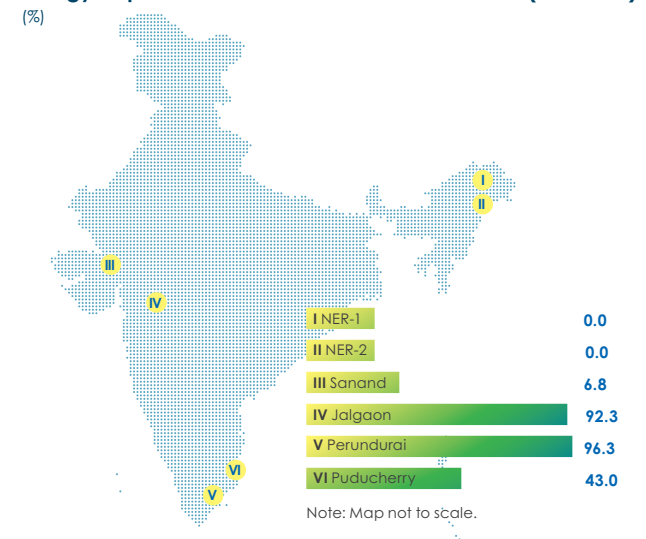


Photo by Marico's Planet Warrior Nidhi Pathak

Energy Mix (%)



Energy requirements met from RE sources in FY22 (Unit-wise) (%)



RE expansion in Sanand to meet net zero targets



Sanand manufacturing unit is one of our most advanced facilities and is equipped with modern state-of-the-art technologies and systems. It contributes to 8.6% of Marico's overall energy footprint. **In FY22, 6.8% of the unit's energy demand was fulfilled by RE, sourced from rooftop solar installations, having a capacity of 250kWp.**

The production capacity and portfolio of Sanand unit have recently been expanded to manufacture water-based products and foods. To address the consequent increase in energy requirement, we have come up with a plan of expanding RE capacity of Sanand unit, in line with our organisation's 2030 target. Post execution, the RE share is expected to increase by 20% in FY23, drawing 30% of the unit's total energy demand from renewable sources.

Current renewable energy capacity
In FY22, 6.8% of Sanand unit's energy demand was fulfilled by renewable energy sourced from rooftop solar installation having capacity of 250 kWp

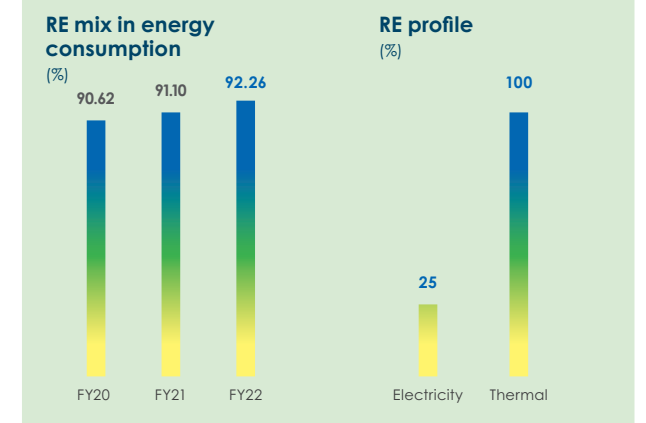
Capacity expansion plan
Increase renewable energy generation capacity by expanding rooftop solar panel cover and their capacity in FY23

Expected outcome
Sanand unit to meet 30% of its energy demand through renewable energy

Marico's RE feat for the Jalgaon unit



Marico's Jalgaon facility in Maharashtra is solely responsible for manufacturing processes related to edible oils under the brand Saffola. Owing to the increased production demands for this facility, Marico has taken a conscious decision to increase the share of renewable energy (RE) in its total operational energy requirements y-o-y.





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Offsetting water consumption

Over exploitation of water as a resource has given rise to severe water-stress-related challenges for communities and corporates. Businesses have the potential to limit the risk of water crisis by directing futuristic water management actions. As an early advocator of effective conservation and resource optimisation, we have been implementing state-of-the-art solutions to minimise our dependency on surface water, ensuring judicious allocation of withdrawn water, and creating water storing capacity.

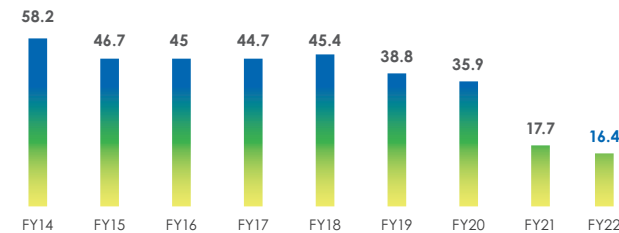
Envisaging the shortage of fresh water supply, we laid the foundation of our water stewardship strategy in FY18. The 'Jalashay' program is a product of this strategy, through which, we seek to offset our water consumption by creating water storage capacity for communities in water stress regions across the country. Dam desiltation, rejuvenation of water bodies, and construction of farm ponds, are some of the activities that we initiated under our water stewardship program over the last few years.

All the manufacturing units operate on the principles of zero liquid discharge (ZLD) model, and the entire volume of industrial effluents is recycled within the operational boundaries of our facilities, utilising the treated water for administrative and gardening purposes. Moreover, we attempt to utilise rainwater, harvested within our boundaries to reduce consumption of surface water sourced from outside.

Collective efforts across the organisation have contributed significantly towards the gradual reduction of our water intensity over the years. **In FY22, water intensity was recorded to be 16.43, showing a 63% decrease from the base year FY14.**

Water intensity

Core litre/Unit Core revenue



Note: Marico's reported water consumption and intensity metrics for FY22 have been externally assured. (Read Pg. 387 for the assurance statement)



By virtue of our commitments towards water stewardship, we will continue to replenish more water for our communities, than we consume in our operations, every year."

- Marico's CSR Committee

FY22 Highlights



>3x

Water capacity created in FY22 as compared to total consumption in operations



~263 Crore litres

Of water capacity created till date



246

Farm ponds constructed in Tamil Nadu in FY22



63% reduction

in water consumption intensity as compared to base year FY14

Demonstrating water efficiency at Perundurair Unit



Perundurair unit is first of our facilities to consume rainwater harvested within the boundaries of our plant. There has been a significant dip in our tanker water consumption since the inception of rainwater harvesting project thereby reducing our dependency on surface water. **Capacity of rainwater pond has been enhanced over the years and its current capacity is 3,820 m³.** Other water efficiency mechanisms adopted taken in this unit includes:

- 1 Collection of process condensate water and reusing it for cake cooling purpose
- 2 Low flow water tap fitting
- 3 Installation of sprinkler for gardening

18% of total water consumption at Perundurair unit is attributed to rainwater harvested within premises

3,385 KL Of rainwater was utilised at Perundurair unit in FY22



Photo by Marico's Planet Warrior Arunjoyoi Saikia

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Managing Sustainability Footprint of Products

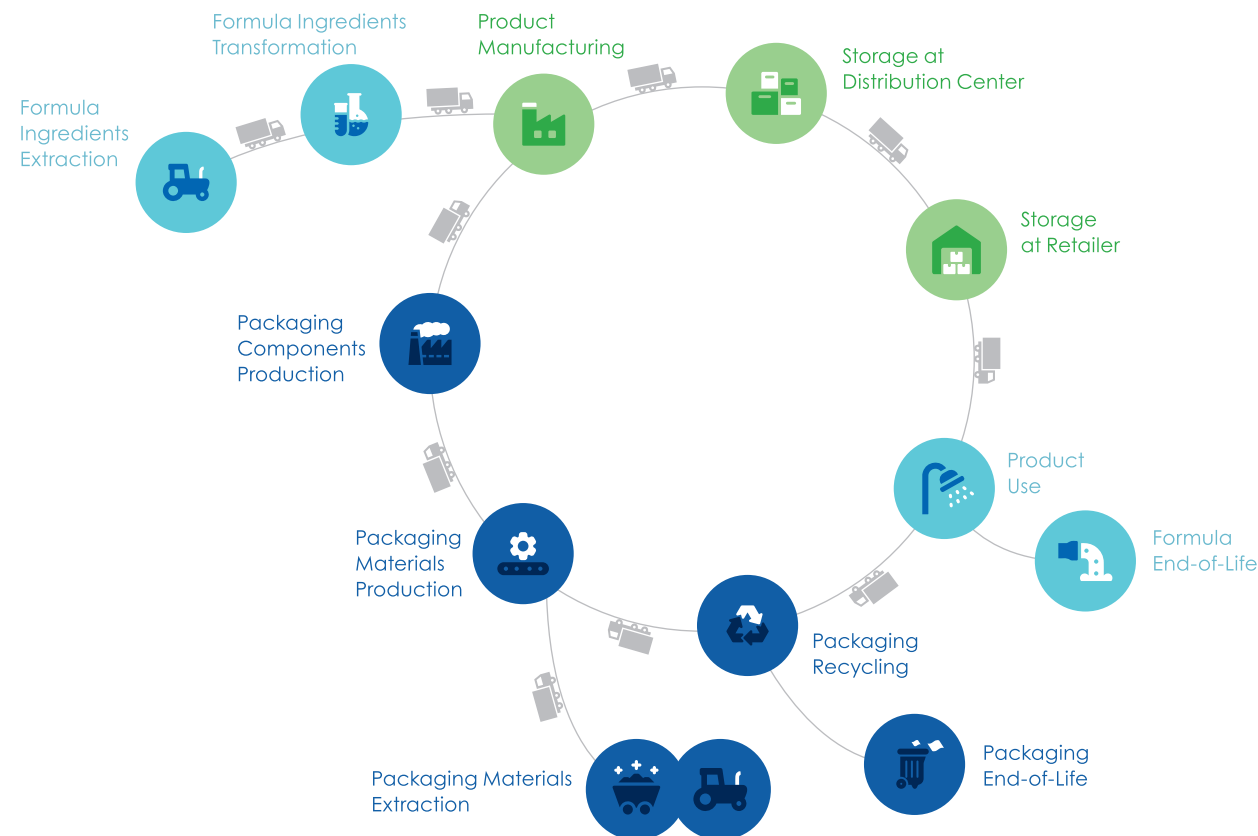
The future of sustainable business practices lies in the replicability potential of organisational goals across every aspect of the business. For Marico, this translates to the interlinkage that our organisational ESG agenda has, with sustainability footprint of products we manufacture. Developing a well-thought product sustainability index (PSI), aids in the transformation and innovation processes that facilitates successful and sustainable products.

It enables the organisation to integrate, implement, and measure sustainability objectives on a single platform, transforming it into a consumer-centric business that delights consumers and accelerates eco-conscious consumerism.



Developing a well-thought product sustainability index (PSI), aids in the transformation and innovation processes that facilitates successful and sustainable products.

Life cycle stages of Marico products



Our Product Sustainability Index (PSI)

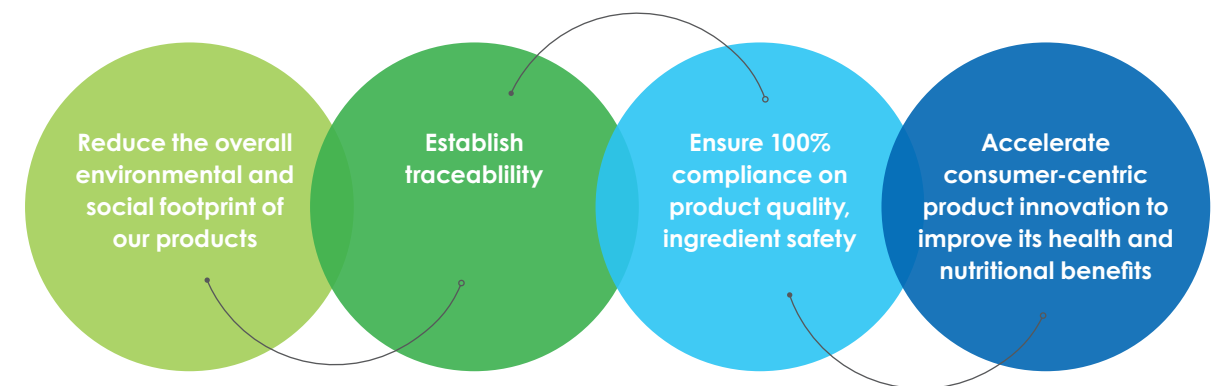
Marico's PSI enables us to identify, manage and mitigate sustainability impacts in every stage of the product life cycle, from sourcing, to designing, manufacturing, transportation, distribution, and end-life disposal. Our approach is designed to help us foresee the potential environmental and social impacts of our products, thus helping us make refined choices to restrict negative externalities and extend benefits by institutionalising innovation within organisation and stakeholders.

In order to estimate sustainability of Marico's product range, we use a self-developed index that considers quality, safety and environmental footprint aspects across life cycle. This index draws reference from over 150 international frameworks, research-based publications, and ecolabel certifications, and amalgamates the findings into a comprehensive index that not just measures the sustainability footprint of products, but also helps in benchmarking against some of the renowned world-class standards on product sustainability.

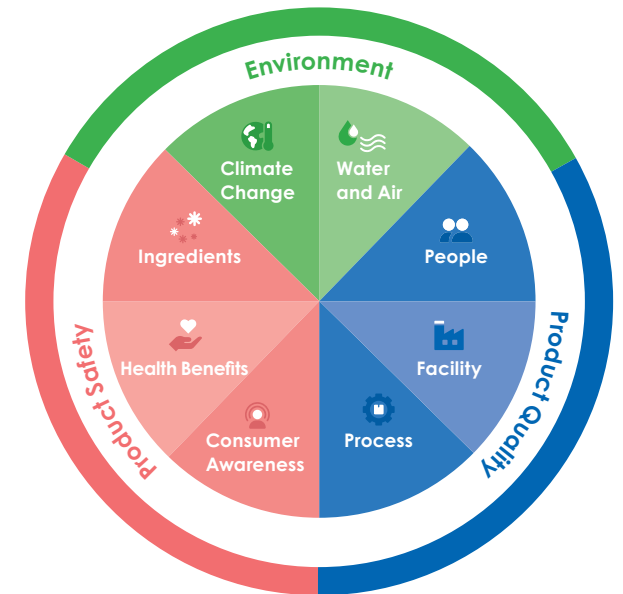
Marico's robust PSI framework is scientifically developed to aid in the incorporation of sustainability measures early in the design phase, the validation of requirements, and the measurement of progress against corporate sustainability objectives, allowing for management of sustainability impacts throughout the products' life cycles.

It provides a platform that allows for adoption, enables implementation, management, and measurement of sustainability goals, by providing a single source of product and process knowledge.

PSI aims to



Our PSI framework



PSI enables the organisation to integrate, implement, and measure sustainability objectives on a single platform, transforming it into a consumer-centric business that delights consumers and accelerates eco-conscious consumerism.



“The proper use of science is not to conquer nature but to live in it.”

– Barry Commoner



Photo by Marico's Planet Warrior Bipin Odhekar

The framework includes a calculation methodology for quantifying the sustainability performance of specific product stock keeping units (SKUs) across a set of environmental, social, and governance indicators.

having pre-defined weightage of 50%, 30% and 20% respectively. Individual category is further divided into sub-categories where certain weightage is assigned to each sub-category. There are certain metrics under each sub-category that get scored on a scale of 0 to 4, depending on extent of adherence. Scores plotted against each metrics are compiled to determine the final score of each assessed SKU.

The PSI scale

The PSI scale is divided in three broad clusters/ categories- environment, social, and governance,



Commitment

Integrate sustainability considerations across products' lifecycle (encompassing ingredient/ material selection, sourcing, manufacturing, supply chain and end use), ensure 100% compliance on product quality, ingredient safety, transparent disclosure on product formulations and accelerate consumer-centric product innovation to improve nutritional value of products*

FY22 Performance

The framework on PSI was established in collaboration with NITIE, Mumbai, Marico's Knowledge partner. Using the framework, products have been analysed to identify areas of improving sustainability footprint



ENVIRONMENT

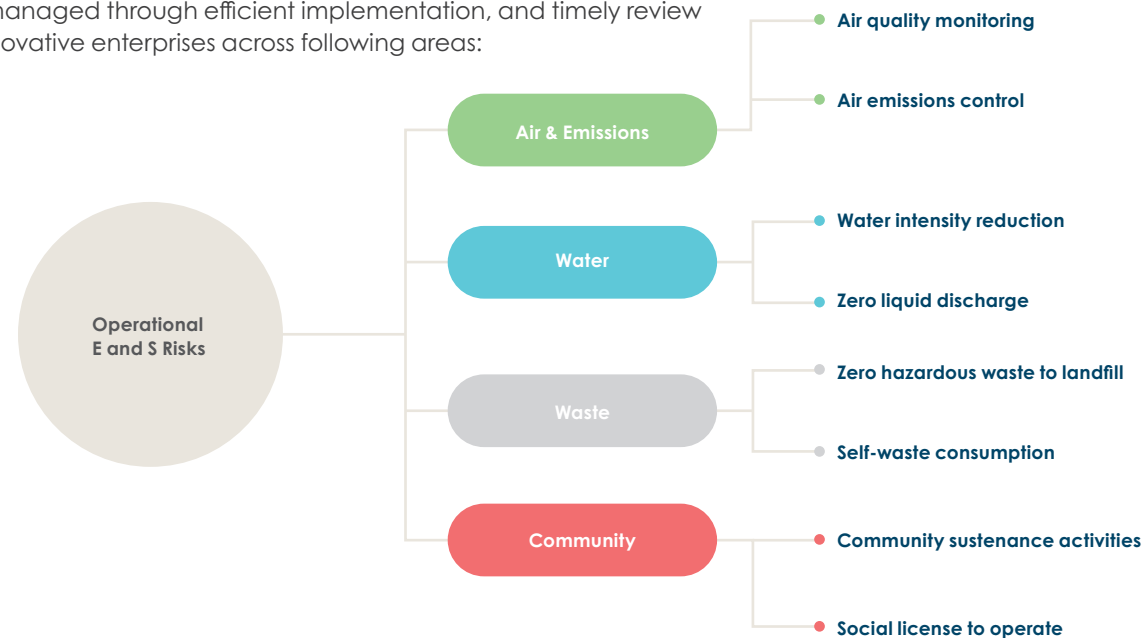
Mitigate Operational Risks

Our environmental and social risk management framework acts like a shield against emerging operational risks, making the organisation future resilient. It also helps in improving our performance and protecting the business against regulatory non-compliance.

In FY22, Marico did not register any environmental or social non-compliance

Environmental management in operations

Environmental and social risks existing within our operational boundaries are managed through efficient implementation, and timely review of innovative enterprises across following areas:



Some noteworthy projects conducted in FY22 towards minimising operational environmental risks include:

Air and emissions

DG emissions reduction using retrofit devices

Location
Marico's Perundurai unit, Tamil Nadu

Context
Particulate matter, as defined by most emission standards, is filterable material sampled from diluted and cooled exhaust gases. Existing medical research suggests that diesel-based particulate matter (PM) is one of the most harmful emissions produced by diesel engines that have toxic impacts on human health, and also cause ecosystem imbalance. Hence, particulate matter is subject to diesel emission regulations worldwide, and is the primary focus of diesel emission control technology.

Scope and Approach
With the evolving trends and regulations across India, Marico's Perundurai facility installed retrofit devices to reduce the PM emissions from its diesel generators. These devices are in line with the statutory standards, and are fully certified by government-approved laboratories. With this installation, Marico Perundurai unit became one of the earliest units in India to adopt this technology.

Outcome
As per the test reports available, the devices installed at Perundurai help in reducing more than 80% of the PM and carbon monoxide emissions from the exhaust gases of diesel generators.

Water

Reuse of treated wastewater for administrative purposes

Location
Marico's Guwahati unit, Assam

Context
With water stress becoming a pertinent risk across the world, businesses and communities are facing disruptions due to availability or inadequacy of freshwater for their regular use. Water reuse/recycling is a proven method to conserve freshwater resources, and can be safely used post appropriate treatment, to reduce dependence on freshwater.

Scope and Approach
The existing Sewage Treatment Plant (STP) in our Guwahati plant intakes waste water continuously from the washrooms. The processes adopted in the STP are aeration, sedimentation, filtration, and chlorination, and the treated wastewater is utilised for flushing purposes.

Outcome
All washrooms at Guwahati unit use the output of STP for flushing purposes. This reduces the freshwater intake of the plant by about 7%, thus reducing our dependence on freshwater for administrative purposes and improving the plant's overall surface water intensity.

Smart irrigation techniques for Model Coconut Farm

Location
Marico's Perundurai unit, Tamil Nadu

Context
We have established a model coconut farm within the periphery of Perundurai manufacturing facility to strengthen our knowledge about the dominant crop, coconut and its dynamics at various growth stages under different conditions.

Project Details
Variety of coconut species are grown at the farm through a combination of modern techniques and traditional farming practices. This acts as a knowledge center for Marico team as well as farmer community. The farm stretches over 2 acres of land that is supporting 144 coconut at present.

Recently, smart irrigation system has been implemented for this farm that allows the farm irrigation to be controlled remotely through a cloud based applications. Some of the features of smart irrigation system are outlined below:

- 1 **Nutri-sensor**
To control fertigation schedule
- 2 **Crop-sensor**
To measure moisture content of soil
- 3 **Water-sensor**
To activate water pump depending on soil moisture



Greenbelt development

Creating favourable environmental conditions to boost biodiversity quotient of the manufacturing facilities

Location
Marico's Perundurai unit, Tamil Nadu

Context
Rich biodiversity is an indicator of healthy ecosystem that supports revitalising activities of our planet through natural processes. Exercising the principles of biodiversity conservation, we have developed a butterfly garden in 2022 within the periphery of our Perundurai facility.

Project Details
Around 8 to 10 species of butterflies inhabit the garden along with variety of plants, insects, animals and micro-organisms that enrich garden soil and purify surrounding air. We attempt to sustain the garden through optimal usage of resources and processes that have minimal environmental footprint like using organic fertilizers, recycled water, drip irrigation system, etc.





ENVIRONMENT

Integrate Circularity into Packaging

The demand for sustainable packaging solutions is gaining momentum with growing consciousness among consumers, policy makers, and industry leaders. At Marico, we reiterate our commitment towards a sustainable future by embedding circularity in our packaging portfolio, and extending our efforts beyond regulatory mandates.

Marico's upcycle program is designed to integrate the principles and key performance metrics related to circularity within our overall packaging portfolio. A set of **9 opportunity levers** have been established to accomplish the 2030 goals that have been set towards this material topic.

Opportunity levers for circularity in packaging

Zero pellet loss

Ensure zero pellet loss from operation and business associates sites

Recyclability

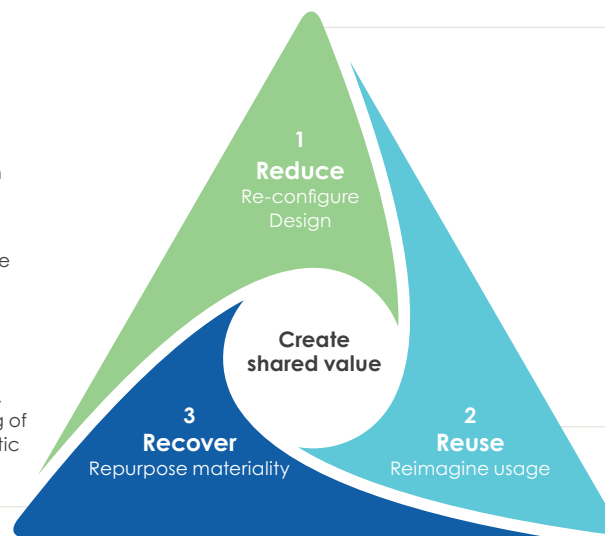
Ensure 100% recyclability of packaging material through design change

Self-waste consumption

Consume self industrial waste from operations or through business associate location through proper channel

EPR

Take back policy, collection, co-processing and recycling of MLP, Rigid and Flexible plastic packaging



Elimination

Eliminate the use for materials that may have any potentially adverse impact on human health or disrupt ecosystem balance

Dematerialisation

Reduce or optimise material consumption by renovating product design

Alternative Material Substitution

Identify opportunities to include recycled, recyclable and/or bio-degradable content into the packaging portfolio

Design Innovation

Create reusable packaging designs; Reuse the support packaging materials used for internal material movement with factory or form vendors to factory

Take-back mechanism

Standardise the packaging shippe sizes to improve the load-bearing capacity of vehicles without incurring product damages

Combatting Plastic Pollution

Plastic being one the most light-weight protective material, is widely used for wrapping and encasing products. Having realised the environmental damage that plastic pollution is causing around the world, our research and development team is working on solutions to curtail wastage of plastic, and transition to recyclable, reusable, and compostable plastic packaging material. Options of including recycled plastic content in packaging are also being explored. We have already started reclaiming the entire process plastic waste by converting it

into granules, and reusing it in packaging material production.

Product stewardship:

On the basis of the outcomes of the LCA studies undertaken for three of Marico's flagship brands, Parachute Coconut Oil, Saffola Edibles and Saffola Oats, we identified several opportunities to reduce material savings and emission savings from the respective packaging portfolio by institutionalizing the principles of circular economy.

The **key sustainable packaging interventions** undertaken in FY22 include:



~12%

Reduction in Paper Consumption with HRCT Paper



~20% of PET

Recycled PET for smaller SKUs



50 to 36 microns

Downgauging of Labels



PVC to PET

Sleeves Transition



~4.2 tons p.a.

Holcobatch removal from Nihar Shanti Badam Amla



~122 tons of LDPE

Polybag removal from 1 Ltr Saffola Oil



~11%

Reduction in weight of 25 FT



Ceka cartons

Introduced to replace BiB 200 gm of Soya Chunks

537 tCO₂e

Overall reduction in emissions due to the aforementioned product stewardship initiatives undertaken in FY22

206 MT

Overall material savings due to product stewardship initiatives undertaken in FY22

FY22-25 Targets	FY22 Performance	FY30 Target
<ul style="list-style-type: none"> 100% recyclable packaging by FY25 Phase out polyvinyl chloride (PVC) usage in packaging by FY25 100% EPR compliance y-o-y 	<ul style="list-style-type: none"> 96% of packaging material recyclable by weight as on FY22 <1% PVC (0.36) content from packaging Extended Producers Responsibility (EPR) activity*: 6,299 MT of plastic wastes collected and co-processed/ recycled in compliance with EPR framework (PWM rules amendments, 2022) 	<ul style="list-style-type: none"> Retain 100% recyclable packaging portfolio Increase the use of recycled content in packaging upto 30% Reduce packaging material intensity by 10%



ENVIRONMENT

Strategic alliances to scale up the sustainable plastic agenda for India Inc.

India Plastics Pact

To scale-up our circularity-based interventions within and beyond the sectoral boundaries, Marico decided to join hands with the [India Plastics Pact](#), a transformational and collaborative platform created by WWF India and CII, anchored at the CII-ITC Centre of Excellence for Sustainable Development (CESD), with support from WRAP, a global NGO based in the UK. The Plastics Pact envisions 'a world, where plastic is valued and does not pollute the environment.'

Marico is a founding member of the collaborative initiative that welcomes a multi-stakeholder approach to achieve collective target of transforming linear plastics system into a circular plastics economy, by enabling innovative ways to eliminate, reuse, or recycle the plastic packaging across the plastics value chain. The Pact has outlined a 2030 roadmap for achieving the quantifiable and aspirational targets, by accelerating business innovations through

engagement, research, workshops, and co-creation activities. Besides driving circularity, the Pact aims to deliver significant GHG reductions through mitigations in fossil-derived plastics, greater use of recycled plastics, and increase in recycling.

The four targets that constitutes the Pact's 2030 vision and roadmap are:

- 1 Define a list of unnecessary or problematic plastic packaging and items and take measures to address them through redesign and innovation
- 2 100% of plastic packaging to be reusable or recyclable
- 3 50% of plastic packaging to be effectively recycled
- 4 25% average recycled content across all plastic packaging



Being a founding member of the India Plastics Pact, Marico has demonstrated great leadership by signing up to the India Plastics Pact.

Marico brings immense value to the initiative by sharing valuable insights and experiences as a part of the India Plastics Pact advisory committee, collaborative action groups, and technical projects, and hence, collectively contributing to solving India's plastic waste challenge. The collaborative spirit demonstrated by Marico will help strengthen the plastic packaging ecosystem and synergise activities under the India Plastics Pact in transforming the linear plastics packaging economy into a circular one."

Varun Aggarwal
Associate Director, Sustainable Business, WWF India

The Incubation Network

Each year, about 8 million tons of plastic waste enters our oceans, which is equivalent to 5 full trash bags, along every foot of coastline worldwide¹. [The Incubation Network \(TIN\)](#), an impact-driven initiative, aims to prevent plastic waste from flowing into the world's oceans. By tackling waste mismanagement and implementing improved circular systems within the Asia Pacific region, the network intends to supports innovative solutions against plastic leakage by providing resources for capacity building, and foster a connected ecosystem of key stakeholders across the plastics value chain.

By safeguarding their wellbeing and implementing a strong gender equality mandate in our programs, the members of this network can ensure their work is fair and equitable across the sector. Marico joined TIN in FY22 to contribute actively towards the causes that advance circular economy within the Asia Pacific region.



Marico joined TIN in FY22 to contribute actively towards the causes that advance circular economy within the Asia Pacific region.

Extended Producer Responsibility

In alignment with the Plastic Waste Management (PWM) Rules, 2018 and the national guidelines on Extended Producer Responsibility (EPR) released in 2022, we had carried out collection, recycling, co-processing, and safe disposal of **6,299 MT*** of post-consumer waste, including multilayer plastic (MLP), rigid and flexible plastic in FY22.

It was conducted across all the Indian states and union territories through authorised agencies. In order to ensure timely completion of our EPR activity, and confirm that handling, recycling, disposing, and documentation processes of our waste management agencies (WMAs), are in line with government norms, we appoint competent external agency to conduct independent third-party audit for selected WMAs and recyclers.

1,754 MT	2,283 MT	2,262 MT
MLP co-processed	Rigid plastic recycled	Flexible plastic recycled



Our journey with Marico for the last two-and-a-half years, has been of continuous growth through mutual trust. The collaboration has not only helped us facilitate the collection and scientific disposal of almost 800 MT of post-consumer plastic waste from Western and Southern parts of India, but has also helped in strengthening the infrastructure of the municipal bodies. We look forward to continuing this relationship, and contributing to a more sustainable world."

Shailesh Shinde
Director, Social Lab Environmental Solutions Pvt. Ltd.

* In compliance with EPR framework published in 2022 by CPCB



ENVIRONMENT

Transform Value Chain Sustainability

Over the years, responsible sourcing practices have facilitated businesses to manage and mitigate a range of value chain risks, consumer preference, better compliance, and improved reputation.

Through Samyut, Marico's responsible sourcing program, we have extended sustainable practices throughout the value chain, with an objective to deliver sustainable and socially inclusive growth to all our partners.

Samyut- Responsible Sourcing Framework

Samyut, which, in Sanskrit, means coming together to achieve, endorses our intent of sourcing material and services through suppliers and business associates, who share our sustainability vision of upholding ethical standards, protecting environment, and empowering society through proper governance, while enhancing economy.

Since then, the framework has undergone several modifications and improvements, keeping in mind the emerging economic, environmental, social, and ethical risks and opportunities that are relevant to our value chain. These updates encompass all relevant parameters covered under international standards like the UN-SDGs, Universal Declaration of Human Rights, and International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, among others.

The Samyut framework was first institutionalised in 2018, with the overall business purpose of safeguarding stakeholder interests, and creating shared value.

Sustainability indicators under key thrust areas of the framework are enumerated below:

Samyut Indicators

Ethical Responsibility	Social Commitment	Environmental Protection
<ul style="list-style-type: none"> Legal and regulatory compliance Anti-Corruption and anti-bribery Gift and hospitality Conflict of interest Confidentiality Non-fraudulence Data privacy Fair competition Traceability Quality control Reporting concern Human rights Child and forced labour Compensation and working hours Diversity and equal opportunity Harassment and abuse Freedom and association 	<ul style="list-style-type: none"> Employee health and safety Employee skill development Local community development Land rights of communities 	<ul style="list-style-type: none"> Establishment of EMS Energy saving Emission control Water conservation Waste minimisation Reduction in plastic waste Bio-diversity preservation

The Samyut framework is applicable for all our critical value chain partners, business associates and approved sub-contractors, including raw material and packaging material suppliers, logistics and transportation partners, warehouse and depot associates, third party manufacturers and service providers. Critical value chain partners are defined as using three criteria – Highest procurement share or volume share in the respective category, uniqueness of materials, products and/or services and dedicated association with Marico. We expect all our partners to refer and adhere to the terms indicated under Marico's Samyut policy, and apply the outlined principles in their businesses.

Under the purview of the Samyut framework, we have implemented a maturity-based transition program for critical supply chain partners, to foster joint sustainability efforts. The program is split into three levels: educate, evaluate and evolve.

Educate	Evolve	Evaluate
<p>Communicate and create awareness amongst suppliers on the Samyut requirement. The suppliers are expected to give their consent to adhere to Samyut framework to and self-declare their ESG performance as per Level 1 questionnaire</p>	<p>Undertake joint projects and share technical know-how to create a positive trend in KPIs and also publically disclose performance metrics against relevant national and international standards (including Marico's framework)</p>	<p>Includes a robust external auditing mechanism to assess risks and monitor the performance across the key thrust areas as per the self-declarations made, in Level 1</p>



FY22-25 Targets	FY22 Performance	FY30 Target
<ul style="list-style-type: none"> Certify 20% critical value-chain partners on Level 1 - Educate 	<ul style="list-style-type: none"> Completed Level 1 (Educate) certification for 46% of critical value chain partners. This includes 90% critical raw-material and packaging material suppliers Launched Level 2 (Evaluate) certification and conducted independent third-party audit to evaluate the overall sustainability performance of 10% of our critical RM, PM suppliers who have completed Level 1 Certification 94% of procurements by spends was from local/indigenous suppliers 	<ul style="list-style-type: none"> Certify 100% critical value-chain partners on Level 1 (Educate) and 50% on Level 2 (Evaluate)



ENVIRONMENT

ESG Risk-Opportunity Evaluation framework for critical suppliers (Level 2 – Educate)

Marico's value chain comprises a complex and interdependent set of products and services. As such, the relationship between these and ESG risk factors is intertwined throughout every level of the supply chain. To ensure transparency, accountability, traceability, natural resources optimisation, building safe and inclusive working environment, and incorporation of human rights and ethics at each strata of its value chain spectrum, Marico's Level 2 principles have been crafted. It is the most critical step in Marico's overall Samyut journey, with critical suppliers on-board. Here, we use a set of quantifiable key performance indicators across ethical, environmental, and social parameters, to evaluate

the suppliers' commitments, compliances, risks and potential opportunities, related to maximising sustainability impact in our business ecosystem.

The L2 assessments are typically undertaken by independent third-party auditors, who amalgamate the principles covered under Marico's Samyut framework with their own extensive cross-sector sustainable supply chain experience. This combination allows them to scrutinise the voluntary claims made by critical suppliers in Level 1, and identify both, risks as well as opportunities that can have mutually impacting outcomes for Marico as well as the suppliers' ecosystem.

Marico's ESG risk & opportunity-based supplier audit framework

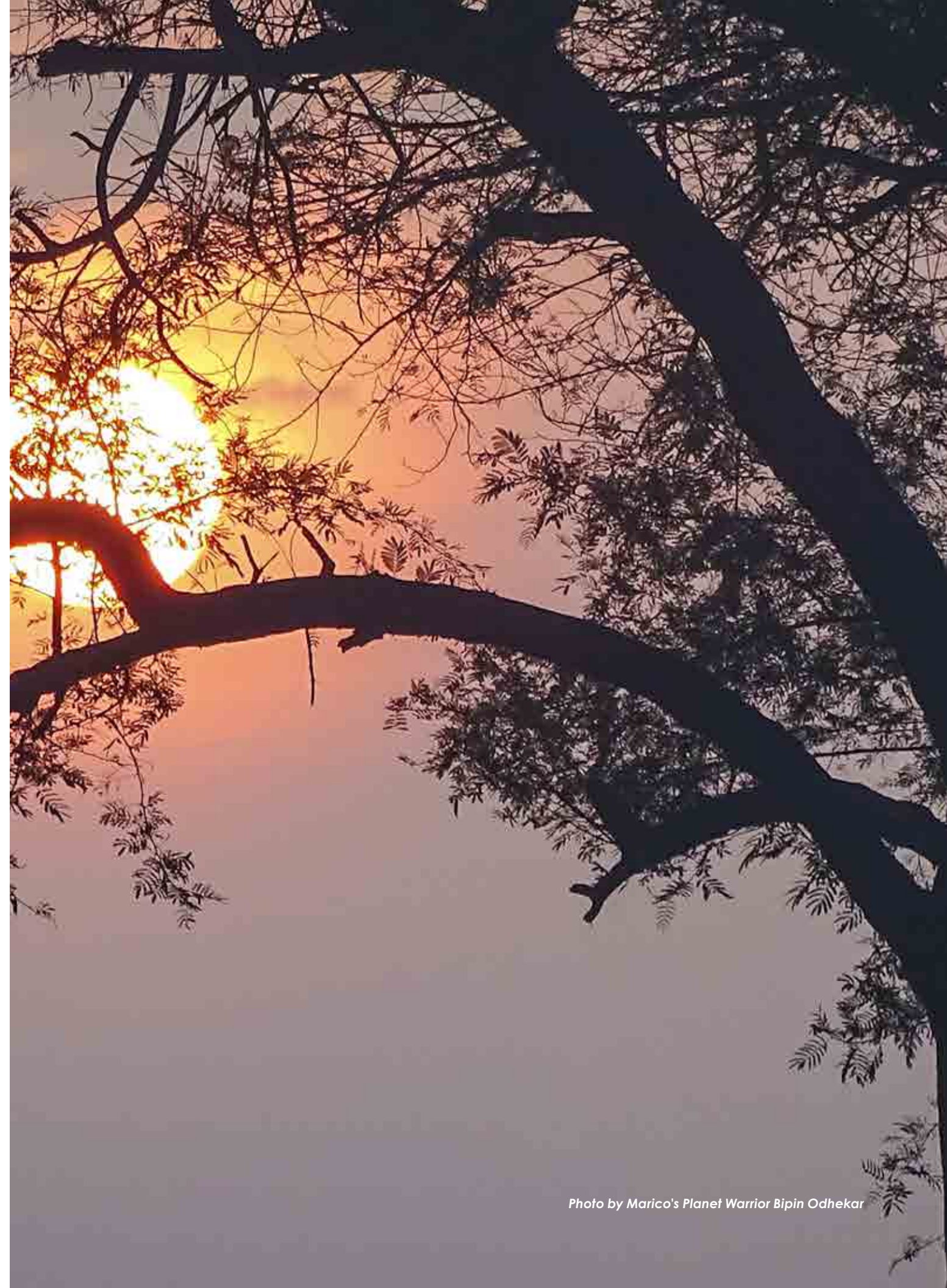
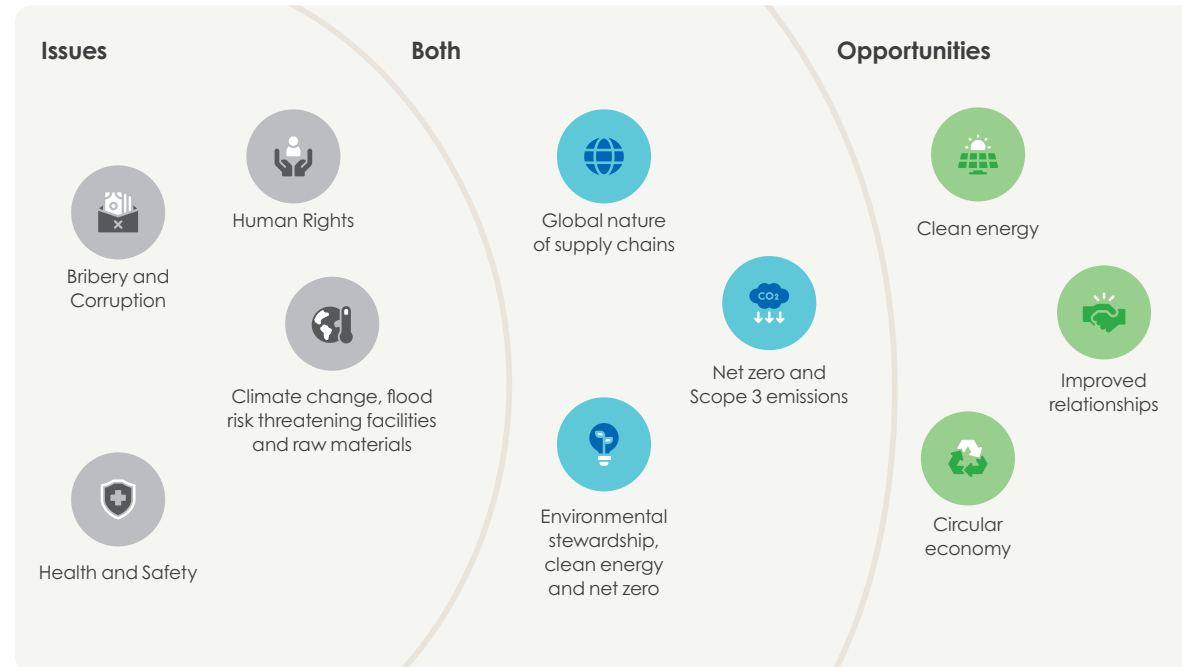


Photo by Marico's Planet Warrior Bipin Odhekar



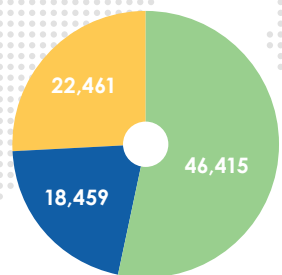
FY22 ESG PERFORMANCE

MARICO'S International business landscape

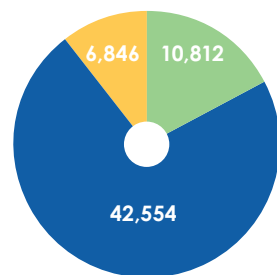


Note: Map not to scale.

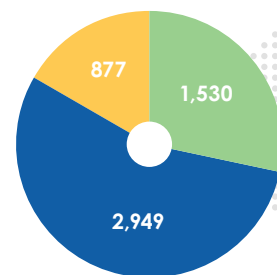
Environmental Performance



87,335 KL
Total Water Consumption



60,212 GJ
Total Energy Consumption



5,356 tCO₂e
Total Operational Emissions (Scope 1+2)

Social Value Creation

Marico Bangladesh (MBL)

MBL commits 1% of its profits towards social responsibility (CSR) and corporate citizenship programs and in FY22 invested BDT 320 Mn in CSR initiatives.



SWAPNO Program—A Benchmark Public Private Partnership Empowering Ultra-Poor Women

Marico renewed its partnership with the United Nations Development Program (UNDP) for a third cycle till 31 December 2023.

The SWAPNO program empowers ultra-poor women-led households in Bangladesh to graduate out of poverty through sustainable livelihoods, financial inclusion & literacy, digital inclusion, health & nutrition, and leadership development.

SWAPNO has the following geographical and demographic impact:

22 Districts
106 Upazilas
1,030 Unions
64,980 Beneficiaries (Households)

Pro-Poor Covid Specific Interventions



In response to Government's COVID-19 Vaccination Campaign, SWAPNO raised awareness of its beneficiaries regarding the benefits of vaccination.

The project assisted the beneficiaries to do online registration by using Government owned SUROKKHA App, created easy access to get the registration card and finally linked with the Upazila/Union health service providers to take the vaccine smoothly.

1,94,292 hygiene kits
 (Soap, Mask, hand sanitizer, PPE, hand gloves etc.) distributed among beneficiaries and surrounding communities

94,500 Covid awareness Materials printed and distributed among beneficiaries and surrounding communities

5,828 households Classified as poor and ultra-poor received food support

6,000 households Classified as poor and ultra-poor got cash grants support

FY22 ESG PERFORMANCE

Programs empowered by SWAPNO

Combining Livelihood Generation with Climate Resilience

There have been numerous innovations piloted within the SWAPNO program for the diversification of livelihood options for beneficiaries which would positively impact surrounding communities. To support SWAPNO beneficiaries with climate resilient and low-cost fodder production, the project has introduced Hydroponic technology in Kurigram as pilot in year 2020. Hydroponics is a popular technology to produce horticulture crops and livestock fodder without soil within a minimum space. Based on the successful piloting in Kurigram, SWAPNO has expanded this technology to Gaibandha, Jamalpur and Lalmonirhat districts in this reporting quarter 2021.



amount is paid to the beneficiaries' mobile wallets through bKash. A total of 1,587 women beneficiaries covered under micro-health insurance coverage.

The program has piloted micro-health insurance in Jamalpur District and two types of insurance policies have been developed - Swapno Suraksha Policy and Swapno Shathi Policy. This has provided the beneficiaries with the financial support incurred for the hospitalisation or in-house treatment. All claim supporting documents are sent to the insurance company through the SWAPNO office and the final

Production of Low-cost Sanitary Napkins for women and adolescent girls was another innovation out of the program. The Kallyani Nari Kollyan Samitee, a SWAPNO beneficiary led women-cooperative in Kurigram district sold 22,170 packets of sanitary napkins. They have sold these packets through buying selling points, clinics, and pharmacies in their locality and earned BDT 12,17,650.00 (USD 1,4325.29).

Ambassadorship For SDG-17

The SWAPNO program is a tri-partite partnership and has been lauded by many stakeholders as a benchmark in public-private-development-sector partnership in achieving the Sustainable Development Goals (SDGs).

With the support of the local government institutions, the wealth of knowledge and expertise that UNDP brings ensures that our impact parameters are well-defined, and implementation is robust and transparent. Marico has in turn led the dialogue for a private sector platform or alliance with UNDP. Given

Marico's expertise in sales and marketing with our consumer brands Parachute, HairCode, Just for Baby, Nihar etc reaching all corners of Bangladesh, we work closely to design value chain integration of our SWAPNO beneficiaries with FMCG and other industries. A total of 99 linkage workshops were organised with the participation of 2,096 (51% female participation) community participants and government and non-government health service providers. This effective collaboration helped 1,618 beneficiaries and their family members receive health services facilities from Union, Upazila, and districts hospitals/health care institutions.

Marico South-East Asia (M-SEA)

In FY22, Marico Vietnam conducted several initiatives to support communities in their fight against the hauls created by the pandemic. Some of the noteworthy ones include – Provision of scholarships to medical students who joined to help in prevention and spread of the pandemic, Sponsorship of test kits, PPEs and medical gloves in Thuan An City – Binh Duong province and build libraries for students from underprivileged regions who do not have access to proper education.



Marico South Africa



Hercules Partners with Schools for Pandemic Relief

Marico's flagship brand Hercules makes every attempt to outlive it's brand purpose of going into the heart of the communities in South Africa to make a difference in the lives of their customers.

In FY22, Hercules team visited schools in selected provinces and handed out material such as Hercules Hand Sanitisers, hygiene posters, flyers to educate learners on personal hygiene during the Covid-19 pandemic. In this way Hercules helped enable learners to become advocates for pandemic awareness and self-hygiene within the communities.



Just for Baby Clinics

Just For Baby Clinic Drive is a campaign that was initiated in January 22. This campaign mainly targets government clinics where moms take their babies for monthly check-ups.

Just For Baby offers valuable and educational advice to moms and expecting moms using leaflets, branded giveaways such as nappy bags, face cloths, baby bibs and samples to trial the product. The objective is to touch as many mothers at Clinics as possible by educating them on general baby needs, baby skin care, Just For Baby brand and product offering.

Together with the assistance of Childline South Africa we sort to draw awareness on issues around childcare and gender abuse. Childline South Africa works to facilitate the protection of children from all forms of violence and to create a culture of Children's Rights in South Africa.



Being a value-driven organisation and a brand with a purpose, we have been working relentlessly to aid various communities.

AWARDS AND ACCOLADES

OUR achievements

Corporate



Saugata Gupta, MD & CEO recognised by Great Place to Work® Institute (India) as one of India's Best Leaders in Times of Crisis 2021



Marico featured in the 'Leadership' category of IIA's annual assessment of Corporate Governance Scores for 2021 for S&P BSE100 companies

Marico awarded as the "Highest Exporters of Coconut Oil" at the Solvent Extractor Association of India Awards 2019-20

Saugata Gupta, MD & CEO has been awarded the Distinguished Alumni Award 2022 by Indian Institute of Management Bangalore

Marketing and Innovation

#ChampiBeats campaign by Parachute Advansed bagged 3 Gold awards under various categories at the afaqs! Marketers' Excellence Awards 2021



Parachute has been ranked as one of the top 5 purposeful brands in FMCG by Kantar BrandZ India's report

#ThankYouNurses campaign by Parachute Advansed won Gold in the 'Best Influencer Marketing Campaign' category at the Campaign India PR Awards 2021

Parachute Advansed Hot Oil and Parachute Advansed Gold received the - 2022 DMAasia ECHO Awards for their viral campaigns in the Mobile and Not For Profit categories respectively

Livon received a Bronze Award in the 'Regional' category for its 'Unlocking North-East' campaign, at the ET Brand Equity Shark Awards, 2021

Marico recognised as the winners in 'Innovations in Operations' in 'Manufacturing' category at the IDC Industry Innovation Awards 2021

Human Resources



Marico ranked as #Top20 Best Companies To Work For & #Top2 in the FMCG industries by Business Today

Marico recognised as the winner at the MINT | TechCircle Business Transformation Awards 2021 for Excellence in Digital Execution - Workforce Transformation

Marico recognised as one of the Dare2Compete Top 10 Most Desirable FMCG companies 2022

Marico South East Asia recognised amongst the top 10 representative companies with happy workforce at the Vietnam Best Places to Work Summit 2021

Marico recognised as the 7th Most Desirable FMCG/Beverage Company in 2021 in a survey conducted by Dare2Compete within the top 30 Premier B-Schools across India

Marico won the 'Future of Workforce Disruptor' award at the LiveMint W3 Championship under the 'Medium Enterprise' category

Marico awarded Bronze for Best Use of Blended Learning at the 2021 Brandon Hall Group HCM Excellence Awards for our Lead With Impact - Young Leader Program

ESG

Marico ranked the highest amongst the FMCG companies in CRISIL Limited's ESG performance score

Marico awarded for the CSR Practices at Responsible Business Awards 2021

Perundurai unit named one of the winners at the CII - GreenCo Rating (Green Company Rating System) Star Performer Awards 2021

Perundurai manufacturing facility was mentioned in CII and IGBC's publication, Green Built Environment as 'Champions Redefining India's Sustainability Landscape'.

Nihar Shanti Amla is the FICCI CSR Award winner in the 'Education' category for the Teacher Empowerment Program in Madhya Pradesh

Recognised as the 'Masters of Risk' in the ESG category in the 8th edition of the India Risk Management Awards 2022 by CNBC-TV18 & ICICI Lombard

Marico received coveted AA rating from MSCI ESG Ratings Index 2022

"Milestone Merit Award" in the Workforce category won by Perundurai Plant at the IMC Ramkrishna Bajaj National Quality Award

Perundurai unit certified as Carbon Neutral Plant certified by DNV in April 2021

Awarded the Vasco People's Choice Award 2021, under the 'Excellence in the Infinite Sustainability of Eco-Tourism' category

Top 3 India's Most Sustainable Companies in India for setting a benchmark in integrating suppliers into the company's sustainability strategy by BW Businessworld IMSC 2021-22

Ranked amongst top 10 companies in 2021 Capri Global Capital HURUN INDIA Impact 50 list for its alignment with the United Nations' 17 Sustainable Development Goals



CORPORATE information

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vinay M A
(w.e.f. October 28, 2021)

AUDIT COMMITTEE

Mr. Nikhil Khattau
Chairman

Ms. Hema Ravichandar
Member

Mr. Milind Barve
Member (w.e.f. August 2, 2021)

Mr. Sanjay Dube
Member (upto July 30, 2021)

Mr. Rajendra Mariwala
Member (upto August 20, 2021)

Mr. Vinay M A
Secretary to the Committee

NOMINATION AND REMUNERATION COMMITTEE (ERSTWHILE CORPORATE GOVERNANCE COMMITTEE)

Ms. Hema Ravichandar
Chairperson

Mr. Nikhil Khattau
Member

Mr. Rajeev Vasudeva
Member (w.e.f. January 28, 2022)

Ms. Apurva Purohit
Member (w.e.f. April 7, 2022)

Mr. K. B. S. Anand
Member (upto July 30, 2021)

Mr. B. S. Nagesh
Member (upto March 31, 2022)

Mr. Amit Prakash
Secretary to the Committee

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. B. S. Nagesh
Chairman (upto March 31, 2022)

Mr. Ananth Sankaranarayanan
Chairman (w.e.f. April 1, 2022)

Mr. Harsh Mariwala
Member

Mr. Rajendra Mariwala
Member

Mr. Saugata Gupta
Member

Mr. Milind Barve
Member (w.e.f. January 28, 2022)

Ms. Nayantara Bali
Member (w.e.f. April 7, 2022)

Mr. Amit Bhasin
Secretary to the Committee

RISK MANAGEMENT COMMITTEE

Mr. Nikhil Khattau
Chairman (w.e.f. July 30, 2021)

Mr. Harsh Mariwala
Chairman (upto July 30, 2021)

Mr. Saugata Gupta
Member

Mr. Pawan Agrawal
Member & Secretary to the
Committee

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Nikhil Khattau
Chairman

Mr. Rajendra Mariwala
Member

Mr. Saugata Gupta
Member

Mr. Vinay M A
Secretary to the Committee

BANKERS

- State Bank of India,
- 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
- Sumitomo Mitsui Banking
Corporation

STATUTORY AUDITORS

M/s. B S R & Co. LLP

INTERNAL AUDITORS

Deloitte Touche Tohmatsu India 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 – 14**
(7 in India and 7 overseas)
- **Regional Offices – 4 in India**
- **Depots – 25 in India**
- **Overseas Offices – 21**

WEBSITES

- marico.com/
- niharshantipathshala.com/
- parachuteadvansed.com/
complete-care/aloe-vera-hair-oil
- parachuteadvansed.com/
complete-care/ayurvedic-hair-oil
- parachuteadvansed.com/
complete-care/home
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complete-care/hot-oil
- parachuteadvansed.com/
complete-care/jasmine-hair-oil
- parachuteadvansed.com/
complete-care/coconut-creme-oil
- mylivonmysalon.com
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- setwet.com/
- studioxstyle.com/
- justherbs.in/



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Management Discussion and Analysis

This discussion covers the financial results and other developments for the year ended March 31, 2022, with respect to our Consolidated business, comprising the domestic and international business. The Consolidated entity has been referred to as 'Marico' or 'Group' or 'Company' in this discussion.

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

Economic Scenario

Global

In early 2022, the global economy seemed to be on track for a strong, albeit uneven, recovery after leaving the worst of the COVID-19 pandemic behind (despite uncertainties associated with subsequent waves of infection and rising global inflationary pressures). However, spillovers from the Russian Federation's invasion of Ukraine have led to a sharp deceleration in global economic activity. In addition to the war, frequent and wider-ranging lockdowns in China due to the zero-COVID policy – including in key manufacturing hubs – have also slowed activity in the region and caused new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Global inflation has risen sharply from its lows in mid-2020. Markets expect inflation to peak in mid-2022 and then decline, but to remain elevated even after these shocks subside and monetary policies are tightened further. This has subdued global economy growth projections to only 2.9 percent in 2022 (significantly lower than 4.1 percent that was anticipated in January) per World Bank's latest Global Economic Prospects report. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

In advanced economies, economic activity is being dampened by rising energy prices, less favorable financial conditions, and supply chain disruptions, all of which have been exacerbated by the war in Ukraine. As a result, growth in these economies is projected to decelerate from 5.1 percent in 2021 to 2.6 percent in 2022 – 1.2 percentage points below previous projections. Growth is expected to further moderate to 2.2 percent in 2023, largely reflecting the further unwinding of the fiscal and monetary policy support provided during the pandemic.

Growth in emerging market and developing economies (EMDEs) this year has been downgraded to 3.4 percent, as

negative spillovers from the Russia-Ukraine crisis more than offset any near-term boost to some commodity exporters from higher energy prices. The impact will be most severe for Europe and Central Asia, where output is forecasted to sharply contract this year. Output growth is projected to slow this year in all other regions except the Middle East and North Africa, where the benefits of higher energy prices for energy exporters are expected to outweigh those prices' negative impacts for other economies in the region.

Despite the negative shock to global activity in 2022, there is essentially no rebound projected next year: global growth is forecasted to edge up only slightly to a still-subdued 3 percent in 2023, as many headwinds – in particular, high commodity prices and continued monetary tightening – are expected to persist. A forceful and wide-ranging policy response is required by EMDE authorities and the global community to boost growth, bolster macroeconomic frameworks, reduce financial vulnerabilities, provide support to vulnerable population groups, and attenuate the long-term impacts of the global shocks of recent years.

India

Understandably, the ongoing crisis has clouded India's growth outlook as well. India GDP growth was pegged at 8.7% in FY22, after contracting by 6.6% in FY21. The World Bank cut India's FY23 GDP growth forecast to 7.5 percent, a hefty 1.2 percentage points down from its previous forecast, due to headwinds from rising inflation, supply chain disruptions, and geopolitical tensions.

Crude oil prices are lingering above US\$100 per barrel, wheat has gone up by 50% in a span of two weeks, and edible oil prices are up 20% – all of which are critical imports from the two warring nations. India also partly meets its fertilizer needs from the region. For India, which has been battling inflation for a while now, this situation is making matters worse. Higher fuel and fertilizer prices will reduce government revenues and increase subsidy costs. Furthermore, capital outflows and rising import bills will weigh on the current account balance and currency valuation.

It is not just India, but almost all emerging economies are reeling under these external shocks. We, however, believe that India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency – all leading to accelerated economic growth. Furthermore, the emphasis on manufacturing in India, various government incentives such as lower taxes, and rising services exports on the back of stronger digitization and technology transformation drive across the world will aid in growth.

Also, several spillover effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination. On the health front, a large, vaccinated population will likely help contain the impact of subsequent infections waves, if any.

However, inflation will likely be the wild card over the next year. The sharply rising oil and gas, commodity, and food and fertilizer prices may trigger terms-of-trade shock and result in cost-push inflation. Supply disruptions and sanctions will add to global inflation, which will also feed into domestic prices. While production-cost escalations across industries will result in higher producer prices, the impact on consumer prices will depend on the degree of pass-through to consumers. Furthermore, the rapid reopening of the economy, that is currently underway, will drive growth in contact-intensive services sectors, which have been laggards so far. This will push up prices for services as well, adding to the inflation woes. Inflation could rise further in the next few quarters of FY 2022-23 because of higher food and fuel prices and negative terms of trade. The RBI will likely lean toward containing prices and, therefore, raise policy rates. The RBI is likely to be watchful of how the inflation dynamics play out – it may accordingly decide to use other policy instruments to keep inflation and currency depreciation in check. The frequency and the number of hikes will also depend on how gradual the demand recovery is and whether credit tightening is successful in deescalating inflation. The next few months will be critical for India's economy as the government and the RBI work at balancing the stress on inflation, currency, external accounts and fiscal deficit.

Bangladesh

Bangladesh has been among the fastest growing economies in the world over the past decade, supported by a demographic dividend, strong ready-made garment (RMG) exports, remittances and stable macroeconomic conditions. The country made a strong economic recovery from the COVID-19 pandemic.

GDP grew by 6.9% in fiscal year 2021 (FY2021, ended 30 June 2021), up from 3.4% in FY2020 (FY2020, ended 30 June 2020). The rise in external trade and the swift implementation of supportive fiscal and monetary stimulus measures to tackle the impact of the COVID-19 pandemic helped to foster a solid expansion in FY2021. Private consumption was a major contributor to growth in FY2021 as a sharp increase in worker remittances boosted domestic income. The rise in private consumption was achieved despite restrictions imposed in the final quarter to contain a second COVID-19 wave. Inflation remained moderate and the current account deficit narrowed.

Growth is expected to remain strong in the current and following fiscal year, but below pre-pandemic levels because growth in industrialized economies is expected to slow on

disruptions from the Russian invasion of Ukraine. As per the Asian Development Outlook (ADO) 2022 published by Asian Development Bank, GDP is projected to continue to grow at 6.9% in FY2022 and 7.1% in FY2023 based on growth in private consumption, stepped-up budget spending, a strong expansion in exports and improvement in agricultural output. With large available funding, public investment will increase to support the implementation of priority large infrastructure projects. Private investment will get stronger, reflecting solid growth in private sector credit and imports of industrial raw materials and capital goods.

Vietnam

A renewed COVID-19 outbreak in the second half of 2021 dampened Viet Nam's economic recovery, tightened labor supply, and disrupted labor-intensive manufacturing and production supply chains. GDP growth in the last calendar year slowed to 2.6% from 2.9% in calendar year 2020. The fast recovery of industrial output in Q1 and Q2 was erased by strict COVID-19 mobility restrictions in Q3, causing output to contract in that quarter. The easing of mobility restrictions in October on rising vaccination coverage restored growth, with output rising 4.0% overall in 2021.

As per the Asian Development Outlook (ADO) 2022 published by Asian Development Bank, growth in GDP is forecast at 6.5 per cent in 2022 and 6.7 per cent in 2023, a rebound made possible by Vietnam's high COVID-19 vaccination coverage, the shift to a more flexible pandemic containment approach, expanding trade, and the government's Economic Recovery and Development Programme (ERDP). The ERDP will speed up public investment, stimulating domestic demand. Improved coordination between the central and local levels of government and restored labour mobility will increase domestic and foreign investor confidence in Vietnam's recovery.

Middle East and North Africa

The economic recovery in the Middle East and North Africa (MNA) slowed briefly at the turn of the year as Omicron outbreaks sapped growth momentum. New confirmed cases of COVID-19 have since abated with broad-based declines across all economies. The pandemic induced slowdown was followed by the Russian Federation's invasion of Ukraine, leading to higher commodity prices, tighter financing conditions (amid reduced monetary accommodation in both advanced economies and in the region), and a further deceleration in global growth. The region faces a growing divide between oil exporters – which on net should benefit from elevated oil prices and high COVID-19 vaccination rates – and oil importers, which face higher food and energy prices, deteriorating external balances, and still limited vaccination rates.

World Bank has forecasted GDP in the region to grow by 5.3% in 2022 after an estimated 3.3% expansion in 2021 and



Management Discussion and Analysis (Contd.)

3.1% contraction in 2020, assisted by rising oil revenues, structural reforms in some economies (Egypt, Saudi Arabia, United Arab Emirates), and a general waning of the pandemic's adverse impacts. This would be the region's fastest growth in a decade, but the rebound could have been even stronger had it not been for the detrimental impact of Russia's invasion of Ukraine on oil importers.

In Egypt, growth slowed in early 2022 following a boom in the first half of FY21-22 (fiscal year ending June 2022). Export revenues in March soared about 80 percent above pre-pandemic highs. Exchange rate, monetary and fiscal measures have been undertaken in response to adverse global developments (including soaring prices, tightening financial conditions and fading demand), aggravated by the war in Ukraine. As per World Bank, the economy is likely to grow at 5.5% in FY21-22, up from 3.3% a year earlier, mainly reflecting the strong performance in the first half of the year. However, growth is expected to slow down to 5% in FY22-23 as base effects and the demand overshoot are expected to start tapering off, and economic activity will be adversely affected by the repercussions of the war in Ukraine.

South Africa

After recording one of its deepest contractions of 6.4% in 2020, South Africa's real GDP growth bounced back to 4.9% in 2021, driven primarily by a combination of base effects, strong commodity prices and the gradual reopening of the economy after strict COVID-19 regulations and mobility restrictions. In 2022, the economy returned to pre-pandemic levels in the first quarter but the pace of economic growth is expected to moderate this year. The Organisation for Economic Co-operation and Development (OECD) expects GDP to grow by 1.8% and 1.3% in 2022 and 2023 respectively. The commodity prices boom will support exports. However, adverse weather and power cuts are dragging markedly on activity, while the very high unemployment rate and rising inflation are denting household spending. Resurgence of COVID-19 remains a risk as well, due to a low vaccination rate.

Fast Moving Consumer Goods (FMCG) Sector in India

The fast-moving consumer goods (FMCG) sector is India's fourth-largest sector and comprises three segments - household and personal care, healthcare, and food & beverages constituting 50%, 31% and 19% share of the sector respectively. Growing awareness, rising incomes, urbanization, large working population, easier access and changing lifestyles remain key growth drivers for the sector.

The urban segment is the largest contributor to the overall revenue generated by the FMCG sector in India. However, in the last few years barring FY22, the FMCG market has grown at a faster pace in rural India compared to urban

India. Semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50% of the total rural spending. Rural consumption has increased, led by a combination of increasing income and higher aspiration levels. Rural markets account for more than 60% of our country's population, but contribute ~40% of FMCG sales, estimates by Nielsen suggest. This signals further room for companies to grow in these markets.

With the share of unorganised market in the FMCG sector falling, the organised sector growth is rising with increased level of brand consciousness, augmented by the growth in modern retail. Online portals are playing a key role for companies trying to enter the hinterlands. Internet has contributed in a big way, facilitating a cheaper and more convenient mode to increase a company's reach. The number of internet users in India is likely to reach 1 billion by 2025.

FMCG Vol Gr. (U+R)



FMCG Vol Gr. (Urban)



FMCG Vol Gr. (Rural)



Source: Nielsen

In FY22, India's fast-moving consumer goods (FMCG) market grew by only 3% in volumes, as the sector witnessed a progressive slowdown in consumption in each quarter with rising inflation levels weighing down the overall sentiment in the aftermath of the second COVID wave. While volume growth entered negative territory in the last two quarters, value growth stayed in the positive zone. Pricing growth was in double-digits in each of the quarters as companies took price hikes to alleviate the severe input cost-push.

The weakness in consumption echoed across all zones and the town classes, but more prominent in rural markets. The overall volume decline was spread across categories, but the extent was significantly higher in non-food compared to food. Consumers scaled back more on discretionary spends within the non-food categories. There was also an evident shift by consumers to smaller pack sizes in both foods and non-foods.

Key Consumer Trends Shaping the FMCG Industry in India

The FMCG industry in India has seen a remarkable transformation over the last two decades. It has evolved and exhibited resilience to evolve in ways that create more value in the future for the entire chain after bouncing back from the second wave. The pandemic has had a big impact on the FMCG sector where it not only changed consumer behaviour but also made FMCG companies to re-invent their strategies for customer acquisition, retention and value propositions. The consumption basket has transformed during this period and some of these changes are likely to be permanent.

As FMCG companies and retailers continue to adapt to the 'new normal', they are developing alternate routes to market, building new business models (including Direct to Consumer/D2C), increasing their online presence while preserving their offline stores and footprint as well as expanding their rural and rural coverage. To cater to the evolving Indian consumer, retailers are adopting an omni-channel strategy and accelerating the adoption of digitization along with emerging new-age technologies in their operations. At the same time, new models like social commerce, where people shop through social media platforms, and quick commerce, where people expect to receive their orders in less than an hour (often in 25-30 mins) of the orders being placed, have also emerged.

Here are the key consumer trends that are shaping the sector and suggestive of what lies ahead:

Health & Wellness will be a growing domain

There is a growing awareness amongst people regarding their wellbeing. As people realize that good health needs proactive attention, they are rapidly growing closer to healthy eating habits. Since the outbreak of the COVID-19 pandemic, immunity boosting foods and supplements have

also gained traction. People are becoming more watchful of what they buy and what they consume, internally and topically. Organic, superfood-based, nutritious, natural products are gaining favour amongst the masses, no matter what the category. There is a clear need for embracing healthy ingredients in the product DNA, for FMCG companies to stand out, make an impact.

Digitisation

Since the outbreak of the COVID-19 pandemic, technology adoption has taken place at a breakneck pace across the entire value chain; this would have taken several years in a pre-pandemic world. Increasing smartphone and internet penetration is helping people in rural areas easily access online shopping. Digitization is increasingly becoming a priority for FMCG brands as customers interact with brands across multiple online and offline channels. Companies also get access to valuable data from these sources, including various social media platforms, web and mobile applications. Besides, it also allows FMCG brands to engage better with their customers and convert one-time buyers into repeat customers.

Brand Community

Consumers of today can interact easily with other people who have bought the same product. Most consumers do some degree of online research - including product reviews, manufacturing methods and how a product compares with alternatives in terms of features. As a result, brands are devising marketing strategies to build a brand community where they target consumers who are interested in their products as well as have similar social, political and cultural factors.

Products designed and targeted at Millennials and Gen Zs

Millennials and Gen Z display unique sets of demands. For them, the product itself must be a key differentiator. Clear brand identity and what it stands for attracts these two generations the most. Also, the desire for more ethical and sustainable products as well as environmentally conscious practices has been on the rise. With rising disposable incomes and exposure to digital information, these generations have access to a host of brand choices.

Performance Review

In FY22, Marico Limited posted consolidated turnover of ₹ 9,512 Crore (USD 1.3 billion), 18% higher than the previous year. The underlying domestic volume growth for the year was 7% and constant currency growth in the international business was 16%. The operating margin stood at 17.8%, down 201 bps from the previous year. Recurring net profit was at ₹ 1,230 Crore, a growth of 6% over the last year on a like-to-like basis.



Management Discussion and Analysis (Contd.)

Domestic Business (77% of Consolidated Revenues)

Marico's domestic business achieved a turnover of ₹ 7,333 Crore, up 18% over the last year. The underlying volume growth was healthy at 7%, despite weakening consumer sentiment and sharp volatility in key input cost prices. The operating margin for the India business was at 18.2% in FY22 vs 21.3% in previous year. The profitability was impacted by severe input cost push through the year, while the Company did not hold back investments in brand building to protect short-term margins.

Coconut Oil (40% of Domestic Business)

Parachute's rigids (packs in blue bottles) grew 5% in volume terms, in line with medium term aspirations. The volume market share of the brand rose by 170 bps in rigid packs (MAT March 2022), thereby maintaining its stronghold in the branded coconut oil category. The non-focused Coconut Oil portfolio also grew by 3% in volume terms. Overall, the volume market share of the Coconut Oil franchise (including Nihar Naturals and Oil of Malabar) was at 63% (March 2022 MAT).

The brand will continue to monitor its premium vs. unbranded in core markets and make agile pricing interventions as well as driving saliency through optimal media cover in core markets and countering competition. We will also continue to drive brand stature by propagating the goodness of coconut.

The brand is well poised to sustain its good run as it enters FY23 with improving salience in both core and non-core markets. Nearly a third of the total coconut oil market is unorganized, which continues to provide headroom for growth of branded coconut oil on a sustainable basis. Given Parachute's volume market share in rural is much lower than in urban, a pickup in rural spending presents us with an opportunity to improve our rural market share over the medium term.

Saffola Franchise: Super Premium Refined Edible Oils (25% of Domestic Business) and Foods (6% of Domestic Business)

The Saffola franchise, comprising Refined Edible Oils and Foods, grew by 34% in value terms.

Saffola Edible Oils ended flat in volume terms in the full year on a high base of 17%, after contending with significant volatility in input costs and weak trade sentiment during the year. All India Urban Household penetration for Saffola Oils increased, albeit slightly, on MAT basis, despite the challenging environment and sharp price hikes taken during the year. Media investments on Saffola Gold continued during the year on the thematic which aims to accelerate penetration by building the relevance of heart care through Saffola Gold, by highlighting that the daily stress one goes

through impacts the heart. A focused distribution drive to increase outlet reach for 1ltr pack of Saffola Gold was executed across all regions.

The brand would continue its thrust on gaining penetration through:

- Thematic communication on television coupled with a digital burst to build relevance and adoption across markets
- Maintaining the optimal Relative Price Index (RPI) to category to strike the right balance between pricing and profitability
- Building importance of proactive heart health through Saffolalife content engagement on social media
- Driving E-commerce off-takes through performance marketing
- Driving Modern Trade (MT) & General Trade (GT) last mile conversion through in-store initiatives

Saffola Foods grew by ~50% in FY22 in value terms on the back of both core and new franchises growing healthily. As a result, the Foods portfolio achieved the aspiration of reaching a ₹ 450-500 Crore topline in FY22.

The **Saffola Oats** franchise gained 512 bps in value market share to consolidate its No. 1 position with ~42% value market share in the overall Oats category on a MAT basis. The brand registered highest annual penetration of 4.4% in FY22 vs. 2.7% a year ago.

The brand will continue to drive adoption and penetration gain through:

- Building relevance and salience through TV media across markets
- Building food and snacking codes
- Accelerating recruitment from snacking, through Wet sampling and visibility in top stores across GT and MT
- Initiatives to drive on-platform adoption on E-Commerce
- Thrust on increasing reach through new outlet expansion
- Focus on driving recruitment through the mid pack by increasing availability in current brand coverage

Both, Saffola Honey and Saffola Mealmaker Soya Chunks ended the year in the ₹ 50-100 Crore range each.

While category growth moderated through the year, **Saffola Honey** continued to consolidate its 20%+ market share in E-commerce and low double digit market share in MT. We also launched Saffola Organic Honey on E-commerce, which is witnessing good traction. With consistent media investment, health metrics of the brand have significantly improved.

Saffola Mealmaker Soya Chunks has taken "India's softest & tastiest soya" claim across all the platforms and gained market share in alternate channels with it becoming the #1 brand in the Soya category on Amazon. We will create further awareness in key markets through TVC and other media and work towards soya-based innovations. The launch of Saffola Mealmaker Soya Granules is a step in that direction.

Saffola Oodles good traction in MT B2C and Ecomm channels. The brand effected a change in its recruitment strategy where it completely shifted the media and activation towards kids. Wet sampling in MT B2C and large open format GT stores will be a key driver in generating new trials as the COVID restrictions ease across markets.

During the quarter, the Company continued to broaden its play in Foods with the launch of **Saffola Peanut Butter** and **Saffola Mayonnaise**. With these launches, we further expanded the total addressable of the brand 'Saffola' to ~₹ 6,000 Crore Saffola Peanut Butter replaces refined sugar with its perfect blend of peanuts and jaggery and comes in two delectable variants, namely 'Crunchy' and 'Creamy'. Saffola Mayonnaise is a healthy eggless offering made with milk cream. Both offerings are available online and offline channels in select cities as well. Initial feedback from consumer studies on both products has been encouraging.

Value-Added Hair Oils (21% of Domestic Business)

In line with medium term aspirations, Value Added Hair Oils delivered value growth of 14% in FY22. Volumes also grew in double digits. The Company consolidated its leadership position at 37% volume market share and 27% value market share during the year.

Nihar Shanti Amla crossed the 25% milestone in penetration for the first time this year and registered higher traction across core and non-core markets. Rural micromarketing activity has been initiated in March 2022 to build incremental media reach in deep rural, media-dark geographies to improve brand awareness and drive penetration gain through upgrades. Focus on building large packs through distribution will also continue.

Parachute Advansed Jasmine was the leading performer in FY22. The brand has launched an exciting new pack design in March 2022 and will continue to maximize spontaneous awareness by building buzz around new pack launch through new TVC edits, digital pack activation across key markets to accelerate trials and continue the strong growth momentum.

Hair & Care was supported by a strong media mix across mainline TV and digital along with occasion led relevance building initiatives (eg: Holi Hair Damage Repair) via influencer marketing. It plans to strengthen the damage repair proposition & drive memorability & association with the brand, while ensuring strategic inputs across channels & key markets.

Parachute Advansed Aloe Vera witnessed gains in penetration in key markets. The brand will focus on building spontaneous awareness with media bursts across core markets to accelerate trials and driving weighted distribution to pre-COVID levels.

Parachute Advansed Ayurvedic Hair Oil moved to the No.1 position in the hairfall category in South India in August 21 and continues to gain share. Being the market leader, the brand now has a task of growing the hairfall category and appealing to a larger audience with its strong campaign claiming reduction of 7 early signs leading to hairfall. The campaign will be supported by mainline TV & Digital media, influencer campaigns and on-ground POSM displays.

Over the medium term, we aim to build on to the growth in the Value Added Hair Oils franchise by adopting a three-pronged strategy:

- Continue to aggressively participate at the bottom of the pyramid on the back of its leadership position, as consumers become increasingly value conscious in their purchasing behaviour and demonstrate heightened preference for trusted brands.
- Accelerate growth in the mid segment through pricing and brand renovation.
- Aim to gain market share in the premium segments, where we are relatively under-represented, through brand building and innovations offering higher order sensorial and functional benefits.

Premium Personal Care (~5% of Domestic Business)

Premium Personal Care (contributing less than 5% of revenues) grew in high double digits with both Livon Serums and Male Grooming growing at 20%+ each.

The **Set Wet** male grooming portfolio witnessed a sharp recovery on the back of markets opening up and activations in key channels. The brand has gone back on air with a new communication in March 2022 to gain back preference for Hair Styling. Given the heightened inflationary pressures and discretionary nature of the category, we will aim to maintain our leading market share in the category.

Armed with a new visual language, **Livon Serums** continued with its always-on media approach to strengthen relevance of its new proposition- stylist in a bottle- where the brand promises to make styling easy. In addition to this, influencer and stylist-led content also strengthened its presence.

Beardo scaled up in to cross the ₹ 100 Crore exit run rate in FY22. Launched in 2015, the brand has evolved from beard grooming only into a full-stack male grooming brand to the extent that more than two-thirds of the brand's revenues come from non-beard products currently. Beardo's unique archetype-led communication has allowed it to carve a



Management Discussion and Analysis (Contd.)

unique identity for itself in the grooming space. Combining that with an incredible roster of celebrity associations has further reinforced Beardo's stature as a persona. The brand has also built offline presence in 15,000 salons with its exclusive Beardo Studio Professional range, which is used & recommended by stylists across the country.

Strategic Investment in 'Just Herbs'

In July 2021, the Company announced a strategic investment in Apcos Naturals Private Limited with an acquisition of a majority equity stake. Apcos Naturals Private Limited owns "Just Herbs" (<http://www.justherbs.in/>), a line of pure, bespoke and Ayurvedic results-driven skin and hair care offerings, made from certified organic and wildcrafted ingredients collected from across India. The range of hair and skin care products are a combination of the purest of plant ingredients and essential oils. While the brand garners majority of its business through its own D2C website, it is also available on online marketplaces (Amazon, Flipkart and Nykaa) and its exclusive offline stores in select cities. The investment is in line with Marico's strategy to accelerate its digital transformation journey through building scalable digital-first brands, either organically or inorganically, as well as to premiumise its play in personal care. Just Herbs has scaled up in line with expectations since then.

Sales and Distribution - India

Marico reaches 5.6 Million retail outlets, which are serviced by our nationwide distribution network. This network covers 59,000 villages in India and almost every Indian town with population over 5,000. The Company has continued to expand direct distribution in rural and urban and currently serves about 1 Million outlets directly.

In FY22, traditional trade grew by in low single digits in volume terms with rural marginally ahead of urban. Rural contributed to 31% of domestic sales in FY22. With footfalls in Modern Trade rising, the channel grew in high single digits in volume terms, while e-commerce continued to lead with high double-digit growth in FY22. Modern Trade and e-commerce contributed to 14% and 9% of the India business respectively.

In the current year, the Company has institutionalized a new Sales framework, internally known as Sales 3.0. The changes are done to help Marico continue to win in markets by strengthening our micro market focus and execution, enhanced agility with on-ground decision making and leveraging technology and analytics. The new framework or structure represents a shift in our sales operating structure from four divisions, that is north, east, south and west to multiple 7-8 clusters, which are defined

based on similar consumer behavior, brand preference and geographical contiguity.

The Company continued to drive business through a multi-dimensional responsive GTM strategy that included the following:

- **Distribution Expansion** – Rural infrastructure was strengthened by a total addition of 1,600+ stockists taking the total count of stockists to above 7,500. This has increased our direct presence in approximately 4k villages. We have increased our direct coverage by adding 40K retail outlets in urban markets across all divisions in the country.
- **Foods GTM** – Segmented GTM for the New Foods business was launched in 3 metro cities to have dedicated feet on street aided with increased focus on merchandizing, in-store visibility, freshness of foods stock at store and promotion to drive the desired growth for this model. As a result, the lines sold to outlets increased by 1.5X with share-of-shelf greater than fair share in majority of food brands
- **Project SARAL** – The objective of the project is to make Marico the partner of choice for channel partners across the country – by improving engagement, collecting feedback & ensuring grievance redressal. The Company has worked towards creating tech-enabled, simplified, people independent processes and solutions for issue and grievance resolution of channel partners. The initial version of the Saral Application was launched in December 2021, followed by another version with enhancements. The next version of the application is due for release in Q2FY23 with further advanced features. The platform is being actively used by 84% of all channel partners.
- **Technology enabled efficiency drivers** – The Company had launched a pilot for optimizing delivery beats completed in select geographies, post which a scale up has been planned in Q1FY23 for 40 urban distributor points across geographies. This will help direct the frequency of visits needed by retailer and business type and bring more efficiencies in servicing the retailers.

International Business (23% of Consolidated Revenues)

Marico's international business, posted a turnover of ₹ 2,179 Crore, a growth of 17% over the last year. The business reported constant currency growth of 16%, with double-digit growth in each of the key markets. The operating margin for the International business expanded to 24.3% in FY22 from 23.5% in previous year.

Bangladesh (51% of International Business)

The business posted constant currency growth of 14% in FY22, maintaining the double-digit growth momentum for the fourth successive year.

The business tapped into emerging trends and launched new products while competitively growing its core businesses. The business launched 3 new products in the value-added hair oils portfolio, a range of facewashes in the skin care portfolio and extended its baby-care portfolio with the launch of Just For Baby shampoo. On the back of these multiple diversification initiatives, the revenue share of the non-Coconut Oil portfolio moved to nearly 40% in FY22 from sub 20% in FY15.

The Company will continue to leverage its strong distribution network and learnings from the Indian market to quickly scale up future engines of growth in Bangladesh. The healthy macro indicators also provide the required thrust for growth.

South East Asia (23% of International Business)

The South East Asia (SEA) business was up 11% constant currency terms in FY22, led by 12% constant currency growth in Vietnam. The HPC business posted double-digit growth driven by male shampoos and body wash categories. Foods continued good momentum resulting from increasing in-home consumption coupled with a successful brand campaign and strong Tet festival performance in the second half of the year. The fish sauce portfolio led the growth in Foods. Myanmar had a muted year amidst the ongoing Import License crisis and currency depreciation.

Middle East and North Africa (MENA) (13% of International Business)

The MENA business posted 27% constant currency growth in FY22, led by strong performance in the Hair Oils portfolio across markets and Fiancee creams in Egypt. The Middle East and Egypt businesses grew 25% and 19% respectively in constant currency terms.

South Africa (7% of International Business)

The South Africa business grew 18% in cc terms in FY22, driven by the Health Care portfolio and Isoplus.

New Country Development & Exports (6% of International Business)

The New Country Development & Exports business has posted 31% constant currency growth in FY22. The Company remain positive on the future prospect of this business, as it incubates new geographies to expand its franchise.

Overview of Consolidated Results of Operations

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, GST budgetary support and miscellaneous income.

The following table states the details of income from sales and services for FY21 and FY22:

Particulars (₹ in Crore)	FY22	FY21
Revenue from operations	9,512	8,048
Other income	94	94
Total income	9,606	8,142

There has been 18% growth in revenue from operations, owing to 18% growth in the India business and 17% growth in the International business.



Management Discussion and Analysis (Contd.)

Expenses

The following table sets the key profit and loss account line items for FY21 and FY22:

	For the year ended March 31			
	FY22 (₹ in Crore)	% of Revenue	FY21 (₹ in Crore)	% of Revenue
Revenue from operations	9,512		8,048	
Expenditure				
Cost of materials	5,436	57.2%	4,270	53.1%
Employee cost	586	6.2%	570	7.1%
Advertisement and sales promotion	796	8.4%	698	8.7%
Other expenditure	1,005	10.6%	919	11.4%
PBDIT margins	1,689	17.8%	1,591	19.8%
Depreciation and amortization	139	1.5%	139	1.7%
Finance charges	39	0.4%	34	0.4%
Profit Before Tax (excl. one-offs)	1,609	16.9%	1,510	18.8%
Tax	349	3.7%	321	4.1%
Profit after tax (excl. one-offs) after MI	1,230	12.9%	1,162	14.4%

Cost of Materials

Cost of materials comprises consumption of raw material, packing material and semi-finished goods, purchase of finished goods for re-sale and increase or decrease in the stocks of finished goods, by-products and work-in-progress ones. In FY22, average domestic copra prices were down by 12%, rice bran oil increased by 44%, LLP was up 24% and HDPE was up 27%.

Direct Tax

The effective tax rate (ETR) was 21.7% in FY22. Due to expiration of fiscal benefits in one of the manufacturing units, ETR will be 250-300 bps higher from FY23.

Capital Utilisation

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

Ratio	FY22	FY21
Return on Capital Employed (ROCE)	44.8	44.3
Return on Net Worth (RONW)	37.3	37.1
Debt Equity Ratio	0.10	0.10
Current Ratio	1.16	1.25
Interest Coverage Ratio	42.3	45.5
Working Capital Ratios (Group)		
Debtors Turnover (Days)	20	21
Inventory Turnover (Days)	49	57
Net Working Capital (Days)	12	19

Note: Turnover ratios calculated based on average balances.

The Company has maintained healthy working capital and return ratios through the year.

Shareholder Value

Our dividend distribution policy is aimed at sharing prosperity with shareholders subject to maintaining an adequate chest for liquidity and growth. Dividend per share increased to 925% of face value in FY22 as compared to 750% in FY21. The overall dividend payout ratio in FY22 stood at 97% of the consolidated profit after tax (excl. one-offs).

Outlook

Near Term View

In the domestic business, while near term demand outlook is uncertain, we are confident of staying well-ahead of market growth and will continue maintain sharp focus on driving penetration and market share gains across our portfolios aided by distribution expansion, aggressive cost controls, and sufficient investment in market development and brand building. We will closely watch rural growth and are hopeful of a recovery in demand in light of the good harvest season, normal monsoon forecast and government spending.

The International business has maintained a steady momentum of healthy profitable growth over the last 5 years and we are confident of maintaining the double-digit constant currency growth momentum in the coming quarters. As the pandemic has subsided across regions, we expect the business environment in the markets we operate in to remain stable, unless any major geo-political concerns flare up. However, if inflation persists, there is a possibility of some currency depreciation in some markets.

On the margin front, there is some degree of comfort given that copra (which constitutes about half of our raw material basket) is expected to remain benign. With crude and edible oil inflation being largely supply led, some cooling off is

possible over the next few months. Therefore, we expect demand and margin trends to improve towards the second half of next year. In view of these factors, consolidated operating margin should be in the range of 18-19% in FY23.

Medium Term View

The near term notwithstanding, we remain confident of the medium term prospects of the FMCG sector once transient macro disturbances settle down and fundamental drivers of the India consumption story come to the fore.

We will continue to do what we are doing well in terms of driving sustainable and profitable growth in the core domestic and overseas franchises, managing costs aggressively and staying true to our purpose in our ESG commitments. However, to unlock the next leg of growth, we believe that we need to get the four dimensions (internally dubbed as 4 Ds) right to deliver long-term double-digit value growth. These have been detailed in the chapter titled **Strategy**.

We hold our medium term aspiration to deliver 13-15% revenue growth on the back of 8-10% domestic volume growth in the domestic business and double-digit constant currency growth in the international business. We will aim to maintain consolidated operating margin above the threshold of 19%.

India: In Parachute Rigid, we expect to grow volumes in the range of 5-7% over the medium term, given the market construct and strengthening brand equity. In **Value-Added Hair Oils**, we aim to sustain double-digit value growth over the medium term. Driving value share gains ahead of volume share in the overall portfolio through mix improvement and innovations in the premium segment will be our key focus over the medium term. In **Saffola Edible Oils**, we expect to deliver high single-digit volume growth over the medium term. The **Foods** franchise had a robust year to end above ₹ 450 Crore in revenues this year. We aim to scale this up to ₹ 850-1,000 Crore by FY24 on the back of innovation, distribution and market development. We will build the **Premium Personal Care** portfolios into growth engines of the future and deliver double-digit value growth over the medium term in these portfolios. We aim to accelerate our digital transformation journey by building a portfolio of at least three digital brands, either organically or inorganically, with a combined turnover of ₹ 450-500 Crore by FY24. **Beardo** and **Just Herbs** are conscious steps in this direction.

International: In Bangladesh, the competitive strength of our brands and our distribution reach in the region have enabled the business to stay firmly on its accelerated growth trajectory. Over the medium term, we will maintain the double-digit constant currency growth in the business. In **Vietnam** and **MENA**, we have set the fundamentals right and will now suitably replicate attributes from the strategy

that has worked in Bangladesh, in order to build a sustained growth momentum in both businesses. The MENA market presents an attractive growth opportunity and we will invest to grow in this market. In South Africa, we expect to protect the core franchise of ethnic hair care and health care over the medium term.

Human Resources

Talent and culture are among the key building blocks in shaping us into a resilient and sustainable organization. We will continue to focus on defined strategic areas in order to leverage the potential of our human capital. Over the course of the last year, we took several initiatives in this direction, which are presented in the chapter titled **Members**.

Information Technology And Digital

We continued to progress on our roadmap of using digital, analytics and automation opportunities to deliver a better and integrated experience to our consumers, associates and employees. We continued to increase the use of digital as a media platform, with more brands establishing their presence through online, social and mobile media as well as using programmatic buying. The share of digital spend is nearly a fourth of the total mix. In addition, analytics and automation led initiatives helped drive consumer and customer experience, boost sales growth and efficiency and improve employee engagement. Further details of the latest initiatives and developments have been provided in the chapter titled **Consumers**.

Risks & Opportunities

Risks are an integral part of any business environment and it is essential that we create structures and processes that are capable of identifying and effectively mitigating them. For us, the risks are multi-dimensional and therefore we look at it in a holistic manner, straddling both, the external environment and the internal processes. We integrate risk management with strategy formulation and business planning processes. Details of the risks envisaged along with our strategic response to the same is presented in the chapter titled **Risk Management**.

Internal Control Systems and their Adequacy

We have a well-established and comprehensive internal control structure across the value chain to ensure that our assets are safeguarded and protected against loss from unauthorized use or disposition, transactions are authorized, recorded and reported correctly and 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



Management Discussion and Analysis (Contd.)

- Policies on operational and strategic risk management
- Clear and well-defined organization structure and limits of financial authority
- Continuous identification of areas requiring strengthening of internal controls
- Standard Operating procedures to ensure effectiveness of business processes
- Systems of monitoring compliance with statutory regulations
- Well-defined principles and procedures for evaluation of new business proposals/capital expenditure
- Robust management information system
- Comprehensive Information Security Policies and guidelines
- Comprehensive internal audit and review system
- Well-defined Internal Financials Controls framework
- An effective whistle-blowing mechanism
- Training/awareness sessions on policies and code of conduct compliance
- Robust Crisis Management Framework

The internal control system is regularly tested and reviewed by Independent Internal Auditor. The internal auditor is appointed by the Audit Committee of the Board. All possible measures are taken by the Audit Committee to ensure the objectivity and independence of the Internal Auditor, including quarterly one on one discussions. The company also has a management audit team which carries out internal control reviews and follow-up audits. The team is also responsible for monitoring implementation of action points arising out of internal audits.

The internal auditors and management audit team, 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 process includes validation of transactions on sample basis to check if the operations of the company are conducted in compliance to internal policies and ethical standards defined by the company. 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 and management reviews are undertaken on a continuous basis, covering various areas across the value chain like procurement, manufacturing, information technology, supply chain, sales, marketing, compliance and finance with the intent to cover all material business processes and locations under internal audit at least once in every 3-4 years. 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 and actions taken on audit findings are presented to the Audit Committee of the Board.

We have also deployed audit analytics in the domains of sales, procurement, manufacturing, supply chain and employee spends. It helps in continuous control monitoring of control effectiveness and areas where actions are required. The Internal Controls team reviews output of this tool and derives corrective action on timely basis. In order to strengthen control environment, audit analytics will be deployed in other functions of Marico's India operations as well as key international geographies.

Deloitte Touche Tohmatsu India, LLP has carried out our internal audit in the year under review. The work of internal auditors is coordinated by an internal team at our end. This combination of our internal team and expertise of a professional firm ensure independence as well as effective value addition and protection.

Internal Financial Controls (IFC)

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

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

We have implemented a robust internal financial controls framework within the company. The Internal Financial Controls have been documented and embedded in the business processes. Design and operating effectiveness of controls are tested by the management annually and later audited by statutory auditors. Statutory auditors have issued an unqualified report after checking the effectiveness of these controls.

The management believes that strengthening IFC is a continuous process and therefore it will continue its efforts to make the controls smarter with focus on preventive and automated controls as opposed to mitigating manual controls. The company has robust ERP and other supplementary IT systems which are integral part of internal control framework. The company continues to constantly leverage technology in enhancing the internal controls. On a voluntary basis, our material subsidiary, Marico Bangladesh Limited ("MBL") has also adopted this framework. Over time, we will extend this framework to our other overseas subsidiaries.

Business Responsibility Report for 2021-22

Annexure-1

Section A: General Information about the Company

No.	Particulars	Company Information
1	Corporate Identification Number (CIN) of the Company	L15140MH1988PLC049208
2	Name of the Company	Marico Limited
3	Registered Office & Corporate Office	7 th floor, Grande Palladium 175, CST Road, Kalina, Santa Cruz (East) Mumbai - 400098, Maharashtra
4	Website	www.marico.com
5	E-mail ID	investor@marico.com
6	Financial year reported	Year ended on 31 st March, 2022 (FY 2021-22)
7	Sector(s) that the Company is engaged in (industrial activity code-wise)*	FMCG: 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 care 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, Egypt, Vietnam, Middle East, and South Africa b) National locations: – Corporate Office: Mumbai – R&D Center: Mumbai – Manufacturing Units: Puducherry, Perundurai, Jalgaon, Guwahati, Baddi and Sanand – Regional Office: Delhi, Mumbai, Kolkata and Hyderabad – India through domestic operations – Exports are done to other countries such as UAE, Oman, Qatar, Saudi Arabia, Kuwait, Bahrain, Yemen, Libya, Mauritius, Tanzania, Malaysia, USA, Canada, Sudan, Kazakhstan, Singapore, Russia, Sri Lanka, Myanmar, Jordan, Australia, Hong Kong, South Korea, Afghanistan, Maldives, UK, New Zealand, Somalia, Iraq, Netherlands, Zambia, South Africa, Ukraine, Brunei, Germany, Morocco, Bangladesh, Nepal, Bhutan, Egypt, Vietnam.
10	Markets served by the Company	

Section B: Financial Details of the Company

No.	Particulars	Company Information
1	Paid up Capital as on 31 st March, 2022	1,29,27,87,278 equity shares of INR 1 each aggregating to INR 1,29,27,87,278
2	Total Turnover	INR 9,512 crore
3	Profit after Tax	INR 1,230 crore PAT (excl. one-offs)
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 22.32 crore b) 2%
5	List the activities, in which expenditure in 4 above, has been incurred	Major areas in which the expenditure has been incurred include the following: i. Sustainable Agriculture and Productivity Improvement ii. Water stewardship iii. Education and skill empowerment iv. Community sustenance v. Healthcare vi. Afforestation & Habitat Restoration vii. Social innovation viii. National Emergency & Disaster Relief



Business Responsibility Report for 2021-22 (Contd.)

Section C: Other details

- Does the Company have any Subsidiary Company/Companies?
Yes
- 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. Two subsidiary companies participate in BR initiatives of Marico Limited.
- 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 encourages its associates such as suppliers and distributors to adopt BR initiatives. Currently less than 30% of such 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	05124789
2	Name	Mr. Amit Bhasin
3	Designation	Chief Legal Officer & Group General Counsel
4	Telephone Number	022 66480480
5	E-mail ID	amit.bhasin@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	P1	P2	P3	P4	P5	P6	P7	P8	P9
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, IIRC, CDP, ILO, UN-SDGs 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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Code of Conduct https://marico.com/aboutus_coc_pdf/Marico-Code-of-Conduct.pdf									
2.	Sustainability & SHE Policy https://marico.com/investorspdf/Sustainability_Policy.pdf									
3.	CSR Policy https://marico.com/investorspdf/Corporate-Social-Responsibility-Policy.pdf									
4.	Responsible Sourcing Policy https://marico.com/investorspdf/ResponsibleSourcingPolicy.pdf									
6.	Indicate the link for the policy to be viewed online?									
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?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
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)									

Not Applicable

3. Governance related to Business Responsibility (BR): Not Applicable

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 reviews the business responsibility and sustainability performance of the Company on annual basis. The BRR 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 Chief Legal Officer & Group General Counsel and comprises three more Senior Managerial Personnel of the Company.
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 on an annual basis. The Company voluntarily started publishing annual sustainability report from FY 2015-16 onwards. In the year 2018-19, Marico shifted its corporate reporting journey to Integrated Report as per the International Integrated Reporting Council (IIRC) framework. This year, the Company continues to publish the Integrated Report as per IIRC framework. The Integrated Report for FY 2021-22 is accessible on the Company website at: https://marico.com/india/investors/documentation



Business Responsibility Report for 2021-22 (Contd.)

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, transparency, and business ethics. The Company follows high ethical standards in its dealings with all its stakeholders, including members (employees), customers, value chain partners, regulators, investors, 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 principal 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 (CoC)

No.	Designation
1	Chief Human Resource Officer
2	Chief Financial Officer
3	Chief Legal Officer
4	Head – Category Finance & MIS
5	Head HR – Talent Acquisition, New Business Governance
6	Head Legal – Personal Care & Compliance

Information with reference to BRR framework:

No.	Questions	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 Marico Code of Conduct (CoC) provides guidelines on ethics, anti-bribery, and anti-corruption to be abided by all the members. It is mandatory for all employees and contracted workforce to undergo the mandatory CoC refresher courses on Marico's e-learning platform. Further the Marico Code of Business Ethics (MCoBE) policy provides guidelines on human rights, ethics, anti-bribery and anti-corruption to be abided by the business associates and value-chain partners. The requirements under the policy are communicated to all key associates like vendors, suppliers through contractual agreements and annual trainings sessions. The completion of these mandatory MCoBE trainings also attributes to certification of the value-chain partners on Samyut, Marico's Responsible Sourcing framework. 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 for investigation of all complaints, as it has a significant bearing on the individual and the organization.
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.	In the financial year 2021-22, the company received 8 complaints as follows: <ul style="list-style-type: none"> Quarter 1: 0 Quarter 2: 5 Quarter 3: 3 Quarter 4: 0 The Company satisfactorily resolved 7 out of the 8 complaints and 1 complaint was under verification as on 31 st March, 2022.

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

As a responsible company, providing safe, nutritious, and high-quality products to consumers in alignment with their preferences, is our utmost priority. Sustainability at Marico is not only emphasized on green and lean manufacturing practices, but also extended to our products, right from formulation and design stage. In this direction, we adopted life cycle assessment (LCA) approach couple of years ago to identify the environmental impact of our products at different stage of its life. The LCA study of few key products were carried through external agencies. In FY 2021-22, we implemented LCA tool and initiated in-house cradle to gate LCA study for our key brands, Parachute Coconut Oil and Saffola Edible Oil. With the outcome from the study, projects/interventions have been designed to improve environmental performance of the product thus contributing to the overall reduction of sustainability footprint. Going ahead, we would like to conduct similar LCA-based assessment for our entire product portfolio so as to integrate sustainable innovation at each stage of the product lifecycle.

Information with reference to BRR framework:

No.	Questions	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) .	At Marico, we have developed product sustainability framework (Product Sustainability Index, PSI) by integrating environmental, social and governance related aspects with product innovation. The framework considers three important aspects – <ul style="list-style-type: none"> Environmental aspects – Calculation of environmental footprint across product lifecycle stages (encompassing ingredient/material selection, sourcing, manufacturing, supply chain and end use) Social aspects – Consumer-centric benefits offered by the product and disclosure on ingredient safety. Governance aspects – Product quality, compliance and adherence to relevant national and international standards for in-house facilities, processes, people and products The PSI framework aims to reduce the overall environmental and social risks of our products across its lifecycle, establish traceability, ensure 100% compliance on product quality, ingredient safety and disclosure on product formulations, and accelerate consumer-centric product innovation to improve its health and nutritional benefits. In FY 2021-22, we have undertaken PSI assessments of top 30 SKUs. External tools like GaBI Envision software have been used to conduct Environmental LCA of top 30 SKUs. Of these, Parachute Coconut Oil, Saffola Total Oil and Saffola Oats (three of Marico's largest revenue-sharing brands) have undergone comprehensive environmental life cycle analysis, the outcomes of which have been used to minimize the overall environmental footprint of these brands. We are now working to amalgamate the environmental impacts with that of social and governance related impacts, by using the PSI framework as anchor.												
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?	As part of Marico Sustainability 2022 Goals, we monitor and report the specific energy and water consumption in our operations (and not product wise). We follow a series of environmental performance indicators to monitor the efforts of responsible resource use. The Company is committed to conservation and optimal utilization of all resources. Resource Consumption:												
		<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Parameter</th> <th>Unit</th> <th>FY 2021-22</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Specific Energy Consumption</td> <td>GJ/per crore of revenue</td> <td>25</td> </tr> <tr> <td>2</td> <td>Surface Water Consumption</td> <td>m3/per crore of revenue</td> <td>16.43</td> </tr> </tbody> </table>	Sl. No.	Parameter	Unit	FY 2021-22	1	Specific Energy Consumption	GJ/per crore of revenue	25	2	Surface Water Consumption	m3/per crore of revenue	16.43
Sl. No.	Parameter	Unit	FY 2021-22											
1	Specific Energy Consumption	GJ/per crore of revenue	25											
2	Surface Water Consumption	m3/per crore of revenue	16.43											



Business Responsibility Report for 2021-22 (Contd.)

No.	Questions	Information																
		<p>a) Reduction achieved during production The Company has aligned its sustainability efforts over the years and consequently the goals with measurable targets were set to be achieved by 2022:</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Parameter</th> <th>% change from last year</th> <th>% change from baseline year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Energy Intensity +</td> <td>(0.7%)</td> <td>(73%)</td> </tr> <tr> <td>2</td> <td>GHG Intensity (Scope 1+2) +</td> <td>(3%)</td> <td>(80.5%)</td> </tr> <tr> <td>3</td> <td>Water Intensity **</td> <td>(8%)</td> <td>(63%)</td> </tr> </tbody> </table> <p>+ Baseline year FY 2012-13. ++ Baseline year FY 2013-14.</p>	Sl. No.	Parameter	% change from last year	% change from baseline year	1	Energy Intensity +	(0.7%)	(73%)	2	GHG Intensity (Scope 1+2) +	(3%)	(80.5%)	3	Water Intensity **	(8%)	(63%)
Sl. No.	Parameter	% change from last year	% change from baseline year															
1	Energy Intensity +	(0.7%)	(73%)															
2	GHG Intensity (Scope 1+2) +	(3%)	(80.5%)															
3	Water Intensity **	(8%)	(63%)															
		<p>a) Reduction during usage by consumers Not measured.</p>																
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?	SAMYUT – The responsible sourcing program by Marico aims at sourcing of materials and services through responsible business associates who share our sustainability vision. We initiated the first level engagement in 2018 (out of 3 levels designed under the program). In FY 2021-22, we completed level 1 certification for over 46% of our critical value chain vendors (RM, PM suppliers, copra trade, convertors, logistics, depot and warehouse partners). Level 2, 'Evaluate' program has also been launched in FY 2021-22 where we conducted independent third-party audit to evaluate the overall sustainability performance of 10% of our critical RM, PM suppliers who have completed Level 1 certification. In FY 2023, we plan to initiate level 1 and 2 certifications for our remaining value chain vendors (copra trade, convertors, logistics, depots and warehouse partners).																
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?	Agro-materials contributes significantly to our procurement requirements. The input materials are procured from local farmers, small groups and collection centers through active engagement. Marico believes in driving the growth of local economy and continue to work with the local producers and communities. In FY 2021-22, more than 94% of material supplies by spend were procured from local producers and vendors (within India). We continue our efforts to work closely with the local farmer community and help them to improve productivity through trainings based on scientific farm practices and contribute to sustainable livelihood.																
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.	Under 'UpCycle', Marico's circular economy program, it is our ongoing endeavor to tap every opportunity to reduce, reuse and recycle waste generated from our operations. Across all our manufacturing operations, we have established well defined waste management systems. All the wastes generated (hazardous and non-hazardous) are disposed through appropriate channels and CPCB-approved vendors. In FY 2021-22, some commercial pilots have been undertaken to recycle >10% of production waste as well as post-consumer waste (in conformance to EPR framework). Under EPR compliance, we completed collection and safe disposal of 6,299 MT of post-consumer waste (Multi-layered packaging: 1754 MT; Rigids: 2,283 MT and Flexibles: 2,262 MT) in FY 2021-22. Being a consumer staples company, we have a well-defined policy and system to take-back our products which have expired or found with packaging defects in order to recycle them to best possible extent.																

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

Marico considers human resources 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, safe working environment and harassment free workplace. A strong mechanism is in-place for deployment of guidelines and grievance redressal 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.	Questions	Information : as on 31st March, 2022															
3.1	Please indicate the total number of employees	1,657															
3.2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	222															
3.3	Please indicate the Number of permanent women employees.	258															
3.4	Please indicate the Number of permanent employees with disabilities	15															
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?	4%															
		<table border="1"> <thead> <tr> <th>Complaints</th> <th>Filed</th> <th>Resolved</th> </tr> </thead> <tbody> <tr> <td>Child Labour/Forced labour</td> <td>0</td> <td>NA</td> </tr> <tr> <td>Involuntary Labour</td> <td>0</td> <td>NA</td> </tr> <tr> <td>Sexual Harassment</td> <td>1</td> <td>1</td> </tr> <tr> <td>Discriminatory employment</td> <td>0</td> <td>NA</td> </tr> </tbody> </table>	Complaints	Filed	Resolved	Child Labour/Forced labour	0	NA	Involuntary Labour	0	NA	Sexual Harassment	1	1	Discriminatory employment	0	NA
Complaints	Filed	Resolved															
Child Labour/Forced labour	0	NA															
Involuntary Labour	0	NA															
Sexual Harassment	1	1															
Discriminatory employment	0	NA															
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.																
		<table border="1"> <thead> <tr> <th>Employee Categories</th> <th>% trained on Safety & Skill Upgradation (*)</th> </tr> </thead> <tbody> <tr> <td>Permanent employees</td> <td>100%</td> </tr> <tr> <td>Permanent women employees</td> <td>100%</td> </tr> <tr> <td>Contract employees</td> <td>100%</td> </tr> <tr> <td>Employees with disabilities</td> <td>100%</td> </tr> </tbody> </table>	Employee Categories	% trained on Safety & Skill Upgradation (*)	Permanent employees	100%	Permanent women employees	100%	Contract employees	100%	Employees with disabilities	100%					
Employee Categories	% trained on Safety & Skill Upgradation (*)																
Permanent employees	100%																
Permanent women employees	100%																
Contract employees	100%																
Employees with disabilities	100%																
3.8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?																

* Includes employees covered under safety, compliance and skill upgradation related trainings.

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.	Questions	Information
4.1	Has the company mapped its internal and external stakeholders? Yes/No	Yes.
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes.
		In FY 2021-22, we have undertaken several need-based community programs for disadvantaged, vulnerable and marginalized stakeholders residing in proximity of all our manufacturing operations.
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.	– Education support: Nihar Shanti Paathshala Funwala is an education program designed to empower children from vulnerable/marginalized communities, through English Literacy. This year it has been conducted through online as well as offline modes in Madhya Pradesh, Rajasthan, Jharkhand, Bihar and Chhattisgarh. Around 4.17 Lakh students and 2.89 Lakh teachers have been positively impacted through this program.



Business Responsibility Report for 2021-22 (Contd.)

No.	Questions	Information
		<ul style="list-style-type: none"> - Skill development and economic empowerment program: Nihar Skills Academy was launched in 25th September, 2021 under the aegis of Hon'ble Secretary of Ministry of Women and Child Development. In its first year, the program has enrolled 7,976 young women aspirants and placement has been rolled out to 5,883 students so far. This program is conducted in association with ICT Academy, Centum and UNDP. - Jalashay: 47.7 Crore Litre of water storage potential has been created by constructing 246 farm ponds in Tamil Nadu in FY 2021-22. - Mission Health: A targeted health initiative that has been conducted for 550 police personnel (above the age of 40 years) in Puducherry, Perundurai, Jalgaon & Guwahati. The health package included 70+ types of medical tests and doctor consultation. - Community sustenance across Marico's manufacturing locations: Infrastructural, sanitation and hygiene, education, healthcare and environmental conservation related activities were undertaken for the communities residing near Marico's manufacturing units across India. Over 50,000 lives were touched across locations, through our interventions in FY 2021-22. - COVID-19 support: 7,06,604 nos. of materials have been distributed across 17 cities that helped over 55 Lakh beneficiaries in FY 2021-22.

Principle 5: Businesses should respect and promote human rights.

Information with reference to BRR framework:

No.	Questions	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 Marico Code of Conduct (CoC) and Marico Code of Business Ethics (MCoBE) covers the guidelines on human rights and are applicable to all employees and business associates of Marico.
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 FY 2021-22.

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

Information with reference to BRR framework:

No.	Questions	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.	<p>We have implemented "sustainability policy" which extends to all stakeholders of the Company.</p> <p>https://marico.com/investorspdf/Sustainability_Policy.pdf</p> <p>Yes, Marico has aligned its sustainability targets and efforts with the global agenda of combating climate change. We are reporting to CDP (both climate change and water) and Dow Jones Sustainability Indices (for FY 2021-22). Our sustainability interventions are also mapped with UN Sustainable Development Goals (SDGs) and have taken a very specific and focused approach within the parameters of our business operations.</p>
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.	<p>http://marico.com/india/make-a-difference/sustainability</p> <p>ESG World: ESG World allows companies to present their sustainability strategies to all stakeholders in a real time, online and searchable format. Marico's ESG World profile is integrated on the company's website (sustainability page). Apart from providing insightful and easily accessible information on the impact of Marico's activities across the three ESG areas, the profile captures the company's strategic journey towards regeneration and its commitment to all its stakeholders. The international standards mapped to Marico's ESG World profile include - GRI, UNSDG, UNGC, BRR, WEF, IFC, SASB, CDP, DJSI, TCFD to name a few.</p> <p>Marico's ESG World: https://marico.com/global/make-a-difference/esg-world</p>

No.	Questions	Information
6.3	Does the company identify and assess potential environmental risks? Y/N	<p>Yes. ESG risks are an integral part of Marico's overall Enterprise Risk Management Framework. The framework encompasses short, medium, and long-term ESG risks that are pertinent across Marico's value chain. Quarterly review of performance against targets established for the effort metrics to mitigate each type of risk, is undertaken by the Risk Management Committee. The risk metrics are updated on annual basis depending on the expansion of business landscape, strategic vision, optimization of manufacturing landscape and changes in stakeholders' needs.</p>
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?	<p>No. Marico does not have project related to Clean Development Mechanism.</p>
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, Marico has undertaken initiatives on energy efficiency and renewable energy. Some of the initiatives are highlighted below:</p> <ul style="list-style-type: none"> - Energy savings of over 15,000 Kwh/annum by adopting a range of speed optimization techniques in cake silo discharge conveyors, sampling silo bottom conveyors and weight inlet conveyors at Perundurai facility. - Control valve automation at Jalgaon facility. - Introduction of Intelligent Flow Controller (IFC) system at North-East Region (NER- I) to reduce the losses due to artificial air demand of compressed air network. This intervention has led to energy savings of 17,700 Kwh/annum. - HVAC power consumption reduction of 8,263 Kwh/annum using thermostat, at Sanand facility. - 70% of the total energy requirement in operations were met through renewable sources in FY 2021-22. In Perundurai, 99% of the electricity was generated from renewable sources like wind and biomass in FY 2021-22. Biobased fuel was used to meet 100% of thermal energy requirements for 3 manufacturing units, namely Jalgaon, Perundurai and Puducherry.
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 FY 2021-22.
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.	None

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.	Questions	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> <ul style="list-style-type: none"> - AIFPA (All India Food Processors Association) - AFSTI Mysore & Mumbai (Association of Food Scientists and Technologists, India) - ASSOCHAM - All India Association of Industries - FICCI (Federation of Indian Chambers of Commerce and Industry) - CIFTI (Confederation of Indian Food Trade and Industry) - PFNDAI (Protein Foods and Nutrition Development Association of India) - CII (Confederation of Indian Industry) - IBHA (Indian Beauty & Hygiene Association) - Health Foods and Dietary Supplements Association (HADSA) - IHPCIA - Retailers Association of India (RAI) - AMAM [Association of Manufacturers of Ayurvedic Medicine] - SEA (The Solvent Extractors' Association of India) - Indian Olive Association - Indian vegetable oil Producer's association - IVPA - ADMA (Ayurvedic Drug Manufactures Association) - India Plastics Pact (IPP) - The Incubation Network (TIN) <p>Consumer organizations:</p> <ul style="list-style-type: none"> - VOICE - CERC



Business Responsibility Report for 2021-22 (Contd.)

No.	Questions	Information
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.</p> <p>Food safety, nutritional intake, healthier heart awareness, material recyclability, recycled material usage promoting circular economy and related campaigns are some of the areas where Marico has associated towards advancement and improvement of public wellbeing.</p>

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

Information with reference to BRR framework:

No.	Questions	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 has programs, initiatives, and projects in pursuit of the policy related to Principle 8.</p> <p>Marico's flagship program – 'Kalpavriksha' focus on making a difference in life of farmers by supporting them to enhance their earning (enhanced productivity) and improve their livelihoods. As on FY 2021-22, we have cumulatively enrolled about 2.55 Lakh acres of farms (cumulative) covering 62,918 farmers. In FY 2021-22 alone, 71,660 acres were enrolled covering 23,879 farmers. The farms that have completed more than a year with Kalpavriksha have delivered 15% improvement in productivity. Additionally, to further enhance the yields, the Kalpavriksha Knowledge Centre used digital learning techniques to train 1,000+ farmers on 'Best Farm care practices'. Agribusiness centres (ABC) have boosted productivity for 843 beneficiaries in FY 2021-22 by providing them with a plethora of farming services like farm equipment, bio-based fertilizers and farm labour on hire. Other comprehensive learning programs were designed and delivered exclusively for farmers via the Kalpavriksha Knowledge Centre.</p> <p>We continue to undertake water stewardship initiatives as part of our flagship project 'Jalashay'. Till date, we have created approx. 263 crore litres of water capacity (cumulative) in vicinity of our operations and in water stress regions in the country. In FY 2021-22, 246 farm ponds were constructed to generate 47.7 crore litres of water capacity for farmers.</p> <p>We have initiated a pilot afforestation program for habitat restoration in districts of Haryana, Arunachal Pradesh, Chhattisgarh & Maharashtra. It intends to increase green cover in specified area by growing fruit orchards on barren farmlands thereby generating livelihood for farmer community. In FY 2021-22, 16,129 trees have been planted that in turn has created carbon sequestration potential of 20,000+ tco₂e.</p> <p>Marico Innovation Foundation (MIF) has enabled innovations across sectors such as agriculture, healthcare, logistics, energy, education, consumer goods among others. In FY 2021-22, 8 new disruptive innovations were onboarded and the team is currently working with a total of 15 game-changing Indian innovations. With support from 23+ strategic and functional mentors, the program has helped close business challenges across functions like sales, distribution, marketing, packaging, procurement, quality, product development, sustainability, finance, and HR. New innovations in agri-tech, med-tech and IoT have been onboarded into the scale-up program of MIF based on the quantifiable social and environmental impact of their value propositions and business models.</p> <p>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 our operations. Brief particulars of the CSR initiatives undertaken by Marico in FY 2021-22 are provided in the CSR section of this report.</p>

No.	Questions	Information
8.2	Are the programs/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	<p>The community development programs/projects are implemented either directly or in partnership with non-profit organizations, government structure and external agencies. The initiatives undertaken in FY 2021-22 either directly or in partnership includes farm pond development, English Literacy Programs with Humara Ghar, Humara Vidyalaya' (State Education Department of Madhya Pradesh), Mobile Paathshala, Mission Heath, Nihar Skill Academy, Afforestation.</p> <p>Through the MIF Scale Up program, Marico 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.</p>
8.3	Have you done any impact assessment of your initiative?	<p>Towards creating a noticeable positive impact, our internal teams frequently conduct impact studies of all flagship programs. They evaluate the impact of community development initiatives on a periodic basis and suggest improvement measures to the CSR Committee as appropriate.</p>
8.4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	<p>Marico has spent overall ₹ 22.32 Crores for community development activities. Brief particulars of the CSR initiatives undertaken by Marico in FY 2021-22 are provided in the CSR section of this report.</p>
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.	<p>CSR initiatives are rolled out directly or in partnership with NGOs, government agencies and other partners. This helps in widening outreach as well as ensuring the successful adoption by beneficiaries. The projects are constantly evaluated to ensure maximum impact and socially inclusive development. Project teams regularly monitor progress and implement measures to enhance performance.</p>

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

It is our continuous endeavour at Marico to educate consumers on healthy lifestyle and nutritional intake. Marico works with Government and other industry bodies like FSSAI, CII, FICCI and other private agencies to create awareness about hygiene, nutrition, food safety and product regulations.

The Company believes that consumer opinion, preferences, concerns and inquiries communicated are important sources of information. 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.	Questions	Information
9.1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year?	<p>There are 8 consumer cases pending as on 31st March, 2022.</p>
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)	<p>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.</p>
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.	<p>No case was filed by stakeholders related to anti-competitive behavior and irresponsible advertising, and/or is pending as at the end of financial year ended on 31st March, 2022.</p>
9.4	Did your company carry out any consumer survey/consumer satisfaction trends?	<p>Consumer-centricity is the driver for innovation and new product launches at Marico. We connect with consumers through multiple touch points. Surveys are conducted with sample consumers to understand their satisfaction and product quality feedback by our consumer insights and corporate quality teams.</p> <p>We have also established a process of consumer complaint management aligned with ISO 10002. This helps in systematic resolution of all consumer concerns.</p>



BOARD'S REPORT

To the Members,

Your Board of Directors ("Board") is pleased to present the Thirty Fourth Annual Report of Marico Limited ("Marico" or "Company" or "your Company"), for the financial year ended March 31, 2022 ("year under review" or "year" or "FY22").

In compliance with the applicable provisions of the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), this report covers the financial results and other developments during the financial year from April 1, 2021 to March 31, 2022, in respect of Marico and "Marico Consolidated" comprising Marico and its subsidiaries. The consolidated entity has been referred to as "Marico Group" or "Group" in this report.

FINANCIAL RESULTS - OVERVIEW

Particulars	₹ in Crores	
	Year ended March 31, 2022	Year ended March 31, 2021
Consolidated Summary for the Group		
Revenue from Operations	9,512	8,048
Profit before Tax	1,601	1,523
Profit after tax before exceptional items	1,601	1,165
Profit after Tax	1,255	1,199
Marico Limited (Standalone) Revenue from Operations	7,500	6,337
Profit before Tax	1,413	1,311
Less: Provision for Tax for the current year	250	205
Profit after Tax for the current year	1,163	1,106
Other Comprehensive Income for the current year	2	1
Add: Surplus brought forward	2,904	2,765
Profit available for appropriation	4,069	3,872
Appropriations: Distribution to shareholders	1,195	968
Surplus carried forward	2,874	2,904

REVIEW OF OPERATIONS

In FY22, Marico Limited posted a consolidated turnover of ₹9,512 Crores (USD 1.3 billion), 18% higher than the previous year. The underlying domestic volume growth for the year was 7% and constant currency growth in the international business was 16%. The operating margin stood at 17.8%, down 201 bps from the previous year. Recurring net profit was at ₹ 1,230 Crores, a growth of 6% over the last year on a like-to-like basis.

Marico's domestic business achieved a turnover of ₹7,333 Crores, up 18% over the last year. The underlying volume growth was healthy at 7%, despite weakening consumer sentiment and sharp volatility in key input cost prices. The operating margin for the India business was at 18.2% in FY22 vs 21.3% in the previous year. The profitability was impacted by severe input cost push through the year, while the Company did not hold back investments in brand building to protect short-term margins.

Marico's International business posted a turnover of ₹ 2,179 Crores, a growth of 17% over the last year. The business reported constant currency growth of 16%, with double-digit growth in each of the key markets.

The operating margin for the International business expanded to 24.3% in FY22 from 23.5% in the previous year.

Further details on Marico's business, outlook, financial and operational performance, etc. are provided as part of the Management Discussion and Analysis Report.

There are no material changes and commitments affecting the financial position of your Company, which have occurred between the end of FY22 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. In accordance with Regulation 43A of the SEBI Listing

Regulations, the Company has adopted the Dividend Distribution Policy, which details various parameters based on which the Board may recommend or declare Dividend, usage of retained earnings, etc. The Dividend Distribution Policy is available on the Company's website at https://marico.com/investorspdf/Dividend_Distribution_Policy.pdf.

Based on the principles enunciated in the above Policy, your Company paid the following dividend to equity shareholders during FY22:

- First Interim Dividend of ₹ 3 per equity share of ₹ 1 each aggregating to ₹ 387.58 Crores declared by the Board on October 28, 2021; and
- Second Interim Dividend of ₹ 6.25 per equity share of ₹ 1 each aggregating to ₹ 807.73 Crores declared by the Board on January 28, 2022.

The total equity dividend during FY22 aggregated to ₹ 9.25 per equity share of ₹ 1 each, resulting in a total payout of ₹ 1,195.31 Crores. Thus, the dividend pay-out ratio was 97% of the consolidated profit after tax excluding one-offs as compared to 83% in the previous year. Your Company is in compliance with the Dividend Distribution Policy as approved by the Board.

CHANGES IN SHARE CAPITAL

During FY22, the paid-up equity share capital of the Company has increased from ₹ 129.13 Crores to ₹ 129.28 Crores, consequent to allotment of 14,37,280 equity shares of ₹ 1 each upon exercise of stock options under the Marico Employee Stock Option Plan, 2016.

SUBSIDIARIES

A list of bodies corporate which are subsidiaries of your Company is provided as part of the notes to the Consolidated Financial Statements. The following developments took place with regards to Subsidiaries of Marico during FY22:

- Marico Bangladesh Limited continues to be the material subsidiary of the Company, in terms of provisions of the SEBI Listing Regulations.
- On July 21, 2021, the Company acquired 52.38% equity stake in Apcos Naturals Private Limited ("Apcos") and consequently, Apcos became a subsidiary of the Company.
- Marico Gulf LLC became a wholly owned subsidiary of Marico Middle East FZE with effect from January 17, 2022 and consequently, a step-down wholly owned subsidiary of the Company.

In accordance with Section 129(3) of the Act, a separate

statement containing the salient features of the financial statements of all subsidiaries and associate companies/ joint ventures, if any, in prescribed Form AOC - 1 forms part of this Report. The statement also provides details of performance and financial position of each of the subsidiaries.

The audited financial statements together with related information and other reports of each of the subsidiary companies are available on the Company's website at <https://marico.com/india/investors/documentation/annual-reports> and the same are also available for inspection by the Members. Any Member desirous of inspecting the said financial statements or obtaining copies of the same may write to the Company Secretary at investor@marico.com.

Your Company has approved a policy for determining material subsidiaries and the same is available on the Company's website at https://marico.com/investorspdf/Policy_for_Determination_of_Material_Subsiary.pdf.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of the loans, guarantees and investments, as required under Section 186 of the Act and Schedule V of the SEBI Listing Regulations, are provided as part of the notes to the financial statements of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis forms an integral part of this Report and gives an update, *inter-alia*, on the following matters:

- Industry structure and developments
- Segment-wise overview of business performance
- Financial Overview
- Outlook
- Human Resources
- Risks & opportunities
- Internal control systems and their adequacy

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 creating greater stakeholder value, protection of their interests and better corporate governance.

As on March 31, 2022, the Board comprised one Executive Director, six Non-Executive Independent Directors and three Non-Executive Non-Independent Directors. In the



Board's Report

opinion of the Board, all the Independent Directors satisfy the criteria of independence as defined under the Act, rules framed thereunder and the SEBI Listing Regulations, and that they are independent of the Management of the Company.

In the opinion of the Board, all Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity for the purpose of Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014. List of key skills, expertise and core competencies of the Board, including the Independent Directors, is provided as part of the Corporate Governance Report.

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank and also completed the online proficiency test conducted by the Indian Institute of Corporate Affairs, wherever required.

As a measure of enhanced corporate governance and increased Board effectiveness, the Board based on the recommendation of the Nomination and Remuneration Committee ("NRC"), appointed Mr. Nikhil Khattau, Independent Director, as the Lead Independent Director amongst the Independent Directors with effect from April 7, 2022. The Lead Independent Director will preside over the separate meeting(s) of Independent Directors as Chairperson, act as a representative of Independent Directors and carry out such other roles and responsibilities as may be assigned by the Board or group of Independent Directors from time to time.

The Board met five times during FY22 on April 30, 2021, May 26, 2021, July 30, 2021, October 28, 2021 and January 28, 2022. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

CHANGES IN DIRECTORS

Mr. Sanjay Dube and Mr. K.B.S. Anand, Independent Directors, stepped down from the Board with effect from July 30, 2021 on account of full time executive commitments and personal factors, respectively. Mr. B. S. Nagesh completed his second consecutive term as an Independent Director on March 31, 2022 and consequently ceased to be a Director of the Company with effect from end of day on March 31, 2022.

The Board places on record their deep appreciation for the invaluable contributions made by Mr. B. S. Nagesh, Mr. Sanjay Dube and Mr. K.B.S. Anand during their association with the Company.

At its meeting held on July 30, 2021, the Board based on

the recommendation of NRC, approved the appointment of Mr. Milind Barve (DIN: 00087839) as an Additional Director in the capacity of Independent Director for a term of 5 (five) consecutive years with effect from August 2, 2021, subject to approval of the shareholders. At the 33rd Annual General Meeting ("AGM") held on August 30, 2021, the shareholders of the Company approved, *inter-alia*, appointment of Mr. Milind Barve as an Independent Director of the Company for a period of 5 (five) consecutive years from August 2, 2021 to August 1, 2026, not liable to retire by rotation.

At its meeting held on October 28, 2021, the Board based on the recommendation of NRC, approved the appointment of Mr. Rajeev Vasudeva (DIN: 02066480) as an Additional Director in the capacity of Independent Director for a term of 5 (five) consecutive years with effect from November 1, 2021, subject to approval of the shareholders.

Further, at its meeting held on April 7, 2022, the Board based on the recommendation of NRC, approved the below matters, subject to approval of the shareholders by way of postal ballot through remote e-voting:

1. Re-appointment of Mr. Ananth Sankaranarayanan (DIN: 07527676) as an Independent Director for a second term of 5 (five) consecutive years w.e.f. June 26, 2022 to June 25, 2027;
2. Appointment of Ms. Apurva Purohit (DIN: 00190097) as an Additional Director in the capacity of Independent Director for a term of 5 (five) consecutive years w.e.f. April 7, 2022 to April 6, 2027;
3. Appointment of Ms. Nayantara Bali (DIN: 03570657) as an Additional Director in the capacity of Independent Director for a term of 5 (five) consecutive years w.e.f. April 7, 2022 to April 6, 2027; and
4. Recommendation of appointment of Mr. Rajeev Vasudeva (DIN: 02066480) as an Independent Director by the shareholders, for a term of 5 (five) consecutive years w.e.f. November 1, 2021 to October 31, 2026.

Notice of postal ballot dated April 7, 2022, seeking approval, *inter-alia*, for the aforesaid matters, was sent to those Members, whose names appeared in the Register of Members/List of Beneficial Owners as on Friday, April 8, 2022 and whose e-mail addresses were registered with the Company/Depositories. The results of postal ballot through remote e-voting on the aforesaid matters will be declared by the Company on or before Tuesday, May 17, 2022.

In accordance with provisions of Section 152 of the Act read with the rules made thereunder and the Articles of Association of the Company, Mr. Harsh Mariwala

(DIN: 00210342), Non-Executive Director, retires by rotation at the 34th AGM and being eligible, has offered himself for re-appointment. Based on the recommendation of NRC, the Board has recommended for the approval of the Members, re-appointment of Mr. Harsh Mariwala as a Non-Executive Director at the 34th AGM. A brief profile of Mr. Harsh Mariwala and other requisite information will be provided as part of the Notice of AGM.

CHANGES IN KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Hemangi Ghag resigned as the Company Secretary & Compliance Officer with effect from close of business hours of September 3, 2021, to pursue opportunities outside the Company. The Board places on record its appreciation for the invaluable contribution made by Ms. Ghag during the course of her service.

Mr. Vinay M A, a fellow member of the Institute of Company Secretaries of India, was appointed as the Company Secretary & Compliance Officer of the Company with effect from October 28, 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual financial statements for the financial year ended March 31, 2022, 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, 2022 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 Act 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; and
- 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

Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board Engagement and Effectiveness. The Policy and criteria for Board Evaluation is duly approved by NRC. Performance evaluation is facilitated by the Chairman of the Board who is supported by the Chairperson of NRC. This process at Marico is conducted through structured questionnaires which cover 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.

Evaluation of Committees of the Board was based on criteria such as adequacy of Committee composition, adherence to charter and laying down the full year agenda, role of Chairperson including allocation of time and eliciting contributions from all Committee members, effectiveness of Committee's performance and quality of support/recommendation to the Board, etc.

In addition to the questionnaires, detailed one-on-one in-sighting was carried out by the Chairperson of the NRC with individual Board members. Feedback was also taken from senior management personnel on relevant aspects of Board functioning and shared with the Chairperson of the NRC. A quantitative analysis and Board Effectiveness presentation with in-sighting feedback and trends was shared and presented by the Chairperson of the NRC to all Board Members. Thereafter, the following process was followed to assimilate and process the feedback:

- A meeting of the Independent Directors was held wherein performance of Non-Independent Directors including the Managing Director & CEO ("MD & CEO"), Chairman of the Board and of the Board as a whole was evaluated.
- The entire Board discussed the findings of the evaluation with the Independent Directors and also evaluated the performance of the Individual Directors including the MD & CEO, the Board as a whole and all Committees of the Board.
- As an outcome of the above process, individual feedback will be shared with each Director subsequently during the year.

With respect to the focus areas identified by the Board last year, the following progress was made in the year under review:



Board's Report

Focus Areas	Progress made
Effectively overseeing the risk management strategies and practices amidst a highly volatile macro environment accentuated by the pandemic.	The top risks and challenges were tracked. The processes and systems were strengthened to future proof the organisation and execute the strategy better.
Focus on Board Rejuvenation and assimilation of New Board Members.	The process of rejuvenation of the Board was aligned and is being executed during the year. A robust process for succession planning has been set up and regularly discussed at the Board and NRC.
Mentoring the Senior Management to create an agile organisation that can adapt to the highly VUCA (Volatile, Uncertain, Complex & Ambiguous) environment.	During the year, the Board heavily engaged with the top management team to successfully implement the transformation journey, particularly portfolio diversification and digital transformation.
Focus Areas for the Committees: Audit Committee: To strengthen the GRCC (governance, risk management, controls and compliance) policies, processes and systems in the Company with special focus on automation and exception analytics. Nomination and Remuneration Committee: <ul style="list-style-type: none"> - To help strengthen the culture codes for the Company and improving the talent management processes, with specific focus on strengthening the top talent pipeline. - To ensure succession planning for MD & CEO and Senior Management Personnel. Corporate Social Responsibility Committee: To bring focus on improving the effectiveness of CSR spends.	The Committees continued to perform on their respective focus areas to augment governance and internal controls.

For the year under review, the performance evaluation exercise conducted has resulted in identification of the following focus areas, for the Company to work upon in the coming years:

1. Your Company already has an elaborate familiarization programme in place for effective induction of new directors. The Board acknowledged this and reiterated the importance of a rigorous execution of this induction process to ensure a smooth transfer and seamless integration of the new Board Members.
2. The Board laid specific emphasis on strategic risk management and building management capability in this area. It believes that the environment is very volatile. COVID-19 outbreak was a clear example of a black swan event. Should the situation escalate further, it may have a deeper impact on demand and supply scenarios. In light of this and such black swan events, it's important to de-risk the Company to sustain and improve its operating and financial performance. The Board will therefore provide its strategic inputs to survive and win amidst such VUCA environment.
3. The Board will continue to mentor the MD & CEO and the senior management team for defining and executing the transformation agenda which is aimed at building a future-ready Marico more specifically in areas of portfolio, channel strategies, digital strategies and talent management.

4. For the Board Committees, the following focus areas will continue for the coming year:
 - a. Audit Committee: Further strengthening the GRCC policies, processes and systems in the Company with special focus on automation and exception analytics;
 - b. Nomination and Remuneration Committee:
 - i. helping strengthen the culture codes for the Company and improving the talent management processes, with specific focus on strengthening the top talent pipeline.
 - ii. succession planning for MD & CEO and the Senior Management Personnel.
 - c. Corporate Social Responsibility Committee: Bringing focus on improving the effectiveness of Marico's CSR spends.

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

BUSINESS RESPONSIBILITY REPORT (BRR)

Your Company realizes the power of being transparent and accountable as an organization, which in turn, helps in maintaining the trust that stakeholders' have placed in us. Marico considers disclosure practice as a strong tool to share strategic developments, business performance and the overall value generated for various stakeholder groups over a period of time. Keeping up with evolving disclosure

patterns, your Company transitioned to Integrated Reporting (as per the International Integrated Reporting Council (IIRC) framework) which draws a correlation between the financial and non-financial factors. Marico has published its fourth Integrated Report underlining the new set of targets and business goals that pave the way for short, medium and long-term value creation of the Company.

The financial sections of BRR are presented in line with the requirements of the Act read with the rules made thereunder, the Indian Accounting Standards, the SEBI Listing Regulations and the requisite Secretarial Standards issued by the Institute of Company Secretaries of India. The non-financial section (Sustainability and Corporate Social Responsibility) of BRR is presented in conformance to the Global Reporting Initiative (GRI) Standard's Core Performance Indicators, the UN-Sustainable Development Goals (SDGs) and other sectorally relevant international sustainability disclosure guidelines. BRR has been published in adherence to the SEBI Listing Regulations and the Ministry of Corporate Affairs' National Voluntary Guidelines (NVGs) that guides listed corporations to use a 9-principle framework for demonstrating their environmental, social and economic responsibilities, during the year under review.

At Marico, sustainability is regarded as a business enabler that influences key strategic decisions. Having ingrained sustainability into its culture, your Company has spurred towards a carbon neutral future. This transformation is driven by robust sustainability governance structure, ethical business conduct, ESG risk mitigation strategies, ambitious targets towards transitioning to low-carbon sources, lowering GHG emission intensity, achieving water stewardship, incorporating responsible sourcing principles, and mapping product sustainability footprint.

AUDIT COMMITTEE & AUDITORS

AUDIT COMMITTEE

Your Company has constituted an Audit Committee which performs the roles and functions as mandated under the Act, the SEBI Listing Regulations and such other matters as prescribed by the Board from time to time. The detailed terms of reference of the Audit Committee, attendance at its meetings and other details have been provided in the Corporate Governance Report. As on the date of this Report, the Audit Committee consists of three Independent Directors, Mr. Nikhil Khattau, Ms. Hema Ravichandar and Mr. Milind Barve. Mr. Nikhil Khattau is the Chairman of the Audit Committee.

During the year under review, the Board has accepted the recommendations of the Audit Committee on various matters. There have been no instances where such recommendations have not been accepted.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act, the Members had at the 29th AGM held on August 1, 2017 appointed M/s. B S R & Co. LLP, Chartered Accountants (Firm registration No. 101248W/W-100022), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years. Accordingly, the first term of Statutory Auditors expires on the conclusion of the 34th AGM.

The Board at its meeting held on May 5, 2022, based on the recommendation of the Audit Committee, approved the proposal for re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm registration No. 101248W/W-100022), as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years commencing from the conclusion of 34th AGM upto the conclusion of 39th AGM to be held in the year 2027, subject to approval of the Members at the ensuing AGM.

M/s. B S R & Co. LLP have consented to act as Statutory Auditors and confirmed their eligibility to be re-appointed in terms of Section 141 and other applicable provisions of the Act.

The Auditor's Report on the financial statements of the Company for the financial year ended March 31, 2022 forms part of the Annual Report. The said report was issued by the Statutory Auditors with an unmodified opinion and does not contain any qualifications, reservations or adverse remarks. During the year under review, the Auditors have not reported any fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

COST AUDITORS

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and have them audited every year. Your Company has made and maintained the cost accounts and records, as required. Accordingly, the Board at its meeting held on May 5, 2022, based on the recommendation of the Audit Committee, appointed M/s. Ashwin Solanki & Associates, Cost Accountants (Firm registration no: 100392), as the Cost Auditors of the Company to conduct audit of the cost records of the Company for the financial year ending March 31, 2023. A remuneration of ₹10,00,000 (Rupees Ten Lakhs only) plus applicable taxes and out of pocket expenses has been fixed for the Cost Auditors, subject to the ratification of such fees by the Members at the 34th AGM. Accordingly, the matter relating to ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023 will be placed as part of the Notice of



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the 34th AGM. The Company has received requisite consent and certificate of eligibility from M/s. Ashwin Solanki & Associates.

During the year under review, the Cost Auditor has not reported any fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

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 5, 2022, 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 of the Company to conduct audit of the secretarial records for the financial year ending March 31, 2023. The Company has received consent from Dr. K. R. Chandratre to act as such.

The Secretarial Audit Report in form MR-3 for FY22 is enclosed as "Annexure A" to this report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks. During the year under review, the Secretarial Auditor has not reported any fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

RISK MANAGEMENT

For your Company, Risk Management is an integral and important aspect 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 shareholder value.

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

- A well-defined risk management policy;
- Periodic assessment and prioritization of risks that affect the business of your Company;
- Development and deployment of risk mitigation plans to reduce vulnerability to 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;
- Integration of Risk Management with strategic business plan, annual operating plans, performance management system and significant business decisions;

- Constant scanning of external environment for new and emerging risks;
- Wherever, applicable and feasible, defining the risk appetite and install adequate internal controls to ensure that the limits are adhered to.

Your Company has also put in place a robust Crisis Management Framework monitored by internal crisis management committee which is responsible for laying out crisis response mechanism, communication protocols, and periodic training and competency building around crisis management.

Your Company has in place a Risk Management Committee ("RMC") chaired by an Independent Director, which assists the Board in monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems and such other functions as mandated under the SEBI Listing Regulations and as the Board may deem fit from time to time. The composition, detailed terms of reference of the RMC and attendance at its meetings are provided as part of the Corporate Governance Report.

In terms of the applicable provisions of the SEBI Listing Regulations, your Board has adopted a Risk Management Policy, which is available on the Company's website at https://marico.com/investorspdf/Risk_Management_Policy.pdf

Further details of the risk management framework of the Company are provided as part of the Management Discussion and Analysis 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 and embedded in the business processes. Your Company's approach on Corporate Governance has been detailed in the Corporate Governance Report. Your Company has deployed the principles enunciated therein to ensure adequacy of Internal Financial Controls with reference to:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Prevention and detection of frauds
- Safeguarding of assets

Your Company has defined policies and standard operating procedures for all key business processes to guide business operations in ethical and compliant manner. Compliance to these policies is ensured through periodic self-assessment as well as internal and statutory audits. The Company has robust ERP and other supplementary IT systems which are an integral part of internal control framework. The Company continues to constantly leverage technology in enhancing the internal controls. The Company also uses data analytics to identify trends and exceptions to proactively monitor any control deviations for corrective action.

Your Board reviews the internal processes, systems and the internal financial controls and accordingly, 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 material subsidiary, Marico Bangladesh Limited ("MBL") has also adopted this framework and its 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, based on the criteria approved by the Board. In case of transactions which are unforeseen, the Audit Committee grants an approval to enter into such unforeseen transactions, provided the transaction value does not exceed the limit of Rs. 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 FY22 were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Act and rules made thereunder, the SEBI Listing Regulations and the Company's Policy on Related Party Transactions.

During the year under review, there were no transactions for which consent of the Board was required to be taken in terms of Section 188(1) of the Act and accordingly, no disclosure is required in respect of the related party transactions in Form AOC-2 under Section 134(3)(h) of the Act and rules framed thereunder. The attention of

the Members is drawn to the note no. 30 to the standalone financial statements setting out the disclosures on related party transactions for FY22.

The Company has amended its Policy on Related Party Transactions pursuant to the recent amendments under the SEBI Listing Regulations regarding framework for related party transactions and the same is available on the Company's website at https://marico.com/investorspdf/Policy_on_Related_Party_Transactions.pdf.

Pursuant to Regulation 23(9) of the SEBI Listing Regulations, your Company has filed the reports on related party transactions with the Stock Exchanges.

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

Your Company has in place NRC of the Board, which performs the functions as mandated under the Act, the SEBI Listing Regulations and such other functions as prescribed by the Board from time to time. The composition of NRC, attendance at its meetings and other details have been provided as part of the Corporate Governance Report.

In terms of the applicable provisions of the Act read with the rules framed thereunder and the SEBI Listing Regulations, your Board has adopted 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 ("NRE Policy"). The remuneration paid to Directors, KMP and SMP of the Company are as per the terms laid down in the NRE Policy. The MD & CEO of your Company does not receive remuneration or commission from any of the subsidiaries of your Company.

The salient features of this Policy are outlined in the Corporate Governance Report and the NRE Policy is made available on the Company's website at https://marico.com/investorspdf/Policy_on_Nomination,_Remuneration_and_Evaluation.pdf.

MARICO EMPLOYEE BENEFIT PLAN

- **Marico Employee Stock Option Plan, 2016**

At the 28th AGM held on August 5, 2016, the Members approved institution of the Marico Employee Stock Option Plan, 2016 ("Marico ESOP 2016 Plan" or "Plan") as a long-term incentive plan for grant of employee stock options ("Options") to eligible employees of the Company including the MD & CEO and that of its subsidiaries, whether in India or outside India ("Eligible Employee"). Marico ESOP 2016 Plan aims to align individual goals and performance of employees



Board's Report

to annual and long-term business objectives of the Company, reward employees for creating long-term value, and attract and retain high potential and critical employees in a competitive talent environment.

The NRC is entrusted with the responsibility of administering the Plan and the Scheme(s) notified or to be notified thereunder, from time to time.

The Plan envisaged grant of Options upto an aggregate maximum of 0.6% of the issued equity share capital of the Company as on August 5, 2016 ("Commencement Date") (excluding outstanding warrants and conversions), being 77,41,027 Options and upto an aggregate maximum of 0.15% of the issued equity share capital of the Company as on the Commencement Date to any single Eligible Employee in any single scheme notified/to be notified under the Plan.

Based on the recommendation of NRC, the Board at its meeting held on January 28, 2022 approved the following matters, for which the Company has sought approval of the Members through postal ballot by remote e-voting vide notice dated April 7, 2022 as mentioned earlier:

- Increase in limit of Options that can be granted from time to time under the Plan from the existing limits of 0.6% of the issued equity share capital of the Company as on the Commencement Date i.e. August 5, 2016, being 77,41,027 Options, to an aggregate of 2,09,41,027 Options (as may be adjusted for any changes in capital structure of the Company), constituting an additional 1,32,00,000 Options.
- Further, the limit for grant of Options to any single Eligible Employee in any one single scheme notified under the Plan remains unchanged at 0.15% of the issued capital as on the Commencement Date, being 19,35,257 Options.
- Amendments to the Marico ESOP 2016 Plan modifying the relevant clauses to give effect to the aforesaid increase in limits and certain other changes intended to bring the language thereof in uniformity with the re-enacted SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB Regulations") and adopt references to latest regulatory enactments.

As on March 31, 2022, an aggregate of 48,54,896 Options were outstanding which constitute about

0.38% of the issued equity share capital of the Company as on that date.

• Marico Employees Stock Appreciation Rights Plan, 2011

The Company adopted Marico Stock Appreciation Rights Plan, 2011 ("STAR Plan") in the year 2011, for the welfare of its employees and those of its subsidiaries ("Eligible Employees"). Under the Plan, various schemes are notified for conferring cash incentive benefit to the Eligible Employees through grant of stock appreciation rights ("STARS").

The NRC administers the Plan and the Scheme(s) notified thereunder, from time to time. The NRC 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 fulfilment of certain conditions and applicability of Income Tax. The STAR Plan involves secondary market acquisition of the equity shares by an Independent Trust set up by your Company for the implementation of the STAR Plan. Your Company lends monies to such Trust for making secondary acquisition of equity shares, subject to the statutory ceilings and provisions of applicable law.

As at March 31, 2022, an aggregate of 14,15,569 STARS were outstanding which constitute about 0.11% of the paid up equity share capital of the Company as on that date.

STATUTORY INFORMATION ON MARICO EMPLOYEE BENEFIT SCHEME/PLAN AND TRUST

The disclosure in terms of Regulation 14 of the SBEB Regulations is made available on the Company's website at <https://marico.com/india/investors/documentation/annual-reports>. Further, the Company has complied with the applicable accounting standards in this regard. During the year under review, the Company has not given loan to any of its employees for purchase of equity shares of the Company.

It is hereby affirmed that the Marico ESOP 2016 Plan and STAR Plan instituted by the Company are in compliance with the SBEB Regulations, as amended from time to time, and the resolutions passed by the Members approving the same.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The ratio of remuneration of each Director to the median employees' remuneration as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is disclosed in "Annexure B" 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, as amended, is available on the Company's website at <https://marico.com/india/investors/documentation/annual-reports>. In terms of Section 136(1) of the Act, the Annual Report is being sent to the Members, excluding the aforesaid annexure. Any Member desirous of obtaining a copy of the said annexure may access the aforesaid weblink or write to the Company Secretary at investor@marico.com.

CORPORATE GOVERNANCE

Your Company believes that effective leadership, robust policies, processes and systems and a rich legacy of values form the hallmark of our best corporate governance framework. These values are reflected in Marico's culture, business practices, disclosure policies and relationship with its stakeholders. These ethics and values are practiced by Marico and its subsidiaries globally, which is at par with best international standards and good corporate conduct.

Pursuant to Regulation 34 of the SEBI Listing Regulations, a separate report on Corporate Governance is annexed to this report as "Annexure C". Further, a certificate from Dr. K.R. Chandratre, Practicing Company Secretary, on compliance with corporate governance norms under the SEBI Listing Regulations forms part of the Corporate Governance Report.

VIGIL MECHANISM

Your Company has a robust vigil mechanism in the form of Code of Conduct ("CoC") which enables its stakeholders to report concerns about unethical or inappropriate behaviour, actual or suspected fraud, leak of unpublished price sensitive information, unfair or unethical actions or any other violation of the CoC. There are separate guidelines called Marico's Code of Business Ethics that are applicable to our associates who partner us in our organizational objectives and customers. The objective of CoC is to ensure that your Company conducts its business in the most principled and ethical manner, the highest level of governance and a discrimination and harassment-free workplace for all its employees.

In compliance with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has adopted a policy ("Anti-Sexual Harassment Policy") for the prevention of sexual harassment and constituted Internal Committees to deal with complaints relating to sexual harassment at workplace. Details of complaint on sexual harassment are as under:

Particulars	Number of Complaint(s)
Complaint(s) filed during FY22	1
Complaint(s) disposed-off during FY22	1
Complaint(s) pending as at end of FY22	0

The Company conducts Global PoSH survey where members can anonymously confirm if they have experienced/witnessed instances of sexual harassment while working with Marico in the past one year. Further the survey results are shared by Members of Executive Committee in their respective constituency to strengthen the awareness and sensitize the members on the law.

The vigil mechanism of the Company provides for adequate safeguards against victimization of Directors, employees and third parties who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The CoC guidelines are designed to ensure that Directors, employees and third parties may report genuine concerns on CoC adherence or violations thereof without fear of retaliation (including through anonymous reporting). To encourage such members to report any concerns and to maintain anonymity, the Company has engaged an independent agency for managing the whistleblowing system. To this end, your Company has provided the below options for reporting:

1. Globally accessible toll-free telephone numbers in multiple countries and web-helpline available in multiple languages which are available 24*7, wherein grievances/concerns can be reported to the Company anonymously.
2. **CoC Website-** marico.ethicspoint.com (with an option to report anonymously).
3. **CoC Mobile Helpline-** maricomobile.ethicspoint.com (with an option to report anonymously).

For administration and governance of the Code, a committee called Code of Conduct Committee is constituted ("CoC Committee"). All cases reported under the whistleblower policy are reported to the CoC Committee and are subject to review by the Audit Committee and NRC. In addition to the independent Ethics helpline system, your Company has also provided in its



Board's Report

CoC direct access to the members of the CoC Committee, Internal Committee, contacting respective Business HR/CXO and a complaint drop box facility to report concerns or violations of the CoC (with an option to file a complaint anonymously).

All new employees go through a detailed personal orientation on CoC and anti-sexual harassment policy, along with the E-Learning module which can be completed and referred throughout the year. Your Company seeks affirmation on compliance of CoC on a quarterly basis from the Directors and the employees at senior level. Additionally, separate trainings (classroom/online) on Anti-Sexual Harassment Policy & Marico Insider Trading Rules, 2015 are conducted to educate the employees on the said policy/rules. The education and sensitization is further strengthened through periodic email communications and focused group discussions with the employees to ensure the CoC is followed in spirit and failures are minimized. In addition to above, the Company ensures notifying the members in Townhall about the cases COC committee dealt with in the previous year in the form of case studies by concealing the identity of the members involved. The Company also ensures capability building of and mandatory certifications by its business partners on Marico's Code of Conduct and Marico's Code of Business Ethics. Further details on vigil mechanism are available on the website of the Company at <https://marico.com/india/about-us/code-of-conduct>.

The Board, the Audit Committee and NRC are informed periodically on the matters reported under CoC and the status of resolution of such cases.

The Company affirms that no personnel 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, as amended, is enclosed as "Annexure D" to this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Marico's stated purpose is to "Make a Difference" and your Company's CSR philosophy is anchored on this core purpose of making a difference to the lives of all its stakeholders to help them achieve their full potential. Your Company believes that economic value and social value are inter-linked and it has a commitment towards the inter-dependent ecosystem consisting of various stakeholders.

In terms of the Act and rules framed thereunder, the Company has adopted a CSR Policy, which is available on website of the Company at <https://marico.com/investorspdf/Corporate-Social-Responsibility-Policy.pdf>.

The Company has in place a CSR Committee, which functions in accordance with the applicable provisions of the Act and such other matters as prescribed by the Board from time to time. The detailed terms of reference of the CSR Committee, attendance at its meetings and other details have been provided in the Corporate Governance Report. As on the date of this Report, the CSR Committee consists of six Directors, Mr. Ananth Sankaranarayanan, Mr. Harsh Mariwala, Mr. Saugata Gupta, Mr. Rajendra Mariwala, Mr. Milind Barve and Ms. Nayantara Bali. Mr. Ananth Sankaranarayanan is the Chairman of the CSR Committee.

During FY22, your Company spent 22.32 Crores towards its CSR activities. A brief outline of the CSR Philosophy, salient features of the CSR Policy of the Company, the CSR initiatives undertaken during the financial year 2021-22 together with progress thereon and the report on CSR activities in the prescribed format including details on impact assessment, as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in "Annexure E" to this Report.

Further, the Chief Financial Officer of the Company has certified that CSR spends of the Company for FY22 have been utilized for the purpose and in the manner approved by the Board of Directors of the Company.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

DEPOSITS

There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, as amended, at the end of FY22 or the previous financial year. Your Company did not accept any deposits during FY22.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, 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.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Act, the draft annual return for FY22 prepared in accordance with Section 92(3) of the Act is made available on the website of the Company at <https://marico.com/india/investors/documentation/annual-reports>.

COST RECORDS

The maintenance of cost records as specified under Section 148 of the Act, is applicable to the Company and accordingly all the cost records are made and maintained by the Company and audited by the cost auditors.

OTHER DISCLOSURES

- There are no proceedings made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution, during the year under review.
- Your Company has not issued shares with differential voting rights and sweat equity shares during the year under review.

- Details of unclaimed dividends and equity shares transferred to the Investor Education and Protection Fund authority have been provided as part of the Corporate Governance report.

ACKNOWLEDGEMENT

Your Board takes this opportunity to thank the employees 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 the shareholders, distributors, third party manufacturers, bankers and all other business associates and from the neighborhood communities of various Marico locations. We look forward to continued support of all these partners in the future.

On behalf of the Board of Directors

Place: Mumbai
Date: May 5, 2022

Harsh Mariwala
Chairman
DIN: 00210342



Annexure 'A' to the Board's Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2022

[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, Santacruz – (East),
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, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2022 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) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There were no External Commercial Borrowings transactions during the Audit Period;
- (v) The following Regulations 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, 2018 (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (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 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period).

- (vi) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
- a) The Drugs and Cosmetics Act, 1940 and the Rules made thereunder;
 - b) Blended Edible Vegetable Oils Grading and Marking Rules, 1991;
 - c) Food Safety and Standards Act, 2006 and the Rules and Regulations made thereunder;
 - d) The Legal Metrology Act, 2009 and the Rules made thereunder;
 - e) Plastic Waste Management Rules, 2016; and
 - f) The Bureau of Indian Standards (BIS) Act, 2016 and the Rules made thereunder, as applicable.

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with 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 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 generally 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.

Annexure to the Secretarial Audit Report

To:
The Members,
Marico Limited,
7th Floor, Grande Palladium, 175, CST Road,
Kalina, Santacruz – (East),
Mumbai – 400 098.

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees 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 no specific events/actions took place having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Dr. K. R. Chandratre

FCS No.: 1370, C. P. No.: 5144

UDIN: F001370D000275831

Peer Review Certificate No. : 1206/2021

Place: Pune

Date : 5 May 2022

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Dr. K. R. Chandratre

FCS No.: 1370, C. P. No.: 5144

UDIN: F001370D000275831

Peer Review Certificate No. : 1206/2021

Place: Pune

Date : 5 May 2022



Annexure 'B' 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 and details of percentage increase in the remuneration of each Director for the financial year 2021-22 are as follows:

i) Remuneration to Executive Director - Mr. Saugata Gupta, Managing Director & CEO¹:

Particulars	FY 2021-22 (₹)	FY 2020-21 (₹)	Ratio of total remuneration to MRE* (Including perquisite value of ESOPs/ RSUs exercised)	Ratio of total remuneration to MRE* (Excluding perquisite value of ESOPs/ RSUs exercised)	% Increase/ (Decrease) in total remuneration (Including perquisite value of ESOPs/ RSUs exercised)	% Increase/ (Decrease) in total remuneration (Excluding perquisite value of ESOPs/ RSUs exercised)
Salary	72,177,852	63,198,500	312.25	117.86	157.31%	27.80%
Perquisites- exercise of ESOPs/RSUs	224,742,836	33,677,031				
Annual Performance Incentive	60,840,000	40,582,401				
Contribution to Provident and Pension Funds	3,243,240	2,839,206				
Total Remuneration	361,003,928	140,297,138				

ii) Remuneration to Non-Executive Directors:

Name of Director	Designation	Remuneration for FY 2021-22** (₹)	Remuneration for FY2020-21** (₹)	Ratio of remuneration to MRE*	% Increase/ (Decrease) in remuneration
Mr. Harsh Mariwala	Chairman & Non-Executive Director	40,025,000	37,075,000	34.62	7.96%
Mr. Nikhil Khattau	Independent Director	5,431,644	4,780,000	4.70	13.63%
Mr. Rajendra Mariwala	Non-Executive Director	4,380,000	4,180,000	3.79	4.78%
Mr. B. S. Nagesh ²	Independent Director	4,700,000	4,500,000	4.07	4.44%
Ms. Hema Ravichandar	Independent Director	5,000,000	4,750,000	4.32	5.26%
Mr. Rishabh Mariwala	Non-Executive Director	4,000,000	3,600,000	3.46	11.11%
Mr. Ananth Sankaranarayanan	Independent Director	4,150,000	3,800,000	3.59	9.21%
Mr. Kanwar Bir Singh Anand ³	Independent Director	1,250,000	3,900,000	1.08	NA
Mr. Sanjay Dube ⁴	Independent Director	1,300,000	3,950,000	1.12	NA
Mr. Milind Barve ⁵	Independent Director	2,779,338	NA	2.40	NA
Mr. Rajeev Vasudeva ⁶	Independent Director	1,608,333	NA	1.39	NA

* MRE - Median Remuneration of Employees.

** The remuneration of all Non-Executive Directors includes sitting fees paid during the financial year.

1 The remuneration of Mr. Saugata Gupta includes perquisite value of stock options exercised during the financial year 2021-22 of ₹ 224,742,836 and during the financial year 2020-21 of ₹ 33,677,031. Excluding that, his remuneration is ₹ 136,261,092 and ₹ 106,620,107 for financial years 2021-22 and 2020-21, respectively.

2 Mr. B. S. Nagesh ceased to be a Director of the Company from end of day on March 31, 2022 on account of completion of second term as an Independent Director.

3 Mr. Kanwar Bir Singh Anand resigned as Independent Director w.e.f. July 30, 2021 and hence his remuneration is not comparable with the previous financial year.

4 Mr. Sanjay Dube resigned as Independent Director w.e.f. July 30, 2021 and hence his remuneration is not comparable with the previous financial year.

5 Mr. Milind Barve was appointed as Independent Director w.e.f. August 2, 2021. His remuneration pertains to the period from the date of appointment till March 31, 2022 and accordingly is not comparable to the previous financial year.

6 Mr. Rajeev Vasudeva was appointed as Independent Director w.e.f. November 1, 2021. His remuneration pertains to the period from the date of appointment till March 31, 2022 and accordingly is not comparable to the previous financial year.

B) Details of percentage increase in the remuneration of Chief Financial Officer and Company Secretary in the financial year 2021-22 are as follows:

Name of KMP	Designation	Remuneration for		% Increase/ (Decrease) in remuneration
		FY2021-22 ₹	FY2020-21 ₹	
Mr. Pawan Agrawal ⁷	Chief Financial Officer	27,499,255	10,391,891 [#]	NA
Mr. Vinay M A ⁸	Company Secretary & Compliance Officer	2,660,071	NA	NA
Ms. Hemangi Ghag ⁹	Company Secretary & Compliance Officer	6,311,440	6,496,191	NA

Mr. Pawan Agrawal was appointed as the Chief Financial Officer w.e.f. close of business hours of September 10, 2020 and his remuneration for the financial year 2020-21 is from September 11, 2020 till March 31, 2021. Accordingly, the remuneration for the financial year 2021-22 is not comparable with the previous financial year.

7 Remuneration of Mr. Pawan Agrawal includes perquisite value of stock options exercised during the financial year 2021-22 of ₹ 4,000,167 and during the financial year 2020-21 (from September 11, 2020 till March 31, 2021) of ₹ 1,809,118. Excluding that, his remuneration is ₹ 23,499,088 and ₹ 8,582,773 for the financial years 2021-22 and 2020-21 (from September 11, 2020 till March 31, 2021), respectively.

8 Mr. Vinay M A was appointed as the Company Secretary & Compliance Officer with effect from October 28, 2021. His remuneration for the financial year 2021-22 is for the period from October 28, 2021 till March 31, 2022.

9 Ms. Hemangi Ghag resigned as the Company Secretary & Compliance Officer of the Company from the close of business hours of September 3, 2021. Her remuneration for the financial year 2021-22 is for the period from April 1, 2021 till September 3, 2021 and hence not comparable with the remuneration for the previous financial year. The remuneration for the said period during financial year 2021-22 includes Gratuity-Post Employment Benefit of ₹ 1,145,925 and perquisite value of stock options exercised of ₹ 1,253,936. Excluding that, the remuneration of Ms. Hemangi Ghag is ₹ 3,911,579 for the said period.

C) Percentage increase in the Median Remuneration of all employees in the financial year 2021-22 is as follows:

	FY2021-22	FY2020-21	Increase (%)
Median [§] remuneration of all employees per annum	1,156,149	1,136,473	1.73%

§ For calculation of median remuneration, the employee count taken is 1,249 and 1,419 for the financial year 2021-22 and 2020-21, 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 the Company as of March 31, 2022:

1,722 (inclusive of workmen)

E) Comparison of average percentage increase in remuneration of all employees other than KMP and the percentage increase in the remuneration of KMP:

	FY 2021-22	FY2020-21	Increase/ (Decrease) %
Average percentage increase in the Remuneration of all Employees other than KMP [*]	3,453,361,970	3,144,864,442	10%
Average Percentage increase in the Remuneration of KMP**			
Mr. Saugata Gupta, Managing Director & CEO ¹	361,003,928	140,297,138	157.31%
Mr. Pawan Agrawal, Chief Financial Officer ⁷	27,499,255	10,391,891	NA
Mr. Vinay M A, Company Secretary & Compliance Officer ⁸	2,660,071	NA	NA
Ms. Hemangi Ghag, Company Secretary & Compliance Officer ⁹	6,311,440	6,496,191	NA

* Employees, other than KMPs, who have served for the whole or part of the respective financial years have been considered. Remuneration includes performance incentives and perquisite value of stock options exercised during the respective financial years.

** For further details on change in remuneration of KMPs, please refer the explanations provided in respective note nos. 1, #, 7, 8 and 9 above.

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 Company's Policy on Nomination, Remuneration & Evaluation.

For Marico Limited

Harsh Mariwala
Chairman
DIN: 00210342

Place : Mumbai
Date : May 5, 2022



Annexure 'C' to the Board's Report

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 ("Board")
- III. Audit Committee
- IV. Nomination & Remuneration Committee ("NRC")
- 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. Commodity Price Risk/Foreign Exchange Risk and Hedging Activities
- XII. Means of Communication
- XIII. General Shareholder Information

I. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Basic Philosophy

Your Company believes that Corporate Governance involves a set of rules and controls that promote transparency, integrity and accountability within which all stakeholders of the Company viz., its shareholders, directors and management, society and environment at large have aligned objectives. It provides the framework for the interests of all its stakeholders and ensuring that the Company's businesses are being conducted in an accountable and fair manner. While the philosophy of your Company on governance has been set out since early days, the framework is broad-based to allow the Company to cater to various needs of the society in the current times.

The Company believes that Corporate Governance is also about what the Board does and how it sets values of the Company and drives the Company's business with these principles. The Board strongly agrees that good governance is not merely an objective, but only the means to achieve the objective of operating as a global citizen. It is distinguished from the day-to-day operational engagement of the Company by full-time executives. The responsibilities of your Board thus include implementing the principles of Corporate Governance in the Company, setting the Company's strategic aims, guiding the management with their leadership, and reporting to shareholders on their stewardship. Together, the Management, the Board and Committees thereof ensure that Marico continues to remain a company of uncompromised integrity, excellence and is driven towards responsible growth. Your Board has adopted

a vision to make your Company a 'best in class organization' surpassing stakeholder expectations.

At Marico, we believe effective leadership, robust corporate governance practices and a rich legacy of values form the hallmark of our best corporate governance practices. These values are reflected in our culture, business practices, disclosure policies and relationship with our stakeholders. These ethics and values are practised by Marico and its subsidiaries, globally, which is at par with best international standards and good corporate conduct.

Marico confirms compliance to the prescribed corporate governance requirements under law. In addition, it also believes that corporate governance is more than just a legal requirement. It strives to adopt and embrace the best practices and governance standards being followed across the world and continuously reviews them to benchmark with the highest industry practices. The various awards and recognitions received by your Company in the space of corporate governance are a testimony to the Company's commitment towards driving best-in-class governance. Your Company is cognizant of the fact that effective corporate governance is about creating long-term sustainable value for its stakeholders. While it strives to achieve the highest standards of governance, it continues to refine its ongoing practices to ensure fulfilment of this goal.

Your Company has been recognised under the 'LEADERSHIP' category of the S&P BSE Listed Companies for a second consecutive year on the "IFC-BSE-IIAS Indian Corporate Governance Scorecard", a study conducted by the Institutional Investor Advisory Services India Limited.

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 risks in a continuous and vibrant manner.

Risks are multi-dimensional and therefore have to be looked at in a holistic manner covering 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 key risks:

- Strategic Risks
- Financial Risks
- Operational Risks, including Commodity Risks and Cyber and Data Security Risks
- Compliance and Governance Risks
- ESG 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 ensures that each significant strategic and business risk is identified, assessed and mitigated for long term sustainable growth of business. Further details of the risk management framework of the Company are provided as part of the Management Discussion and Analysis Report.

Your Company constituted a Risk Management Committee in 2014 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. The Audit Committee in coordination with the Risk Management Committee, reviews the risk management systems in the Company. Your Company has implemented a well-defined risk management policy.

Your Company has an internal control system commensurate to the size of the Company and the nature of its business. The Internal control system is regularly tested and reviewed by an Independent Internal Auditor. The Company also has a management audit team which carries out internal control reviews and follow-up audits. 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 law. All possible measures are taken by the Audit Committee to ensure the objectivity and Independence of the Internal Auditors. The Audit Committee, independent of the management, holds periodic one to one discussions with the Internal Auditor to review the scope and findings of the audit and to ensure adequacy & independence of the internal audit in the company. The Audit Committee reviews the internal audit plan for each year and approves the same in consultation with the top Management and the Internal Auditor. The internal audit plan covers key manufacturing locations, warehouses, sales offices and corporate functions of the Company as well as subsidiaries periodically based on risk assessment and existing control framework. Significant audit observations and follow up actions thereon are reviewed by the Audit Committee on a quarterly basis.

The Internal Auditor and management audit team, 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 process includes validation of transactions on sample basis to check if the operations of the company are conducted in compliance with internal policies and ethical standards defined by the Company. Further, Internal audits and management reviews are undertaken on a continuous basis, covering various areas across the value chain like procurement, manufacturing,

information technology, supply chain, sales, marketing, compliance and finance with the intent to cover all material business processes and locations under internal audit at least once in every 3-4 years. Reports of the Internal Auditor are regularly reviewed by the management and corrective actions are initiated to strengthen the controls and enhance the effectiveness of the existing systems. These audit reports and summary of actions taken are presented to the Audit Committee periodically.

Further, to ensure effective oversight over the financial statements of the Group, the Audit Committee holds periodic one-on-one discussion with the Statutory Auditors of the Company. The Audit Committee also holds one-on-one discussions with Statutory Auditors of its material subsidiary. These practices ensure independence and oversight over the financial reporting process of the Company and its material subsidiary. We believe that this framework ensures a unified and comprehensive perspective of the Governance, Risk and Control landscape.

Cornerstones of Corporate Governance at Marico

Your Company follows Corporate Governance practices around the following philosophical cornerstones:

Generative transparency and openness in flow of information

Marico believes in sharing and explaining all the relevant information about the Company's policies and actions to all those to whom it has responsibilities, with transparency and openness. Greater transparency not only helps develop accountability, but also generates an atmosphere which enables stakeholders to take informed decisions about the Company. The essence of Corporate Governance lies in maintaining transparency and ensuring equal access to all reasonable information 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.

Transparency and openness are organizational values and practised across all levels. Every year at the Company's flagship annual conference titled 'Organisation Communication ("OC")', the Company's virtue of transparency is showcased. The Chairman as well as the Managing Director & Chief Executive Officer ("MD & CEO") share the strategic plans and direction the organization is moving towards and insights on the Company's mission and vision. The Company broadcasts these sessions live at all its Indian and International locations. Eventually, the same message is shared with all the employee members across the globe at their respective OCs conducted at their locations. These sessions also incorporate leadership views on the local business context and way ahead designed for these business units.



Corporate Governance Report

OC events also host a segment called the 'Open House' session, where the leadership team addresses queries of Marico employee members while they are encouraged to share their views with everyone in the organization.

Mr. Saugata Gupta, MD & CEO, conducts regular webinars throughout the year called 'Facetime with Saugata', which is broadcasted live globally. These sessions are designed to update Marico employee members on the various accomplishments achieved by the organization so far and the way forward. Members post their questions during the session which are then addressed by Mr. Saugata Gupta live on air. This ensures every member has unrestricted access to the office of the MD & CEO, which helps maintain a seamless flow of necessary information within the organization.

Your Company also shares performance updates to the Stock Exchanges and Shareholders, within the first week from the close of every quarter by releasing a brief update, which is a summary of the operating performance and demand trends witnessed during the preceding quarter. This update is first intimated to the Stock Exchanges and then posted on the Company's website.

The Company announces its financial results every quarter, usually within 40 days from 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. An email update is also sent to the Shareholders who have registered their email addresses with the Company. Once quarterly results are announced, the Company organizes post-earning calls with the analyst community explaining to them the results and performance of the Company, while also responding to their queries. The transcripts of these calls are posted on the Company's website. Marico is a regular participant and organizer of analyst and investor conference calls, one-on-one meetings and investor conferences where analysts and fund managers get regular opportunities to understand medium and long term strategy from the Senior Management. A detailed investor presentation is additionally uploaded on the Company's website, which is periodically updated with the latest information providing a consolidated glimpse of the detailed history, current and future potential of the business and much more. 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 and outside the Country, to the Stock Exchanges and updates its website with the same simultaneously.

Your Company continues to use a digital platform for sharing the information with the Directors and maintains a seamless and safe flow of information between the

Management and the Board. While being secure and user friendly, it is also a quick and efficient means for sharing updates with the Board in an environment friendly manner.

Constructive separation of Ownership and Management and Board independence

Marico's philosophy is to have a constructive separation of the Management of the Company from its Owners, which manifests itself in the composition of the Board of Directors wherein the office of Chairman of the Board and Managing Director & CEO are held by distinct individuals. The Company has appointed a professional MD & CEO since April 1, 2014. Board independence is ensured by having 6 (six) Independent Directors, 3 (three) Non-Executive Non-Independent Directors (including Chairman) and 1 (one) Managing Director & Chief Executive Officer as on March 31, 2022. The Company's shareholders ultimately approve appointment of Directors to the Board, who are in turn entrusted with the responsibility of governing the affairs of the Company. The Independent Directors ensure protection of interests of all the stakeholders of the Company. 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 whilst also serving in the best interests of its stakeholders.

Senior Management Personnel are regular attendees at Board and Committee meetings. This helps the Board/ Committee members to directly liaise with and seek explanations from the core Management team during the proceedings of the meeting itself.

Defined Roles and Responsibilities

At Marico, the Board plays a supervisory role rather than an executive role. Its role is to guide the Management, provide constructive critique on the strategic business plans and operations of the Company and advice on matters requiring domain expertise. Mr. Saugata Gupta, MD & CEO, continues to head the Company's business and is responsible for running the management and operations of the Company and reports to the Board.

The Committees of the Board function as extended arms of the Board and play a pivotal role in ensuring good governance while also periodically monitoring the affairs of the Company. The Board has constituted certain committees which meet for considering matters requiring urgent approvals. This ensures smooth and timely execution of strategic and non-strategic activities.

The Audit Committee, NRC and the Board meet at least once every quarter to consider *inter-alia*, the business performance, financial results, board effectiveness, monitor statutory compliances and other matters of importance. The Audit Committee additionally meets once in every quarter, to have detailed deliberations *inter-alia*, on matters

relating to Governance, Risk Management, Statutory Compliances, Internal Controls, Internal Audit, Related Party Transactions, and other matters. The Audit Committee and NRC jointly discuss the Vigil Mechanism, summary of cases (if any) and the status of compliance under Prevention of Sexual Harassment Policy, Marico Insider Trading Rules and the Code of Conduct.

The Corporate Social Responsibility ("CSR") Committee meets at least thrice in a financial year in order to approve the programs and action plan for CSR activities to be undertaken during the year, closely monitor the functioning of these programs, progress made and impact thereof on the beneficiaries. The CSR Committee is also responsible for guiding and mentoring the CSR Team, which consists of various Marico employees who look into the day-to-day operations and ground level execution of the approved CSR activities. Further, the Risk Management Committee meets at least twice in a year to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems, assessment of risks associated with the Company and mitigation measures the same.

Discipline

Marico's Senior Management is always mindful of the need for good Corporate Governance practices. They are experts in their respective fields of work and are driven towards building an environment of Trust, Accountability and Ethics. Good Corporate Governance practices are the foundation of your Company's legacy with a focus on ensuring that robust practices are followed at all levels across the organisation.

Sustainable profitable growth can be ensured if an enterprise is disciplined about its areas of focus. Your Company has articulated a medium-term game plan to become an admired emerging market multinational in beauty and wellness categories in its chosen markets of Asia and Africa.

Your Company has always adopted a conservative approach with respect to debt and foreign exchange exposure management. Your Company periodically reviews its investment policy to align Company's practices with ever-changing market situations. All actions having financial implications are well deliberated upon before execution. The Company raises funds, which are used for expansion of business either organically or inorganically. The Company has also consistently stayed away from entering into exotic derivative transactions, keeping in mind the security and stability of the financial health of the organisation.

The Dividend Distribution Policy adopted by the Company ensures the right balance between the quantum of dividend paid and amount of profits re-deployed to fund organic

and inorganic growth of the Company. The Company has delivered a robust dividend pay-out ratio for 7 consecutive years and endeavours to maintain a satisfactory pay-out ratio in the coming future. The Dividend Distribution Policy is available on the Company's website at https://marico.com/investorspdf/Dividend_Distribution_Policy.pdf.

Responsibility & Accountability

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 employees.

The Company has integrated its internal regulations relating to these mechanisms, into a Code of Conduct. The Code of Conduct serves as a guide and reference module for ensuring ethical conduct of business practices and compliance of laws in the Company. 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, the NRC reviews the Code of Conduct periodically.

The Company's Code of Conduct is applicable to all members viz.: the members of the Board and employees (permanent and temporary). The Code of Conduct prescribes the guiding principles to promote and support ethical conduct in compliance with the inherent values of Marico and also to meet statutory requirements. The Whistle Blower Policy for all the stakeholders is embedded in the Code of Conduct. The Code also covers a separate section on guidelines expected to be followed by all external associates who partner us in our organizational endeavors and to all customers, for whom we exist. The Code of Conduct is available on the website of the Company at <https://marico.com/india/about-us/code-of-conduct>.

The Company seeks a quarterly affirmation from all the Directors and senior employees of the Company on a voluntary basis, confirming adherence to the Company's Code of Conduct. The CEO declaration in accordance with Para D of Schedule V to the SEBI Listing Regulations, certifying compliance to the above, is annexed to this report as "Annexure C1".

A certificate as per Regulation 33 read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), jointly signed by the MD & CEO and the Chief Financial Officer of the Company certifying the financial statements for the financial year ended March 31, 2022, is annexed to this report as "Annexure C2".

An organisation's responsibility extends beyond its own operations to the broader eco-system in which it operates. The efforts made by the Company over the years on sustainability and stakeholder value creation are detailed in the Integrated Report which forms part of this Annual Report.



Corporate Governance Report

Fairness

The Board approves all actions with conscious deliberation and after considering its impact on the interests of all its stakeholders, including the benefit of its minority shareholders. All shareholders have equal rights and can convene general meetings in accordance with the provisions of the Companies Act, 2013 ("Act"). Investor Relations is given due priority and a separate department is in place which is dedicated for handling this function and ensuring necessary flow of information from the Company to external stakeholders. Comprehensive disclosures with detailed information are shared at general meetings for all matters proposed for the approval of the Shareholders. Notices of the general meetings or postal ballot are comprehensive, and the presentations made at general meetings are informative and conclusive of the intent behind the proposal being placed for approval.

Keeping in view the contributions to the growth and success of the organization, the Board is remunerated appropriately, which is commensurate with the growth in the Company's profits and in line with the general compensation trend followed in the industry.

Your Company is an equal opportunity employer and promotes diversity and inclusion in its workforce, in terms of skills, ethnicity, nationalities and gender. The Company does not tolerate any form of discrimination at the workplace. It routinely hosts awareness sessions where all employees are sensitized on the topics ranging from inclusion, self-care, health, challenges faced by certain sects of employees and means to address them and other issues after factoring the suggestions and feedback received from employees.

Social Awareness

Your Company has an explicit policy emphasising ethical behaviour. It follows a strict rule of not employing any minors in its workforce. The Company is a firm believer of gender equality and neither practices nor condones any type of discrimination across the organization. All policies are free of bias and discrimination. Environmental responsibility and social consciousness are given equal importance. The Company ensures that sufficient measures are taken at all locations to warrant ethical and responsible discharge of duties by all members by educating and equipping them adequately.

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.

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 apprised on a regular basis by uploading information through a secured online application.
- ❖ Proceedings of Board are segregated, and matters are delegated to Committees as under:
 - Audit Committee is responsible for, inter alia, approval of 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 of work, etc.
 - NRC is responsible for, inter alia, approval of remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel. The Committee also acts as the Compensation Committee for the purpose of administration of the Marico Employee Stock Option Plan, 2016 and the Marico Employee Stock Appreciation Rights Plan 2011, as amended from time to time. NRC is also entrusted with the responsibility of framing the criteria for evaluation of the individual Directors, Chairperson of the Board, the Board as a whole and its Committees. It also routinely evaluates the working and effectiveness of the Board and manages the succession planning for Board members and key personnel.
 - Stakeholders' Relationship Committee specifically looks into various aspects of interest of the stakeholders.
 - CSR Committee recommends, reviews and monitors the impact of 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 and mitigation framework of the Company.
 - Administrative Committee approves the routine transactional/operational matters.
 - Investment and Borrowing Committee supervises management of funds.

- Securities Issue Committee approves the issue and allotment of securities and allied matters.
- Share Transfer Committee approves the formalities concerning transfer/transmission of shares and other share-related procedures.
- Sustainability Committee steers the sustainability initiatives of the Company and ensures sufficient assistance to the Business Responsibility Head from time to time.
- ❖ Each Non-Executive Director brings value through his or her specialisation and respective functional expertise.
- ❖ Directorships held by Directors in other companies are within the permitted ceiling limits. Further, the Company also emphasises Independent Directors to manage their time commitments and engagements in other listed companies.
- ❖ Memberships and Chairpersonships held by Directors are also within the permitted ceiling limits.
- ❖ Statutory compliance report along with the Compliance Certificate is placed before the Board at every quarterly meeting.
- ❖ All Directors endeavour to attend all the Board/Committee meetings and also the General Meetings of the Company. The Chairpersons of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders' Relationship Committee attend the Annual General Meeting to address shareholders' queries. Further, Secretaries of most of the committees are subject matter experts for their respective committees. This enables committee members to directly communicate and liaise with related domain experts heading the respective function of the Company.
- ❖ The Chief Financial Officer, Secretary to the Nomination and Remuneration Committee, Secretary to the CSR Committee 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/respective 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.

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 increasing stakeholder value, protection of their interests 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 Listing 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. Your Board comprises qualified members who collectively bring in the skills, expertise and competencies stated below that allow them to make effective contribution to the Board and its Committees as required in context of its business and to ensure highest standards of corporate governance.

As a measure of enhanced corporate governance and increased Board effectiveness, the Board based on the recommendation of the NRC, approved appointment of Mr. Nikhil Khattau, Independent Director, as the Lead Independent Director amongst the Independent Directors, with effect from April 7, 2022. The Lead Independent Director shall preside over the separate meeting(s) of Independent Directors as Chairperson, to act as a representative of Independent Directors and carry out such other roles and responsibilities as may be assigned by the Board or group of Independent Directors from time to time.

The table below highlights the Core Areas of Expertise/Skills/Competencies of the Board members. However, absence of mention of a skill/expertise/competency against a member's name does not necessarily indicate that the member does not possess that competency or skill.



Corporate Governance Report

Core Areas of Expertise/ Skills/ Competencies	Mr. Harsh Mariwala	Mr. Ananth S	Mr. B. S. Nagesh*	Ms. Hema Ravichandar	Mr. Nikhil Khattau	Mr. Milind Barve	Mr. Rajeev Vasudeva	Mr. Rajendra Mariwala	Mr. Rishabh Mariwala	Mr. Saugata Gupta
Corporate Strategy and Planning	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Entrepreneurship	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Global business & Consumer Understanding	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Brand Building	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
New Age Consumer Channel & Digital Skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Retail & GTM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
M&A, Strategy and Investment Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial & Accounting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance, Risk & Compliance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Human Capital Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Geographic, Gender and cultural diversity	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Legal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

* Mr. B. S. Nagesh completed his second consecutive term as an Independent Director and consequently ceased to be a Director of the Company with effect from end of day on March 31, 2022.

Board's Vision

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:

- 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.
- 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 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 Marico's core philosophy of openness and transparency. The feedback obtained is objective and accepted by the Board members.
- iv) The Chief Financial Officer and the Chief Human Resource Officer hold separate sessions with the Chairpersons of the Audit Committee and the Nomination & Remuneration Committee, respectively, to ensure planning on the agenda of the meetings of these committees.
- v) At each Board meeting, the Chairperson of respective Committees briefs the Board on matters discussed by the Committee at their respective meetings.
- vi) The Board does not step into the role of Management, 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 their respective roles.

Board composition:

During the financial year, your Board met 5 (five) times viz., on April 30, 2021, May 26, 2021, July 30, 2021, October 28, 2021 and January 28, 2022.

The composition of the Board, attendance of the Directors at the Board meetings and the Annual General Meeting held during the period from April 1, 2021 to March 31, 2022 and the number of Board/Committees of other companies in which the Director is a member or chairperson as on March 31, 2022, is as under:

Name	Category	Attendance at Board Meetings [†]	Attendance at Last AGM held on August 30, 2021	Board Positions in other companies [§]	Committee Positions [^]	
					As Member	As Chairperson
Mr. Harsh Mariwala	Chairman & Non-Executive	5 of 5	Yes	13	1	-
Mr. Saugata Gupta	Managing Director & CEO	5 of 5	Yes	6	3	1
Mr. B. S. Nagesh [%]	Independent	5 of 5	Yes	5	3	-
Ms. Hema Ravichandar	Independent	4 of 5	Yes	4	4	-
Mr. Nikhil Khattau	Independent	5 of 5	Yes	5	4	4
Mr. Ananth S.	Independent	5 of 5	Yes	9	-	-
Mr. Milind Barve [@]	Independent	2 of 2	Yes	2	2	1
Mr. Rajeev Vasudeva [@]	Independent	1 of 1	N.A.	3	-	-
Mr. Rajendra Mariwala	Non-Executive	5 of 5	Yes	5	3	-
Mr. Rishabh Mariwala	Non-Executive	5 of 5	Yes	5	-	-

[§] Includes directorship in Indian companies and excludes directorship held in Marico Limited.

[^] Includes committee positions held in Audit Committee and Stakeholders' Relationship Committees and excludes committee positions held in private limited companies, foreign companies and section 8 companies.

[%] Mr. B. S. Nagesh completed his second consecutive term as an Independent Director and consequently ceased to be a Director of the Company with effect from end of day on March 31, 2022.

[@] Mr. Milind Barve and Mr. Rajeev Vasudeva were appointed as Independent Directors of the Company w.e.f. August 2, 2021 and November 1, 2021, respectively and the details of their attendance pertain to meetings held after such dates.

* Mr. K.B.S. Anand and Mr. Sanjay Dube, who resigned as Independent Directors with effect from July 30, 2021, attended the Board Meetings held on April 30, 2021 and May 26, 2021.

During the year under review, Mr. K.B.S. Anand resigned as an Independent Director of the Company, with effect from July 30, 2021, due to personal factors. Further, Mr. Sanjay Dube also resigned as an Independent Director of the Company, with effect from July 30, 2021, due to full time executive commitments. Mr. K.B.S. Anand and Mr. Sanjay Dube had confirmed that there are no material reasons for their resignations other than those already provided.

At its meeting held on April 7, 2022, the Board based on the recommendation of the NRC, approved, *inter-alia*, the appointment of Ms. Apurva Purohit (DIN: 00190097) and Ms. Nayantara Bali (DIN: 03570657) as Independent Directors with immediate effect, re-appointment of Mr. Ananth Sankaranarayanan (DIN: 07527676) as an Independent Director for a second term of 5 (five) consecutive years w.e.f. June 26, 2022 and recommended the appointment of Mr. Rajeev Vasudeva (DIN: 02066480) as an Independent Director for a term of 5 (five) consecutive years w.e.f. November 1, 2021 by the shareholders. The Company has sought approval of the shareholders for the aforesaid matters by way of postal ballot through remote e-voting.

Names of other listed entities where a Director of the Company is a Director and the category of Directorship as on March 31, 2022.

Name	Name of Listed entities in which he/she holds Directorship	Category of Directorship
Mr. Harsh Mariwala	JSW Steel Limited	Independent Director
	Thermax Limited	Independent Director
	Zensar Technologies Limited	Independent Director
Mr. Saugata Gupta	Kaya Limited	Chairman & Managing Director
	Ashok Leyland Limited	Independent Director
Mr. Ananth S.	None	-
Mr. B. S. Nagesh [*]	Shoppers Stop Limited	Chairman & Non-Executive Director
	Kaya Limited	Independent Director
Ms. Hema Ravichandar	Bosch Limited	Independent Director
	The Indian Hotels Company Limited	Independent Director
	Trent Limited	Independent Director
Mr. Nikhil Khattau	Kaya Limited	Independent Director
Mr. Rajendra Mariwala	Kaya Limited	Non-Executive Director
Mr. Rishabh Mariwala	Kaya Limited	Non-Executive Director
Mr. Milind Barve	None	-
Mr. Rajeev Vasudeva	Pidilite Industries Limited	Independent Director

* Mr. B. S. Nagesh completed his second consecutive term as an Independent Director and consequently ceased to be a Director of the Company with effect from end of day on March 31, 2022.



Corporate Governance Report

During the year under review, the Independent Directors met on March 23, 2022 without the presence of any other Non- Independent Director, *inter-alia*, to discuss the performance of Non-Independent Directors, Chairman of the Board 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 Independent Directors were present at the meeting.

In the opinion of the Board, all the Independent Directors fulfil the criteria of Independence as defined under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules 2014, Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management of the Company.

Except those mentioned below, none of the Directors of your Company are related to each other:

- Mr. Harsh Mariwala and Mr. Rishabh Mariwala are related as Father and Son;
- Mr. Harsh Mariwala and Mr. Rajendra Mariwala are first cousins;
- Mr. Rajendra Mariwala and Mr. Rishabh Mariwala are related to each other as uncle and nephew; and
- Mr. Harsh Mariwala, Mr. Rajendra Mariwala and Mr. Rishabh Mariwala are members of the Promoter/ Promoter group of the Company.

III. AUDIT COMMITTEE

The Audit Committee of the Board is fully independent and comprises three Independent Directors. All Members of the Audit Committee are financially literate, and the Chairman is a financial expert. The Audit Committee invites the Statutory Auditor and the Internal Auditor for one-on-one discussions on a quarterly basis, and such meetings are independent of Management participation. The Chief Financial Officer and Members of the Finance Team associated with Internal Audit and Governance, Risk & Compliance are also present at the meetings of the Audit Committee during discussions pertaining to agenda matters relevant to their functions. Members of the Senior Management team are also invited to attend meetings, if the matter being discussed requires their expertise or insights. Mr. Vinay M A, Company Secretary & Compliance Officer, acts as the Secretary to the Audit Committee.

The Audit Committee met 8 (eight) times during the year i.e. on April 12, 2021, April 30, 2021, July 13, 2021, July 30, 2021, October 12, 2021, October 28, 2021, January 11, 2022 and January 28, 2022. The composition of the Audit

Committee along with the details of attendance at its meetings is detailed below:

Name	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Nikhil Khattau	Independent	Chairman	8	8
Ms. Hema Ravichandar	Independent	Member	8	7
Mr. Sanjay Dube*	Independent	Member	3	2
Mr. Rajendra Mariwala*	Non-Executive	Member	4	4
Mr. Milind Barve [§]	Independent	Member	4	4

* Mr. Sanjay Dube, Independent Director, ceased to be the member of the Audit Committee on July 30, 2021, consequent to his resignation as a Director of the Company and Mr. Rajendra Mariwala, Non-Executive Director, stepped down as the member of the Audit Committee on August 20, 2021. Details of attendance pertain to meetings held during FY 22 while they were members of the Audit Committee.

§ Mr. Milind Barve was appointed as a member of the Audit Committee with effect from August 2, 2021 and the details of attendance pertain to meetings held after such date.

The Charter of the Audit Committee, *inter-alia*, articulates its role, responsibilities and powers as follows:

- Oversight of the Company's financial reporting processes and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by Management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of related party transactions, if any;
 - Modified opinion(s), if any, in the draft audit report.

- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;
- 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;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval of transactions with related parties and any subsequent modification of such transaction in accordance with the Act read with the Rules made thereunder and the SEBI Listing Regulations;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with the internal auditors on any significant findings and follow up thereon;
- 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;
- 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;
- Looking 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;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing mandatorily the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions, submitted by the Management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses;
 - The appointment, removal and terms of remuneration of the internal auditor; and
 - statement of deviations, if any:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations;
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
- Vigil Mechanism:
 - Ensuring establishment of vigil mechanism for Directors, employees and third parties to report genuine concerns;
 - Providing 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;
 - Ensuring that the existence of vigil mechanism is appropriately communicated within the Company and also made available on the Company's website;
 - Overseeing the functioning of vigil mechanism and the Whistle blower mechanism and decide on the matters reported thereunder; and
 - Ensuring that the interests of a person who uses such a mechanism are not prejudicially affected on account of such use;
- Reviewing the utilization of loans and/or advances from/investment in the subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/advances/investments;
- Reviewing compliances under SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year; and
- Verifying effective operation and adequacy of internal control systems.



Corporate Governance Report

IV. Nomination & Remuneration Committee

The Nomination & Remuneration Committee ("NRC") comprises four Members all of whom are Independent Directors. Mr. Amit Prakash, Chief Human Resources Officer, acts as the Secretary to the NRC. The NRC also acts as the Compensation Committee for the purpose of SEBI (Share Based Employee Benefits and Sweat Equity), Regulations, 2021.

The NRC met 4 (four) times during the year i.e. on May 26, 2021, July 30, 2021, October 27, 2021 and January 28, 2022. The composition of the NRC along with the details of attendance at its meetings is detailed below:

Name	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Ms. Hema Ravichandar	Independent	Chairperson	4	4
Mr. B. S. Nagesh [§]	Independent	Member	4	4
Mr. Nikhil Khattau	Independent	Member	4	4
Mr. K. B. S. Anand*	Independent	Member	1	1
Mr. Rajeev Vasudeva [#]	Independent	Member	-	-

[§] Mr. B. S. Nagesh ceased to be a member of the NRC with effect from end of day on March 31, 2022, consequent to completion of his second consecutive term as an Independent Director of the Company.

* Mr. K. B. S. Anand, Independent Director, ceased to be the member of the NRC on July 30, 2021, consequent to his resignation as a Director of the Company and details of attendance pertain to meetings held during FY 22 while he was a member of the NRC.

[#] Mr. Rajeev Vasudeva was appointed as a Member of the NRC with effect from January 28, 2022. No meetings of the NRC were held during FY 22 after the date of his appointment.

The Board at its meeting held on April 7, 2022 appointed Ms. Apurva Purohit, Independent Director, as a Member of the NRC with immediate effect.

The charter of the NRC and provisions of the SEBI Listing Regulations, *inter-alia*, articulates its responsibilities and authority as follows:

1. Formulate criteria for qualifications, positive attributes and independence of a Director, Key Managerial Personnel and Senior Management;
2. Identify the candidates who are qualified to be appointed as Director, Key Managerial Personnel and Senior Management and recommend to the Board their appointment and removal;
3. For every appointment of an Independent Director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director for recommendation to the Board.

4. Recommend to the Board a policy relating to the remuneration of the Director, Key Managerial Personnel and Senior Management;
5. Approve the remuneration (including revisions thereto) of the Director, Key Managerial Personnel and Senior Management and further recommend the same to the Board for its approval;
6. Formulate the criteria for evaluation of performance of Board, its Committees, individual Directors and the Chairperson of the Company;
7. Devise a policy on Board diversity;
8. Devise a succession plan for the Board, Key Managerial Personnel and Senior Management;
9. Decide whether to extend/continue the term of appointment of Independent Directors on the basis of their performance evaluation report;
10. Participate in the review of Vigilance Mechanism conducted by Audit Committee of the Board;
11. Design for Board Retreat and Board Effectiveness; and
12. Administer Long Term Incentive Schemes such as Employee Stock Option Plan(s) (including Schemes notified thereunder) and Stock Appreciation Rights Plan(s) (including Schemes notified thereunder) and such other employee benefit schemes/plans as the Board may approve from time to time.

Policy on Nomination, Removal, Remuneration and Board Diversity

In terms of Section 178 of the Act and corresponding provisions contained in the SEBI Listing Regulations, the Board has adopted the policy on Nomination, Remuneration and Evaluation (hereinafter referred to as "NRE Policy").

The NRE 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;
- Board Diversity;
- Succession plan for Directors, Key Managerial Personnel and employees in Senior Management; and
- Formulation of criteria for evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

The NRE Policy of the Company can be accessed at: https://marico.com/investorspdf/Policy_on_Nomination,_Remuneration_and_Evaluation.pdf.

The process of evaluation of individual Directors, Chairperson, the Board as a whole and its Committees is provided as part of the Board's Report.

Process and criteria for selection of Directors

The Company has a well-defined process and criteria

for selection of new Directors. The NRC, in consultation with the Chairman of the Board, determines the essential and desirable skills, competencies, expertise and experience required for the office of a Director and defines the role specifications for a Director. Identification of the candidates may be done by the Chairperson of the NRC and Chairman of the Board, who may use the services of an external search agency, if required. Upon completion of interview and selection process, the NRC reviews and recommends the appointment to the Board, alongwith terms of appointment and remuneration. Approval of shareholders, wherever required, is sought as per the provisions of applicable laws.

The NRC considers, *inter-alia*, the following key criteria for selection of Directors:

1. Professional background, experience, qualifications and time commitment of the individual.
2. Skills, expertise and competencies relevant to the business of the Company, including in the areas of Corporate Strategy and Planning, Leadership, Global business & Consumer Understanding, New Age Consumer Channel & Digital Skills, Retail & GTM, Brand Building, Financial & Accounting, Corporate Governance, Risk & Compliance and Human Capital Management.
3. High levels of integrity, accountability and values.
4. Having a diverse Board, with diversity of gender, thought, experience, knowledge, perspective and culture.
5. In case of appointment of Independent Directors:
 - a. Satisfaction of criteria of independence under applicable laws and independence from the management.
 - b. Skills and capabilities required for the role and the manner in which the proposed appointee meets such requirements.
 - c. In case of re-appointment of an Independent Director, outcome of performance evaluation and contributions made by such Director during the first term.
6. Satisfaction of necessary qualifications, attributes, criteria and conditions for appointment as a Director under applicable laws.

Remuneration to Executive Director

The Company's Board presently consists of one Executive Director viz. Mr. Saugata Gupta, Managing Director & Chief Executive Officer ("MD & CEO"). The NRC approves annual revisions in the remuneration of the MD & CEO within the overall limits approved by the shareholders of the Company, which are then placed before the Board for its approval.

The annual remuneration to the MD & CEO consists of two broad terms – Fixed Remuneration and Variable

Remuneration in the form of performance incentive and/or long-term performance rewards/incentives as per the Company's incentive schemes as amended from time to time. The performance incentive is based on the Remuneration Policy of the Company. The performance criteria for variable remuneration includes, inter alia, driving growth in consolidated business performance, targets on revenues, profits and market share, driving long-term and strategic transformational initiatives in the area of innovation and diversification of business, digital transformation, cost management and strategic acquisitions, achievement of identified sustainability and ESG metrics, retention of key leadership talent and such other areas as may be determined by the NRC and Board from time to time. Additionally, the MD & CEO is entitled to grant of employee stock options 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 current tenure of office of the MD & CEO is for 5 (five) years starting from April 1, 2019 till March 31, 2024. The agreement between the MD & CEO and the Company can be terminated by either party by giving three months' notice. The Company may require the MD & CEO to serve an additional notice period of 90 days to enable transition. The terms of severance, confidentiality and other matters are governed as per the terms and conditions of agreement entered between him and the Company.

Remuneration to Non-Executive Directors

The Non-Executive Directors add significant value to the Company through their contribution to the Management of the Company and thereby play an appropriate control role in safeguarding the interests of the stakeholders at large. They bring in their vast experience and expertise on the deliberations at the Marico's Board and its Committees. Although the Non-Executive Directors contribute to Marico in several ways, including advising the MD & CEO and the Senior Managerial Personnel outside the Board/Committee meetings, significant portion of their measurable inputs comes in the form of their contribution at Board/Committee meetings.

The Company, therefore, has a structure for remuneration to Non-Executive Directors, based on certain financial parameters like the performance of the Company, its market capitalization, etc., and other parameters viz. industry benchmarks, role of the Director and such other relevant factors. Non-Executive Directors are not entitled to any stock options or stock appreciation rights of the Company.

At the 27th Annual General Meeting held on August 5, 2015, the shareholders 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 delegation to the Board of Directors to decide the mode, quantum, recipients and the frequency of payment of such remuneration within the said limit. Accordingly, the



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Board fixes the remuneration payable to the Non-Executive Directors from time to time which is well within the limit approved by the shareholders.

Remuneration to the Chairman of the Board

Mr. Harsh Mariwala as the Chairman of the Board and a Non-Executive Director 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 MD & CEO and the Top Management team

Directors' Remuneration and Shareholding

Details of the remuneration of Directors for the financial year ended March 31, 2022 and their shareholding in the Company as on March 31, 2022, are as under:

Name	Category	Remuneration (per annum)	Sitting Fees ()	Salary ()	Perquisites-exercise of ESOPs/RSUs ()	Annual Performance Incentive ()	Contribution to Provident & Pension Funds ()	Total ()	No. of Equity shares held in the Company
Executive Director									
Mr. Saugata Gupta	Managing Director & CEO	-	-	7,21,77,852	22,47,42,836	6,08,40,000	32,43,240	36,10,03,928*	9,43,052
Non-Executive Directors									
Mr. Harsh Mariwala	Chairman & Non-Executive	3,93,75,000	6,50,000	-	-	-	-	4,00,25,000	9,84,54,000#
Mr. Ananth S.	Independent	35,00,000	6,50,000	-	-	-	-	41,50,000	-
Mr. B. S. Nagesh	Independent	38,00,000	9,00,000	-	-	-	-	47,00,000	-
Ms. Hema Ravichandar	Independent	40,00,000	10,00,000	-	-	-	-	50,00,000	-
Mr. Nikhil Khattau	Independent	42,01,644	12,30,000	-	-	-	-	54,31,644	-
Mr. K.B.S. Anand	Independent	10,00,000	2,50,000	-	-	-	-	12,50,000\$	-
Mr. Sanjay Dube	Independent	10,00,000	3,00,000	-	-	-	-	13,00,000\$	-
Mr. Milind Barve	Independent	23,29,338	4,50,000	-	-	-	-	27,79,338@	-
Mr. Rajeev Vasudeva	Independent	14,58,333	1,50,000	-	-	-	-	16,08,333^	-
Mr. Rajendra Mariwala	Non-Executive	35,00,000	8,80,000	-	-	-	-	43,80,000	2,00,96,100#
Mr. Rishabh Mariwala	Non-Executive	35,00,000	5,00,000	-	-	-	-	40,00,000	2,49,76,500

* Remuneration of Mr. Saugata Gupta includes the perquisite value of stock options exercised by him during the financial year 2021-22 amounting to ₹ 22,47,42,836. Excluding that, his remuneration for the financial year 2021-22 is ₹ 13,62,61,092.

The details of stock options granted to the MD & CEO during the financial year 2021-22 are as follows:

Particulars	No. of options	Date of vesting
ESOPs (exercise price linked to market price: average of closing market prices on the stock exchanges for 22 trading days immediately preceding the grant date)	2,97,940	31-03-2024
RSUs (exercise price: ₹ 1)	52,080	31-03-2024

Denotes shares held along with immediate family members.

\$ Remuneration for the period from April 1, 2021 till July 30, 2021.

@ Remuneration for the period from August 2, 2021 till March 31, 2022.

^ Remuneration for the period from November 1, 2021 till March 31, 2022.

Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity

There is no pecuniary or business relationship between the Non-Executive/Independent Directors and the Company, except for the sitting fees for attending meetings of the Board/Committees thereof and remuneration payable to them annually.

Succession Planning

The Company follows a people-first culture and offer all its

for strategic business planning, leadership development, corporate social responsibility, image building, board effectiveness and sustainable profitable growth of the Company. The Chairman is entitled to a remuneration which is commensurate with his engagement beyond the Board meetings and within the provisions of Regulation 17(6)(ca) of the SEBI Listing Regulations.

The Company indemnifies its Directors and Officers for claims brought on them to the fullest extent permitted by applicable law. Further, the Company maintains a Directors' & Officers' insurance policy covering the liability of its Directors and Officers as per the terms of the policy.

employees a defined talent value proposition to go beyond, grow beyond and be the impact so that they can maximise their true potential to make a difference. Evaluation of talent pipeline and building a potential succession pool is a continuous process. As part of the Company's talent review process, individual development plans are discussed on an annual basis, and key talent are identified for potential higher roles in the future. Further, a 360-feedback process enables employees identify strengths and areas of development to scale up their leadership capacity. As nurturing talent is integral to the Company's culture, senior management is also involved in mentoring to build a stronger succession pipeline. Potential successors for each of the key roles is identified through personal development planning process and a robust development plan is defined by supervisor and the Chief Human Resources Officer. The succession plan and depth of Talent for Key Managerial Personnel & Senior Management Personnel is also reviewed by NRC annually.

As part of the Company's NRE policy, a robust process for succession planning for appointments to the Board and the position of MD & CEO is defined. NRC develops and recommends to the Board a succession plan for the

appointments made to the Board. The plan is reviewed by NRC annually and it recommends revisions to the Board (if any). In addition, the NRC, in consultation with the Board, also periodically reviews the Board rejuvenation process based on various factors such as current composition and balance of skills, experience and diversity on the Board, tenure of Directors, outcome of performance evaluation and business requirements.

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. Further, the Company also provides periodic insights and updates to the entire Board, including Independent Directors and other Non-Executive Directors, regarding business, innovation, ESG, human capital management, culture, Go-to-Market strategies, technology, etc.

The Familiarisation Programme, topics covered and details of Programs conducted during the year under review have been disclosed on the website of the Company at <https://marico.com/india/investors/documentation/corporate-governance>.

V. Stakeholders' Relationship Committee

In accordance with the statutory requirements, the Company has constituted Stakeholders' Relationship Committee comprising three members viz. an Independent Director, a Non-Executive Director and the MD & CEO of the Company. Mr. Vinay MA is the Company Secretary & Compliance Officer of the Company and acts as the Secretary to the Committee.

The Committee met once during the year i.e. on January 28, 2022. The composition of the Committee along with the details of attendance at its meeting is detailed below:

Name	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Nikhil Khattau	Independent	Chairman	1	1
Mr. Rajendra Mariwala	Non-Executive	Member	1	1
Mr. Saugata Gupta	Managing Director & CEO	Member	1	1

The primary objective of the Committee is to specifically look into various aspects of interest of the shareholders, debenture holders and other security holders. The terms of reference of the Committee, *inter-alia*, include:

- To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- To review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Status Report of Investor Complaints for the year ended March 31, 2022

Particulars	No. of complaints
Total complaints received during the year	30*
Total complaints resolved during the year	30
Complaints pending at the end of the year	0

* Pertains to non-receipt of dividend, share certificates, annual reports, etc.

VI. Corporate Social Responsibility Committee

The Company's Corporate Social Responsibility Committee ("CSR Committee") comprises three Independent Directors, two Non-Executive Directors and the MD & CEO of the Company. Mr. Amit Bhasin, Chief Legal Officer, was appointed as the Secretary to the CSR Committee with effect from March 4, 2022.

The CSR Committee met thrice during the year i.e. on April 30, 2021, October 28, 2021 and January 28, 2022. The composition of the CSR Committee along with the details of the meetings held and attended during the year is detailed below:

Name	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. B. S. Nagesh*	Independent	Chairman	3	3
Mr. Ananth S.	Independent	Member	3	2
Mr. Harsh Mariwala	Non-Executive	Member	3	3
Mr. Milind Barve#	Independent	Member	-	-
Mr. Rajendra Mariwala	Non-Executive	Member	3	3
Mr. Saugata Gupta	Managing Director & CEO	Member	3	3

* Mr. B. S. Nagesh ceased to be the Chairman/Member of the CSR Committee w.e.f. end of day on March 31, 2022, consequent to completion of his second consecutive term as an Independent Director of the Company.

Mr. Milind Barve was appointed as a Member of the CSR Committee w.e.f. January 28, 2022. No meetings were held during FY 22 after the date of his appointment.



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Mr. Ananth S. has been appointed as the Chairman of the CSR Committee with effect from April 1, 2022. The Board at its meeting held on April 7, 2022 appointed Ms. Nayantara Bali, Independent Director, as a Member of the CSR Committee with immediate effect.

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 formulate and recommend an Annual Action Plan (including any revisions thereto) to the Board for its approval.
- Identify project(s) of the Company as 'Ongoing Project(s)'.¹
- To recommend the annual CSR expenditure budget to the Board for its approval;
- To approve unbudgeted CSR expenditure involving an annual outlay of more than ₹ 1 Crore but not exceeding 10% of the total CSR budget for the financial year;
- Review implementation of CSR activities of the Company within the applicable framework;
- To nominate members of the CSR Team and advise the team for effective implementation of the CSR programs and approve any changes thereto;
- To undertake wherever appropriate, benchmarking exercises with other corporates to reassure itself of the effectiveness of the Company's CSR spends;
- To review:
 - 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 carry out an impact assessment through an independent agency of project(s) having an outlay of ₹ 1 Crore or more and in respect of which a period of one year has elapsed since completion of such project.
- To review adequacy of the CSR charter at such intervals as the CSR Committee may deem fit and recommend changes, if any, to the Board from time to time;
- To approve the CSR disclosures that will form part of the Annual Report, website of the Company, etc.
- 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.

VII. Risk Management Committee

The Risk Management Committee ("RMC") comprises One Independent Director, the Managing Director & CEO and the Chief Financial Officer, which is in line with the amended provisions of the SEBI Listing Regulations. The Chief Financial Officer also acts as the Secretary to the RMC. The Chairman of the Board and other members of the Top Leadership Team comprising Senior Management Personnel may also be invited to participate at the meetings of the RMC.

The RMC met thrice during the year i.e. on June 25, 2021, July 15, 2021 and January 11, 2022. The composition of the RMC and the details of attendance at its meetings are given below:

Name	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Nikhil Khattau [§]	Independent Director	Chairman	1	1
Mr. Saugata Gupta	Managing Director & CEO	Member	3	3
Mr. Pawan Agrawal	Chief Financial Officer	Member & Secretary	3	3
Mr. Harsh Mariwala [*]	Non-Executive	Chairman	2	1

[§] Mr. Nikhil Khattau, Independent Director, was inducted into and appointed as the Chairman of the RMC with effect from July 30, 2021. The details of attendance pertain to meetings held during FY 22 after such date.

^{*} Mr. Harsh Mariwala, Non-Executive Director, stepped down as the Chairman/Member of the RMC with effect from July 30, 2021. The details of attendance pertain to meetings held during FY 22 while he was a member of the RMC.

The primary responsibility of the RMC is to assist the Board in monitoring and reviewing the risk management plan, implementation of the risk management framework of the Company, including cyber security.

The terms of reference of the Risk Management Committee, *inter-alia*, include:

- Formulating a detailed risk management policy, which includes the following and recommend the same to the Board for its approval:
 - identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks, reputation risks or any other risk as may be determined by the RMC;
 - defining measures for risk mitigation including systems and processes for internal control of identified risks; and
 - Business continuity plan.

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, which shall include:
 - Defining the calendar for reviews of existing risks of every function/business unit with the objective to refresh the prioritized risks at defined periodicity.
 - Reviewing the top 10 risks of the company at defined periodicity.
 - Refreshing at defined intervals the top risks at the group level so that the Board can refresh the risk review calendar.
 - Ensuring that the calendar defined by the Board for review of the top 10 risks of the Company is adhered to.
- To ensure risk assessment and mitigation procedures are implemented which shall include:
 - Formulating measures for risk mitigation including systems and processes for internal control of identified risks.
 - Ensuring Business continuity plan and Crisis Management Framework.
 - Being aware and concurring with the Company's Risk appetite including risk levels, if any, set for financial and operational risks.
 - Ensuring 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.
- To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- The RMC shall have access to any internal information necessary to fulfil its oversight role. It shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- The RMC shall have powers to seek information from any employee and secure attendance of outsiders with relevant expertise, as it deems necessary.
- Evaluation:
 - The RMC may conduct a performance evaluation relative to its purpose, duties, responsibilities and effectiveness and recommend, any changes, it considers necessary for the approval of the Board.
 - The Board may critique such evaluation done by the RMC basis the performance and suggest suitable changes to improve effectiveness. The Board shall ensure that RMC is functioning in accordance with its Charter.
 - The RMC may conduct such evaluation and reviews at such intervals and in such manner as it deems appropriate.

VIII. Other Committees

Administrative Committee

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

Mr. Vinay M A, Company Secretary & Compliance Officer, acts as the Secretary to the Administrative Committee. The Administrative Committee met 12 (Twelve) times during the year i.e. on April 1, 2021, May 26, 2021, July 5, 2021, August 30, 2021, September 8, 2021, October 12, 2021, October 28, 2021, December 8, 2021, January 14, 2022, January 28, 2022, February 16, 2022 and March 3, 2022.

The composition of the Administrative Committee along with the details of attendance at the meetings is detailed below:

Name	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Saugata Gupta	Managing Director & CEO	Member	12	9
Mr. Rajendra Mariwala	Non-Executive Director	Member	12	10
Mr. Pawan Agrawal	Chief Financial Officer	Member	12	12
Mr. Amit Aggarwal	Head – Category Finance & MIS	Member	12	12

Investment & Borrowing Committee

The Investment & Borrowing Committee constituted by the Board is responsible for approving investments in trade instruments, borrowing/lending monies, extending guarantee/security on behalf of subsidiaries, if required, with a view to ensure smooth operation and timely action.



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The investments, loans, borrowings, guarantees/security transactions are sanctioned by the Committee within the ceiling limits and on the terms approved by the Board from time to time.

The Investment & Borrowing Committee is also entrusted with the powers relating to certain preliminary matters in connection with any acquisition/takeover opportunity that the Company may explore.

Mr. Vinay M A, Company Secretary & Compliance Officer, acts as the Secretary to the Investment & Borrowing Committee. The Committee met 8 (eight) times during the year i.e. on April 30, 2021, July 5, 2021, August 30, 2021, September 8, 2021, October 28, 2021, December 15, 2021, January 28, 2022 and March 25, 2022.

The composition of the Investment & Borrowing Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Harsh Mariwala	Non-Executive	Member	8	7
Mr. Rajendra Mariwala	Non-Executive	Member	8	4
Mr. Saugata Gupta	Managing Director & CEO	Member	8	7

Securities Issue Committee

The Securities Issue Committee constituted by the Board approves matters pertaining to issuance and allotment of securities and other matters incidental thereto. Mr. Vinay M A, Company Secretary & Compliance Officer, acts as the Secretary to the Securities Issue Committee. The composition of the Securities Issue Committee is as follows:

Name	Category	Nature of Membership
Mr. Harsh Mariwala	Non-Executive	Member
Mr. Rajendra Mariwala	Non-Executive	Member
Mr. Rishabh Mariwala	Non-Executive	Member
Mr. Saugata Gupta	Managing Director & CEO	Member

The approval of the Securities Issue Committee on relevant matters is obtained through means of resolutions passed by circulation from time to time.

Share Transfer Committee

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

The Share Transfer Committee met seven times during the year i.e. on April 12, 2021, April 30, 2021, September 9, 2021, October 28, 2021, December 27, 2021, January 11, 2022 and March 21, 2022. Mr. Vinay M A, Company Secretary & Compliance Officer, acts as the Secretary to the Share Transfer Committee.

The composition of the Share Transfer Committee along with the details of the meeting held and attended during the aforesaid period is detailed below:

Name	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Harsh Mariwala	Non-Executive	Member	7	4
Mr. Rajendra Mariwala	Non-Executive	Member	7	7
Mr. Saugata Gupta	Managing Director & CEO	Member	7	4

Sustainability Committee

The Sustainability Committee was constituted by the Board in 2016 to steer the sustainability activities of the Company. As on March 31, 2022, Mr. Jitendra Mahajan, Chief Operating Officer- Supply Chain, IT & MENA Business was the Business Responsibility Head. Mr. Saugata Gupta, Managing Director & CEO, is responsible for implementation of Business Responsibility. The Committee met once during the year on April 20, 2021.

The composition of the Sustainability Committee is as below:

Name	Category	Nature of Membership
Mr. Jitendra Mahajan [#]	Chief Operating Officer- Supply Chain, IT & MENA Business	Head of Sustainability Committee
Dr. Sudhakar Mhaskar [#]	Chief Technology Officer	Member
Mr. Amit Bhasin [*]	Chief Legal Officer	Member
Mr. Pawan Agrawal	Chief Financial Officer	Member

[#] Mr. Jitendra Mahajan and Dr. Sudhakar Mhaskar ceased to be members of the Sustainability Committee with effect from April 7, 2022.

^{*} Mr. Amit Bhasin was appointed as a member of the Sustainability Committee with effect from July 30, 2021 and subsequently as its Chairman with effect from April 7, 2022.

Mr. Gaurav Mediratta, Chief Legal Officer, ceased to be a Member of the Sustainability Committee with effect from July 5, 2021 consequent to his resignation from services of the Company. Dr. Shilpa Vora, Chief Technology Officer, and Mr. Bhaskar Balakrishnan, Executive Vice President & Head, Manufacturing & Operations Excellence, were appointed as Members of the Sustainability Committee with effect from April 7, 2022.

IX. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings:

Year	Venue	Date	Time	Nature of Special Resolutions Passed
2019	Mumbai Educational Trust, 1 st Floor, Convention Centre, Bandra Reclamation, Bandra (West), Mumbai - 400 050, Maharashtra	August 1, 2019	09:00 a.m.	<ol style="list-style-type: none"> Approval of the remuneration payable to Mr. Harsh Mariwala (DIN:00210342), Chairman of the Board and Non-Executive Director of the Company, for the financial year 2019-20. Approval of the re-appointment of Mr. Nikhil Khattau (DIN:00017880) as an Independent Director of the Company from April 1, 2019 to March 31, 2024. Approval of the re-appointment of Ms. Hema Ravichandar (DIN:00032929) as an Independent Director of the Company from April 1, 2019 to March 31, 2024. Approval of the re-appointment of Mr. B. S. Nagesh (DIN:00027595) as an Independent Director of the Company from April 1, 2019 to March 31, 2022. Approval of the re-appointment of Mr. Rajeev Bakshi (DIN:00044621) as an Independent Director of the Company from April 1, 2019 to March 31, 2020.
2020	Video Conferencing /Other Audio-Visual Means (Deemed venue: Registered Office of the Company at 7 th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra)	August 28, 2020	10.00 a.m.	<ol style="list-style-type: none"> Approval of the remuneration payable to Mr. Harsh Mariwala (DIN: 00210342), Chairman of the Board and Non-Executive Director of the Company, for the financial year 2020-21.
2021	Video Conferencing /Other Audio-Visual Means (Deemed venue: Registered Office of the Company at 7 th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra)	August 30, 2021	11.00 a.m.	<ol style="list-style-type: none"> Approval of the remuneration payable to Mr. Harsh Mariwala (DIN: 00210342), Chairman of the Board and Non-Executive Director of the Company, for the financial year 2021-22.

Postal ballot:

Postal ballots are conducted in accordance with the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. Shareholders are provided the facility to vote either by physical ballot or through e-voting and the postal ballot notice is sent to shareholders as per the permitted mode wherever applicable.

Shareholders holding equity shares as on the cut-off date can cast their votes through e-voting or through postal ballot during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman, or any other person authorized by the Chairman and the results of voting by postal ballot

are announced within 2 working days of conclusion of the voting period. The results are displayed on the website of the Company and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agent. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting.

In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has permitted companies to transact items through postal ballot as per the framework set out in relevant MCA Circulars, up to December 31, 2022. In accordance with these circulars, only e-voting facility is to be provided to all shareholders to cast their votes electronically. Hence, there is no requirement of sending physical copy



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of Postal Ballot Notice along with postal ballot forms and pre-paid business envelope to shareholders. Further, there is a requirement to publish a notice in the newspapers and arrange for shareholders to register their e-mail address with the company to enable ease of electronic voting process for shareholders.

During the year under review, no resolutions were passed through postal ballot. Vide notice dated April 7, 2022, the following Special Resolutions were proposed for approval of shareholders by way of postal ballot through remote e-voting:

1. Amendments to the Marico Employee Stock Option Plan, 2016;
2. Grant of employee stock options to eligible employees of the Company's subsidiaries under the amended Marico Employee Stock Option Plan, 2016;
3. Re-appointment of Mr. Ananth Sankaranarayanan (DIN: 07527676) as an Independent Director of the Company;
4. Appointment of Mr. Rajeev Vasudeva (DIN: 02066480) as an Independent Director of the Company;
5. Appointment of Ms. Apurva Purohit (DIN: 00190097) as an Independent Director of the Company; and
6. Appointment of Ms. Nayantara Bali (DIN: 03570657) as an Independent Director of the Company.

Further details on the aforesaid matters have been provided as part of the Board's report.

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 adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives as per the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information as required under the said regulations.

Compliance with mandatory and non-mandatory requirements of the SEBI Listing Regulations

Your Company has complied with all the mandatory corporate governance requirements under the SEBI Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations and has obtained a certificate from Dr. K. R. Chandratre, Secretarial Auditor, regarding compliance of conditions of Corporate

Governance as stipulated in this clause, which is annexed to this report as "Annexure C3".

Further, the Company has complied with the following non-mandatory requirements as per the provisions of Schedule V Part C of the SEBI Listing Regulations:

- The office of the Chairman is occupied by a Non-Executive Director of the Company.
- The financial statements contain an unmodified audit opinion.
- The Company has a separate Non-Executive Chairman and a Managing Director & CEO, who are not related to one another.
- The Internal auditors of the Company directly report to the Audit Committee of the Board of Directors.

Vigil Mechanism

The Company has a well-defined vigil mechanism/whistle blower policy embedded in the Code of Conduct and it is fully implemented by the Management, particulars of which have been explained in greater detail as part of the Board's Report.

No personnel have been denied access to the Audit Committee and/or its Chairman.

Fund Utilisation

The Company does not have any unutilised funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.

Directors Disqualification

A certificate from Dr. K. R. Chandratre, Practicing company Secretary, has been obtained and annexed to this report as "Annexure C4" stating that as on March 31, 2022, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority(ies).

Recommendation by the Committees to the Board

During the year under review, there were no instances of non-acceptance of any recommendation of any statutory committees of the Board.

X. Material Related Party Transactions & Material Subsidiary

There were no materially significant related party transactions entered into by the Company during the financial year 2021-22 that may have potential conflict with the interests of the Company at large. Further, as on March 31, 2022, Marico Bangladesh Limited continues to be the material subsidiary of the Company, in terms of

provisions of the SEBI Listing Regulations.

The policy for determining material subsidiary is available at https://marico.com/investorspdf/Policy_for_Determination_of_Material_Subsiidiary.pdf and the policy on dealing with related party transactions is available at https://marico.com/investorspdf/Policy_on_Related_Party_Transactions.pdf.

XI. Commodity price risk/foreign exchange risk and hedging activities

Commodity risks for your Company are mainly due to edible oils and crude oil price fluctuations. Unexpected changes in commodity prices and supply could impact business margins and ability to service demand. The past few years have witnessed wide fluctuations in input prices. As a result, the overall uncertainty in the environment continues to be high. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2022 are disclosed in the Notes to the standalone financial statements.

The details of the exposure of the Company to material risk commodities is given below:

Commodity Name	Exposure in ₹ (Crores)	Exposure in quantity terms (MT)
Edible Oils	3,492	3,14,085
Crude Oil Derivatives	508	66,974
Total	4,000	3,81,059

XII. Means of Communication

Quarterly and Annual Financial results for Marico Limited and consolidated financial results for the Marico Group are typically published in Free Press Journal, an English financial daily and Navshakti, a vernacular newspaper. The Company also sends this information through email updates to the shareholders who have registered their email address with the Company or Depository Participant.

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/participated by the Company are also hosted on the Investor Relations section of the Company's website for wider dissemination.

The Quarterly Results, Shareholding Pattern and all other corporate communications to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS)/Digital Portal and BSE Listing Centre, for dissemination on their respective websites.

The Management Discussion and Analysis Report forms part of the Annual Report.

XIII. General Shareholder Information

Annual General Meeting through Video Conferencing/Other Audio-Visual Means Facility

Date	: August 5, 2022
Time	: 9.00 a.m. IST
Deemed Venue for Meeting	: Registered Office: Marico Limited, 7 th floor, Grande Palladium, 175 CST Road, Kalina, Mumbai – 400 098

Financial calendar

Financial Year	: April 1 - March 31
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For the year ended March 31, 2022, results were announced on

• First quarter	: July 30, 2021
• Half year	: October 28, 2021
• Third quarter	: January 28, 2022
• Annual	: May 5, 2022

Tentative Schedule for declaration of financial results during the financial year 2022-23

• First quarter	: First week of August, 2022
• Half-year	: First week of November, 2022
• Third quarter	: Last week of January, 2023
• Annual	: Last week of April, 2023

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)	: MARICO
Exchange Plaza, Bandra Kurla Complex, Mumbai 400 051	
ISIN	: INE196A01026
Corporate Identification Number	: L15140MH1988PLC049208

The Company hereby confirms that it has made the payment of Annual Listing Fees to BSE Limited and NSE.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Section 124 of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules") stipulates transfer of dividend that has remained unclaimed for a period of seven years, from the unpaid dividend account to IEPF. Further, the Rules



Corporate Governance Report

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.

The Company has appointed a Nodal Officer under the provisions of the Rules, the details of which are available on the website of the Company at <https://marico.com/india/investors/documentation/dividend>.

In view of the above, during FY22, the Company transferred the following unpaid/unclaimed dividend to IEPF:

Financial Year	Type of Dividend	Dividend per share (in ₹)	Date of Declaration	Date of transfer to IEPF	Amount transferred (in ₹)
2013-14	3 rd Interim Dividend	1.75	25-03-2014	May 3, 2021	4,30,062
2014-15	1 st Interim Dividend	1.00	07-11-2014	December 22, 2021	2,88,429
	2 nd Interim Dividend	1.50	03-02-2015	March 22, 2022	3,21,425

Further, dividend for the following years will be transferred to IEPF on respective due dates, as below:

Financial Year	Type of Dividend	Dividend per share (in ₹)	Date of Declaration	Due Date for transfer to IEPF
2015-16	1 st Interim Dividend	1.75	04-11-2015	10-12-2022
	2 nd Interim Dividend	1.50	30-01-2016	07-03-2023
	3 rd Interim Dividend	1.00	10-03-2016	16-04-2023
2016-17	1 st Interim Dividend	1.50	04-11-2016	10-12-2023
	2 nd Interim Dividend	2.00	02-02-2017	10-03-2024
2017-18	1 st Interim Dividend	1.75	30-10-2017	05-12-2024
	2 nd Interim Dividend	2.50	09-02-2018	17-03-2025
2018-19	1 st Interim Dividend	2.00	01-11-2018	07-12-2025
	2 nd Interim Dividend	2.75	05-02-2019	13-03-2026
2019-20	1 st Interim Dividend	2.75	25-10-2019	30-11-2026
	2 nd Interim Dividend	3.25	30-01-2020	06-03-2027
	3 rd Interim Dividend	0.75	06-03-2020	11-04-2027
2020-21	1 st Interim Dividend	3.00	28-10-2020	03-12-2027
	2 nd Interim Dividend	4.50	03-03-2021	08-04-2028
2021-22	1 st Interim Dividend	3.00	28-10-2021	03-12-2028
	2 nd Interim Dividend	6.25	28-01-2022	05-03-2029

Transfer of shares to IEPF

Pursuant to the provisions of the Act, read with the Rules, the Company is required to transfer equity shares (including shares lying in the Unclaimed Suspense Account) in respect of which dividends have not been claimed for a period of seven consecutive years to IEPF. Accordingly, the Company transferred 13,692 shares to IEPF during the year. Details of these shares are available on the Company's website at <https://marico.com/india/investors/documentation/dividend>.

Further, shares in respect of which dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the IEPF as required by law.

The Company will transfer the said shares, after sending an intimation of the proposed transfer in advance to the concerned shareholders, as well as publish a public notice in this regard. Names of such transferees will be available on the Company's website at <https://marico.com/india/investors/documentation/dividend>.

Reminder letters are periodically sent by the Company to the concerned shareholders advising them to claim their dividends. Shareholders may note that both the unclaimed dividend and underlying shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF Authority by following the procedure prescribed in the Rules.

Equity Shares in the Unclaimed Suspense Account

In terms of Regulation 39 of the SEBI Listing Regulations, details of the equity shares lying in the Unclaimed Suspense Account are as follows:

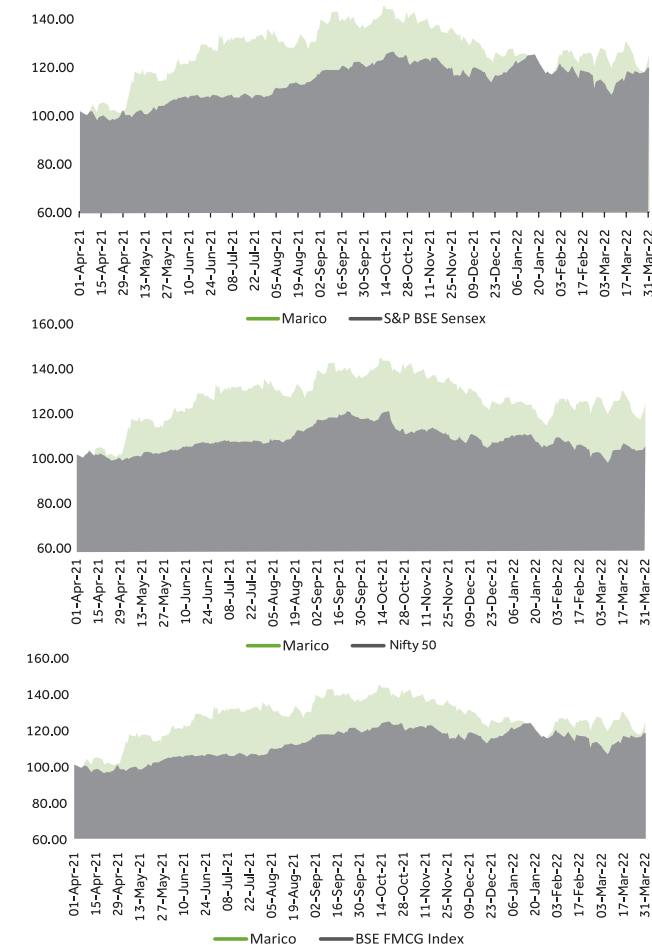
Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (i.e. April 1, 2021)	14	57,020
Number of shareholders who approached listed entity for transfer of shares from suspense account during the Financial Year 2021-22	4	16,000
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2021-22	2	8,000
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (i.e. March 31, 2022)	12	49,020

Your Company confirms that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Market Price Data

Month	Bombay Stock Exchange (BSE) (In ₹)		National Stock Exchange (NSE) (In ₹)	
	High	Low	High	Low
Apr-21	427.65	399.35	427.60	399.00
May-21	488.00	416.25	487.60	416.10
Jun-21	543.55	473.90	543.80	474.00
Jul-21	552.90	518.00	553.20	517.65
Aug-21	552.20	510.80	552.15	511.00
Sep-21	587.25	541.20	587.35	541.00
Oct-21	606.00	541.30	607.70	541.05
Nov-21	577.15	530.00	577.40	526.50
Dec-21	540.00	488.95	538.50	488.55
Jan-22	518.45	455.80	518.50	455.65
Feb-22	525.55	479.30	524.00	477.00
Mar-22	534.90	468.65	535.00	468.50

PERFORMANCE IN COMPARISON: BSE SENSEX, NIFTY 50 AND BSE FMCG (The values of S&P Sensex, Nifty 50, BSE FMCG Index and share price of the Company have been indexed to begin from '100' to show comparative movements)



Distribution of Shareholding as on March 31, 2022:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	3,26,029	96.08	1,46,25,876	1.13
501-1000	5,927	1.75	45,97,616	0.36
1001 -2000	2,918	0.86	45,33,581	0.35
2001-3000	887	0.26	22,64,780	0.18
3001-4000	649	0.19	24,05,060	0.19
4001- 5000	394	0.12	18,28,628	0.14
5001-10000	973	0.29	72,71,896	0.56
10001 & above	1,554	0.46	1,25,52,59,841	97.10
Total	3,39,331	100.00	1,29,27,87,278	100.00

Share Transfer System

The Board has delegated the authority for approving transfer/transmission/transposition of securities of the Company pursuant to Regulation 40 of the SEBI Listing Regulations to the Share Transfer Committee.

The Share Transfer Committee meets as may be warranted based on the number of share transaction requests received by the Company.

All requests for dematerialisation of shares are processed and the confirmation is given to respective Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited, generally within 21 days.

In accordance with the proviso to Regulation 40(1) of the SEBI Listing Regulations, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them.

Registrar & Transfer Agent

Link Intime India Private Limited
(Unit: Marico Ltd.)
C 101, 247 Park, LBS Marg,
Vikhroli West, Mumbai - 400 083

Categories of Shareholding as on March 31, 2022:

Categories	31-March-2022	% of total share capital
Indian		
Promoters	76,79,75,740	59.40
Bodies Corporate & Trusts	1,37,31,948	1.06
Individuals and HUF	5,86,77,688	4.54
Insurance Companies	7,31,43,576	5.66
Mutual Funds	3,73,31,564	2.89
Financial Institution & Bank	29,54,736	0.23
Clearing Members	2,50,961	0.02
Central/State Government	11,23,350	0.09
IEPF Authority	58,544	0.00
Alternative Investment Funds	11,84,833	0.09
NBFC registered with RBI	62,00,794	0.48
TOTAL A	96,26,33,734	74.46
Foreign		
Promoters	10,52,000	0.08
Foreign Portfolio Investors	32,46,43,595	25.11
Foreign Banks	6,000	0.00
NRIs	44,51,949	0.34
TOTAL B	33,01,53,544	25.54
GRAND TOTAL (A+B)	1,29,27,87,278	100.00
Total Demat Holding	1,29,22,07,360	99.96



Corporate Governance Report

Top 10 shareholders of the Company (other than Promoters and Promoter Group)

Sr. No.	Name of the Shareholder	Shareholding as at March 31, 2022		Shareholding as at March 31, 2021	
		No. of shares	% of total shares	No. of shares	% of total shares
1	First Sentier Investors ICVC - Stewart Investors Asia Pacific Leaders Sustainability Fund, along with Persons acting in concert	8,97,03,735	6.94	9,20,56,288	7.13
2	Life Insurance Corporation of India	4,77,45,987	3.69	7,01,34,208	5.42
3	UTI	1,51,77,704	1.17	76,07,197	0.59
4	Government Pension Fund Global	1,02,54,927	0.79	76,06,552	0.59
5	NPS Trust	95,46,510	0.74	67,61,462	0.52
6	Fidelity Funds - India Focus Fund	87,67,305	0.68	66,89,161	0.52
7	Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	72,58,615	0.56	63,67,830	0.49
8	ICICI Prudential Life Insurance Company Limited	67,53,356	0.52	1,27,69,784	0.99
9	Vanguard Total International Stock Index Fund	66,97,104	0.52	58,15,533	0.45
10	Bajaj Holdings & Investment Limited	60,65,559	0.47	60,65,559	0.47
11	Bajaj Allianz Life Insurance Company Limited	46,34,733	0.36	71,22,866	0.55

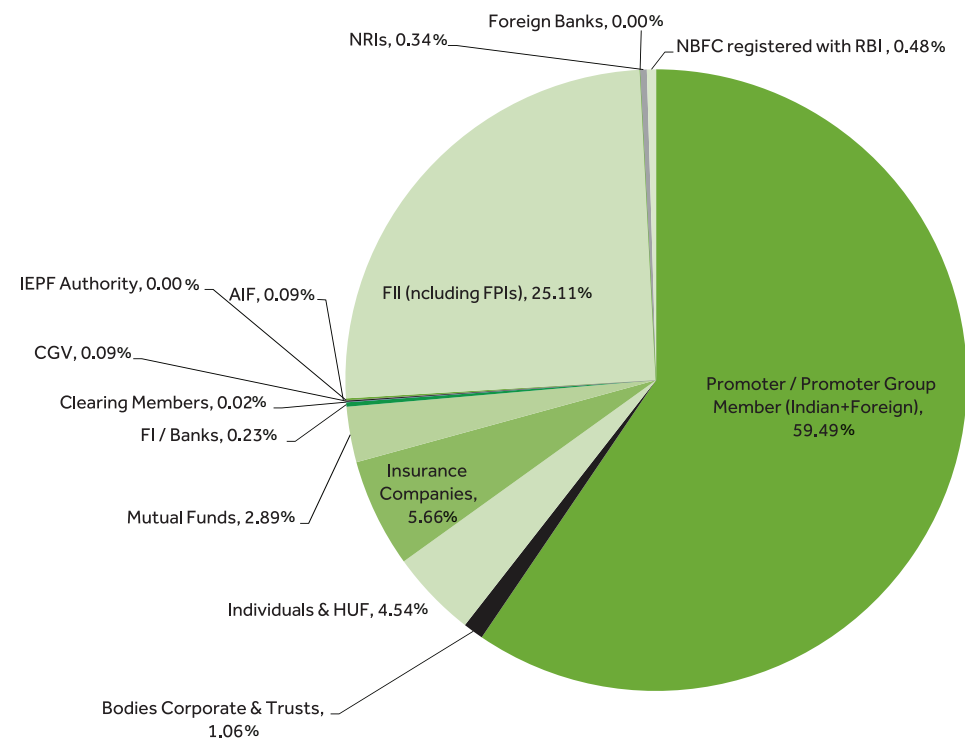
Notes:

a. Serial Nos. 1 to 8 and 10 are part of Top 10 shareholders as at March 31, 2021 and March 31, 2022.

b. Serial No. 9 is part of Top 10 shareholders only as at March 31, 2022.

c. Serial No. 11 is part of Top 10 shareholders only as at March 31, 2021.

Shareholding Pattern as on March 31, 2022



Dematerialization of Shares and Liquidity	: As on March 31, 2022, 99.96% of shareholding was held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.
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.
Credit Ratings and revisions thereto for all debt instruments or any fixed deposit programme or any scheme or proposal of the Company obtained during the year under review	: The Company did not have any debt instruments or any fixed deposit programme or any scheme or proposal during the year under review.
Plant Locations	: Perundurai, Sanand, Puducherry, Jalgaon, Baddi, NER -1 (Guwahati) and NER-2 (Guwahati)
Disclosure of foreign exchange risks, commodity price risks and hedging activities	: Please refer Commodity Price Risk/Foreign Exchange Risk and Hedging Activities herein and Notes to the Financial Statements for the same.
Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	: ₹ 2,51,09,490
Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013	: Please refer Board's Report for the same.
Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount	: Please refer Notes to the Financial Statements

Shareholders/Investors Complaints received and redressed:

The Company gives utmost priority to the interests of the investors. All the requests/complaints of the shareholders have been generally resolved to the satisfaction of the shareholders within the statutory time limits.

Address for correspondence

Shareholding related queries

Company's Registrar & Transfer Agent:
Link Intime India Private Limited
Unit: Marico Limited
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai - 400 083
Tel.: 022 -49186270
Fax: 022 - 49186060
E-mail: rnt.helpdesk@linkintime.co.in

General Correspondence

Marico Limited
Grande Palladium, 7th Floor, 175, CST Road,
Kalina, Santa Cruz (East), Mumbai 400 098
Tel.: 022-66480480, Fax: 022-26500159
E-mail: investor@marico.com

Mr. Vinay M A
Company Secretary & Compliance Officer
Contact no.: 022-66480480
E-mail: vinay.ma@marico.com

Mr. Harsh Rungta
Investor Relations Team
Contact no.: 022-66480480
E-mail: harsh.rungta@marico.com

For Marico Limited

Place : Mumbai
Date : May 5, 2022

Harsh Mariwala
Chairman
DIN: 00210342



Annexure 'C1' to the Corporate Governance Report 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 as well as all the employees of the Company. This Code of Conduct is available on the Company's website.

I hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company.

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Saugata Gupta
Managing Director & CEO
(DIN: 05251806)
Date: May 5, 2022

Annexure 'C2' to the Corporate Governance Report Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We hereby certify that:

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2022 ("the Period") and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Period 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 Period;
 - (ii) significant changes in accounting policies during the Period and that the same have been disclosed in the notes to the financial statements; 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 Audit Committee of the Board and the Board of Directors of Marico Limited, pursuant to Regulation 17(8) read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Thank you.

Yours truly,

For Marico Limited

Saugata Gupta
Managing Director & CEO

Date: May 5, 2022
Place: Mumbai

For Marico Limited

Pawan Agrawal
Chief Financial Officer

Date: May 5, 2022
Place: Mumbai

Annexure 'C3' to the Corporate Governance Report Auditor's Certificate

CERTIFICATE ON COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 BY MARICO LIMITED RELATING TO CORPORATE GOVERNANCE REQUIREMENTS

I have examined compliance by Marico Limited (the Company) with the requirements under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) relating to corporate governance requirements for the year ended on 31 March 2022.

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

I state that no complaint relating to investor's grievance received by the Company is pending unresolved as on March 31, 2022.

I further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Dr. K. R. Chandratre

Practising Company Secretary

FCS No.: 1370, C. P. No.: 5144

UDIN: F001370D000276471

Peer Review Certificate No.: 1206/2021

Place: Pune

Date: May 5, 2022



Annexure 'C4' to the Corporate Governance Report Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) read with Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Marico Limited
7th Floor, Grande Palladium
175, CST Road, Kalina, Santacruz (East)
Mumbai - 400098.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Marico Limited having CIN: L15140MH1988PLC049208 and having registered office at 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400098 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31 March 2022, have been debarred or disqualified from being appointed or continuing as Directors of companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority(ies).

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Harsh Mariwala	00210342	13/10/1988
2.	Mr. Rajendra Mariwala	00007246	26/07/2005
3.	Mr. Nikhil Khattau	00017880	18/07/2002
4.	*Mr. Nagesh Satyanarayan Basavanhalli	00027595	16/07/2010
5.	Ms. Hema Ravichandar	00032929	26/07/2005
6.	Mr. Rishabh Mariwala	03072284	02/05/2017
7.	Mr. Saugata Gupta	05251806	01/04/2014
8.	Mr. Ananth Sankaranarayanan	07527676	26/06/2017
9.	Mr. Milind Barve	00087839	02/08/2021
10.	**Mr. Sanjay Dube	00327906	30/01/2020
11.	**Mr. Kanwar Bir Singh Anand	03518282	01/04/2020
12.	Mr. Rajeev Vasudeva	02066480	01/11/2021

* ceased to be director with effect from 31 March 2022 on completion of second term as independent director

** resigned from the position of director with effect from 30 July 2021

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dr. K. R. Chandratre

FCS No.: 1370, C. P. No.: 5144

UDIN: F001370D000275897

Peer Review Certificate No. : 1206/2021

Place: Pune

Date : 5 May 2022

ANNEXURE 'D' to the Board's Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

A. Conservation of Energy

1. Steps taken/impact on conservation of energy:

Your Company is committed to sustainable business practices by contributing to environment protection. Conservation of energy is a prime focus area for your Company. During the year under review, a host of initiatives were undertaken across the manufacturing locations to improve energy efficiencies and conservation. Some of the energy and fuel saving initiatives taken during FY2021-22 are outlined below:

- Energy savings of over 15,000 Kwh/annum by adopting a range of speed optimization techniques in cake silo discharge conveyors, sampling silo bottom conveyors and weight inlet conveyors at Perundurai facility.
- Control valve automation at Jalgaon facility.
- Replacement of High-Pressure Sodium Vapour (HPSV) lights with LED-based illumination systems in Puducherry facility.
- Installation of motion sensors for LED lights and Photoconductivity principle-based Light Dependent Resistor (LDR) lighting units at North-East Region (NER- I and II).
- Introduction of Intelligent Flow Controller (IFC) system at North-East Region (NER- I) to reduce the losses due to artificial air demand of compressed air network. This intervention has led to energy savings of 17,700 Kwh/annum.
- HVAC power consumption reduction of 8,263 Kwh/annum using thermostat, at Sanand facility.

2. Steps taken for utilising alternate sources of energy:

- Your Company utilizes 100% renewable source for thermal energy requirements for process at Jalgaon, Perundurai and Puducherry units.
- All Marico manufacturing facilities are 100% coal-free and are constantly focusing on transitioning to renewable sources for meeting its operational energy requirements. At Perundurai unit, 99% of the electricity was procured from renewable sources like wind and biomass. Further, the expansion program for Perundurai facility has been centred around smart energy upgrades including the installation of high-speed machinery to enhance overall productivity and operational efficiency.
- Marico has launched its Net-Zero targets in global operations by 2040. Transitioning to renewable energy plays the most critical element of this

roadmap that Your Company has set up to shape a sustainable future.

- During this financial year, 70% of the total energy requirement in operations were met through renewable sources.

3. Capital investment on energy conservation equipments:

For the year under review, the capital investment on energy conservation projects was ₹1.08 crores. These interventions led to power savings of 1,21,698 Kwh and fuel savings of 42,485 MT during the reporting year, across Marico's manufacturing footprint. Going forward, Your Company will focus on increased adoption of solar-wind hybrid power and deployment of storage capacity to address intermittency issues. Expansion of waste heat recovery technologies and other low-carbon technological interventions for process optimisation and effectiveness will be considered for capital investment towards building a carbon neutral future.

B. Technology absorption

1. Research and Development (R&D)

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

- Nourishment and Nature care
- Digital First Product Launches
- Product portfolio for international markets
- Health and Wellness Products

Marico, in line with our value of consumer centricity, continued to research and innovate into various product categories, focusing on consumer need for taste and health as the top-most priority. The pandemic brought in a tidal shift in consumer behaviour with growing preferences in foods for immunity, ayurveda, organic foods products etc. In line with this, Sugar-Free Kadha Mix and Sugar-Free Golden Turmeric Milk under Saffola Immuniveda flagship were launched. Adding to the Ayurvedic, immunity range, along with Chywanamrut, the traditional Chywanprash was offered to our consumers.

Building on to the contemporary Honey, Saffola launched NMR Tested, Premium Wild Forest Organic Honey containing natural antioxidants.

Keeping in line with the trends and digitization that increased during the pandemic, Marico searched for opportunities to expand its e-Platform presence under Saffola FITTIFY brand, launching Saffola FITTIFY Peanut Butter targeting fitness-conscious individuals with 7 variants for all types of consumer needs.



ANNEXURE 'D' to the Board's Report

Exploring the Ready to Eat category with the right balance of nutrition and taste, Saffola entered the market with healthy and tasty Saffola Peanut Butter with Jaggery and Saffola Mayonnaise with added Vitamins A, D and E.

In a bid to premiumise our presence in value-added hair oils, your Company launched Parachute Advanced Onion Hair Oil and Marico Jataa for Men 100% Ayurvedic Hair Growth Oil, thereby broadening its presence in the anti-hairfall segment on Digital platform. Both products were introduced on the e-commerce channel. Jataa capitalises on the opportunity for a specialist Ayurvedic anti hair fall product for men. The product is specially designed for men and offers clinically proven hair fall solution based on Ayurvedic ingredients like Jatamansi. Jataa also marks Marico's foray into the premium hair oil space. Parachute Advanced Onion oil brings together the unique benefits of Pure Coconut oil and Onion in a highly potent formula.

For premium personal care, several interventions happened across all its categories:

Skincare: The Parachute Advanced Body Lotion portfolio was extended to build in more intense moisturisation by launch of Coco Repair. Also, the summer portfolio was strengthened by launch of light hydrating All Day Aloe lotion. Parachute Advanced Body Lotions were clinically tested under doctor supervision to claim '72 hour non-stop moisturisation'.

In Bangladesh, products were created to address skin care range beyond winter lotions. Skin Pure Face Wash range was developed and launched in 3 variants i.e Goat Milk Variant for Brightening Glow, Orange Variant For Anti-pimple and Aloe Variant For Oil Control.

Clinical studies were done on these variants to support the claim of "Visible effects in just 1 week of regular use".

Baby Care: Baby care product range was established in Bangladesh a couple of years back. New products were added to the existing range to complete the portfolio. The products added were: Baby Toothpaste, Baby Diaper Rash Cream and Tear Free Baby Shampoo. All the products were internationally "Made Safe Certified".

Hair Colour: With deep understanding of the needs of the traditional hair coloring consumer, it was understood that this consumer though currently a natural henna user, truly desired less waiting time and more convenience in product application. For this consumer, a ready to use Mehendi paste format was developed. This is the first ever unique launch in the hair colour segment in Bangladesh.

Pure Sense and Cocosoul: To participate in the digital personal care revolution, two brands were optimised- Pure Sense and Cocosoul. Pure Sense, a 22-product portfolio was designed to deliver to health and wellness needs of the E-com consumer. Products were mainly classified in the Relaxing Macadamia Range and Revitalising Grapefruit Range. Cocosoul brand was established in-house, again a 10-product range which brings together the magic of ayurveda and goodness of coconut. Both the ranges are internationally "Made Safe Certified".

In addition, the R&D team continued to pursue the research on the goodness of coconut oil and several research projects are underway with distinguished scientists globally. The antiviral efficacy of Virgin coconut oil and its benefits in building immunity were established. Basic research on hair damage is underway to help identify new markers of hair damage and develop technologies to prevent the same.

Leveraging technology and thereby bringing in digital capability in Consumer Technical Insights has been the highlight of this year. A hybrid model that involves product assessments and quick capture of consumer responses in real time, enabled richer insights and quick turnarounds. Design Thinking approach combined with proactive social listening enabled understanding the whys of new age consumer behaviours. This helped in quick launches for modern premium innovations in Hair Care and Foods, including Parachute Advanced Onion Hair Oil, Jataa, Saffola Mayonnaise and Saffola Peanut Butter.

Your Company has also sharpened its focus on technology integration, building quality in design and automation, thereby enhancing value for consumer by addressing the needs and experience. Quality Assurance has played a pivotal role in delivering consistent Quality, consumer safe and regulatory compliant products and offerings. Our Technical and Regulatory functions have partnered various government departments for capability and capacity development initiatives and helped in framing consumer centric Legislations. Marico has also supported various Government programs for strong nation building.

Boundaryless innovation is a key value of Marico and this was demonstrated by the packaging team in the projects executed. The Packaging team has won 15 Packaging Excellence Awards from different Institutions for FY 2021-22. The Packaging team also concentrated their efforts on Sustainability across the 3 major pillars to ensure we are leading the sustainability journey ahead of the industry:

Reduce: Weight optimization across packaging materials using scientific simulation process and technology upgradation across the value chain (vendors, factories, warehouses, etc.). We are proud to share that we are using the lowest weight bottles against competition for Coconut Oil category. Elimination of environment hazardous material with more sustainable materials (PVC to PET/PP).

Reuse: Successfully started using recycled material for bottles and for Collation shrink films and initiated other work on usage of recycled polymers to reduce consumption of virgin polymers.

Recover: Developing mono material packaging to ensure 100% recyclability and also worked on different technologies for Plastics Waste Management to reduce the environmental impact in association with industry bodies.

2. Benefits derived as the result of the above efforts

- Launch of new products Sugar Free Kadha Mix, Sugar Free Turmeric Milk, Saffola Immuniveda Chywanprash, Saffola Mayonnaise, Saffola Peanut Butter, Parachute Advanced Onion Hair Oil and Marico Jataa for Men 100 per cent Ayurvedic Hair Growth Oil, Hair Code Mehedi Crème Color, Just For Baby – Shampoo.
- Enhanced connect with regulators and presence in the industry forums.

3. Technology absorption, adaptation and Innovation

Marico has received patent grants for various product and packaging projects. The R&D Team also published several technical paper in various renowned journals

on Virgin coconut oil, Single hair fiber assessment techniques, Coconut Oil and Immunity, etc.

4. Technology imported during the last three years reckoned from the beginning of the financial year: Not Applicable.

5. The expenditure incurred on Research and Development:

Particulars	As at March 31,	
	2022 in Crore	2021 in Crore
(a) Capital	0.58	0.81
(b) Recurring	29.00	28.86
Total	29.58	29.67
As a % of revenues	0.39	0.47

C. Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo during the period under review was as under:

Particulars	As at March 31,	
	2022 in Crore	2021 in Crore
Foreign Exchange earned	509.90	461.61
Foreign Exchange used	176.68	223.89

For Marico Limited

Place: Mumbai
Date: May 5, 2022

Harsh Mariwala
Chairman
DIN: 00210342

ANNEXURE 'E' to the Board's Report

DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY ("CSR")

1. A Brief Outline of the Company's CSR Policy

Marico's CSR Philosophy

Marico's stated purpose is to "Make a Difference". We believe that we exist to benefit the entire ecosystem of which we are an integral part. We have a commitment towards our interdependent ecosystem of shareholders, consumers, associates, employees, Government, environment and society. 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 this core purpose of making a difference to the lives of all its stakeholders to help them achieve their full potential. Pursuant to the requirements of Section 135 of the Companies Act, 2013 read with the Rules made thereunder, the Board of Directors of the Company at its meeting held on November 7, 2014 had adopted the CSR Policy, which was last amended by the Board of Directors on March 29, 2021. The salient features of the CSR Policy are as under:

- CSR philosophy;
- Key thrust areas for CSR contributions;
- Implementation;
- Governance: At CSR Team, CSR Committee and at Board level;
- Annual Action Plan;
- Mechanisms over CSR Expenditure and Budget and;
- Monitoring and Impact Assessment of the CSR Programs.

The Government has notified various initiatives that qualify to be CSR for the purpose of the mandatory spend applicable to the companies.

The CSR Pivots:

While the Ministry of Corporate Affairs has provided a list of activities qualifying for CSR 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:

- ❖ Fostering innovation
- ❖ Community Sustenance
- ❖ Education and Skill Empowerment
- ❖ Increasing reach of Health Care
- ❖ Livelihood enhancement

2. Composition of the CSR Committee:

The composition of the CSR Committee as at March 31, 2022 is given below and can also be accessed at <https://marico.com/page/Committees-of-the-Board-31032022.pdf>

Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. B. S. Nagesh* (Chairman)	Independent	3	3
Mr. Ananth S. #	Independent	3	2
Mr. Harsh Mariwala	Non-Executive	3	3
Mr. Rajendra Mariwala	Non-Executive	3	3
Mr. Milind Barve\$	Independent	-	-
Mr. Saugata Gupta	Managing Director & CEO	3	3

* Mr. B. S. Nagesh ceased to be the Chairman of the CSR Committee with effect from end of day on March 31, 2022, consequent to completion of his second consecutive term as an Independent Director of the Company.

Mr. Ananth S. has been appointed as the Chairman of the CSR Committee with effect from April 1, 2022.

\$ Mr. Milind Barve was appointed as a Member of the CSR Committee with effect from January 28, 2022. No CSR Committee meetings were held during FY 22 after the date of his appointment.

Ms. Nayantara Bali, Independent Director, has been appointed as a Member of the CSR Committee with effect from April 7, 2022.

3. The CSR policy can be accessed at <https://marico.com/investorspdf/Corporate-Social-Responsibility-Policy.pdf>. The CSR Projects approved by the Board can be accessed at <https://marico.com/india/investors/documentation/annual-reports>. Further, information regarding CSR projects and programs of the Company have been provided as part of the Chapter titled 'Communities' of this Integrated Report.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company engaged Goodera, an independent agency, to carry out impact assessment of the below CSR projects:

- (a) Jalashay
- (b) Parachute Kalpavriksha Foundation
- (c) Nihar Shanti Pathshala Funwala

Summary of the outcome of assessment, design and delivery, efficiency and effectiveness of projects and way forward have been provided as part of the Chapter titled 'Communities' of this Integrated Report. The impact assessment reports are available on the Company's website at <https://marico.com/india/investors/documentation/annual-reports>.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Crores)	Amount required to be set-off for the financial year, if any (in Crores)
1	2021-22	0.20	0.20

6. Average net profit of the company as per section 135(5): 1,085 crores

7. (a) Two percent of average net profit of the company as per section 135(5): 21.70 crores

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: 0.20 crores

(d) Total CSR obligation for the financial year (7a+7b- 7c): 21.50 crores.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Crores)	Amount Unspent (₹ in Crores)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
22.32			N.A.		



ANNEXURE 'E' to the Board's Report

8 (b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project	(6) Project duration	(7) Amount allocated for the project (₹ in Crores)	(8) Amount spent in the current financial year (₹ in Crores)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Crores)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency Name and CSR Registration number
1.	Parachute Kalpavriksha	- Rural Development Projects - Ensuring environmental sustainability, ecological balance - Promoting education, including employment enhancing vocational skills and livelihood enhancement projects. - Ensuring environmental sustainability, ecological balance - Promoting education, across various activities mentioned under Schedule VII, especially in areas of environmental sustainability, community sustenance, education, healthcare and agri-tech.	Yes	Tamil Nadu, Kerala, Andhra Pradesh, Karnataka	Ongoing	6.70	6.70	-	No	Parachute Kalpavriksha Foundation CSR00002001
2.	Jalashay (Water Stewardship)	- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Tamil Nadu	Ongoing	2.10	2.10	-	No	Parachute Kalpavriksha Foundation CSR00002001
3.	Innovation - Marico Innovation Foundation	- Scaling innovation across various activities mentioned under Schedule VII, especially in areas of environmental sustainability, community sustenance, education, healthcare and agri-tech.	Yes	Maharashtra	Ongoing	0.50	0.50	-	No	Marico Innovation Foundation CSR00002037
4.	Nihar Education and Skilling program	- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Madhya Pradesh, Bihar, Rajasthan, Jharkhand, Delhi NCR, Uttarakhnad, Chandigarh, Uttar Pradesh, Punjab and Haryana	Ongoing	7.11	7.11	-	NGO Partners and Direct	LeapForWord ICT Academy Indian Institute of Management, Ahmedabad (IIM-A) United Nations Development Programme (UNDP) - CSR Trusts for SDGs in India (a) CSR00001037 (b) CSR00009157 (c) CSR00004788 (d) CSR00001423
TOTAL						16.41	16.41			

8 (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project	(6) Amount spent for the project (₹ in Crores)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency Name and CSR Registration number
1.	Marico United Against Covid19 (East Zone)	- Covid-19 related activities, disaster management, including relief, rehabilitation and reconstruction activities	Yes	West Bengal, Assam	0.81	Yes	NA
2.	Marico United Against Covid19 (West Zone)	- Covid-19 related activities, disaster management, including relief, rehabilitation and reconstruction activities	Yes	Maharashtra, Thane, Nagpur, Mumbai, Pune, Solapur, Nashik, Gandhinagar, Jaipur	0.75	Yes	NA
3.	Marico United Against Covid19 (North Zone)	- Covid-19 related activities, disaster management, including relief, rehabilitation and reconstruction activities	Yes	Gujarat, Rajasthan	0.85	Yes	NA
4.	Marico United Against Covid19 (South Zone)	- Covid-19 related activities, disaster management, including relief, rehabilitation and reconstruction activities	Yes	Uttar Pradesh, Delhi NCR	0.75	Yes	NA
5.	Community Initiatives	- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation - Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups - Promoting education - Ensuring environmental sustainability, ecological balance	Yes	Telangana, Karnataka, Tamil Nadu, Maharashtra, Tamilnadu, Gujarat, Assam, Puducherry	0.98	No	(a) Go Dharmic (b) Manobal Old Age Home (a) CSR00004776 (b) CSR00015434
6.	Afforestation Under Community Initiatives	- Ensuring environmental sustainability, ecological balance	Yes	Haryana, Arunachal Pradesh, Chhattisgarh, Maharashtra	0.42	No	Sankalpattu Foundation CSR00000590
TOTAL					4.56		

(d) Amount spent in Administrative Overheads

₹1.04 Crores

₹0.31 Crores

₹22.32 Crores

Excess amount for set off, if any:

Sr. No.	Particulars	Amount (₹ in Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	21.70
(ii)	Total amount spent for the Financial Year	22.32
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.62
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	0.62

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹ in Crores)	Amount spent in the reporting Financial Year (₹ in Crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years (₹ in Crores)

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sr. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration*	(6) Total amount allocated for the project (₹ in Crores)	(7) Amount spent on the project in the reporting Financial Year (₹ in Crores)	(8) Cumulative amount spent at the end of reporting Financial Year (₹ in Crores)	(9) Status of the project Completed/Ongoing
1.	FY31.03.2021_7	Parachute Kalpavriksha	2020-21	36 Months	6.70	6.70	12.20	Ongoing
2.	FY31.03.2021_8	Jalashay (Water Stewardship)	2020-21	36 Months	2.10	2.10	3.10	Ongoing
3.	FY31.03.2021_1	Innovation - Marico Innovation Foundation	2020-21	36 Months	0.50	0.50	0.81	Ongoing
4.	FY31.03.2021_5	Nihar Education and Skilling program	2020-21	36 Months	7.11	7.11	11.0	Ongoing
Total					16.41	16.41	27.11	

* The duration of project mentioned above excludes the financial year in which such project commenced, as defined under rule 2(i) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s) : Not Applicable
 (b) Amount of CSR spent for creation or acquisition of capital asset : Not Applicable
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Not Applicable
 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : Not Applicable

Note : Figures in this report have been rounded-off to 2 decimals.

Place: Mumbai
Date : May 5, 2022

Saugata Gupta
Managing Director & CEO

Ananth S.
Chairman of the CSR Committee

Form AOC-1: Annexure to the Board's Report

Statement containing salient features of the financials statements of subsidiaries, associate companies and joint ventures as at March 31, 2022. Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014

Part "A": Subsidiaries

(All figures except exchange rates are in Crores)

Sr. No.	Name of the subsidiary	Reporting Currency	Exchange Rate	Date of becoming/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		6 th September, 1999	1 st April, 2021	31 st March, 2022	32	237	705	436	194	1,303	450	94	355	252	90%
		₹	0.879				28	209	619	383	171	1,146	395	83	312	222	
2	MBL Industries Limited	BDT		2 nd August, 2003	1 st April, 2021	31 st March, 2022	0	0	1	0	-	-	(0)	-	(0)	-	100%
		₹	0.879				0	0	1	0	-	-	(0)	-	(0)	-	
3	Marico Middle East FZE	AED		8 th November, 2005	1 st April, 2021	31 st March, 2022	2	(12)	8	19	-	22	(0)	-	(0)	-	100%
		₹	20.634				45	(258)	172	385	-	450	(2)	-	(2)	-	
4	MEL Consumer Care SAE	EGP		1 st October, 2006	1 st April, 2021	31 st March, 2022	0	(13)	0	14	-	-	(0)	-	(0)	-	100%
		₹	4.156				0	(55)	1	56	-	-	(2)	-	(2)	-	
5	Egyptian American Investment and Industrial Development Company S.A.E	EGP		19 th December, 2006	1 st April, 2021	31 st March, 2022	1	(1)	0	0	-	-	-	-	-	-	100%
		₹	4.156				3	(4)	0	2	-	-	-	-	-	-	
6	Marico South Africa (Pty) Limited	ZAR		17 th October, 2007	1 st April, 2021	31 st March, 2022	11	(0)	20	9	-	31	2	(1)	1	-	100%
		₹	5.224				56	(2)	102	47	-	161	10	(3)	7	-	
7	Marico South Africa Consumer Care (Pty) Limited	ZAR		1 st November, 2007	1 st April, 2021	31 st March, 2022	13	(5)	8	-	-	-	(0)	-	(0)	-	100%
		₹	5.224				70	(28)	42	-	-	-	(0)	-	(0)	-	
8	Marico Egypt for Industries SAE	EGP		1 st January, 2008	1 st April, 2021	31 st March, 2022	1,229	(2)	0	0	-	-	0	-	0	-	100%
		₹	4.156				5	(7)	0	2	-	-	0	-	0	-	
9	Marico for Consumer Care Products SAE	EGP		19 th December, 2017	1 st April, 2021	31 st March, 2022	1	(8)	10	17	2	17	0	(0)	(0)	-	100%
		₹	4.156				6	(31)	43	69	8	70	0	(0)	(0)	-	
10	Marico Malaysia Sdn. Bhd.	MYR		4 th December, 2009	1 st April, 2021	31 st March, 2022	2	(2)	0	0	-	-	(0)	-	(0)	-	100%
		₹	18.027				32	(32)	0	0	-	-	(0)	-	(0)	-	
11	Marico South East Asia Corporation	VND		18 th February, 2011	1 st April, 2021	31 st March, 2022	9,536	9,052	60,983	42,395	-	173,822	15,295	3,138	12,156	15,001	100%
		₹	0.0032				32	30	202	141	-	577	51	10	40	50	
12	Marico Innovation Foundation ⁵	₹		15 th March, 2013	1 st April, 2021	31 st March, 2022	-	0	0	0	-	-	0	-	0	-	100%
		₹	1,000				-	0	0	0	-	-	0	-	0	-	
13	Parachute Kalpavriksha Foundation ⁶	₹		27 th December, 2018	1 st April, 2021	31 st March, 2022	-	0	0	0	-	-	0	-	0	-	100%
		₹	1,000				-	0	0	0	-	-	0	-	0	-	
14	Marico Lanka (Private) Limited	LKR		3 rd March, 2019	1 st April, 2021	31 st March, 2022	2	(24)	12	33	-	13	(11)	-	(11)	-	100%
		₹	0.258				1	(6)	3	9	-	3	(3)	-	(3)	-	
15	Zed Lifestyle Private Limited	₹		30 th June, 2020	1 st April, 2021	31 st March, 2022	0	8	35	27	-	95	(1)	1	1	-	100%
		₹	1,000				0	8	35	27	-	95	(1)	1	1	-	
16	Apcos Naturals Private Limited ⁷	₹		21 st July, 2021	1 st April, 2021	31 st March, 2022	0	9	20	11	5	35	(7)	2	(5)	-	52.38%
		₹	1,000				0	9	20	11	5	35	(7)	2	(5)	-	
17	Marico Gulf LLC ⁸	AED		17 th January, 2022	1 st April, 2021	31 st March, 2022	0	(0)	0	0	-	0	(0)	-	(0)	-	100%
		₹	20.634				0	(0)	0	0	-	0	(0)	-	(0)	-	

Notes:

- % of shareholding includes direct and indirect holding through subsidiary.
- The amounts given in the table above are from the annual accounts made for the respective financial year end for each of the subsidiary companies.
- 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, 2022 as applicable.
- Halite Personal Care Private Limited, a 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.

Form AOC - 1 : Annexure to the Board's Report

- Marico Innovation Foundation, a company incorporated under Section 25 of the Companies Act, 1956 (being a private company limited by guarantee not having share capital) primarily with an objective of fuelling and promoting innovation in India, is a subsidiary of the Company with effect from March 15, 2013. Based on the Control Assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.
- Parachute Kalpavriksha Foundation, a company incorporated under Section 8 of the Companies Act, 2013 (being a private company limited by guarantee not having share capital) primarily with an objective of undertaking/channelizing the CSR activities of the Company towards community and ecological sustenance, is a subsidiary of the Company with effect from December 27, 2018. Based on the Control Assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.
- Apcos Naturals Private Limited became subsidiary of Marico Limited w.e.f. July 21, 2021.
- Marico Gulf LLC became step down subsidiary of Marico Limited w.e.f. January 17, 2022.
- Figures below the rounding-off norm have been reflected as "0".

Part "B": Associates and Joint Ventures

Not Applicable

For and on behalf of the Board of Directors

HARSH MARIWALA [DIN 00210342]	Chairman
SAUGATA GUPTA [DIN 05251806]	Managing Director and CEO
PAWAN A GRAWAL	Chief Financial Officer
VINAY M A [Membership No. FCS 11362]	Company Secretary

Place : Mumbai
Date : May 5, 2022



Consolidated Auditors Report

Independent Auditors' Report

To the Members of Marico Limited

Report on the Audit of the Consolidated Financial Statements.

Opinion

We have audited the consolidated financial statements of Marico Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 as at 31 March 2022, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

[Refer note (e) of Significant Accounting Policies and Note 19 to the consolidated financial statements]

The Key Audit Matter	How the matter was addressed in our audit
Revenue is recognised based on the arrangement with customers.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: <ul style="list-style-type: none"> Evaluated appropriateness of the Group's revenue recognition accounting policies by comparing with applicable accounting standards. Tested design, implementation and operating effectiveness of the Group's general IT controls and key IT/manual application controls over the Group's systems which govern recording of revenue in the general ledger accounting system. Performed substantive testing by selecting samples of revenue transactions recorded, and verifying the underlying documents i.e. sales invoices and shipping documents. Inspected, on a sample basis, key customer contracts to identify terms and conditions for sale. Tested manual journals posted to revenue to identify unusual items. Performed analytical procedures on sales such as trend analysis to identify any unusual fluctuations.
Revenue is recognised when control of the underlying products has been transferred to the customer. There is a risk of revenue being overstated due to the pressure management may feel to achieve performance targets.	

Uncertain Tax Position

Refer note (h) of Significant Accounting Policies and Note 26 and 33 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
The Company operates in a complex tax jurisdiction with certain tax exemptions / deductions that may be subject to challenges and audits by tax authorities. There are significant open tax matters under litigation with tax authorities	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: <ul style="list-style-type: none"> For uncertain tax positions, inspected select correspondences with tax authorities. Evaluated management's judgment regarding the expected resolution of matters with various tax authorities, based on external tax expert/counsel opinions and the use of past experience, where available, with the tax authorities. Involved our tax specialists to evaluate the status of ongoing tax litigations and judgemental tax positions in tax returns and their most likely outcome, basis their expertise, industry outcomes and company's own past experience in respect of similar matters. Evaluated the adequacy of financial statement disclosures in respect of the tax provision / adjustments and contingencies
Judgement is required in assessing the level of provisions and disclosure of contingent liabilities required in respect of uncertain tax position that reflects management's best estimates of the most likely outcome based on the facts available.	

Impairment assessment of goodwill and intangible assets with indefinite useful lives

Refer to note (j) of Significant Accounting Policies, Note 2(d) and 5 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
The carrying amount of goodwill aggregates ₹ 654 crores and intangible assets with indefinite lives aggregates ₹ 287 crores i.e. 11% and 5% of the total assets of the Group respectively as at 31 March 2022.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: <ul style="list-style-type: none"> Evaluated the assumptions applied to key inputs such as sales value, operating costs, growth rates and discount rates. Compared the inputs with the historical growth trends, evaluating the forecast used in prior year models to its actual performance of the business, agreeing current forecast to the board of directors / management approved plans as well as our own assessment based on our knowledge of the entity. Involved our internal valuation specialists, where appropriate, to evaluate the reasonability of the methodology and approach used in the valuation carried out for determining the carrying amount of the CGUs. Challenged management with our own sensitivity analysis and evaluated the effect of possible reductions in growth rates and forecasted cash flows on the estimated headroom. Evaluated the adequacy of financial statement disclosures in respect of the impairment assessment for goodwill and intangible assets with indefinite lives.
The annual impairment testing of goodwill and intangible assets with indefinite lives is considered to be a key audit matter due to complexity of the accounting requirements and significant judgements required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the relevant cash generating units (CGUs), which has been determined based on value in use, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales value, operating costs, terminal value growth rates and the weighted average cost of capital (discount rate).	

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group 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 Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.



Independent Auditors' Report (Contd.)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to

draw attention in our 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 the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements. We remain solely responsible for our audit opinion. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial statements / financial information of seven subsidiaries, whose financial statements/financial information reflect total assets of ₹ 1,160 crore as at 31 March 2022, total revenues of ₹ 2,423 crore and net cash inflows amounting to ₹ 32 crore for the year ended on that date, as considered in the consolidated financial statements. 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 our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.
- The financial statements/financial information of eight subsidiaries, whose financial statements/financial information reflect total assets of ₹ 48 crore as at 31 March 2022, total revenues of ₹ 5 crore and net cash inflows amounting to ₹ 1 crore for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/financial information 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 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

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- As required by Section 143(3) of the Act, based on our audit, and on the consideration of reports of the other auditors on consolidated financial statements of such subsidiaries as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - 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.
 - 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.
 - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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.
 - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31 March 2022, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.

Independent Auditors' Report (Contd.)

(B) With respect to the other matters to be included in the Auditors' 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:

- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.
- b) b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
- c) c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2022.
- d) i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- ii. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign

entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material mis-statement.
 - e) The dividend declared or paid during the year by the Holding Company and its subsidiary companies incorporated in India are in compliance with section 123 of the Act.
- C. With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:
- In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Sadashiv Shetty
Partner

Membership No: 048648
UDIN: 22048648AIKHT4343

Mumbai
5 May 2022

Annexure - A to the Independent Auditors' Report – 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks related to cash losses given by the respective auditors as per the requirements of the ICAI Guidance Note on Companies (Auditor's Report) Order, 2020 (CARO) in their reports under CARO, which have been reproduced below:

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report
1	Zed Lifestyle Private Limited	U74999GJ2016PTC091839	Subsidiary	(xvii) *
2	Apcos Naturals Private Limited	U74999PB2018PTC048652	Subsidiary	(xvii) *

* This clause pertains to cash losses incurred in the current financial year and/or previous financial year by the respective entities.

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

Sadashiv Shetty
Partner
Membership No: 048648
UDIN: 22048648AIKHT4343

Mumbai
5 May 2022



Annexure B to the Independent Auditor's report on the consolidated financial statements of Marico Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date).

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Marico Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and its subsidiary companies incorporated in India have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial

statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 of the relevant subsidiary companies, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 controls with reference to consolidated 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

Annexure - B to the Independent Auditors' Report (Contd.)

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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

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

Mumbai
5 May 2022

Sadashiv Shetty
Partner

Membership No: 048648
UDIN: 22048648AIKTHT4343



Consolidated Balance Sheet

as at 31 March 2022

(₹ in Crore)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	600	572
Capital work-in-progress	3(c)	39	24
Right of use assets	3(b)	178	180
Investment properties	4	22	17
Goodwill	5	654	613
Other intangible assets	5	306	230
Financial assets			
(i) Investments	6(a)	187	226
(ii) Loans	6(c)	4	4
(iii) Other financial assets	6(f)	17	41
Deferred tax assets (net)	7	187	186
Non current tax assets (net)	17	57	55
Other non-current assets	8	30	26
Total non-current assets		2,281	2,174
Current assets			
Inventories	9	1,412	1,126
Financial assets			
(i) Investments	6(a)	641	628
(ii) Trade receivables	6(b)	652	388
(iii) Cash and cash equivalents	6(d)	276	109
(iv) Bank balances other than (iii) above	6(e)	303	835
(v) Loans	6(c)	5	6
(vi) Other financial assets	6(g)	2	5
Current Tax Asset (net)	17	1	1
Other current assets	10	213	224
Assets classified as held for sale	11	0	14
Total current assets		3,505	3,336
Total assets		5,786	5,510
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	129	129
Other equity			
Reserves and surplus	12(b)	3,189	3,111
Other reserves	12(c)	30	(0)
Equity attributable to owners		3,348	3,240
Non-controlling interests	12(c)	57	18
Total equity		3,405	3,258
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	-	8
(ii) Lease Liabilities		91	122
Provisions		1	1
Employee benefit obligations (net)	15	27	24
Deferred tax liabilities (net)	16	109	84
Total non-current liabilities		228	239
Current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	345	340
(ii) Trade payables	13(c)		
Total outstanding dues of micro enterprises and small enterprises		76	50
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,268	1,084
(iii) Lease Liabilities		43	38
(iv) Other financial liabilities	13(b)	45	44
Other current liabilities	18	224	287
Provisions	14	21	20
Employee benefit obligations (net)	15	64	78
Current tax liabilities (net)	17	67	72
Total current liabilities		2,153	2,013
Total liabilities		2,381	2,252
Total equity and liabilities		5,786	5,510
Significant accounting policies	1		
Critical estimates and judgements	2		

The above consolidated Balance Sheet should be read in conjunction with the accompanying notes.

As per our 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]

PAWAN AGRAWAL
Chief Financial Officer

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2022

Place : Mumbai
Date : May 05, 2022

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(₹ in Crore)

Particulars	Notes	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue:			
Revenue from operations	19	9,512	8,048
Other income	20	98	94
Total Income		9,610	8,142
Expenses			
Cost of materials consumed	21(a)	5,061	3,884
Purchases of stock-in-trade		491	339
Changes in inventories of finished goods, stock-in-trade and work-in progress	21(b)	(116)	47
Employee benefit expense	22	586	570
Finance costs	25	39	34
Depreciation and amortization expense	23	139	139
Other expenses	24	1,809	1,617
Total expenses		8,009	6,630
Profit before share of net profits of investments accounted for using equity method and tax		1,601	1,512
Share of net gain/(loss) of joint ventures accounted for using the equity method	31	-	(2)
Profit before exceptional items and tax		1,601	1,510
Exceptional items	39	-	13
Profit before tax		1,601	1,523
Income tax expense			
Current tax	26	343	335
Deferred tax charge/(credit)	26	3	(11)
Tax expense for the current year		346	324
Profit for the year (A)		1,255	1,199
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements gain on post employment benefit obligations	15	5	(1)
Income tax relating to items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements gain on post employment benefit obligations		(1)	(0)
Total		4	(1)
Items that will be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations	12 (c)	30	5
Change in fair value of hedging instruments	12 (c)	1	1
Income tax relating to items that will be reclassified to profit or loss in subsequent periods			
Change in fair value of hedging instruments	12 (c)	(0)	(0)
Total		31	6
Other comprehensive income for the year (B)		35	5
Total comprehensive income for the year (A+B)		1,290	1,204
Net Profit attributable to:			
Owners		1,225	1,172
Non-controlling interests		30	27
		1,255	1,199
Other comprehensive income attributable to:			
Owners		35	5
Non-controlling interests		-	-
		35	5
Total comprehensive income attributable to:			
Owners		1,260	1,177
Non-controlling interests		30	27
		1,290	1,204
Earnings per equity share for profit attributable to owners:	36		
Basic earnings per share		9.50	9.08
Diluted earnings per share		9.49	9.08
Significant accounting policies	1		
Critical estimates and judgements	2		

The above consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our 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]

PAWAN AGRAWAL
Chief Financial Officer

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2022

Place : Mumbai
Date : May 05, 2022



Consolidated Statement of Changes in Equity

For the year ended 31st March, 2022

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2022

A. Equity Share Capital

Balance as at 1st April 2021	Changes in equity share capital during the year due to prior period errors.	Restated balance as at 1st April 2021	Changes in equity share capital during the year*	Balance as at 31st March 2022
129	-	129	0	129
Balance as at 1st April 2020	Changes in equity share capital during the year due to prior period errors.	Restated balance as at 1st April 2020	Changes in equity share capital during the year*	Balance as at 31st March 2021
129	-	129	0	129

* Refer note 12(a)

B. Other Equity

Particular	Note	Attributable to owners					Other reserves			Total equity			
		Securities premium (note a)	Retained earnings (note b)	General reserve (note c)	Share based option outstanding account (note d)	Treasury shares (note e)	Capital reduction (note h)	Weoma reserve (note e)	Effective portion of cash flow hedge (note f)		Foreign currency translation reserve (note g)	Non-controlling interests	
Balance as at 1st April, 2020		420	2,835	299	25	(27)	(724)	73	(1)	(5)	2,895	13	2,907
Profit for the year		-	1,172	-	-	-	-	-	-	-	1,172	27	1,199
Other comprehensive income for the year		-	(1)	-	-	-	-	-	1	5	5	-	5
Total comprehensive income for the year		-	1,171	-	-	-	-	-	1	5	1,177	27	1,204
(Purchase)/sale of treasury shares by the trust during the year (net)	12(b)	-	-	-	-	(13)	-	-	-	-	(13)	-	(13)
Income of the trust for the year	12(b)	-	-	-	-	-	-	5	-	-	5	-	5
Exercise of employee stock options	12(b)	11	-	-	(5)	-	-	-	-	-	6	-	6
Share based payment expense	12(b)	-	-	-	9	-	-	-	-	-	9	-	9
Other adjustments	12(c)	-	-	-	-	-	-	-	-	-	-	-	0
Transactions with owners in their capacity as owners:													
Dividends paid on equity shares	12(b)	-	(968)	-	-	-	-	-	-	-	(968)	(22)	(990)
Balance as at 31st March, 2021		431	3,038	299	29	(40)	(724)	78	(0)	0	3,111	18	3,129
Balance as at 1st April, 2021		431	3,038	299	29	(40)	(724)	78	(0)	0	3,111	18	3,129
Profit for the year		-	1,225	-	-	-	-	-	-	-	1,225	30	1,255
Other comprehensive income for the year		-	4	-	-	-	-	-	1	30	35	-	35
Total comprehensive income for the year		-	1,229	-	-	-	-	-	1	30	1,260	30	1,290
Acquisitions through business combinations (refer note no. 42)	12(c)	-	-	-	-	-	-	-	-	-	-	-	35
(Purchase)/sale of treasury shares by the trust during the year (net)	12(b)	-	-	-	-	(18)	-	-	-	-	(18)	-	(18)
Income of the trust for the year	12(b)	-	-	-	-	-	-	-	-	-	-	-	35
Exercise of employee stock options	12(b)	53	-	-	(12)	-	-	10	-	-	10	-	10
Share based payment expense	12(b)	-	-	-	10	-	-	-	-	-	41	-	41
Other adjustments	12(c)	-	-	-	-	-	-	-	-	-	10	-	10
Transactions with owners in their capacity as owners:													
Dividends paid on equity shares	12(b)	-	(1,195)	-	-	-	-	-	-	-	(1,195)	(22)	(1,217)
Balance as at 31st March, 2022		484	3,072	299	27	(58)	(724)	88	0	30	3,219	57	3,276

Nature and purpose of reserves

a) Securities premium accounts

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

b) Retained earnings

Retained earnings are the net profits and remeasurement of post-employment benefit obligations (net of tax) attributable to owners earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c) 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.

d) 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.

e) 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 (net of tax) and dividend earned on the same by WEOMA trust is recognised in WEOMA reserve.

f) 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.

g) 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.

h) Adjustment pursuant to the Scheme of Capital Reduction of MCCCL

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 (MCCCL). Pursuant to the Capital Reduction Scheme, intangible assets aggregating ₹ 724 Crore, were adjusted against the Share capital to the extent of ₹ 5.4 Crore and securities premium to the extent of ₹ 670 Crore. Consequently, in the consolidated financial statements of Marico, intangible assets to the extent of ₹ 724 Crore were adjusted under Reserves and Surplus.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248/W-100022
SADASHV SHETTY
Partner
Membership No. 048648

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer
Place : Mumbai
Date : May 05, 2022

VINAY M A
Company Secretary
[Membership No. FCS 11362]



Consolidated statement of Cash Flows

For the year ended 31st March, 2022

Particulars	(₹ in Crore)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE INCOME TAX	1,601	1,523
Adjustments for:		
Depreciation and amortization expense	139	139
Share of net loss / (gain) of joint ventures accounted for using the equity method	-	2
Finance costs	39	34
Interest income from financial assets	(59)	(59)
(Gain)/ Loss on disposal of property, plant and equipment (NET)	(0)	(0)
Net fair value changes financial assets (including net gain on sale)	(29)	(21)
Employees stock option charge	10	9
Impairment of Non-current assets and Inventory (refer note 39)	-	51
Fair valuation gain on existing stake of Joint venture (refer note 42)	-	(64)
Provision for doubtful debts	8	3
	1,709	1,617
Change in operating assets and liabilities:		
(Increase) / Decrease in inventories	(286)	251
(Increase) / Decrease in trade receivables	(272)	147
(Increase) / Decrease in other financial assets	3	(4)
(Increase) / Decrease in other non-current assets	(0)	2
(Increase) / Decrease in other current assets	11	83
(Increase) / Decrease in loans	1	(60)
(Decrease) / Increase in provisions	1	(39)
(Decrease) / Increase in employee benefit obligations (net)	(7)	26
(Decrease) / Increase in other current liabilities	(3)	77
(Decrease) / Increase in trade payables	210	184
(Decrease) / Increase in other financial liabilities	0	8
Changes in Working Capital	(342)	675
Cash generated from operations	1,367	2,292
Income taxes paid (net of refunds)	(351)	(285)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	1,016	2,007
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment and intangible assets	(132)	(142)
Acquisition of Subsidiary under Business Combination	(55)	(132)
Proceeds from sale of property, plant and equipment	3	5
(Payment for) / Proceeds from purchase/sale of investments (NET)	(146)	164
Proceeds from sale of investments in Joint venture	-	1
(Purchase)/ Redemption of Inter-corporate deposits (NET)	215	(295)
Other bank balance taken over pursuant to Business combination	3	-
Investment in bank deposits (having original maturity more than 3 months) (NET)	483	(591)
Interest received	57	52
NET CASH GENERATED FROM / (UTILISED IN) INVESTING ACTIVITIES (B)	428	(938)

Particulars	(₹ in Crore)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	41	6
Purchase of investments by WEOMA trust (NET)	(8)	(9)
Other borrowings (repaid) / taken (NET)	(3)	13
Dividend paid to Non Controlling Interest	(22)	(22)
Interest paid	(28)	(21)
Repayment of Principal portion of lease liabilities	(64)	(44)
Interest paid on lease liabilities	(11)	(13)
Dividends paid to company's shareholders	(1,195)	(968)
Net cash utilised in financing activities (C)	(1,290)	(1,058)
D EFFECT OF EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY (D)	2	5
E NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	156	16
F Cash and cash equivalents at the beginning of the financial year	109	93
Cash and cash equivalents acquired on Business Combination (refer note 42)	11	-
G Cash and cash equivalents at end of the year (Refer note 6 (d))	276	109

Note 1 : Reconciliation of the movements liabilities to cash flow arising from financing activities

(₹ in Crore)

Particulars	Year ended 31st March, 2022			Year ended 31st March, 2021		
	Lease Liabilities	Borrowings	Total	Lease Liabilities	Borrowings	Total
Balance at April 1,	160	348	508	183	335	518
Changes from financing cash flows						
Repayment of lease liabilities - principal portion	(64)	-	(64)	(44)	-	(44)
Payment of interest on lease liabilities	(11)	-	(11)	(13)	-	(13)
Other borrowings (repaid) / taken (net)	-	(3)	(3)	-	13	13
Payment of interest on borrowings from banks and financial institutions	-	(28)	(28)	-	(21)	(21)
Total changes from financing cash flows	(75)	(31)	(106)	(57)	(7)	(65)
Other changes						
New leases net off closures/disposals	38	-	38	20	-	20
Interest expense on lease liabilities	11	-	11	14	-	14
Interest expense on borrowings from banks and financial institutions	-	28	28	-	21	21
Other borrowing costs	-	-	-	-	-	-
Acquisitions through business combinations (refer note no. 42)	-	0	0	-	-	-
Total changes	49	28	77	34	21	55
Balance at March 31,	134	345	479	160	348	508

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 report of even date

For **BSR & 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]

PAWAN AGRAWAL
Chief Financial Officer

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2022

Place : Mumbai
Date : May 05, 2022



Notes

To Consolidated Financial Statements for the year ended 31st March, 2022

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 Advanced, Nihar, Nihar Naturals, Saffola, Hair & Care, Revive, Mediker, Livon, Set-wet, etc. Marico's international portfolio includes brands such as Parachute, Parachute Advanced, 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 of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 5th May, 2022.

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 and other relevant provisions of the Act.

ii. Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Groups normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

iii. 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 (Refer Note 27);

- assets held for sale measured at lower of cost or fair value less cost to sell;
- defined benefit plan assets / liabilities 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'). 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 of 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 from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc.

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 control of the goods has transferred to the customers, depending on individual terms, i.e. at the time of dispatch, delivery or formal customer acceptance depending on agreed terms.

Measurement of revenue: Accumulated experience is used to estimate and provide for discounts, rebates,

Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

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:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

f) Income recognition

- i. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.
- ii. Dividends are recognised in Statement of Profit and Loss account 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 incentives such as government budgetary support scheme, premium on sale of import licenses, duty drawback etc. are recognized under other operating income on accrual basis to the extent the ultimate realization is reasonably certain.

Government grants relating to the purchase of property, plant and equipment are included in non-

current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

h) Income Tax:

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 and any adjustments to taxes in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that

it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the 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 :

Property, plant and equipment is recognised 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. Property, plant and equipment is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any.

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 Property, Plant and Equipments 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 network	3
Plant & equipment - Moulds	3 – 5
Leasehold land	Lease period
Right to Use Asset	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.

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
Leasehold land	Lease period
Right to Use Asset	Lease period

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

Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

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:

Asset	Useful Life (Year)
Computer software	3

iii. Intangible assets with indefinite useful life:

The Intangible assets with indefinite useful life comprises of Trademark and Copyrights.

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 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.

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

The Group's lease asset classes primarily consist of leases for Land and Buildings and Plant & Equipment. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease

payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(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 & 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.

Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

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.
- 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: 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) or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 27. Movements in the hedging reserve in shareholders' equity are shown in Note 12(c). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge reserve

The effective part of the changes in fair value of hedge instruments is recognized in other comprehensive income, while any ineffective part is recognized immediately in the statement of profit and loss.

p) Inventories:

Raw materials, packing materials, stores and spares are valued at lower of cost and net realizable value.

Work-in-progress, finished goods and stock-in-trade (traded goods) are valued at lower of cost and net realizable value.

By-products and unserviceable / damaged finished goods are valued at estimated net realizable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated

on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost is assigned on the basis of weighted average method. In case of Marico Middle East FZE costs of inventories are ascertained on First In First Out basis instead of weighted average basis, the impact of which is not material. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

q) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at cost less provision made for doubtful trade receivables as per expected credit loss method over the life of the asset depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group.

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. 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.



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To Consolidated Financial Statements for the year ended 31st March, 2022

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. Defined contribution plan:

a. Superannuation Fund:

The Group makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by insurance companies. The Group has no obligation to the scheme beyond its monthly contributions.

b. 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. Defined benefit plan:

a. 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.

b. 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 and classified as long term and short term. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

iv. Share based payments:

• Employee Stock Option Plan:

The fair value of options granted under the Group's employee stock option scheme (excess of the fair value over the exercise price of the option at the date of grant) is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price),
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or 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.

• 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. Treasury Shares:

The Company has created a "Welfare of Mariconians Trust", (WEOMA) for providing share-based payment to its employees under the STAR scheme. In order to fund the STAR schemes, the Trust, upon intimation from the Company, carries out secondary market acquisition of the equity shares, of the Company. They are equivalent to STARs granted to its employees. The Company provides loan to the Trust for enabling such secondary acquisition. As and when the STARs vest in eligible employees, upon intimation of such details by the Company, the Trust sells the equivalent shares and hands over the net proceeds to the Company in accordance with the Trust Rules framed. The company treats, WEOMA as its extension and shares held by WEOMA are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase or sale of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in WEOMA reserve.

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) Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- (i) estimated amount of contracts remaining to be executed on capital account and not provided for;
- (ii) uncalled liability on shares and other investments partly paid;
- (iii) funding related commitment to subsidiary, associate and joint venture companies; and
- (iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details

x) 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 net of outstanding bank overdraft.

y) Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and disclosed as such in the financial statements.

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To Consolidated Financial Statements for the year ended 31st March, 2022

z) 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.

aa) 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.

ab) 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.

ac) 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.

ad) Business Combinations:

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

Business combinations arising from transfers of interests in entities that are under common control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of

the acquired entity is transferred to Other equity in a separate reserve account.

ae) Rounding off:

All amounts disclosed in the consolidated financial statement and notes have been rounded off to the nearest crores, unless otherwise stated.

Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes in these financial statements.

af) Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ("MCA"), vide notification dated 23rd March 2022, has made the following

amendments to IND AS which effective from 1st April, 2022.

- a. IND AS 109: Annual improvements to IND AS (2021)
- b. IND AS 103: Reference to Conceptual Framework
- c. IND AS 37: Onerous Contracts – Costs of Fulfilling a Contract
- d. IND AS 16: Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact of its financial statements.

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To Consolidated Financial Statements for the year ended 31st March, 2022

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:

- Impairment of financial assets (including trade receivable) (Note 28)
- Estimation of defined benefit obligations (Note 15)
- Estimation of current tax expenses and payable (Note 26)
- Estimated impairment of goodwill & intangible assets with indefinite useful life (Note 5)
- Estimation of provisions & contingencies (Note 14 and 33)
- Recognition of deferred tax assets including MAT credit (Note 7)
- Lease Accounting (Note 3 (b))

(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 trade 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

The Intangible assets with indefinite useful life comprises of Trademark and Copyrights 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 and intangible assets with indefinite useful life held in Zed Lifestyle Private Limited ('Zed Life') Vietnam (Marico South East Asia Limited) and South Africa (Marico South Africa Consumer Care (Pty) Limited) business, are considered significant CGUs in terms of size & sensitivity to assumptions used. No other CGUs are considered significant in this respect.

Critical Estimates and Judgements

31st March 2022

(₹ in Crore)

CGU	Goodwill	Intangible assets with indefinite useful life
Vietnam	529	-
Zed Life	98	164
South Africa	9	30
Apcos	17	72
Others	1	25
Total	654	291

Particulars	Vietnam	Apcos	Zed Life	South Africa
Period of Cash flow projections	10 years	5 years	10 years	9 years
Avg Sales Growth (%)	8.9%	22.0%	21.4%	6.3%
Avg Gross Margins %	49.9%	62.9%	60.9%	30.3%
Terminal Sales Growth %	2.0%	7.5%	5%	2.0%
Post tax discount rate	12.8%	13.0%	13.0%	10.9%

As at 31st March 2021

(₹ in Crore)

CGU	Goodwill	Intangible assets with indefinite useful life
Vietnam	505	-
Zed Life	98	164
South Africa	10	30
Others	0	23
Total	613	217

Particulars	Vietnam	Zed Life	South Africa
Period of Cash flow projections	10 years	9 years	5 years
Avg Sales Growth (%)	8.7%	22.0%	7.2%
Avg Gross Margins %	50.3%	60.0%	29.6%
Terminal Sales Growth %	2.0%	5%	2.0%
Post tax discount rate	12.8%	13.1%	20.9%

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. Post-tax discount rates reflect specific risks relating to the relevant segments & geographies in which the CGUs operate.

Based on sensitivity analyses performed around the base assumptions, there were no reasonably possible changes in key assumptions that would cause the carrying amount to exceed the recoverable amount.

(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

Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

uncertain future events which are not fully within the control of the Group. The Group exercises judgement & 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 & 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 including MAT credit

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) Lease Accounting

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group has considered leases with term up to 12 (Twelve) months as short term leases. Also leases where the current market value (for transition purpose determined basis the present value of future lease payments) is less than ₹350,000 have been considered as low value. Such short term and low value leases are accordingly excluded from the scope for the purpose of Ind As 116 reporting.

3(a) Property, Plant and Equipment

Particulars	Year ended 31st March, 2021							Total
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office Equipment	Leasehold improvements	
Gross carrying amount	18	336	583	28	5	20	19	1,010
Opening gross carrying amount	-	0	0	0	0	0	-	1
Acquisitions through business combinations	-	14	82	4	1	3	1	105
Additions	(0)	(2)	(18)	(0)	(0)	(0)	(0)	(21)
Disposals / transfers	-	(30)	(61)	-	-	-	-	(91)
Adjustments (refer note iii)	(0)	(1)	(2)	(0)	0	(0)	-	(4)
Exchange Differences	17	317	584	32	6	23	19	999
Closing gross carrying amount	-	68	296	16	2	16	5	404
Accumulated depreciation	-	15	68	5	1	3	2	94
Opening accumulated depreciation	-	(1)	(15)	(0)	(0)	(0)	(0)	(17)
Depreciation charge during the year	-	(5)	(48)	-	-	-	-	(53)
Disposals / transfers	-	(0)	(1)	(0)	0	(0)	-	(2)
Adjustments (refer note iii)	-	77	300	21	2	19	7	426
Exchange Differences	-	1	2	1	-	0	-	4
Closing accumulated depreciation	-	18	10	0	-	0	-	29
Impairment loss	-	(21)	(11)	-	-	-	-	(32)
Opening Impairment Loss	-	(0)	(0)	(0)	-	(0)	-	(0)
Impairment charge/ (reversal) during the year (refer note i)	-	(2)	1	1	-	0	-	1
Adjustments (refer note iii)	17	242	283	10	4	4	12	572
Exchange Differences	-	-	-	-	-	-	-	-
Closing impairment loss	-	-	-	-	-	-	-	-
Net carrying amount	17	242	283	10	4	4	12	572

Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

3(a) Property, Plant and Equipment

Particulars	₹ in Crore)							Total
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office Equipment	Leasehold improvements	
Year ended 31st March, 2022								
Gross carrying amount								
Opening gross carrying amount	17	317	584	32	6	23	19	999
Acquisitions through business combinations (refer note no. 42)	-	-	0	0	0	0	-	1
Additions	-	10	98	3	0	4	0	115
Disposals / transfers	-	(1)	(20)	(0)	(0)	(2)	-	(23)
Exchange Differences	0	1	2	0	(0)	0	-	3
Closing gross carrying amount	17	327	664	36	6	26	19	1,095
Accumulated depreciation								
Opening accumulated depreciation	-	77	300	21	2	19	7	426
Depreciation charge during the year	-	11	67	4	1	4	2	89
Disposals / transfers	-	(0)	(19)	(0)	(0)	(2)	-	(21)
Adjustments (refer note iii)	-	-	-	-	-	-	-	-
Exchange Differences	-	0	1	0	(0)	0	-	1
Closing accumulated depreciation	-	88	349	25	3	21	9	495
Impairment loss								
Opening Impairment Loss	-	(2)	1	1	-	0	-	1
Impairment charge/reversal during the year	-	-	-	-	-	-	-	-
Adjustments (refer note iii)	-	-	-	-	-	-	-	-
Exchange Differences	-	2	(1)	(1)	-	(0)	-	(1)
Closing impairment loss	-	(0)	(0)	(0)	-	(0)	-	(0)
Net carrying amount	17	239	315	11	3	5	10	600

(i) **Impairment charge**
Impairment charge pertains to Plant and equipment which are in damaged condition or are lying idle and have no future use (refer note 39 (3a))

(ii) **Contractual obligations**

Refer to Note 34 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) During the previous year Amount classified to assets held for sale from Plant & Machinery and Buildings

(iv) Buildings include Nil (31st March, 2021: Nil) being the value of shares in co-operative housing societies.

3(b) Right of use Assets

Particulars	₹ in Crore)			Total
	Leasehold land	Buildings	Plant and equipment	
Year ended 31st March 2021				
Gross carrying amount				
Opening gross carrying amount	56	262	0	318
Additions	0	27	6	33
Disposals / transfers	-	(28)	(0)	(29)
Exchange Differences	(0)	0	0	0
Closing gross carrying amount	56	261	6	323
Accumulated depreciation				
Opening accumulated depreciation	4	116	0	120
Depreciation charge during the year	1	37	0	38
Disposals / transfers	-	(16)	(0)	(16)
Adjustments	0	0	0	0
Exchange Differences	(0)	1	0	1
Closing accumulated depreciation	5	138	0	143
Net carrying amount	51	123	6	180
Year ended 31st March 2022				
Gross carrying amount				
Opening gross carrying amount	56	261	6	323
Acquisitions through business combinations (refer note no. 42)	-	1	-	1
Additions	-	30	1	31
Disposals / transfers	-	(21)	-	(21)
Adjustments (refer note i. below)	7	-	-	7
Exchange Differences	1	3	0	4
Closing gross carrying amount	64	274	7	345
Accumulated depreciation				
Opening accumulated depreciation	5	138	0	143
Depreciation charge during the year	1	39	0	40
Disposals / transfers	-	(16)	-	(16)
Adjustments (refer note i. below)	0	-	-	0
Exchange Differences	(1)	1	0	0
Closing accumulated depreciation	5	162	0	167
Net carrying amount	59	112	7	178

i. During the year 31st March, 2022 Land use rights in Subsidiary in Vietnam have been reclassified from investment property to Right of use assets

ii) **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 2117. In one case where the lease is expiring in 2070, the company has an option to purchase the property.



Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

3(c) Capital work-in-progress

(₹ in Crore)

31st March, 2021 Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Project in Progress	23	1	0	-	24
Projects temporarily suspended	-	-	-	-	-
Total	23	1	0	-	24

31st March, 2022 Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Project in Progress	39	0	-	-	39
Projects temporarily suspended	-	-	-	-	-
Total	39	0	-	-	39

For capital-work-in-progress, whose completion is overdue compared to its original plan

31st March, 2021 Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Sanand plant - New unit for Value added hair oil	4	-	-	-	4
Guwahati plant - Capacity expansion for Value added hair oil	1	-	-	-	1
Perundurai Plant - Capacity Planning 20-21	1	-	-	-	1
3P - Project LOTR (Lord of the rings)	1	-	-	-	1
Total	7	-	-	-	7

31st March, 2022 Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Jalgaon plant - Saffola Oodles New Capacity	9	-	-	-	9
Pondicherry plant - Packing design optimization/transition for Parachute	3	-	-	-	3
Guwahati plant -Packing design optimization/transition for Value added Hair oil	3	-	-	-	3
Guwahati plant 2 - Capacity Planning FY22	1	-	-	-	1
3P unit - FOODS Capacity Augment	1	-	-	-	1
Sanand plant - Saffola Masala Oats	3	-	-	-	3
Peundurai plant - Replacement of Expeller	2	-	-	-	2
Total	22	-	-	-	22

Note: There were no material projects, which have exceeded their original plan cost as on 31st March, 2022 and 31st March, 2021.

4 Investment Properties

(₹ in Crore)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Gross carrying amount		
Opening gross carrying amount	18	18
Reclassified to Right of use assets	(7)	-
Reclassified from held for sale	83	-
Closing gross carrying amount	94	18
Accumulated Depreciation		
Depreciation charge during the year*	3	0
Reclassified to Right of use assets	(0)	-
Reclassified from held for sale	68	-
Closing accumulated depreciation	72	1
Net carrying amount	22	17

* Includes exchange differences

(₹ in Crore)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
(i) Amounts recognised in profit or loss for investment properties		
Rental income	1	1
Direct operating expenses for property that generated rental income	0	0
Profit from investment properties before depreciation	1	1
Depreciation	(0)	(0)
Profit from investment properties	1	1

(ii) Leasing arrangements

Investment properties are leased to tenants under long-term 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	As at
	31st March, 2022	31st March, 2021
Within one year	1	1
Later than one year but not later than 5 years	0	-
Later than 5 years	-	-

(iii) Fair value

(₹ in Crore)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Investment properties	62	51

Estimation of fair value

(iv) The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in market for similar properties.

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.



Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

5 Goodwill and Other intangible assets

(₹ in Crore)

Particulars	Trademarks and copyrights (Refer note (i) below)	Computer software	Non Compete fees	Customer Database	Total	Goodwill
Year ended 31st March 2021						
Opening gross carrying amount	35	22	-	-	57	538
Acquisitions through business combinations	165	0	2	7	174	98
Additions	0	4	-	-	4	-
Disposals	-	(0)	-	-	(0)	-
Adjustments	7	-	-	-	7	(7)
Exchange differences	10	0	-	-	10	3
Closing gross carrying amount	217	26	2	7	252	632
Accumulated amortisation and impairment loss	0	16	-	-	16	-
Amortisation charge for the year	-	3	0	2	6	-
Disposals	-	(0)	-	-	(0)	-
Impairment charged (refer note (i) below)	-	-	-	-	-	19
Exchange differences	0	(0)	-	-	0	-
Closing accumulated amortisation	0	19	0	2	22	19
Closing net carrying amount	217	7	1	5	230	613
Year ended 31st March 2022						
Opening gross carrying amount	217	26	2	7	252	613
Acquisitions through business combinations (refer note no. 42)	72	0	5	3	81	17
Additions	-	1	-	-	1	-
Disposals	-	(0)	-	-	(0)	-
Exchange differences	2	0	-	-	2	24
Closing gross carrying amount	291	27	7	10	335	654
Accumulated amortisation and impairment loss	0	19	0	2	22	-
Amortisation charge for the year	-	3	1	3	7	-
Disposals	-	(0)	-	-	(0)	-
Exchange differences	0	0	-	-	0	-
Closing accumulated amortisation	0	22	1	5	29	-
Closing net carrying amount	291	5	6	5	306	654

- (i) During the previous year, the Group has performed the annual goodwill impairment assessment of the South Africa business (i.e. the subsidiary Marico South Africa Consumer Care (Pty) Limited). The value in use of the CGU was determined taking into account the past business performance, prevailing business conditions and revised expectations of the future performance. Based on above factors the Group recognised an impairment loss in respect of goodwill of ₹19 crores. The same is disclosed under "Exceptional items" in the Consolidated Statement of Profit and Loss. The recoverable amount of the CGU is determined at ₹47 crores, which is based on its value in use considering a discount rate of 20.9%. (Also, refer note 2(d) and 39 for further detail)

6(a) Investments

(₹ in Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non current investment		
Other investments		
Quoted		
Tax free Bonds (at amortised cost)	17	17
	17	17
Unquoted		
Equity instruments		
Others (at FVTPL)	1	1
Debentures (at FVTPL)	110	152
Bonds (ETF) (at FVTPL)	59	56
Government securities (at amortised cost)	0	0
	170	209
Total Non-current Other Investments (A+B)	187	226
Current investments		
Quoted		
Tax free Bonds (at amortised cost)	-	8
	-	8
Unquoted		
Intercompany deposits (at amortised cost)	112	329
Debentures (at FVTPL)	107	-
Mutual Funds (at FVTPL)	422	291
	641	620
Total Current Investments (C+D)	641	628
Aggregate carrying amount of quoted investments	17	25
Market value/ Net asset value of quoted investments	19	27
Aggregate carrying amount of unquoted investments	811	829



Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

6(b) Trade Receivables

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	668	396
Less: Allowance for doubtful debts	(16)	(8)
Total receivables	652	388
Current Portion	652	388
Non-Current Portion	-	-
Break up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	652	388
Trade receivables which have significant increase in credit risk	16	8
Less: Allowance for doubtful debts	(16)	(8)
Trade receivables - Credit impaired	-	-
Less: Allowance for doubtful debts	-	-
Total	652	388

Notes: -For credit risk and provision for loss allowance refer note 28(A)

Trade Receivables ageing schedule

Particular	(₹ in Crore)						Total
	Outstanding for following periods from due date of payment						
	Not Due	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	229	113	28	15	2	1	388
(ii) Undisputed Trade Receivables – Considered doubtful	-	-	-	-	1	2	3
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – Considered doubtful	-	-	-	4	-	1	5
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	229	113	28	19	3	4	396
Less: Allowance for doubtful debts		0	-	3	1	3	8
Total	229	112	28	16	2	1	388

31st March, 2022

Particular	(₹ in Crore)						Total
	Outstanding for following periods from due date of payment						
	Not Due	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	349	244	37	10	7	5	652
(ii) Undisputed Trade Receivables – Considered doubtful	-	0	0	11	1	1	14
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – Considered doubtful	-	-	-	-	-	2	2
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	349	244	37	21	8	8	668
Less: Allowance for doubtful debts		0	0	11	1	3	16
Total	349	243	37	10	7	5	652

6(c) Loans

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Non current		
Unsecured, considered good		
Loans to employees (refer note (ii) below)	4	4
Total non current loans	4	4
Current		
Unsecured, considered good		
Loan to employees	5	6
Loan others	0	0
Total current loans	5	6

Note: Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

6(d) Cash and Cash Equivalents

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Bank balance in current accounts	113	54
Deposits with original maturity of less than three months	163	54
Cash on hand	0	0
Total cash and cash equivalents	276	109

6(e) Bank Balances other than Cash and Cash Equivalents

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Fixed deposits with maturity more than 3 months but less than 12 months	301	771
Balances with banks for unclaimed dividend (refer note below)	2	64
Total bank balance other than cash and cash equivalents	303	835

Note: These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.



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To Consolidated Financial Statements for the year ended 31st March, 2022

6(f) Other Non Current Financial Assets

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Unsecured considered good (unless otherwise stated)		
Fixed deposits-maturing after 12 months (refer note below)	0	25
Security deposits with public bodies and others		
Considered good	15	14
Considered doubtful	1	1
	16	15
Less: Provision for doubtful deposits	(1)	(1)
	15	14
Others	2	2
Loans and advances to related parties	0	0
Total other non current financial assets	17	41

Note : Fixed deposits with banks includes deposits held as lien by banks against guarantees and for other earmarked balances.

6(g) Other Current Financial Assets

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
(i) Derivatives		
Foreign exchange forward contracts, options and interest rate swaps	2	3
	2	3
(ii) Others		
Receivable from related parties (refer note 32)	0	0
Security deposits	0	0
Other deposits	0	2
Others	0	0
	0	2
Total other current financial assets	2	5

7 Deferred Tax Asset (Net)

The balance comprises temporary differences attributable to :

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Liabilities / provisions that are deducted for tax purposes when paid	28	25
Tax Losses	3	-
Defined benefit obligations	1	0
On intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme	2	2
MAT Credit entitlement	173	169
	207	196
Other items:		
Allowance of doubtful debts	1	-
Leases	11	-
Other temporary differences	5	16
	17	16
Total deferred tax assets	224	212
Set off of deferred tax liabilities pursuant to set off provisions	(37)	(26)
Net deferred tax assets	187	186

Movement in deferred tax assets

Particulars	(₹ in Crore)						
	Liabilities / provisions that are deducted for tax purposes when paid	Tax Losses	Defined benefit obligations	On Intangible assets (refer note 1 below)	MAT Credit entitlement	Other items	Total deferred tax assets
As at 1st April, 2020	38	-	2	2	134	19	195
(Charged)/credited :							
to Profit and loss	(11)	-	(0)	(1)	36	(3)	21
to other comprehensive income	-	-	(1)	-	-	-	(1)
Reclassified to deferred tax liability	(2)	-	-	-	-	-	(2)
Exchange translation Difference	(0)	-	(0)	-	-	(0)	(0)
As at 31st March 2021	25	-	0	2	169	16	213
(Charged)/credited :							
to Profit and loss	4	3	-	(0)	4	0	11
to other comprehensive income	-	-	(0)	-	-	(0)	(0)
Reclassified to deferred tax liability	-	-	-	-	-	-	-
Exchange translation Difference	-	-	0	-	-	0	0
As at 31st March, 2022	28	3	1	2	173	17	224

Note (i) On intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme.

Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

8 Other Non Current Assets

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
Capital advances	15	11
Advances to vendors	1	1
Prepaid expenses	1	1
Deposits with statutory/government authorities	13	13
Total other non-current assets	30	26

9 Inventories

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
Raw materials:		
In stock	440	287
In transit	24	36
Packing materials		
In stock	119	92
In transit	2	2
Work-in-progress	300	159
Finished goods:		
In stock	468	498
In transit	2	1
Stock in Trade	36	32
By-products	4	4
Stores and spares (refer note 39 3(b))	17	15
Total inventories	1,412	1,126

Refer Note 1 (p) for basis for valuation

During the year an amount of ₹ 36 crores (31st March, 2021: ₹ 63 crores) was charged to the Statement of Profit and Loss on account of damaged and slow moving inventory. The reversal on account of above during the year amounted to ₹ Nil (31st March, 2021: Nil).

10 Other Current Assets

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
Advances to vendors	75	81
Balances with government authorities	51	47
Input tax credit receivable	73	82
Prepaid expenses	14	14
Total other current assets	213	224

11 Assets classified as held for sale

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
Land and Building	0	12
Plant and Machinery	-	2
Total assets classified as held for sale	0	14

Non-recurring fair value measurements

- During the year 31 March, 2022 following asset held for sale was reclassified to Investment property:
 - Plant and machinery lying at manufacturing location at Baddi, India with carrying value of ₹ 6 Crore (Fair Value of the same was ₹ 11 Crore as at 31st March, 2022)
 - Building at Andheri, Mumbai with carrying value of ₹ 5 Crores (Fair value of the same was ₹ 8 Crore as at 31st March, 2022)
 - Office premises located at Uttara, Bangladesh with carrying value of ₹ 3 Crores (BDT 4 Crore)
- During the previous year ended 31 March 2021, office premises located at Uttara, Bangladesh having carrying value of ₹ 3 Crores (BDT 4 Crores) was classified as asset held for sale. Fair value of the same was ₹ 17 Crore (BDT 20 Crores) as at 31st March, 2021.
- During the year 31 March, 2021 Plant and machinery lying at manufacturing location in Baddi, India were reclassified from Property, plant and equipment to Assets held for sale of ₹ 6 Crore. Fair value of the same was ₹ 6 Crores as at 31st March, 2021.
- 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.

12(a) Equity Share Capital

(₹ in Crore)

Particulars	No. of shares (in Crore)		Amount
Authorised share capital			
As at 31st March, 2021			
Equity shares of Re. 1/- each	150		150
Equity shares of ₹ 10/- each	8		80
Preference shares of ₹ 10/- each	7		65
Total	165		295
As at 31st March, 2022			
Equity shares of Re. 1/- each	150		150
Equity shares of ₹ 10/- each	8		80
Preference shares of ₹ 10/- each	7		65
Total	165		295
Issued, subscribed and paid-up as at 31st March, 2021			
1,291,349,998 equity shares of Re. 1/- each fully paid-up	129		129
Total	129		129
Issued, subscribed and paid-up as at 31st March, 2022			
1,292,787,278 equity shares of Re. 1/- each fully paid-up	129		129
Total	129		129



Notes (Contd.)

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(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 1st April, 2020	129	129
Shares issued during the year - ESOP (Refer Note 35)	0	0
As at 31st March, 2021	129	129
Shares issued during the year - ESOP (Refer Note 35)	0	0
As at 31st March, 2022	129	129

(ii) Rights, preferences and restrictions attached to equity shares

Equity Shares: The authorised share capital of the Company comprises of 150 Crores equity share of Re. 1 each and 8 Crores equity shares of ₹ 10 each. During the previous year ended March 31, 2021, the authorised share capital of the Company increased by ₹ 80 crores, comprising of 8 Crores equity shares of ₹ 10 each, pursuant to the order of amalgamation sanctioned by the National Company Law Tribunal between Marico Limited and Marico Consumer Care Limited, wholly owned subsidiary.

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 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, 2022		As at 31st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Re. 1/- each fully paid-up				
Harsh C Mariwala with Kishore V Mariwala (For Valentine Family Trust)	143,884,950	11.13	148,459,200	11.50
Harsh C Mariwala with Kishore V Mariwala (For Aquarius Family Trust)	143,871,950	11.13	148,446,200	11.50
Harsh C Mariwala with Kishore V Mariwala (For Taurus Family Trust)	143,890,750	11.13	148,465,000	11.50
Harsh C Mariwala with Kishore V Mariwala (For Gemini Family Trust)	143,886,350	11.13	148,460,600	11.50
First State Investments Services (UK) Ltd (along with Persons acting in concert)	89,703,735	6.94	92,056,288	7.13

(v) For the period of preceding five years as on the Balance Sheet date, Issued, Subscribed and Paid-up Share Capital includes:

- Aggregate of Nil (upto 31st March, 2021: 645,085,599) Equity shares of Re.1 each allotted as fully paid-up bonus, issued in year 2016
- Aggregate of 23,16,080 (31st March, 2020: 11,78,800) Equity shares allotted under the Employee stock option plan schemes as consideration for services rendered by employees for which only exercise price has been received in cash.

Shares held by Promoters at the end of the year i.e. March 31, 2022

Sr. No.	Promoter Name	No. of shares as on March 31, 2022	% of total shares as on March 31, 2022	No. of shares as on March 31, 2021	% of total shares as on March 31, 2021	Difference (i.e. March 31, 2022 - March 31, 2021)	% of change during the year
1	Harsh C Mariwala with Kishore V Mariwala for Taurus Family Trust	143,890,750	11.13%	148,465,000	11.50%	(4,574,250)	-0.37%
2	Harsh C Mariwala with Kishore V Mariwala for Gemini Family Trust	143,886,350	11.13%	148,460,600	11.50%	(4,574,250)	-0.37%
3	Harsh C Mariwala with Kishore V Mariwala for Valentine Family Trust	143,884,950	11.13%	148,459,200	11.50%	(4,574,250)	-0.37%
4	Harsh C Mariwala with Kishore V Mariwala for Aquarius Family Trust	143,871,950	11.13%	148,446,200	11.50%	(4,574,250)	-0.37%
5	Rajvi H Mariwala	28,408,000	2.20%	28,408,000	2.20%	-	0.00%
6	Harsh C Mariwala	28,102,900	2.17%	28,102,900	2.18%	-	0.00%
7	Rishabh H Mariwala	24,976,500	1.93%	24,976,500	1.93%	-	0.00%
8	Archana H Mariwala	16,966,600	1.31%	16,966,600	1.31%	-	0.00%
9	Ravindra K Mariwala	20,503,540	1.59%	14,404,540	1.12%	6,099,000	0.47%
10	Hema K Mariwala	7,679,480	0.59%	7,679,480	0.59%	-	0.00%
11	Paula R Mariwala	10,463,600	0.81%	7,414,100	0.57%	3,049,500	0.24%
12	Anjali R Mariwala	11,914,700	0.92%	6,914,700	0.54%	5,000,000	0.39%
13	Rishabh Mariwala with Priyanjali Mariwala For Valley of Light Trust	5,400,000	0.42%	5,400,000	0.42%	-	0.00%
14	Rishabh Mariwala with Priyanjali Mariwala For Valour Trust	5,400,000	0.42%	5,400,000	0.42%	-	0.00%
15	Rajen K Mariwala	7,681,400	0.59%	4,032,900	0.31%	3,648,500	0.28%
16	Kishore V Mariwala	2,489,220	0.19%	2,489,220	0.19%	-	0.00%
17	Pallavi Jaikishan Panchal	1,832,000	0.14%	1,832,000	0.14%	-	0.00%
18	Malika Chirayu Amin	1,800,000	0.14%	1,800,000	0.14%	-	0.00%
19	Kishore V Mariwala for Anandita Trust	6,700	0.00%	6,700	0.00%	-	0.00%
20	Kishore V Mariwala for Arnav Trust	6,700	0.00%	6,700	0.00%	-	0.00%
21	Kishore V Mariwala for Vibhav Trust	6,700	0.00%	6,700	0.00%	-	0.00%
22	Kishore V Mariwala for Taarika Trust	6,700	0.00%	6,700	0.00%	-	0.00%
23	The Bombay Oil Private Limited	18,297,000	1.42%	18,297,000	1.42%	-	0.00%
24	Vibhav Ravindra Mariwala	2,000	0.00%	0	0.00%	2,000	0.00%
25	Anandita Rajendra Mariwala	250,000	0.02%	0	0.00%	250,000	0.02%
26	Taarika Rajendra Mariwala	250,000	0.02%	0	0.00%	250,000	0.02%
27	Preeti Gautam Shah	1,050,000	0.08%	1,800,000	0.14%	(750,000)	-0.06%
Total		769,027,740	59.49%	769,775,740	59.61%	(748,000)	-0.12%

12(b) Reserves and Surplus

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Securities premium	484	431
General reserve	299	299
Share based option outstanding account	27	30
Treasury shares	(58)	(40)
WEOMA reserve	88	78
Retained earnings	3,072	3,038
Adjustment pursuant to the Scheme of Capital Reduction of MCCL (Refer Note (h) to the statement of changes in equity)	(724)	(724)
Total reserve & surplus	3,189	3,111

Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

(i) Securities premium

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	431	420
Add: Exercise of employee stock options	53	11
Closing Balance	484	431

(ii) General reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	299	299
Closing balance	299	299

(iii) Share based option outstanding account (refer note 35)

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	29	25
Exercise of employee stock options	(12)	(5)
Share based payment expense	10	9
Closing Balance	27	29

(iv) Treasury shares

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	(40)	(27)
Add : (Purchase) /sale of treasury shares by the Trust during the year (net)	(18)	(13)
Closing Balance	(58)	(40)

(v) WEOMA reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	78	73
Add : Income of the trust for the year	10	5
Closing Balance	88	78

(vi) Retained earnings

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	3,038	2,835
Net profit attributable to owners	1,225	1,172
Remeasurement of post employment benefit obligation, net of tax	4	(1)
Less: Dividend (₹ 7.46 per equity share (31st March, 2019: ₹ 4.90 per equity share))	(1,195)	(968)
Closing Balance	3,072	3,038

12(c) Other Reserves

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Hedge reserve	0	(0)
Foreign currency translation reserve	30	0
Total other reserves	30	(0)

Hedge reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	(1)	(1)
Changes in fair value of hedging instruments	(0)	(1)
Reclassified to statement of profit and loss	1	2
Deferred tax on above	(0)	(0)
Closing Balance	0	(0)

Foreign currency translation reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	0	(5)
Exchange gain/(loss) on translation during the year	30	5
Closing Balance	30	0

Non controlling interest (NCI)

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	18	13
Acquisitions through business combinations (refer note no. 42)	35	-
Total comprehensive income for the year attributable to non controlling interest	26	27
Less : Dividend distributed to minority shareholders	(22)	(22)
Closing Balance	57	18

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To Consolidated Financial Statements for the year ended 31st March, 2022

13(a) Borrowings

Non-Current Borrowings:

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	(₹ in Crore)	
				As at 31st March, 2022	As at 31st March, 2021
Unsecured					
Term loan					
From banks					
- Loan in ZAR from Standard Bank of South Africa Limited (Outstanding balance as at 31 March, 2022: Nil; as at 31 March, 2021: ZAR 23.14 Million;)	August 2022	Equal monthly instalments from April 2018 to August 2022	Relevant benchmark rate + 50 basis point	-	11
Total non-current borrowings				-	11
Less: Current maturities of long-term debt				-	3
Non-current borrowings				-	8

The scheduled maturity of long term borrowings is summarized as under:

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	(₹ in Crore)	
				As at 31st March, 2022	As at 31st March, 2021
Within one year (Current maturities of long term debt)				-	3
After 1 year but within 2 years				-	8
Total				-	11

Current Borrowings

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	(₹ in Crore)	
				As at 31st March, 2022	As at 31st March, 2021
Unsecured					
From banks					
- Loan in ZAR from Standard Bank of South Africa Limited (Outstanding balance as at 31 March, 2022: ZAR 16.43 Million; as at 31 March, 2021: Nil	August 2022	Equal monthly instalments from April 2018 to August 2022	Relevant benchmark rate + 50 basis point	9	-
- Export packing credit (refer note (i) below)	(FY 22 - Repaid From April, 2021 to June 2021 INR 32 Crores, September, 2021 INR 15 Crores)	For a term of six months	(FY 22 - Bank Base rate/ Relevant Benchmark rate plus applicable spread less Interest Subvention of 3.00% per annum).	-	47
- Working capital demand loan in India	31st March, 2022 : Repayable with interest from May 2022 to July 2022 - INR 32 Crores, Jan 2023 to Mar 2023 INR 63 Crores, (FY 21 Repaid with interest from April 2021 to June 2021 - INR 12 Crores, Jan 2022 to March 2022 INR 83 Crores)	For a term of six months to twelve months	FY 22 Bank Base rate/ relevant Benchmark Rate plus applicable spread per annum (FY 21 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum)	95	95
- Working Capital Demand Loan in UAE (Outstanding balance as at 31 March, 2022: USD 21.5 Million; as at 31 March, 2021: USD 21.5 Million)	FY 22: Repayable with interest in May 2022 - INR 91 Crores (USD 12 Million), Nov 22 INR 26 Crores (USD 3.5 Million) and INR 46 Crores in Dec 22 (USD 6 Million). (FY 21 : Repaid with interest, May 2021 - INR 157 Crores (USD 21.5 Million))	For terms upto twelve months	FY 22 SOFAR plus applicable spread ranging from 0.8% to 1.0% per annum FY 21 LIBOR plus applicable spread ranging from 0.8% to 1.0% per annum	163	157
- Cash credit (Outstanding balance includes : In UAE - as at 31 March, 2022: USD 8.98 Million; as at 31 March, 2021: USD 2.11 Million In Egypt - as at 31 March, 2022: EGP 8 Million; as at 31 March, 2021: EGP 0 Million In Bangladesh - as at 31 March, 2022: Nil ; as at 31 March, 2021: BDT 250 Million In India - as at 31 March, 2022: INR 3.1 Crores ; as at 31 March, 2021: Nil In South Africa - as at 31 March, 2022: Nil ; as at 31 March, 2021: ZAR 1.5 Million In Lanka - as at 31 March, 2022: LKR 149 Million ; as at 31 March, 2021: LKR 66 Million	Payable on demand	Payable on demand	FY 22 Bank Base rate/ relevant Benchmark Rate plus applicable spread per annum (FY 21 : Bank Base rate/relevant Benchmark Rate plus applicable spread per annum)	78	40
Total current borrowings				345	340
Less: Interest accrued (Refer Note 13(b))				0	0
Current borrowings as per balance sheet				345	340

Note : (i) Cash credit, working capital demand loan and export packing credit is unsecured. There is no charge against short term loan taken from banks.



Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

13(b) Other Financial Liabilities

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Current		
Current maturities of long-term debt (refer note 13(a))	-	3
Interest accrued and not due on borrowings (refer note 13(a))	0	0
Creditors for capital goods	8	6
Salaries, bonus and other benefits payable to employees	34	25
Trade deposits from customers and others	1	1
Unclaimed dividend (refer note below)	2	3
Others	0	4
Derivative designated as hedges	(0)	2
Total other current financial liabilities	45	44

Note: As at 31st March, 2022, 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

Particulars	(₹ in Crore)	
	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Current		
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	76	50
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,268	1,084
Total trade payables	1,344	1,134

Note: The Group 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:

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
I. The Principal amount remaining unpaid to any supplier as at the end of accounting year included in trade payable	76	50
II. Interest due thereon	0	0
Trade Payables due to micro and small enterprises	76	50
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	0	0
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)	0	1
The amount of interest accrued and remaining unpaid at the end of accounting year	0	1
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	3	3

This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

Trade Payables aging schedule

Particulars	Outstanding for following periods from due date of payment						Total
	Un-billed	Not Due	< 1 year	1-2 years	2-3 years	> 3 years	
31st March, 2021							
(i) Undisputed dues - MSME	-	12	36	1	-	-	49
(ii) Undisputed dues - Others	437	157	460	17	4	2	1,077
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	7	1	-	-	-	8
Total	437	176	497	18	4	2	1,134

Particulars	Outstanding for following periods from due date of						Total
	Un-billed	Not Due	< 1 year	1-2 years	2-3 years	> 3 years	
31st March, 2022							
(i) Undisputed dues - MSME	-	20	55	1	0	0	76
(ii) Undisputed dues - Others	442	223	581	14	5	3	1,268
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	442	243	636	15	5	3	1,344

14 Provisions

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Non Current		
Others	1	1
Total Non current provisions	1	1
Current		
Disputed indirect taxes (refer Note (a) and (b))*	16	16
Others	5	4
Total current provisions	21	20

* These provisions have not been discounted as it is not practicable for the Group to estimate the timing of the provision utilization and cash outflows, if any, pending resolution.

(a) Provision for disputed indirect taxes mainly pertains to Entry tax dispute in the state of West Bengal, where the Govt of West Bengal has preferred an appeal before Division Bench, Hon'ble Court-Kolkata, which is pending before the Court. The matter is sub judice, it is not practicable to state the timing of the judgement & final outcome. Therefore, The company has retained the provision pending final adjudication of the matter.

(b) **Movement of provisions during the year as required by Ind AS-37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013:**

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Disputed indirect taxes		
Balance as at the beginning of the year	16	58
Add: Additional provision recognised	0	0
Less: Amount used during the year	(0)	(42)
Balance as at the end of the year	16	16



Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

15 Employee Benefit Obligation non Current (net)

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Gratuity (refer note (i) & (a) below)	6	4
Leave encashment/compensated absences (refer note (iii) below)	13	14
Share-appreciation rights (refer note (iv) below)	4	3
Others	4	3
Total employee benefit obligations non current	27	24

Employee benefit obligation current (net)

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Gratuity (refer note (i) & (a) below)	4	6
Leave encashment/compensated absences (refer note (iii) below)	4	2
Share-appreciation rights (refer note (iv) below)	5	2
Incentives / bonus	51	68
Total employee benefit obligations current	64	78

Notes:-

(i) Gratuity

The Group provides for gratuity for employees, wherever applicable. Amount of gratuity payable on retirement/termination is computed basis the law of the respective geographies. The gratuity plan in India is funded through gratuity trust in India, the gratuity plan in Bangladesh is funded through gratuity trust in Bangladesh, the gratuity plan in United Arab Emirates and Vietnam is unfunded.

(ii) Provident fund

In India, 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 2022 and 31st March 2021.

(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. The Current leave obligations are expected to be settled within the next 12 months.

(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 stock 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 35 (b)).

(a) Balance sheet amounts - Gratuity

Particulars	(₹ in Crore)		
	Present value of obligation	Fair value of plan assets	Net Amount
Balance as on 1st April, 2020	42	27	15
Opening adjustment on business combinations	0	-	0
Current service cost	7	-	7
Interest expense	3	2	1
Total amount recognised in profit or loss	10	2	8
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	0	0
(Gain)/loss from change in demographic assumptions	1	-	1
(Gain)/loss from change in financial assumptions	1	-	1
Experience (gains)/ losses	0	(2)	(2)
Total amount recognised in other comprehensive income	2	(2)	0
Employer contributions	-	13	(13)
Benefit Payments	(4)	(3)	(1)
Benefit Paid from the fund	(1)	(1)	-
Balance as on 31st March 2021	49	39	10
Balance as on 1st April, 2021	49	39	10
Opening adjustment on business combinations	0	-	0
Current service cost	8	-	8
Interest expense	4	3	1
Total amount recognised in profit or loss	12	3	9
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	(0)	(0)
(Gain)/loss from change in demographic assumptions	(2)	-	(2)
(Gain)/loss from change in financial assumptions	0	-	0
Experience (gains)/ losses	(3)	0	(3)
Total amount recognised in other comprehensive income	(5)	0	(5)
Employer contributions	-	4	(4)
Benefit Payments	(5)	(4)	(0)
Benefit Paid from the fund	(2)	(2)	-
Balance as on 31st March, 2022	50	40	10

The Net liability disclosed above relates to funded and unfunded plans are as follows

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Present value of funded obligations	47	46
Fair value of plan assets	(41)	(39)
Deficit of funded plan	6	7
Unfunded plans	4	3
Deficit of gratuity plan	10	10



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The following table shows a breakdown of the defined benefit obligation (Gratuity) and plan assets by country:

Plan type	As at 31st March, 2022				As at 31st March, 2021			
	India	Bangladesh	Dubai	Total	India	Bangladesh	Dubai	Total
Present value of obligations	39	8	3	50	37	9	3	49
Fair value of plan assets	(35)	(5)	-	(40)	(33)	(7)	-	(39)
Total liability	4	3	3	10	4	2	3	10

The significant actuarial assumptions were as follows:

Experience (gains)/ losses	As at 31st March, 2022			As at 31st March, 2021		
	India	Bangladesh	Dubai	India	Bangladesh	Dubai
Discount rate	6.41%	7.50%	3.30%	6.67%	7.50%	2.60%
Rate of return on Plan assets*	6.41%	7.50%	NA	6.67%	7.50%	NA
Future salary rise**	10.00%	11.37%	5.00%	10.00%	12.00%	5.00%
Attrition rate	16% & 15%	14.50%	5.25%	12% & 6%	11.00%	5.25%

* 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:

Particulars	As at	
	31st March, 2022	31st March, 2021
Projected benefit obligation on current assumptions	50	49
Delta effect of +1% change in rate of discounting	(3)	(4)
Delta effect of -1% change in rate of discounting	3	4
Delta effect of +1% change in rate of salary increase	3	3
Delta effect of -1% change in rate of salary increase	(2)	(3)
Delta effect of +1% change in rate of Employee turnover	(0)	(1)
Delta effect of -1% change in rate of Employee turnover	1	1

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	As at			
	31st March, 2022		31st March, 2021	
	Amount	in %	Amount	in %
Special deposit scheme	1	1.34%	1	1.36%
Insurer Managed funds	33	84.52%	32	81.98%
Cash and Cash Equivalents	5	12.61%	6	15.41%
Other	1	1.52%	0	1.24%
Total	40	100.00%	39	100%

Defined benefit liability and employer contributions

The weighted average duration of the gratuity for the Group ranges from 5 to 12 years as at 31st March 2022 and 31st March 2021.

The expected maturity analysis of gratuity is as follows:

Particulars	As at	
	31st March, 2022	31st March, 2021
Within the next 12 months	6	4
Between 2 and 5 years	24	17
Between 6 and 10 years	21	21
Beyond 10 years	11	3
Total	62	45

(b) Provident Fund

Amount recognised in the Balance sheet

Particulars	As at	
	31st March, 2022	31st March, 2021
Liability at the end of the year	-	-
Fair value of plan assets at the end of the year	244	211
Present value of benefit obligation as at the end of the period	(238)	(205)
Difference	6	6
Unrecognized past service Cost	(6)	(6)
(Assets) / liability recognised in the Balance Sheet	0	0

Changes in defined benefit obligations:

Particulars	As at	
	31st March, 2022	31st March, 2021
Liability at the beginning of the year	205	173
Opening balance adjustment	(0)	(0)
Interest cost	18	14
Current service cost	13	12
Employee contribution	18	17
Liability Transferred in	7	7
Liability Transferred out	(13)	(11)
Benefits paid	(10)	(8)
Liability at the end of the year	238	205

Changes in fair value of plan assets:

Particulars	As at	
	31st March, 2022	31st March, 2021
Fair value of plan assets at the beginning of the year	211	182
Opening balance adjustment	0	-
Expected return on plan assets	18	14
Contributions	31	29
Transfer from other Company	7	7
Transfer to other Company	(13)	(11)
Benefits paid	(10)	(8)
Actuarial gain/(loss) on plan assets	-	(2)
Fair value of plan assets at the end of the year	244	211

Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

Expenses recognised in the Statement of Profit and Loss:

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Current service cost	13	12
Interest cost	18	14
Expected return on plan assets	(18)	(14)
(Income) / Expense recognised in the Statement of Profit and Loss	13	12

The major categories of plan assets are as follows :

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Amount	in %	Amount	in %
Central Government securities	11	4.63%	11	6.67%
State loan/State government Guaranteed Securities	7	3.07%	12	6.97%
Government Securities debt instruments	97	39.67%	140	61.14%
Public Sector Units	81	33.00%	17	10.74%
Private Sector Units	14	5.61%	5	2.97%
Equity / Insurance Managed Funds	3	1.30%	15	5.28%
Special Deposit	1	0.45%	1	0.61%
Cash & Cash Equivalents	21	8.48%	-	0.00%
Others	9	3.78%	10	5.63%
Total	244	100.00%	211	100.00%

The Significant actuarial assumptions were as follows :

Particulars	As at 31st March, 2022	As at 31st March, 2021
Discount rate	6.41%	6.67%
Rate of return on plan assets*	8.10%	8.65%
Future salary rise**	10%	10%
Attrition rate	16%-15%	12%-6%
Mortality	Indian Assured Lives Mortality (2012-14) 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, 2022	As at 31st March, 2021
Opening balance of compensated absences	16	12
Present value of compensated absences (As per actuarial valuation) as at the year end	16	16

The privileged leave liability is not funded.

(d) Employee State Insurance Corporation

Marico India has recognised ₹ 0 Crore (₹ 0 Crore for the year ended 31st March 2021) towards employee state insurance plan in the Statement of Profit and Loss.

(e) Risk exposure (For Gratuity and Provident Fund)

Through its defined benefit plans, the Group is exposed to below risk:

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The Trust ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

16 Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to :

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liability:		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	29	25
Intangible assets	88	67
Financial assets at fair value through Profit & Loss	23	17
Outside basis tax	10	4
Other timing differences (hedge reserve)	(4)	(2)
Total deferred tax liabilities	146	111
Set off of deferred tax assets pursuant to set off provisions	(37)	(26)
Net deferred tax liabilities	109	84

Movement in deferred tax liabilities

Particulars	(₹ in Crore)					
	Property plant and equipment and investment property	Intangible assets	Financial assets at fair value through Profit & Loss	Outside basis tax	Other items	Total deferred tax liabilities
As at 31st March, 2020	34	6	0	2	(0)	42
(Charged)/credited :						
to Profit and loss	(10)	0	17	2	1	9
to other comprehensive income	-	-	-	-	-	-
Pursuant to business combination	-	61	-	-	-	61
Reclassified from deferred tax assets	1	-	-	-	(3)	(2)
Exchange translation Difference	(0)	1	-	-	(0)	1
As at 31st March, 2021	25	67	17	4	(2)	111
(Charged)/credited :						
to Profit and loss	4	(0)	6	6	(2)	14
to other comprehensive income	-	-	-	-	-	-
Pursuant to business combination - refer note 42	-	21	-	-	-	21
Reclassified from deferred tax assets	-	-	-	-	-	-
Exchange translation Difference	(0)	0	-	-	(0)	0
As at 31st March, 2022	29	88	23	10	(3)	146



Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

17 Tax assets and liabilities

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Non current tax assets (net)	57	55
Current tax assets	1	1
Current tax liabilities (net)	67	72

The Current tax assets and liabilities has been derived at based on individual entity.

18 Other current liabilities

Particulars	(₹ in Crore)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Statutory dues (including provident fund, tax deducted at source and others)	27	84
Deferred income on government grants (refer note below)	2	5
Other Liabilities	(0)	(0)
Others	0	5
Other current liabilities	29	93
Contractual & Constructive obligation	167	152
Advance from customer	27	41
Others	1	1
Total other payables	195	194
Total other current liabilities	224	287

The Group is eligible for government grants which are conditional upon construction of new factories in North East region. The factories had been constructed and been in operation since May 2016 and March 2017. These grants, recognized as deferred income, are being amortized over the useful life of the plant and machinery, and accounted as "Incentives (includes government grant, budgetary support, export incentives and others)" under the head "Other operating revenue" (Refer note 19), in proportion to depreciation expense.

19 Revenue From Operations

Particulars	(₹ in Crore)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of products	9,452	7,991
Other operating revenue:		
Incentives (includes government grant, export incentives, budgetary support and others)	51	48
Sale of scrap	9	9
Total Revenue from continuing operations	9,512	8,048
Reconciliation of Revenue from sale of products with the contracted price		
Contracted Price	10,489	8,792
Less: Discounts	1,037	801
Sale of Products	9,452	7,991

20 Other Income

Particulars	(₹ in Crore)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Other income		
Rental income	1	1
Interest income from financial assets at amortised cost	59	59
Royalty Income	0	0
Others	11	12
Total of other income	71	73
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment	0	0
Net gain on financial assets mandatorily measured at fair value through profit or loss and net gain on sale of investments	30	24
Net foreign exchange gain/(loss)	(3)	(3)
Total of other gain/(losses)	27	21
Total other income	98	94

21 (a) Cost of Materials Consumed

Particulars	(₹ in Crore)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Total raw materials consumed	4,501	3,417
Total packing materials consumed	560	467
Total cost of materials consumed	5,061	3,884

21 (b) Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	(₹ in Crore)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening inventories		
Finished goods	499	354
Work-in-progress	159	341
By-products	4	4
Stock-in-trade	32	42
Closing inventories		
Finished goods	470	499
Work-in-progress	300	159
By-products	4	4
Stock-in-trade	36	32
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	(116)	47



Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

22 Employee Benefit Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, wages and bonus	500	497
Contribution to provident fund (refer note 15 (b))	26	24
Share based payment expense (refer note 35(c))	23	15
Staff welfare expenses	37	34
Total employee benefit expense	586	570

23 Depreciation, Amortization and Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on property, plant and equipment (refer note 3 (a))	89	95
Depreciation on investment properties (refer note 4)	3	0
Amortisation of intangible assets (refer note 5)	7	6
Depreciation on Lease assets (refer note 3(b))	40	38
Total Depreciation and Amortization Expense	139	139

24 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Advertisement and sales promotion	796	698
Freight, forwarding and distribution expenses	354	305
Processing and Other Manufacturing Charges	251	240
Rent and storage charges	20	20
Legal & Professional Charges	73	61
Outside Services	50	50
Repairs and Maintenance	51	47
Power, fuel and water	32	27
Travelling, conveyance and vehicle expenses	34	25
Consumption of stores, spare and consumables	18	18
Provision for doubtful debts, loans, advances and investments	8	3
Miscellaneous expenses (refer note (i) below)	123	123
Total	1,809	1,617

- (i) Miscellaneous expense includes printing and stationery, communication, rates and taxes, insurance and other expenses.
- (ii) Research and Development expenses aggregating to ₹ 29 Crore have been included under the relevant heads in the Statement of Profit and Loss (Previous year ended 31st March, 2021 aggregating ₹ 29 Crore). Further Capital expenditure pertaining to this of ₹ 1 Crore have been incurred during the year (Previous year ended 31st March, 2021 aggregating ₹ 1 Crore).

- (iii) Corporate social responsibility expenditure.

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
I. Amount required to be spent as per the section 135 of the Act	22	20
II. Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	22	20
III Shortfall at the end of the year	Nil	Nil
IV. Total of previous years shortfall	Not applicable	Not applicable
V. Reason for shortfall	Not applicable	Not applicable

- VI. Nature of CSR activities include promoting education, health care including preventive health care, economic empowerment, farmer livelihood enhancement, water steward program and other community initiatives.

- VII. Above includes ₹7 Crs (FY 2020-21 ₹ 6 Crs) -

Contribution amounting to ₹ 0.5 Crs (FY 2020-21 ₹ 0.3 Crs) made to Marico Innovation Foundation (MIF), a subsidiary of the Company, which is a Section 25 registered Company under Companies Act, 1956, with the main objectives of fuelling innovation in India. The focus of the foundation is to work with people who have scalable ideas and help them scale it to benefit India in a direct way. MIF has already done work in the areas of renewable energy, waste management, employability, livelihoods and healthcare.

Contribution amounting to ₹ 6.7 Crs (FY 2020-21 ₹ 5.5 Crs), made to Parachute Kalpavriksha Foundation (PKF), a subsidiary of the Company, which is also Section 8 registered Company under Companies Act, 2013, with the main objectives of undertaking/channelizing the CSR activities of the Company towards community and ecological sustenance.

- VIII. The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

25 Finance Costs

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest and finance charges on financial liabilities not at fair value through profit or loss	8	10
Bank and other financial charges	18	8
Lease finance cost (refer note 1M - Lease)	11	14
Other borrowing costs	2	2
Finance costs expensed in profit or loss	39	34



Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

26 Income Tax Expense recognised in Profit or Loss

Particulars	Year ended	
	31st March, 2022	31st March, 2021
(₹ in Crore)		
a Income tax expense		
Current tax on profits for the year	343	335
Deferred tax charge/(credit)	3	(11)
Total income tax expenses during the year recognised in profit or loss	346	324
b Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before tax (a)	1,601	1,523
Income tax rate as applicable (b)	34.944%	34.944%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	560	532
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Effect of income that is exempt from taxation	(2)	(1)
Effect of Income which is taxed at special rate	(89)	(91)
Effect of expenses that are not deductible in determining taxable profit	24	35
Effect of expenses that are deductible in determining taxable profit	(8)	(2)
Income tax incentives	(169)	(181)
Difference in tax rates in foreign jurisdictions	34	16
Others	(4)	16
Income tax expense for the current year recognised in pro fit or loss	346	324

27 Fair Value Measurements

(a) Financial Instruments by category

	31st March, 2022		31st March, 2021	
	FVTPL	FVOCI	FVTPL	FVOCI
Financial Assets				
Investments				
Equity Instruments	1	-	1	-
Bonds, debentures and commercial papers	276	17	208	25
Mutual funds	422	-	291	-
Government securities	-	0	-	0
Trade receivables	-	652	-	388
Inter corporate deposits	-	112	-	329
Loan to employees	-	9	-	10
Derivative financial assets	2	-	3	-
Security deposits	-	15	-	14
Cash and bank balances	-	113	-	54
Bank balance for unclaimed dividend	-	2	-	64
Fixed deposits	-	464	-	850
Other Deposits	-	2	-	3
Receivable from related parties	-	0	-	0
Total financial assets	701	1,386	503	1,739
Financial Liabilities				
Borrowings (including interest accrued)	-	345	-	351
Derivative financial liabilities	(0)	-	2	-
Trade payables	-	1,344	-	1,134
Capital creditors	-	8	-	6
Lease Liabilities	-	134	-	160
Others	-	38	-	34
Total financial liabilities	(0)	1,869	2	1,684

Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

Impact of COVID-19

The fair value of Financial assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Financial assets carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables forms a significant part of the financial assets carried at amortised cost. Appropriate provisions/allowances using expected credit loss method are determined and recorded. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of customers and the financial strength of the customers in respect of whom amounts are receivable.

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. 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)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31st March, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Listed equity instrument	6(a)	-	-	-	-
Exchange traded fund units	6(a)	-	59	-	59
Equity Instruments	6(a)	-	-	1	1
Mutual funds - growth plan	6(a)	-	422	-	422
Debentures (Quoted)	6(a)	-	217	-	217
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	-	-	-
Total financial assets	-	-	698	1	698
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	-	-	-
Total financial liabilities	-	-	-	-	-

(₹ in Crore)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31st March, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	1	1
Mutual funds - growth plan	6(a)	-	291	-	291
Debentures (Quoted)	6(a)	-	208	-	208
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	3	-	3
Total financial assets		-	502	1	503
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	2	-	2
Total financial liabilities		-	2	-	2

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 instruments that have a quoted price in active market. The fair value of all instruments valued based on level 1 inputs is determined 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 forward contracts is valued based on Mark to Market statements from banks, the mutual funds are valued using the closing NAV published by mutual fund. Exchange traded fund units, are valued based on NAV published by the fund. Market linked debentures are valued using independent report from valuation agent of the instrument based on discounted cash flow method using an appropriate discount rate (ranging from 4 % to 5 % as at 31 March 2022).

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).

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 other 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.

Treasury Management Guidelines define, determine & classify risk, by category of transaction, specific approval, execution and monitoring procedures.

In accordance with the aforementioned policies, the group only enters into plain vanilla derivative transactions relating to assets, liabilities or anticipated future transactions.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments, the Group aims to minimize its financial credit risk through the application of risk management policies. Credit limits are set based on a counterparty value. The methodology used to set the list of counterparty limits includes, counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out. The Group avoids the concentration of credit risk on its liquid assets by spreading them over several asset management companies and monitoring of underlying sector exposure.



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To Consolidated Financial Statements for the year ended 31st March, 2022

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 as per expected credit loss using simplified approach, over the life of the assets depending on the customer ageing, customer category, specific credit circumstances & the historical experience of the Group.

The gross carrying amount of trade receivables is ₹ 668 Crore as at 31st March, 2022 (₹ 396 Crore as at 31st March, 2021).

Particular	31st March 2022	31st March 2021
Loss allowance at the beginning of the year	8	5
Add : Changes in loss allowances	8	3
Loss allowance at the end of the year	16	8

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 ₹ 16 Crore as at 31st March, 2022 and ₹ 15 Crore as at 31st March, 2021.

Other financial asset includes investment, loans to employees and advances given to joint venture for various operational requirements and other receivables (refer note 6(a), 6(c), 6(f) and 6(g)). Provision is made were there is significant increase in credit risk of the asset.

Particular	31st March 2022	31st March 2021
Loss allowance at the beginning of the year	1	1
Add : Changes in loss allowances due to provision	-	-
Loss allowance at the end of the year	1	1

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The current ratio of the Group as at 31st March, 2022 is 1.63 (31st March, 2021 is 1.66) whereas the liquid ratio of the group as at 31st March, 2022 is 0.94 (31st March, 2021 is 1.07).

Maturities of financial liabilities

Contractual maturities of financial liabilities 31st March 2022

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	13(a)	345	0	-	-	345
Trade Payables	13(c)	1,321	15	5	3	1,344
Lease Liabilities		43	43	20	28	134
Other Financial Liabilities	13(b)	45	-	-	-	45
Total Non- derivative liabilities		1,754	58	25	31	1,868
Derivative (Net- Settled)						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Total derivative liabilities		-	-	-	-	-

Contractual maturities of financial liabilities 31st March 2021

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	13(a)	343	8	-	-	351
Trade Payables	13(c)	1,110	18	4	2	1,134
Lease Liabilities	13(b)	38	38	37	47	160
Other Financial Liabilities	13(b)	39	-	-	-	39
Total Non- derivative liabilities		1,529	65	41	49	1,684
Derivative (Net- Settled)						
Foreign exchange forward contracts	13(b)	2	-	-	-	2
Total derivative liabilities		2	-	-	-	2

Apart from the above, the company also has an exposure of corporate guarantees 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.

(C) Market Risk

The group is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and future transactions.

(i) Foreign currency risk

The group is exposed to foreign currency risk from transactions and translation.

Transactional exposures arise from transactions in foreign currency. They are managed within a prudent and systematic hedging policy in accordance with the Group's specific business needs through the use of currency forwards and options.

The group's exposure to foreign currency risk at the end of the reporting period expressed in INR (in crores) as on 31st March, 2022

	AED	AUD	BDT	CAD	EGP	GBP	MYR	SGD	USD	VND	EUR	THB	ZAR	IDR
Financial assets														
Foreign currency debtors for export of goods	0	-	-	1	-	-	-	-	80	-	-	-	-	-
Bank balances	-	-	-	-	-	-	0	-	1	-	0	-	-	0
Derivative asset														
Foreign exchange forward contracts sell foreign currency	-	-	-	(0)	-	-	-	-	(72)	-	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	-	-	(67)	-	-	-	-	-
Net Exposure to foreign currency risk (assets)	0	-	-	0	-	-	0	-	(59)	-	0	-	-	0
Financial liabilities														
Foreign currency creditors for import of goods and services	-	-	1	2	0	8	0	0	50	-	-	-	-	-
Loan from Banks	3	-	-	-	-	-	-	9	-	231	4	3	-	-
Derivative liabilities														
Foreign exchange forward contracts buy foreign currency	-	-	(2)	-	-	-	-	-	(63)	-	-	-	-	-
Foreign exchange option contracts buy option	-	-	-	-	-	-	-	-	(39)	-	-	-	-	-
Net Exposure to foreign currency risk (liabilities)	3	-	(1)	2	0	8	9	0	179	4	3	-	-	-

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The group's exposure to foreign currency risk at the end of the reporting period expressed in INR (in crores) as on 31st March, 2021

(₹ in Crore)

	AED	AUD	BDT	CAD	EGP	GBP	MYR	SGD	USD	VND	EUR	THB	ZAR	IDR
Financial assets														
Foreign currency debtors for export of goods	0	-	-	0	-	-	-	-	82	-	0	-	-	-
Bank balances	-	-	-	-	-	0	0	-	2	0	0	-	-	0
Other receivable	-	-	-	-	-	-	-	-	5	-	-	-	-	-
Derivative asset														
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	-	-	(92)	-	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	-	-	(55)	-	-	-	-	-
Net Exposure to foreign currency risk (assets)	0	-	-	0	-	0	0	-	(58)	0	0	-	-	0

	AUD	CAD	EUR	GBP	THB	MYR	SAR	SGD	USD	BDT	ZAR	LKR
Financial liabilities												
Foreign currency creditors for import of goods and services	0	-	0	0	-	0	16	1	36	-	-	-
Loan from Banks	-	-	-	-	-	-	-	-	173	22	12	2
Derivative asset												
Foreign exchange forward contracts buy foreign currency	-	-	(7)	-	-	-	-	-	(76)	-	-	-
Foreign exchange option contracts buy option	-	-	(1)	-	-	-	-	-	(17)	-	-	-
Net Exposure to foreign currency risk (liabilities)	0	-	(8)	0	-	0	16	1	117	22	12	2

Particular	Impact on profit after tax	
	31st March, 2022	31st March, 2021
USD Sensitivity		
INR/USD Increase by 6%	4	6
INR/USD Decrease by 6%	(4)	(6)
AUD Sensitivity		
INR/AUD Increase by 6%	0	0
INR/AUD Decrease by 6%	(0)	(0)

ii) Interest rate risk

The group is exposed primarily to fluctuation in USD and INR interest rates.

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	As at	As at
	31st March, 2022	31st March, 2021
Variable rate borrowings	345	351
Fixed rate borrowings	-	-
Total borrowings (including interest accrued)	345	351

As at the end of the reporting period, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	31st March 2022			31st March 2021		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	2.29%	345	100.00%	2.42%	351	100.00%
Net Exposure to Cash Flow Interest rate Risk		345			351	

Interest bearing Financial assets classified at amortized cost, such as Fixed Deposit balances with Banks, inter Corporate Deposits, Commercial Papers, Bonds debentures etc have fixed interest rate. Hence, the Company is not subject to interest rate risk on such financial assets.

Sensitivity

(₹ in Crore)

Sensitivity impact on interest rate changes on borrowings	Impact on profit after tax	
	31st March, 2022	31st March, 2021
Interest rates - Increase by 50 basis point (50 bps)	(1)	(1)
Interest rates - decrease by 50 basis point (50 bps)	1	1

iii) Price risk

Mutual fund, market linked debentures and exchange traded 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 ₹ 4 Crores on the overall portfolio as at 31st March, 2022 and ₹ 3 Crores as at 31st March, 2021.

Impact of hedging activities

Derivate Asset and Liabilities through Hedge Accounting

Derivative Financial Instruments

The Group's derivatives mainly consist of currency forwards and options. 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 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.

Cash flow Hedges

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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31st March 2022		(₹ in Crore)									
Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio effectiveness	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							
Cash flow Hedge											
Foreign Exchange Risk											
Foreign Exchange Forward Contracts	72	65	1	(0)	April 2022-March 2023	1:1	USD/INR=77.57 EUR/INR=86.54 USD/BDT=87.09	2	(2)		
Foreign Exchange Options Contracts	67	39	0	1	April 2022-March 2023	1:1	"USD/INR=75.31"	1	(1)		
Net Investment Hedge											

31st March 2021		(₹ in Crore)									
Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio effectiveness	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							
Cash flow Hedge											
Foreign Exchange Risk											
Foreign Exchange Forward Contracts	92	82	(3)	2	April 2021-March 2022	1:1	1 USD-₹73.90, 1 EUR-₹81.62	(2)	2		
Foreign Exchange Options Contracts	55	18	0	1	April 2021-March 2022	1:1	1 USD-₹71.64, 1 EUR ₹77.80	0	(0)		

Disclosure of effects of Hedge Accounting on Financial Performance

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, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	
	Cash Flow						
Foreign Exchange Risk	(0)	(1)	-	-	1	-	Other expenses

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 borrowings. The debt equity ratio highlights the ability of a business to repay its debts. Refer below for net Debt equity ratio.

The Group complies with all statutory requirement as per the extant regulations.

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Net debt	345	351
Total equity	3,405	3,258
Net debt to equity ratio	0.10	0.11

(b) Dividend

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Interim dividend for the year	1,217	990

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 :
- India - this part of the business comprises domestic consumer goods
 - International
- (ii) The amount of the Group's revenue is shown in the table below.

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Segment revenue (sales and other operating income)		
India	7,333	6,189
International	2,179	1,859
Total segment revenue	9,512	8,048
Less : Inter segment revenue	-	-
	9,512	8,048

Revenue from similar products from external customers

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Revenue from similar products from external customers		
Edible	5,593	5,082
Hair oils	2,003	1,789
Personal care	1,031	773
Others	885	404
	9,512	8,048



Notes (Contd.)

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The Company does not have revenue more than 10% of total revenue from single customer.

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, 2022	As at 31st March, 2021
India	7,333	6,189
Bangladesh	1,139	990
Vietnam	495	440
Others	545	429
	9,512	8,048
Segment results		
India	1,243	1,229
International	492	408
Total segment results	1,735	1,637
Less : (i) Finance costs	39	34
(ii) Other un-allocable expenditure net of unallocable income	95	91
(iii) Exceptional items	-	(13)
Profit before tax and share of net gain/(loss) of joint ventures accounted for using the equity method after exceptional items.	1,601	1,525
Share of net gain/(loss) of joint ventures accounted for using the equity method	-	(2)
Profit before tax	1,601	1,523

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Segment assets		
India	2,788	2,118
International	1,523	1,276
Unallocated	1,475	2,116
Total segment assets	5,786	5,510
Segment liabilities		
India	1,358	1,223
International	559	515
Unallocated	464	514
Total segment liabilities	2,381	2,252

Geographical non-current assets (Property, plant and equipment, Right to use assets, 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, 2022	As at 31st March, 2021
India	1,087	975
Bangladesh	118	86
Vietnam*	568	549
Others	55	52
Total segment assets	1,828	1,662

* Includes goodwill on consolidation amounting to ₹529 Crore as at 31st March, 2022, ₹ 505 Crore as at 31st March, 2021.

31 Interests in Other Entities

a) Subsidiary

The Group's subsidiaries at 31st March, 2022 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, 2022	31st March, 2021	31st March, 2022	31st March, 2021
		%	%	%	%
Subsidiary Companies:					
Marico Bangladesh Limited (MBL)	Bangladesh	90	90	10	10
Marico Bangladesh Industries Limited (MBLIL)	Bangladesh	100	100	Nil	Nil
Marico Middle East FZE (MME)	UAE	100	100	Nil	Nil
Marico Gulf LLC (MLLC)***	UAE	100	NA	Nil	NA
Egyptian American Investment and Industrial Development Company S.A.E (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	Egypt	100	100	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 (MSEA)	Vietnam	100	100	Nil	Nil
Marico Consumer Care Limited (MCCL) (refer note (i) below)	India	Nil	Nil	Nil	Nil
Halite Personal Care India Private Limited (A Company under Voluntary Liquidation)	India	100	100	Nil	Nil
Zed Lifestyle Private Limited (refer note (ii) below)	India	100	100	Nil	Nil
Marico Innovation Foundation (MIF) (refer note (iii) below)	India	NA	NA	NA	NA
Parachute Kalpavriksha Foundation (PKF) (refer note (iv) below)	India	NA	NA	NA	NA
Marico Lanka (Private) Limited	Sri Lanka	100	100	Nil	Nil
APCOS Naturals Private Limited (refer note (v) below)	India	52.4	NA	47.6	NA

The principle activity of the Group is consumer goods business.

- The National Company Law Tribunal at Mumbai Bench has, vide order dated December 2, 2020 sanctioned Scheme of Arrangement ('the Scheme') of Marico Consumer Care Ltd (MCCL) (Subsidiary of Marico Ltd) with effective date as April 1, 2020 with the holding company.
- Zed Lifestyle Private Limited w.e.f 30th June, 2020, the Company has acquired the remaining 55% stake in ZED Lifestyle Private Limited (which was earlier a Joint Venture) and converted it into a wholly owned subsidiary.
- Marico Innovation Foundation ("MIF"), a company incorporated under Section 25 of the Companies Act, 1956

Notes (Contd.)

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(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.

- (iv) Parachute Kalpavriksha Foundation ("PKF"), a company incorporated under Section 8 of the Companies Act, 2013 (being a private company limited by guarantee not having share capital) primarily with an objective of undertaking/channelizing the CSR activities of the Company towards community and ecological sustenance, is a subsidiary of the Company with effect from 27th December, 2018. Based on the Control assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.
- (v) The group has acquired 52.38% stake in APCOS Naturals Private Limited (52.38% stake as on 21st July, 2021).
- (vi) Marico Gulf LLC has become step down subsidiary of Marico Ltd. w.e.f. 17th January, 2022.

32 Related Party Transactions

I Name of related parties and nature of relationship:

a) Joint venture (JV)

Zed Lifestyle Private Limited (JV)

During the previous year ended 31st March, 2021 the Group has acquired the remaining 55% stake in Zed Lifestyle Private Limited (which was earlier a Joint Venture) and converted it into a wholly owned subsidiary.

Revolutionary Fitness Private Limited (JV)

During the previous year ended 31st March, 2021 the Group sold the entire stake in Revolutionary Fitness Private Limited.

Hello Green Private Limited (JV)

During the previous year ended 31st March, 2021 the Group sold the entire stake in Hello Green Private Limited.

b) Subsidiaries - Not consolidated

Marico Innovation Foundation (MIF)

Parachute Kalpavriksha Foundation (PKF)

c) Key management personnel (KMP):

Mr. Harsh Mariwala, Chairman and Non-Executive Director

Mr. Saugata Gupta, Managing Director and CEO

Mr. Ananth Sankaranarayanan, Independent Director

Mr. B.S. Nagesh, Independent Director (ceased to be a Director with effect from end of day March 31, 2022)

Ms. Hema Ravichandar, Independent Director

Mr. Nikhil Khattau, Independent Director

Mr. Rajendra Mariwala, Non-Executive Director

Mr. Kanwar Bir Singh Anand, Independent Director (ceased to be a Director with effect from July 30, 2021)

Mr. Sanjay Dube, Independent Director (ceased to be a Director with effect from July 30, 2021)

Mr. Milind Barve, Independent Director (Appointed with effect from August 2, 2021)

Mr. Rajeev Vasudeva, Independent Director (Appointed with effect from November 1, 2021)

Mr. Rishabh Mariwala, Non-Executive Director

Mr. Vivek Karve, Chief Financial Officer (Resigned with effect from close of business hours on September 10, 2020)

Mr. Pawan Agrawal, Chief Financial Officer (Appointed with effect from close of business hours on September 10, 2020)

Ms. Hemangi Ghag, Company Secretary & Compliance Officer (Resigned with effect from close of business hours of September 3, 2021)

Mr. Vinay M A, Company Secretary & Compliance Officer (Appointed with effect from October 28, 2021)

d) 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. Rajendra Mariwala, Non-Executive Director

Mr. Rishabh Mariwala, Non-Executive Director and son of Mr. Harsh Mariwala, Chairman and Non-Executive Director

e) Post employment benefit controlled trust

Marico Limited Employees Provident Fund

Marico Limited Employees Gratuity Fund

Marico Limited Pension Scheme

f) Others - Entities in which above (b) and (c) has significant influence and transactions have taken place:

Aqua Centric Private Limited

Ascent India Foundation

Kaya Limited

Mariwala Health Foundation

Aaidea Solutions Private Limited

Bright Lifecare Private Limited

Soap Opera

The Bombay Oil Private Limited

Leap India Private Limited

Surf boat Private Limited

Koyla ki proylsers Private Limited

Delhivery Private Limited

Primemover Mobility Technologies

Centum Learning Limited

Sharrp Consumer Wellbeing Solutions Private Limited (formerly known as Indian School of Communications Private Limited)



Notes (Contd.)

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Harsh Mariwala Enterprises LLP

II Transactions with related parties

The following transactions occurred with related parties:
Key management personnel compensation.

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
Employee share-based payment	23	4
Short-term employee benefits	16	13
Post-employment benefits	1	1
Total compensation	40	18
Remuneration / sitting fees to Chairman	4	4
Remuneration / sitting fees to Non-Executive and Independent Directors (Excluding the Chairman)	3	3

i. Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

ii. Also ESOP & STAR grant accrued annually are included in the KMP's remuneration in the year in which the same are exercised.

Contribution to post employment benefit controlled trust

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
Marico Limited Employees Provident Fund	31	28
Marico Limited Employees Gratuity Fund	4	5
	35	33

(₹ in Crore)

Particular	Joint Venture & Subsidiaries (Referred in I (a) and (b) above)		Others (Referred in I (f) above)	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Expenses paid on behalf of related parties	-	-	1	0
Kaya Limited	-	-	0	0
Others	-	-	0	0
Sale of goods	-	-	1	3
Kaya Limited	-	-	-	-
Aaidea Solutions Private Limited	-	-	1	3
Lease Rental Income	-	-	1	1
Kaya Limited	-	-	1	1
Soap Opera	-	-	-	0
Harsh Mariwala Enterprises LLP	-	-	0	-
Others	-	-	0	0
Donation Given / CSR Activities	9	7	-	-
Marico Innovation Foundation	1	1	-	-
Parachute Kalpavriksha Foundation	8	6	-	-
Royalty expense	-	-	0	0
Kaya Limited	-	-	0	0

(₹ in Crore)

Particular	Joint Venture & Subsidiaries (Referred in I (a) and (b) above)		Others (Referred in I (f) above)	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Sale of Investment	-	5	-	-
Revolutionary Fitness Private Limited	-	5	-	-
Hello Green Private Limited	-	0	-	-
Purchase of goods	-	-	0	1
Kaya Limited	-	-	-	0
Soap Opera	-	-	0	1
Purchase of Fixed Assets	-	-	0	-
Soap Opera	-	-	0	-
Brand Purchase	-	-	-	4
Bombay Oil Private Limited	-	-	-	4
Reimbursement of Expense	-	-	-	0
Soap Opera	-	-	-	0
Towards adjustment of reimbursement charged	-	-	0	-
Soap Opera	-	-	0	-
Aqua Centric Private Limited	-	-	0	-
Ascent India Foundation	-	-	0	-
Mariwala Health Foundation	-	-	0	-
Harsh Mariwala Enterprises LLP	-	-	0	-
Others	-	-	0	-
Advertising Expense	-	-	-	0
Bright Lifecare Private Limited	-	-	-	0
Other Services	-	-	3	-
Leap India Private Limited	-	-	2	-
Delhivery Private Limited	-	-	0	-
Centum Learning Limited	-	-	1	-
Others	-	-	0	-



Notes (Contd.)

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III Outstanding balances

(₹ in Crore)

Particulars	Joint Venture & Subsidiaries (Referred in I (a) above)		Others (Referred in I (f) above)	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties				
Trade receivables			0	0
Kaya Limited	-	-	-	0
Aaidea Solutions Private Limited	-	-	0	0
Trade payable			0	0
Kaya Limited	-	-	-	0
Leap India Private Limited	-	-	0	-
Royalty Payable			-	0
Kaya Limited	-	-	-	0
Advances to related parties			0	0
Kaya Limited	-	-	0	0
Harsh Mariwala Enterprises LLP	-	-	0	-
Others	-	-	0	0

All the transactions are in normal course of business.

33 Contingent liabilities

(₹ in Crore)

Particulars	As at	As at
	31st March, 2022	31st March, 2020
Disputed tax demands / claims		
Sales tax / GST	189	169
Income tax	289	181
Service tax	0	0
Employees state insurance corporation	0	0
Excise duty	33	33
Claims against the Group not acknowledged as debts	20	20
Corporate guarantees given to banks on behalf of Broadcast Audience Research Council (BARC)	1	1
Corporate guarantees given to banks against which credit and other facilities are availed at the year end	244	188

Note:

- The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.
- The Group has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives and allowances. The Group have contingent liability of ₹ 289 crore and ₹ 181 crore as at March 31, 2022 and 2021, respectively, in respect of tax demands, which are being contested by the Group based on the management evaluation and advice of tax consultants.
- The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions it operates in. The Group has assessed these notices and inquiries and estimated that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

34 Commitments

Capital commitments:

(₹ in Crore)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	31	40
Total	31	40

35 Share-Based Payments

(a) Employee stock option plan

Marico ESOP 2016

During the year ended 31st March, 2017, the Group 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 equity share capital of the Group as on the commencement date of the Plan i.e. 5th August, 2016. Further, the stock options to any single employee under single scheme under the Plan shall not exceed 0.15% of the issued equity share capital of the Group 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 Group. The vesting period under the Plan is not be less than one year and not more than five years. Pursuant to the said approval, the Group notified below schemes under the Plan:

As at March 31 2022

Scheme	Part	Options outstanding as at 31st March, 2022	Exercise price	Vesting date	Weighted average share price of options exercised	Balance as at beginning of the year	Number of options granted, exercised and forfeited				Weighted average remaining contractual life of options outstanding at end of period (in years)
							Granted during the year	Less: Exercised during the year	Less: Forfeited / lapsed during the year	Balance as at end of the year	
Scheme II		-	280.22	31-Mar-19	-	939,700	-	939,700	-	-	-
Scheme III	Part III	-	1.00	30-Nov-19	-	1,910	-	1,910	-	-	-
Scheme IV	Part I	83,340	256.78	30-Nov-19	-	222,770	-	139,430	-	83,340	0.33
	Part II	6,200	302.34	30-Nov-19	-	16,930	-	10,730	-	6,200	0.33
	Part III	7,570	307.77	30-Nov-19	-	19,500	-	11,930	-	7,570	0.33
Scheme VI	Part I	-	1.00	30-Nov-20	-	21,320	-	21,320	-	-	0.83
	Part III	740	1.00	30-Nov-20	-	740	-	-	-	740	0.83
Scheme VII	Part I	138,780	307.77	30-Nov-20	-	263,980	-	123,060	2,140	138,780	0.83
	Part II	13,760	316.53	30-Nov-20	-	32,770	-	19,010	-	13,760	0.83
	Part III	22,570	346.47	30-Nov-20	-	29,390	-	6,820	-	22,570	0.83
Scheme IX	Part I	15,290	1.00	30-Nov-21	-	59,310	-	34,880	9,140	15,290	1.33
	Part II	8,100	1.00	30-Nov-21	-	8,100	-	-	-	8,100	1.33



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Number of options granted, exercised and forfeited

Scheme	Part	Options outstanding as at 31st March, 2022	Exercise price	Vesting date	Weighted average share price of options exercised	Balance as at beginning of the year	Granted during the year	Less: Exercised during the year	Less: Forfeited / lapsed during the year	Balance as at end of the year	Weighted average remaining contractual life of options outstanding at end of period (in years)
Scheme X	Part I	335,440	346.47	30-Nov-21	-	513,760	-	95,590	82,730	335,440	1.33
	Part II	11,200	357.51	30-Nov-21	-	52,180	-	29,000	11,980	11,200	1.33
	Part III	37,280	346.00	30-Nov-21	-	45,420	-	3,900	4,240	37,280	1.33
Scheme XI		222,700	357.65	31-Mar-22	-	222,700	-	-	-	222,700	1.50
Scheme XII		386,380	357.65	31-Mar-22	-	526,890	-	-	140,510	386,380	1.50
Scheme XIII	Part I	717,540	346.00	30-Nov-22	-	855,800	-	-	138,260	717,540	2.17
	Part II	45,230	330.38	30-Nov-22	-	45,230	-	-	-	45,230	2.17
	Part III	109,550	372.10	30-Nov-22	-	109,550	-	-	-	109,550	2.17
Scheme XIV		425,100	330.38	31-Mar-23	-	425,100	-	-	-	425,100	2.50
Scheme XV	Part I	65,040	1.00	30-Nov-23	-	82,970	-	-	17,930	65,040	3.17
	Part II	6,548	1.00	30-Nov-23	-	-	6,548	-	-	6,548	3.17
Scheme XVI	Part I	695,890	372.10	30-Nov-23	-	838,510	-	-	142,620	695,890	3.17
	Part II	87,435	451.56	30-Nov-23	-	-	87,435	-	-	87,435	3.17
	Part III	145,866	545.34	30-Nov-23	-	-	145,866	-	-	145,866	3.17
Scheme XVII		52,080	1.00	31-Mar-24	-	-	52,080	-	-	52,080	3.50
Scheme XVIII		297,940	451.56	31-Mar-24	-	-	297,940	-	-	297,940	3.50
Scheme XIX		54,196	1.00	30-Nov-24	-	-	62,868	-	8,672	54,196	4.17
Scheme XX		839,114	545.34	30-Nov-24	-	-	868,446	-	29,332	839,114	4.17
Scheme XXI		-	1.00	31-Mar-24	-	-	6,083	-	6,083	-	3.50
Scheme XXII		24,017	545.34	31-Mar-24	-	-	79,032	-	55,015	24,017	3.50
Total						4,394,830	1,606,298	497,580	648,652	4,854,896	

As at March 31 2021

Number of options granted, exercised and forfeited

Scheme	Part	Options outstanding as at 31st March, 2021	Exercise price	Vesting date	Weighted average share price of options exercised	Balance as at beginning of the year	Granted during the year	Less: Exercised during the year	Less: Forfeited / lapsed during the year	Balance as at end of the year	Weighted average remaining contractual life of options outstanding at end of period (in years)
Scheme II		939,700	280.22	31-Mar-19	-	939,700	-	-	-	939,700	0.50
Scheme III	Part I	-	1.00	30-Nov-19	-	28,140	-	28,140	-	-	-
	Part II	-	1.00	30-Nov-19	-	4,470	-	4,470	-	-	-
	Part III	1,910	1.00	30-Nov-19	-	1,910	-	-	-	1,910	0.83
	Part I	222,770	256.78	30-Nov-19	-	323,110	-	97,240	3,100	222,770	0.83
Scheme IV	Part II	16,930	302.34	30-Nov-19	-	43,480	-	18,100	8,450	16,930	0.83
	Part III	19,500	307.77	30-Nov-19	-	27,180	-	7,680	-	19,500	0.83
Scheme V		-	1.00	31-Mar-20	-	67,120	-	67,120	-	-	-
Scheme VI	Part I	21,320	1.00	30-Nov-20	-	64,720	-	24,060	19,340	21,320	1.33
	Part II	-	1.00	30-Nov-20	-	3,320	-	3,320	-	-	-
	Part III	740	1.00	30-Nov-20	-	740	-	-	-	740	1.33
Scheme VII	Part I	263,980	307.77	30-Nov-20	-	363,560	-	34,540	65,040	263,980	1.33
	Part II	32,770	316.53	30-Nov-20	-	55,500	-	20,860	1,870	32,770	1.33
	Part III	29,390	346.47	30-Nov-20	-	39,220	-	1,560	8,270	29,390	1.33
Scheme VIII		-	1.00	31-Mar-20	-	24,820	-	24,820	-	-	-
Scheme IX	Part I	59,310	1.00	30-Nov-21	-	78,240	-	-	18,930	59,310	2.17
	Part II	8,100	1.00	30-Nov-21	-	8,100	-	-	-	8,100	2.17
Scheme X	Part I	513,760	346.47	30-Nov-21	-	612,240	-	-	98,480	513,760	2.17
	Part II	52,180	357.51	30-Nov-21	-	55,880	-	-	3,700	52,180	2.17
	Part III	45,420	346.00	30-Nov-21	-	45,420	-	-	-	45,420	2.17
Scheme XI		222,700	357.65	31-Mar-22	-	222,700	-	-	-	222,700	2.50
Scheme XII		526,890	357.65	31-Mar-22	-	526,890	-	-	-	526,890	2.50
Scheme XIII	Part I	855,800	346.00	30-Nov-22	-	946,860	-	-	91,060	855,800	3.17
	Part II	45,230	330.38	30-Nov-22	-	-	45,230	-	-	45,230	3.17
	Part III	109,550	372.10	30-Nov-22	-	-	115,460	-	5,910	109,550	3.17
Scheme XIV		425,100	330.38	31-Mar-23	-	-	425,100	-	-	425,100	3.50
Scheme XV		82,970	1.00	30-Nov-23	-	-	82,970	-	-	82,970	4.17
Scheme XVI		838,510	372.10	30-Nov-23	-	-	874,820	-	36,310	838,510	4.17
Total						8,878,150	3,228,910	829,490	1,064,127	10,213,443	



Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

Particulars	31st March 2022	31st March 2021
Aggregate of all stock options outstanding as at the year end to current paid-up equity share capital (percentage)	0.38%	0.41%

The following assumptions were used for calculation of fair value of grants using Black-Scholes:

Scheme	Part	Risk-free interest rate (%)	Expected life of options (years)	Expected volatility (%)	Dividend yield (%)	Fair value of the option
Scheme II		7.25%	3 years 2 months	25.80%	0.96%	85.53
Scheme III	Part I	6.75%	3 years 6 months	26.10%	0.96%	246.12
	Part II	6.25%	3 years 1 months	26.70%	1.07%	308.10
	Part III	6.50%	2 years 6 months	23.10%	1.07%	301.35
Scheme IV	Part I	6.75%	3 years 6 months	26.10%	0.96%	68.80
	Part II	6.25%	3 years 1 months	26.70%	1.07%	86.70
	Part III	6.50%	2 years 6 months	23.10%	1.07%	64.28
Scheme VI	Part I	6.75%	3 years 6 months	25.50%	1.07%	298.18
	Part II	7.00%	3 years	23.84%	1.29%	308.80
	Part III	7.30%	2 years 6 months	22.50%	1.29%	346.10
Scheme VII	Part I	6.75%	3 years 6 months	25.50%	1.07%	83.77
	Part II	7.00%	3 years	23.84%	1.29%	77.50
	Part III	7.30%	2 years 6 months	22.50%	1.29%	79.70
Scheme IX	Part I	7.39%	3 years 6 months	23.40%	1.29%	341.70
	Part II	7.39%	3 years 1 months	23.40%	1.29%	358.30
Scheme X	Part I	7.39%	3 years 6 months	23.40%	1.29%	98.20
	Part II	7.39%	3 years 1 months	23.40%	1.29%	69.20
	Part III	6.35%	3 years 6 months	22.14%	1.29%	74.50
Scheme XI		7.39%	3 years 5 months	23.40%	1.29%	89.50
Scheme XII		7.39%	3 years 5 months	23.40%	1.29%	89.50
Scheme XIII	Part I	6.42%	4 years 6 months	22.94%	1.29%	89.40
	Part II	4.90%	3 years 11 months	24.68%	1.71%	80.79
	Part III	4.65%	3 years 6 months	24.83%	1.71%	80.90
Scheme XIV		4.90%	4 years 3 months	24.47%	1.71%	83.53
Scheme XV	Part I	4.98%	4 years 6 months	24.51%	1.71%	345.30
	Part II	5.42%	3 years 6 months	25.08%	1.88%	488.70
Scheme XVI	Part I	4.98%	4 years 6 months	24.51%	1.71%	93.00
	Part II	5.27%	4 years	24.39%	1.71%	112.20
	Part III	5.42%	3 years 6 months	25.08%	1.88%	107.30
Scheme XVII		5.27%	4 years 4 months	24.22%	1.71%	452.40
Scheme XVIII		5.27%	4 years 4 months	24.22%	1.71%	116.20
Scheme XIX		5.73%	4 years 6 months	24.14%	1.88%	479.60
Scheme XX		5.73%	4 years 6 months	24.14%	1.88%	123.10
Scheme XXI		5.13%	2 years 10 months	25.03%	1.88%	494.80
Scheme XXII		5.13%	2 years 10 months	25.02%	1.88%	93.60

35 Share-Based Payments

(b) Share appreciation rights

The Nomination and Remuneration Committee has granted Stock Appreciation Rights ("STAR") to certain eligible employees pursuant to the Group'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 VII 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 Nomination and Remuneration Committee comprising independent directors.

Scheme	Grant Date	Grant Price (₹)	Vesting Date	As at March 31 2022						As at March 31 2021								
				Number of grants outstanding (Nos)						Number of grants outstanding (Nos)								
				at the beginning of the year	Add: Granted during the year	Less: Forfeited during the year	Less: Exercised during the year	at the end of the year	Classified as long-term	Classified as short-term	at the beginning of the year	Add: Granted during the year	Less: Forfeited during the year	Less: Exercised during the year	at the end of the year	Classified as long-term	Classified as short-term	
STAR VIII	01-Dec-17	307.77	30-Nov-20	-	-	-	-	-	-	-	-	247,390	-	11,110	236,280	-	-	
	31-May-18	316.53	30-Nov-20	-	-	-	-	-	-	-	-	36,990	-	-	36,990	-	-	
	02-Aug-18	352.42	30-Nov-20	-	-	-	-	-	-	-	-	40,000	-	-	40,000	-	-	
	04-Dec-18	346.47	30-Nov-20	-	-	-	-	-	-	-	-	57,020	-	19,330	37,690	-	-	
STAR IX	04-Dec-18	346.47	30-Nov-21	364,910	-	58,720	306,190	-	-	-	-	437,500	-	72,590	-	364,910	-	2
	06-May-19	357.51	30-Nov-21	16,620	-	10,410	6,210	-	-	-	-	20,320	-	3,700	-	16,620	-	0
	20-Dec-19	346.04	30-Nov-21	54,240	-	9,710	44,530	-	-	-	-	54,240	-	-	-	54,240	-	0
STAR X	20-Dec-19	346.04	30-Nov-22	375,500	-	76,360	3,860	295,280	-	3	439,200	-	63,700	-	375,500	2	-	
	23-Jun-20	330.38	30-Nov-22	45,230	-	-	-	45,230	-	1	-	45,230	-	-	45,230	0	-	
STAR XI	01-Dec-20	372.1	30-Nov-22	31,820	-	-	-	31,820	-	0	-	31,820	-	-	31,820	0	-	
	01-Dec-20	372.1	30-Nov-22	672,520	-	115,920	3,690	552,910	3	-	-	684,300	11,780	-	672,520	1	-	
	26-May-21	451.56	30-Nov-23	-	94,255	-	-	94,255	0	-	-	-	-	-	-	-	-	
STAR XII	07-Dec-21	545.34	30-Nov-23	-	95,534	-	-	95,534	0	-	-	-	-	-	-	-	-	
	07-Dec-21	545.34	30-Nov-24	-	736,634	10,528	-	726,106	1	-	-	-	-	-	-	-	-	
Total			1,560,840	926,423	281,648	364,480	1,841,135	3	4	1,332,660	761,350	182,210	350,960	1,560,840	3	2		

The Group 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 Group under the Plan. The Group has advanced ₹ 47 Crore as at 31st March, 2022 (₹ 33 Crore as at 31st March, 2021) 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 Group. The Group, after adjusting the loan advanced and interest thereon (on loan advanced after 1 April, 2013), shall utilize the proceeds towards meeting its STAR Value obligation.

The fair value of the STAR's was determined using the Black-Scholes model using the following inputs at the grant date and as at each reporting date:

Particulars	31st March, 2022	31st March, 2021
Share price at measurement date (INR per share)	503.7	411.3
Expected volatility (%)	22.9%-26.2%	21.75%-26.9%
Dividend yield (%)	1.90%	1.71%
Risk-free interest rate (%)	4.3% - 5.4%	3.93%-4.93%



Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

(c) Expense arising from share-based payment transactions recognised in Profit or Loss as part of employee benefit expense were as follows:

Particulars	31st March, 2022	31st March, 2021
Employee stock option plan	10	9
Stock appreciation rights	13	6
Total employee share based payment expense	23	15

36 Earnings Per Share

Basic EPS amounts are calculated by dividing the profit after tax for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit after tax for the year attributable to equity shareholders by weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the company (in ₹)	9.50	9.08
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the company (in ₹)	9.49	9.08
(c) Earnings (₹ in Crores) used in calculating earnings per share	1,225	1,172
(d) Weighted average number of equity shares used as denominator		
Weighted average number of equity shares outstanding	1,291,882,131	1,291,184,537
Shares held in controlled trust (refer note ii below)	(1,249,564)	(1,058,840)
Weighted average number of equity shares in calculating basic earnings per share	1,290,632,567	1,290,125,697
Options	1,547,035	914,044
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	1,292,179,602	1,291,039,741

(e) Information concerning the classification of securities

(i) Options

Options granted to employees under 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.

37 Additional information required by Schedule III

(₹ in Crore)

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 total comprehensive income		Amount (₹ in Crore)	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Parent:																
Marico Limited*	89.52%	93.17%	3,048	3,035	59.22%	64.16%	743	769	7.21%	37.80%	2	2	57.81%	64.06%	746	771
Subsidiaries:																
- Indian																
Zed Lifestyle Private Limited	0.24%	0.24%	8	8	0.01%	0.13%	0	2	0.00%	0.00%	-	-	0.01%	0.13%	0	2
Apcos Naturals Private Limited	0.27%	-	9	-	-0.37%	-	(5)	-	-0.29%	-	(0)	-	-0.36%	0.00%	(5)	-
- Foreign																
Marico Bangladesh Limited	6.94%	4.34%	236	141	48.01%	41.40%	603	497	4.76%	-47.45%	2	(2)	46.91%	41.07%	605	494
Marico Bangladesh Industries Limited	0.01%	0.01%	0	0	0.00%	0.00%	(0)	(0)	0.00%	0.00%	-	-	0.00%	0.00%	(0)	(0)
Marico Middle East FZE	-6.24%	-6.24%	(212)	(203)	-12.65%	-12.31%	(159)	(148)	0.60%	1.56%	0	0	-12.29%	-12.25%	(159)	(148)
MEL Consumer Care SAE	-1.63%	-1.84%	(55)	(60)	-0.17%	-0.03%	(2)	(0)	0.00%	0.00%	-	-	-0.16%	-0.03%	(2)	(0)
Marico Egypt Industries Company	-0.05%	-0.06%	(2)	(2)	-0.01%	-0.02%	(0)	(0)	0.00%	0.00%	-	-	-0.01%	-0.02%	(0)	(0)
Egyptian American Company for Investment and Industrial Development SAE	-0.04%	-0.05%	(1)	(2)	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Marico South Africa Consumer Care (Pty) Limited	1.23%	1.22%	42	40	0.00%	-1.56%	(0)	(19)	0.00%	0.00%	-	-	0.00%	-1.55%	(0)	(19)
Marico South Africa (Pty) Limited	1.61%	1.39%	55	45	0.59%	0.30%	7	4	0.00%	0.00%	-	-	0.57%	0.30%	7	4
Marico for Consumer Care Products SAE	-0.75%	-0.87%	(25)	(28)	0.18%	-0.02%	2	(0)	0.00%	0.00%	-	-	0.17%	-0.02%	2	(0)
Marico Malaysia Sdn Bhd	0.00%	0.00%	0	0	0.00%	0.00%	(0)	(0)	0.00%	0.00%	-	-	0.00%	0.00%	(0)	(0)
Marico South East Asia Corporation	1.76%	2.00%	60	65	5.74%	4.21%	72	50	0.00%	0.00%	-	-	5.58%	4.19%	72	50
Marico Lanka Private Limited	-0.16%	-0.11%	(6)	(4)	-0.04%	-0.15%	(0)	(2)	0.00%	0.00%	-	-	-0.04%	0.00%	(0)	(2)
Marico Gulf LLC	0.02%	-	1	-	0.03%	-0.15%	0	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-



Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

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 total comprehensive income		Amount (₹ in Crore)	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Joint Ventures																
- Indian																
Zed Lifestyle Private Limited	-	-	-	-	-	-0.12%	-	(1)	-	-	-	-	-	-0.12%	-	(1)
Revolutionary Fitness Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hello Green Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal			3,158	3,036			1,262	1,151			4	(0)			1,267	1,151
Intercompany Elimination & Consolidation Adjustments	7.26%	6.81%	247	222	-0.53%	4.02%	(7)	48	87.73%	108.09%	30	5	1.81%	4.42%	23	53
Grand total:			3,405	3,258			1,255	1,199			34	5			1,290	1,204
Minority Interest in all subsidiaries	1.67%	0.55%	57	18	2.39%	2.27%	30	27	0.00%	0.00%	-	-	2.33%	2.24%	30	27

* Marico Consumer Care Limited (MCCL) merged with Marico Ltd. The appointed date of amalgamation is 1st April, 2020.

38 The Group has a process whereby periodically all long term contracts (including derivative contracts if any) are assessed for material foreseeable losses. At the year end, basis the review performed, no provision was required for material foreseeable losses on long term contracts (including derivative contracts).

39 Exceptional Items

Particulars	(₹ in Crore)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
1 Fair value of previously held equity Interest in Zed Lifestyle Private Limited as on date of conversion from joint venture to subsidiary (gain)	-	(64)
2 Provision towards impairment of Goodwill on Consolidation arising out of investment in South Africa (refer note 2d & 5)	-	19
3 Provision towards impairment identified by the Company pursuant to a restructuring at one of the manufacturing units located at Baddi, India:		
a. Certain unusable fixed assets	-	30
b. Inventories of consumable stores	-	2
	-	(13)

- 40** (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- (ii) The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41 Previous years figures have been regrouped/re-classified to conform to below requirement of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021 :

- a) Lease Liabilities separately disclosed on the face of the Balance Sheet under the head "Financial liabilities"
- b) Security deposits regrouped under "Other Financial assets", which were earlier part of "Loans"

42 Acquisition of Subsidiary

On July 21, 2021, the Company has acquired 52.38% stake and gained control of Apcos Naturals Private Limited as a subsidiary for a consideration of ₹55 crore as subsidiary.

At July 21, 2021, the fair value of assets and liabilities acquired have been determined by the Company and accounted for in accordance with IND AS 103 – "Business Combination".

Taking control of Apcos Naturals Private Limited (which owns the brand Just Herbs) will enable the Group to accelerate its digital transformation journey through building scalable digital-first brands, either organically or inorganically, as well as to premiumise its play in personal care

a) Details of purchase consideration, net assets acquired and goodwill

Acquisition related cost

The Group incurred acquisition related cost of ₹ 0.5 crore on legal fees. These costs have been included in "other expenses".

Notes (Contd.)

To Consolidated Financial Statements for the year ended 31st March, 2022

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

Particulars	Amount (₹ in Crore)
ASSETS	
Non-current assets	
Property, Plant and Equipment	1
Capital work-in-progress	0
Right of use assets	1
Intangible assets	81
Other non-current assets	0
Total non-current assets	83
Current assets	
Inventories	2
Trade receivables	2
Cash and cash equivalents	11
Bank balances other than cash & cash equivalents	3
Other Financial Assets	0
Current Tax Assets (Net)	0
Other current assets	1
Total current assets	19
Fair value of assets acquired	102
LIABILITIES	
Non-current liabilities	
Financial Liabilities	
Borrowings	0
Lease Liabilities	1
Employee Benefit Obligations	0
Total Non-current liabilities	1
Current liabilities	
Financial Liabilities	
Borrowings	0
Lease Liabilities	0
Trade payables	
Total outstanding dues of micro enterprises and small enterprises	1
Total outstanding dues of creditors other than micro enterprises and small enterprises	4
Other financial liabilities	0
Other current liabilities	1
Provisions	0
Employee Benefit Obligations	0
Total current liabilities	7
Fair value of liabilities acquired	8
Deferred Tax on acquisition	21
Total Identifiable net assets / (liabilities) acquired	73

Note : The fair value of Trade receivable and other receivables is the same as mentioned in above table

b. Goodwill

Particulars	Amount (₹ in Crore)
Consideration transferred	55
Non-controlled interest in the acquired entity	35
Less: Net Identifiable assets acquired	73
Goodwill	17

c. Disclosure of the revenue and profit for current reporting period.

	Revenue (₹ in Crore)	(Loss)
i. Since the acquisition date	27	(4)
ii. Had it been at the beginning of the reporting period	35	(7)

43 Information with regards to other matters in the Companies Act are either Nil or Not applicable to the Company.

As per our 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]

PAWAN AGRAWAL
Chief Financial Officer

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2022

Place : Mumbai
Date : May 05, 2022



Independent Auditors' Report

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Marico Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

[Refer to Note (d) of Significant Accounting Policies and Note 18 to the Standalone Financial Statements]

The Key Audit Matter	How the matter was addressed in our audit
Revenue is recognised based on the arrangement with customers. Revenue is recognised when control of the underlying products has been transferred to the customer. There is a risk of revenue being overstated due to the pressure management may feel to achieve performance targets.	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> Evaluated appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards. Tested design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue in the general ledger accounting system. Performed substantive testing by selecting samples of revenue transactions recorded, and verifying the underlying documents i.e. sales invoices and shipping documents. Inspected, on a sample basis, key customer contracts to identify terms and conditions for sale. Tested manual journals posted to revenue to identify unusual items. Performed analytical procedures on sales such as trend analysis to identify any unusual fluctuations.

Uncertain Tax Position

Refer note (g) of Significant Accounting Policies and Note 25 and 31 to the standalone financial statements

The Key Audit Matter	How the matter was addressed in our audit
The Company operates in a complex tax jurisdiction with certain tax exemptions / deductions that may be subject to challenges and audits by tax authorities. There are significant open tax matters under litigation with tax authorities Judgement is required in assessing the level of provisions and disclosure of contingent liabilities required in respect of uncertain tax position that reflects management's best estimates of the most likely outcome based on the facts available.	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> For uncertain tax positions, inspected select correspondences with tax authorities. Evaluated management's judgment regarding the expected resolution of matters with various tax authorities, based on external tax expert/counsel opinions and the use of past experience, where available, with the tax authorities. Involved our tax specialists to evaluate the status of ongoing tax litigations and judgemental tax positions in tax returns and their most likely outcome, basis their expertise, industry outcomes and company's own past experience in respect of similar matters. Evaluated the adequacy of financial statement disclosures in respect of the tax provision / adjustments and contingencies..

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and 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) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate

the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we



Independent Auditors' Report (Contd.)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (Continued)

are required to draw attention in our auditor's report to the related disclosures in the standalone 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 the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 14 and 31 to the standalone financial statements;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in note 38 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever

("Ultimate Beneficiaries") by or on behalf of the Company or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

- e. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sadashiv Shetty
Partner
Membership No: 048648
UDIN: 21048648AAAAAQ9704

Mumbai
5 May 2022

Annexure - A to the Independent Auditors' Report - 31 March 2022

(Referred to in our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars including, quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (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 (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable

and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks or financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investments in a company and has provided guarantee and security to other parties during the year, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties and has not provided guarantee or security to any companies, firms or limited liability partnership.
- (a) (A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided guarantees in favour of some of its subsidiaries as below.

Particulars	Guarantees (INR in crore)
Aggregate amount during the year	
- Subsidiaries*	4
Balance outstanding as at balance sheet date	
- Subsidiaries*	287

* As per Companies Act, 2013

- (a) (B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not given any security and has not granted any loans or advances in the nature of loans, to parties other than subsidiaries during the year.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by

us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loan given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any security during the year as specified under section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company and guarantees given by the Company in favour of its subsidiaries, in our opinion, the provisions of section 186 of the Act have been complied with.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) 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 carried out a detailed

examination of the records with a view to determine whether they are accurate or complete

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax ('GST'), Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess and other statutory dues have been 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 Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and services tax (GST), Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs or Cess or other material statutory dues which have not been deposited on account of any dispute are as mentioned in Enclosure 1 to this report.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender during the year.



Annexure - A to the Independent Auditors' Report - 31 March 2022 (Contd.)

(Referred to in our report of even date)

- (ix) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (ix) (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.
- (ix) (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (ix) (e) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (ix) (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (x) (b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (xi) (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi) (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with the Sections 177 and 188 of the Act, where applicable and the details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (xvi) (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (xvi) (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (xvi) (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Sadashiv Shetty

Mumbai
5 May 2022

Partner
Membership No: 048648
UDIN: 21048648AAAAAQ9704

Enclosure I to Annexure A to the Independent Auditors' Report - 31 March, 2022

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 Acts	Sales Tax (including interest and penalty if applicable)	High Court	Various years	55	0*
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Additional Commissioner-Sales tax	Various years	11	1
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Joint Commissioner-Sales tax	Various years	16	2
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Deputy Commissioner-Sales tax	Various years	1	1
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Assistant Commissioner - Sales tax	Various years	0*	0*
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Tribunal	Various years	8	2
The Central Excise Act	Excise Duty (including penalty if applicable)	Customs, Excise and Service Tax Appellate Tribunal	Various years	33	3
Service Tax, (Finance Act, 1994)	Service Tax (including penalty if applicable)	Customs, Excise and Service Tax Appellate Tribunal	2006-2012	0*	0*
CGST Act	Recovery of budgetary support scheme refund	High Court	2017 to 2021	18	-
Income Tax Act, 1961	Income Tax	Commissioner of Income tax (Appeals)	AY 2010-11 to AY 2013-2014 and AY 2017-18 to 2018-19	38	-

* Less than ₹ 0.50 crore



Annexure - B to the Independent Auditors'

Report on the Standalone Financial Statements of Marico Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Marico Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

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 and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls

with reference to financial statements. 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 were established and maintained and whether 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 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 such internal financial controls, 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 standalone 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls 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 controls with reference to financial statements include 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 Standalone 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 Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements

may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sadashiv Shetty

Partner

Mumbai

5 May 2022

Membership No: 048648

UDIN: 21048648AAAAAQ9704



Balance Sheet

as at 31 March 2022

Particulars	Notes	(₹ in Crore)	
		As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	497	485
Capital work-in-progress	3(c)	27	14
Right of use assets	3(b)	124	147
Investment properties	4	21	11
Intangible assets	5	25	26
Investment in subsidiaries	6(a)	544	489
Financial assets			
(i) Investments	6(a)	187	226
(ii) Loans	6(c)	4	3
(iii) Other financial assets	6(f)	13	22
Deferred tax assets (net)	7	171	176
Non current tax assets (net)	16	54	52
Other non-current assets	8	25	22
Total non-current assets		1,692	1,673
Current assets			
Inventories	9	1,093	873
Financial assets			
(i) Investments	6(a)	641	628
(ii) Trade receivables	6(b)	555	310
(iii) Cash and cash equivalents	6(d)	31	16
(iv) Bank balances other than (iii) above	6(e)	264	695
(v) Loans	6(c)	4	62
(vi) Other financial assets	6(g)	38	21
Current tax asset (net)		1	1
Other current assets	10	177	192
Assets classified as held for sale	11	0	11
Total current assets		2,804	2,809
Total assets		4,496	4,482
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	129	129
Other equity			
Reserves and surplus	12(b)	2,920	2,906
Other reserves	12(c)	0	(0)
Total equity attributable to owners		3,049	3,035
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease Liabilities		75	101
Employee benefit obligations (net)	15	14	14
Total non current liabilities		89	115
Current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	95	142
(ii) Trade payables	13(c)		
Total outstanding dues of micro enterprises and small enterprises		74	50
Total outstanding dues of creditors other than micro enterprises and small enterprises		926	792
(iii) Lease Liabilities		29	26
(iv) Other financial liabilities	13(b)	18	13
Other current liabilities	17	154	227
Provisions	14	16	16
Employee benefit obligations (net)	15	37	52
Current tax liabilities (net)	16	9	14
Total current liabilities		1,357	1,332
Total liabilities		1,446	1,447
Total equity and liabilities		4,496	4,482
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 report of even date attached

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]

PAWAN AGRAWAL
Chief Financial Officer

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2022

Place : Mumbai
Date : May 05, 2022

Statement of Profit and Loss

for the year ended 31 March 2022

Particulars	Notes	(₹ in Crore)	
		Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue:			
Revenue from operations	18	7,500	6,337
Other income	19	357	346
Total Income		7,857	6,683
Expenses:			
Cost of materials consumed	20(a)	4,367	3,353
Purchases of stock-in-trade		410	267
Changes in inventories of finished goods, stock-in-trade and work-in progress	20(b)	(86)	56
Employee benefit expense	21	372	374
Finance costs	24	30	22
Depreciation and amortization expense	22	97	107
Other expenses	23	1,254	1,133
Total expenses		6,444	5,312
Profit before exceptional items and tax		1,413	1,371
Exceptional items	36	-	60
Profit before tax		1,413	1,311
Income tax expense for current year			
Current tax	25	246	233
Deferred tax charge/(credit)	7	4	(28)
Total tax expense	32	250	205
Profit for the year (A)		1,163	1,106
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements gain on post employment benefit obligations	15	3	1
Income tax relating to items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements gain on post employment benefit obligations	7	(1)	(0)
Total		2	1
Items that will be reclassified to profit or loss in subsequent periods			
Change in fair value of hedging instruments	12 (c)	1	1
Income tax relating to items that will be reclassified to profit or loss in subsequent periods			
Change in fair value of hedging instruments	7	(0)	(0)
Total		1	1
Other comprehensive income for the year, net of tax (B)		3	2
Total comprehensive income for the year (A+B)		1,166	1,108
Earnings per equity share (in ₹)			
Basic earnings per share		9.02	8.57
Diluted earnings per share		9.01	8.56
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 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

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PAWAN AGRAWAL
Chief Financial Officer

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2022

Place : Mumbai
Date : May 05, 2022



Statement of Changes in Equity

For the year ended 31st March, 2022

A. Equity Share Capital

Balance as at 1st April 2021	Restated balance as at 1st April 2021	Changes in equity share capital during the year due to prior period errors.	Changes in equity share capital during the year*	Balance as at 31st March 2022
129	129	-	0	129
Balance as at 1st April 2020	Restated balance as at 1st April 2020	Changes in equity share capital during the year due to prior period errors.	Changes in equity share capital during the year*	Balance as at 31st March 2021
129	129	-	0	129

* Refer note 12(a)

B. Other Equity

Particular	Notes	Reserves and surplus				Amalgamation Adjustment Account (note g)	WEOMA reserve (note e)	Effective portion of cash flow hedge (note f)	Total other equity
		Securities Premium (note a)	Retained earnings (note b)	General reserve (note c)	Share based option outstanding (note d)				
Balance as at 1st April, 2020		247	2,765	298	25	(27)	73	(1)	2,759
Profit for the year		-	1,106	-	-	-	-	-	1,106
Other comprehensive income for the year		-	1	-	-	-	-	1	2
Total comprehensive income for the year		-	1,107	-	-	-	-	1	1,108
(Purchase)/sale of treasury shares by the trust during the year (net)	12 (b)	-	-	-	-	(13)	-	-	(13)
Dividend paid on equity shares		-	(968)	-	-	-	-	-	(968)
Income of the trust for the year	12 (b)	-	-	-	-	-	5	-	5
Exercise of employee stock options	12 (b)	11	-	-	(5)	-	-	-	6
Share based payment expense	12 (b)	-	-	-	9	-	-	-	9
Balance as at 31st March, 2021		258	2,904	298	29	(40)	78	(0)	2,906
Balance as at 1st April, 2021		258	2,904	298	29	(40)	78	(0)	2,906
Profit for the year		-	1,163	-	-	-	-	-	1,163
Other comprehensive income for the year		-	2	-	-	-	-	1	3
Total comprehensive income for the year	12 (c)	-	1,165	-	-	-	-	1	1,166
(Purchase)/sale of treasury shares by the trust during the year (net)	12 (b)	-	-	-	-	(18)	-	-	(18)
Dividend paid on equity shares	12 (b)	-	(1,195)	-	-	-	-	-	(1,195)
Income of the trust for the year	12 (b)	-	-	-	-	-	10	-	10
Exercise of employee stock options	12 (b)	53	-	-	(12)	-	-	-	41
Share based payment expense	12 (b)	-	-	-	10	-	-	-	10
Balance as at 31st March, 2022		311	2,874	298	27	(58)	88	0	2,920

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c) 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.

d) 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.

e) WEOMA reserve and Treasury shares

The company has formed Welfare of Mariconion's Trust (WEOMA trust) for implementation of the schemes that are 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 provided by 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 (net of tax) and dividend earned on the same by WEOMA trust is recognised in WEOMA reserve.

f) 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 rate 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.

g) Amalgamation Adjustment Deficit Account

Pursuant to the Scheme, the difference between the net assets of the merged undertaking transferred to the Company (adjusted for intercompany balance eliminations) aggregating ₹ 24 crore and the carrying cost of the investment in the share capital of MCCCL aggregating ₹ 642 crore, was adjusted in Other Equity. Of this, the retained earnings (accumulated loss) of MCCCL of ₹ 621 crore was accounted under the Retained earnings of the Company, and the remaining amount aggregating ₹ 621 crore was accounted in a separate reserve account termed as Amalgamation Adjustment Deficit Account.

For **BSR & Co. LLP**
Chartered Accountants
Firm Registration No. 101248/W/-100022
SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 05, 2022

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

PAWAN AGRAWAL
Chief Financial Officer
Place : Mumbai
Date : May 05, 2022

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VINAY M A
Company Secretary
[Membership No. FCS 11362]



Statement of Cash Flow

For the year ended 31st March, 2022

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE INCOME TAX	1,413	1,311
Adjustments for:		
Depreciation and amortization expense	97	107
Finance costs	30	22
Interest income from financial assets	(44)	(42)
(Gain)/ Loss on disposal of property, plant and equipment (Net)	(0)	0
Net fair value changes (including net (gain)/Loss on sale of investments)	(30)	(19)
Dividend income from subsidiaries	(248)	(255)
Employees stock option charge	10	9
Impairment of property plant and equipments, Intangibles and Inventory and Investment in subsidiary (refer note 36)	-	60
Provision for doubtful debts	8	3
	1,236	1,196
Change in operating assets and liabilities:		
(Increase) / Decrease in inventories	(220)	289
(Increase) / Decrease in trade receivables	(252)	153
(Increase) / Decrease in other financial assets	(7)	(32)
(Increase) / Decrease in other non-current assets	0	2
(Increase) / Decrease in other current assets	16	82
(Increase) / Decrease in loans	(0)	(2)
(Decrease) / Increase in provisions	(0)	(42)
(Decrease) / Increase in employee benefit obligations (net)	(13)	28
(Decrease) / Increase in other current liabilities	(13)	(6)
(Decrease) / Increase in trade payables	158	139
(Decrease) / Increase in other financial liabilities	4	0
Changes in Working Capital	(327)	611
Cash generated from operations	909	1,806
Income taxes paid (net of refunds)	(253)	(243)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	656	1,563
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment and intangible assets	(97)	(57)
Proceeds from sale of property, plant and equipment	1	4
(Payment for) / Proceeds from purchase/sale of investments (NET)	(146)	164
Proceeds from sale of investments in Joint venture	-	1
Investment in Subsidiaries	(55)	(132)
Repayment of loan from Subsidiary	58	-
(Purchase)/ Redemption of Inter-corporate deposits (NET)	215	(295)
Investment in Bank deposits (having original maturity more than 3 months) (NET)	359	(558)
Dividend income from subsidiaries	248	255
Interest received	43	35
NET CASH GENERATED FROM / (UTILISED IN) INVESTING ACTIVITIES (B)	626	(583)

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	41	6
Purchase of investments by WEOMA trust (NET)	(8)	(9)
Other borrowings (repaid) / taken (NET) (refer note 1 below)	(47)	32
Interest paid (refer note 1 below)	(22)	(12)
Repayment of Principal portion of lease liabilities (refer note 1 below)	(28)	(29)
Interest paid on lease liabilities (refer note 1 below)	(8)	(11)
Dividends paid to company's shareholders	(1,195)	(969)
Net cash used in financing activities (C)	(1,267)	(992)
D NET INCREASE / (DECREASE) IN CASH and CASH EQUIVALENTS (A+B+C)	15	(11)
E Cash and cash equivalents at the beginning of the financial year	16	27
F Cash and cash equivalents at end of the year (Refer note 6 (d))	31	16

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Note 1 : Reconciliation of the movements liabilities to cash flow arising from financing activities

(₹ in Crore)

Particulars	Year ended 31st March, 2022			Year ended 31st March, 2021		
	Lease Liabilities	Borrowings	Total	Lease Liabilities	Borrowings	Total
Balance at April 1,	127	142	269	135	110	245
Changes from financing cash flows						
Repayment of lease liabilities - principal portion	(28)	-	(28)	(29)	-	(29)
Payment of interest on lease liabilities	(8)	-	(8)	(11)	-	(11)
Other borrowings (repaid) / taken (net)	-	(47)	(47)	-	32	32
Payment of interest on borrowings from banks and financial institutions	-	(22)	(22)	-	(12)	(12)
Total changes from financing cash flows	(36)	(69)	(105)	(40)	20	(20)
Other changes						
New leases net off closures/disposals	5	-	5	21	-	21
Interest expense on lease liabilities	8	-	8	11	-	11
Interest expense on borrowings from banks and financial institutions	-	22	22	-	12	12
Total changes	13	22	35	32	12	44
Balance at March 31,	104	95	199	127	142	269

As per our report of even date

For **BSR & 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]
PAWAN AGRAWAL
Chief Financial Officer

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VINAY MA
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2022

Place : Mumbai
Date : May 05, 2022



Notes

To Financial Statements for the year ended 31st March, 2022

Back ground and operations

Marico Limited ("Marico" or 'the Company'), headquartered in Mumbai, Maharashtra, India, carries on business in branded consumer products. Marico manufactures and markets products under the brands such as Parachute, Parachute Advansed, Nihar, Nihar Naturals, Saffola, Hair & Care, Revive, Mediker, Livon, Set-wet, etc. Marico's products reach its consumers through retail outlets serviced by Marico's distribution network comprising regional offices, carrying & forwarding agents, redistribution centers & distributors spread all over India.

Note 1: Significant accounting policies:

This note provides a list of the significant accounting policies adopted in preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 5th May, 2022.

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 as amended from time to time 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 (Refer Note 26);
- assets held for sale measured at lower of cost or fair value less cost to sell;
- defined benefit plan assets / liabilities measured at fair value; and
- share-based payments liability measured at fair value

iii. Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

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 are 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 Indian National Rupee ("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 Statement of 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 from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc.

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 control of the goods has transferred to the customers, depending on individual terms. i.e. at the time of dispatch, delivery or formal customer acceptance depending on agreed terms.

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:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations

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) The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

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 incentives such as government budgetary support scheme, premium on sale of import licenses, duty drawback etc. are recognized under other operating income 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.

Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

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 :

Property, plant and equipment is recognised 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. Property, plant and equipment is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs & maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of Property Plant and Equipments 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 network	3
Plant and equipment - Moulds	3 – 5
Leasehold land	Lease period
Right to Use Asset	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:

The Intangible assets with indefinite useful life comprises of Trademark and Copyrights.

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 & Development:

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned in para h & 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 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 is recognised at the date of sale of the asset.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

l) Lease:

As a lessee

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Equipment. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i) the contract involves the use of an identified asset
- ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.



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To Financial Statements for the year ended 31st March, 2022

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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 & 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 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 the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from

such investments are recognised in profit or loss as other income when the Company's right to receive the dividend is established.

iii. Impairment of financial assets:

The Company assesses if there is any significant increase in credit risk pertaining to the assets and accordingly creates 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.

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 made for doubtful receivables as per expected credit



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To Financial Statements for the year ended 31st March, 2022

loss method over the life of the asset depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

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. 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. Defined contribution plan:

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. Defined benefit plan:

a) 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.

b) 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 and classified as long term and short term. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

iv. Share based payments:

• 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.

• 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.

v. Treasury Shares:

The Company has created a "Welfare of Mariconians Trust", (WEOMA) for providing share-based payment to its employees under the STAR scheme. In order to fund the STAR schemes, the Trust, upon intimation from the Company, carries out secondary market acquisition of the equity shares, of the Company. They are equivalent to STARs granted to its employees. The Company provides loan to the Trust for enabling such secondary acquisition. As and when the STARs vest in eligible employees, upon intimation of such details by the Company, the Trust sells the equivalent shares and hands over the net proceeds to the Company in accordance with the Trust Rules framed. The company treats, WEOMA as its extension and shares held by WEOMA are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase or sale of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in WEOMA reserve.

vi. 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.

u) Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on shares and other investments partly paid;
- funding related commitment to subsidiary, associate and joint venture companies; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

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



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

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 net of outstanding bank overdraft.

w) Impairment of assets:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

x) Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

y) Investment in subsidiaries and joint ventures:

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

z) 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.

aa) 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.

ab) Business Combinations:

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

Business combinations arising from transfers of interests in entities that are under common control of the shareholder that controls the Company and the acquired entity are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The

identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to Other equity in a separate reserve account.

ac) 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.

ad) Rounding off:

All amounts disclosed in the financial statement and notes have been rounded off to the nearest crores, unless otherwise stated

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

ae) Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ("MCA"), vide notification dated 23rd March 2022, has made the following amendments to IND AS which effective from 1st April, 2022.

- IND AS 109 : Annual improvements to IND AS (2021)
- IND AS 103 : Reference to Conceptual Framework
- IND AS 37 : Onerous Contracts – Costs of Fulfilling a Contract
- IND AS 16 : Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact of its financial statements.



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

2 Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

"The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Company may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:"

- (a) Impairment of financial assets (including trade receivable) (Note 27)
- (b) Estimation of defined benefit obligations (Note 15)
- (c) Estimation of current tax expenses and payable (Note 25)
- (d) Estimated impairment of intangible assets with indefinite useful life (Note 5)
- (e) Estimation of provisions and contingencies (Note 14 and 31)
- (f) Recognition of deferred tax assets including MAT credit (Note 7)
- (g) Lease Accounting (Note 3 b)
- (h) Impairment of investment in subsidiaries (Note 6 a)
- (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 requires use of assumptions. Allowance for doubtful trade 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

The Intangible assets with indefinite useful life comprises of Trademark and Copyrights 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 is determined based on the fair value (less) cost of disposal which has been measured using discounted cash flow projections, that require the use of assumptions.

The below intangible assets with indefinite useful life held by the Company, are considered significant in terms of size & sensitivity to assumptions used. No other intangible assets with indefinite useful life are considered significant in this respect.

31st March 2022

(₹ in Crore)

Cash Generating Unit	Intangible assets with indefinite useful life	
Code 10	15	
Fiancee	4	
Others	4	
Total	23	

Particulars	Fiancee	Code 10
Period of Cash flow projections	10 years	10 years
Avg Sales Growth (%)	11.6%	25.0%
Avg Gross Margins %	36.0%	40.3%
Terminal Sales Growth %	7%	2%
Post tax discount rate	16.8%	12.8%

31st March 2021

(₹ in Crore)

Cash Generating Unit	Intangible assets with indefinite useful life	
Code 10	15	
Fiancee	4	
Others	4	
Total	23	

Particulars	Fiancee	Code 10
Period of Cash flow projections	10 years	10 years
Avg Sales Growth (%)	19.2%	22.6%
Avg Gross Margins %	35.1%	37.6%
Terminal Sales Growth %	3%	2%
Post tax discount rate	16.8%	12.8%

The growth rates & margins used to make estimate future performance are based on past performance & our estimates of future growths & margins achievable. Post-tax discount rates reflect specific risks relating to the relevant segments & geographies in which the CGUs operate.

Based on sensitivity analyses performed around the base assumptions, there were no reasonably possible changes in key assumptions that would cause the carrying amount to exceed the recoverable amount.

(e) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(f) Recognition of deferred tax assets including MAT credit

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.



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

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.

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.

(g) Lease Accounting

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IndAS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company has considered leases with term up to 12 (Twelve) months as short term leases. Also leases where the current market value (for transition purpose determined basis the present value of future lease payments) is less than ₹350,000 have been considered as low value. Such short term and low value leases are accordingly excluded from the scope for the purpose of Ind As 116 reporting.

(h) Impairment of investment in subsidiaries

Impairment testing of investment in subsidiaries is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of the individual investment is determined based on value-in-use calculations which requires use of assumptions.

Notes To the consolidated financial statements for the year ended 31st March, 2022

3(a) Property, Plant and Equipment

Particulars	Year ended 31st March, 2022							Total
	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office Equipment	Leasehold im-provements	
Gross carrying amount								
Opening gross carrying amount	2	300	487	18	4	12	18	841
Additions	-	10	69	3	1	1	1	86
Disposals / write off	(0)	(2)	(17)	(0)	-	(0)	(0)	(20)
Adjustments (refer note iii)	-	(30)	(61)	-	-	-	-	(91)
Closing gross carrying amount	2	278	478	21	5	13	19	816
Accumulated depreciation								
Opening accumulated depreciation	-	50	248	10	1	10	5	324
Depreciation charge during the year	-	13	56	3	1	1	2	76
Disposals / write off	-	(1)	(15)	(0)	-	(0)	(0)	(16)
Adjustments (refer note iii)	-	(5)	(48)	-	-	-	-	(53)
Closing accumulated depreciation	-	57	241	13	2	11	7	331
Impairment loss	-	1	1	0	-	0	-	2
Impairment charge/(reversal) during the year	-	19	10	-	-	0	-	29
Adjustment (refer note iii)	-	(20)	(11)	-	-	-	-	(31)
Closing balance	-	0	0	0	-	0	-	0
Net carrying amount	2	221	236	9	3	2	12	485
Year ended 31st March 2022								
Gross carrying amount	2	278	478	21	5	13	19	816
Additions	-	7	68	3	-	2	0	80
Disposals / write off	-	(0)	(18)	(0)	-	(1)	-	(19)
Closing gross carrying amount	2	285	528	24	5	14	19	877
Accumulated depreciation								
Opening accumulated depreciation	-	57	241	13	2	11	7	331
Depreciation charge during the year	-	9	51	3	1	1	2	67
Disposals / write off	-	(0)	(18)	(0)	-	(0)	-	(18)
Adjustments	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	66	274	16	3	12	9	360
Impairment loss	-	0	0	0	-	0	-	0
Impairment charge/(reversal) during the year	-	-	-	-	-	-	-	-
Adjustment (refer note iii)	-	-	-	-	-	-	-	-
Closing balance	-	0	0	0	-	0	-	0
Net carrying amount	2	219	254	8	2	2	10	497

(i) Impairment loss
Impairment charge pertains to Plant and equipment which are in damaged condition or are lying idle and have no future use (refer note 36 (1a)).

(ii) Contractual obligations

Refer to Note 32 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) During the previous year Amount classified to assets held for sale from Plant & Machinery and Buildings

(iv) Buildings

Buildings include Nil (31st March, 2021: Nil) being the value of shares in co-operative housing societies.



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

3(b) Right of use Assets

Particulars	(₹ in Crore)			
	Leasehold land	Buildings	Plant and equipment	Total
Year ended 31st March 2021				
Gross carrying amount				
Opening gross carrying amount	48	184	0	232
Additions	0	21	5	26
Disposals / write off	-	(17)	(0)	(17)
Closing gross carrying amount	48	188	5	241
Accumulated depreciation				
Opening accumulated depreciation	3	75	-	78
Depreciation charge during the year	1	27	0	28
Disposals / write off	-	(12)	-	(12)
Closing accumulated depreciation	4	90	0	94
Net carrying amount	44	98	5	147
Year ended 31st March 2022				
Gross carrying amount				
Opening gross carrying amount	48	188	5	241
Additions	-	5	1	6
Disposals / write off	-	(16)	-	(16)
Closing gross carrying amount	48	177	6	231
Accumulated depreciation				
Opening accumulated depreciation	4	90	0	94
Depreciation charge during the year	1	26	0	27
Disposals / write off	-	(14)	-	(14)
Closing accumulated depreciation	5	102	0	107
Net carrying amount	43	75	6	124

i) 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 2117. In one case where the lease is expiring in 2070, the company has an option to purchase the property.

3(c) Capital work-in-progress

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
31st March, 2021					
Project in Progress	13	1	0	-	14
Projects temporarily suspended	-	-	-	-	-
Total	13	1	0	-	14
31st March, 2022					
Project in Progress	27	0	-	-	27
Projects temporarily suspended	-	-	-	-	-
Total	27	0	-	-	27

For capital-work-in progress, whose completion is overdue compared to its original plan

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
31st March, 2021					
Sanand plant - New unit for Value added hair oil	4	-	-	-	4
Guwahati plant - Capacity expansion for Value added hair oil	1	-	-	-	1
Perundurai Plant - Capacity Planning 20-21	1	-	-	-	1
3P - Project LOTR (Lord of the rings)	1	-	-	-	1
Total	7	-	-	-	7
31st March, 2022					
Jalgaon plant - Saffola Oodles New Capacity	9	-	-	-	9
Pondicherry plant - Packing design optimization/transition for Parachute	3	-	-	-	3
Guwahati plant 1-Packing design optimization/transition for Value added Hair oil	3	-	-	-	3
Guwahati plant 2 - Capacity Planning FY22	1	-	-	-	1
3P unit - FOODS Capacity Augment	1	-	-	-	1
Sanand plant - Saffola Masala Oats	3	-	-	-	3
Peundurai plant - Replacement of Expeller	2	-	-	-	2
Total	22	-	-	-	22

Note: There were no material projects, which have exceeded their original plan cost as on 31st March 2022 and 31st March 2021.

Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

4 Investment Properties

(₹ in Crore)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Gross carrying amount		
Opening gross carrying amount	11	11
Reclassified from held for Sale (refer note 11 (ia, ib))	78	-
Closing gross carrying amount	89	11
Accumulated Depreciation		
Opening accumulated Depreciation	0	0
Depreciation charge	0	0
Reclassified from held for Sale (refer note 11 (ia, ib))	68	-
Closing accumulated depreciation	68	0
Net carrying amount	21	11

(i) Amounts recognised in profit or loss for investment properties

(₹ in Crore)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Rental income	1	1
Direct operating expenses	0	0
Profit from investment properties before depreciation	1	1
Depreciation	(0)	(0)
Profit from investment properties	1	1

(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	As at
	31st March, 2022	31st March, 2021
Within one year	1	1
Later than one year but not later than 5 years	0	-
Later than 5 years	-	-

(iii) Fair value

(₹ in Crore)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Investment properties	45	17

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 market for similar properties.

(iv) The company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in market for similar properties.

The fair values of investment properties 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.

5 Intangible Assets

(₹ in Crore)

Particulars	Trademarks and copyrights	Computer software	Total
	Year ended 31st March, 2021		
Gross carrying amount			
Opening gross carrying amount	19	15	34
Additions	4	3	7
Deletions	-	(0)	(0)
Adjustments	-	(0)	(0)
Closing gross carrying amount	23	18	41
Accumulated amortisation			
Opening accumulated amortisation	-	13	13
Amortisation charge for the year	-	2	2
Deletions	-	(0)	(0)
Adjustments	-	(0)	(0)
Closing accumulated amortisation	-	15	15
Closing net carrying amount	23	3	26
Year ended 31st March, 2022			
Gross carrying amount			
Opening gross carrying amount	23	18	41
Additions	-	1	1
Deletions	-	0	0
Closing gross carrying amount	23	19	42
Accumulated amortisation			
Opening accumulated amortisation	-	15	15
Amortisation charge for the year	-	2	2
Deletions	-	0	0
Closing accumulated amortisation	-	17	17
Closing net carrying amount	23	2	25



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

6(a) Investments

Particulars	As at	
	31st March, 2022	31st March, 2021
(₹ in Crore)		
Non-Current Investments		
I Investment in subsidiaries		
Equity instruments		
(A) Quoted		
Subsidiaries	1	1
(B) Unquoted		
Subsidiaries	543	488
	544	489
II Other investments		
(A) Quoted		
Tax free bonds (at amortised cost)	17	17
	17	17
(B) Unquoted		
Equity instruments		
Others (at FVTPL)	1	1
Debentures (at FVTPL)	110	152
Bonds (ETF) (at FVTPL)	59	56
Government securities (at amortised cost)	0	0
	170	209
Total Non-current Other Investments (A+B)	187	226
Current Investments		
(C) Quoted		
Tax free bonds (at amortised cost)	-	8
	-	8
(D) Unquoted		
Intercorporate deposits (at amortised cost)	112	329
Debentures (at FVTPL)	107	-
Mutual Funds (at FVTPL)	422	291
	641	620
Total Current Investments (C+D)	641	628
Non-current Investments		
Investment in equity instruments (fully paid-up)		
Quoted at cost		
In Subsidiary company		
Marico Bangladesh Limited		
28,350,000 (31st March, 2021 : 28,350,000) equity shares of Bangladesh taka 10 each fully paid		
(Quoted on Dhaka Stock exchange and Chittagong Stock exchange).	1	1

Particulars	As at	
	31st March, 2022	31st March, 2021
Unquoted at cost		
In Subsidiary companies		
Marico Middle East FZE (wholly owned)	28	28
22 (31st March, 2021 : 22) equity share of UAE dirham 1,000,000 fully paid		
Marico South Africa Consumer Care (Pty) Limited (wholly owned)	74	74
1,569 (31st March, 2021 : 1,569) equity shares of SA Rand 1.00 fully paid		
Less: Provision for impairment in value of investment (refer note (ii) below)	(27)	(27)
	47	47
Marico South East Asia Corporation (wholly owned)	255	255
9,535,495 (31st March, 2021 : 9,535,495) equity shares of VND 10,000 fully paid		
Marico Lanka Private Limited (wholly owned)	1	1
6,46,402 (31st March, 2021 : 6,46,402) equity shares of LKR 10 fully paid		
Zed Lifestyle Private Limited (refer note (i) below)	157	157
12,534 (31st March, 2021 : 12,534) equity shares of ₹ 10 each fully paid		
APCOS Naturals Private Limited (refer note (iii) below)	55	-
8,463 (31st March, 2021 : Nil) equity shares of ₹10 each fully paid		
Total investment in subsidiaries	544	489
Aggregate carrying amount of quoted investments	18	26
Market value/ Net asset value of quoted investments	5,888	5,114
Aggregate carrying amount of unquoted investments	1,354	1,317
Aggregate amount of Provision for impairment in the value of investments	27	27

Notes:

- During the previous year ended 31st March, 2021, the Company has acquired the remaining 55% stake for a consideration of ₹ 132 crores in ZED Lifestyle Private Limited (which was earlier a Joint Venture) and converted it into a wholly owned subsidiary.
- During the previous year ended 31st March, 2021, the Company has made an assessment of the fair value of investment made in its subsidiary Marico South Africa Consumer Care (Pty) Limited, 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 of ₹ 27 crores. The same is disclosed under "Exceptional items" in the Statement of Profit and Loss. The recoverable amount of the investment is determined at ₹47 crores, which is based on its value in use considering a discount rate of 21% (refer note 36 (2)).
- During the year ended 31st March, 2022, the Company has acquired the 52.38% stake for a consideration of ₹ 55 crores in APCOS naturals Private Limited.



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

6(b) Trade Receivables

Particulars	As at	
	31st March, 2022	31st March, 2021
Trade receivables	529	292
Less: Allowance for doubtful debts	(16)	(8)
Receivables from related parties (refer note 30)	42	26
Total receivables	555	310
Current Portion	555	310
Non-Current Portion	-	-
Break up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	555	310
Trade receivables which have significant increase in credit risk	16	8
Less: Allowance for doubtful debts	(16)	(8)
Trade receivables - Credit impaired	-	-
Less: Allowance for doubtful debts	-	-
Total	555	310

Notes: -For credit risk and provision for loss allowance refer note 27(A)

Trade Receivables aging schedule

Particular	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	156	108	27	16	2	1	310
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	3	1	1	5
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	1	2	3
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	156	108	27	19	4	4	318
Less: Allowance for doubtful debts	-	0	-	3	1	3	8
	156	107	27	16	3	1	310

31st March, 2022

Particular	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	306	205	22	10	7	5	555
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0	0	11	1	1	15
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	1	1
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	306	206	22	21	8	8	571
Less: Allowance for doubtful debts	-	0	0	11	1	3	16
	306	205	22	10	7	5	555

6(c) Loans

Particulars	As at	
	31st March, 2022	31st March, 2021
Non current		
Unsecured, considered good		
Loans to employees (refer note (ii) below)	4	3
Total non current loans	4	3
Current		
Unsecured, considered good		
Loan to related parties (refer note (i) below and note 30)	-	58
Loan to employees (refer note (ii) below)	4	4
Total current loans	4	62

Note:

(i) During the previous year 31st March 2021 loan was given to a subsidiary Marico MiddleEast FZE for various operational requirements carrying an interest rate of daily average LIBOR plus 1.8% per annum. During the year 31st March 2022, the Company has received repayment of the loan within the due date.

Particulars	As at	
	31st March, 2022	31st March, 2021
Opening balance	58	-
Loan given during the year	-	58
Repayment during the year	58	-
Closing balance	-	58

(ii) Loans to employees are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

6(d) Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
Bank balances in current accounts	30	8
Deposits with original maturity of less than three months	1	8
Cash on hand	0	0
Total cash and cash equivalents	31	16

6(e) Bank Balances other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
Fixed deposits with maturity more than 3 month but less than 12 months	263	633
Balances with banks for unclaimed dividend (Refer note below)	1	62
Total bank balance other than cash and cash equivalents	264	695

Note: These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

6(f) Other Non Current Financial Assets

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
Unsecured considered good (unless otherwise stated)		
Receivables from to subsidiaries (refer note 30)		
Considered good	-	8
Considered doubtful	-	-
	-	8
Less: Provision for doubtful advances	-	-
	-	8
Security deposits with public bodies and others		
Considered good	12	13
Considered doubtful	1	1
	13	14
Less: Provision for doubtful deposits	(1)	(1)
	12	13
Fixed deposits-maturing after 12 months (refer note below)	1	1
Total other non-current financial assets	13	22

Note : Fixed deposits with banks includes deposits held as lien by banks against guarantees and for other earmarked balances.

6(g) Other Current Financial Assets

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
(i) Derivatives		
Foreign exchange forward contracts, options and interest rate swaps	2	3
	2	3
(ii) Others		
Receivables from subsidiaries (refer note 30)	36	18
Security deposits	0	0
	36	18
Total other current financial assets	38	21

7 Deferred Tax Asset (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
Deferred tax Asset :		
Liabilities / provisions that are deducted for tax purposes when paid	17	16
On Intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme (refer note (i) below)	2	2
MAT credit entitlement	172	169
	192	187
Other items:		
Lease assets	11	-
Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off	1	1
Other temporary differences	4	14
	16	15
Total deferred tax assets	207	202
Deferred tax liability :		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	28	24
Financial assets at fair value through Profit and loss	8	2
Other temporary differences	0	-
Total deferred tax liabilities	(36)	(26)
Net deferred tax assets (Net)		
Net deferred tax assets/ (liabilities)	171	176

Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

Movement in deferred tax assets

Particulars	(₹ in Crore)				
	Liabilities / provisions that are deducted for tax purposes when paid	On Intangible assets (Note i)	MAT Credit entitlement	Other items	Total deferred tax assets
As at 1st April, 2020	29	2	134	18	183
(Charged)/credited :					
to Profit and Loss	(13)	(0)	-	(3)	(16)
to other comprehensive income	-	-	-	-	-
Tax adjustment for earlier years	-	-	-	-	-
MAT Credit generated	-	-	35	-	35
As at 31st March 2021	16	2	169	15	202
(Charged)/credited :					
to Profit and loss	1	0	3	1	5
to other comprehensive income	-	-	-	-	-
Tax adjustment for earlier years	-	-	-	-	-
As at 31st March 2022	17	2	172	16	207

Movement in deferred tax liabilities

Particulars	(₹ in Crore)			
	Property plant and equipment and Investment property	Change in fair value of hedging instruments	Other items	Total deferred tax liabilities
As at 1st April, 2020	34	1	-	35
Charged/(credited) :				
to Profit and Loss	(10)	1	-	(9)
As at 31 st March 2021	24	2	-	26
(Charged)/credited :				
to Profit and loss	4	5	0	9
to other comprehensive income	-	1	-	1
As at 31 st March 2022	28	8	0	36

Note (i) On intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme.

8 Other Non Current Assets

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Capital advances	11	8
Deposits with statutory/government authorities	13	13
Prepaid expenses	1	1
Total other non-current assets	25	22

9 Inventories

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Raw materials		
- In stock	304	187
Packing materials	74	59
Work-in-progress	274	144
Finished goods		
- In stock	387	436
- In transit	-	0
Stock in Trade	36	32
By-product	4	2
Stores and spares (refer note 36 (2b))	14	13
Total inventories	1,093	873

Refer note 1(o) for basis of valuation.

Amounts recognised in profit or loss

During the year an amount of ₹ 31 crores (31st March, 2021: ₹ 50 crores) was charged to the Statement of Profit and Loss on account of damaged and slow moving inventory. The reversal on account of above during the year amounted ₹ Nil. (31st March, 2021 : Nil).

10 Other Current Assets

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Advances to vendors	47	57
Prepaid expenses	11	11
Balances with government authorities	47	43
Input tax credit receivable	72	81
Total other current assets	177	192

11 Assets Classified as Held for Sale

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Land and Building	0	9
Plant and Machinery	-	2
Total assets classified as held for sale	0	11

Non-recurring fair value measurements

- i. During the year 31 March, 2022 following asset held for sale was reclassified to Investment property:
 - a. Plant and machinery lying at manufacturing location at Baddi, India with carrying value of ₹ 6 Crore (Fair Value of the same was ₹ 11 Crore as at 31st March, 2022)
 - b. Building at Andheri, Mumbai with carrying value of ₹ 5 Crores (Fair value of the same was ₹ 8 Crore as at 31st March, 2022)
- ii. During the previous year 31 March, 2021 Plant and machinery lying at manufacturing location in Baddi, India were reclassified from Property, plant and equipment to Assets held for sale of ₹ 6 Crore. Fair value of the same was ₹ 6 Crores as at 31st March, 2021



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

- iii. 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.

12(a) Equity Share Capital

Particulars	₹ in Crore)	
	No. of shares (in Crore)	Amount
Authorised share capital		
As at 31st March, 2021		
Equity shares of Re. 1/- each	150	150
Equity shares of ₹ 10/- each	8	80
Preference shares of ₹ 10/- each	7	65
Total	165	295
As at 31st March, 2022		
Equity shares of Re. 1/- each	150	150
Equity shares of ₹ 10/- each	8	80
Preference shares of ₹ 10/- each	7	65
Total	165	295
Issued, subscribed and paid-up as at 31st March, 2021		
1,29,13,49,998 equity shares of Re. 1/- each fully paid-up	129	129
Total	129	129
Issued, subscribed and paid-up as at 31st March, 2022		
1,292,787,278 equity shares of Re. 1/- each fully paid-up	129	129
Total	129	129

(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 1st April, 2020	129	129
Increases during the year		
Shares issued during the year - ESOP (refer note 33(a))	0	0
As at 31st March, 2021	129	129
Increases during the year		
Shares issued during the year - ESOP (refer note 33(a))	0	0
As at 31st March, 2022	129	129

(ii) Rights, preferences and restrictions attached to equity shares

"Equity Shares: The authorised share capital of the Company comprises of 150 Crores equity share of Re. 1 each and 8 Crores equity shares of ₹ 10 each. During the previous year ended March 31, 2021, the authorised share capital of the Company increased by ₹ 80 crores, comprising of 8 Crores equity shares of ₹ 10 each, pursuant to the order of amalgamation sanctioned by the National Company Law Tribunal between Marico Limited and Marico Consumer Care Limited, wholly owned subsidiary.

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 ESOP 2016 including details of options issued, exercised, forfeited and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 33 (a).

(iv) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Re. 1/- each fully paid-up				
Harsh C Mariwala with Kishore V Mariwala (For Valentine Family Trust)	143,884,950	11.13	148,459,200	11.50
Harsh C Mariwala with Kishore V Mariwala (For Aquarius Family Trust)	143,871,950	11.13	148,446,200	11.50
Harsh C Mariwala with Kishore V Mariwala (For Taurus Family Trust)	143,890,750	11.13	148,465,000	11.50
Harsh C Mariwala with Kishore V Mariwala (For Gemini Family Trust)	143,886,350	11.13	148,460,600	11.50
First State Investments Services (UK) Ltd (along with Persons acting in concert)	89,703,735	6.94	92,056,288	7.13

(v) For the period of preceding five years as on the Balance Sheet date, Issued, Subscribed and Paid-up Share Capital includes:

- Aggregate of Nil (upto 31st March, 2021: 645,085,599) Equity shares of Re.1 each allotted as fully paid-up bonus, issued in year 2016
- Aggregate of 23,16,080 (31st March, 2020: 11,78,800) Equity shares allotted under the Employee stock option plan schemes as consideration for services rendered by employees for which only exercise price has been received in cash.

Shares held by Promoters at the end of the year i.e. March 31, 2022

Sr. No.	Promoter Name	No. of shares as on March 31, 2022	% of total shares as on March 31, 2022	No. of shares as on March 31, 2021	% of total shares as on March 31, 2021	Difference (i.e. March 31, 2022 - March 31, 2021)	% of change during the year
1	Harsh C Mariwala with Kishore V Mariwala for Taurus Family Trust	143,890,750	11.1%	148,465,000	11.5%	(4,574,250)	-0.4%
2	Harsh C Mariwala with Kishore V Mariwala for Gemini Family Trust	143,886,350	11.1%	148,460,600	11.5%	(4,574,250)	-0.4%
3	Harsh C Mariwala with Kishore V Mariwala for Valentine Family Trust	143,884,950	11.1%	148,459,200	11.5%	(4,574,250)	-0.4%
4	Harsh C Mariwala with Kishore V Mariwala for Aquarius Family Trust	143,871,950	11.1%	148,446,200	11.5%	(4,574,250)	-0.4%
5	Rajvi H Mariwala	28,408,000	2.2%	28,408,000	2.2%	-	0.0%
6	Harsh C Mariwala	28,102,900	2.2%	28,102,900	2.2%	-	0.0%
7	Rishabh H Mariwala	24,976,500	1.9%	24,976,500	1.9%	-	0.0%
8	Archana H Mariwala	16,966,600	1.3%	16,966,600	1.3%	-	0.0%
9	Ravindra K Mariwala	20,503,540	1.6%	14,404,540	1.1%	6,099,000	0.5%
10	Hema K Mariwala	7,679,480	0.6%	7,679,480	0.6%	-	0.0%
11	Paula R Mariwala	10,463,600	0.8%	7,414,100	0.6%	3,049,500	0.2%
12	Anjali R Mariwala	11,914,700	0.9%	6,914,700	0.5%	5,000,000	0.4%
13	Rishabh Mariwala with Priyanjali Mariwala For Valley of Light Trust	5,400,000	0.4%	5,400,000	0.4%	-	0.0%
14	Rishabh Mariwala with Priyanjali Mariwala For Valour Trust	5,400,000	0.4%	5,400,000	0.4%	-	0.0%
15	Rajendra K Mariwala	7,681,400	0.6%	4,032,900	0.3%	3,648,500	0.3%



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Sr. No.	Promoter Name	No. of shares as on March 31, 2022	% of total shares as on March 31, 2022	No. of shares as on March 31, 2021	% of total shares as on March 31, 2021	Difference (i.e. March 31, 2022 - March 31, 2021)	% of change during the year
16	Kishore V Mariwala	2,489,220	0.2%	2489220	0.2%	-	0.0%
17	Pallavi Jaikishan Panchal	1,832,000	0.1%	1,832,000	0.1%	-	0.0%
18	Malika Chirayu Amin	1,800,000	0.1%	1,800,000	0.1%	-	0.0%
19	Kishore V Mariwala for Anandita Trust	6,700	0.0%	6,700	0.0%	-	0.0%
20	Kishore V Mariwala for Arnav Trust	6,700	0.0%	6,700	0.0%	-	0.0%
21	Kishore V Mariwala for Vibhav Trust	6,700	0.0%	6,700	0.0%	-	0.0%
22	Kishore V Mariwala for Taarika Trust	6,700	0.0%	6,700	0.0%	-	0.0%
23	The Bombay Oil Private Limited	18,297,000	1.4%	18,297,000	1.4%	-	0.0%
24	Vibhav Ravindra Mariwala	2,000	0.0%	0	0.0%	2,000	0.0%
25	Anandita Rajendra Mariwala	250,000	0.0%	0	0.0%	250,000	0.0%
26	Taarika Rajendra Mariwala	250,000	0.0%	0	0.0%	250,000	0.0%
27	Preeti Gautam Shah	1,050,000	0.1%	1,800,000	0.1%	(750,000)	-0.1%
Total		769,027,740	59.5%	769,775,740	59.6%	(748,000)	-0.1%

12(b) Reserves and Surplus

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Securities premium	311	258
General reserve	298	298
Share based option outstanding account	27	29
Treasury shares	(58)	(40)
WEOMA reserve	88	78
Retained earnings	2,874	2,904
Amalgamation Adjustment Deficit Account	(621)	(621)
Total Reserve and surplus	2,920	2,906

(i) Securities premium

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	258	247
Add: Exercise of employee stock options	53	11
Closing balance	311	258

(ii) General reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	298	298
Closing balance	298	298

(iii) Share based option outstanding account (refer note 33)

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	29	25
Exercise of employee stock options	(12)	(5)
Add : Share based payment expense	10	9
Closing balance	27	29

(iv) Treasury shares

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	(40)	(27)
Add :(Purchase)/sale of treasury shares by the trust during the year (net)	(18)	(13)
Closing balance	(58)	(40)

(v) WEOMA reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	78	73
Add: Income of the trust for the year	10	5
Closing balance	88	78

(vi) Retained earnings

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	2,904	2,765
Net Profit for the year	1,163	1,106
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	2	1
Less: Dividend	(1,195)	(968)
Closing balance	2,874	2,904

12(c) Other Reserves

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	(0)	(1)
Changes in fair value of hedging instruments	(0)	(1)
Reclassified to statement of profit and loss	1	2
Deferred tax on above	(0)	(0)
Closing balance	0	(0)



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

13(a) Current Borrowings

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	(₹ in Crore)	
				As at 31st March, 2022	As at 31st March, 2021
Unsecured					
From banks					
- Working capital demand loan (refer note (i) below)	31st March, 2022 : Repayable with interest from May 2022 to July 2022 - INR 32 Crores, Jan 2023 to Mar 2023 INR 63 Crores, (FY 21 Repaid with interest from April 2021 to June 2021 - INR 12 Crores, Jan 2022 to March 2022 INR 83 Crores)	For a term of six months to twelve months	FY 22 Bank Base rate/ relevant Benchmark Rate plus applicable spread per annum (FY 21 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum)	95	95
- Export packing credit (refer note (i) below)	(FY 22 - Repaid From April, 2021 to June 2021 INR 32 Crores, September, 2021 INR 15 Crores)	For a term of six months	(FY 22 - Bank Base rate/ Relevant Benchmark rate plus applicable spread less Interest Subvention of 3.00% per annum).	-	47
Total current borrowings				95	142
Less: Interest accrued not due on borrowings (refer note 13(b))				0	0
Current borrowings as per balance sheet				95	142

Note:-

i) Cash credit, working capital demand loan and export packing credit is unsecured. There is no charge against short term loan taken from banks.

13(b) Other Financial Liabilities

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Current		
Interest accrued but not due on borrowings (refer note 13(a))	0	0
Creditors for capital goods	7	6
Salaries, bonus and other benefits payable to employees	9	3
Derivatives liability	0	2
Trade Deposits from customers and other	1	1
Unclaimed Dividend (refer note below)	1	1
Others	0	0
Total other current financial liabilities	18	13

Note : Note : As at 31st March, 2022, 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

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Current		
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	74	50
Total outstanding dues of creditors other than micro enterprises and small enterprises	924	788
Dues to related parties (refer note 30)	2	4
Total trade payables	1,000	842

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:

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
I. The principal amount remaining unpaid to any supplier as at the end of accounting year included in trade payable	74	50
II. Interest due thereon	0	0
Trade Payables due to micro and small enterprises	74	50
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	0	0
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)	0	1
The amount of interest accrued and remaining unpaid at the end of accounting year	0	1
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	3	3

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade Payables aging schedule

31st March, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Un-billed	Not Due	< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues - MSME	0	12	36	1	0	0	50
(ii) Undisputed dues - Others	436	53	296	2	4	1	792
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	436	66	332	3	4	1	842

31st March, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Un-billed	Not Due	< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues - MSME	-	20	53	1	0	0	74
(ii) Undisputed dues - Others	443	154	313	11	3	2	926
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	443	174	366	11	4	2	1,000

14 Provisions

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Current		
Disputed indirect taxes (refer note (a) and (b) below)	16	16
Total current provisions	16	16

These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilization and cash outflows, if any, pending resolution.

(a) Provision for disputed indirect taxes mainly pertains to Entry tax dispute in the state of West Bengal, where the Govt of West Bengal has preferred an appeal before Division Bench, Hon'ble Court-Kolkata, which is pending before the Court. The matter is sub judice, it is not practicable to state the timing of the judgement & final outcome. Therefore, The company has retained the provision pending final adjudication of the matter.



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To Financial Statements for the year ended 31st March, 2022

(b) Movement of provisions during the year as required by Ind AS-37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013:

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Disputed indirect taxes		
Balance as at the beginning of the year	16	58
Add: Additional provision recognised	0	0
Less: Amount used during the year	(0)	(42)
Balance as at the end of the year	16	16

During the previous year ended March 31, 2021, the Company has settled various open indirect tax litigations under the "Vivad Se Vishwas" scheme, which has resulted in the utilizations of provision and consequent reduction in outstanding balance.

15 Employee benefit obligation non current

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Leave encashment/ compensated absences (refer note (iii) below)	11	12
Share-appreciation rights (refer note (iv) below)	3	2
Total employee benefit obligations non current	14	14

Employee Benefit Obligation Current

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Gratuity (refer note (i) below)	2	4
Leave encashment/ compensated absences (refer note (iii) below)	2	1
Share-appreciation rights (refer note (iv) below)	4	2
Incentives / Bonus	29	45
Total employee benefit obligations current	37	52

During the previous year ended March 31, 2021, the Company has settled various open indirect tax litigations under the "Vivad Se Vishwas" scheme, which has

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 and more are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by 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, 2022 and 31st March, 2021.

(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. Current leave obligations expected to be settled within the next 12 months..

(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 is measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, (excess of fair value as at the period end over the Grant price) and is recognized as employee compensation cost over the vesting period (refer note 33).

(a) Balance sheet amounts - Gratuity

Particulars	(₹ in Crore)		
	Present value of obligation	Fair value of plan assets	Net Amount
Balance as on 1st April 2020	34	28	5
Current service cost	4	-	4
Interest expense	2	2	0
Interest Income	-	-	-
Total amount recognised in profit or loss	6	2	5
Remeasurements			
(Gain)/loss from change in demographic assumptions	1	-	1
(Gain)/loss from change in financial assumptions	(1)	-	(1)
Experience (gains)/ losses	1	(2)	(1)
Total amount recognised in other comprehensive income	1	(2)	(1)
Employer contributions	-	5	(5)
Benefit Payments	(3)	(3)	-
Balance as on 31st March 2021	38	34	4
Balance as on 31st March 2021	38	34	4
Current service cost	5	-	5
Interest expense	2	2	0
Total amount recognised in profit or loss	7	2	5
Remeasurements			
(Gain)/loss from change in demographic assumptions	(0)	-	(0)
(Gain)/loss from change in financial assumptions	0	-	0
Experience (gains)/ losses	(3)	0	(3)
Total amount recognised in other comprehensive income	(3)	0	(3)
Employer contributions	-	4	(4)
Benefit Payments	(4)	(4)	-
Balance as on 31st March 2022	38	36	2

The Net liability disclosed above relates to funded & unfunded plans are as follows

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Present value of funded obligations	38	38
Fair value of plan assets	(36)	(34)
Deficit of gratuity plan	2	4

The significant actuarial assumptions were as follows

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Discount rate	6.41%	6.67%
Rate of return on Plan assets*	6.41%	6.67%
Future salary rise**	10.00%	10.00%
Attrition rate	16% & 15%	12% & 6%
Mortality	Indian Assured Lives Mortality (2012-14) Urban	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.

Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

Sensitivity analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Projected benefit obligation on current assumptions	38	38
Delta effect of +1% change in rate of discounting	(2)	(2)
Delta effect of -1% change in rate of discounting	2	3
Delta effect of +1% change in rate of salary increase	1	2
Delta effect of -1% change in rate of salary increase	(1)	(2)
Delta effect of +1% change in rate of Employee turnover	(0)	(0)
Delta effect of -1% change in rate of Employee turnover	0	0

The sensitivity analysis has been performed based on reasonably possible changes to 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, 2022		31st March, 2021	
	Amount	in %	Amount	in %
Special deposit scheme	1	1.48%	1	1.61%
Insurer Managed funds	34	94.06%	32	96.92%
Other	1	1.68%	0	1.47%
Total	36	97.22%	33	100.00%

Defined benefit liability and employer contributions

The weighted average duration of the gratuity is 6 years as at 31st March, 2022 and 31st March, 2021.

The expected employers contribution towards gratuity for the next year is ₹ 7 crores

(b) Provident Fund

Amount recognised in the Balance sheet

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Liability at the end of the year		
Fair value of plan assets at the end of the year	244	211
Present value of benefit obligation as at the end of the period	(238)	(205)
Difference	6	6
Unrecognized past service Cost	(6)	(6)
(Assets) / Liability recognized in the Balance Sheet	-	-

Changes in defined benefit obligations:

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Liability at the beginning of the year	205	173
Interest cost	18	14
Current service cost	13	12
Employee contribution	18	17
Liability Transferred in	7	7
Liability Transferred out	(13)	(11)
Benefits paid	(10)	(8)
Liability at the end of the year	238	205

Changes in fair value of plan assets:

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Fair value of plan assets at the beginning of the year	211	182
Expected return on plan assets	18	14
Contributions	31	29
Transfer from other Company	7	7
Transfer to other Company	(13)	(11)
Benefits paid	(10)	(8)
Actuarial gain/(loss) on plan assets	-	(2)
Fair value of plan assets at the end of the year	244	211

Expenses recognised in the Statement of Profit and Loss:

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Current service cost	13	12
Interest cost	18	14
Expected return on plan assets	(18)	(14)
(Income) / Expense recognised in the Statement of Profit and Loss	13	12

The major categories of plan assets are as follows :

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Amount	in %	Amount	in %
Central Government securities	11	4.62%	11	5.34%
State loan/State government Guaranteed Securities	7	3.07%	12	5.77%
Government Securities debt instruments	97	39.65%	140	66.48%
Public Sector Units	81	33.03%	17	7.83%
Private Sector Units	14	5.61%	5	2.26%
Equity / Insurance Managed Funds	3	1.30%	15	7.28%
Special Deposit	1	0.45%	1	0.52%
Cash & Cash Equivalents	21	8.48%	-	0.00%
Others	9	3.78%	10	4.52%
Total	244	100.00%	211	100.00%



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

The Significant actuarial assumptions were as follows :

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Discount rate	6.41%	6.67%
Rate of return on plan assets*	8.10%	8.65%
Future salary rise**	10.00%	10.00%
Attrition rate	16%-15%	12%-6%
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	As at	
	31st March, 2022	31st March, 2021
Opening balance of compensated absences (a)	13	9
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	12	13

The privileged leave liability is not funded.

(d) Employee State Insurance Corporation

The Company has recognised ₹ 0 Crore (₹ 0 Crore for the year ended 31st March 2021) towards employee state insurance plan in the Statement of Profit and Loss.

(e) 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 have investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The Trust ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the group's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

Defined benefit liability and employer contributions

The weighted average duration of the gratuity for the Company ranges from 5 to 10 years as at 31st March 2022 and 31st March 2021.

The expected maturity analysis of gratuity is as follows:

Particulars	As at	
	31st March, 2022	31st March, 2021
Within the next 12 months	5	3
Between 2 and 5 years	19	14
Between 6 and 10 years	15	16
Total	39	33

16 Tax Assets and Liabilities

Particulars	As at	
	31st March, 2022	31st March, 2021
Non current tax assets (net)	54	52
Current tax liabilities (net)	9	14

17 Other Current Liabilities

Particulars	As at	
	31st March, 2022	31st March, 2021
Statutory dues, including provident fund and tax deducted at source	21	74
Deferred income on government grants (refer note below)	2	5
Contractual & Constructive obligations	114	113
Advance from customer	17	30
Others	0	5
Total other current liabilities	154	227

The company is eligible for government grants which are conditional upon construction of new factories in North East region. The factories had been constructed and been in operation since May 2016 and March 2017. These grants, recognized as deferred income, are being amortized over the useful life of the plant and machinery, and accounted as "Incentives (includes government grant, budgetary support, export incentives and others)" under the head "Other operating revenue" (Refer note 19), in proportion to depreciation expense.

18 Revenue from Operations

The company derives the following types of revenue:

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Sale of products	7,441	6,282
Other operating revenue:		
Incentives (includes government grant, budgetary support, export incentives and others)	51	47
Sale of scrap	8	8
Total revenue	7,500	6,337



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

Details of sales

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Edible oils	4,884	4,153
Hair oils	1,596	1,393
Personal care	291	214
Others	670	522
Sale of products	7,441	6,282

Reconciliation of Revenue from sale of Products with contracted price

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Contracted Price	8,246	6,909
Less: Discount	805	627
Sale of Products	7,441	6,282

19 Other Income

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Other income		
Lease rental income	1	1
Dividend income from subsidiaries	248	255
Interest income from financial assets at amortised cost	45	42
Royalty income	17	14
Others	16	13
Total	327	325
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment	0	(0)
Net gain on financial assets mandatorily measured at fair value through profit or loss and net gain on sale of investments	30	24
Net foreign exchange gain/(loss)	0	(3)
Total	30	21
Total other income	357	346

20 (a) Cost of Materials Consumed

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Raw materials consumed	3,907	2,974
Packing materials consumed	460	379
Total cost of materials consumed	4,367	3,353

20 (b) Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening inventories		
Finished goods	437	306
Work-in-progress	144	320
By-products	2	4
Stock-in-trade	32	41
	615	671
Closing inventories		
Finished goods	387	437
Work-in-progress	274	144
By-products	4	2
Stock-in-trade	36	32
	701	615
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	(86)	56

21 Employee Benefit Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, wages and bonus	315	328
Contribution to provident and other funds (refer note 15)	22	20
Share based payment expense (refer note 33)	19	13
Staff welfare expenses	16	13
Total employee benefit expense	372	374

22 Depreciation, Amortization and Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on property, plant and equipment (refer note 3)	67	77
Depreciation on investment properties (refer note 4)	0	0
Amortisation of intangible assets (refer note 5)	2	2
Depreciation on Lease assets (refer note 3b)	28	28
Total Depreciation and amortization Expense	97	107



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

23 Other Expenses

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Advertisement and sales promotion	467	416
Freight, forwarding and distribution expenses	264	219
Processing and Other Manufacturing Charges	203	195
Rent and storage charges	13	14
Legal & Professional Charges	63	67
Outside Services	46	42
Repairs and Maintenance	43	38
Power, fuel and water	27	22
Travelling, conveyance and vehicle expenses	19	14
Consumption of stores, spare and consumables	12	12
Provision for doubtful debts, loans, advances and investments	8	3
Payments to the auditor as :		
- Statutory audit fees (including Limited Review)	1	1
- for other services as statutory auditors	0	0
- for reimbursement of expenses	0	0
Miscellaneous expenses (refer note (a) below)	88	89
Total	1,254	1,133

(a) Miscellaneous expenses include printing and stationery, communication, rates and taxes, insurance and other expenses.

(b) Corporate social responsibility expenditure.

Particulars	Year ended	
	31st March, 2022	31st March, 2021
I Amount required to be spent as per the section 135 of the Act	22	20
II Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	22	20
III Shortfall at the end of the year	Nil	Nil
IV. Total of previous years shortfall	Not applicable	Not applicable
V. Reason for shortfall	Not applicable	Not applicable

VI. Nature of CSR activities include promoting education, health care including preventive health care , economic empowerment, farmer livelihood enhancement, community and ecological sustenance.

VII. Above includes ₹ 7 Crs (FY 2020-21 ₹ 6 Crs) -

Contribution amounting to ₹ 0.5 Crs (FY 2020-21 ₹ 0.3 Crs) made to Marico Innovation Foundation (MIF) , a subsidiary of the Company, which is a Section 25 registered Company under Companies Act, 1956, with the main objectives of fuelling innovation in India. The focus of the foundation is to work with people who have scalable ideas and help them scale it to benefit India in a direct way. MIF has already done work in the areas of renewable energy, waste management, employability, livelihoods and healthcare.

Contribution amounting to ₹ 6.7 Crs (FY 2020-21 ₹ 5.5 Crs), made to Parachute Kalpavriksha Foundation (PKF), a subsidiary of the Company, which is also Section 8 registered Company under Companies Act, 2013, with the main objectives of undertaking/channelizing the CSR activities of the Company towards community and ecological sustenance.

VIII. The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

(c) Research and Development expenses aggregating to ₹29 Crore have been included under the relevant heads in the Statement of Profit and Loss. (Previous year ended 31st March, 2021 aggregating ₹ 29 Crore). Further Capital expenditure pertaining to this of ₹ 1 Crore have been incurred during the year (Previous year ended 31st March, 2021 aggregating ₹ 1 Crore).

(d) Contribution to political parties during the year is ₹ Nil (Previous year ended 31st March, 2021 is ₹ Nil)

24 Finance Costs

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Interest expenses on financial liabilities at amortised cost	5	4
Other borrowing costs	0	0
Bank and other financial charges	17	7
Lease finance cost	8	11
Finance costs expensed in profit or loss	30	22

25 Income Tax Expense recognised in Profit or Loss

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Income tax expense		
Current tax on profit for the year	246	233
Deferred tax charge/(credit)	4	(28)
Total income tax expenses during the year recognised in profit or loss	250	205

Reconciliation of tax expense and accounting profit multiplied by India tax rate

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Profit before tax (a)	1,413	1,311
Income tax rate as applicable (b)	34.944%	34.944%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	494	458

Particulars	Year ended	
	31st March, 2022	31st March, 2021
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	(1)	(1)
Effect of Income which is taxed at special rate	(89)	(91)
Effect of expenses that are not deductible in determining taxable profit	15	23
Effect of expenses that are deductible in determining taxable profit	(0)	(1)
Income tax Incentives	(169)	(181)
Others	0	(2)
Income tax expense for the current year recognised in profit or loss	250	205



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

26 Fair Value Measurements (a) Financial Instruments by category

	Note	31st March, 2022			31st March, 2021		
		FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets							
Investments							
Equity Instruments	6(a)	1	-	-	1	-	-
Bonds, debentures and Commercial Papers (including interest accrued)	6(a)	276	-	17	208	-	25
Mutual funds	6(a)	422	-	-	291	-	-
Government securities	6(a)	-	-	0	-	-	0
Trade receivables	6(b)	-	-	555	-	-	310
Inter corporate deposits (including interest accrued)	6(a)	-	-	112	-	-	329
Loans to employees	6(c)	-	-	8	-	-	7
Derivative financial assets	6(g)	2	-	-	3	-	-
Security deposits	6(f),6(g)	-	-	12	-	-	13
Cash and cash equivalent	6(d)	-	-	30	-	-	8
Bank balances for unclaimed dividend	6(e)	-	-	1	-	-	62
Fixed deposits	6(d),6(e)&6(f)	-	-	265	-	-	641
Receivable from Related parties	6(f),6(g)	-	-	36	-	-	26
Loan to subsidiaries	6(g)	-	-	-	-	-	58
Total financial assets		701	-	1,037	503	-	1,479
Financial Liabilities							
Borrowings (including interest accrued)	13(a)	-	-	95	-	-	142
Derivative financial liabilities	13(b)	0	-	-	2	-	-
Trade payables	13(c)	-	-	1,000	-	-	841
Capital creditors	13(b)	-	-	7	-	-	5
Lease Liabilities		-	-	104	-	-	128
Others	13(b)	-	-	11	-	-	6
Total financial liabilities		0	-	1,217	2	-	1,122

Impact of COVID-19

The fair value of Financial assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Financial assets carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables forms a significant part of the financial assets carried at amortised cost. Appropriate provisions/allowances using expected credit loss method are determined and recorded. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of customers and the financial strength of the customers in respect of whom amounts are receivable.

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised. 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)				
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31st March, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	1	1
Mutual funds	6(a)	-	422	-	422
Debentures (Quoted)	6(a)	-	217	-	217
Exchange traded fund units	6(a)	-	59	-	59
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	-	-	-
Total financial assets		-	698	1	700
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	-	-	-
Total financial liabilities		-	-	-	-

	(₹ in Crore)				
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31st March, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	1	1
Mutual funds	6(a)	-	291	-	291
Debentures (Quoted)	6(a)	-	208	-	208
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	3	-	3
Total financial assets		-	502	1	503
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	2	-	2
Total financial liabilities		-	2	-	2

Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

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 instruments that have a quoted price in active market. The fair value of all instruments valued based on level 1 inputs is determined 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 forward contracts is valued based on Mark to Market statements from banks, the mutual funds are valued using the closing NAV published by mutual fund. Exchange traded fund units, are valued based on NAV published by the fund. Market linked debentures are valued using independent report from valuation agent of the instrument based on discounted cash flow method using an appropriate discount rate (ranging from 4% to 5 % as at 31 March 2022)

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).

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 & classify risk, by category of transaction, specific approval, execution and monitoring procedures.

In accordance with the aforementioned policies, the company only enters into plain vanilla derivative transactions relating to assets, liabilities or anticipated future transactions.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments the company aims to minimize its financial credit risk through the application of risk management policies. Credit limits are set based on a counterparty value. The methodology used to set the list of counterparty limits includes, counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out. The company avoids the concentration of credit risk on its liquid assets by spreading them over several asset management companies and monitoring of underlying sector exposure.

Trade receivables are subject to credit limits, controls & 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 as per expected credit loss, using simplified approach over the life of the asset 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 ₹ 571 Crores as at 31st March, 2022 and ₹ 318 Crores as at 31st March, 2021.

Particular	31st March 2022	31st March 2021
Loss allowance at the beginning of the year	8	5
Add : Changes in loss allowances	8	3
Loss allowance at the end of the year	16	8

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 Crores as at 31st March, 2022 and ₹ 14 Crores as at 31st March, 2021.

Other financial asset includes investment, loans to employees and advances given to subsidiaries for various operational requirements and other receivables (refer note 6(a), 6(c) and 6(g)). Provision is made where there is significant increase in credit risk of the asset.

Particular	31st March 2022	31st March 2021
Loss allowance at the beginning of the year	1	1
Add : Changes in loss allowances due to provision/(reversal/write off)	-	-
Loss allowance at the end of the year	1	1

(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 of committed credit lines.

The current ratio of the company as at 31st March, 2022 is 2.07 (as at 31st March, 2021 is 2.11) whereas the liquid ratio of the company as at 31st March, 2022 is 1.18 (as at 31st March, 2021 is 1.39).

Maturities of financial liabilities

Contractual maturities of financial liabilities 31st March 2022

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	13(a)	95	-	-	-	95
Trade Payables	13(c)	983	11	4	2	1,000
Lease Liabilities	13(b)	29	29	19	27	104
Other Financial Liabilities	13(b)	18	-	-	-	18
Total Non- derivative liabilities		1,124	41	23	29	1,217
Derivative						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Principal swap		-	-	-	-	-
Total derivative liabilities		-	-	-	-	-

Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

Contractual maturities of financial liabilities 31st March, 2021

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	13(a)	142	-	-	-	142
Trade payables	13(c)	834	3	4	1	842
Lease Liabilities	13(b)	26	28	29	44	128
Other financial liabilities	13(b)	12	-	-	-	12
Total Non- derivative liabilities		1,014	31	33	45	1,123
Derivative						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Principal swap		-	-	-	-	-
Total derivative liabilities		-	-	-	-	-

Apart from the above, the company also has an exposure of corporate guarantees 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.

(C) Market Risk

The Company is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and future transactions.

(i) Foreign currency risk

The Company is exposed to foreign currency risk from transactions and translation.

Transactional exposures arise from transactions in foreign currency. They are managed within a prudent and systematic hedging policy in accordance with the company's specific business needs through the use of currency forwards and options.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (in crores) as on 31st March 2022

	(₹ in Crore)													
	AED	AUD	BDT	CAD	EGP	GBP	USD	VND	LKR	THB	MYR	SGD	ZAR	EUR
Financial assets														
Foreign currency debtors for export of goods	0	-	-	0	-	-	59	-	-	-	-	-	-	-
Bank balances	-	-	-	-	-	-	0	0	-	-	-	-	-	-
Receivables from subsidiaries	5	-	11	-	0	-	18	1	0	-	-	-	-	-
Derivative asset														
Foreign exchange forward contracts sell foreign currency	-	-	-	(0)	-	-	(67)	-	-	-	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	(67)	-	-	-	-	-	-	-
Net Exposure to foreign currency risk (assets)	5	-	11	0	0	-	(57)	1	0	-	-	-	-	-

	AED	BDT	EUR	GBP	THB	ZAR	SGD	USD
Financial liabilities								
Foreign currency Creditors for Import of goods and services	-	0	1	2	0	0	0	2
Derivative liabilities								
Foreign exchange forward contracts buy foreign currency	-	-	2	-	-	-	-	(63)
Foreign exchange Option contracts buy option	-	-	-	-	-	-	-	(39)
Net Exposure to foreign currency risk (liabilities)	-	0	2	2	0	0	0	(100)

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (in crores) as on

31st March 2021

	(₹ in Crore)													
	AED	AUD	BDT	CAD	EGP	GBP	USD	VND	LKR	THB	MYR	SGD	ZAR	EUR
Financial assets														
Foreign currency debtors for export of goods	-	-	-	-	-	-	35	-	-	-	-	-	-	-
Bank balances	-	-	-	-	-	-	0	0	-	-	-	-	-	-
Receivables from subsidiaries	4	-	9	-	0	-	11	1	0	-	-	-	-	-
Loan to Subsidiary	-	-	-	-	-	-	58	-	-	-	-	-	-	-
Derivative asset														
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	(103)	-	-	-	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	(55)	-	-	-	-	-	-	-
Net Exposure to foreign currency risk (assets)	4	-	9	-	0	-	(54)	1	0	-	-	-	-	-

	AED	BDT	EUR	GBP	VND	MYR	SGD	USD
Financial liabilities								
Foreign currency Creditors for Import of goods and services	-	0	-	-	-	-	0	-
Derivative liabilities								
Foreign exchange forward contracts buy foreign currency	-	-	(5)	-	-	-	-	(59)
Foreign exchange Option contracts buy option	-	-	(2)	-	-	-	-	(29)
Net Exposure to foreign currency risk (liabilities)	-	0	(7)	-	-	-	0	(89)

Particular	Impact on profit after tax	
	31st March, 2022	31st March, 2021
USD Sensitivity		
INR/USD Increase by 6%	3	5
INR/USD Decrease by 6%	(3)	(5)
AUD Sensitivity		
INR/AUD Increase by 6%	-	0
INR/AUD Decrease by 6%	-	(0)
BDT Sensitivity		
INR/BDT Increase by 6%	0	0
INR/BDT Decrease by 6%	(0)	0

Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

ii) Interest rate risk

The Company is exposed primarily to fluctuation in interest rates in domestic market.

The Company manages its cash flow interest rate risk on long term borrowing, if any, 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, if any, 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:

Particulars	As at	
	31st March, 2022	31st March, 2021
Variable rate borrowings	95	142
Fixed rate borrowings	-	-
Total borrowings (including interest accrued)	95	142

As at the end of the reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	31st March 2022			31st March 2021		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	3.57%	95	100%	2.82%	142	100.00%
Interest rate Swaps (Notional principal amount)	-	-	-	-	-	-
Net Exposure to Cash Flow Interest rate Risk	-	95	-	-	142	-

Interest bearing Financial assets classified at amortized cost, such as Fixed Deposit balances with Banks, Inter Corporate Deposits, Commercial Papers, Bonds, debentures etc (except Loan given to subsidiary) have fixed interest rate. Hence, the Company is not subject to interest rate risk on such financial assets.

The exposure of the company's to variable interest rate changes in respect of Loan given to subsidiary at the end of the reporting period are as follows:

Particulars	As at	
	31st March, 2022	31st March, 2021
Variable rate	-	58

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)

Sensitivity impact on interest rate changes on borrowings	Impact on profit after tax	
	31st March, 2022	31st March, 2021
Interest rates - Increase by 50 basis point (50 bps)	(0)	(0)
Interest rates - decrease by 50 basis point (50 bps)	0	0

Sensitivity impact on interest rate changes on loan given to subsidiary	Impact on profit after tax	
	31st March, 2022	31st March, 2021
Libor rates - Increase by 50 basis point (50 bps)	-	0
Libor rates - decrease by 50 basis point (50 bps)	-	(0)

iii) Price risk

Mutual fund, market linked debentures and exchange traded 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 ₹ 4 Crores on the overall portfolio as at 31st March, 2022 and ₹ 3 Crores as at 31st March, 2021.

Impact of hedging activities

Derivate Asset and Liabilities through Hedge Accounting

Derivative financial instruments

The Company's derivatives mainly consist of currency forwards and options. 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.

Cash flow Hedges

The Company uses cash flow hedges to mitigate a particular risk associated with a recognised asset or liability or highly probable forecast transactions, such as anticipated future export sales, purchases of equipment and raw materials.

The effective part of the changes in fair value of hedging instruments is recognised in other comprehensive income, while any ineffective part is recognised immediately in the Statement of Profit and Loss.

Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	68	65	1	(0)	April 2022- March 2023	1:1	USD=77.57 EUR=86.54	0	(0)
Foreign Exchange Options Contracts	67	39	0	1	April 2022- March 2023	1:1	USD=75.31	1	(1)
Net Investment Hedge									



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

31st March 2021		(₹ in Crore)							
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					
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	103	64	1	(1)	April 2021-March 2022	1:1	USD=75.18 EUR=90.39	2	(2)
Foreign Exchange Options Contracts	55	32	0	1	April 2021-March 2022	1:1	USD=73.66 EUR=89.45	0	(0)

Disclosure of effects of Hedge Accounting on Financial Performance

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, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	
Cash Flow							
Foreign Exchange Risk	(0)	(1)	-	-	1	2	Other expenses

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 borrowings.

The debt equity ratio highlights the ability of a business to repay its debts. Refer below for net Debt equity ratio.

The Company complies with all statutory requirement as per the extant regulations.

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Net debt	95	142
Total equity	3,049	3,035
Net debt to equity ratio	0.03	0.05

(b) Dividend

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
(i) Equity shares		
Interim dividend for the year	1,195	968

29 Segment Information

- In accordance with Indian Accounting Standard IND AS 108, the Company has disclosed Consolidated Segment information in Consolidated Financial statement
- 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".
- The amount of the company's revenue from external customers broken down by each product and service is shown in the table below.

Particulars	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
Edible	4,884	4,153
Hair Oils	1,596	1,393
Personal care	291	214
Others	670	522
Total	7,441	6,282

- The Company's assets located outside India are not material. Further, the Company does not have revenue more than 10% of total revenue from single customer.



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

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, 2022 %	31st March, 2021 %	31st March, 2022 %	31st March, 2021 %
Subsidiary Companies:					
Marico Bangladesh Limited (MBL)	Bangladesh	90	90	10	10
Marico Bangladesh Industries Limited (MBLIL)	Bangladesh	100	100	0	0
Marico Middle East FZE (MME)	UAE	100	100	0	0
Marico Gulf LLC (MLLC)***	UAE	100	NA	NA	NA
Marico Malaysia Sdn. Bhd. (MMSB)	Malaysia	100	100	0	0
Egyptian American Investment and Industrial Development Company S.A.E (EAIIDC)	Egypt	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	Egypt	100	100	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
Halite Personal Care India Private Limited (A Company under Voluntary Liquidation)	India	100	100	0	0
Marico Innovation Foundation (MIF)	India	NA	NA	0	0
Parachute Kalpavriksha Foundation (PKF)	India	NA	NA	0	0
Marico Lanka (Private) Limited	Sri Lanka	100	100	0	0
Zed Lifestyle Private Limited* (ZED)	India	100	100	0	0
Apcos Natural Private Limited** (APCOS)	India	52.38	NA	47.62	NA

* Zed Lifestyle Private Limited has become wholly owned subsidiary of Marico Ltd. w.e.f. 30th June, 2020.

**Apcos Naturals Private Limited has become subsidiary of Marico Ltd. w.e.f. 21st July, 2021

*** Marico Gulf LLC has become step down subsidiary of Marico Ltd. w.e.f. 17th January, 2022.

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 subsidiary of the Company with effect from 15 March, 2013.

Parachute Kalpavriksha Foundation ("PKF"), a company incorporated under Section 8 of the Companies Act, 2013 (being a private company limited by guarantee not having share capital) primarily with an objective of undertaking/channelizing the CSR activities of the Company towards community and ecological sustenance, is a subsidiary of the Company with effect from 27 December, 2018.

b) Joint venture:

Zed Lifestyle Private Limited

During the previous year ended 31st March, 2021, with acquisition of additional 55% stake in Zed Lifestyle Pvt Ltd, a joint venture, the said joint venture became wholly owned subsidiary of Marico Limited with effect from 30th June, 2020.

Revolutionary Fitness Private Limited

During the previous year ended 31st March, 2021, the Company divested its entire stake of 29.44% held in Revolutionary Fitness Private Limited, a joint venture. Accordingly, the said joint venture ceased to be the joint venture of Marico Ltd effective 23rd September, 2020.

Hello Green Private Limited

During the previous year ended 31st March, 2021, the Company divested its entire stake of 25.79% held in Hello Green Private Limited, a joint venture. Accordingly, the said joint venture ceased to be the joint venture of Marico Ltd effective 23rd September, 2020.

c) Key management personnel (KMP):

Mr. Harsh Mariwala, Chairman and Non-Executive Director

Mr. Saugata Gupta, Managing Director and CEO

Mr. Ananth Sankaranarayanan, Independent Director

Mr. B.S. Nagesh, Independent Director (ceased to be a Director with effect from end of day March 31, 2022)

Ms. Hema Ravichandar, Independent Director

Mr. Nikhil Khattau, Independent Director

Mr. Rajendra Mariwala, Non-Executive Director

Mr. Kanwar Bir Singh Anand, Independent Director (ceased to be a Director with effect from July 30, 2021)

Mr. Sanjay Dube, Independent Director (ceased to be a Director with effect from July 30, 2021)

Mr. Milind Barve, Independent Director (Appointed with effect from August 2, 2021)

Mr. Rajeev Vasudeva, Independent Director (Appointed with effect from November 1, 2021)

Mr. Rishabh Mariwala, Non-Executive Director

Mr. Vivek Karve, Chief Financial Officer (Resigned with effect from close of business hours on September 10, 2020)

Mr. Pawan Agrawal, Chief Financial Officer (Appointed with effect from close of business hours on September 10, 2020)

Ms. Hemangi Ghag, Company Secretary & Compliance Officer (Resigned with effect from close of business hours of September 3, 2021)

Mr. Vinay M A, Company Secretary & Compliance Officer (Appointed with effect from October 28, 2021)

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, Non-Executive Director and son of Mr. Harsh Mariwala, Chairman and Non-Executive Director

e) Post employment benefit controlled trust

Marico Limited Employees Provident Fund

Marico Limited Employees Gratuity Fund

Marico Limited Pension Scheme



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

f) Others - Entities in which above (c) and (d) has significant influence and transactions have taken place:

Aqua Centric Private Limited
 Ascent India Foundation
 Kaya Limited
 Mariwala Health Foundation
 Aaidea Solutions Private Limited
 Bright Lifecare Private Limited
 Soap Opera
 The Bombay Oil Private Limited
 Leap India Private Limited
 Surf boat Private Limited
 Koyla ki proylsers Private Limited
 Delhivery Private Limited
 Primemover Mobility Technologies Private Limited
 Centum Learning Limited
 Sharrp Consumer Wellbeing Solutions Private Limited (formerly known as Indian School of Communications Private Limited)
 Harsh Mariwala Enterprises LLP

II Transactions with related parties

The following transactions occurred with related parties:

Key management personnel compensation.

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
Employee share-based payment	23	4
Short-term employee benefits	16	13
Post-employment benefits	1	1
Total compensation	40	18
Remuneration / sitting fees to Chairman	4	4
Remuneration / sitting fees to Non-Executive and Independent Directors (Excluding the Chairman)	3	3

i. Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

ii. ESOP and STAR grant accrued annually are included in the KMP's remuneration in the year in which the same are exercised.

Contribution to post employment benefit controlled trust

(₹ in Crore)

Particulars	As at	
	31st March, 2022	31st March, 2021
Marico Limited Employees Provident Fund	31	29
Marico Limited Employees Gratuity Fund	4	5
	35	34

(₹ in Crore)

Particular	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	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Sale of goods	140	86	-	3
Marico Bangladesh Limited	20	6	-	-
Marico Middle East FZE	88	54	-	-
Marico South East Asia Corporation	27	24	-	-
Aaidea Solutions Pvt Ltd	-	-	-	3
Others	5	2	-	0
Sale of assets	0	1	-	-
Marico Bangladesh Limited	0	1	-	-
Purchases of goods	6	0	0	1
Marico South East Asia Corporation	0	0	-	-
Zed Lifestyle Private Limited	5	-	-	-
APCOS Natural Private Limited	1	-	-	-
Soap Opera	-	-	0	1
Others	0	0	-	0
Other transactions				
Royalty income	17	14	-	-
Marico Bangladesh Limited	11	9	-	-
Marico Middle East FZE	5	4	-	-
Marico South East Asia Corporation	1	1	-	-
Others	1	0	-	-
Dividend income	248	255	-	-
Marico Bangladesh Limited	198	223	-	-
Marico South East Asia Corporation	50	32	-	-
Others	-	-	-	-
Interest income	1	0	-	-
Marico Middle East FZE	1	0	-	-
Marketing Fees	0	12	-	-
Marico Middle East FZE	0	12	-	-
Expenses paid on behalf of related parties	7	6	1	0
Marico Bangladesh Limited	3	3	-	-
Marico Middle East FZE	1	1	-	-
Kaya Limited	-	-	0	0
Marico South East Asia Corporation	2	2	-	-



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

Particular	(₹ in Crore)			
	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	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Marico Lanka Private Limited	0	0	-	-
Others	1	0	0	0
Expenses paid by related parties on behalf of Marico Limited	4	3	-	-
Marico South East Asia Corporation	0	0	-	-
Marico Middle East FZE	3	3	-	-
Others	-	0	-	-
Lease rental income	-	-	1	1
Kaya Limited	-	-	1	1
Others	-	-	0	0
Royalty expense	-	-	0	0
Kaya Limited	-	-	0	0
Other Income	0	-	-	-
Marico Bangladesh Limited	0	-	-	-
Investments made during the year	10	132	-	-
Zed Lifestyle Private Limited	-	132	-	-
APCOS Naturals Private Limited*	10	-	-	-
Donation given / CSR activities	9	7	-	-
Marico Innovation Foundations	1	1	-	-
Parachute Kalpavriksha Foundation	8	6	-	-
Agency commission for copra procurement	2	2	-	-
Marico Middle East FZE	2	2	-	-
Corporate guarantee commission	2	2	-	-
Marico Middle East FZE	2	2	-	-
Marico South Africa (Pty) Limited	0	0	-	-
Others	0	0	-	-
Provision for impairment of investment	-	27	-	-
Marico South Africa Consumer Care (Pty) Limited (MSACC)	-	27	-	-
Sale of Investment	-	5	-	-
Revolutionary Fitness Private Limited	-	5	-	-
Hello Green Private Limited	-	0	-	-
Advertising Expense	-	-	-	0
Bright Lifecare Private Limited	-	-	-	0
Brand Purchase	-	-	-	4
Bombay Oil Private Limited	-	-	-	4
Expense reimbursement	-	-	-	0

Particular	(₹ in Crore)			
	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	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Soap Opera	-	-	-	0
Towards adjustment of reimbursement charged	-	-	0	-
Soap Opera	-	-	0	-
Ascent India Foundation	-	-	0	-
Aqua Centric Private Limited	-	-	0	-
Mariwala Health Foundation	-	-	0	-
Harsh Mariwala Enterprises LLP	-	-	0	-
Others	-	-	0	-
Purchase of Fixed assets	-	-	0	-
Soap Opera	-	-	0	-
Other Services	-	-	3	-
Leap India Private Limited	-	-	2	-
Centum Learning Limited	-	-	1	-
Delhivery Private Limited	-	-	0	-
Others	-	-	0	-
Repayment of Loan by related party	58	-	-	-
Marico Middle East FZE	58	-	-	-
Corporate guarantee given	4	-	-	-
Zed Lifestyle Private Limited	3	-	-	-
Marico Lanka Private Limited	1	-	-	-
Intra group service arrangement	10	11	-	-
Marico Bangladesh Limited	5	5	-	-
Marico South East Asia Corporation	1	1	-	-
Marico Middle East FZE	1	1	-	-
Marico For Consumer Care Products S.A.E	0	1	-	-
Zed Lifestyle Private Limited	4	3	-	-
Others	0	0	-	-

*The acquisition of Apcos Naturals Private Limited was done through secondary buy-outs and primary infusion. The above pertains to primary infusion in equity capital of the Company.



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

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, 2022	31st March, 2021	31st March, 2022	31st March, 2021
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties				
Investments	544	489	-	-
Marico South East Asia Corporation	255	255	-	-
Zed Lifestyle Private Limited	157	157	-	-
APCOS Natural Private Limited	55	-	-	-
Others	78	77	-	-
Trade payables (purchases of goods and services)	2	0	0	-
Marico for Consumer Care Products SAE	-	0	-	-
Marico South East Asia Corporation	0	0	-	-
Marico Bangladesh Limited	-	0	-	-
Zed Lifestyle Private Limited	2	-	-	-
Others	0	0	0	-
Trade receivables (sale of goods and services)	42	26	0	-
Marico Middle East FZE	19	15	-	-
Marico Bangladesh Limited	15	3	-	-
Marico South East Asia Corporation	6	7	-	-
Others	3	1	0	-
Other Receivable	4	4	-	-
Zed Lifestyle Private Limited	3	4	-	-
Others	0	-	-	-
Royalty payable	-	0	-	-
Kaya Limited	-	0	-	-
Others	-	-	-	0
Other receivables	36	25	0	0
Marico Bangladesh Limited	26	17	-	-
Marico Middle East FZE	6	6	-	-
Marico South East Asia Corporation	2	2	-	-
Others	2	1	0	0
Loan to related party	-	58	-	-
Marico Middle East FZE	-	58	-	-
Marketing Fees Payable	0	4	-	-
Marico Middle East FZE	0	4	-	-
Corporate guarantee	287	275	-	-
Marico Middle East FZE	246	238	-	-
Marico South Africa (Pty) Limited	34	32	-	-
Others	7	5	-	-

Terms and conditions of transaction with related parties for Transfer Pricing regulations

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 2021. Management believes that the Company's international transactions with related parties post 31st March 2021 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.

For the year ended 31st March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2020-21: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

31 Contingent liabilities

The company had contingent liabilities in respect of:

Particulars	(₹ in Crore)	
	As at	As at
	31st March, 2022	31st March, 2021
Disputed tax demands / claims :		
Sales tax	110	93
Income tax	289	181
Employees state insurance corporation	0	0
Excise duty	33	33
Service Tax	0	0
Guarantees excluding financial guarantees:		
Corporate guarantees given to banks on behalf of Broadcast Audience Research Council (BARC)	1	1
Credit and other facilities availed by subsidiaries from banks as at year-end against the corporate guarantee given by the Company	244	188

Note:

- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.
- The Company has ongoing disputes with income tax authorities. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives and allowances. The Company has contingent liability of ₹ 289 crore and ₹ 181 crore as at March 31, 2022 and March 31, 2021 respectively, in respect of tax demands which are being contested by the Company based on the management evaluation and advice of tax consultants. The Company periodically receives notices and inquiries from income tax authorities. The Company has assessed these notices and inquiries and has estimated that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

32 Commitments

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2	16
(b) Corporate guarantees given to banks against which no credit facilities are availed at the year end	43	87

33 Share-Based Payments

(a) Employee stock option plan

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 single scheme 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 through one or more Scheme(s) notified under the Plan. Each option represents 1 equity share in the Company. The vesting 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:

As at March 31 2022

Scheme	Part	Options outstanding as at 31st March, 2022	Exercise price	Vesting date	Weighted average share price of options exercised	Balance as at beginning of the year	Number of options granted, exercised and forfeited				
							Granted during the year	Less : Exercised during the year	Less: Forfeited / lapsed during the year	Balance as at end of the year	Weighted average remaining contractual life of options outstanding at end of period (in years)
Scheme II		-	280.22	31-Mar-19	-	939,700	-	939,700	-	-	-
Scheme III	Part III	-	1.00	30-Nov-19	-	1,910	-	1,910	-	-	0.33
Scheme IV	Part I	83,340	256.78	30-Nov-19	-	222,770	-	139,430	-	83,340	0.33
	Part II	6,200	302.34	30-Nov-19	-	16,930	-	10,730	-	6,200	0.33
	Part III	7,570	307.77	30-Nov-19	-	19,500	-	11,930	-	7,570	0.33
Scheme VI	Part I	-	1.00	30-Nov-20	-	21,320	-	21,320	-	-	0.83
	Part III	740	1.00	30-Nov-20	-	740	-	-	-	740	0.83
Scheme VII	Part I	138,780	307.77	30-Nov-20	-	263,980	-	123,060	2,140	138,780	0.83
	Part II	13,760	316.53	30-Nov-20	-	32,770	-	19,010	-	13,760	0.83
	Part III	22,570	346.47	30-Nov-20	-	29,390	-	6,820	-	22,570	0.83
Scheme IX	Part I	15,290	1.00	30-Nov-21	-	59,310	-	34,880	9,140	15,290	1.33
	Part II	8,100	1.00	30-Nov-21	-	8,100	-	-	-	8,100	1.33
Scheme X	Part I	335,440	346.47	30-Nov-21	-	513,760	-	95,590	82,730	335,440	1.33
	Part II	11,200	357.51	30-Nov-21	-	52,180	-	29,000	11,980	11,200	1.33
	Part III	37,280	346.00	30-Nov-21	-	45,420	-	3,900	4,240	37,280	1.33
Scheme XI		222,700	357.65	31-Mar-22	-	222,700	-	-	-	222,700	1.50
Scheme XII		386,380	357.65	31-Mar-22	-	526,890	-	-	140,510	386,380	1.50
Scheme XIII	Part I	717,540	346.00	30-Nov-22	-	855,800	-	-	138,260	717,540	2.17
	Part II	45,230	330.38	30-Nov-22	-	45,230	-	-	-	45,230	2.17
	Part III	109,550	372.10	30-Nov-22	-	109,550	-	-	-	109,550	2.17
Scheme XIV		425,100	330.38	31-Mar-23	-	425,100	-	-	-	425,100	2.50
Scheme XV	Part I	65,040	1.00	30-Nov-23	-	82,970	-	-	17,930	65,040	3.17
	Part II	6,548	1.00	30-Nov-23	-	-	6,548	-	-	6,548	3.17
Scheme XVI	Part I	695,890	372.10	30-Nov-23	-	838,510	-	-	142,620	695,890	3.17
	Part II	87,435	451.56	30-Nov-23	-	-	87,435	-	-	87,435	3.17
	Part III	145,866	545.34	30-Nov-23	-	-	145,866	-	-	145,866	3.17
Scheme XVII		52,080	1.00	31-Mar-24	-	-	52,080	-	-	52,080	3.50
Scheme XVIII		297,940	451.56	31-Mar-24	-	-	297,940	-	-	297,940	3.50
Scheme XIX		54,196	1.00	30-Nov-24	-	-	62,868	-	8,672	54,196	4.17
Scheme XX		839,114	545.34	30-Nov-24	-	-	868,446	-	29,332	839,114	4.17
Scheme XXI		-	1.00	31-Mar-24	-	-	6,083	-	6,083	-	3.50
Scheme XXII		24,017	545.34	31-Mar-24	-	-	79,032	-	55,015	24,017	3.50
Total						5,334,530	1,606,298	1,437,280	648,652	4,854,896	



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

As at March 31 2021

Scheme	Part	Options outstanding as at 31st March, 2022	Exercise price	Vesting date	Number of options granted, exercised and forfeited						
					Weighted average share price of options exercised	Balance as at beginning of the year	Granted during the year	Less : Exercised during the year	Less: Forfeited / lapsed during the year	Balance as at end of the year	Weighted average remaining contractual life of options outstanding at end of period (in years)
Scheme II		939,700	280.22	31-Mar-19	-	939,700	-	-	-	939,700	0.50
	Part I	-	1.00	30-Nov-19	-	28,140	-	28,140	-	-	-
Scheme III	Part II	-	1.00	30-Nov-19	-	4,470	-	4,470	-	-	-
	Part III	1,910	1.00	30-Nov-19	-	1,910	-	-	-	1,910	0.83
	Part I	222,770	256.78	30-Nov-19	-	323,110	-	97,240	3,100	222,770	0.83
Scheme IV	Part II	16,930	302.34	30-Nov-19	-	43,480	-	18,100	8,450	16,930	0.83
	Part III	19,500	307.77	30-Nov-19	-	27,180	-	7,680	-	19,500	0.83
Scheme V		-	1.00	31-Mar-20	-	67,120	-	67,120	-	-	-
	Part I	21,320	1.00	30-Nov-20	-	64,720	-	24,060	19,340	21,320	1.33
Scheme VI	Part II	-	1.00	30-Nov-20	-	3,320	-	3,320	-	-	-
	Part III	740	1.00	30-Nov-20	-	740	-	-	-	740	1.33
	Part I	263,980	307.77	30-Nov-20	-	363,560	-	34,540	65,040	263,980	1.33
Scheme VII	Part II	32,770	316.53	30-Nov-20	-	55,500	-	20,860	1,870	32,770	1.33
	Part III	29,390	346.47	30-Nov-20	-	39,220	-	1,560	8,270	29,390	1.33
Scheme VIII		-	1.00	31-Mar-20	-	24,820	-	24,820	-	-	-
	Part I	59,310	1.00	30-Nov-21	-	78,240	-	-	18,930	59,310	2.17
Scheme IX	Part II	8,100	1.00	30-Nov-21	-	8,100	-	-	-	8,100	2.17
	Part I	513,760	346.47	30-Nov-21	-	612,240	-	-	98,480	513,760	2.17
Scheme X	Part II	52,180	357.51	30-Nov-21	-	55,880	-	-	3,700	52,180	2.17
	Part III	45,420	346.00	30-Nov-21	-	45,420	-	-	-	45,420	2.17
Scheme XI		222,700	357.65	31-Mar-22	-	222,700	-	-	-	222,700	2.50
Scheme XII		526,890	357.65	31-Mar-22	-	526,890	-	-	-	526,890	2.50
	Part I	855,800	346.00	30-Nov-22	-	946,860	-	-	91,060	855,800	3.17
Scheme XIII	Part II	45,230	330.38	30-Nov-22	-	-	45,230	-	-	45,230	3.17
	Part III	109,550	372.10	30-Nov-22	-	-	115,460	-	5,910	109,550	3.17
Scheme XIV		425,100	330.38	31-Mar-23	-	-	425,100	-	-	425,100	3.50
Scheme XV		82,970	1.00	30-Nov-23	-	-	82,970	-	-	82,970	4.17
Scheme XVI		838,510	372.10	30-Nov-23	-	-	874,820	-	36,310	838,510	4.17
Total-						4,483,320	1,543,580	331,910	360,460	5,334,530	

Particulars	31st March 2022	31st March 2021
Aggregate of all stock options outstanding as at the year end to current paid-up equity share capital (percentage)	0.38%	0.41%

The following assumptions were used for calculation of fair value of grants using Black-Scholes:

Scheme	Part	Risk-free interest rate (%)	Expected life of options (years)	Expected volatility (%)	Dividend yield (%)	Fair value of the option
Scheme II		7.25%	3 years 2 months	25.80%	0.96%	85.53
	Part I	6.75%	3 years 6 months	26.10%	0.96%	246.12
Scheme III	Part II	6.25%	3 years 1 months	26.70%	1.07%	308.10
	Part III	6.50%	2 years 6 months	23.10%	1.07%	301.35
	Part I	6.75%	3 years 6 months	26.10%	0.96%	68.80
Scheme IV	Part II	6.25%	3 years 1 months	26.70%	1.07%	86.70
	Part III	6.50%	2 years 6 months	23.10%	1.07%	64.28
Scheme VI	Part I	6.75%	3 years 6 months	25.50%	1.07%	298.18
	Part III	7.30%	2 years 6 months	22.50%	1.29%	346.10
Scheme VII	Part I	6.75%	3 years 6 months	25.50%	1.07%	83.77
	Part II	7.00%	3 years	23.84%	1.29%	77.50
	Part III	7.30%	2 years 6 months	22.50%	1.29%	79.70
	Part I	7.39%	3 years 6 months	23.40%	1.29%	341.70
Scheme IX	Part II	7.39%	3 years 1 months	23.40%	1.29%	358.30
Scheme X	Part I	7.39%	3 years 6 months	23.40%	1.29%	98.20
	Part II	7.39%	3 years 1 months	23.40%	1.29%	69.20
	Part III	6.35%	3 years 6 months	22.14%	1.29%	74.50
Scheme XI		7.39%	3 years 5 months	23.40%	1.29%	89.50
Scheme XII		7.39%	3 years 5 months	23.40%	1.29%	89.50
	Part I	6.42%	4 years 6 months	22.94%	1.29%	89.40
Scheme XIII	Part II	4.90%	3 years 11 months	24.68%	1.71%	80.79
	Part III	4.65%	3 years 6 months	24.83%	1.71%	80.90
Scheme XIV		4.90%	4 years 3 months	24.47%	1.71%	83.53
	Part I	4.98%	4 years 6 months	24.51%	1.71%	345.30
Scheme XV	Part II	5.42%	3 years 6 months	25.08%	1.88%	488.70
Scheme XVI	Part I	4.98%	4 years 6 months	24.51%	1.71%	93.00
	Part II	5.27%	4 years	24.39%	1.71%	112.20
	Part III	5.42%	3 years 6 months	25.08%	1.88%	107.30
Scheme XVII		5.27%	4 years 4 months	24.22%	1.71%	452.40
Scheme XVIII		5.27%	4 years 4 months	24.22%	1.71%	116.20
Scheme XIX		5.73%	4 years 6 months	24.14%	1.88%	479.60
Scheme XX		5.73%	4 years 6 months	24.14%	1.88%	123.10
Scheme XXI		5.13%	2 years 10 months	25.03%	1.88%	494.80
Scheme XXII		5.13%	2 years 10 months	25.02%	1.88%	93.60



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

33 Share-Based Payments

(b) Share appreciation rights

The Nomination and Remuneration 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 VII 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 Nomination and Remuneration Committee comprising independent directors.

Scheme	Grant Date	Grant Price (₹)	Vesting Date	As at March 31, 2022						As at March 31, 2021									
				Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (₹ in Crore)	Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (₹ in Crore)				
				at the beginning of the year	Add: Granted during the year	Less: Forfeited during the year	Less: Exercised during the year	at the end of the year		Classified as long-term	Classified as short-term	at the beginning of the year	Add: Granted during the year	Less: Forfeited during the year		Less: Exercised during the year	at the end of the year	Classified as long-term	Classified as short-term
STAR VIII	01-Dec-17	307.77	30-Nov-20	-	-	-	-	-	-	-	-	-	167,140	-	8,630	158,510	-	-	0
	31-May-18	316.53	30-Nov-20	-	-	-	-	-	-	-	-	-	26,370	-	-	26,370	-	-	0
	02-Aug-18	352.42	30-Nov-20	-	-	-	-	-	-	-	-	-	24,000	-	-	24,000	-	-	0
STAR IX	04-Dec-18	346.47	30-Nov-20	-	-	-	-	-	-	-	-	-	35,580	-	6,720	28,860	-	-	0
	04-Dec-18	346.47	30-Nov-21	273,460	-	24,800	248,660	-	-	-	-	-	316,530	-	43,070	273,460	-	-	2
	06-May-19	357.51	30-Nov-21	16,620	-	10,410	6,210	-	-	-	-	-	20,320	-	3,700	16,620	-	-	0
STAR X	20-Dec-19	346.04	30-Nov-21	33,820	-	2,720	31,100	-	-	-	-	-	33,820	-	-	33,820	-	-	0
	20-Dec-19	346.04	30-Nov-22	298,010	-	55,360	3,860	238,790	-	-	-	-	346,350	-	48,340	298,010	1	-	-
	23-Jun-20	330.38	30-Nov-22	39,740	-	-	-	39,740	-	-	-	-	39,740	-	-	39,740	0	-	-
STAR XI	01-Dec-20	372.10	30-Nov-22	6,130	-	-	-	6,130	-	-	-	-	6,130	-	-	6,130	0	-	-
	01-Dec-20	372.10	30-Nov-22	529,400	6,220	88,490	3,690	443,440	3	-	-	-	541,180	11,780	-	529,400	1	-	-
	26-May-21	451.56	30-Nov-23	-	66,852	-	-	66,852	0	-	-	-	-	-	-	-	-	-	-
STAR XII	07-Dec-21	545.34	30-Nov-23	-	49,365	-	-	49,365	0	-	-	-	-	-	-	-	-	-	-
	07-Dec-21	545.34	30-Nov-24	-	581,780	10,528	-	571,252	1	-	-	-	-	-	-	-	-	-	-
	Total			1,197,180	704,217	192,308	293,520	1,415,569	3	4	970,110	587,050	122,240	237,740	1,197,180	2	2		

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 ₹ 47 Crore as at 31st March, 2022 (₹ 33 Crore as at 31st March, 2021) 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 1 April, 2013), shall utilize the proceeds towards meeting its STAR Value obligation.

The fair value of the STAR's was determined using the Black-Scholes model using the following inputs at the grant date and as at each reporting date:

Particulars	31st March, 2022	31st March, 2021
Share price at measurement date (INR per share)	503.7	411.3
Expected volatility (%)	22.9%-26.2%	21.75%-26.9%
Dividend yield (%)	1.90%	1.71%
Risk-free interest rate (%)	4.3% - 5.4%	3.93% - 4.93%

(c) Expense arising from share-based payment transactions recognised in Profit or Loss as part of employee benefit expense were as follows:

Particulars	31st March, 2022	31st March, 2021
Employee stock option plan	10	9
Stock appreciation rights	9	4
Total employee share based payment expense	19	13

34 Earnings Per Share

Basic EPS amounts are calculated by dividing the profit after tax for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit after tax for the year attributable to equity shareholders by weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(₹ in Crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Basic earnings per share		
Basic earnings per share (in ₹)	9.02	8.57
(b) Diluted earnings per share		
Diluted earnings per share (in ₹)	9.01	8.56
(c) Earnings used in calculating earnings per share (₹ in Crores)	1,163	1,106
(d) Weighted average number of equity shares used as denominator		
Weighted average number of equity shares outstanding	1,291,882,131	1,291,184,537
Shares held in controlled trust	(1,249,564)	(1,058,840)
Weighted average number of equity shares in calculating basic earnings per share	1,290,632,567	1,290,125,697
Dilutive impact of Share Options	1,547,035	914,044
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	1,292,179,602	1,291,039,741

(e) Information concerning the classification of securities

(i) Share Options

Options granted to Employees under 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

Treasury shares are excluded for the purpose of calculating basic and diluted earnings per share.



Notes (Contd.)

To Financial Statements for the year ended 31st March, 2022

35 The Company has a process whereby periodically all long term contracts (including derivative contracts if any) are assessed for material foreseeable losses. At the year end, basis the review performed, no provision was required for material foreseeable losses on long term contracts (including derivative contracts).

36 Exceptional Items

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
1 Provision towards impairment identified by the Company pursuant to a restructuring at one of the manufacturing units located at Baddi, India:		
a. Certain unusable fixed assets	-	31
b. Inventories of consumable stores	-	2
2 Impairment of Investment of Marico South Africa Consumer Care (Pty) Limited [refer note 6(a)(ii)]	-	27
	-	60

37 Financial ratios

Ratio	Items included in numerator and denominator for computing	As at 31st March, 2022	As at 31st March, 2021	% Variance	Reason for variation
(a) Current Ratio,	Current Assets / Current Liabilities	2.07	2.11	-2%	
(b) Debt-Equity Ratio,	Total Borrowings/Shareholders' Funds (Share Capital + Reserves & surplus)	0.03	0.05	-33%	Due to reduction in borrowing on account of repayment of loan in current period
(c) Debt Service Coverage Ratio,	Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. /Debt service = Interest & Lease Payments + Principal Repayments	3.84	5.72	-33%	Due to higher short term borrowings and related repayment during the year.
(d) Return on Equity Ratio,	Net Profit after tax/ average Shareholders' Funds (opening + closing)/2	38.2%	37.3%	2%	
(e) Inventory turnover ratio,	Cost of Revenue from Operation / Average Inventory Cost of Revenue from Operation = Cost of materials consumed + purchase of stock-in-trade + change in Inventory (FG; WIP and Stock in trade) Average Inventory = (Opening Inventory + Closing Inventory)/2	4.77	3.61	32%	Due to increase in Cost of key Raw and Packing material and increase in volume of Inventory
(f) Trade Receivables turnover ratio,	Revenue from Operations/ Average Trade Receivable Average Trade Receivable = (Opening Trade Receivable + Closing Trade Receivable)/2	17.34	16.35	6%	
(g) Trade payables turnover ratio,	Cost of materials consumed + purchase of stock-in-trade + change in Inventory (FG; WIP and Stock in trade)+other expenses/ Average Trade Payable Average Trade Payable = (Opening Trade Payable + Closing Trade Payable)/2	6.45	6.23	4%	

Ratio	Items included in numerator and denominator for computing	As at 31st March, 2022	As at 31st March, 2021	% Variance	Reason for variation
(h) Net capital turnover ratio	Revenue from Operations / Working Capital working Capital = Currnet Assets - Current Liabilities	5.18	4.29	21%	
(i) Net profit ratio,	Net Profit after tax/ Revenue from Operations	16%	17%	-11%	
(j) Return on Capital employed,	Net Profit before interest and tax/ Capital Employed Capital Employed = Shareholders' Funds + Total debt + deferred tax liability	46%	42%	9%	
(k) Return on investment.	Income from Investment / Average Investment Average Investment = (Opening Investment + Closing Investment) / 2	9%	8%	14%	

- 38.** (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- (ii) The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 39** Previous years figures have been regrouped/re-classified to conform to b low requirement of the ammended Schedule III to the Companies Act, 2013 effective 1st April 2021
- a) Lease Liabilities seperately disclosed on the face of the Balance Sheet under the head "Financial liabilities"
- b) Security deposits regrouped under ""Other Financial assets"", which were earlier part of "Loans"
- 40** Information with regards to other matters in the Companies Act are either Nil or Not applicable to the Company.

As per our report of even date attached

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]

PAWAN AGRAWAL
Chief Financial Officer

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2022

Place : Mumbai
Date : May 05, 2022



Performance Trends

Consolidated Quarterly Financials

(Amount in ₹ Crore)

2021-22	Three Months Ended				Annual
	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22	FY22
Particulars					
Revenue from Operations	2,525	2,419	2,407	2,161	9,512
Total Expenditure	2,044	1,996	1,976	1,807	7,823
Profit before Finance Cost, Tax, Depreciation and Amortisation	481	423	431	354	1,689
Other Income	27	25	22	24	98
Finance Cost	8	10	10	11	39
Depreciation and Amortisation	33	33	36	37	139
Profit before Share of Profit/(Loss) of Joint Ventures, Exceptional Items and Tax	467	405	407	330	1,609
Share of Profit/(Loss) of Joint Ventures	-	-	-	-	-
Exceptional Items	-	-	-	-	-
Profit before Tax	467	405	407	330	1,609
Tax Expense	102	89	90	68	349
Profit after Tax	365	316	317	262	1,260
Minority Interest	9	7	7	6	30
Net Profit attributable to Owners of the Company	356	309	310	256	1,230
Equity Share Capital	129	129	129	129	129
Earning per Share - (₹)	2.8	2.4	2.4	2.0	9.5

*Profit after Tax for the three months ended 31-March-22 excludes the impact of one-offs.

(Amount in ₹ Crore)

2020-21	Three Months Ended				Annual
	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21	FY21
Particulars					
Revenue from Operations	1,925	1,989	2,122	2,012	8,048
Total Expenditure	1,458	1,600	1,709	1,693	6,457
Profit before Finance Cost, Tax, Depreciation and Amortisation	467	389	413	319	1,591
Other Income	19	27	24	29	94
Finance Cost	9	8	7	10	34
Depreciation and Amortisation	34	33	36	36	139
Profit before Share of Profit/(Loss) of Joint Ventures, Exceptional Items and Tax	443	375	394	302	1,512
Share of Profit/(Loss) of Joint Ventures	(2)	-	-	-	(2)
Profit before Tax	441	375	394	302	1,510
Tax Expense	103	81	82	56	324
Profit after Tax	338	294	312	246	1,186
Minority Interest	7	9	5	8	27
Net Profit attributable to Owners of the Company	331	285	307	238	1,162
Equity Share Capital	129	129	129	129	129
Earning per Share - (₹)	2.6	2.2	2.4	1.8	9.0

*Profit after Tax for the three months ended 30-June-20, three months ended 30-Sep-2020 & three months and year ended 31-Mar-21 excludes the impact of one-offs.

Economic Value Added

(Amount in ₹ Crore)

	FY17	FY18	FY19	FY20	FY21	FY22
Average Capital Employed	2,493	2,736	3,111	3,363	3,534	3,775
Average Debt / Total capital (%)	11	10	11	10	10	9
Profit After Current Tax (excluding extraordinary items)	856	833	926	1,056	1,175	1,263
Add: Interest Post Tax	12	12	18	18	27	31
Net Operating Profit After Tax	868	845	944	1,074	1,202	1,294
Less: Cost of Capital	259	294	355	370	357	394
Economic Value Added	610	551	589	704	845	899

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)	4000	-	-
December 2015	Bonus (Equity 1:1)	8000	-	-
Holdings and Cost as on March 31, 2022		8,000	17,500	100

Return	Through	Shares	Value (in ₹)	Indexed Value
March 31, 2022	Market value	8000	40,29,200	23,024
March 2004	Redemption proceeds of Bonus Preference shares	200	2,000	11
April 1996 - March 2022	Dividend Received*#		3,71,899	2,125
Gross Returns			44,03,099	25,161

Compound Annual Return since IPO **24%** **24%**

* Dividends are inclusive of those received on Bonus Preference Shares

Subject to taxes as applicable



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ASSURANCE STATEMENT



INDEPENDENT VERIFICATION STATEMENT

Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Marico Limited ('Marico' or 'the Company', Corporate Identity Number L85195TG1984PLC004507) to carry out a limited level of verification of its environmental data related to its energy, greenhouse gas (GHG) emissions, fresh water consumption and waste disposed disclosures that shall form part of its non-financial disclosures under natural capital section of its Integrated Report 2020-21 prepared by Marico based on the <IR> framework.

This customised verification engagement has been carried out in accordance with DNV's verification methodology VeriSustain™¹, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. This verification provides a limited level of verification and applies a ±5% materiality threshold for errors and omissions.

Marico is responsible for the collection, analysis, aggregation and presentation of data and information related to its environmental data which has been prepared by the Company based on a) The Marico's GHG emission inventorisation SOP (Standard operational procedure) (SOP/Marico/GHGInventory/FY21/001; dated: April 2021), b) World Resources Institute's/ World Business Council on Sustainable Development's (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) and c) The Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2006) d) GRI standards on energy and emissions (GRI 302: Energy 2016[#], GRI 305: Emissions 2016[#]) e) GRI standards on water and waste (GRI 303: Water and Effluents 2018[#], GRI 306: Waste 2020[#]) and ISO14064-1.

Our responsibility of performing this work is to the management of Marico only and in accordance with scope of work agreed with the Company. The verification engagement is based on the assumption that the data and information provided to us is complete, sufficient and true. We disclaim any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out during May 2022 - July 2022 by a team of qualified sustainability and GHG assessors.

Scope, Boundary and Limitations of Verification

The scope of work agreed upon with Marico includes the following:

- The verification of energy consumption, energy intensity and reduction in energy consumption, GHG (Scope 1, Scope 2 and selected categories of Scope 3) emissions, GHG intensity and reduction in GHG emissions, Fresh water consumption, Water intensity, Hazardous and Non-hazardous waste disposal covering the period 1st April 2021 to 31st March 2022.
- Verification of consolidated environmental indicators from Marico's manufacturing locations in India, ie Perundurai in Tamil Nadu, Puducherry, Baddi in Himachal Pradesh, Jalgaon in Maharashtra, Guwahati NER 1 and NER 2 (North East Region) in Assam and Paonta Sahib in Himachal Pradesh comprising of:
 - Scope 1 emissions due to a) Fuels used in manufacturing processes; b) Fuels used in diesel and biodiesel based generators and boilers; c) Fuel used in mobile sources like company owned vehicles and d) Refrigerants release in air conditioners and refrigerators, e) CO₂ release due to use of fire extinguishers.
 - Scope 2 emissions due to use of purchased electricity from the grid.
 - Scope 3 emissions currently monitored and declared by Marico, comprising emissions due to a) Purchased goods and services; b) Fuel and energy related activities; c) Upstream transportation of products; d) Waste generated in operations; e) Business travel; f) Employee commute; g) Upstream leased assets; h) Downstream transportation & distribution; i) End of life treatment.
 - Biogenic emissions due to consumption of biomass briquets and rice husk for running the boiler operations.
 - Baseline energy and emission data for the FY 2012-13
 - Fresh water withdrawal from the surface water sources like municipal water, Tanker water and harvested rainwater

¹The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience; and is available on request from www.dnv.com

[#]GRI 302:1,3; GRI 305:1,2,3,4; GRI 306:5; GRI 303:3



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- o Disposal of Hazardous and Non-hazardous waste.

During the verification process, we did not come across limitations to the scope of the agreed verification engagement. Our verification was limited to the reported environmental data presented in the Natural capital section of the Integrated Report 2021-22.

Verification Methodology

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our limited verification opinion. As part of the verification process, we

- Obtained an understanding of the systems used to generate, aggregate and report energy data at the sites visited by us;
- Remote verification performed to sample manufacturing locations in India ie. Perundurai (coconut oil refining) and Guwahati NER 2 (VAHO), Jalgoan (edible oil refining) to verify the Company's internal protocols, processes, and controls related to the collection and collation of its energy and GHG emissions assertions.
- Desk review was conducted for all the manufacturing locations to review the systems for energy and GHG data management.
- Obtained an understanding of energy and GHG data management systems and the Completeness, Accuracy and Reliability of the data;
- Examined and reviewed the following environmental performance data on a sample basis:
 - o Direct Energy and fuel sources in the process at various sites.
 - o Indirect energy by purchased electricity consumption at various sites.
 - o Scope 3 emission categories and basis of estimations.
 - o Reductions achieved through energy conservation and consequent emission reductions.
 - o Baseline FY 2012-13 - Energy and emissions.
 - o Fresh-water withdrawal.
 - o Generation and disposal of Hazardous and Non-hazardous waste.
- Procedures and practices for GHG, energy and fuel consumption, measurement, monitoring and review.
- Evaluated the environmental performance data using the reliability principle together with Marico's methodology on data analysis, aggregation, and measurement and reporting.

Conclusions

On the basis of the work undertaken, nothing has come to our attention to suggest that the GHG and energy performance data of Marico for the year 2021-22 brought out below are not materially correct. Some data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected.

Emissions:

Performance Indicator	Factors	Value for FY 2021-22
Scope 1 Emissions	a) Fossil Fuel used in Stationary equipment's - manufacturing processes and standby diesel generators, furnace oil used in boilers b) Fossil Fuel used in Mobile equipment's - company owned vehicles, c) Fugitive emissions - CO ₂ release due to use of fire extinguishers and Refrigerants release in air conditioners and refrigerators.	621.9 tCO ₂ e
Scope 2 Emissions	Purchased electricity from the grid (Location Based)	10,309 tCO ₂ e
	Total Scope 1 & Scope 2 Emissions	10,930.9 tCO ₂ e
Scope 3 Emissions	a) Purchased goods and services; b) Fuel and energy related activities; c) Upstream transportation of products; d) Waste generated in operations; e) Business travel*; f) Employee commute; g) Upstream leased assets; h) Downstream transportation & distribution; i) End of life treatment	5,61,192 tCO ₂ e

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	Total Scope 1, Scope 2 & Scope 3 Emissions	5,72,122.9 tCO ₂ e
Other Scope 1 Emissions	Biogenic emissions [®] released from use of Biomass (Rice Husk & Briquette) in boilers and other emissions from release of R22 gas	168 tCO ₂ e
GHG Emission Intensity	GHG Emission Intensity (Total Scope 1 & 2 emissions/ Total revenue for the year)	1.52

Baseline Emissions:

Performance Indicator	Factors	Value for FY 2012-13
Scope 1 Emissions	a) Fossil Fuel used in Stationary equipment's - manufacturing processes and standby diesel generators, furnace oil used in boilers b) Fossil Fuel used in Mobile equipment's - company owned vehicles	13,383.4 tCO ₂ e
Scope 2 Emissions	Purchased electricity from the grid (Location Based)	11,387 tCO ₂ e
	Total Scope 1 & Scope 2 Emissions	24,770.4 tCO ₂ e
Other Scope 1 Emissions	Biogenic emissions released from use of Biomass (Rice Husk & Briquette) in boilers	28.05 tCO ₂ e
GHG Emission Intensity	GHG Emission Intensity (Total Scope 1 & 2 emissions/ Total revenue for the year)	7.60

Energy:

Performance Indicator	Factors	Value for FY 2021-22
Energy Consumption within Marico	<i>Non-renewable sources:</i> fuel used in manufacturing processes, diesel generators, furnace oil used in boilers, purchased electricity from the grid <i>Renewable sources:</i> Biomass used in boilers, electricity from solar and wind energy	54,577 GJ 1,25,545 GJ
Energy Intensity	Energy Intensity ratio (Total Energy consumption in GJ/ Total revenue for the year)	25.0

Baseline Energy:

Performance Indicator	Factors	Value for FY 2012-13
Energy Consumption within Marico	<i>Non-renewable sources:</i> fuel used in manufacturing processes, diesel generators, furnace oil used in boilers, purchased electricity from the grid <i>Renewable sources:</i> Biomass used in boilers	1,90,579 GJ 69,815 GJ
Energy Intensity	Energy Intensity ratio (Total Energy consumption in GJ/ Total revenue for the year)	80.0

Water Consumption:

Performance Indicator	Factors	Value for FY 2021-22
Fresh Water Consumption within Marico	<i>Fresh water consumption from natural surface water sources like municipal water, harvested rain water and tanker water</i>	118596.1 KL
Water Intensity	Water Intensity ratio (Total fresh water consumption in GJ/ Total revenue for the year)	16.43

Waste Disposed:



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Performance Indicator	Factors	Value for FY 2021-22
Waste disposed within Marico	Hazardous waste disposed: such as ETP sludge, Spent oil, Oil soaked cotton waste, Ink sludge, E-Waste, Waste containing oil	55,240 KG's
	Non-Hazardous waste disposed: General Waste, Boiler Ash, Metal Waste, Paper waste, Plastic Waste, Wood waste, Glass Waste, Scrap Oil - Non Edible, Scrap Oil - CNO, Scrap Cake - CNO, Gunny bag	43,26,469 KG's

Note 1: Scope 2 emissions of Purchased grid electricity emission factor is sourced from Central Electricity Authority (CEA) CO2 Baseline Database for the Indian Power Sector (Version 17 dated October 2021) and considers the weighted average factor. GJ conversion factors are based on KWH to GJ which is 0.0036

Note 2: Scope 3 Emissions are sourced from GaBi database 2020 LCI documentation

Note 3: In the absence of formal monitoring and recording systems for estimating Scope 3 emissions related to Business travel.

Note 4: Biogenic Emission factors considered for Rice husk is 1.7 (kg CO2/kg of biomass) and Briquette 1.16 (kg CO2/kg of biomass)

Note 5: The denominator of energy and emission intensity, company has considered total revenue for the year as INR 7214 crore (72140 million) as per the unaudited financials

Note 6: For the baseline year 2012-13 Fugitive emissions caused due to consumption of refrigerants and Co2 based fire extinguishers are not accounted or monitored

Note 7: Emission Factors used are sourced from IPCC 2006 National Greenhouse Gas.

Note 8: Global Warming Potential (GWP) used in the emissions calculation are sourced from IPCC Assessment Report 5.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct² during the verification engagement and maintain independence where required by relevant ethical requirements as detailed in DNV VeriSustain. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data except for this Verification Statement, the GHG, Water and Waste Verification Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. We did not provide any services to Marico Limited in the scope of assurance during FY 2021-22 that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited,

<p>Digitally signed by Lankalapalli, Bhargav Date: 2022.07.06 21:13:43 +05'30'</p> <p>Bhargav Lankalapalli Lead Verifier DNV Business Assurance India Private Limited, India</p>	<p>Digitally signed by Vadakepatth, Nandkumar Date: 2022.07.06 21:15:56 +05'30'</p> <p>Vadakepatth Nandkumar Technical Reviewer DNV Business Assurance India Private Limited, India.</p>
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Mumbai, India, 6th July 2022.

DNV Business Assurance India Private Limited is part of DNV - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

² The DNV Code of Conduct is available on request from www.dnv.com (<https://www.dnv.com/about/in-brief/corporate-governance.html>)

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INDEPENDENT VERIFICATION STATEMENT

Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Marico limited, India ('Marico' or 'the Company', Corporate Identity Number: L15140MH1988PLC049208) to carry out a Customised Data verification of assertions related to Greenhouse Gases ('GHG') emissions and carbon offsets, towards its declaration of Carbon Neutrality of its Perundurai Plant for the period 1st April 2021 to 31st March 2022 ('financial year (FY) 2021-22').

This customised verification engagement has been carried out in accordance with DNV's verification methodology VeriSustain^{TM1}, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. This verification provides a limited level of verification and applies a ±5% materiality threshold for errors and omissions.

Marico has prepared the Perundurai Plant's GHG assertions in a spreadsheet as per: a) the Marico's GHG emission inventorisation SOP (SOP/Marico/GHGInventory/FY21/001; dated: April 2021), b) World Resources Institute's/World Business Council on Sustainable Development's (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) and c) the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2006). Marico is responsible for the collection, analysis, aggregation and presentation of data and information in the spreadsheet including information related to Carbon offsets purchased for carbon neutrality.

Our responsibility of performing this work is to the management of Marico only and in accordance with terms of reference agreed with the Company. The verification engagement is based on the assumption that the data and information provided to us is complete, sufficient and true. disclaims any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out in April- July 2022.

Scope, Boundary and Limitations of Verification

The scope of work agreed upon with Marico includes the following:

- Verification of the GHG emissions (Scope 1 and Scope 2) for the period FY 2021-22 for its Perundurai Plant;
- Remote assessment is conducted at Marico's Perundurai Plant (Tamil Nadu, India) and review of data to verify the Company's internal protocols, processes, and controls related to the collection and collation of the GHG emissions data;
- Emissions from Marico's Perundurai plant comprising of
 - Scope 1 emissions due to
 - Diesel and biodiesel consumption in Diesel Generator (DG) sets,
 - Release of Refrigerants,
 - CO₂ release due to use of Fire extinguishers.
 - Scope 2 emissions due to use of purchased electricity from the grid;
 - Biogenic emissions through combustion of biomass briquets;
- Review of disclosures and assertions declaring the Plant's Carbon Neutrality.

The operational boundary as set out by Marico is its Coconut Oil manufacturing plant at Perundurai (Tamil Nadu, India), as set out in the agreed scope of work. During the verification process, we did not come across limitations to the scope of the agreed engagement.

Verification Methodology

We adopted a risk-based approach and conducted the remote verifications of the qualitative and quantitative information and data presented to us by the Company. Due to the outbreak of COVID-19 pandemic and associated travel restrictions, we carried out remote assessments in line with DNV's remote audit methodology, as one-to-one

¹The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience; and is available on request from www.dnv.com

* GRI 302:1,3; GRI 305:1,2,3,4; GRI 306:5; GRI 303:3



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discussions and onsite location assessments were not feasible. We have examined and reviewed documents, records and other information made available to by Marico.

As part of the verification process we:

- Obtained an understanding of the systems used to generate, aggregate and report GHG emissions data at the plant;
- Obtained an understanding of the GHG activity data capturing and recording mechanisms at the plant and the completeness, accuracy and reliability of the reported activity data;
- Examined and reviewed the following:
 - Aggregation of data related to diesel consumption in DG sets, release of refrigerants and CO₂ from the use of CO₂ fire extinguishers at the plant on a sampling basis;
 - Data related to purchased grid electricity consumption (electricity invoice, log records from energy meters) on a sampling basis;
 - Data related to consumption of biomass briquets for combustion to boiler;
 - Procedures and practices for measurement, monitoring and review of GHGs, energy and fuel consumption.
 - Purchase carbon offsets (VERs) by Marico, to offset emissions from its Perundurai plant for FY 2021-22;
- Evaluated the GHG emissions data using the principles of completeness, accuracy and reliability in line with the Company's methodologies on data analysis, aggregation, and measurement and reporting.

Conclusion

On the basis of the work undertaken, nothing has come to our attention to suggest that the GHG emission assertions and carbon offsets of Marico's Perundurai Plant for FY 2021-22, as mentioned below are not materially correct and are not a fair representation of its GHG assertions. Some data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected.

GHG Data Assertions of Marico - Perundurai Plant:

Scope	Source	GHG Emissions / Offset (tCO ₂ e) for FY 2020-21
Scope 1	<ul style="list-style-type: none"> • Diesel and biodiesel consumption in Diesel Generator (DG) sets • Refilling of Refrigerant • CO₂ release due to use of fire extinguishers 	50.76
Scope 2	Purchased electricity from grid	270.78
Total GHG emissions of Scope 1 & Scope 2		321.54
Other Biogenic Emissions from combustion of Briquettes		7.78
Fugitive emissions due to release of R22 refrigerant gas		6.51
Total GHG emissions of Perundurai Plant		335.83
Total GHG offsets (VERs/Carbon offsets purchased bearing serial number: GS1-1-IN-GS7572-2-2021-22226-41124-41673)		550
Carbon Neutrality: Marico Perundurai has offset its GHG emissions for FY 2021-22 by purchasing carbon credits for its residual GHG Carbon footprint.		

Notes:

1. Emission Factors used are sourced from IPCC Guidelines for National Greenhouse Gas Inventories (2006).



2. Global Warming Potential (GWP) used in the emissions calculation are sourced from IPCC's Assessment Report 5.

3. Scope 1 GHG emissions do not include direct CO₂ emissions associated with the combustion of 1,548 MT of biomass (briquettes) in Boiler as per IPCC guidelines "CO₂ emissions from biomass combustion are not included in national totals (National total is calculated by summing up emissions and removals for each gas) but are recorded as an information item for cross-checking purposes as well as avoiding double counting", as these emissions are from biologically sequestered carbon. However, emissions through release of N₂O and CH₄ by burning of briquettes are considered for calculation at a emission factor of 0.0047.

4. Based on the power purchase agreement with Clover Energy Private Limited (Wind) and Amplus Shams Private Limited (Solar), avoided GHG emissions from the purchase of 62,48,321.11 kWh of wind and solar electricity do not form part of the above GHG emissions calculation. The associated transmission and distribution (T&D) losses are to be included in Scope 3 emissions.

*Purchased grid electricity emission factor of 0.79 is sourced from Central Electricity Authority (CEA) CO₂ Baseline Database for the Indian Power Sector (Version 17 dated October 2021) and considers the weighted average factor.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct² during the verification engagement and maintain independence where required by relevant ethical requirements as detailed in DNV VeriSustain. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data except for this Verification Statement, the GHG, Water and Waste Verification Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. We did not provide any services to Marico Limited in the scope of assurance during FY 2021-22 that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited,

<p>Lankalapalli, Bhargav</p> <p>Digitally signed by Lankalapalli, Bhargav Date: 2022.07.06 18:33:36 +05'30'</p> <p>Bhargav Lankalapalli Lead Verifier DNV Business Assurance India Private Limited, India.</p>	<p>Vadakepatth, Nandkumar</p> <p>Digitally signed by Vadakepatth, Nandkumar Date: 2022.07.06 20:48:53 +05'30'</p> <p>Vadakepatth Nandkumar Technical Reviewer DNV Business Assurance India Private Limited, India.</p>
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Mumbai, India, 6th July 2022.

DNV Business Assurance India Private Limited is part of DNV - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

² The DNV Code of Conduct is available on request from www.dnv.com (<https://www.dnv.com/about/in-brief/corporate-governance.html>)



10 Years' Financial Highlights

₹ Crore

Year ended March 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Income from Operations	4,596	4,687	5,733	6,024	5,936	6,333	7,334	7,315	8,048	9,512
EBITDA	626	748	870	1,051	1,159	1,138	1,326	1,469	1,591	1,689
Profit before Interest & Tax (PBIT)	577	729	845	1,050	1,166	1,133	1,298	1,453	1,546	1,648
Profit before Tax (PBT)	552	695	822	1,029	1,149	1,117	1,257	1,374	1,523	1,609
Net Profit attributable to Owners of the Company	396	485	573	711	799	814	926	1,043	1,162	1,230
Cash Profits (Profit after Current Tax + Depreciation + Amortisation)	491	592	668	873	947	922	1,057	1,167	1,327	1,402
Economic Value Added	227	332	419	558	610	550	589	704	845	899
Goodwill on consolidation	396	254	489	497	479	486	503	538	613	654
Net Fixed Assets	1,422	638	590	620	616	801	842	916	1,023	1,145
Investments	152	311	284	513	608	543	450	733	854	828
Net Current Assets	674	671	749	655	846	1,105	1,420	1,094	1,034	1,056
Net Non Current Assets	251	213	163	35	41	(82)	(68)	(63)	(20)	(11)
Deferred Tax Asset (Net)	-	-	-	65	10	20	202	159	186	187
Total Capital Employed	2,894	2,086	2,274	2,386	2,600	2,873	3,349	3,377	3,690	3,859
Equity Share Capital	64	64	65	129	129	129	129	129	129	129
Reserves	1,917	1,296	1,760	1,888	2,197	2,394	2,846	2,894	3,111	3,219
Net Worth	1,982	1,361	1,825	2,017	2,326	2,523	2,975	3,023	3,240	3,348
Minority interest	35	36	14	14	13	12	12	13	18	57
Borrowed Funds	872	680	428	331	239	309	349	335	348	345
Deferred Tax Liability	6	10	8	23	22	29	13	6	84	109
Total Funds Employed	2,894	2,086	2,274	2,386	2,600	2,873	3,349	3,377	3,690	3,859
EBITDA Margin (%)	13.6	16.0	15.2	17.5	19.5	18.0	18.1	20.1	19.8	17.8
Profit before Tax to Turnover (%)	12.0	14.8	14.3	17.1	19.4	17.6	17.1	18.8	18.9	16.9
Profit after Tax to Turnover (%)	8.6	10.4	10.0	11.8	13.5	12.9	12.6	14.3	14.4	12.9
Return on Net Worth (%)	25.3	30.1	36.0	37.0	36.8	33.5	33.7	34.8	37.1	37.3
(PAT / Average Net Worth \$)										
Return on Capital Employed	23.8	30.4	38.7	45.1	46.8	41.3	42.0	42.4	44.3	44.8
(PBIT / Average Total Capital Employed @)										
Net Cash Flow from Operations per share										
(₹) (Refer Cash Flow Statement)	6.7	10.2	10.3	6.5	5.0	4.0	8.2	9.4	15.5	7.9
Earning per Share (EPS) (₹)	6.1	7.5	8.9	5.5	6.2	6.3	7.2	8.1	9.0	9.5
(PAT / No. of Equity Shares)										
Economic Value Added per share (₹)	3.5	5.1	6.5	4.3	4.7	4.3	4.6	5.5	6.5	7.0
Dividend per share (₹)	1.0	3.5	2.5	3.4	3.5	4.3	4.8	6.8	6.8	9.3
Debt / Equity	0.4	0.5	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Book Value per share (₹)	30.7	21.1	28.3	15.6	18.0	19.5	23.0	23.4	25.1	25.9
(Net Worth / No. of Equity Shares)										
Sales to Average Capital Employed [@]	1.9	2.0	2.6	2.6	2.4	2.3	2.4	2.2	2.3	2.5
Sales to Average Net Working Capital [#]	7.6	6.6	8.1	8.6	7.9	6.5	5.8	5.8	7.6	9.1

@ 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: FY14 onwards, financials will not include Kaya as it has been demerged from Marico Group effective April 1, 2013.

Note 2: FY16 onwards, per share numbers are calculated on the post bonus number of shares

Note 3: FY16 onwards, financials are as per IND - AS and hence not comparable with earlier years.

Note 4: FY19, FY20, FY21 and FY22 Net Profit excludes the impact of one-offs and extraordinary items

Note 5: P&L for FY19, FY20, FY21 and FY22 and Balance Sheet for FY19, FY20, FY21 and FY22 are as per Ind-AS 116 and hence not comparable with earlier years.



Registered Office

Marico Limited
7th floor, Grande Palladium
175, CST Road, Kalina, Santacruz (East)
Mumbai 400 098



Purpose Statement

To transform in a sustainable manner, the lives of those we touch,
by nurturing and empowering them to maximise their true potential.

 www.facebook.com/MaricoCampusConnections
www.facebook.com/MaricoLimited/

 www.youtube.com/user/MaricoLimited

 www.linkedin.com/company/maricolimited

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