marico
make a difference



INNOVATE TO DISRUPT

INTEGRATED REPORT
2018-19




Presenting Our First Integrated Report

Inside this report

Strategic Report

Statutory Reports

Financial Statements

About the report

The financial year 2018-19 marks an important milestone in Marico's corporate reporting journey as we have adopted Integrated Reporting to inform our stakeholders about the organisation's value creation process, using both financial and non-financial resources. The Report will provide our stakeholders with a more cohesive, efficient, and relevant communication with insights into the organisation key strategies, operating environment, the operating risks and opportunities, governance structure and the Company's approach towards long-term sustainability.

Reporting framework

The Report is published as per the Integrated Reporting <IR> Framework prescribed by the International Integrated Reporting Council (IIRC). The financial statements and statutory disclosures including the Board's Report, Management Discussion and Analysis (MDA), Corporate Governance Report are presented in line with the requirements of the Companies Act, 2013 (and the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India. The non-financial section of the Report is guided by the <IR> framework and reported on KPIs as per the Global Reporting Initiative (GRI) SRS 'Core' Guidelines and is in line with the requirements of Securities and Exchange Board of India on Business Responsibility Reporting and Integrated Reporting. The Report is also aligned to the nine principles of the Ministry of Corporate Affairs' National Voluntary Guidelines (NVG) on the social, environmental and economic responsibilities of business.

Reporting boundary

The financial information contained in this report pertains to Marico Limited, including its domestic and international business, subsidiaries and joint ventures. The financial statements presented in the report have been audited by B S R & Co LLP. The non-financial information is limited to the Company's manufacturing operations in India, unless otherwise specified in the relevant sections. There are restatements included in the environmental performance data reported for the India operations from the baseline year FY13 till FY19. The absolute and intensity performance related measures for energy, greenhouse gas (GHG) emissions and water have been restated to account for the changes in our manufacturing footprint and processes. The references to the restatements are specified as footnotes in the relevant sections in the Report. Further, the reporting boundary for environmental parameters comprising of energy, GHG emissions and water has been extended to cover Marico international manufacturing operations at Bangladesh, Vietnam and Egypt.

Reporting period

The information in the Report is presented for April 1, 2018 to March 31, 2019. Wherever applicable, information in line with the past performance has been provided to aid comparability and holistic view to the stakeholders.

Forward looking statement

The Report may contain certain forward looking statements, including those relating to the general business plans and strategy of Marico Limited, it's future financial condition and growth prospects, which the Company believes are based on reasonable assumptions. However, these forward looking statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from those in such statements, certain of which are beyond the control of Marico Limited including, among other things, changes in general economic or regulatory conditions, exchange rate fluctuations, the impact of trading conditions in those markets in which Marico operates, including those related to competition, price controls and price reductions.

Read the Full Report Online
www.marico.com/page/DigitalReport2018-2019/

Any queries/feedback to be directed to -
investor@marico.com
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INNOVATE TO DISRUPT

At Marico, we believe in innovation that makes a difference.

Driven at an accelerated pace, we believe innovation can lead to quantum results, creating a disruptive impact. At Marico, we foster innovation that is good for all. Innovation that disrupts and creates value for consumers, the society and the business alike.

At Marico, we strive to punch above our weight and take on the future, aided by an agile operating model and a differentiated approach to business. Innovation has played a key role in this, in shaping the 'Marico of Tomorrow.'

Our purpose, culture and values serve as the base for us to innovate and learn, adapt and respond, in a responsible and sustainable manner. This helps innovation find a place in everything we do, across the globe and throughout our value chain.

At Marico, innovation will always be an integral part of our growth story.

ABOUT MARICO

Who We Are

Marico Limited is one of India's leading consumer products companies in the beauty and wellness sector.

Over the last 25 years, Marico has established itself as a leading consumer goods company with a product portfolio spanning across haircare, skincare, edible oils, healthy foods, male grooming and fabric care. With a focus on disruptive innovation to make a difference, Marico is a household name in India with brands such as Parachute, Parachute Advansed, Saffola, Hair & Care, Nihar Naturals, True Roots, Livon, Set Wet, Saffola FITTIFY Gourmet, Coco Soul, Kaya Youth O_2, Mediker and Revive. In the international markets, Marico is represented by the brands Parachute, HairCode, Just for Baby, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Thuan Phat and Sedure.

With a focus on innovation to make a difference to communities, Marico is a household name in India.

Our Values

Consumer Centric

Keeping consumer as the focus and a 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

22%

Of revenues through international business

Marico has a primary presence in India and select emerging markets in Asia and Africa and exports its products to markets in the Indian-sub continent such as Nepal, Bhutan & Sri Lanka as well as Indian diaspora markets across the globe. The international business accounts for 22% of revenues.

Guided by our purpose **'to transform in a sustainable manner, the lives of those we touch, by nurturing and empowering them to maximise their true potential'** we have paved the way for growth through disruptive innovation positively impacting all stakeholders across the value chain. Nurturing innovation is deeply-rooted in our values that reflects in the daily business operations and is the guiding force behind our company's culture, our people and their actions. This motivates people to disrupt themselves and work towards a common goal of sustained inclusive growth, thereby creating greater value for every stakeholder, in India and globally.

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

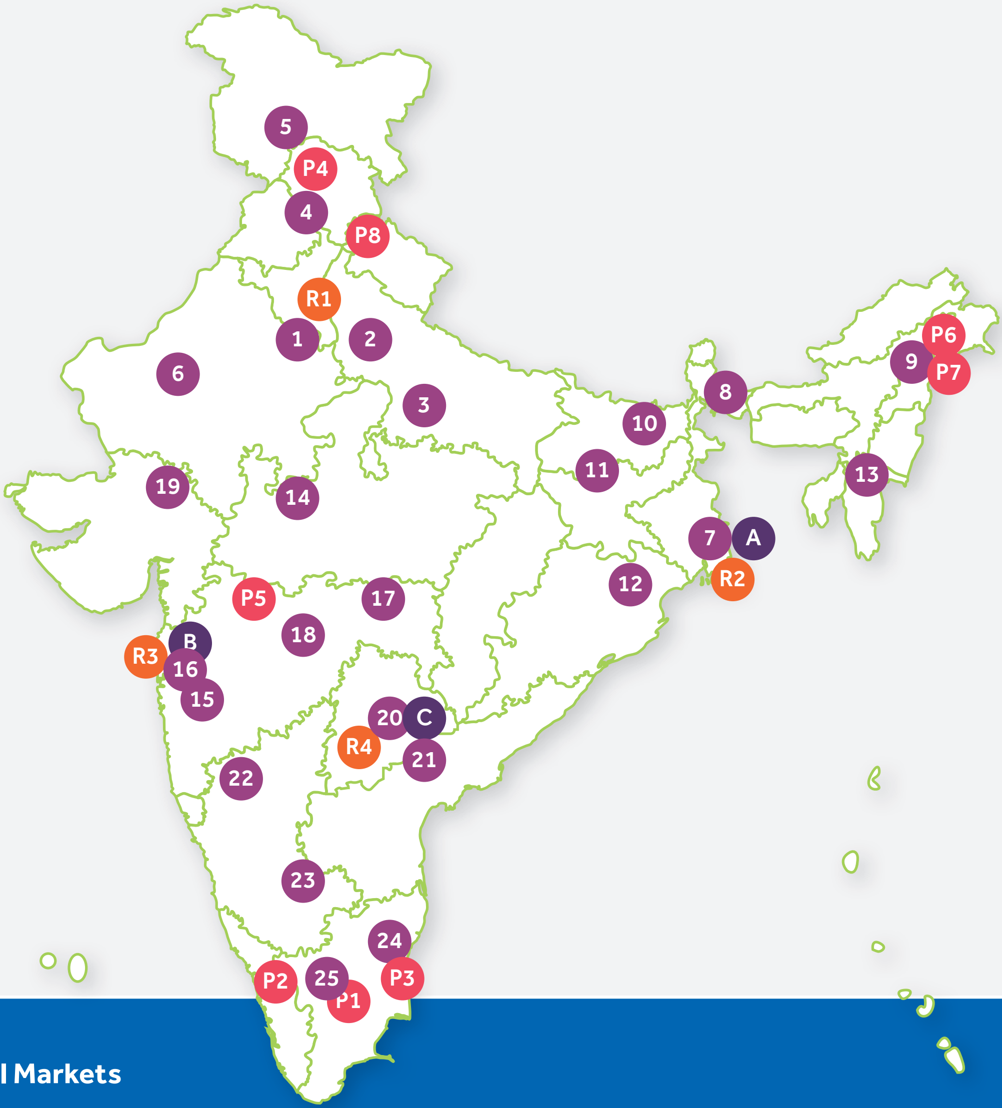
Experimentation and calculated risk taking to increase success probability of radical/pioneering ideas to get quantum results

Global Outlook

Sensitivity and adaptability to cultural diversity and learning from different cultures

OUR PRESENCE

Innovating Across Geographies



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 Aurangabad
19 Ahmedabad
20 Hyderabad
21 Vijayawada
22 Hubli
23 Bengaluru
24 Chennai
25 Coimbatore

Redistribution Centres

A Kolkata
B Bhiwandi
C Hyderabad

Regional Offices

R1 New Delhi
R2 Kolkata
R3 Mumbai
R4 Hyderabad

Plant Locations

P1 Perundurai
P2 Kanjikode
P3 Puducherry
P4 Baddi
P5 Jalgaon
P6 Guwahati NER 1
P7 Guwahati NER 2
P8 Paonta Sahib

Map not to scale

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

International Markets

North Africa & Middle East

1. Egypt
2. Middle East

South Asia

3. India
4. Bangladesh

South East Asia

5. Vietnam
6. Myanmar

South & Sub-Saharan Africa

7. South Africa

Map not to scale

OUR PRODUCTS

Innovating Across Product Categories

INDIA

Coconut Oil

Parachute Coconut Oil

Nihar Naturals Coconut Oil

Nihar Naturals Uttam Coconut Oil

Super Premium Refined Edible Oil

Saffola Active

Saffola Tasty

Saffola Gold

Saffola Total

Value-Added Hair Oil

Parachute Advansed

- Coconut Hair Oil
- Hot Oil
- Aloe Vera Enriched Coconut Hair Oil
- Jasmine Coconut Hair Oil
- Ayurvedic Hair Oil

Nihar Naturals

- Shanti Badam Amla Hair Oil
- Shanti Sarson Hair Oil
- Shanti Jasmine Hair Oil
- Perfumed Coconut Hair Oil
- ExtraCare Hair Fall Control Oil
- Gold Coconut Hair Oil

Hair & Care

- Olive and Vitamin E
- Dry Fruit Oil

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

Premium Hair Nourishment

Livon

- Hair Serum
- Shake & Spray Hair Serum
- Color Protect Hair Serum
- Serum For Dry & Unruly Hair
- Hair Gain Tonic

True Roots Botanical Hair Tonic

Parachute Advansed Coconut Crème Oil Range

Hair & Care Silk n Shine Leave-In Hair Conditioner

Healthy Foods

Saffola

- Oats
- Masala Oats

Saffola FITTIFY Healthy-Gourmet Range

Coco Soul

- Virgin Coconut Oil
- Coconut Food Range

Male Grooming & Styling

Set Wet

- Hair Gels and Waxes
- Deodorants
- Studio X Range

Parachute Advansed Men Aftershower Hair Cream

Skin Care

Parachute Advansed Body Lotion

Kaya Youth O_2 Oxy- Infusion Range

OUR PRODUCTS

BANGLADESH

Coconut Oil, Hair Care, Skincare, Babycare, Male Grooming & Styling, Healthy Foods

Parachute Coconut Oil

Value Added Hair Oils
- Parachute Advansed Beliphool
- Parachute Advansed ExraCare Hair Oil
- Nihar Naturals Shanti Badam Amla Hair Oil
- Nihar Naturals Enriched Coconut Hair Oil

Skincare
- Parachute Advansed Body Lotion
- Parachute Advansed Petroleum Jelly

Parachute Just For Baby

Set Wet
- Deodorants
- Styling Gel

Saffola Active

VIETNAM

Male Grooming & Styling, Female Grooming and Foods

X-Men

Sedure

Thuan Phat

MYANMAR

Hair Care & Styling, Male Grooming

Parachute Advansed Coconut Oil

Silk n Shine Serum

Code 10

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

SOUTH AFRICA

Hair Care, Healthcare and Skincare

Caivil
- Semi Permanent Hair Colour
- Fusion Oil
- Oil Moisturiser

Black Chic
- Coconut Hair Food
- Oil Sheen Spray With Avocado Oil
- Natural Kids Detangler
- Hair Colours

Isoplus
- Oil Sheen Spray
- Additions Radiant Oil Sheen Hair Spray
- Designing & Holding Spritz

Just For Kids

Hercules

Ingwe

Just for Baby

MENA

Coconut Oil, Hair Care, Male Grooming & Styling

Parachute Gold Range

Parachute Advansed Hair Tonic for Men

Parachute Virgin Coconut Oil

HairCode

Fiancée

Parachute Sampoorna Hair Oil

PERFORMANCE HIGHLIGHTS 2018-19

Innovating Across Performance Parameters

₹7334 Crore
($1.05 Billion)
Consolidated turnover clocked in FY19

16%
y-o-y Growth in consolidated turnover in FY19

14%
y-o-y Growth in consolidated profit after tax (excl. one-offs) in FY19

8%
y-o-y Volume Growth in the domestic FMCG business

>10%
y-o-y Constant currency growth in FY19 in key overseas markets of Bangladesh, Vietnam & MENA

Business Performance

5 Million
Overall distribution reach
Number of retail outlets in India
(Source: Nielsen)

~200 Million
Indian households reached during the year
(Source: IMRB)

17%
Domestic Revenue Contribution from Modern Trade and E-Commerce

₹593 Crore
Economic Value Added in FY19

76%
Dividend Payout in FY19

41.1%
Return on Capital Employed

33.6%
Return on Net Worth

Environmental Performance

550 Million Ltr
Water conservation capacity created in India

73%
Total energy consumed from renewable sources (India operations)

56%
Reduction in GHG emission intensity (India operations)
from a base year FY13

25%
Reduction in energy intensity (India operations)
from a base year FY13

Social Performance

>200,000
Children benefited under 'Educate Girls' program

80,000
Students trained under 'Safe and Nutritious Food' movement

>9,000
farmers enrolled under the 'Parachute Kalpavriksha' program in FY19

57.1%
Marico's global talent in consumer facing functions are women

CHAIRMAN'S MESSAGE

What Our Chairman has to Say

Dear Shareholders,

I'm delighted to present to you the first ever Integrated Report of your Company. We believe this will supplement your understanding of how your Company's strategy, governance, performance and prospects create value for all its stakeholders over the short, medium and long term.

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

While Saugata's message will contain a detailed overview of the performance, I am pleased to inform you that we have posted a broad-based recovery in volume and earnings growth in FY19, in addition to bringing about a visible acceleration in new product introductions. Our strategic building blocks–brand, talent and culture–have been and continue to remain at the forefront of our efforts. We constantly strive to strengthen our foundation to create value for all our stakeholders in a sustainable manner. It is heartening to note that your Company crossed a turnover of a Billion US dollars this year.

Macro Environment

The outlook for the global economy has dimmed compared to that of a year ago. Global financing conditions have tightened, industrial production has moderated, trade tensions remain elevated, and some large emerging markets and developing economies have experienced significant financial market stress. With this weakness expected to persist into the first half of 2019, the World Economic Outlook, published by International Monetary Fund (IMF), projects a decline in growth in 2019 for 70% of the global economy. Global growth, which peaked at close to 4% in 2017, softened to 3.6% in 2018, and is projected to decline further to 3.3% in 2019.

The macro-environment in India was less eventful during the year under review than in the last couple of years when key structural reforms aimed at formalising the economy were implemented. Though there has been a deceleration in GDP growth lately, projections of a recovery from the next year are encouraging. IMF has projected India's GDP growth at 7.3% for 2019 and expects it to accelerate further to 7.5% in 2020. The recovery should be supported by continued pickup in investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy. The implementation of reform measures has helped foster an environment to boost investments and ease banking sector concerns. Notably, India moved up another 23 places to 77th in the World Bank's Ease of Doing Business rankings, becoming the top ranked country in South Asia for the first time. With a stable government at the Centre, the health of the rural economy is expected to only improve on the back of the government's agrarian agenda, prospects of a near-normal monsoon and reasonable levels of food inflation. Poverty alleviation and inclusive growth are pronounced thrust areas of the new government. Together, these augur well for a healthy growth path for the economy. Further, reforms to hiring and dismissal regulations could help incentivise job creation and absorb the country's large demographic dividend. Efforts may also be enhanced on land reform to facilitate and expedite infrastructure development. Rising incomes and urbanisation, increase in the number of nuclear households as well as a growing work force should continue to drive growth in India's organised FMCG sector. The economic slow-down in H2 of last fiscal, however, is a cause of some concern and the new government will need to think of some quick steps to avoid a recession.

Towards a Sustainable Future

At Marico, we believe it is fundamental to integrate sustainability into our core business strategy, to enable a long-term win-win solution for all stakeholders. We stand committed to our purpose 'to transform in a sustainable manner, the lives of those we touch, by nurturing and empowering them to maximise their true potential.'

Your Company made notable strides in the identified focus areas- Responsible Resource Consumption, Climate Change, Sustainable Supply Chain, Product Responsibility and Community Development. We made incremental reductions in energy consumption and greenhouse gas emissions during the year. Compared to that of FY13, energy intensity and greenhouse gas emissions intensity have come down by 25% and 56% respectively. Responding to the impact of climate change, we have enhanced the share of renewable energy utilised in our operations to 73%. In our pursuit of water stewardship, we have created 550,000 kilo litres of water harvest capacities across several water-stressed regions in the country. Marico is striving to make a measurable difference to the life of the farmer through its flagship programme 'Parachute Kalpavriksha'. The programme aims to help farmers achieve better productivity and yield with new-age techniques and technology. Till date, we have made a noticeable difference to the lives of over 11,800 farmer families.

At Marico, we encourage and are constantly on the lookout for innovative and disruptive ideas. The Marico Innovation Foundation (MIF), a not-for-profit wholly owned subsidiary of your Company, continues to work closely with startups that are innovative and impactful. The interventions made by MIF are precise and time bound with a measurable impact on business. The MIF Scale-Up Program is a sector agnostic program designed to identify key business challenges and provide implementable solutions for sustainable growth of member organisations. The program is designed for young innovations that are restrained from achieving scale in India due to limited resources and other such bottlenecks. Some of the common concerns are lack of business mind-set (for social start-ups), lack of in-house expertise and lack of collaborative connections. Through this program, MIF harnesses the network of senior mentors who are often members from Marico, industry experts, fellow CSR foundations, students from top business schools, corporate volunteers, impact investors and incubators/ accelerators. Instituted in 2006, the MIF Awards identifies and awards innovations that hold potential to generate large scale impact. As India's oldest and largest innovation focussed awards, we present breakthrough innovations to an audience comprising corporate India, investors and media. It's a platform for showcasing the next- big ideas for start-ups and an inspiring learning platform for a new generation of innovators.

Your Company continues to uphold the highest standards of corporate governance. Our efforts were duly recognised during the year. In February 2019, your Company was ranked among the top five companies in corporate governance among the constituents of the S&P BSE 100 Index in a study jointly conducted by International Finance Corporation (IFC), Institutional Investor Advisory Services India Limited (a proxy advisory firm based in Mumbai) and Bombay Stock Exchange Limited (BSE).

Looking Ahead

Your Company aims to become a leading emerging market multinational in the categories of leave-in hair nourishment, foods, skin care and male grooming in a few chosen markets in Asia and Africa. These are certainly exciting times to be in as the FMCG sector seems to be at an inflection point. Disruptions throughout the value chain – distribution, marketing and advertising, selling, logistics, etc. – are driving this evolution. Brand awareness has risen dramatically with the surge in mobile and internet penetration. With the marketplace buzzing with new products, which are now more easily available on new-age channels, discerning consumers are spoilt for choice. In such times, it is the ability to disrupt through innovation across the value chain that will set successful companies apart.

Our members have been an invaluable part of Marico's journey so far and will continue to be so. I would like to thank the team for their continuous engagement, commitment and support. I am grateful to your Company's Board for their continued guidance and support. I also convey heartfelt appreciation to all our business partners, vendors and other business associates who have continued to collaborate with your Company over the years. Finally, I would like to extend sincere gratitude to all our shareholders for their persistent faith in us over the years. We look forward to your continued support in our journey to the next milestone.

Warm regards,

Harsh Mariwala

MD & CEO'S MESSAGE

What Our MD & CEO has to Say

Dear Shareholders,

I am pleased to present to you Marico's first ever Integrated Report for the year ended March 31, 2019.

After a modest FY18, your Company bounced back to deliver a healthy operating performance overall. Consumption trends were stable through the year after witnessing intermittent disruptions in the last two years. We continued to register market share gains in each of our key portfolios, as brand offtakes grew ahead of the category. With unrelenting focus on franchise expansion and future readiness, your Company synchronised its efforts towards rejuvenating the core and revving up the innovation engine.

As we look ahead, it is clear that the world around us is changing at an accelerating pace. Digital technology, in particular, is transforming every aspect of the way we live, work and shop. Companies that thrive in this increasingly dynamic environment will be those who 'innovate to disrupt' and respond effectively to rapidly changing consumer preferences and an evolving competitive landscape.

We are confident that fostering a culture of innovation, empowerment, agility, bias for action and consumer-centricity will enable us to create franchises that are 'built to last' and stay undeterred in our journey towards sustained profitable growth and maximisation of shareholder value over the long-term. We will continue to significantly invest behind our biggest assets – brands and people.

FY19 Overview

During the year under review, the consolidated topline grew by 16%, with an underlying volume growth of 8%. The consolidated profit after tax registered a growth of 14%, excluding one-offs. The businesses also delivered a respectable operating margin of 17.5%.

The India business grew 16% with an underlying volume growth of 8%. Growth was broad based as the core portfolios grew largely in-line with expectations and the newer portfolios such as Healthy Foods, Premium Hair Nourishment and Male Grooming marched ahead at a much brisker pace. The International business grew 9% in constant currency terms with key markets such as Bangladesh, Vietnam and MENA delivering double digit constant currency growth.

In the India business, the Coconut Oil franchise strengthened its leadership at 59.4% volume market share, having gained 45 bps during the year. Value added Hair Oils, though, fell short of the double digit volume growth aspiration due to the combination of a one-off decline in CSD in Q2, channel clearing in Q4 prior to price decrease taken from April 1, 2019 and underperformance of premium offerings during the year. We expect to resume double digit volume growth in this portfolio through driving premiumisation, enhanced participation at the bottom of the pyramid and scaling up new launches.

Nihar Naturals Shanti Badam Amla has firmed up a volume leadership position in hair oils during the year. Parachute Advansed Aloe Vera was taken national this year, while we are enthused by the launch of Nihar Naturals ExtraCare Hairfall Control Oil and Hair & Care Dry Fruit Oil. Parachute Advansed Coconut Crème Oil range and True Roots have been noteworthy innovations in our efforts towards addressing consumer needs such as making hair oiling more convenient and anti-greying respectively. The new variants of Livon Serum tap into a new pool of consumers by addressing specific hair types and truly owning 'salon finish' as a benefit. Saffola Edible Oils did much better than last year on the back of focused marketing campaigns and tactical pricing interventions. We are cautiously optimistic on the potential of the franchise. Saffola Masala Oats extended its lead in the savoury oats category with a volume market share of 72%, while we continued to launch new variants. We added three new flavours

this year. Saffola FITTIFY Gourmet and Coco Soul ranges were sizeable additions to the Healthy Foods portfolio. Male Grooming grew healthily too, while we brought newer editions of Set Wet perfume sprays and a Charcoal added range under Set Wet Studio X. Another exciting initiative this year was our foray into the masstige skin care segment with Kaya Youth O_2, with a view to leverage the strong equity of the brand 'Kaya' and make it accessible to a wider consumer set.

In the traditional channel, rural grew nearly 2.5x of urban this year. Modern Trade and E-commerce continued to gain ground speedily, contributing 13% and 4% of the annual India turnover respectively. Channel partnerships, customised portfolio and commensurate investment towards brand building hold us in good stead to further capitalise on the robust growth expected to play out in these new-age channels.

During the year, the international business grew 9% in constant currency terms with healthy improvement in profitability. The diversification path in Bangladesh continued to pay dividends. We also ventured into the baby care segment in this market with the Parachute Just for Baby range. Vietnam recovered impressively after a sluggish last year as the Home and Personal Care segment bounced back. We also forayed into female grooming under the brand Sedure. The Middle East and North Africa had a good year but we remain cautiously optimistic about the future. South Africa has been weak in a tough macroeconomic backdrop.

Strategic Overview

During the year, we stayed put on our strategic pillars namely, strengthening the core portfolio, driving premiumisation, creating new engines of growth with portfolio expansion in existing and new categories and markets, while consistently moving along the path of sustainable growth. Disruptive innovation, go-to-market upgradation in both traditional and new age channels, leveraging digital and analytics and nurturing talent and culture will remain key enablers in this journey.

In India, we witnessed healthy growth in rural through the year. With significant government support expected to supplement rural disposable incomes, the trend is likely to sustain unless monsoons or food inflation raise any alarm. Currently at 32% of domestic revenues, the Company expects to take rural share of sales up by at least 3-4 % points in the next 3-5 years by driving penetration at the bottom of the pyramid and deepening direct reach.

Your Company introduced several new and distinctive products into the market this year. These initiatives will be supported with aggressive investment behind brand building and go-to-market in order to build scalable franchises and thereby drive premiumisation.

Digital has reinvented the way we engage with our consumers. The emergence of trendspotting and social listening tools has opened up exciting new possibilities for engaging with the digital natives. The share of the digital medium in our overall media spends has also been on the rise. Responding to these macro trends, Marico has already upped spends on digital marketing, analytics and automation. These investments in Digital and IT-led automation should pave the way for transformation, especially in sales and distribution. We believe accelerated adoption of analytics-driven solutions will be instrumental in building a nimbler organisation and driving efficiencies across the value chain.

In the International business, strengthening the leadership and capabilities as well as cost optimisation would be key focus areas. We will continue our efforts toward broad-basing the topline in Bangladesh and Vietnam. We will also judiciously invest behind brands and go-to-market initiatives in the MENA region. In South Africa, we will aim to protect the core franchise of ethnic hair care and health care over the medium term. We will continue to invest in Myanmar and new export markets which show potential.

Business Outlook

For FY20 and beyond, we retain the target of 8-10% volume growth in India accompanied by healthy market share gains. As cost pressures in the India business relatively ease, operating margins are expected to trend upwards despite the higher investment ask from recent innovations. Going forward, we would push the A&P spends to circa 10% of sales on an annualised basis. In the international business, we are confident of charting a stable and predictable trajectory of double- digit constant currency growth over the medium term.

Commitment to sustainability

At Marico, sustainability dwells in our overall strategy through our focus on achieving environmental stewardship and driving social progress of the communities that we touch.

Through our flagship program, Parachute Kalpavrisksha, we continue to work closely with the farmers' community to enhance their financial income through best farm practices. In our pursuit to be a water steward organisation, we have augmented our water conservation program from previous year. Through a host of initiatives, this year we have created 550 Million litres of water harvest capacities across various water- stressed regions in the country.

Responding to the impact of climate change, we have taken very specific and focused efforts to enhance the renewable energy share at our operations. Marico has completed its Extended Producers Responsibility (EPR) commitment for FY19 with respect to collection and effective disposal of last mile multi-layered plastic waste.

Our brands, Nihar Naturals Shanti Badam Amla and Saffola, were committed to their purpose of education of underprivileged children and spreading awareness about heart health, respectively.

Nurturing Talent that wins

No strategy is good if it's not executed well. People make a difference.
Your Company's talent value proposition aims at providing challenging, enriching and fulfilling careers to its employees. We call them members. We have been working hard towards building a culture of meritocracy, diversity and inclusion at workplace that would foster innovation and growth mindset. Our efforts seem to be paying off. I am pleased to share that your Company has been recognised as one of the Top 25 Workplaces in Asia by the Great Places To Work Institute. We have been ranked 21st in the Large Workplaces category across Asia. It is the sincere commitment and spirit of our members that keeps us going and I express my gratitude for their consistent engagement and support in our journey.

Looking Forward

We are at the cusp in your Company's history - from a company that has delivered a consistent performance over the years to an institution that would aggressively innovate to disrupt and in the process create sustainable value for all its stakeholders. This journey would be incomplete without the continued support of these stakeholders.
I take this opportunity to express my sincere gratitude to all of them - our shareholders, Board of Directors, management team, customers, suppliers, bankers, investors and partners for their trust and unwavering faith in Marico.

Warm regards,

Saugata Gupta

AWARDS AND ACCOLADES

Inspiring Accomplishments

Corporate

Marico ranked in the **Top 5 BSE 100 Indian Companies** for exemplary corporate governance.

Marico was recognised for **Excellence in Corporate Governance** at the 15th Institute of Company Secretaries of India (ICSI) National Awards.

Marico Bangladesh received the Silver Award for **Excellence in Corporate Governance** from Institute of Chartered Secretaries of Bangladesh (ICSB).

Management

Saugata Gupta, MD & CEO, was recognised as one of **India's Most Valuable CEOs** in the Large Companies Category by Businessworld.

Human Resources

Marico **ranked 21 among Asia's Best Large Workplaces**, 2019 by The Great Place to Work Institute.

Marico featured as one of the **Top 25 Workplaces for Manufacturing** in India by The Great Place to Work Institute, 2019.

Marico featured in the **Top 50 Jombay People Capital Index Companies** for 2019.

Marketing & Innovation

Parachute, Saffola and Hair & Care were featured in 'The Economic Times Brand Equity 100 **Most Trusted Brands 2018'.**

Marico won the **Globetrotters category** at the **Pitch Top 50 Brands 2018.**

Saffola*life* bagged **4 awards at EFFIE India 2019** for its World Heart Day campaign.

Marico received **2 awards at Goafest 2019** – 1 Silver for Saffola*life*, and 1 Bronze for Nihar Shanti Badam Amla.

Marico South Africa brand **Caivil won 2 awards at The African Hair Awards 2018.**

Sustainability

Marico recognised with **'Leader Award'** by Frost & Sullivan and The Energy and Resources Institute (TERI) – Sustainability 4.0 Awards 2019.

Marico was recognised by Food Safety and Standards Authority of India (FSSAI) for its contribution and support towards the Safe & Nutritious Food Campaign under the 'Eat Right Movement'. We were awarded the **'Eat Right Awards' in the Community Outreach, Product and Professional categories.**

Quality & Manufacturing

Marico was presented with the **Milestone Merit Award in the Leadership and Workforce** categories by the IMC Ramkrishna Bajaj National Quality Award.

Marico Jalgaon was awarded Champion of the Champions 2018 by the Confederation of Indian Industry (CII) for **consistent improvement initiatives.**

Marico CQA team received a Special Recognition at the 6th CII National Excellence Practice Competition 2018 in the **Services & Manufacturing Category.**

Marico NER 1 Guwahati Factory was awarded as **'Best Labour Law Compliant Establishment'** by the Labour Welfare Society Assam.

Marico's India Business has achieved a **'Level 4-TCM Enabled Company'** rating by CII.

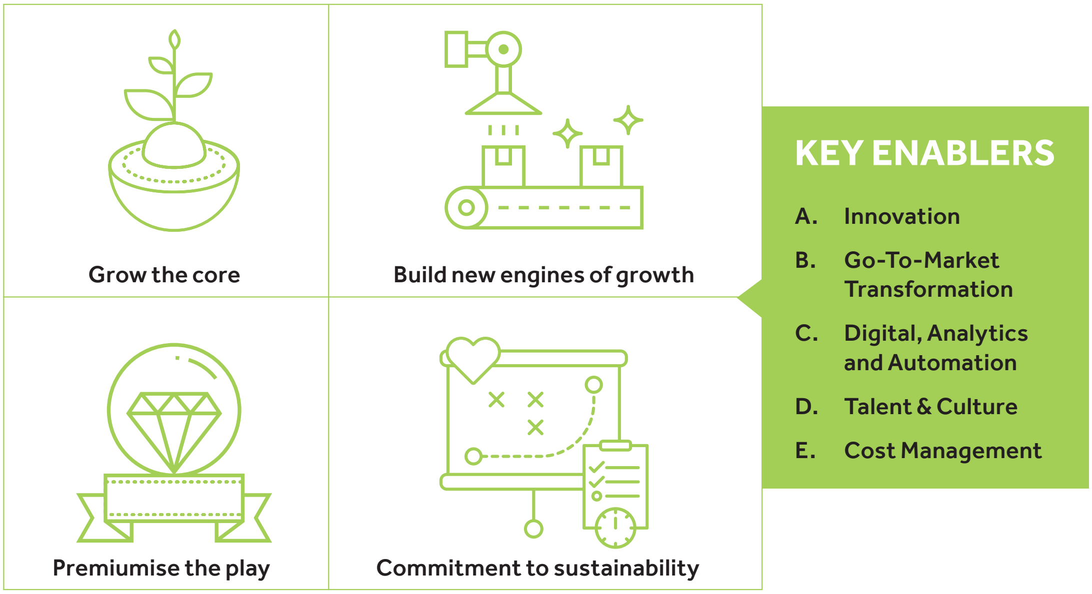
Marico's Baddi unit was declared as first runners-up for its **'Quality Analytics - IOT for Process Improvement'** project at the 30th QualTech Prize 2018.

STRATEGY AND ENABLERS

Disruptive Strategies for Future Growth

Marico aspires to be a leading emerging market multinational in select beauty and wellness categories in India and a few chosen markets in Asia and Africa.

KEY STRATEGIC DRIVERS



Key Strategic Drivers

The Company has identified the following key strategic drivers for achieving its objectives:

Grow the Core

India: Marico has achieved dominant market leadership in the coconut oil, value-added hair oil and super premium refined edible oil categories over the years driven by innovation, superior product proposition, brand building and distribution strength. As these categories continue to offer significant headroom for growth, the Company will aggressively drive conversion from unbranded to branded as well as penetration at the bottom of the pyramid backed by judicious pricing, and sustained investment behind innovation and brand building.

International: Marico has been successful in building scalable businesses in Bangladesh (organic) and Vietnam (acquired in 2011), capable of consistently delivering double-digit constant currency growth over the medium term. In Bangladesh, the Company will continue to diversify beyond Coconut Oil on the back of its scale, brand equity and distribution strength. In Vietnam as well, the Company forayed into female grooming this year to broaden its offerings beyond male grooming and ethnic foods.

Premiumise the Play

With rising incomes and the expansion of the middle class and high-income segments, consumers in India have exhibited a growing inclination to premium and functional offerings that suit their lifestyles and address unmet modern needs and aspirations. As this trend reshapes future consumption, the Company has been driving premiumisation across its portfolios, which has been further aided by the emergence of the channels of modern trade and e-commerce.

Build New Engines of Growth

Marico has identified Premium Hair Care, Healthy Foods, Male Grooming and Premium Skin Care as potential new engines of growth. With a visible step-up in product launches, a healthy innovation pipeline in the next 12-18 months and the 'core' delivering stable growth, these categories could provide significant boost to Marico's growth in the medium to long-term. In the International business, the Company aims to build scalable businesses in South Asia, Africa, Middle East and Myanmar.

Commitment to Sustainability

With the objective of building to last, sustainability is at the heart of Marico's overall strategy. We believe social, environmental and economic values are interlinked, and we are in an ecosystem comprising shareholders, consumers, associates, employees, government, environment and society. Our stated purpose is to 'Make a Difference' by ensuring that our existence creates a positive impact on all our stakeholders. Thus, we have focussed on aligning our sustainability goals in line with our business strategy and purpose. The five areas of focus are: Responsible Resource Consumption, Climate Change, Sustainable Supply Chain, Product Responsibility and Community Development. CSR initiatives are also integral to our sustainability efforts.

Key Enablers

Marico has identified the following as key enablers for executing this strategy and will strive to develop top quartile capability, processes and execution excellence in these areas:

Innovation

Innovation is a key catalyst for growth in the fast paced and dynamic business environment that we operate in today. Marico has ramped up its new product development efforts by refining and streamlining its processes and is making concerted attempts towards offering unique consumer propositions. In order to render the process more agile, the approval matrix for introduction of new variants or extensions of existing product lines has been simplified. Only big ticket ideas or proposals of entry into new categories require the sanction of the Innovation Council (headed by the MD & CEO). Each new product idea is led from inception to launch by a dedicated cross functional team to ensure robust planning and execution. The Company encourages experimentation and calculated risk-taking to increase the probability of success of radical/pioneering ideas to get quantum results.

Go-To-Market Transformation

The Company's Go-To-Market (GTM) strategy will be focused on improving the width and depth of its distribution through best-in-class infrastructure and win-win relationships with channel partners. Strategic initiatives in sales and supply chain, aided by technology, are aimed at improving efficiencies in selling and GTM. The Company is renewing its efforts toward improved in-store execution and enhancing its presence in salons, pharmacy chains, cosmetics outlets, standalone open format outlets and specialty food outlets. In rural, the Company aims to strengthen its infrastructure and expand direct reach, which we believe will prove to be a source of competitive advantage for organised players in the long run. Aggressive investments have enabled the Company to capitalise on the robust growth in the modern trade and e-commerce channels and have also led to the share of business from these channels to be significantly higher than the sectoral average. We aim to manage the product mix to drive higher profitability in these channels while staying ahead of the curve in resourcing and capability development.

Digital, Analytics and Automation

Marico has increased its focus on digital initiatives to improve consumer engagement, drive sales through e-commerce and build data analytics capabilities for faster and efficient decision-making across the value chain. In sales and distribution, the Company is leveraging digital technologies that enable automation to improve resource allocation and enhance sales productivity. Marico has also deployed Robotic Process Automation (RPA) across various functions such as Finance, Procurement and Human Resources to improve efficiency and accuracy.

Talent & Culture

Marico is committed to creating a compelling experience for its members (employees) by promoting a culture of challenge, enrichment, fulfilment and empowerment. Fostering an inclusive workplace, career mobility options, investment in training, employee wellness initiatives and a transparent performance management system are some of the key tenets that stem from the belief that its people are a key source of competitive advantage for the Company.

Cost Management

Value generation through cost optimisation is ingrained in the cultural DNA of Marico. A definitive structure to the whole process was established with the conceptualisation of the Marico Value Enhancement (MarVal) Program. Instituted in the year FY13, MarVal encompasses generating new ideas as well as managing project execution through established program management practices. Benefits derived from the same are ploughed back into initiatives which can fund future growth, thereby creating a sustainable platform to drive efficiency.

STRATEGY AND ENABLERS

Sustainability

Sustainability is at the heart of our business strategy.

Marico's sustainability agenda aims to maximise resource efficiency and mitigate negative ecological impact. To this end, we have set forth ambitious sustainability goals which we intend to achieve by 2022. Our sustainability policy provides a comprehensive framework to ensure the assimilation of triple bottom line principles.

RESPONSIBLE RESOURCE CONSUMPTION

Goal

Reduce Energy Intensity (Fuel + Electricity) [GJ / KL of Product Manufactured]	Achieve Water Stewardship by offsetting water footprint in our operations

Baseline

FY13	CONTINUOUS

Target

50%	100%

Achievement

25%	2.5x Harvest capacity created

CLIMATE CHANGE

Goal

Reduce GHG Emission Intensity (Scope I + Scope II) [tCO_2e / KL of Product Manufactured]

Baseline

FY13

Target

75%

Achievement

56%

SUSTAINABLE SUPPLY CHAIN

Goal

Certify critical material and service providers for Level 1 criteria of Marico Responsible Sourcing (MARS) Guideline

Baseline

FY18

Target

20%

Achievement

5%

critical associates qualified for MARS Level 1 certification

PRODUCT RESPONSIBILITY

Goal

Ensure adherence to all consumer health and safety standards and compliance

Baseline

CONTINUOUS

Target

100%

Achievement

We continue to adhere to all regulatory compliance and standards

COMMUNITY DEVELOPMENT

Goal

Increase number of farmers beneficiaries year-on-year

Baseline

FY18

Target

5%

Achievement

9,300+

farmers enrolled under the 'Parachute Kalpavriksha' program in FY19 (cumulative enrolment till date is 11,800+)

Reference:

1. The focus area – 'Future ready capability building' has been moved as it continues to be an internal target for Marico business.
2. The goal 'Influencing children for learning' under the focus area 'Community Development' is undergoing framework and model change. This will be discussed and reported once the changes are implemented.
3. The energy and GHG emission intensity achievement reported are basis the restatement done from baseline year to account the manufacturing footprint and process changes.
4. The goal under 'Sustainable Supply Chain' is restated from 'critical material supplier' to 'critical material and service providers.'
5. The Level 1 engagement stated under 'Sustainability Supply Chain' is completed with our convertors, logistics, depot and warehouse partners

VALUE CREATION MODEL

Innovate to Create Value

Marico's focus on delivering sustainable profitable growth has translated into a compounded annual growth of 16% in topline and 24% in profits since inception.

Growing brand equity and bias for franchise expansion has led to consistent market share expansion in each of the key portfolios. More than 90% of the Company's topline comes from market leader brands (either no. 1 or 2). The Company has also delivered a considerable improvement in profitability and capital return ratios, through tight cost management, prudent capital allocation and robust financial risk management.

At Marico, we believe that innovation leads the way to holistic growth and plays a major role in enabling a value-based approach to growth. The Company has outlined a four-pronged strategy designed to maximise stakeholder value, driven by a strong focus on innovation and execution capabilities.

OUR STRATEGIC PILLARS

01 Grow the core

02 Premiumise the play

03 Build new engines of growth

04 Commitment to sustainability

Value Creation for All Stakeholders

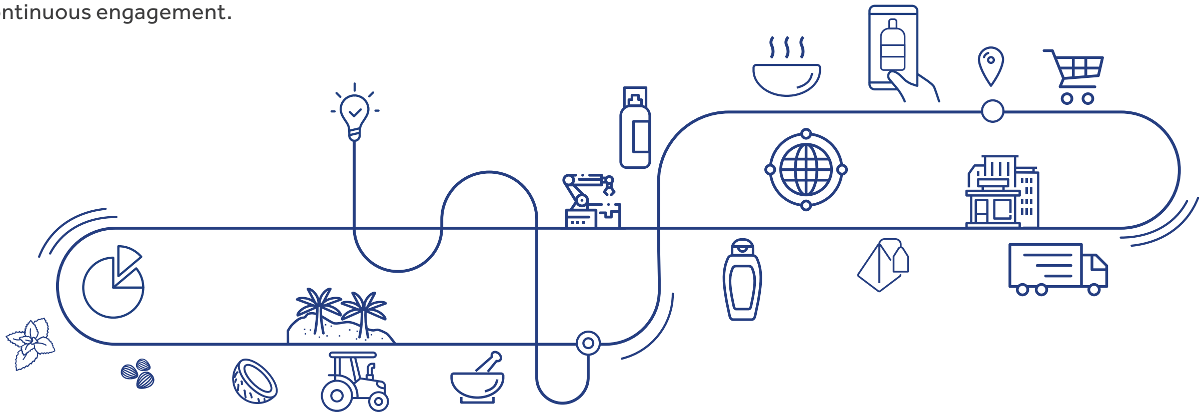
We focus on leveraging our core strengths to drive sustainable value creation whilst being the market leader in the segment. Our business activities and process differentiators are influenced by externalities such as changing demographic preferences, aspirational lifestyles, rapid technological advances and regulatory requirements. We seek value-accretive business opportunities in this dynamic environment, which sets us on a path of accelerated, yet sustainable growth, thus benefiting all stakeholders.

We aspire to tread the path of value-based growth by ensuring business sustainability, creating differentiated benefits for our consumers and by partnering in the growth agenda of our other stakeholders through continuous engagement.

01 Ensuring business sustainability

02 Differentiated benefits for our consumers

03 Partnering in the growth agenda of our other stakeholders



Value Creation for Marico: ensuring business sustainability

Ensuring business sustainability and consistent shareholder value creation remains our topmost priority. We plan to achieve this through strengthening our core segments of coconut oil, leave-in hair nourishment and super premium refined edible oils. Marico has evolved its processes across research and development and operations and has established a strong value chain to enable higher velocity of new product introductions and transformation of the go-to-market strategy. Further, our nurturing environment for innovation and entrepreneurial culture has allowed for growth in niche markets such as premium hair nourishment, healthy foods, and male grooming category. This has led to a steady focus on maximising volumes, market share gains and cost optimisation, despite an inflationary environment and macro headwinds.

Products Portfolio - India

78%

46%

Coconut Oil

Only player with pan-India presence through brands such as Parachute, Nihar Naturals and Oil of Malabar. Dominant market leader in volume and value terms.

26%

Leave-in Hair Nourishment

Value Added Hair Oils -25%

Market leader through brands such as Parachute Advansed, Nihar Naturals and Hair & Care.

Premium Hair Nourishment -1%

Market leader through brands such as Livon Serums and Hair & Care Silk n Shine. Also includes functional offerings under new brands such as True Roots and Parachute Advansed Coconut Crème Oil.

20%

Super Premium Refined Edible Oils and Healthy Foods

Saffola Super Premium Refined Edible Oils -18%

Aspirational brand with dominant market leadership.

Healthy Foods -2%

Presence through Saffola Plain and Masala Oats. Also introduced value added food offerings under Saffola FITTIFY Gourmet and Coco Soul.

3%

Male Grooming

Presence across the wide spectrum of male grooming through Set Wet Hair Gels, Set Wet Deodorants, Set Wet Waxes, Set Wet Studio X and Parachute Advansed Hair Creams. Set Wet is the market leader in the hair gels category in India.

5%

Others

Includes brands in fabric care (Revive) and anti-lice treatment hair care (Mediker), and skin care (Parachute Advansed Body Lotion and Kaya Youth O_2). We also have distribution rights of specialist skin care brand Bio- Oil in India.

Products Portfolio - International

22%

46%

Bangladesh

Parachute is the dominant market leader in Coconut Oil. Also a leading player in Value Added Hair Oils (VAHO) with Parachute Advansed, Nihar Naturals and many more Recently launched baby care brand 'Parachute Just for Baby'.

22%

Vietnam

X-Men is the market leader in male shampoos and second largest in male deodorants. Also present in ethnic foods through the brand 'Thuan Phat'. Recently entered female grooming with the brand 'Sedure'.

15%

MENA

Presence through brands such as Parachute, Parachute Gold, Hair Code & Fiancee. We are a market leader in hair gels in Egypt.

8%

South Africa

Presence in ethnic hair care and health care segments through brands such as Caivil, Black Chic, Caivil Just for Kids, Just for Baby, Ingwe and Hercules.

5%

Exports

The Company also exports its products to markets in the Indian subcontinent such as Nepal, Bhutan & Sri Lanka as well as the Indian diaspora markets across the globe.

VALUE CREATION MODEL

Value for stakeholders: partnering in their growth agenda

Forging good relationships with our stakeholders lays the foundation of our ability to create value. As stakeholder awareness and needs rise, we strive to maintain the right balance between meeting the needs of competing stakeholder interests through continuous and proactive engagement and timely response strategies. Marico believes that mutual and inclusive growth is necessary and sets a precedent as a responsible organisation. We play a small yet significant part in the growth stories of our key stakeholders.

	Objective	Modes of engagement	Frequency	Marico's role
Consumers	• Develop sustained relationships • Understand long-term and short-term needs	• One-on-one interaction • Consumer satisfaction survey • Call centre/Consumer Cell • Digital platform	Continuous	Marico strives to provide exceptional product experience by creating unique and differentiated product offerings including value-added products such as super premium refined edible oils and healthy foods, leave-in hair nourishment and male grooming products.
Shareholders	• Become a better investee company • Create high shareholder value • Communicate performance and future growth plans • Understand concerns & expectations	• Annual General Meeting • One-on-one interaction • Investor calls • Press release • Published results	Quarterly, Half-yearly, Annually	We ensure good returns on investments and long-term viability of the business. Total shareholder return since listing currently stands at 25% CAGR.
Business Associates	• Sharing of mutual expectations and needs, especially with regard to quality, cost and timely delivery • Training and workshop • Growth plans • Sharing of best practices	• Periodic interactions (physical, telephone, mailer) • Annual meets/events • Training programmes and workshops	Continuous	To propagate the principles of sustainability throughout our value chain, we have developed Marico Responsible Sourcing (MARS) policy. We expect our business associates to operate in accordance with the principles outlined in the policy.
Members (Employees)	• Communicate organisational vision • Training and development • Support career growth plan • Workplace needs and expectations	• Personal development programme • Learning & development • Engagement survey • Annual Organisation Communication Event • Digital interactions	Continuous, Half- yearly, Annually	Marico considers its employees as members and offers programs towards their professional and personal development. Leadership development, intrapreneurship, career mobility and member wellness programs are some examples of such initiatives.
Government & Regulatory Bodies	• Understand compliance and applicable regulations • Collaborations on national agendas	• Physical Meetings • Industry Forums	As and when required	Marico is committed to be a leading consumer goods company that meets and exceeds compliance and regulatory mandates towards its products and processes
Communities	• Maintain cordial relationship • Improve livelihood and create positive impact • Shared eco-system	• One-on-one interactions • Trainings • Field visits • Camps and development programs • Digital platforms • CSR and Sustainability Initiatives	Continuous	Our belief of giving back to the society drives our social and community engagement initiatives. We strive to safeguard the farmers and farming interests through our flagship program 'Parachute Kalpavriksha' and aim to increase the farmer beneficiaries by 5% every year. We also invest towards underprivileged children education through our brand Nihar Naturals.

Value for all is anchored in the ethos of the way we do business. It is applied to ensure that business decisions balance financial, social and environmental considerations, always keeping in mind the best interests of the consumers we serve. Our value creation approach also helps us contribute towards nation building by working towards the UN Sustainable Development Goals (SDGs).

These goals define global priorities and aspirations for the year 2030, with an objective to achieve ecological balance. We have taken strategic steps to align our business activities, social initiatives and programs with the UN SDGs. The details of our initiatives mapped with UN SDGs are provided as outcomes in later part of this section.

Value for consumers: differentiating factors

With our uncompromising quality, trusted brands and product innovations, we endeavour to provide a unique value proposition to our consumers. The brands differentiate itself across the core and aspirational market segments. While we strive to bring innovation in every facet of our operations, availability of products to our consumers at the right time and for the right price is never compromised.

DIFFERENTIATING FACTORS FOR OUR CONSUMERS

Affordability

of core offerings such as coconut oil, refined edible oil and value-added hair oils. Value generation through cost optimisation has been ingrained in the cultural DNA of Marico, and the benefit is passed on to our consumers through affordable and fair priced products.

Availability

via 5.0 Million retail outlets serviced by our nationwide distribution network comprising 4 Regional Offices, 26 Carrying & Forwarding Agents (CFAs) and about 5,600 distributors and stockists. The network covers almost every Indian town with population over 5,000.

Product Experience

through reinventing product formulation, packaging or format to suit modern consumer lifestyles and provide the desired experience. Parachute Advansed Coconut Crème Oil, Livon Shake and Spray Serum and Nihar ExtraCare Hairfall Control Oil are some recent examples.

Early innovations and New Segments

Marico stays ahead of the curve with disruptive innovations across categories that address evolving needs of consumers by catching on to early trends in the market, in addition to meeting nuanced expectations of discerning consumers. Parachute Coconut Crème Oil, Saffola FITTIFY Gourmet range, Coco Soul range and True Roots are some steps in this direction. Set Wet Studio X focuses on male grooming and styling products to expand the market catering to the style conscious urban male.

Purposeful Brands

that meet Marico's commitment to beauty, wellness and society. For example, Nihar Naturals Shanti Badam Amla holds the cause of children's education close to its heart. Saffola has always encouraged people to take the right steps towards a healthy heart and a healthy lifestyle.

VALUE CREATION MODEL

Our Business Model

Our approach to value creation is underpinned by a six-capital framework. It ensures that we are responsive to the needs of all our stakeholders and are cognisant of our role in creating a larger social value. Our business is aligned to this approach and, using this, we design and deliver products that disrupt the market with unparalleled customer value.

Our efforts enable us to build financial stability in a changing external environment. Through our activities and products, Marico aims to positively impact the lives of its consumers, employees and society.

Capitals	Inputs
Financial Capital Marico aims to efficiently leverage the monetary resources at its disposal to create, enhance and distribute value to all stakeholders in the value chain. The Company invests behind innovation and brand building, which enables it to consistently deliver an effective customer value proposition and expand its consumer franchise. The tightly defined policy framework protects itself against macro risks such as forex and interest rate volatilities.	• Debt: **₹352 Crore** • Equity: **₹2,999 Crore** • Capex: **₹162 Crore** • Working Capital: **₹1,514 Crore**
Manufactured Capital Manufacturing assets and infrastructural capacity is used to transform input resources into high quality products. Improving operational efficiency and productivity through lean approach is a relentless focus at Marico.	**Manufacturing facilities** • **8** domestic • **5** International
Natural Capital Natural resources are indispensable assets to Marico. We aspire to offer safe and sustainable products, while at the same time promote environmental stewardship by adopting clean and green technology, responsible consumption and end of life solution.	**Resources consumed in domestic operations** • **223,610 m³** water • **367,207 GJ** energy • **283,429 MT** raw material • **36,339 MT** of packaging material
Human Capital Our people are core to the Marico ecosystem. We invest in our members through training and wellness programs and provide enhanced benefits. The organisational culture at Marico encourages collaboration and drives innovation. Marico's talent value proposition rests on continuously challenging, enriching and fulfilling the aspirations of our members so that they maximise and realise their true potential.	• **1,517** total number of employees in India • **4,824** man-hours training imparted
Social & Relationship Capital With a commitment to 'Make a Difference' to all the stakeholders we interact with, we have initiated several programs to empower our partners, suppliers, distributors and farmers in the larger ecosystem	• **₹18 Crore** Investment on CSR initiatives in FY19 • **1,300+** Business Associates • **5 Million** Retail outlets reached • 'Parachute Kalpavriksha' program has reached over **170,000** farmers through digital and other modes
Intellectual Capital Through research and development, we are focused at developing brands and new products that are most trusted by the consumers. We also focus at investing in new technologies and innovation to create safer, smarter and simpler processes.	• **₹31 Crore** Investment in R&D • **54 members** R&D strength • **9.0% of Sales in FY19** - Investment in brand building

Business Processes

Our Purpose

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

Portfolio: Beauty & Wellness

- Coconut Oil
- Leave-in Hair Nourishment
- Healthy Foods
- Male Grooming

Stakeholders

- Consumers
- Shareholders
- Members
- Business Associates
- Government & Regulatory Bodies
- Community

Outputs

- Market Capitalization: **$6.4 Billion**
- Return On Capital Employed: **41%**
- Return on Equity: **34%**
- Dividend payout in FY19: **76%**
- Turnover Value: **₹7,334 Crore**
- EBITDA: **₹1,281 Crore**
- Operating Margin: **17.5%**
- Profit After Tax: **₹930 Crore** (5 Year CAGR: 14%)

- **160+ Million** packs sold every month

- **69.7 kgCO_2e/KL** GHG emissions intensity
  (56% reduction from baseline year FY13)
- **550,000 m^3** water harvest capacity created
  (2.5 times the water footprint in our operations)
- **73%** of total energy is from renewable energy source
- **94%** of the packaging material used is recyclable by weight

- **31%** Leadership talent in consumer facing functions of technology and marketing are women
- **64%** of overall leadership roles in India are filled by home-grown talent
- **14%** employees with tenure > 10 years with Marico

- **~200 Million** Indian households (urban+rural) reached during the year
- **17%** of domestic business revenue is from new age channels (modern trade and e-commerce)
- **11,800+** farmers enrolled and benefitted under the 'Parachute Kalpavriksha' program till date
- **200,000+** children benefitted under 'Educate Girls' program
- **5%** critical material and service partners qualified for level 1 of responsible sourcing

- **Key new products launched in FY19**
  Set Wet Studio X range, Parachute Advansed Coconut Crème Oil, Nihar ExtraCare Hairfall Control Oil, Hair & Care Dry Fruit Oil, True Roots Botanical Hair Tonic, Saffola FITTIFY Gourmet range, Coco Soul range, Kaya Youth O2 range.
- **15** brands owned by Marico in India

Outcomes

- Marico touches the lives of 1 out of every 3 Indians through its product offerings
- Parachute is the largest coconut oil brand in the world
- More than 90% revenue is generated by market leader brands (No. 1 or 2)
- Marico has created shareholder value at 25% CAGR since listing
- Marico featured among the Top 25 Workplaces in Asia, among the Best Companies to Work For in India and in Manufacturing #
- Marico listed among top 5 S&P BSE 100 companies in Corporate Governance.*
- Improved farmer livelihoods through sustainable farming practices
- Enhanced water availability for agriculture and domestic needs through water stewardship programs
- Interventions across the value chain are aligned with the UN Sustainable Development Goals

Reporting Boundaries
Financial Capital: Global
Other Capitals: India, unless otherwise specified

Sources
* As per a study jointly conducted by International Finance Corporation (IFC), Institutional Investor Advisory Services India Limited (a proxy advisory firm based in Mumbai) and Bombay Stock Exchange Limited (BSE)

As per a study conducted by Great Place to Work Institute

BRAND CAMPAIGNS OF THE YEAR

Innovative and Engaging Campaigns for Our Consumers

Showcasing our new launches and offerings with innovative and engaging campaigns with an integrated approach for our discerning consumers. The brand propositions from across the globe present the diversified portfolio and broad range of brands we market with pride.

INDIA

Saffola Oils

Dil Se Khao, Saffola Wala Khana Hai

(Eat to your heart's content, the food is made with Saffola)

People often struggle to stay fit and adopt healthier habits. In this struggle, they end up having a tumultuous relationship with their food. While they may love food, they often deny themselves the very food they love, if they perceive it to be unhealthy.

Saffola's new campaign inspires people to make their pursuit of health easier and more enjoyable. It encourages people to eat their favourite food cooked in Saffola Oils. Through its range of edible oils, Saffola endeavours to make every meal 'heart healthy' so that people can enjoy what they eat. The new campaign was kicked off with a TVC along with print and both online and offline activation of retail platforms. Through this campaign the brand continues to encourage people to take the right steps towards a healthy heart and healthy lifestyle.

Parachute Advansed Ayurvedic

Recommended by Lakhs of Women

Parachute Advansed Ayurvedic's new campaign celebrates the credible voice of real consumers, leveraging a disruptive packaging format that showcases images of consumers with their name and city on the product pack. Given the multitude of options for consumers with varied propositions in the same category, Parachute Advansed Ayurvedic took a differentiated approach to bring on board real consumers as true ambassadors and custodians of the brand. The brand's website and outdoor hoardings in their respective cities showcased recommendations and testimonials from the users. On the back of true testimonials and innovative product packaging, the brand educated consumers on the efficacy and superior quality of the product and urged them to choose their hair oil based on real facts and recommendations.

Parachute Advansed Jasmine

Sur Se Shine Tak - *Enabling 'Invest to shine'*

With an aim to make a difference in the lives of its core audience - the youth staying in smaller towns who have a strong desire to shine in life, but don't have the confidence and guidance to achieve their aspirations, this year, Parachute Advansed Jasmine created a talent platform called 'Sur Se Shine Tak' to find musical talent and give them an opportunity to chase their dreams by providing a mentor. In partnership with 9XM (an Indian music channel), over 3000 submissions were received this year. The selected candidates will be mentored by Bollywood singer Palak Muchhal and will be showcasing their talent via individual music videos.

This is a long-term commitment in line with the brand's purpose of 'Invest in yourself to shine' or simply, 'Love Jatao, Shine Jagao.' What sets this initiative apart from other musical shows is that the objective is not only to hunt for talent but also enable the youth to succeed - find people who are passionate about music, help them be the best version of themselves and enable them to succeed by creating original musical content with them.

Parachute Advansed Jasmine has built this proposition through its mainstream advertising as well with the proposition- 'if you show love to your hair with Parachute Advansed Jasmine, your hair will be so nourished that it will shine.'

Parachute Advansed Coconut Crème Oil

Oil Ka Naya Avatar *(new format of oiling)*

Marico's focus on expanding its hair nourishment portfolio through premium innovations that solve the consumer's unmet needs led to the development and launch of Parachute Advansed Coconut Crème Oil. An ally for the millennial who wish to stay rooted to the tradition of oiling but may not have enough time to make it a habit, Parachute Advansed Coconut Crème Oil oil is a revolutionary innovation that can seamlessly fit in a girl's busy lifestyle. The range comprises of a crème oil pre-wash nourisher, an intense nourishment shampoo with the softness of coconut milk as well as a post-wash nourishing serum oil. With a unique blend of natural coconut milk and pure coconut oil, crème oil is a new age avatar of oil that gives 100% nourishment of oiling in 30mins along with the convenience of easy application and wash off.

The #OilKaNayaAvatar campaign was kickstarted by Bollywood celebrity Kiara Advani who shared her hair care dilemma through a 'rant video' on Instagram complaining of the lack of time to oil her hair as her mother would want her to do. A few days later, as the campaign gained momentum, Kiara revealed her happiness through a fun 'rap' song on discovering the solution to her hair nourishment needs, #OilKaNayaAvatar - Parachute Advansed Coconut Crème Oil! The Rap video received over 1.3 Million views and the Rant video over 1.5 Million views on Instagram. The product range was launched across all modern and general trade outlets and pharmacies in Maharashtra and Bangalore as well as e-commerce portals such as Nykaa, Amazon and Flipkart nationally.

Saffola FITTIFY

Breakfast to Dinner Healthy Gourmet Range

Debunking the myth that healthy food can't tickle one's taste buds, Marico introduced the Saffola FITTIFY Gourmet range specially crafted by nutritionists and curated by celebrity Chef Kunal Kapur. The product portfolio constitutes three distinctive categories with the following products - -Meals – Hi-Protein Slim Meal Shakes, Hi-Protein Meal Soups; Healthy Beverages – Green Coffee Instant Beverage Mix, Superfood Moringa Green Tea; Power Breakfasts - Superfood Quinoa Poha, Superfood Quinoa Upma, Superfood Millet Upma, Superfood Millet Poha.

Most of the above products are created with plant-based superfoods, with a focus on providing high nutrition in easy and convenient formats. The Meals (Hi Protein Slim Meal Shake & Hi-Protein Meal Soup) have been created using a blend of best in class PDCAAS-1 whey protein and five superfoods namely moringa, quinoa, buckwheat, amaranth and turmeric. The Saffola FITTIFY Green Coffee delivers upto three times the antioxidant power (compared to regular coffee) and is available for the first time in a range of five flavours. The Superfood Moringa Green Tea is a USDA organic, healthy alternative due to the fine balance of green tea +superfood Moringa present in each serve.

Furthermore, those who purchase these products are entitled to a free 30 days nutritionist consultation, health tracking and other value added services on 'Revofit', one of India's leading health and fitness mobile apps.

BRAND CAMPAIGNS OF THE YEAR

Coco Soul

**Superfood for your Soul -
India's Finest Vegan Gourmet products**

Marico's launch of Coco Soul marks its first foray into the organic products space with a range of organic, cold-pressed virgin coconut edible oils and a range of healthy coconut-based food products in an effort to provide the health-conscious consumers options that are naturally healthy and derived from the Superfood Coconut.

The portfolio includes a range of Infusion oils for salad dressings, cooking or baking specially curated by celebrity Chef Kunal Kapur. These infusions offer a natural flavour to the virgin coconut oil and are available in three variants – Chilli Oregano, Curry Coriander and Cinnamon.

The Coco Soul Foods range includes vegan products such as coconut sugar, coconut spreads and coconut chips. The Coco Soul range is curated for mindful individuals who want to indulge in gourmet products while balancing health and taste. The vegan-gourmet products have witnessed strong positive initial reviews from consumers and channel partners alike.

True Roots

First-of-its-kind innovative hair care product

This year, Marico created a category by launching a revolutionary, natural hair care product that Stop^ New Grey Hair from the roots- True Roots Botanical Hair Tonic. Hair greying is caused by the reduction of melanin in the hair roots - the natural pigment that gives hair its dark colour. True Roots Botanical Hair Tonic has 100% Natural Actives that increase the melanin levels in the hair roots, thereby delaying greying of hair. It contains apigenin, a natural extract from chamomile flowers. True Roots is dermatologist tested and clinically proven to show no new grey hair post 90 days of daily usage**. It comes in an innovative spray format that makes everyday application convenient. An aqua based and non-sticky formulation, True Roots fits in perfectly with the lifestyle and comfort needs of its target consumers.

Marico introduced True Roots with Radhika Apte as its brand ambassador. The campaign was designed around innovative formats on TV, print, outdoor, digital, and social media platforms. It was preferentially launched on e-commerce in September 2018 as a digital first brand before scaling up in Modern and General Trade from December 2018.

^ & ** Basis clinical study. Designed for delaying early greying of hair amongst the age group of 18-45 years. Benefits last till usage of product. Continue usage even after greying slows down.

Kaya Youth O2 Oxy-Infusion Range

Daily dose of Skin Pranayam

Marico made its foray into the premium skin care category with the launch of Kaya Youth, a complete skin care range that contains a unique micro-circulation complex which boosts oxygen supply to give a youthful glowing skin.

Oxygen is imperative for life itself, but a lesser known fact is its implication and importance for facial skin. With time, the supply of oxygen to our skin cells depletes significantly and the skin becomes dull, patchy and uneven. The range developed in consultation with skin care experts of Kaya Skin Clinic includes – an Oxy-Infusion day cream, face wash, micellar water and face wipes. Kaya Youth was launched in modern format outlets in the top-8 metro cities and chemist and cosmetic outlets in select cities. To establish the product proposition of oxy-infusion for youthful glowing skin of the 20s, an innovative format of consumer touch-points was introduced with full-time 'beauty advisors' offering consultations in select modern trade outlets in Mumbai, Delhi, Bengaluru and Kolkata.

Nihar Naturals Shanti Badam Amla Hair Oil

Thank you for making us No.1

Nihar Shanti Badam Amla has always held the cause of children's education close to its heart and the brand's unwavering commitment made it a category growth driver over the years. In FY19, the brand cemented its position as the largest hair oil brand in the country by volumes. At the heart of this year's communication was the 'Thank You' film which acknowledged the role the consumers have played in making Nihar Shanti Badam Amla the largest hair oil in the country. We also took this opportunity, to extend our gratitude to our trade and channel partners with customised 'thank you' letters. With a view to increasing market share in urban centres, the brand activated digital and modern trade for the first time.

Nihar Naturals Hair Oil

Akai Aiksho *(One is equal to hundred)*

Nihar Naturals Hair Oil, the No.1 hair oils brand in eastern India, caters to progressive Indian women and celebrates their innate strength. This reflects in its campaign 'Akai Aiksho' (Bangla phrase which means 'One is equal to hundred'). As part of this campaign, the brand presented real life stories of inner strength of consumers through a talk show on TV and continued to celebrate them with an innovative on-ground event for Durga Pujo across West Bengal. Celebrating the power of Goddess Durga in every woman, Nihar Naturals Akai Aiksho set up unique pujo pandals with 3D installations of only the Dashabhuja (ten hands of Durga) rather than the actual idols of Goddess Durga. A first-of-its-kind activation, women visitors were invited to come on stage and represent Goddess Durga alongside the installation of the Dashabhuja –while they narrated their stories of independence and strength. These women who overcame challenges in their lives to succeed are celebrated and worshipped for their inner strength and resilience, just like Goddess Durga. They are truly 'Akai Aiksho' – one who has the inner strength of a hundred. A special edition 'Akai Aiksho' pack was released during this campaign.

Nihar Naturals ExtraCare Hairfall Control Oil

Extra Care Bina Extra Mehnat *(Extra care without extra effort)*

The Nihar Naturals ExtraCare Hairfall control oil launched in West Bengal this year is a first-of-its-kind disruptive innovation. The bottle comes with an innovative built-in cap containing a combination of Methi, Sarson, Kalonji, Lauki and Til seeds which get soaked in oil thereby providing the benefit of age-old method of soaking – seeds in oil in a convenient format and helps in reducing hair fall. Filled with the nourishment of these Activ-seeds, Nihar Naturals ExtraCare reduces hairfall by upto 8X*. Brand ambassador Mimi Chakraborty, a popular Bengali celebrity, has helped the brand gain momentum in West Bengal.

*based on technical study data on hair breakage as compared to untreated hair

Livon Serum

Salon Finish for all Hair Types

One of Marico's foremost millennial brands, Livon is the perfect companion for today's girl who wants fabulous hair instantly! For this 'perfect selfie generation', looking great all the time has become a norm and in order to make benchmark hair an everyday reality for this consumer, Livon has truly democratised salon finish hair. Bringing alive this proposition, Livon launched three new disruptive formats this year to address millennial hair needs -Livon Serum for Dry & Unruly Hair, Livon Serum for Coloured Hair and Livon Shake & Spray Serum. These new formats have made getting great hair outside of home a reality and aims to occupy a place in the bag of the young girl who is seeking instant and convenient options in all her choices.

BANGLADESH

Parachute Advansed Petroleum Jelly

With an aim to gain a strong foothold in the skin care category, Parachute Advansed extended its expertise with the introduction of Parachute Advansed Petroleum Jelly in Bangladesh. The differentiated value proposition of Parachute Advansed Petroleum Jelly enriched with 'Aloe Vera and Cocolipid' was amplified across television, traditional media, and point of sale display.

Parachute Just For Baby

The 'Parachute Just For Baby' baby care range comprising of Just For Baby Oil, Just For Baby Lotion and Just For Baby No Tears Wash was launched in Bangladesh this year.

Formulated with the goodness of natural ingredients like olive oil and almond milk the 'Just For Baby' range of products aims to keep babies' skin smooth and soft. Parents can use Just for Baby for their little ones without any fear as the range is certified Made Safe™ and Australian Allergy Tested™ from Safe Cosmetics Australia. In addition to this, a renowned American pediatrician Dr David L. Hill has been onboarded as brand ambassador.

The product proposition focuses on the use of natural ingredients and the promise of world class baby skin care expertise.

SOUTH AFRICA

Marico Salon Sampling Drive

Since hair salons and stylists are key touch points for the styling and hair colour segments, Marico South Africa embarked on an intensive salon drive during the peak summer season. The Marico salon crew visited over 2000 category A (influential) stylists and engaged with stylists on the newly acquired #1 styling brand – Isoplus. Products for trial of the much-anticipated vibrant new shades within Black Chic and Caivil were also shared.

Further to this, a national campaign for stylists was launched where 5 fully kitted hair stations were offered as awards- this included complete Isoplus range of products and hair care tools that a stylist may need. Through this initiative, we aimed to empower aspiring hair stylists to start their own businesses whilst driving product trials for Isoplus.

VIETNAM

X-Men for Boss

Activate Your Success

X-Men for Boss is a premium male grooming brand (deodorant, shampoo, hair styling and personal wash) with a differentiated brand proposition of being an 'Enabler of Success'. This year, X-Men for Boss launched a digital led campaign 'Activate your success' focusing on strengthening awareness and driving product trials.

We successfully translated the powerful consumer insight, 'Young men want to fast track to success but don't know where to start' into the new campaign messaging. With this, the brand delivered phenomenal growth in the year.

X-Men Shampoo Vietnam

Real Man Risk It All

In 2018, X-Men decided to rejuvenate its brand image for its shampoo while strengthening its functional benefits to keep recruiting unisex users. This was brought about by the understanding that men are increasingly moving to Unisex shampoos because of superior functional promise which they believe they need for their hair.

The brand developed the **'Real Man Risk It All'** campaign to encourage young Vietnamese men to embrace risks in order to achieve their goals. Moreover, the functional messaging of 'Real Shampoo for Real Men', which offers 2X Deep Cleanse and masculine fragrance was communicated effectively. X-Men leveraged this idea across channels, as a result garnering more than 20 Mn views on the iTVC. A strategic partnership with 30Shine, the most popular barbershop in Vietnam, witnessed more than 120,000 consumers join the conversations during the campaign.

MIDDLE-EAST

Parachute Virgin Coconut Oil

The secret to a healthy and fit lifestyle

Liliane Zaher, a celebrity influencer partnered with Parachute 100% Organic Virgin Coconut Oil in the Middle East. A Clinical Dietician with 300+k followers on Instagram, Liliane talks about healthy ways of dietary routine through her content and has a reach across the key markets in the Middle East. As part of the partnership, she created videos on YouTube, Instagram and the brand's handle introducing Parachute Virgin Coconut Oil as the secret to her healthy and fit lifestyle, and explains how Parachute is unique because of its coconut goodness. Through the 6 months of the campaign, Liliane will create content on the use of the product, where she talks to her audience on how they can make their dietary meals healthier. The brand will also publish content on other popular video search platforms such as Mawdoo3, blog portals such as Nawae3m, Just Food, and e-commerce platforms such as Souq.com (Amazon).

RISK MANAGEMENT AND MATERIALITY

Managing Risks Judiciously

Risk Management

In a VUCA (volatility, uncertainty, complexity and ambiguity) environment, it becomes most important to ensure effective risk management. 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 mitigating risks consistently. For Marico, risks are multi-dimensional, and thus, they need to be looked at in a holistic manner, straddling the external environment and internal processes. If upside risks are mitigated well, it could lead to business opportunities. Similarly, if downside risks are not addressed adequately, it could lead to reputational issues. That's why Marico's risk management process envisages that all significant activities are analysed across the value chain, keeping in mind the following types of risks:

TYPES OF RISKS

Business Risk | Financial and Governance Risk | Operational Risk

We have constituted a Risk Management Committee (RMC), in line with regulatory provisions. The Committee comprises the Chairman of the Board, the Managing Director & CEO and the Chief Financial Officer. The members of the leadership team are permanent invitees to the RMC.

The primary responsibility of the RMC is to assist the Board and Audit Committee in monitoring and reviewing the risk management plan and implementing the risk management framework of the Company.

	Types of Risks	Strategic Response
BUSINESS RISKS	**Changing consumer preference** Demand could be adversely affected by a shift in consumer preferences. Given the explosion of social media, the speed of such a shift could be unparalleled.	• 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
	Underperformance of acquisition deliverable Acquisitions may impose a financial burden on the parent entity or expose the Company to country-specific risks. Integration of operations and cultural harmonisation may also take time, thereby deferring benefits of synergies.	• Define key performance indicators to evaluate the success of acquisition • Set a monitoring process to review progress periodically • Apply governance practices of the parent organisation immediately to ensure controls • Resource acquisition plans ahead of the curve
	Competition Increase in the number of competing brands in the marketplace, counter campaigning and aggressive pricing by competitors could create a disruption.	• Diversification in product offerings (entered into categories such as healthy foods, skincare, haircare) • Protect volumes in preference to short-term profitability • Invest in brand building • Agile response mechanism to counter competitive moves
	Low success rate of new product launches The success rate for new product launches in the FMCG sector is typically low. New products may not be accepted by the consumer or may fail to achieve the sales target. This risk is even more pronounced in cases where industry leaders invest in creating new categories.	• Invest in a new product development process with a funnel approach to introduce new products over time • Prototyping approach to new product introductions to maintain a healthy pipeline • 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
	Private labels Expansion of modern trade could lead to the emergence of private labels. While the risk of private labels has been low in India, this could change quickly with e-commerce gaining traction in urban India.	• Invest in brand building to improve the saliency of our brands in the consumers' mind and partner with modern trade and E-commerce in category management

RISK MANAGEMENT PLAN

01	Identify	• Identify top risk for each function/business unit level
02	Quantify	• Rate the risks on 'impact' and 'vulnerability' factors • Prioritise top 10 risks at the Company level
03	Mitigation Plan	• Develop mitigation plan for each risk with relevant measures and result metrics • Recommend the plan to the Board for approval
04	Implement	• Implement the risk mitigation plan
05	Monitor	• Examine whether the mitigation plans are on track • Periodically review the existing risks and related metrics

FINANCIAL AND GOVERNANCE RISK

Types of Risks	Strategic Response
Foreign currency exposure Marico has significant 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.	• While the 'translation risk' will continue to be unhedged, Marico has a well-defined hedging framework for managing any foreign exchange risk. The Board-approved policy in this regard is periodically reviewed for its effectiveness.
Macroeconomic factors Factors such as low GDP growth and high food inflation could result in downtrading from branded to non-branded or premium to mass market products.	• Focus on value-added products available to masses at affordable prices by driving aggressive cost management • Focus on franchise growth in preference to short-term profitability • Portfolio diversification, which is one of the pivots of future
Compliance Inadequate compliance systems and processes pose a reputation risk for an organisation. They may result in financial losses and penalties.	• Invest in 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
Volatility in interest rates (Funding Costs) Though the FMCG sector is not capital intensive, fund requirements arise on account of inventory position building, capital expenditure undertaken or funding inorganic growth. Changes in the interest regime and in the terms of borrowing could impact the financial performance of the Company.	• 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; implement Board-approved investment policy

	Types of Risks	Strategic Response
OPERATIONAL RISK	**Change in input costs** Unexpected changes in commodity prices could impact margins. The past few years have witnessed wide fluctuations in input prices. As a result, overall uncertainty in the environment continues to be high.	• Invest in forecasting capabilities • Ensure supply assurance of key commodities through farmer engagement programmes • Build strategic positions as a hedge against price volatility
OPERATIONAL RISK	**Talent acquisition and retention** Mismatch in hiring and attrition of skilled talent may adversely affect the Company's ability to pursue its growth strategies effectively.	• Marico's culture of openness, transparency and meritocracy helps attract top talent • Marico's talent value proposition of building challenging, enriching and fulfilling careers is aimed at retaining top talent • Invest in 'hiring right' and 'talent development and engagement' best practices
OPERATIONAL RISK	**Political risk** Unrest and instability in countries of operation could significantly impact the business. Marico operates in developing and emerging economies of Asia and Africa and is exposed to political risks and potential unrest in these markets.	• A comprehensive insurance programme to hedge all those risks that are insurable • At a macro level, our country selection template emphasizes geopolitical stability and robust growth
OPERATIONAL RISK	**Environment and Climate Change risks** The growing focus on conserving natural resources, rising global temperatures and GHG emissions could impact the Company's operations and prospects, further impacted by increasing domestic and international regulations and control measures.	• Adopt cleaner technologies • Invest in renewable energy projects • Focus on safe and sustainable products • Promote environmental stewardship and circular economy

Materiality

For Marico, material issues are those that may have an impact, directly or indirectly, on our ability to generate and sustain economic, environmental and social value for us and our stakeholders. We periodically evaluate our material issues to introspect as well as shape the future course of action. We conducted a materiality analysis exercise in FY18. The responses received were further ranked on the level of importance to our business and to our stakeholders. The details on the exercise and the outcome can be referred to in our FY18 sustainability report.

https://marico.com/investorspdf/marico-sustainability-report-18.pdf

TOP QUARTILE MATERIAL ISSUES

Business	• Business Growth and Profitability • Future-ready Capability Building
Environment	• Responsible Resource Consumption (Materials, Energy and Water) • Climate Change (Emissions and Waste) • Sustainable Supply Chain
Social	• Product Responsibility • Community Development

FINANCIAL CAPITAL

Innovate to Grow

Marico aims to efficiently leverage the monetary resources at its disposal to create, enhance and distribute value to all stakeholders in the value chain. The Company invests behind innovation, brand building and distribution footprint, which enables it to consistently deliver an effective customer value proposition and expand its consumer franchise. With a 25% CAGR in total shareholder returns since listing, the Company strives to maximise shareholder value by delivering sustainable profitable growth while maintaining an optimal capital structure.

The Company aims to create and augment economic and societal value, by delivering top-quartile operating performance through efficient allocation of capital. Our performance will continue to be predicated upon investments behind our brands, distribution as well as building future engines of growth. To that effect, Advertising and Promotion spends as a percentage of sales, which was at 9% in FY19, will be stepped up by about 100 basis points over the medium term.

Cash generated from operations was ₹1,018 Crore in FY19, which remained the primary source of liquidity. Net surplus during the year was higher by ₹275 Crore at ₹613 Crore, mainly attributable to cash accruals and lower working capital requirements. Cash accruals are used for various purposes such as reinvestment in the business towards fixed assets and working capital requirements, dividend payments, and repayment of loans on the books, while building adequate reserves for any potential acquisition opportunities. During the year, the Company incurred capital expenditure of ₹162 Crore towards the maintenance of existing manufacturing facilities as well as capacity enhancements.

While borrowings mainly fund working capital requirements, the Company actively explores opportunities to optimise borrowing costs and maximise yield on investments while maintaining 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. Marico exercises prudent financial risk management that allows the Company to mitigate operating and strategic risks as well as capitalise on growth opportunities. As on March 31, 2019, its Debt/EBITDA was extremely comfortable at 0.27.

Key Highlights

₹7,334 Crore
16% y-o-y growth
Consolidated turnover in FY19

₹930 Crore
14% y-o-y growth
Consolidated PAT (excluding one-offs) in FY19

₹1,018 Crore
Cash generated from operations in FY19

₹613 Crore
Net surplus in FY19

Financial Performance

In FY19, Marico achieved a consolidated turnover of ₹7334 Crore , up 16%, and consolidated PAT (excluding tax adjustments for earlier years) of ₹930 Crore , up 14%. The operating margin stood at 17.5%. For FY19, the Company's dividend payout ratio stood at 76%. Given its steady cash flows, the Company aims to maintain its dividend payout ratio at levels witnessed in the last couple of years, unless growth opportunities (organic or inorganic) warrant redeployment of cash. As a result of the healthy operating performance, the Company's Return on Capital Employed (ROCE) was at 41.1% and Return on Equity (ROE) at 33.6%.

A detailed discussion on the financial and operational performance in FY19 is available in the Management Discussion and Analysis section of the Report.

Key Performance Indicators

Key Financial Capital Inputs	FY19	FY18
Debt/EBITDA	0.27	0.27
Investment in Brand Building - ASP to Sales (%)	9.0	9.3
Capital expenditure ₹ (in Crore)	162	128

Key Financial Capital Outputs	FY19	FY18	Change
Revenue from Operations ₹ (in Crore)	7,334	6,333	16%
EBITDA	1,281	1,138	13%
EBITDA (%)	17.5	18.0	(50 bps)
Profit after Tax ₹ (in Crore)	930	814	14%
Basic EPS (₹/share)	7.2	6.3	14%
Operating Cash Flow ₹ (in Crore)	1,018	516	97%
Return on Capital Employed (%)	41.1	41.3	(20 bps)
Return on Equity (%)	33.6	33.5	10 bps

Key Financial Capital Outcomes	FY19	FY18
Dividend Payout Ratio	76%	78%
Market Capitalisation at the end of FY ₹ (in Crore)	44,567	42,089

MANUFACTURED CAPITAL

Innovate to Operate Responsibly

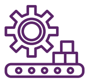
Our ethos and culture of innovation is strongly reflected in our approach to operating responsibly. The emphasis on innovation is reflected at each stage of our business value chain. We believe, this will lead to better synergy, enable product sustainability value and yield long-term business benefits.

Product Development

New product development through innovation and research. Ensure use of safe ingredients, safety and quality standards of all our products

Sustainable Procurement

Source materials and services from business associates who care and share our sustainability vision



Lean and Green Manufacturing

Focus on continuous process improvement, operational excellence while adopting cleaner production practices

Sustainable Supply Chain

Product distribution through efficient modes leading to logistics and network optimisation

Consumer Connect

Embrace consumer connect and wellbeing by delivering safe and high quality products

Safe Disposal

Adopt best practices to collect, transport and dispose waste with no adverse impact on the environment and society

Marico initiated the product life cycle assessment (LCA) study in FY16 with our edible oil portfolio, with an objective to look for ways to reduce the environmental footprint of our products. Carrying forward our efforts, this year we completed the LCA study of our flagship brand Parachute Coconut Oil. The study was conducted in accordance with ISO 14040 (Principles and Framework) and ISO 14044 (Requirements and Guidelines) and helped us not only to evaluate the impact but also identify opportunities within the value chain. Instilling innovative and disruptive thinking, we are continuously working on interventions such as efficient packaging designs, process efficiency, logistic optimization, end disposal and recycling measures to improve our product sustainability value.

Product Development

Marico's portfolio of brands has remained the preferred choice for consumers with continuous enhancement of its offerings. Our constant efforts to create and provide disruptive innovation has helped us evolve and respond to changing consumer needs. The drive to better serve growing consumer base with the launch of new products, adoption of new and improved technologies and strategies to connect to newer markets.

Research and Development (R&D)

Through our best in-class R&D facility established at Mumbai, we ensure that every product being developed meets the highest standards of quality. Resources to the tune of ₹31.48 Crore were invested in research and development activity this year supported by a strong dedicated team of 54 personnel.

OUR R&D EFFORTS ARE DIRECTED IN THE KEY AREAS OF

- Hair Nourishment
- Edible Oils & Healthy Foods
- Male Grooming
- Premium Packaging

We continue our endeavour towards technology absorption and adaptation by engaging with clinical research organisations, original equipment manufacturers and university experts to develop new products and deploy them at a faster rate. This approach has helped accelerate the rate of innovative product development.

To address the problem of hair greying, our in-house research led to the creation of an anti-greying product – True Roots Botanical Hair Tonic, a first of its kind product in India

Our R&D facility at Mumbai is recognised by the Department of Scientific and Industrial Research (DSIR)

Smart India Hackathon (SIH) 2019

Marico was part of Smart India Hackathon (SIH) 2019, the world's largest open innovation initiative organized by the Ministry of Human Resource Development (MHRD), All India Council for Technical Education (AICTE), Inter Institutional Inclusive Innovation Centre (i4C), and Persistent Systems. Marico will be mentoring 25 student teams to deliver functional prototypes for 5 problem statements in areas related to Agriculture & Rural Development, Healthcare & Biomedical Devices and Food Technology.

Ingredients Transparency

We at Marico are committed to use safe and sustainable ingredients in our products and packaging and follow a stringent ingredient assessment policy for all our products.

Our ingredient assessment is in line with the prohibitions, restrictions and safety limits for individual ingredients from external databases such as Personal Care Products Council (PCPC) and European Economic Community (EEC)'s Cosmetic Ingredient and Substances (CosIng) database.

Although, we primarily operate in Asian, Middle Eastern and African markets, we are committed to meet the requirements of the European Union's regulations of Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) pertaining to Substances of Very High Concern (SVHC). Most of our products do not contain any SVHCs. It is also our commitment to minimise the chemicals of concern and find suitable alternatives from our products and packaging listed in the Substitute It Now (SIN) list.

MANUFACTURED CAPITAL

Product Safety and Quality

As a respected consumer goods company, the safety and quality of our products is our top most priority. We have established well-defined systems and processes to ensure compliance to regulatory requirements. There's a clear assessment of the health and safety effects of our products at each stage in the value chain. All our products are tested in accordance with the applicable regulations at laboratories conforming to ISO/IEC 17025 and are certified by National Accreditation Board for testing and Calibration (NABL).

MARICO PRODUCT SAFETY

New product Development	Robust five stage process with gates at end of each stage to ensure complete first time right product prior to launch.
Procurement	Process control is laid down in Marico vendor quality assurance module. Supplier facility is audited for Food Safety and Quality parameters.
Manufacturing	Product safety risk assessment is done for physical, chemical and microbial hazards on Hazard Analysis and Critical Control Point (HACCP).
Distribution	Our depots and warehouses are covered under unique certification program and distributors are covered under 'Distribution Food Safety program.'

FoSTaC
Food Safety Training & Certification
fssai committed to build a culture of self compliance

Marico has completed the 'Food Safety Training and Certification' (FoSTaC) mandated by FSSAI across all our manufacturing units and fifteen of our depots. Over 250 Marico members are trained and certified as 'Food Safety Supervisor.'

Marico is the first Indian company to cover all manufacturing plants and fifteen depots with FoSTaC certification training.

Sustainable Procurement

Procurement is a strategic function at Marico that helps achieve the objective of sustainable profitable growth for the business and drive the growth of the local economy. Our objective is to promote local procurement, reduce logistic complexities and minimise transportation.

In FY19, about 96% of our procurement spend in India was spent on domestic suppliers

INNOVATION TO FOSTER COLLABORATION IN PROCUREMENT

In procurement, 'Innovation' is not only an enabler in business excellence, but it also helps in fostering collaboration with both internal and external stakeholders. Through programs like 'Yugman', Marico's suppliers showcase innovative solutions in areas of new product development and value management. This outside-in perspective is presented to a wider audience, including R&D and marketing teams.

Vendor On-boarding and Relationship

Identified suppliers are evaluated on commercial, technical and process compliance aspects as part of qualification process. An independent quality assessment conducted by Corporate Quality Assurance Team confirms the supplier qualification. Suppliers are then on-boarded and aligned to Marico's Code of Business Ethics (MCoBE).

Once on board, Marico conducts regular performance reviews of its suppliers. Feedback is regularly shared with suppliers pertaining to quality, cost and service delivery. We also impart focused trainings to our suppliers to improve their performance capabilities and sustainability.

We recognise our suppliers' contribution in achieving superior business results through engagement programs like supplier meets and annual Supplier Quality Excellence (SQE) program.

Responsible Sourcing

Sourcing, whether material or service is an embedded sustainable business strategy across our critical business associates. This helps us foster innovation, meet evolving consumer preferences and achieve the goal of delivering sustainable profitable growth for all stakeholders. The Marico Responsible Sourcing (MARS) policy instituted in 2017 rests on three pillars of responsibilities – Ethical, Environmental and Social, with the engagement designed at three stages – Educate, Evaluate and Evolve. All our critical material and service providers are required to adhere to the principles of MARS.

MARICO RESPONSIBLE SOURCING (MARS)

Ethical Responsibility	Environmental Responsibility	Social Responsibility
• Legal & Regulatory Compliance • Transparency & Accountability • Anti-corruption & Anti-bribery • Anti-competitive Behaviour • Conflict of Interest • Human Rights	• Energy Conservation • Water Conservation • Waste Management • Responsible use of packaging material • Quality Control	• Employee Health & Safety • Employee Skill Development • Local Community Development

This year, we identified critical associates encompassing our convertors (3Ps), packaging material vendors, logistics, depot and warehouse partners and completed the level 1 engagement i.e., Educate. Owing to this 5% of these critical associates have qualified for Level 1 certification. We aspire to cover all our critical material and service providers and complete 20% level 1 certification by 2022.

Lean And Green Manufacturing

Our manufacturing plants are designed in line with international standards of GMP and Food safety systems. We undergo continuous certification of FSSC-22000, HACCP, ISO 14001, ISO 18001, ISO 50001, and ISO 22716 which ensures that the systems are robust and processes are in place to deliver high quality output. All our manufacturing units have a sophisticated state of art analytical and testing laboratory which is certified by the National Accreditation Board for Testing & Calibration Laboratories (NABL). Details of our manufacturing footprint and our presence can be referred from 'Our Presence' section of the integrated report.

Lean

We relentlessly work towards eliminating the inefficiencies in our manufacturing process through lean and associated concepts to deliver high quality products at lower costs. We focus on achieving continuous improvement by

i. Reducing production losses
ii. Decreasing process cycle time
iii. Cost effective interventions
iv. Enhancing member capability

We have instituted an Operational Excellence function to support our manufacturing team in this journey of continuous improvement. The approach has yielded a future-ready manufacturing capability, which is capable of a quick and effective response to a VUCA business environment.

One of the key successes has been the evolution in our coconut oil operations. The automation interventions over the years have helped us in consolidating intermediate stand-alone operations by 41% from FY14 till date. This resulted in reducing the inbound and outbound logistics. Further, the number of bottles produced has shown a healthy CAGR of 8%. This has made us more agile and flexible to serve the market demand.

Creating a Competitive Edge with Manufacturing Intelligence

We have implemented the SAP Manufacturing Integration and Intelligence (SAP MII) software with the vision of making manufacturing a competitive advantage for Marico. Our factories are fast getting digitised with the help of sensors and analytics dashboards for monitoring and measurement that aids faster decision-making improving productivity and turnaround time. The process equipments were integrated to derive real-time actionable insights to drive improvement. This also helped in increasing data transparency and accuracy by reducing manual reporting.

ToolBox Talks

We launched 'ToolBox Talks', a knowledge management platform focused at providing foundation for technical learning in engineering and production knowhow. During the year, a total of 228 video modules were designed across 14 locations of Marico on topics of production.

KAIZENTHALON 4.0

'Kaizenthlon' part of Marico ACT NOW! journey, is a race of doing improvements. We have achieved over 3500 kaizens (improvements) over the last 3 years.

Green

We recognise that we owe a responsibility to the environment we operate in. Our approach is therefore aligned towards innovative ways to not only protect, but also positively impact the environment.

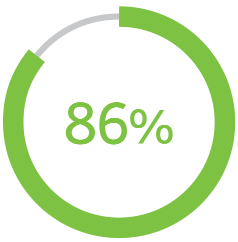
Environmental Management Systems

Marico strives to ensure compliance to all environmental laws and regulations while following the rule of the land and adopt the best environmental practices and protocols within the paradigm of our operations. The emission and waste generated from our operations are well within the permitted limits of the CPCB/SPCB.

Materials

Agro-based materials contribute significantly to our raw materials portfolio. As part of our business initiatives, we make efforts to procure the agro-materials that do no adversely impact the environment or the community.

Raw Materials	Renewable / Non-Renewable	Consumption in FY19 (MT) *(includes own as well as contract manufacturing units of Marico India operations)*
Agro based		
Edible oils	Renewable	242756
Natural extracts	Renewable	1692
Non-agro based		
Additives and Mineral Oil	Non-renewable	38982



Of the raw materials consumed in our product manufacturing are agro-based (renewable)

Sustainable Packaging

Packaging plays an important role in maintaining the product integrity. The packaging design lends a signature identity to our brands. For us, innovative packaging aims to deliver the products in an eco-friendly manner and meet consumer expectations.

Sustainable packaging at Marico is envisaged through reduce, reuse, replace and recycle approach. The initiatives taken in FY19 have resulted in a reduction of overall packaging consumption by about 485MT. Our recyclable packaging portfolio is increasing each year. As of FY19, about 94% of our packaging material was recyclable by weight.

Packaging Material	Renewable / Non-Renewable	Consumption in FY19 (MT) *(includes own as well as contract manufacturing units of Marico India operations)*
Paper based	Renewable	15681
Polymer based	Non-renewable	18082
Other multi-materials, Glass and Tin	Non-renewable	650
Laminates and Labels	Non-renewable	1927

94%

Of our packaging material are recyclable by weight

SUSTAINABLE PACKAGING FOCUS

- Optimise weight
- Improve recyclability
- Increase use of recycled polymer content
- Replace with environmentally conscious material

Marico has long been minimizing the volume and weight of it's packaging. We strive to use minimum amount of packaging required to protect our products. This year we have lowered the polymer consumption by reducing the packaging weight in our Value Added Hair Oil bottles. This has led to savings of about 40 MT of polymer. Through design improvement initiatives, we have further reduced the wastage in release liner, shrink films and paper board by 408 MT.

Our Parachute Coconut Oil HDPE bottle and Hair Oils PET bottle continue to be ones with the lowest weight in the industry

We have made steady progress towards PVC free packaging. With a commitment to eliminate the use of PVC in our packaging, this year, we restricted the PVC consumption to 0.4% of the total packaging material used.

In FY19, a project was undertaken to replace PVC with PET in our hair oil products, leading to 38 MT of PVC being replaced

Sustainable Supply Chain (Logistics Optimisation)

At Marico, we aspire to create a supply chain system which is agile, cost competitive and sustainable leading to customer delight. Our logistics team drives various initiatives at each node to ensure that the distribution network is constantly evolving across – service, cost and sustainability. Through innovative measures taken in FY19, we have progressively improved our primary logistics performance in a sustainable and competitive manner.

Through key interventions taken this year, we have improved the load per trip in our primary transportation (factory to depot) by 3.6% from the previous year. The vehicle upsizing measures taken this year have increased the contribution of 21 Tonne truck and 32 ft container by 9% and 3% respectively. The GST led network changes have improved the primary average distance per trip (factory to depot) by 7.4%. All these initiatives have directly translated into reduction of fuel consumption by 1 litre per tonne of product transferred in our primary movements.

Achieved fuel reduction in primary transportation by 1 lt/tonne of product, translating to avoiding 675 tCO2e GHG emissions

INNOVATION IN NETWORK MAPPING

'Project Flash' was initiated this year to enhance our services through an agile supply chain. The objective was to ensure quick reach of the products to the destination by reducing the number of intermediate points. The initiative has shortened the distance travelled leading to 30% reduction in transit time, creating a sustainability edge for an agile supply chain.

In our aspiration towards logistics optimization, we aim to incentivise our vendors who are able to provide us with better fuel efficient vehicles. We are also aspiring towards multi-modal logistics and have initiated rail tanker based movements for our raw material supplies.

Consumer Connect

Our partnership with consumers is blended with Marico's purpose to add value to their lives in ways that are novel and delightful. We constantly look for disruptive ways to explore the unmet needs, insights and innovative offerings that can cement the bond further with our consumers.

Consumer Wellbeing

Marico is a keen proponent of healthy and active lifestyle. Our portfolio of brands stands for innovation and we take great pride in fostering consumer health and wellbeing. We have made disruptive efforts through our brand campaigns, outreach programme, trainings and associations with industry partners to promote food safety and nutritional intake leading to a healthy lifestyle of our consumers.

Heart Health

As part of our Saffola*life*, we launched the campaign on 'Impact of belly fat on heart health' to build awareness and inspire consumers on heart health

Nutritious Food

'Safe and Nutritious Food', a campaign initiated along with FSSAI to educate school children. Covered 200 schools PAN India impacting over 80,000 kids

Eat Right India

Marico is associated with the 'Eat Right India' movement, a collective effort by FSSAI and other key stakeholders to spread the message to over 25,000 people

Consumer Engagement

Consumer's opinion is a valuable input for us. This is guiding force for our product quality and service processes. To facilitate this, we have a dedicated ISO 10002 certified Consumer Services Cell (CSC). The accreditation has equipped us with a systematic approach to consumer concerns. Consumer contact mechanisms are mentioned on all our product packs. Consumers can register their queries, grievances, suggestions on our toll free number and e-mail. All of these feedback are processed by our consumer services cell so that they may be resolved appropriately. Our team has a thorough mechanism to ensure all consumer feedbacks are suitably addressed with due diligence.

Marico bagged the special recognition for 'Customer Engagement and Satisfaction Practices' in the manufacturing stream at the sixth CII National Excellence Practice Competition 2018

Labelling and Information

All our product packs and labels include communication on aspects of health and safety. We provide fact based information on all our product packages to help consumers make informed choices. The labels accurately reflect the necessary statutory mandates of list of ingredients and nutrition information on the back panel.

Labelling at Marico follows a rigorous process routed through a system called 'Artwork Management System (AMS)'. This system ensures a smooth approval process of the artwork prior to final release for printing. Additionally, the AMS ensures speed to market delivery with minimum re-work on labels thus, creating efficiency.

Marico products and labels comply with the applicable regulations such as the Drugs and Cosmetics Act, Legal Metrology Act, AGMARK, Food Safety and Standards Act for labels and pack information.

Safe Disposal

It is our responsibility to take great care of the waste generated from our operations. The plant personnel at all our manufacturing units are educated on handling hazardous and non-hazardous waste responsibly. All the waste generated at our manufacturing units are disposed through appropriate channels and approved vendors. All manufacturing plants are equipped with systems and procedures to verify the authorisation and licenses of agencies used for transporting and disposing hazardous waste in compliance with necessary regulations. We do not export, import or treat hazardous waste. Furthermore, there have been no significant spills during the year.

Being cognisant of the larger social and environmental issue created by plastic waste, Marico has taken measures to create awareness among various stakeholders through innovative ways to provide an end-of-life solution to plastic waste. We go beyond our operations towards collection and safe disposal of plastic waste generated from our product packaging. The company is aligned to the Plastic Waste Management (PWM) Rules. This year we completed the collection of 20% of post -consumer multi-layer packaging waste equivalent as part of our Extended Producer Responsibility (EPR) commitment. We are also working in collaboration with enterprises to enable the use of recycled plastic in our product packaging.

NATURAL CAPITAL

Innovate for a Better Tomorrow

At Marico, we maintain a sharp focus on responsible operations. A part of our ethos, we are on a consistent drive to judiciously manage our natural resources and reduce our impact on the environment.

Energy

We understand the larger purpose and necessity of energy management for a sustainable future. The Company fulfils the energy requirement through sources such as grid electricity, furnace oil, diesel, group captive wind power and biomass. In 2019, our total energy consumption was 3,67,207 GJ. The direct and indirect energy consumption was 2,99,962 GJ and 67,245 GJ respectively. With respect to the 2022 energy intensity target, we have achieved 25% reduction in energy intensity against 2013 levels. In comparison to last year, the energy intensity has reduced by 4.4%.

Energy Intensity (GJ/KL product manufactured)

The energy intensity of the previous years have changed due to restatement. However, we have retained the 2022 goal to reduce the energy intensity by 50% from the baseline year

This year, we also expanded the environmental performance accounting to our international units comprising of manufacturing operations in Bangladesh, Egypt and Vietnam. The energy intensity for the international operations for the year is 0.97 GJ/ MT of product manufactured.

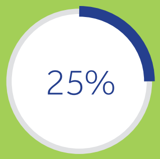
We make diligent efforts to increase the use of clean and renewable energy by reducing our dependency on fossil fuel source. To this end, the use of diesel and furnace oil at our operations has reduced by 68% and 83% respectively from FY13. As of FY19, 73% of the energy requirements of our operations were met through renewable energy sources.

Tackling Climate Change

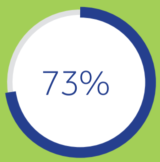
Climate Change is a serious global concern and we are committed to respond to the challenge. We have accelerated our efforts and commenced quickening pace in our climate change action within the parameters of the company's business operations. Taking leadership commitment alongside, this year, Marico made its environmental disclosure to CDP (erstwhile known as Carbon Disclosure Project) on Climate Change and Water themes.

In FY19, our GHG emission intensity (Scope I and Scope II) reduced by 56% from 158.3 to 69.7 kgCO_2e/KL of product manufactured, putting us on track to meet our 2022 goal to reduce our greenhouse gas emissions to 75% below 2013 levels. We are

Our Baddi unit is certified as per ISO: 50001 Energy Management System

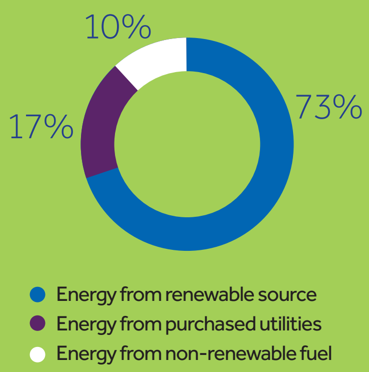


Reduction in energy intensity against FY13 baseline



Of our total energy is from renewable sources

ENERGY MIX OF FY19 (%)



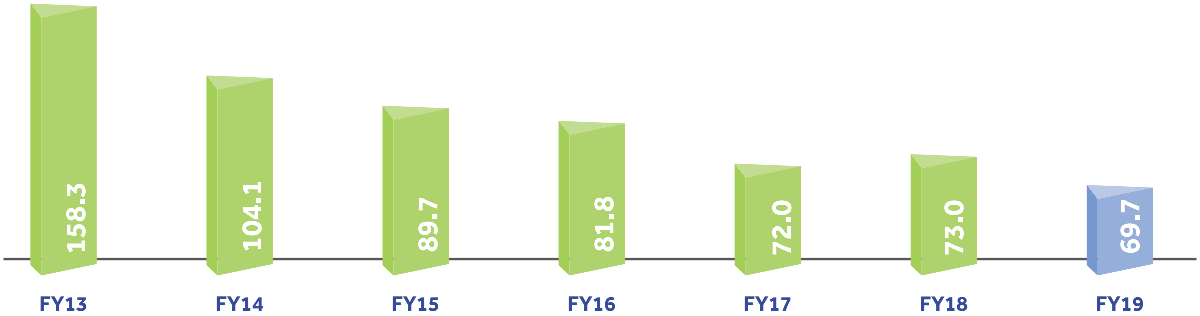
also committed to implement systems to account for scope III emissions (outside the organisation boundary) and also re-align our targets encompassing all three emission scopes within next two years. Further the GHG emission intensity (Scope I and Scope II) of our international operations (includes manufacturing operations in Bangladesh, Egypt and Vietnam) for FY19 is 112 kgCO_2e/MT of product manufactured.

GHG Emissions Performance (tCO_2e)

	UoM	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Emissions (Scope I)	tCO_2e	14200	5351	3750	3224	2960	3408	2894
Emissions (Scope II)	tCO_2e	11193	10400	12778	13846	13328	13631	14216
Total Emissions	tCO_2e	25393	15750	16528	17070	16288	17039	17110

Restated to account the changes in our manufacturing footprint and calculation methodology

GHG emission intensity (kgCO_2e/KL product manufactured)



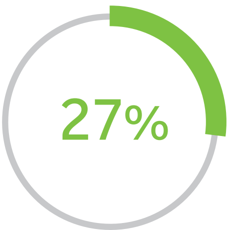
The energy intensity of the previous years have changed due to restatement. However, we have retained the 2022 goal to reduce the energy intensity by 50% from the baseline year

Water

Water is a critical natural resource. For Marico, with a host of agro based products, water availability becomes crucial. We have adopted a 3R approach (reduce, reuse and recycle) for effective water management. Our pursuit is to replenish equivalent or more water than what is consumed in our operations. We aim to achieve this by bringing efficiency within our operations as well as external conservation/harvesting initiatives in water stress areas. In FY19, a host of water conservation and harvesting initiatives were undertaken by Marico. Through these we have created capacities to conserve about 550,000 m^3 of water, equalising around 2.5 times the water footprint in our operations. The conservation initiatives are discussed in detail in 'Social Capital' chapter of the integrated report.

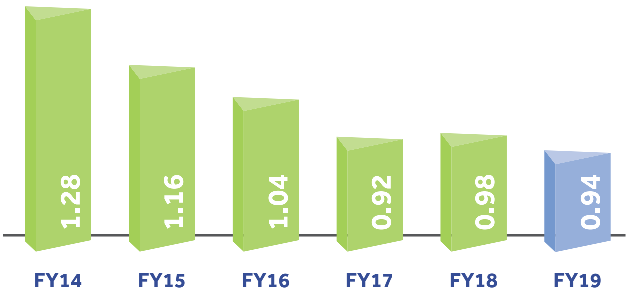
During FY19, we consumed 223,610 m^3 of water in our operations which is primarily sourced from municipal, ground and tanker source. The water intensity for FY19 is 0.94 m^3/KL of product manufactured, a decrease of 27% from FY14. Further the water intensity of our international operations (includes manufacturing operations in Bangladesh, Vietnam and Egypt) for FY19 is 1.28 m^3/MT of product manufactured.

We have installed water treatment facilities (ETP/STP) at our manufacturing units. The treated water is reused in our process, for gardening and domestic purposes. We have also initiated steps to recycle the treated water through reverse osmosis and multi-effect evaporator at our Baddi and Jalgaon Units. Rainwater harvesting systems have also been deployed at our Baddi units. These initiatives will further reduce our dependency on and help to offset the freshwater demand.



Reduction in water intensity from FY14

Water intensity (m^3/kl product manufactured)



Restated to account the changes in our manufacturing footprint and calculation methodology. The water intensity of the previous years have changed due to the restatement

Innovate to Nurture

At Marico, we offer all our members a defined talent value proposition to challenge, enrich and fulfil their aspirations so that they can maximise their true potential to 'make a difference'.

Marico's aspiration to become an emerging market multinational company sets course for an ambitious and exciting journey with newer capabilities, categories and growth engines. Talent and Culture are two focus areas as we work towards making Marico a future-ready organisation.

Our core values have been the guiding and unifying principles for us as an organisation operating across different geographies. The values are based on the principles of 'involvement builds commitment', and thus, are co-owned by all Mariconians. We have imbibed the core tenets of our values in designing roles, systems and processes, office infrastructure, and the Marico way of working.

In this year, we continued to focus on developing leadership talent, creating an empowering culture, championing diversity and inclusion, strengthening collaboration for better innovation and performance, and promoting member wellness.

Develop Leadership Talent

Marico fosters a non-hierarchical organisational structure. Our leadership philosophy is based on the belief that only when one is empowered with freedom and opportunity does one rise above the task at hand and take complete ownership to make a difference.

64% Of overall leadership roles in India are filled by home-grown talent

Key Highlights

57.1% Of our overall talent in consumer facing functions of technology and marketing are women

44% Of our leadership talent in consumer facing functions of technology and marketing are women

66.4% of the total workforce in India are millennials

21st RANK
Great Place to Work – Best Large Workplaces in Asia, 2019

32nd RANK
India's Best Companies to Work For 2018

Leadership Development

Two Leadership programmes – LEAD with Impact for Managers and LEAD with Impact Partner Series have been launched to nurture Marico's future leaders. Designed to run over a period of six to nine months, these programmes will help young managers and team leaders acquire necessary business acumen and leadership skills. Action learning projects are also an important part of the programmes, giving participants the opportunity to deploy their classroom learning in real-work scenarios and help reinforce those learnings.

Building leadership early: Our Campus approach

Disruptive and entrepreneurial thinking is key at Marico. This reflects both in the way we interact with students on campus and in our campus hiring.

Key interactions on campus

Over The Wall

Our flagship campus engagement programme is unique and innovative where students are encouraged to 'think innovatively' and 'challenge the status quo'. In line with the Marico Talent Value Proposition, students work on live business challenges, and have a unique opportunity to get their ideas heard and implemented, and become a part of Marico's growth story.

The top 3 teams get the opportunity to work with one organisation associated with the Marico Innovation Foundation. The teams present their solutions to Mr. Harsh Mariwala in the Grand Finale of Over The Wall.

Marico's JAM Sessions

A new and unique programme where senior management from the marketing function visit Premier B-schools and conduct Just a Minute (JAM) sessions with students. This has helped students know how key brands build their brand value proposition and recall within consumers.

Operations Bootcamp

This campus connect initiative which aims to help students get a first-hand understanding of the business and a glimpse of the Marico culture by getting to interact with the Marico leadership. This initiative includes knowledge sharing sessions, interactions with senior leaders in the supply chain function, a virtual tour of Marico's Perundurai factory. Through the Marico lens, the students get a real world exposure to how the operations and supply chain function works in a FMCG setup.

Campus hiring process

STAMP

- The summer internship programme at Marico is one of the most intensive and enriching experiences that one can have as a student. STAMP comprises of a number of interesting elements which make it a memorable experience for everyone. Each summer trainee gets a project that is critical to the Company, which also ensures the organisation's commitment to and involvement in the programme.
- Even before the actual internship begins, the summer trainees get to spend two days with the field sales force to understand how the sales system works.
- Marico supports all the summer trainees by giving them complete autonomy and access to all possible resources. Every summer trainee is given multiple opportunities to interact with people across verticals and build a deeper understanding of the business. STAMP provides the summer trainees with a Challenging, Enriching and Fulfilling experience and equips them to truly Make a Difference!

Ignite

- Our Management Trainee Programme is aimed at inspiring the management trainees to push the limits, drive their way forward and create their own success stories.
- The management trainees undergo stints in their respective functions. They are not just solving any other problem, but real life, strategic business issues affecting Marico and its stakeholders daily. What differentiates Marico is its approach where the management trainees are groomed and prepared for every possible opportunity in future.
- The organisation places immense trust in their abilities and provides them with early responsibility and empowerment.
- Ignite carries out Marico's vision of putting the trainees through a journey which not only assesses them, but also enhances their skills and readies them for any challenge. Ignite aims to fuel passion, dreams and creativity in them.

Creating a Future-Ready Workforce

Instiling a sense of ownership and entrepreneurship in its members has always been a key priority to build an agile organisation in terms of structure, systems and processes to drive speed in execution.

Creating an agile and cost-effective organisation structure

To drive agility in our structure, we have created Big Bet teams. These three teams – Modern Trade, E-commerce and New Country Development – are the critical growth drivers for our strategic business plan. The identified teams will be responsible for achieving disruptive and differentiated additional growth in comparison to a normal 3-year CAGR on certain defined parameters.

Creating self-sufficient business units

In order to drive focused, sustainable and higher order profitable growth, the Marketing function was reorganised to build transformational capabilities. As identified in our Strategic Business Plan, in addition to our base business and core brands, we have introduced three new engines of growth - Foods, Skincare, and Male Grooming. These verticals will focus on our agenda to drive premiumisation and digital capabilities.

Empower Members to drive critical business agendas

To boost innovation and accelerate growth, we introduced our first-ever Managers Young Board consisting of nine 'Next -Gen Disruptors' across different functions globally. The Young Board Members are expected to collaborate as a team, bring in fresh perspectives and play the role of institutional leaders shaping the future of Marico. Each Board is constituted for a year, and is mentored by the top management team members and the MD & CEO. The first three Young Boards have successfully identified and operationalised new business ideas and actions to strengthen Marico's culture.

We introduced our first-ever Managers Young Board consisting of nine 'Next-Gen Disruptors' across different functions globally.

Create a Workplace for the Future

Millennials comprise 63% of our global workforce. To provide a balanced and enriching workplace experience, we have introduced a few automated, simple and efficient HR processes. All of Marico's talent management processes have been migrated to a single integrated platform, Membrain, offering uniform experience across geographies.

We have taken long strides in engagement with our members by introducing 'My Voice', a chatbot which interacts with our field sales force across all depots. Their feedback and comments have helped us take appropriate actions by providing relevant inputs to the team leaders.

Amber, a chatbot for new members, shares feedback about workplace experiences directly with the CEO. This gives us an overview of member sentiments and helps in enabling action for building a more enriching workplace.

Get Plugged In

Our new onboarding programme for welcoming new members into the Marico fold is entirely digital, with e-modules and process documents especially created and embedded on iLearn, our online learning platform that can be accessed by anyone, anytime and anywhere. This provides an enriching experience to any new member.

Sharpen Hiring Process

To achieve our Strategic Business Plan, we hire talent using a customised Occupational Personality Questionnaire (OPQ) assessment across all levels. A new assessment tool is being used for hiring field sales force members, which has resulted in sharper hiring through improved selection quality and reduced hiring time. The new assessment tool has reduced HR and senior level intervention by 20% and 10%, respectively.

Diversity & Inclusion at Marico

The Marico values reinforce our commitment to be an equal opportunity workplace that ensures respect, dignity, fairness and human rights for all our members. We constantly endeavour to ensure an inclusive and positive work environment for this diverse workforce.

Marico is committed to

- Creating and sustaining a diverse and inclusive workplace with zero tolerance to any form of discrimination/harassment
- Ensuring there is no bias and all members have equal access to information and opportunity
- Accepting and appreciating diverse points of view/new ideas/unpopular opinions leading to enhanced creativity, innovation and high performance
- Maintaining corporate etiquette and professional demeanour on all occasions while exercising freedom of expressions and thoughts

Steps taken for Diversity & Inclusion

- Launch of Marico Diversity & Inclusion guidelines
- Diversity sensitization workshop for leadership team
- Creation of grievance redressal mechanisms and channels

HUMAN CAPITAL

Strengthening Culture of Performance, Collaboration and Innovation

We take pride in our values and in those members who display these through the year at the workplace.

Once a year, through a week-long celebration 'Values Week', we encourage our members to recognise their colleagues, team members and business leaders by exchanging and sharing anecdotes on how they have lived by these values.

This year, an overwhelming 30,000 'I Value Cards' were exchanged between Marico members globally.

Our easy to use recognition platform, 'Maricognize' saw the highest ever engagement from members over the past five years with more than 1,500 members getting instantly recognised for exemplary work. Recognition was also given through a chatbot, enabling faster and easier access.

To encourage a collaborative work environment, our Performance Management System is designed to enable outcome-based, shared goals among different functional teams. We have also standardised our performance metrics across functions, enabling uniformity of goals and building camaraderie across teams.

Member Wellness at Marico

Marico offers its members a best in class health and wellness programme that helps them enhance their overall sense of wellbeing – physical, emotional and financial.

Emotional Wellbeing

Marico member Assistance Program (MAP)

It is a counselling service for our members and their immediate family, completely free of cost and assured of confidentiality. The service provides relevant reading materials and self-assessments on a variety of subjects related to emotional health.

We introduced the Corporate Spa as a twenty-minute treatment by experts to alleviate stress and offer instant relaxation. This rejuvenates members who are then able to focus on the tasks at hand with renewed enthusiasm.

Physical Wellbeing

Stepathalon Challenge

Marico introduced the 'Stepathalon Challenge' in 2012 which had 50 members participate in a variety of physical activities. In 2018, 375 members across our offices globally and factory locations participated in a 75-days challenge that involved fitness activities such as planks, lunges, sit-ups.

Becoming a fitter organisation

Our offices also conduct a 20-minute yoga session at workstations on a weekly basis, where members practice yoga, breathing and meditation techniques, and implement in their daily routines.

Marico members have been active participants in the Mumbai Marathon and Pinkathon mega-scale running. Each year, the participation has consistently increased in the half marathon category, a testimony to the fact that we are indeed becoming a fitter organisation.

Financial Wellbeing

We offer financial welfare advice through a video series educating members on various aspects of better managing their finances to achieve financial security. This video series was jointly designed by a financial planning expert to make it relevant for our members. These short videos help educate members on how to better achieve financial security.

SOCIAL AND RELATIONSHIP CAPITAL

Innovate to Transform

At Marico, we strongly believe in sustainable and inclusive growth of all our stakeholders, alongside business progress. Embedded within our purpose statement, we put to practise this ethos every day, identifying innovative ways to transform the lives of our stakeholders at scale. Our Corporate Social Responsibility (CSR) philosophy also stems from this very ethos, and it aims to 'Make a Difference' through a variety of social outreach programmes.

Our CSR programmes are covered under five broad focus areas. The CSR Committee oversees the implementation and success of the programme aligned to these focus areas.

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

CSR FOCUS AREAS

- Community Sustenance
- Healthcare
- Education
- National Emergency & Disaster Relief
- Fostering Innovation - Scalability of Social Organisation

On the occasion of World Food Safety Day, Marico was recognised by Food Safety and Standards Authority of India (FSSAI) for its contribution and support towards the Safe & Nutritious Food Campaign under the 'Eat Right Movement'. We were awarded the 'Eat Right Awards' in the Community Outreach, Professional and Product categories.

Community Sustenance

Community sustenance refers to our belief in giving back to the society through responsible and sustainable operations. Building and maintaining a harmonious relationship with the community and working towards their upliftment is deep-rooted in our corporate culture.

Parachute Kalpavriksha

Enhance farm productivity and earning potential of farmers through knowledge sharing, innovation and transformative actions

Water Stewardship

Ensure water security for people living in and around our areas of operations, with a particular focus on locations with scanty rainfall through conservation measures

Community Livelihood

Provide infrastructural support to communities residing near our plants and factories

Parachute Kalpavriksha

'Parachute Kalpavriksha', is our flagship programme that strives to create a positive impact on the income and standard of living of farmers. The very identity of 'Parachute Kalpavriksha' programme takes root from Indian mythology, where it refers to divine and wish fulfilling trees.

Marico commenced this journey in 2017 on 'World Coconut Day' to translate this symbolic meaning into long-lasting impact among the farming community. Key result areas of this programme include enabling higher crop yield, educating farmers to handle their farms independently and transforming traditional farming to scientific farming.

THE 'KALPAVRIKSHA' PROGRAMME ARCHITECTURE

01 Awareness — Conduct training and awareness programmes to propagate scientific farm practices on nutrient, disease and water management

02 Implementation — Enrol farmers into the programme and provide on-field support for implementing the right farming practices

03 Monitor — Regular interaction and monitoring of farm care and performance

04 Evaluate — Evaluate outcomes leading to increased farm yield and farm input optimisation

SOCIAL AND RELATIONSHIP CAPITAL

Marico has deployed more than 45 agronomists, who provide training to farmers on scientific farm practices and address challenges through on-field support and interactions on a daily basis.

Farming Challenges	Marico Intervention
Incorrect farm practice	Implement best farm practices
Precision farming not executed	Hybrid plantation
Scope of inter-cropping remains largely unexplored	Inter-cropping
Lower crop yields	Technological interventions

The programme has reached over 1.7 lakh farmers through traditional and digital modes. Apart from the agronomists, Marico has also deployed jeep campaigns, given access to a digital library, launched a mobile application and a toll free Interactive Voice Response (IVR) system to reach out to maximum number of farmers who can then benefit from the knowledge bank with round the clock access to information.

Farmer Reach

- Farm Care Personnel (FCP)
- Training Modules
- Jeep Campaigns
- Digital Library (35 videos in 5 languages)
- Mobile Application
- Toll Free Number (IVR)
- TV Promotions

1.7 LAKH Farmers reached

11,800+ Farmers enrolled under the program till date

16% Increase in farm productivity

From their experience...

Mr. Nakkeran, Pattukottai

When the agronomists from Marico visited the farm a year ago and offered advice, I did not take them seriously. I instead suggested that they take care of 50% of the trees, while I manage the rest. I watched them root-feed and tackle the pest menace with ease. While the trees that are under their care have started giving a yield of 18-19 nuts/ tree, I get just 8-9 nuts. I have since decided to follow their practices.

Water Stewardship

Water is a core thrust area of the Marico sustainability agenda. We undertake regular interventions in our day-to-day operations, and also large-impact conservation initiatives for the communities we operate in. The innovative efforts made this year have resulted in creating conservation capacities equivalent to 550 Million litres of water, which is 2.5 times the water footprint of our operations.

Dam de-silting

In 2019, Marico completed the de-silting activity of Yeldari dam in Maharashtra alongwith an NGO partner under the 'Galmukt Dharan Galyukt Shivar' (Silt-free dam and silt-enriched farm) Yojana (Scheme) of the Govt. of Maharashtra. This initiative resulted in increasing the water storage capacity of the dam while helping farmers improve land fertility by using the excavated silt.

How Marico reaches farmers

4,20,411M^3	420MN LTR	366
Total silt excavated	Increase in dam storage capacity	Farmer families benefited

Farm ponds

Carrying forward our efforts from the previous year, Marico completed the construction of 91 additional farm ponds in Tamil Nadu and Karnataka, with an overall storage capacity of 130 Million litres. This initiative was undertaken as part of a tri-partite arrangement with an NGO and the farmer community. The initiative, implemented across 20 villages, benefited 91 farmer families by making water available to them to meet both agricultural as well as domestic needs.

From their experience...

Ramkishan Sampatrao Jadhav, Farmer

Cotton crop at the start looked shiny and healthy. However, the output was low due to lack in rainfall and water scarcity. But, because of the silt, the crops were better than previous years. The expenditure on de-weeding also reduced. I also did not use any fertilisers, so that money was also saved. So, overall my input cost went down. To deposit the silt, I had to excavate some earth. That trench doubled up as a storage pond during the rains!

SOCIAL AND RELATIONSHIP CAPITAL

Community Livelihoods

Marico understands the local needs of the people through an exhaustive need assessment study involving the communities neighbouring our factory premises. Understanding their basic needs, we build programmes for their development and upliftment which broadly include health camps, plantation drives, education infrastructure, construction of toilets, among others.

Focus Areas	Beneficiaries
Education	2314
Health & Hygiene	5755
Community Sustenance	16298
Disaster Relief	1325

25,692

Total beneficiaries from community CSR initiatives

Sakshar Beti (The Educated Girl Child)

Educating the girl child is a precursor to creating a strong and inclusive society. With this vision, Marico has instated 'Sakshar Beti Sudridh Samaj', a humble step towards advancing the education and health of girl children. Under this initiative, stationery for studies and healthy food were provided to 385 beneficiary students.

Health and hygiene of women and children

Understanding the pressing need for women's hygiene practices, Marico conducted awareness camps alongside a consultation drive in the vicinity of our Guwahati factory. Through the initiative we could educate 300 women and adolescent girls on feminine hygiene and distributed first aid kits and sanitary napkins.

While conducting another need assessment drive at our Guwahati factory, we discovered that children in the vicinity were addicted to the consumption of betel nut, an intoxicant popular in Assam. To eradicate this, we conducted health check-up drives at Government schools, reaching over 289 children and their parents to educate them about the ill-effects of consumption of betel nut.

Healthcare

Marico has always been a keen proponent of a healthy and active lifestyle and we intend to create a strong impact in this regard. Incubating disruptive ideas that can positively impact the population, we deep dive to identify the issues affecting both preventive and curative healthcare in India.

Saffola*life*- World Heart Day

Saffola*life*, a not-for-profit initiative by Marico, strives to create a Heart Healthy India. This year on World Heart Day (29th September), we launched a campaign 'Dil ki haalat, Pet se pakad' with a pan-India survey findings to drive awareness of the impact of belly fat on heart health and inspire consumers to begin their journey towards a healthier lifestyle. Consumers were encouraged to visit the Saffola*life* site and use the Heart Risk Calculator to get a deeper understanding of the extent of their heart risk.

The campaign was recognised at the Effies India 2018 Awards, one of the most prestigious awards in the advertising world.

Safe and Nutritious Health

It is a known fact, that children are most susceptible to food-borne diseases due to their lack of awareness. Experimenting with diet while at school and elsewhere also contribute to them being primary victims of such ailments. 'Safe and Nutritious Food at School' (SNF@School) is a nation-wide campaign, initiated by the Food Safety and Standards Authority of India (FSSAI), to help school children inculcate the habit of eating safe and eating right. The programme is driven on a three-pronged approach, at the school, state and national levels. The culture of food safety and nutrition is promoted through Health and Wellness Coordinators and Health Teams.

Marico Saffola*life* actively supports the 'SNF@School' initiative. Through Saffola*life*, we distributed around 25,000 Pink books (Safe and Nutritious Food at home) and Yellow books (Safe and Nutritious Food at School) among students and teachers as part of the school activation programme.

Covered over 200 schools pan-India and 42% schools have reduced junk food consumption amongst children

From their experience...

Shri Pawan Kumar Agarwal, CEO, FSSAI

Marico Limited has taken several initiatives in support of various SNF activities through their CSR budgets and otherwise over the past three years. FSSAI is very happy to see the progress in several areas. FSSAI conveys its gratitude for deep commitment of their leadership team and active participation of their employees for this important cause. Marico has been engaged in promoting right messaging around safe and healthy food through various interventions as shared responsibility and demonstrated that it is a socially responsible business.

Eat Right India

Launched by FSSAI (under the Ministry of Health and Family Welfare), the Eat Right Movement is a collective effort by corporates and citizens focusing on public health. Marico's association with the 'Swasth Bharat Yatra', a pan-India cyclothon, positively impacted over 25,000 people. Marico also partnered with the Eat Right Mela conducted by FSSAI in Delhi, reaching out to 20,000 people.

SOCIAL AND RELATIONSHIP CAPITAL

Education

One of the most significant indicators of social progress is education. Marico plays a decisive role in promoting education and two of our highly innovative programmes-Mobile Pathshala and Educate Girls, continue to support the underprivileged children for their education needs.

Mobile Pathshala

Keeping its purpose of educating children at its heart, Nihar Shanti Badam Amla, launched the Pathshala Funwala mobile-based platform four years ago. With the objective of accelerating the spread of spoken English, this platform provides children free-of-cost education modules along with songs, mnemonics, memorable and relatable characters as learning aids. This year the purpose-led brand took the programme to the next level with a unique initiative called 'Phone Uthao India Ko Padhao', which connected urban volunteers with underprivileged children in rural areas who want to practice spoken English and seek clarification on the earlier modules they initially learned from on the Pathshala Funwala platform.

The pilot was launched in Lucknow, where we witnessed large-scale volunteer registrations from colleges, B-schools and corporate offices. The young and eager-to-learn children had a unique opportunity to practice conversational English speaking skills with live volunteers over a call.

Over 200 volunteers registered and more than 2000 students joined in to practice

Case Study: Educate Girls

We continue our efforts to provide quality education to marginalised girl children along with the NGO 'Educate Girls'. The Educate Girls programme is focused on improving the Enrolment – Retention – Learning cycle of every girl child in the educationally backward districts of the country. By tackling the problem at its root, the programme has helped improve the learning outcomes by focusing on micro-competencies of children in English, Hindi and Mathematics. The curriculum was implemented for children at grades 3 to 5 using a specially designed kit called 'Gyan Ka Pitara'.

In the reporting year, we have worked in Udaipur district of Rajasthan and Dhar district of Madhya Pradesh.

2,09,040 number of children benefited from Educate Girls program in FY19

National Emergency & Disaster Relief

Extending our support to unprecedented events in the country, we make direct or indirect contributions during national emergencies – across a variety of causes. Be it natural disasters or humanitarian relief, we proactively extend a helping hand.

In August 2018, Kerala was affected by severe floods that wreaked havoc across the state. Marico members, along with the local district administration, volunteered to help the affected. We distributed essentials to the people and served 500,000 meals. Our volunteers also assisted in operating the rehabilitation camps and in cleaning and construction activities.

Fostering Innovation - Scalability of Social Organisation

Marico believes in unlocking the potential of innovative start-ups in India through the Marico Innovation Foundation (MIF). MIF plays a catalytic role in nurturing innovations in India and hopes to achieve significant and sustained impact by-

a. Helping innovations become mainstream and achieve scale

b. Creating an ecosystem through collaborations and partnerships that helps achieve this agenda

MIF Scale-up Program

In FY19, the Foundation continued working with the MIF Scale-up Program, MIF Talkies and Content dissemination through InnoWin and social media. In the reporting year, MIF also began work in the agri-tech sector with an aim of spurring innovations that can help farmers increase productivity of specific crops.

In the last year MIF worked with 12 innovative organisations and successfully closed 11 challenges across manufacturing, quality, packaging, e-commerce, sales & distribution and brand building. A few success stories are:

a. The E-Commerce Sales challenge for Atomberg Technologies resulted in 5X revenue growth over one year of engagement

b. Another intervention with S4S Technologies for Quality Processes, Manufacturing, B2C Sales, Packaging, HR, and Investment increased their shelf life by 4X, manufacturing capacity by 10X and revenue by 50%.

MIF Incubate2Cultivate

In the current year, MIF launched a new program with a sharp focus on nurturing innovations in the agri-tech sector. This program aimed to focus on a single crop and try to solve the productivity challenges faced by the farmers on this crop. The focus crop was Coconut and MIF worked closely with Kalpavriksha Foundation on this project. As part of the program MIF reached out to approx. 500 Agri Innovations, which helped garner 97 applications from innovations in the agriculture sector. 24 entrepreneur teams visited Coimbatore and Pollachi for an immersive understanding of the coconut crop. 10 innovations have now been shortlisted for further evaluation and piloting and the Kalpavriksha team will be working closely with them.

From their experience...

Arindam, Founding member, Atomberg Technologies

The scale up program was beneficial to us because it helped us identify challenges that we didn't think existed earlier and helped us scale up our business over the past one year significantly to a stage where as compared to the previous year we had almost a 4X to 5X growth every month.

Vaibhav, CEO, S4S Technologies

With the MIF intervention the revenue has almost doubled over the course of the past year, manufacturing capacity has increased 10 times, and our consumer complaints have gone down to zero. The scale up program is very interesting because it is very challenge specific and very important in the scale up journey of an organisation and helps to solve the challenges that an organisation wants to solve.'

SOCIAL AND RELATIONSHIP CAPITAL

MARICO BANGLADESH

Swapno

Marico SWAPNO programme is a first-of-its-kind initiative in public-private collaboration on a 'social transfer model' to graduate ultra-poor women-led households to sustainable livelihoods. The programme is implemented in a tri-partite arrangement between Government of Bangladesh, United Nations Development Programme (UNDP) and Marico. As the implementation partner for the Government and UNDP, Marico assisted in finding solutions for development challenges through core business activities and initiatives. These included bringing women from low-income households into value chains as suppliers, retail distributors and consumers. The programme, since its inception in May 2018, has reached around 4,500 women-led households.

Inclusion of Impact

Taking cognisance of the fact that there are over one Million differently abled youth in Bangladesh, Marico along with Adamya Foundation (a non-profit organisation), enabled them to find sustainable and meaningful employment and improve livelihood through skills training and capability development. Merchandise training was imparted for a month to 20 beneficiaries with speech and hearing challenges, using sign-language. The training also included market visits where the participants were given real life demos of the 'day of a merchandiser'.

14 physically challenged youth are working with Marico Bangladesh as Young Merchandisers.

MARICO SOUTH AFRICA

Just For Kids

Caivil, the hair care brand from Marico South Africa launched the 'Just for Kids' initiative to educate and create awareness amongst mothers and their children on the importance of good hair care regime and hygiene using songs, dance and road show activities.

Hercules Bootcamps

To amplify the need of leading a healthy lifestyle, ‘Bootcamps’ were conducted by the Hercules brand team in South Africa. The initiative included education on nutrition by a dietitian and fitness tips by a fitness expert whilst incorporating an exercise session for the whole family. The programme was promoted through multiple media such as in-stores, digital, print, and radio.

SOCIAL AND RELATIONSHIP CAPITAL

Charters and Coalitions

Marico is actively engaged with several industry and government associations in India to bring about a positive impact on the business ecosystem at large. The Company aims to gain from mutual learning and facilitate dialogue for a common cause.

ASSOCIATIONS

All India Food Processors Association (AIFPA)

Protein Foods and Nutrition Development Association of India (PFNDAI)

Association of Food Scientists and Technologists, India (AFSTI Mysore)

Federation of Indian Chambers of Commerce and Industry (FICCI)
Confederation of Indian Food Trade and Industry (CIFTI)

Confederation of Indian Industry (CII)

Indian Beauty & Hygiene Association (IBHA)

Ayurvedic Drug Manufactures Association (ADMA)

The Solvent Extractors' Association Of India (SEA)

Consumer Guidance Society of India (CGSI)

Health Foods and Dietary Supplements Association (HADSA)

All India Association of Industries

REGULATORY BODY

FSSAI New Delhi

Ministry of Food Processing

FDA Maharashtra

FDA Gujarat

Govt. of Maharashtra

Dept. of Science and Technology Ministry of Science and Tech

Dept. of Legal Metrology – Ministry of Consumer affairs Govt of India

Agmark – Ministry of Agriculture – Government of India

Coconut Development board

INTELLECTUAL CAPITAL

Innovate to Lead

In an increasingly dynamic consumption environment and competitive marketplace, sustainable profitable growth hinges on the Company's ability to read the latest trends and deliver the right product to the consumer at the right time.

Lately, new-age start-ups and entrepreneurs have brought disruptive products and business models to the market and have been successful in attaining reasonable scale by adopting a focused channel and niche market approach with a significantly shorter lead time between launching products.

The emergence of these brands has made it imperative for brand owners to exhibit a higher degree of agility and nimbler decision-making to stay ahead and continue to expand the consumer franchise. Hence, innovation in core categories and portfolio expansion into the identified categories of the future remains one of the key pillars of Marico's long-term strategy.

Marico invests in Research & Development (R&D) to drive cutting edge research, product development and clinical studies, endeavouring to create innovative and efficacious products for the consumer. We have a dedicated R&D team working in various streams of Advanced Technology, Product Development, Packaging, Quality, Clinical Studies and Nutrition. The Company has also been leveraging Digital and Analytical tools such as trendspotting, social listening, and design thinking, among others, to bring an outside-in perspective to new product development. Further, the strategic investment in Zed Lifestyle (who owns the brand 'Beardo') has enabled the Company to enhance its capabilities in digital marketing.

For over two years now, the Company has been following a streamlined new product development process and has effectively shortened the idea-to-market lifecycle. The Company has constituted an Innovation Council, a committee comprising functional CXOs and headed by the MD & CEO, which undertakes a structured review and scrutiny of all big-ticket new product ideas along a detailed stage-gated process. Separately, introduction of new variants of existing products or simpler product line extensions are not required to go through the Innovation Council, thereby allowing them to be rolled out in a shorter span of time.

Given the Company's focus on driving premiumisation, new product ideas, other than those targeted at the bottom of the pyramid segment, are mandated to have a healthier gross margin profile than the current portfolio. In order to ascertain if the product is meeting action standards, the Company monitors performance parameters such as turnover, market share, reach, share of voice, penetration, number of new trials, etc., against benchmarks that have been set prior to launch, subject to the play envisaged for the particular offering.

We have a dedicated R&D team working in various streams of Advanced Technology, Product Development, Packaging, Quality, Clinical Studies and Nutrition.

The Phase-Gate or Stage Gate process to New Product Development

01	Pre – Idea Gate	• **Initial Proposal/Broad understanding**
02	Idea Gate	• **Refinement of Idea/Consumer Confirmation/ Idea brief**
03	Development Gate	• **Development of Bundle-Product/Packaging/ Claim**
04	Feasibility Gate	• **Validation - Business Case/Manufacturing & Sales capability**
05	Launch Gate	• **Launch Plan and Activation**

New product ideas are driven by cross functional teams (comprising members from R&D, Marketing, Supply Chain, Sales and Finance) right from conception through to its potential national scale-up. With a view to foster an entrepreneurial mindset and bootstrapped approach to building new brands, the Company has sought to build a culture that accepts failure as a stepping stone to success. By setting multi-year Key Result Areas (KRAs) with a built-in safety net, the Company has ensured the performance management criteria of these dedicated cross functional teams encourages measured risk-taking.

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

With the rising salience of e-commerce, premium offerings are being launched exclusively on the digital platform to gauge consumer response on a real-time basis prior to scale up. During the year, Marico introduced its first digital brand, Set Wet Studio X, a premium male grooming range, which was extended to Modern Trade only on gaining encouraging online traction. The Company undertook a similar approach with subsequent premium launches namely, Saffola FITTIFY Gourmet, Coco Soul, True Roots Botanical Hair Tonic, Parachute Advansed Coconut Crème Oil and Kaya Youth O2.

In FY19, there was a visible acceleration in the new product launches across portfolios by the Company. The Company has upped its efforts to identify and invest behind big-ticket new ideas in its chosen categories of Premium Hair Care, Healthy Foods, Male Grooming and Premium Skin Care for driving growth. The Company aims to double the revenue contribution of new products in the next three to four years on the back of these efforts.

TECHNOLOGY FOR DISRUPTION

Innovate for Digital Disruption

As the world stands at the cusp of digital transformation, we at Marico aspire to leverage technology to deliver a seamless experience for our consumers, associates and members.

Towards this, we collaborate with the right partners to build par-excellence digital capabilities that supports critical business decisions. We are already seeing green-shoots of digital innovation initiatives at Marico. To deliver an integrated consumer and member experience, we have institutionalised a seven-pillar framework for our digital interventions.

Listen

Today, more than ever, the amount of information available for consumers is unprecedented. Brands operate in a world that encourages two-way conversations. With data and analytics, we are able to identify trends that highlight a consumer's unmet needs which we fulfil through disruptive innovation. While consumers experience our brands, they also provide real -time feedback on usage and product proposition. This lays the foundation for a valuable and long-term relationship with the consumers, who are our key stakeholders.

Reach

The world is moving towards hyper-targeted communication. Our digital capabilities help us reach the right consumer depending on the digital cohort that they are part of and address their explicit and latent needs. Innovation, thus enables us to cater to individual needs, thereby creating a unique brand experience.

Engage

We understand that consistent and relevant communication using the right media, influences purchasing behaviour. Towards this end, we aim to map a consumer's journey in the offline and online space as they are exposed to cohort-level specific brand stories. To build sales force capabilities for the new age, we impart digital training and learning sessions to our members.

Innovate

To integrate brands with the overall consumer experience, we are exploring ways to include consumers in hypothesis testing for Minimum Viable Products. This is expected to enable faster innovation-led market testing, accelerate agility and increase the success probability of new product development.

Sell

Supported by contemporary technology, we aim to develop strategies to influence sales using targeted schemes, sampling, coupons, and subscriptions to enable growth in the marketplace. We are also exploring analytics-based selling and prompting to drive specific actions from Distributor Sales Representatives (DSR) and Retailers to drive specific actions from Distributor.

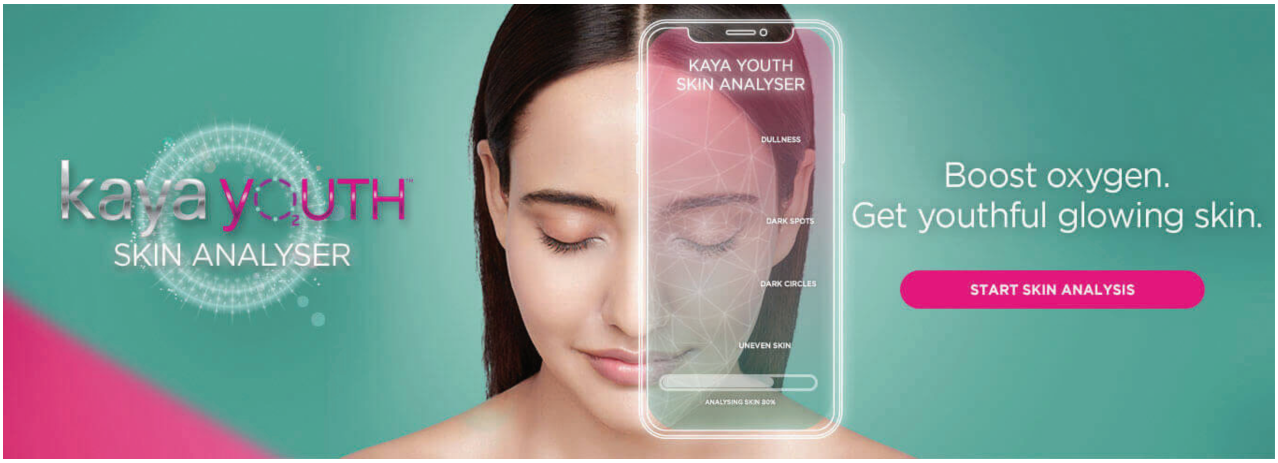
Analytics

At the scale at which we operate, we are exposed to an unprecedented amount of data. We intend to leverage this data on a real-time basis to understand input-outcome relationships, using our robust data science programmes and skills. Various deployments to democratise analytics will enable us to be more efficient and effective in various spends that lead to desired business outcomes.

Automation

We have deployed industry 4.0 tools and technologies to optimise our operations, including Internet of Things (IoT) and manufacturing intelligence systems. They help us improve our efficiency, reliability, compliance and safety.

Delighting With Digital



Delighting Consumers with Tomorrow's Technology

Kaya Youth Analyser

Marico launched the Kaya Youth oxy-infusion range which helps in boosting the oxygen levels in facial skin, resulting in youthful and glowing skin. In order to measure the oxygen level, Marico launched a Skin Analyser tool which leverages Artificial Intelligence (AI) and machine learning capabilities to analyse the skin on parameters such as dark circles, dark spots, uneven skin, and skin dullness. Basis the oxygen score, it also suggests the #SkinPranayam routine that is appropriate to each individual.

Improving Channel Partner Capability and Engagement

Building channel partner capability through DOME

In FY19, we took our existing distributor engagement to a new level by developing a distributor training module called Distributor Operations Management & Excellence (DOME). This is a comprehensive capability development module encompassing all facets of distributor operations. DOME was successfully administered to our top distributors through an interactive e-learning module.

Tracking channel partner's health using predictive analytics

Nurturing a great channel partner network has been a focus to drive sustainable growth. Using predictive analytics to diagnose channel partner health on various business and non-business parameters has helped us implement an early warning system, which enables timely interventions to ensure a healthy and stable network.

Technology led rural footprint expansion

Increasing rural expansion through new age technology

We use new age technologies including geo-clustering of villages to reach and service rural markets, which is a key focus area for us. To further Marico's rural reach and understand improvement areas, we have identified white spaces and have drawn up a road-map to set up direct distribution infrastructure. This is part of our ongoing drive to improve our rural penetration in a sustainable and cost-effective manner.

Drive cost-to-serve efficiency in rural through geo location technology
To improve resource utilisation and cost-to-serve in rural operations, we deploy technologies such as geo tracking of van routes. This helps us ascertain the total distance and trip completion time for every route, every day. Using this information, we optimise the travel routes and calibrate resources to service high business potential routes on a continuous basis.

Technology led field force productivity and capability improvement

Improve field force engagement through direct incentive payment

Over the last few years, Marico has invested significantly in building a better ecosystem for the field force, thereby enhancing productivity and engagement. To facilitate faster delivery of incentives to the field force, we have opted for a direct-to-bank transfer system, thus eliminating the need of intermediaries in the process. This has improved both satisfaction levels of field force members and our engagement with them. This system, currently practised in our urban centres, will be extended to our rural field force as well.

Building field force capabilities through 'Friday Learning'

We expanded the field force development programme using industry-first digital training sessions named 'Friday Learning.' Aimed at providing regular training inputs to over 1800-strong field force, 'Friday Learning' has now become a way of life for sales teams in Marico. In the last two years, over 10 years' worth of training man hours have been delivered through this digital medium.

Empowering people by embracing technology

Project Simplify

'Project Simplify' was launched to find and modify processes so that workflows can be simplified, with faster turnaround time and decision-making. The project has driven significant results with several process flows optimised during the year.

Integrated HR platform and chatbot

The trifecta of Augmented Reality (AR)-based training modules, SAP Success Factors-led integrated HR platform and Artificial Intelligence (AI)-led chatbot applications and employee mood tracker was leveraged and scaled up to improve employee competency, performance and engagement during the year, as part of our ongoing efforts to digitally engage with our workforce.

Leveraging technology for quality analytics

Manufacturing information and intelligence

The Manufacturing Information and Intelligence platform, integrated with the IoT sensors in production and non-production processes was implemented in two of our units. It has resulted in significant visibility with real-time event monitoring through descriptive analytics dashboards. This has improved overall effectiveness and reduced losses.

Driving retailer intelligence and analytics for Marico Bangladesh

Retailer Intelligence and Analytics (RETINA) is a recommendation engine to help drive depth of assortment at retail outlets. We have extended this platform to our Bangladesh operations, after its successful implementation in India in FY19. RETINA helps the Distributor Sales Representative (DSR) to identify and focus on the next best Stock Keeping Units (SKU) by suggesting relevant SKUs and brands that have been on the shelf for more than 12 months at an outlet. This simplifies the job of the DSRs on each call and increases their productivity.

OUR LEADERSHIP

Know Our Board Members

Harsh Mariwala

Chairman &
Non- Executive Director

Saugata Gupta

Managing Director &
Chief Executive Officer

Ananth Sankaranarayanan

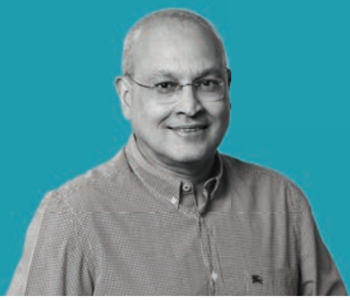
Independent Director

B.S. Nagesh

Independent Director

Hema Ravichandar

Independent Director



Nikhil Khattau

Independent Director

Rajeev Bakshi

Independent Director

Rajen Mariwala

Non-Executive Director

Rishabh Mariwala

Non-Executive Director

Know Our Management Team

Saugata Gupta

Managing Director &
Chief Executive Officer

Amit Prakash

Chief Human Resources Officer

Ashish Joshi

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

Gaurav Mediratta

Chief Legal Officer

(w.e.f. April1, 2019)

Jitendra Mahajan

Chief Operating Officer-
Supply Chain & IT

Koshy George

Chief Marketing Officer

Sanjay Mishra

Chief Operating Officer –
India Sales & Bangladesh Business

Sudhakar Mhaskar

Chief Technology Officer

Vivek Karve

Chief Financial Officer

Corporate Information

Company Secretary & Compliance Officer

Ms. Hemangi Ghag

Audit Committee

- **Mr. Nikhil Khattau**
  Chairman
- **Mr. B. S. Nagesh**
  Member
- **Ms. Hema Ravichandar**
  Member
- **Mr. Rajen Mariwala**
  Member
- **Ms. Hemangi Ghag**
  Secretary to the Committee

Nomination and Remuneration Committee (erstwhile Corporate Governance Committee)

- **Ms. Hema Ravichandar**
  Chairperson
- **Mr. B.S. Nagesh**
  Member
- **Mr. Nikhil Khattau**
  Member
- **Mr. Rajeev Bakshi**
  Member
- **Mr. Amit Prakash**
  Secretary to the Committee

Corporate Social Responsibility Committee

- **Mr. Rajeev Bakshi**
  Chairman
- **Mr. Ananth Sankaranarayanan**
  Member
- **Mr. Harsh Mariwala**
  Member
- **Mr. Rajen Mariwala**
  Member
- **Mr. Saugata Gupta**
  Member
- **Mr. Udayraj Prabhu**
  Secretary to the Committee

Risk Management Committee

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

Stakeholder Relationship Committee

- **Mr. Nikhil Khattau**
  Chairman
- **Mr. Rajen Mariwala**
  Member
- **Mr. Saugata Gupta**
  Member (w.e.f April 1, 2019)
- **Ms. Hemangi Ghag**
  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

B S R & Co. LLP

Internal Auditors

Ernst & Young LLP

Cost Auditor

M/s Ashwin Solanki & Associates

Secretarial Auditor

Dr. K. R. Chandratre

Registered Office

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

Our Presence

- **Factories** – 15 (8 in India and 7 overseas)
- **Regional Offices** – 4 in India
- **Depots** – 26 in India
- **Overseas Offices** – 20

Websites

- www.marico.com
- www.maricoinnovationfoundation.org
- www.parachuteadvansed.com
- www.saffolalife.com
- www.setwet.com
- www.livonhairgain.com
- www.livonilovemyhair.com
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- www.fitfoodie.in
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- www.saffolafittify.com
- www.kayayouth.com

Statutory Reports

Management Discussion and Analysis

This discussion covers the financial results and other developments for the year ended March 31, 2019 in respect of Marico Consolidated comprising its domestic and international business. The Consolidated entity has been referred to as 'Marico' or 'Group' or 'Company' in this discussion.

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

Update on Macro Economic Indicators

India

INDIA: GDP GROWTH (%)

Source: Asian Development Bank, Central Statistics Office

In FY19, economic growth in India slowed to 7.0% (according to preliminary official estimates) as the expansion in agriculture and services slipped, even though industry and investment strengthened. The non-banking financial sector, which has played a vital role in meeting credit needs, has been under stress since a default by a large player, thereby tightening financial conditions and raising the cost of capital. On the demand side, private consumption was the main driver of growth in FY19. It grew by 8.3%, the highest rate in seven years. Consumption is likely to have received impetus from reduced GST rates across a wide range of goods and services during the previous year and a cut in key monetary policy rates. Government consumption slowed, as expected, because of tightened finances. Gross fixed capital formation grew by a robust 10% in FY19, despite coming off a high base.

The government fell marginally short of its fiscal deficit target for FY19, the deficit finally equaling 3.4% of GDP, compared to 3.3% target. The central government has put fiscal consolidation on hold in FY20 by targeting a deficit equal to 3.4% of GDP, close to the FY19 outcome, and higher than the earlier target of 3.1% of GDP.

The Indian rupee depreciated by 7.2% against the US dollar, reflecting the widening current account deficit and tepid foreign investment flows. It depreciated by about 3% in real effective terms. Forex reserve holdings declined by $22 Billion to $398 Billion in FY19.

Headline retail inflation averaged 3.5%, the lowest since a new metric was introduced in 2011. Much of the decline can be explained by muted food prices, which occupy 46% of the consumer price basket, as their average annual increase in FY19 was only 0.7%. By contrast, core inflation remained elevated at 5.6% on price increases for housing, education and recreation services, and health care. Fuel inflation also remained strong on account of both higher global oil prices and Indian rupee depreciation.

India has improved its ranking in the World Bank's Ease of Doing Business index by 23 spots and is now ranked 77th among 190 countries as per the 2019 edition of the report, making it the only country to rank among the top 10 improvers for the second consecutive year.

Startups in the country have been able to create an estimated 40,000 new jobs over the year, taking the total jobs in the start-up ecosystem to 1.6-1.7 lakh, in addition to another 4-5 lakh indirect jobs estimated to have been created. India has seen an addition of over 1,200 startups in 2018, strengthening its position as the third largest startup ecosystem across the world, only behind US and UK. This takes the total number of technology startups to nearly 7,700, according to the NASSCOM Startup Report.

Inflation, remaining largely benign in FY19, is expected to inch up in FY20. Food inflation is likely to experience a mild uptick as some of the increase in procurement prices passes on to retail prices. Any increase in input costs such as wages and fertilisers could also push up food prices. Mistimed or misdirected rainfall could damage harvests and stoke food inflation. Average global oil prices are expected to be 13% lower in 2019 than that of last year. However, retail prices for deregulated fuels such as gasoline and diesel are unlikely to decline by this much because the government is likely to raise taxes on them to boost revenue, as it has done in the past. Core inflation is expected to persist at current rates as proposed budget measures to raise disposable income would bolster aggregate demand.

The medium term forecasts for growth and consumption in the Indian economy are promising. Steps to alleviate agriculture distress such as income support to farmers and strong hikes to procurement prices for food grains are expected to bolster rural demand. The implementation of farmer income support will face some start-up challenges because it demands accurately linking land records with farmers' bank accounts. In urban areas, consumption demand is expected to receive a boost from interest rate cuts, continued low prices for food, and declining fuel prices. The central bank's index of consumer confidence in March 2019 reached its highest reading in nearly 2 years. Current forecasts point to a normal monsoon, suggesting healthy growth in agriculture, helped by a low base in FY18 and steps to improve agricultural productivity.

In sum, growth is forecast to pick up modestly to 7.2% in FY20 on revived rural consumption, continued growth in private investment in response to improved bank and corporate balance sheets, more competitive domestic firms and products under the GST, and less drag from net exports. Growth is expected to inch up further to 7.3% in FY21 on dividends reaped from recent reforms to improve the business climate, strengthen banks, and alleviate agricultural distress.

Continued implementation of structural and financial sector reforms with efforts to reduce public debt remain essential to secure the economy's growth prospects. This should be supported by strengthening goods and services tax compliance and further reducing subsidies. Important steps have been taken to strengthen financial sector balance sheets, including through accelerated resolution of non-performing assets under a simplified bankruptcy framework. These efforts should be reinforced by enhancing governance of public sector banks. Reforms to hiring and dismissal regulations would help incentivise job creation and absorb the country's large demographic dividend; efforts should also be enhanced on land reform to facilitate and expedite infrastructure development.

Bangladesh

Bangladesh, one of the most densely populated economies in the world, has continued making impressive strides in achieving social development goals for its 167 Million citizens. The resilience of the country's economy has been commendable. GDP growth accelerated to 7.9% in fiscal year 2018 (FY18, ended June 30, 2018) from 7.3% in the previous year, as rising growth in total demand found support in higher consumption, investment, and exports. Continued political calm, improved power supply, and higher growth in private sector credit facilitated the fastest economic expansion in Bangladesh since 1974.

As per Asian Development Bank's 2019 Outlook, GDP growth is expected to edge up to 8.0% in FY19 on robust private consumption aided by continued recovery in remittances. Public investment will remain strong as the government continues to expedite the implementation of large infrastructure projects and other large projects receiving overseas support. Private investment is expected to rise, supported by measures to increase private sector credit, reform initiatives to improve the ease of doing business, and plans to make several hundred industrial plots available in special economic zones. The current account deficit is forecast to shrink, and inflation to stay in check. However, high non-performing loans, low profitability, weak governance, operational inefficiencies, inadequate internal risk management and an ineffective legal framework have cast a shadow on the health of the banking and financial sector. For higher investment and growth to sustain, sound economic policy must be implemented to mitigate underperformance of the financial sector.

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

Vietnam

The Vietnamese economy experienced another year of strong growth as it accelerated from 6.8% in 2017 to 7.1% in 2018, the highest in 11 years. Solid growth in exports of goods and services and continued strength in domestic demand underpinned last year's expansion. Private consumption, the largest component of GDP, accounted for most of GDP growth last year.

As per Asian Development Bank's 2019 Outlook, with growth in the global economy and world trade forecast to slow, growth in Vietnam is forecast to moderate but remain strong at 6.8% in 2019 and 6.7% in 2020. Growth will continue to be broad-based, aided by export-oriented manufacturing, inward FDI, and sustained domestic demand. The outlook for private consumption remains robust as households enjoy rising incomes and stable inflation. Inflation is expected to continue to average 3.5% in 2019 but accelerate to 3.8% in 2020. The current account surplus is expected to narrow to the equivalent of 2.5% of GDP this year and 2.0% in 2020 as exports decelerate under softening global demand while imports continue to rise due to robust domestic consumption and investment.

Vietnam's medium-term outlook is broadly favourable, and downside risks are tied to weak external demand, shifting trade patterns, global financial volatility, and incomplete banking and state-owned enterprise (SOE) reforms. On the upside, Vietnam is strongly positioned to benefit from numerous free trade agreements that are coming into force in the near term. Vietnam is a signatory to 12 free trade agreements that integrate the economy in global value chains (GVCs).

Myanmar

Myanmar, defined as a lower-middle income economy by the World Bank, is one of the fastest growing economies in the East Asia and Pacific region and globally. Despite stronger exports, weaker domestic demand caused GDP growth to slow from 6.8% in fiscal year 2017 (FY17, ended March 31, 2018) to 6.2% year on year in the transitional fiscal year 2018 (TFY2018, from April 1, 2018 to 30 September 2018). Domestic consumption was likely weakened by slowing income growth and higher inflation. Even as growth moderated, higher international oil prices and kyat depreciation against the US dollar fueled inflation at 7.1% year on year in TFY2018, up from 4.0% in FY17.

As per Asian Development Bank's 2019 Outlook, GDP growth is forecasted higher at 6.6% year on year in FY19 (a full year ending 30 September 2019) and 6.8% in FY20. Growth is projected to pick up in the near term on an expected turnaround in tourism-related businesses and foreign direct investment. Inflation will ease this year and accelerate next year, and the current account will widen in both years. Expediting economic reform promises to sustain robust growth over the medium term.

Middle East and North Africa (MENA)

Growth in the Middle East and North Africa (MENA) region is estimated to have improved to 1.7% in 2018, rebounding from a sharp deceleration a year earlier driven by oil production cuts in oil exporters and fiscal tightening. Growth among oil importers has picked up in the past two years and continues to garner positive momentum. Growth in oil exporters is also estimated to have recovered further in 2018. Resilient domestic demand and policy reforms are helping the region's transition away from dependence on commodity exports and the public sector.

In the Gulf Cooperation Council (GCC), increased oil production and prices have eased the pressure for fiscal consolidation, enabled higher public spending, and supported higher current account balances. Non-oil sector activity in the GCC has largely been stable.

In Egypt, tourism and natural gas activity have continued to show strength. Its unemployment rate has generally fallen, and policy reforms have contributed to an upgrade of its sovereign rating in August 2018. Fiscal adjustments in Egypt have also been steadily progressing.

Inflation is generally contained across the rest of the MENA region, averaging less than 3% in the GCC, and rising moderately in smaller oil importers. Headline inflation in Egypt remains near its end- 2018 target level of 13%, despite edging up recently. Core inflation has been contained and the central bank has conducted two policy rate cuts in 2018, despite tighter external financing conditions.

As per World Bank Group's flagship report, Global Economic Prospects, GDP growth in MENA is projected to rise marginally to 1.9% in 2019 and pick up to 2.7% later in the forecast horizon. Both oil exporters and oil importers will show steady growth improvement over the forecast period. Despite the headwinds from a less favourable international economic environment, which is expected to be marked by slower global trade growth and tighter external financing conditions, domestic factors—in particular, policy reforms—continue to bolster growth in the region.

South Africa

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

South Africa's economy emerged from a technical recession in the second half of 2018, in part due to improved activity in the agricultural and manufacturing sectors. However, growth remains subdued at 0.8% in 2018, as challenges in the mining sector and weak construction activity are compounded by policy uncertainty and low business confidence. Inflation stayed within the 3 to 6% target range. Against this backdrop, the South African government announced measures to support the economy through reprioritised spending and structural reforms to improve the business environment and infrastructure delivery.

As per the International Monetary Fund's (IMF) World Economic Outlook, published in April 2019, growth in South Africa is expected to marginally improve to 1.2% in 2019 and 1.5% in 2020. High unemployment and slow growth in household credit extension are expected to constrain domestic demand in 2019, while fiscal consolidation limits government spending. Higher growth in 2020 reflects the expectation that the government's structural reform agenda will gradually gather speed, helping to boost investment growth, as policy uncertainty recedes and investor sentiment improves. In South Africa, growth is projected to stabilize at 1¾% over the medium term as structural bottlenecks continue to weigh on investment and productivity, and metal export prices are expected to remain subdued.

Fast Moving Consumer Goods (FMCG) Sector in India

India is currently the world's sixth largest economy and expected to remain the world's fastest-growing major economy over the next decade with annual gross domestic product (GDP) growth rate of 7% plus. Domestic consumption, which powers 60% of the GDP today, is expected to grow into a $6 Trillion opportunity by 2030. This consumption growth will be supported by a 1.4 Billion strong population that is younger than that of any other major economy. Household savings have historically been high as thrifty and cautious Indian families put away more than a fifth of their incomes for a rainy day. This buffer provides support to domestic consumption expenditure even through challenging cycles in economic activity.

With current market size of about $60 Billion, FMCG is the 4th largest sector in the Indian economy. There are three main segments in the sector – 50% is accounted for by Household and Personal Care, 31% by Healthcare (includes OTC products and ethicals) and the remaining 19% by Food and Beverages.

Over 65% of India's population stays in rural areas and they spend ~50% of their total spending on FMCG products. Hence, rural market, accounting for ~45% of overall revenue of the FMCG sector, is one of the key contributors to India's FMCG growth story. Being largely dependent on agriculture and allied activities, the factors affecting agricultural income such as monsoon and Minimum Support Prices (MSP) of crops are critical for the growth in rural consumption demand. Various government reforms such as increasing MSP of crops and direct benefit transfer targeted towards transferring the governmental subsidies and payments directly into beneficiary bank accounts are helping plug the systemic leakages and increased farmer incomes. While demonetisation and GST negatively affected rural demand, FMCG companies have changed their distribution model and working on increasing their direct reach. Demand for quality goods and services have been going up in rural areas of India, on the back of improved distribution channels of manufacturing and FMCG companies. Companies have also started launching smaller SKUs or price point packs, which not only reduces the immediate burden on customers but also allows companies to expand their product portfolio and upgrade the customers to from loose to branded products.

FMCG operates through two primary sales channels - general trade and modern trade (consists of supermarket, hypermarkets, etc. and includes E-Commerce). Within modern trade, E-commerce has become more popular in recent past. While general trade comprising kirana stores, being the largest sales channel for overall FMCG retail sales, continues to dominate the share of sales, growth in sales through modern trade, especially e-commerce, is significantly outpacing the growth of FMCG products in general trade. Post the announcement of demonetisation and implementation of GST, overall modern trade is expected to continue growing faster with e-commerce being the major driver of this growth. Faster growth in internet user base, broadband data consumption, smartphone penetration and digital transactions are key drivers of this growth. According to Nielsen, growing consumer trust and confidence in online buying has helped e-commerce platforms expand their share in India's total FMCG retail sales by as much as three times. Nielsen added that the fresh and packaged groceries have seen significant upswing in online purchases. Nielsen expects e-commerce's contribution to total FMCG sales to rise from 1.3% currently to 11% by 2030.

Digitisation in India should further support the trend. India registered a healthy 30% y-o-y growth in terms of cities and towns transacting through e-commerce, primarily driven by rural India. A number of factors, such as improved internet connectivity, rural mobile phone access and widespread television coverage has helped companies educate consumers better about products and helped FMCG companies grow their revenues.

The FMCG sector is highly fragmented and about half of it is dominated by the unorganised sector. On the other hand, with the share of unorganised market in the FMCG sector falling, the organised sector growth is expected to rise with increased level of brand consciousness, also augmented by the growth in modern retail. 100% Foreign Direct Investment (FDI) in food processing and single-brand retail and 51% in multi-brand retail has provided high visibility for FMCG brands in organised retail markets, bolstering consumer spending and encouraging more product launches.

According to Nielsen, modern trade and e-commerce has helped bigger FMCG players in expanding their distribution and sales. Consumers are now looking for branded products. Smaller towns and villages will fuel the growth of FMCG sales in the coming year. In the last two years, smaller towns with less than a lakh of population contributed about 58% of the sales of FMCG through modern trade stores such as Food Bazaar, Star Bazaar, D-Mart, Reliance Fresh, EasyDay, among several smaller regional supermarket players, big organised neighbourhood stores and pharma chains such as Apollo Pharmacy and Medplus.

India is reporting an annual population growth of 1.1% and is expected to emerge as the most populous country in the World by 2024. Nearly half of India's population is under the age of 25 and two-thirds are less than 35. India is expected to have the world's largest workforce by 2027, with a Billion people aged between 15 and 64. This indicates that the growth in non-discretionary consumer demand, such as food, healthcare, household and personal care products, is likely to sustain in the long-term. In addition, India is also witnessing strong growth in per capita income, leading to an increase in affluent population and rise in disposable income in general, which in turn is resulting in a rise in discretionary spending.

The FMCG sector in India is likely to grow steadily owing to structural drivers like huge population, rising affluence level and disposable income, low penetration level and per capita consumption, remaining intact. Rising demand for premium products and faster growth in sales through modern trade are likely to bring incremental growth. Growing awareness, easier access, and changing lifestyles are the key growth drivers for the consumer market. Lastly, the focus on agriculture, MSMEs, education, healthcare, infrastructure and employment in the interim Budget and upcoming full-year Union Budget is expected to positively impact the FMCG sector.

The Marico Growth Story

Marico achieved revenue from operations of ₹7,334 Crore ($1.05 Billion) during FY19, a growth of 16% over the previous year. Volume growth for the year was 8%. The value growth was led by price increases taken in core portfolios of the domestic business to counter significant input cost push and favourable forex impact on translation of overseas revenues. The business delivered an operating margin of 17.5% and operating bottom line of ₹930 Crore (excluding tax adjustment pertaining to earlier years in Q4FY19), a growth of 14% over the last year. The reported bottom line was ₹1,118 Crore.

Since inception, Marico's Revenues and PAT have grown at a compounded annual growth rate of 16% and 24% respectively. This places the Company in the top quartile in this sector. The focus on delivering sustainable business and earnings growth has so far resulted in a healthy shareholder return of 25% CAGR since listing in 1996.

Domestic Business: Marico India

Marico India, the domestic business, achieved a turnover of ₹5,756 Crore ($822 Million) in FY19, a growth of 16% over last year. Volume growth for the year was 8%, in line with the medium term aspiration. The operating margin for the India business was at 19.6% (before corporate allocations) versus 21.3% in FY18. Profitability for the year was subdued by gross margin contraction in the first half due to an inflationary cost environment, which was only partly contained by the price hikes taken in respective portfolios.

Coconut Oil (46% of India business)

Parachute's rigid portfolio (packs in blue bottles) recorded a volume growth of 8% in FY19. The brand visibly led the growth in the category during the year, as its equity further strengthened through the year. The non-focused part of the portfolio (comprising Nihar Naturals, Oil of Malabar & pouch packs in Parachute) declined 5% in volume terms during the year. During the year under review, the volume market share of the Coconut Oil franchise (includes Nihar Naturals and Oil of Malabar) rose to 59.4% (March 2019 MAT).

Given Parachute's market share in rural is lower than in urban, a pickup in rural spending presents the Company with an opportunity to improve its rural market share over the medium term. Of the total coconut oil market, approximately 30-35% in volume terms is in loose form. This component provides headroom for growth to branded players. Parachute, being the market leader in the circa ₹5500 Crore* branded coconut oil market, is well placed to capture a significant share of this growth potential on a sustainable basis.

The Company operates in a band of gross margin per unit and will take judicious pricing decisions to maintain a sweet spot between volume growth and margins. The Company would continue to exercise a bias for franchise expansion and market share gains as long as margins remain within a band. Towards that end, the Company will continue to invest behind brand building and tactical inputs to remain competitive.

Owing to the above, the Company aims to deliver 5-7% volume CAGR over the medium term.

Saffola: Super Premium Refined Edible Oils and Healthy Foods (19% of India business)

The Saffola refined edible oils franchise grew 8% in volume terms during FY19. The franchise appeared to respond well to the focused marketing initiatives taken this year towards re-establishing the superior product proposition and deploying tactical pricing inputs. Growth was led by the new-age channels of Modern Trade and E-Commerce. However, in the near term, we remain cautiously optimistic on the franchise.

There was a considerable step up in media spends behind the brand, accompanied by a new campaign for the mainstay variant, Saffola Gold. Launched in Jan'19, the campaign messaging **'Saffola wala khana'** succinctly communicated its heart health credentials.

Consequently, the brand furthered its volume market share in the super premium refined edible oils segment to ~73% volume market share (March 2019 MAT). The growing consumer trend towards healthier culinary choices and the strong brand equity continue to lend confidence in the medium term potential of the franchise.

The Healthy Foods franchise posted value growth of 32% in FY19.

The value market share of **Saffola Masala Oats** strengthened to ~72% in the flavoured oats category (March 2019 MAT), accompanied by a significant increase in overall penetration, especially in metro cities of Mumbai and New Delhi. The brand also gained significant traction in Modern Trade and E-Commerce. During the year, the Company introduced Saffola Masala Oats with Multigrain Crunchies, a first-of-its-kind innovation in the category, and also launched three new variants– Mumbai Pav Bhaji, Lemony Twist & Mint Chutney.

We continue to expand the prototyping of **Saffola Masala Oats vending machines** in corporate offices, gyms and hospitals in Mumbai, Pune and New Delhi. We have placed more than 300 vending machines, reaching ~200,000 consumers across 200 commercial establishments in these cities.

In response to the evolving consumer need for gourmet dietary options with superfood nutrition for a slimmer and fitter life, the Company rolled out a range of healthy food and beverage products under the aegis of a new sub-brand, **'Saffola FITTIFY Gourmet'.** The range includes **moringa green tea, green coffee instant beverage mixes, hi-protein meal soups, hi-protein slim meal-shakes and a power breakfast range.** The brand will be focused on the Modern Trade and E-Commerce channels.

The Company also expanded the Healthy Foods range under the brand **Coco Soul**, harnessing the benefits inherent in a coconut to provide food options that aids well-being in more ways than one. In addition to the Virgin Coconut Oil (available in natural and organic variants), the range now includes **infused Virgin Coconut Oil, Coconut Sugar, Coconut Spread, Coconut Chips** (available in four flavours), **Peanut Coconut Butter and Almond Coconut Butter** (available in crunchy and creamy versions).

*Based on management estimates

With these significant additions to the portfolio, the Company aspires to grow the Healthy Foods into ₹450-500 Crore franchise over the next two to three years. We believe that growth in this category will come through continuous innovation in product and packaging and the Company is taking definitive steps towards the same.

Leave-in Hair Nourishment (26% of India business)

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

i. Value Added Hair Oils (25% of India business)

Value added hair oil brands registered a volume growth of 7% during the year. Volume growth for the year was below the medium-term target due to multiple factors: i) steep decline in CSD sales in Q2 ii) underperformance in the premium segment and iii) clearing of channel inventory in Q4 prior to MRP decreases in select brands from April 2019. However, strong offtake growth led the Company to consolidate its market leadership in the circa ₹8000 Crore with a volume share of ~34% and value share of ~26% (March 2019 MAT). With the medium term potential intact, the Company is confident of reviving the double digit volume growth momentum in this franchise. The Company will also continue to focus on premiumisation and aim to grow its value share in the category ahead of volume share.

Nihar Naturals Shanti Badam Amla is the leader among all sub brands in volume sales in the Value Added Hair Oils category*. The brand extended its volume market leadership in the Amla Hair Oils category, gaining 202 bps in volume share (MAT March 2019) coupled with an increase of 250 bps in household penetration levels during the year. The renewed advertising campaign and the association of the brand with a societal purpose augmented the brand image. The Company also initiated its flagship micromarketing activity, School Contact Program, in about 2000 villages across the states of Uttar Pradesh, Bihar, Madhya Pradesh & Chhattisgarh. By consistently increasing the number of rural consumers the brand touches, its market share is expected to strengthen further.

Nihar Naturals Sarson Kesh Tel, witnessed good traction through the year with an exit volume market share of 11% in the perfumed mustard oil category. The Company will continue to invest behind the brand as it taps into the sizeable unorganised mustard oil market.

Parachute Advansed Aloe Vera Enriched Coconut Hair Oil now scaled up to a pan-India level, continued its accelerated growth trend. The brand garnered sizeable market share in its key markets and we will continue to aggressively invest for growth.

During the year, the Company rolled out a fresh campaign for **Parachute Advansed Ayurvedic Hair Oil**, featuring consumer testimonials with their photographs in the centre of the product packaging. Given the category relies on recommendations based on product efficacy, we expect this initiative to further augment the brand image. The brand is present in southern states of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Telangana and continues to hold ~30% market share in the region.

During the year, the Company launched **Nihar Naturals ExtraCare Hair Fall Control Oil**, an innovative product which brings alive the age-old recipe of soaking seeds in oil. The light hair oil comes with a unique bottle cap, which carries a potent mix of Activ-seeds which are known to reduce hair-fall. The recipe involves soaking Til (Sesame), Methi (Fenugreek), Sarson (Mustard), Kalonji (Nigella) and Lauki (Bottle Gourd) seeds in the oil. This hassle-free technique makes it possible to enjoy the benefit of this age-old method every day. The product was launched in West Bengal and gained some traction amidst a high frequency 360 degree media campaign covering TV, Print and Digital. We also covered various consumer and trade touch points on the ground.

To broaden our play in the Light Hair Oils category, **Hair & Care Dry Fruit Oil** was launched in Rajasthan and Maharashtra. This latest avatar under the Hair & Care franchise combined the goodness of Almond and Walnut Oils and is enriched with Vitamin E and B5.

The Company also stepped up participation in the bottom of the pyramid segment through **Nihar Shanti Jasmine** and **Nihar Naturals Gold**, in addition to driving premiumisation and scaling up new launches. We expect to drive double digit volume growth in the franchise over the medium term on the back of these measures.

ii. Premium Hair Nourishment (1% of India business)

Premium Hair Nourishment grew by 55% in FY19 in value terms.

Livon Serums registered strong growth during the year. With a reach of more than 1 Lakh stores, sachets are emerging as a key pack in ensuring accessibility and are generating more than 70% of brand trials. The brand continued to witness higher growth in Modern Trade and E-Commerce. In Q2, the Company launched variants of Livon Serums specifically formulated for common hair care needs – **Livon Serums for Dry and Unruly Hair, Livon Serum Colour Protect and Livon Shake and Spray Serum**.

Being the market leader with a volume share of ~75% (March 2019 MAT) in the circa ₹150 Crore leave-in conditioners category, the Company continued to focus on innovation and consumer engagement to drive category growth.

In Q1, the Company also launched a new-age hair nourishment product range - **Parachute Advansed Coconut Crème Oil Pre-Wash Hair Nourisher, Parachute Advansed Coconut Crème Intense Nourishment Shampoo and Parachute Advansed Coconut Serum**

* Based on the volume share data within value added hair oils as defined by Marico (excluding coconut & mustard oil), from Kantar WorldPanel's household purchase panel for the period Apr'18 to Mar'19 in All India Urban & Rural.

Oil to capture the pre-wash, in-wash and post wash hair nourishment needs of consumers who usually neglect their hair health for want of time. The pre-wash hair nourisher (available in a crème format) is a blend of the goodness of both, coconut oil and coconut milk, providing the requisite hair nourishment in 30 minutes. This is accompanied by the shampoo and post wash serum to complete the hair care cycle. The range was initially launched in Bangalore, and then extended to Maharashtra and Modern Trade and e-commerce channels across India. The Company continues to invest behind the brand to create high impact awareness through multiple touchpoints, including mass media such as Print, Digital and Out of Home as well as generate trials through aggressive sampling of the product.

In Q2, the Company launched a **first-of-its-kind botanical hair tonic** under a fresh brand –**True Roots**, which tackles the common consumer problem of premature hair greying. The product offers a formulation of Apigenin (extracted from Chamomile flowers) as the key ingredient in addition to other herbs, which has been proven to increase the melanin (natural pigment which lends the dark colour to hair) content in hair roots, thereby delaying the greying of hair. The product was initially launched exclusively on Flipkart. Later, it was extended to General Trade in Mumbai and Modern Trade in top eight cities, amidst an integrated digital media campaign strongly supported by print, outdoor and point of sales visibility. We will continue to invest aggressively behind the brand.

Male Grooming (3% of India business)

Male Grooming grew 22% in value terms during the year, led by healthy performance in hair gels and deodorants.

Set Wet Hair Gels grew in line with aspirations during the year. The brand continued to register high offtakes on the back of its **56% value market share** in the circa ₹350 Crore hair styling category. **Set Wet Hair Waxes**, also made available in an affordable price point pack (₹30), received healthy feedback from trade and consumers.

Set Wet fragrances had a steady year. The Company will continue to expand the footprint of **Set Wet Go** pocket perfume sprays (priced at ₹49), which is now one of the leading players in the budget perfumery segment. To broaden its play in the budget perfumery space, the Company launched a premium **'Global Edition' range of Set Wet perfume sprays** in two fragrances – **Bali Bliss** and **Las Vegas Live**. We will continue to innovate in this space in order to drive saliency.

The Company launched its first exclusively digital brand, **Set Wet Studio X**, in May 2018, to introduce a premium range of men's grooming products, spanning seven product categories – Shampoo, Bodywash, Facewash, Wax, Pomade, Hair & Beard Serum and Perfume. Post launch, the brand has shown encouraging results. In Q4, the Company also launched the **Set Wet Studio X Charcoal male grooming range**, with natural detox and deep cleansing properties of charcoal – which included shampoo, body wash, peel-off face mask, face wash and face scrub in a price range of ₹249 to ₹399.

Parachute Advansed Men Hair Creams was seen gaining traction in the e-Commerce channel. The Company has planned focused initiatives to accelerate growth of this franchise.

Foray into Premium Skin Care targeting the masstige segment

During the year, the Company introduced the **Kaya Youth O2** range, marking its entry into the premium skincare space. The range includes **Day Cream, Face Wash, Face Wipes and Micellar Water**. The Company aims to leverage the strong brand equity of Kaya and the brand has been launched in General Trade in Mumbai, Modern Trade in the top 8 metros and e-commerce across India. Within General Trade, the brand will also enable the Company to tap chemist and cosmetic outlets. The initial response has been encouraging with good acceptability of the range. The brand proposition of **'boosting oxygen for youthful glowing skin'** has been created on an exciting and unique concept of **#SkinPranayam**. The Company has an exciting innovation line-up for the Brand.

Distribution

In FY19, rural General Trade (32% of India business) grew 17%, while urban General Trade grew 7%. Urban sales, including Modern Trade and e-Commerce, grew 18%, thereby matching rural growth. Owing to robust growth throughout the year, the contribution of Modern Trade and e-commerce to the India business jumped to 13% and 4% respectively. CSD sales (7% of India business) grew 9%.

Go-To-Market Transformation is one of the key pillars of long-term growth for Marico. The Company took the following steps to further strengthen its capabilities:

- To augment sales capabilities, the Company has been investing behind analytics to drive decision making. The Company has also ventured into predictive analytics, which predicts the churn likely to happen in its infrastructure over the next three months, thereby taking proactive measures to retain the same.
- The Company also rolled out a tool called Infra Quotient to measure the health of our infrastructure across a comprehensive set of parameters like quality, stability, capability, Commercial, Supply Chain, IT and Sales KPIs. We are now taking active steps to improve the Infra Quotient scores across the country.
- The Company has also deployed a socio-economic clustering tool which generates SKU recommendations to enable higher assortment selling in outlets.
- The Company is building tools to ensure best-in-class merchandising on the ground and enhance its competitive advantage. The merchandising platform enables the Company to track stock levels of key value items, new products and competitor activity and thereby, fine-tune the replenishment strategy in traditional trade as well as modern trade stores. The tools are equipped with integrated image recognition analytics which allows auditing of images on a real-time basis to ensure compliance with category merchandising benchmarks.
- Having identified chemist & cosmetic channels as the channels suited to drive incremental growth for our new-age portfolio, we rolled out a specialized Go-to-Market initiative for these channels in top metro cities.
- With a focus on expanding direct reach in rural though the ongoing program - Vikas Daud, we have identified feasible van routes with higher efficiency through the use of geo tags mapped to each route. Such optimisation enables the Company to drive a sustainable increase in the rural footprint, prune the underperforming routes and progressively improve manpower allocation across outlets.
- Pursuant to the focus on increasing its rural footprint, the Company has expanded its direct reach to cover almost every town with a population of 5,000 and above. The Company has evolved into higher order supply chain models for key Modern Trade customers with direct-from-factory supplies, thereby driving further efficiencies in business through this channel.

Summing up the story of India Business in FY19

The India business registered a healthy volume growth of 8% in FY19. Sustained offtake growth coupled with market share gains in more than 90% of the portfolio on a MAT basis affirmed the underlying strength of the franchise.

All portfolios, other than Value Added Hair Oils, grew in line with the Company's medium term objective. The year was also characterised by an unprecedented level of new products introductions from the Company. The Company made important strides towards building future engines of growth and driving premiumisation across its portfolio. With core portfolios poised to deliver stable growth over the medium term, we expect a significant shift in new product contribution to ramp it up further, especially in the context of new age channels of Modern Trade and e-Commerce flourishing.

Positive consumer sentiment in rural was one of the remarkable features of this year. The visible political intent to structurally alleviate agrarian distress, improve rural infrastructure and increase disposable income levels in the hands of the rural consumer bodes well for consumption over the medium term, while food inflation and monsoons do not spring any negative surprise.

International FMCG Business: Marico International

The International business contributed to 22% of the Group turnover in FY19. The business reported a 9% constant currency growth (volume growth of 8%) during the year. The operating margin (before corporate allocations) was at 19.1% in FY19 against 16.6% in FY18. The improvement in margins was led by gross margin expansion in key markets.

Bangladesh (46% of the International Business)

The business in Bangladesh grew by 12% in FY19 in constant currency terms.

Parachute Coconut Oil grew by 4% in constant currency terms, while maintaining the leadership position with ~86% volume market share. With the category having matured in this market, the Company should still be able to grow this franchise in single-digits on a constant currency basis over the medium-term on the back of its dominant position, distributive strength and consumption growth.

The non-Coconut oil portfolio in Bangladesh grew by 33% in FY19 in constant currency terms. With Value added Hair Oils spearheading this growth, the Company has attained value market leadership in this category. Having introduced Nihar Naturals Coconut Enriched Hair Oil & Parachute Advansed Aloe Vera this year, we expect a broader VAHO portfolio to supplement growth in this category. Saffola Edible Oils and Set Wet Gels also gained traction through the year. We expanded our skin care portfolio with the launch of **Parachute Advansed Petroleum Jelly** and newer variants of **Parachute Advansed Body Lotion - Butter Smooth & Soft Touch**. We also introduced a baby skin care range under **Parachute Just for Baby** comprising baby wash, baby lotion and baby oil.

The non-Coconut Oil portfolio in Bangladesh now constitutes nearly 30% of the total business in Bangladesh. The Company will leverage its strong distribution network and learnings from the India market to quickly scale up its new product introductions in Bangladesh. With this, the contribution of the non-coconut oil portfolio is likely to exceed 35% over next two years.

Owing to the above, the Company is confident of delivering double-digit constant currency growth in this geography over the medium term.

South East Asia (26% of the International Business)

The South East Asia business (mainly Vietnam and Myanmar) grew by 8% in FY19 in constant currency terms.

Vietnam posted growth of 10% in FY19 in constant currency terms. Growth was led by the Home and Personal Care (HPC) business as the flagship brand, X-Men, maintained its leadership position in the segment. New communication for X- Men Shampoo with the theme 'Real Men Take Risks' was launched in July 2018 towards making the brand relevant for young unisex users. Further, to diversify the portfolio, the business has launched a female grooming range under a new brand 'Sedure' during the year. The range offers shower gels, EDT deodorants and roll-on deodorants with alluring fragrances for the confident and independent woman of today.

The Foods portfolio had a sluggish year. However, the Company is rolling out plans to revitalise growth in this portfolio with innovation and participation in broader category play. Overall, we expect to deliver double-digit constant currency growth in this geography over the medium term.

Myanmar was a bit subdued this year. However, given the potential in this market, the Company will continue to invest for growth in this market.

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

The business posted 12% growth in FY19 on the back of double-digit constant currency growth in both Middle East and Egypt businesses. The Middle East business grew by 12% and Egypt grew by 13% in FY19 in constant currency terms.

Despite the healthy growth, the volatile macro environment keeps us cautiously optimistic about the medium term outlook of these markets.

South Africa (8% of the International Business)

In FY19, the business grew 3% in constant currency terms. In the context of the macro headwinds in the region, we expect this business to tread along in a similar pattern over the medium term.

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

With expansion in adjacent markets such as Sri Lanka, Nepal, Bhutan, exports to diaspora and other markets, this business generated revenues of ~$11 Million this year. This business had a muted year in constant currency terms. The Company remains positive on the future prospects of this business.

Summing up the story of International Business in FY19

FY19 was a year of stabilisation for the International business with key markets building a predictable healthy constant currency growth trajectory. Bangladesh, Vietnam and MENA grew in double digits. While MENA region had a good year, we remain cautiously optimistic about this region. Growth in new country markets such as Nepal and Myanmar remains promising. South Africa is expected to deliver low single digit constant currency growths in the context of tough macros. The International business also delivered healthy operating margin expansion on the back on lower input costs in key markets.

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

Consolidated Results of Operations – Overview

During the year ended 31st March 2019 (FY19), Marico registered consolidated revenue from operations of ₹7,334 Crore, a growth of 16% over the previous year. The volume growth underlying this revenue growth was 8%. Profit after tax (PAT) was ₹930 Crore (excluding the tax adjustment for earlier years in Q4FY19), up 14% over the last year. However, the reported bottom line for FY19 was ₹1,118 Crore.

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 & gels, hair serums, shampoos, shower gels, hair relaxers & 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 FY18 and FY19:

Particulars ₹ (in Crore)	FY19	FY18
Revenue from Operations	7,334	6,333
Other Income	103	85
Total Income	**7,437**	**6,418**

There has been 16% growth in Revenue from Operations on account of 16% revenue growth both in Marico India and Marico International.

Expenses

The following table sets the expenses and certain other profit and loss account line items for the years FY18 and FY19:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	₹ (in Crore)	% of Revenue	₹ (in Crore)	% of Revenue
Revenue from Operations	7,334		6,333	
Expenditure				
Cost of Materials	4,017	54.8	3,359	53.0
Employees Cost	466	6.4	422	6.7
Advertisement and Sales Promotion	659	9.0	588	9.3
Other Expenditure	911	12.4	827	13.0
PBIDT margins	1,281	17.5	1,138	18.0
Depreciation and Amortisation	96	1.3	89	1.4
Finance Charges	24	0.3	16	0.3
Tax (excl. tax adjustments for earlier years)	316	4.3	290	4.6
Profit after Tax	930	12.7	814	12.9

Cost of Materials

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

In FY19, average domestic copra prices were down 2%, while average prices of each of the other key inputs were up 10-15%. While copra prices softened in the second half, cost of materials as a % of sales was higher due to consumption of peak cost inventory of copra from the previous year in the first half of this year coupled with inflation in other key inputs.

Employee Cost

During the year under review, employee cost grew by 10% over FY18 largely on account of annual salary revisions.

Advertisement and Sales Promotion (ASP)

ASP spends to sales ratio during the year was 9.0%.
ASP spends were up 12% over FY18. The Company expects to step up these spends to 10% of Sales over the medium term.

Capital Expenditure and Depreciation

For the full year, depreciation was at ₹96 Crore ($13.7 Million) as compared to ₹89 Crore ($13.8 Million) in FY18. The capital expenditure in FY20 is likely to be around ₹125–150 Crore.

Other Expenses

(a) The other expenses consist of expenses which are fixed in nature (about 1/3rd) and expenses which are variable in nature (about 2/3rd). Other expenses are likely to remain in the range of 12-14% of turnover in the medium term.

Other Expenses ₹ (in Crore)	FY19	FY18	% variation
Fixed	303	289	5
Variable	608	537	13
Total	**911**	**826**	**10**

Finance Charges

Finance charges comprise interest on loans and other financial charges. For the full year, finance charges was at ₹24 crore ($3.4 Million) as compared to ₹16 crore ($2.5 Million) in FY18. This was on account of increase in working capital borrowings coupled with higher interest rates.

Direct Tax

The Effective Tax Rate (ETR) for FY19 (excluding tax adjustment for earlier years) was 25.0%. In Q4FY19, there was a write-back of tax provisions amounting to ~₹188 Crore pursuant to a favourable resolution of tax proceedings pertaining to earlier years. The aforesaid write-back was one-off in nature.

ETR in FY20 is expected to be in line with the current year. It should be noted that this tax rate is basis the accounting charge in the P&L account. The Company will continue to pay basis MAT and therefore from the cash flow point of view, there is no change. MAT credit as on March 31, 2019 stood at ₹182 Crore and is expected to be utilised by the Company in the coming years.

Capital Utilisation

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

Ratio	FY19	FY18
Return on Capital Employed (ROCE)	41.1%	41.3%
Return on Net Worth (RONW)	33.6%	33.5%
Working Capital Ratios (Group)		
- Debtors Turnover (Days)	21	17
- Inventory Turnover (Days)	73	80
- Net Working Capital (Days)	48	48
Debt: Equity (Group)	0.12	0.11
Finance Costs to Turnover (%) (Group)	0.3%	0.3%

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

The ratios have continued to be healthy for the year.

Shareholder Value

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

Dividend Declared

Keeping in mind steady increase in operating cash flows and in an endeavour to maximise the returns to its shareholders, the Company increased its dividend payout during the year to 475% as compared to 425% during FY18. The overall dividend payout ratio was 76% of the consolidated profit after tax (excluding tax adjustment for earlier years). Subject to its fund requirements towards inorganic growth, working capital and capacity creation, the Company shall endeavour to maintain a dividend payout ratio at levels witnessed in the last couple of years.

Human Resources

Talent & culture are among the key building blocks in shaping Marico into an organisation that is built to last. Over the course of the last year, we have taken several initiatives in this direction, which are presented in the chapter ***Human Capital***. The Company will continue to focus on the following strategic areas in order to be able to leverage the potential of its human capital:

01 Developing Leadership Talent

02 Creating a Future-Ready Workforce

03 Diversity & Inclusion

04 Strengthening Culture of Performance, Collaboration and Innovation

05 Member Wellness

Information Technology and Digital

Marico continued to progress on its roadmap of using digital, analytics and automation opportunities to deliver a better and integrated experience to its consumers, associates and employees. Your Company increased the use of Digital as a media platform significantly in the current year, with more brands having their presence through online, social and mobile media as well as through the use of programmatic buying. The share of Digital in the total mix has been in double digits in percent terms in the past two years. In addition, analytics and automation led initiatives have helped drive consumer and customer experience, boost sales growth and efficiency and improve employee engagement. Details of some of the latest technologies adopted by the Company during the year are presented in the chapter ***Technology for Disruption.***

Outlook

Over the medium term, Marico aspires to be an admired emerging market MNC with leadership in categories of leave-in hair nourishment, healthy foods, skin care and male grooming in a few chosen markets in South Asia, South East Asia, Middle East and North Africa and South Africa. Marico plans to meet this aspiration by seeking to win amongst consumers, trade and talent. As the Company scales up, it has to maintain a delicate balance between entrepreneurial way of working while continuing to strengthen governance and processes. The Company's focus will be on creating winning brands, winning culture and a winning talent pool to create a virtuous cycle of great talent and an enabling culture driving innovation driven growth.

Marico India

The India business delivered a volume growth of 8% in FY19. For FY20 and beyond, the Company aspires to deliver 8-10% volume growth coupled with healthy market share gains, on the back of increased investment in the core portfolio, aggressive new product launches, distribution expansion & judicious pricing. Copra prices are trending downwards in the flush season as anticipated and are expected to stay benign unless monsoons disappoint. As cost pressures in the India business relatively ease, operating margins are expected to trend upwards, despite higher ask on the ad spends front. We would be comfortable with operating margins above 20% in the India business over the medium term. Parachute Rigids had a strong 8% volume growth in FY19. Given the market construct and strong brand equity, the Company aims to grow volumes in the range of 5-7% over the medium term. Value Added Hair Oils fell short of medium term expectations with 7% volume growth during the year. The Company aims to drive double-digit volume growth in this franchise on the back of growth in the core portfolio, the drive towards premiumisation, scale-up of new launches and active participation in bottom of the pyramid. Saffola Edible Oils volumes grew by 8% during the year. The focused marketing initiatives appear to be gradually yielding results but we stay cautiously optimistic in the near term. We aim to deliver mid to high single digit volume growth over the next few quarters in this franchise. In Healthy Foods, the Company will continue to innovate and launch tasty and healthy dietary options for the consumer, thereby maintaining 20% plus value CAGR over the medium term. In addition to Healthy Foods, we aim to build Premium Hair Nourishment, Male Grooming and Skin Care into growth engines of the future and expect to deliver value growth of 20% plus value CAGR over the medium term in these portfolios. The Company will also gradually create dedicated premium product offerings suited to Modern Trade and E-commerce channels to continue growing aggressively in these channels. The Company's Go-To-Market (GTM) strategy will be focused on improving the width and depth of its distribution. Strategic initiatives in sales and supply chain will aim at ushering in efficiencies in selling and GTM. The Company is renewing its efforts towards enhancing its GTM capabilities in salons, pharmacy chains, cosmetics and specialty food outlets. Kaya Youth O2, Saffola FITTIFY Gourmet and Coco Soul have been conscious attempts in this direction. The Company is focusing on Digital initiatives in a big way to improve consumer engagement, drive sales through E-commerce for internet-savvy consumers and build Data Analytics capabilities. Investment in Zed Lifestyle (who owns Beardo) is also likely to enhance the capability in E-commerce and salons over the medium-term. E-commerce now contributes ~4% of the India business. With the Company steadily creating a portfolio suited to this channel and investing aggressively behind enhancing capabilities, we expect E-Commerce to contribute at least 5% of the India business by the end of FY20.

Marico International

Over the last few years, the Company has systematically invested in the core international markets to strengthen both the brands and the organisational capability to drive growth. The Company is confident that each of these markets is well-poised to capitalise on the market opportunities. The business in Bangladesh is likely to continue the momentum as the medium term macro prospects look promising. Therefore, the Company will continue to invest in brand building, Go to Market transformation and diversify beyond Coconut Oil within its stated strategy. As a market leader, the Vietnam business will continue to invest in the male grooming category and excellence in sales and distribution systems. Towards portfolio diversification, the business has already launched a female grooming range under a new brand 'Sedure'. Myanmar and the rest of South East Asia are growth engines of the future. In the MENA region, the Company will focus on getting the basics right by judiciously investing behind brands and Go-to-Market initiatives. The South Africa business has been subdued by macroeconomic headwinds and resultant sluggishness in demand. We are cautious on the near term outlook of the business, but expect to protect the core franchise of ethnic hair care and health care over the medium term. The Company will continue to invest in developing new countries and scale the business profitably. We expect to clock an organic broad-based double-digit constant currency growth over the medium term. We aim to maintain operating margins at 18% plus over the medium term with an upward bias. With considerable room for organic growth in the business, the Company will only be opportunistic with respect to acquisitions, which may either be immediately value-accretive due to operating leverage or enable consolidation of leadership in existing categories.

Marico Consolidated

Overall, the Company will aim for a volume growth of 8-10% and a topline growth of 13-15% (depending on inflation) over the medium term. However, there could be marginal deflation in FY20. Investments towards brand building will be stepped up to support market growth initiatives in core categories and expansion into adjacent categories. The Company will also aggressively invest behind the recent innovations and a visibly strong pipeline for the next 2-3 years. Consequently, ASP spends is expected to gradually move up by 100 bps of Sales from current levels on an annualised basis. Operating margin is expected to be maintained at 18% plus over the medium term. The Company will continue to drive cost excellence across the organisation to extract savings that will be redeployed towards igniting profitable growth.

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 the same. For Marico, the risks are multi-dimensional and therefore we look at it in a holistic manner, straddling both, the external environment and the internal processes. These risks can be broadly classified into three categories:

- Business Risks
- Financial and Governance Risks
- Operational Risks

The Company integrates risk management with strategy formulation and business planning processes. Details of the risks envisaged along with Company's strategic response to the same have been presented in the chapter ***Risk Management & Materiality.***

Internal Control Systems and Their Adequacy

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

- Establishment and periodic review of business plans
- Identification of key risks and opportunities and regular reviews by top management and the Board of Directors
- Policies on operational and strategic risk management
- Clear and well defined organisation structure and limits of financial authority
- Continuous identification of areas requiring strengthening of internal controls
- Operating procedures to ensure effectiveness of business processes
- Systems of monitoring compliance with statutory regulations

- Well-defined principles and procedures for evaluation of new business proposals/capital expenditure
- A robust management information system
- A robust internal audit and review system
- A robust framework on Internal Financials Controls
- An effective whistle blowing mechanism
- Training/awareness sessions on policies & code of conduct compliance

The statutory auditors, as part of their audit process, carry out a systems and process audit to ensure that the ERP and other IT systems used for transaction processing have adequate internal controls embedded to ensure preventive and detective controls. The audit report is reviewed by the management for corrective actions and the same is also presented to and reviewed by the Audit Committee of the Board.

Internal audits and management reviews are undertaken on a continuous basis, covering various areas across the value chain such as procurement, manufacturing, information technology, supply chain, sales, marketing and finance. The internal audit program 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.

The Company has also deployed audit analytics in domain of procurement, manufacturing, supply chain & employee spends of Marico India. 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 India as well as key international geographies.

Ernst & Young LLP has been carrying out internal audits for Marico for the last seven years. The work of internal auditors is coordinated by an internal team at Marico. This combination of Marico's internal team and expertise of a professional firm ensures independence as well as effective value addition & 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 & completeness of accounting records
- Orderly & efficient conduct of business, including adherence to policies
- Safeguarding of its assets
- Prevention & detection of Frauds

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

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

Business Responsibility Report for 2018-19

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	7th floor, Grande Palladium 175, CST Road, Kalina, Santa Cruz (East) Mumbai, Maharashtra 400098
4	Website	www.marico.com
5	E-mail ID	investor@marico.com
6	Financial year reported	Year ended on 31.03.19 (FY19)
7	Sector(s) that the Company is engaged in (industrial activity code-wise)*	Edible Oils – NIC Code 10402 Hair Care – NIC Code 20236 * Represents the business activities contributing 10% or more of the total turnover of the company
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Edible oils, hair oils and personal care
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	a) International Locations: - Bangladesh, Egypt, Middle East, Vietnam, Myanmar, Malaysia and South Africa (b) National Locations: - Corporate Office: Mumbai - R&D Center: Mumbai - Manufacturing Units: Puducherry, Kanjikode, Perundurai, Jalgaon, Paonta Sahib, Guwahati and Baddi - Regional Office: Delhi, Mumbai, Kolkata and Hyderabad
10	Markets served by the Company	- India through domestic operations - Exports are done to other countries such as Singapore, Malaysia, Nepal, Canada and the USA.

Section B: Financial Details of the Company

No.	Particulars	Company Information
1	Paid up Capital as on 31.3.19	1,290,864,398 equity shares of Re. 1 each aggregating to ₹1,290,864,398
2	Total Turnover	₹5,971 Crore
3	Profit after Tax	₹1,132 Crore
4	Total Spending on Corporate Social Responsibility (CSR) a) in ₹ b) As a percentage of Average Net Profit of the Company for the last 3 financial years:	a) ₹18 Crore b) 2.01%
5	List the activities, in which expenditure in 4 above, has been incurred	Major areas in which the aforementioned expenditure has been incurred include the following: i. Community Sustenance ii. Healthcare iii. Education iv. Fostering innovation in the country v. National Emergency & Disaster Relief

Section C: Other details

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

   Yes

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

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

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

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

Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR

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

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

b. Details of BR head:

No.	Particulars	Details
1	DIN Number	NA
2	Name	Mr. Jitendra Mahajan
3	Designation	Chief Operating Officer and BR Head
4	Telephone Number	022 66480480
5	e-mail ID	jitendra.mahajan@marico.com

2. Principle-wise (as per National Voluntary Guidelines (NVGs)) Business Responsibility Policy/policies

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

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

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

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

No.	Questions	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)									

3. Governance related to Business Responsibility (BR):

Information with reference to BRR framework:

No.	Question	Information
1	Frequency of review, by the BR Committee to assess the BR performance.	The Business Responsibility Report Committee ('the BRR Committee')/the Sustainability Committee 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 the Chief Operating Officer 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 annual basis. The Company started publishing sustainability report annually from FY16 onwards. This year, the Company is publishing its first Integrated Report for FY19 that conforms to the International Integrated Reporting Council (IIRC) framework and is in accordance with GRI SRS guidelines covering the sustainability disclosure. The Integrated Report for FY19 is accessible on the Company website at: https://marico.com/india/investors/documentation

Section E: Principle-wise Performance

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

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

The Company follows a 'Code of Conduct' and 'Marico Code of Business Ethics' with the underlying belief of conducting business in an ethical manner. This facilitates a work ecosystem that is conducive to the Company's members and associates. The Code sets out principle guidelines to be followed by all members (employees) and associates (distributors, consultants, vendors, suppliers, third party manufacturers etc.) of Marico.

Members of Code of Conduct Committee (CCC)

No.	Designation
1	Chief Human Resource Officer
2	Chief Financial Officer
3	Executive Vice President & General Counsel
4	Head – Corporate Secretarial
5	Executive Vice President & Head – BPT & IT

Information with reference to BRR framework:

No.	Question	Information
1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	The COC policy provides guidelines on ethics, bribery and corruption to be abided by all the members of the group. It is mandatory for all Marico members (employees) to undergo the COC course. The MCoBE policy provides guidelines on ethics, bribery and corruption to be abided by the business associates. The guidelines are communicated to our key associates like vendors, suppliers and it is expected that they will follow it during their interactions with Marico.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Marico has taken significant steps to ensure that our members and associates understand and practice the Code of Conduct. The company has a thorough internal and external mechanism of investigation for all complaints, as it has a significant bearing on the individual and the organisation. In the financial year 2018-19, the company has received 14 complaints as follows: • Quarter 1: 3 • Quarter 2: 3 • Quarter 3: 6 • Quarter 4: 2 The Company satisfactorily resolved 13 out of the 14 registered complaints. The pending case is under investigation.

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

Green and lean manufacturing principles are at the heart of Marico's environmental stewardship program. The Company's commitment is to ensure compliance with relevant standards of environment, health and safety commencing at the product design stage itself, and is extended to the entire life cycle of the product. The Company's environmental commitment is demonstrated through exclusive Safety, Health and Environment Policy, extended to all our manufacturing units and business associates. The Company has conducted life cycle assessment for its key products.

Information with reference to BRR framework:

<table>
<tr><th>No.</th><th>Question</th><th>Information</th></tr>
<tr><td>2.1</td><td>List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities. (a). (b). (c).</td><td>Marico is committed to product responsibility. The Company has adopted life cycle assessment (LCA) approach to evaluate the environmental impact of products and identify opportunities to minimise the impact. Interventions like efficient packaging designs, process efficiency, logistic optimisation, and circular economy are being designed to improve product sustainability value. In addition to this, the Company products also contribute and promote the social causes. The efforts made in this direction are given below:

1. Saffola
Marico completed the product life cycle assessment (LCA) study of its Saffola brand in FY16, with an objective to look for ways to reduce the environmental footprint of our products, while improving the performance and efficacy.

2. Parachute Coconut Oil
Carrying forward the efforts, this year Marico completed the LCA study for Parachute Coconut Oil brand. The study was conducted in accordance with ISO 14040 (Principles and Framework) and ISO 14044 (Requirements and Guidelines). The approach has helped the Company not only to evaluate the impact but also identify opportunities within the value chain.

3. Nihar Shanti Amla
Through the Nihar Shanti Amla brand, the Company has taken social relevant initiatives leading to social value by imparting education to children under the program 'Nihar Shanti Pathshala Funwala' (education through mobile based learning).</td></tr>
<tr><td>2.2</td><td>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?</td><td>The resource use is not tracked product-wise. However it is monitored per KL of product manufactured. The Company follows a series of environmental performance indicators to monitor its efforts for sustainable use of natural resources in its operations. The Company is committed to conservation and optimal utilization of all resources.

Resource Consumption:
<table>
<tr><th>SL. No</th><th>Parameter</th><th>Unit</th><th>FY19</th></tr>
<tr><td>1</td><td>Energy Consumption</td><td>GJ/KL of product manufactured</td><td>1.48</td></tr>
<tr><td>2</td><td>Water Consumption</td><td>m3/KL of product manufactured</td><td>0.94</td></tr>
</table>
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 against FY13:
<table>
<tr><th>SL. No</th><th>Parameter</th><th>Reduction from FY18</th><th>Reduction from baseline year</th></tr>
<tr><td>1</td><td>Energy Intensity+</td><td>4.4%</td><td>25.0%</td></tr>
<tr><td>2</td><td>GHG Intensity+</td><td>4.5%</td><td>56.0%</td></tr>
<tr><td>3</td><td>Water Intensity++</td><td>4.0%</td><td>26.8%</td></tr>
</table>
+ Baseline year FY13
++ Baseline year FY14

b) Reduction during usage by consumers
Not measured.</td></tr>
</table>

No.	Question	Information
2.3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.?	The Company endeavors to integrate sustainability in sourcing of its materials and services through the Marico Responsible Sourcing (MARS) policy. The policy rests on three pillars of responsible sourcing - ethical, social and environmental responsibility. All critical material and service providers for Marico are required to adhere to these principles. Progressing from the launch in previous year, in FY19 the Company completed the identification of critical business associates and first level of engagement with its Convertors, logistics, depot 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 Marico products. The input materials are produced from local farmers, small groups and collection centers. The Company believes in driving the growth of local economy and continue to work with the local producers and communities. In FY19, 96% of our material supplies by spend were procured from local producers and vendors. Further the Company works closely with the local farmer community and help them improve capability through training based on scientific farm practices.
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.	It is Company's ongoing endeavor to minimize the waste generation from its manufacturing operations. The Company has initiated well documented process to ensure compliance with the Extended Producer Responsibility (EPR) defined under the Plastic Waste Management Rules. In FY19, the Company completed collection and disposal of 20% of its post-consumer multi-layer plastic packaging waste. As the company sells consumer goods, it is difficult to reach to the end consumers to enhance the recycling process of products. However, the Company has a well-defined policy to take-back products which have expired or found with some packaging defects in order to recycle them to best possible extent. At all the manufacturing operations of Marico, the Company has established well defined waste management systems. All the wastes generated (hazardous and non-hazardous) are disposed through appropriate channels and approved vendors. Presently <5% of waste is recycled.

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

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

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

Information with reference to BRR framework:

<table>
<tr><th>No.</th><th>Question</th><th>Information</th></tr>
<tr><td>3.1</td><td>Please indicate the Total number of employees</td><td>1517</td></tr>
<tr><td>3.2</td><td>Please indicate the Total number of employees hired on temporary/ contractual/casual basis.</td><td>25</td></tr>
<tr><td>3.3</td><td>Please indicate the Number of permanent women employees.</td><td>199</td></tr>
<tr><td>3.4</td><td>Please indicate the Number of permanent employees with disabilities</td><td>0</td></tr>
<tr><td>3.5</td><td>Do you have an employee association that is recognised by management?</td><td>Yes</td></tr>
<tr><td>3.6</td><td>What percentage of your permanent employees is members of this recognised employee association?</td><td>10.7%</td></tr>
<tr><td>3.7</td><td>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.</td><td><table>
<tr><th>Complaints</th><th>Filed</th><th>Resolved</th></tr>
<tr><td>Child Labour / Forced labour</td><td>0</td><td>0</td></tr>
<tr><td>Involuntary Labour</td><td>0</td><td>0</td></tr>
<tr><td>Sexual Harassment</td><td>1</td><td>1</td></tr>
<tr><td>Discriminatory employment</td><td>0</td><td>0</td></tr>
</table></td></tr>
<tr><td>3.8</td><td>What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?</td><td><table>
<tr><th>Employee Categories</th><th>% trained on Safety & Skill Upgradation(*)</th></tr>
<tr><td>a) Permanent employees</td><td>100%</td></tr>
<tr><td>b) Permanent women employees</td><td>100%</td></tr>
<tr><td>c) Contract employees</td><td>100%</td></tr>
<tr><td>d) Employees with disabilities</td><td>100%</td></tr>
</table></td></tr>
</table>

* Excluding members on long duration leaves

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

Information with reference to BRR framework:

No.	Question	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 & marginalised stakeholders?	Yes.
4.3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	The Company has made conscious efforts towards the disadvantaged, vulnerable and marginalized stakeholders residing in close proximity of the manufacturing units. The Company deployed need-based community programme in the areas of education, health, skill development, sanitation, livelihood improvement. Some of the initiatives taken during the financial year are: • Watershed management to meet the agricultural and domestic water needs • Providing access to toilet and sanitation in rural households • Skill development through vocational trainings to youths and women's • Education for underprivileged children • School infrastructure support • Health camps like dental check-up, eye check-up, oral hygiene, blood donation camps etc.

Principle 5: Businesses should respect and promote human rights.

Information with reference to BRR framework:

No.	Question	Information
5.1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company Code Of Conduct (CoC) and Marico Code Of Business Ethics (MCoBE) covers the guidelines on human rights and are applicable to all members and 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 FY19.

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

Information with reference to BRR framework:

No.	Question	Information
6.1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	The Sustainability Policy instituted by the Company is focused on nurturing and safeguarding the environment for sustainable business. It extends to all the stakeholders the Company deals with which include suppliers, contractors, NGOs and others.
6.2	Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	Yes, Marico has aligned the sustainability efforts to the global agenda of Sustainable Development Goals (SDGs) and has taken a very specific and focused approach within the parameters of the Company business operations. http://marico.com/india/make-a-difference/sustainability. In FY19 the Company made its first environmental disclosure on Climate Change and Water to the CDP (earlier known as Carbon Disclosure Project). The Company focuses to create value with brands and products that consumers prefer, while at the same time, conserve resources, protect the environment, and improve social conditions for those who need it most.
6.3	Does the company identify and assess potential environmental risks? Y/N	Yes. The Company has mechanism in-place to identify and assess potential environmental risks. All manufacturing units conduct internal/external audits and assessments to identify controllable/uncontrollable scenarios of the operations. Any deviation from laid-down policy and procedure are tackled and reviewed by effective procedures of corrective action.

No.	Question	Information
6.4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No. The Company does not have project related to Clean Development Mechanism.
6.5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc..	Yes, the Company has undertaken initiatives on clean technology, energy efficiency and renewable energy. Some of the initiatives are highlighted below: • Use of agro-based fuel for thermal energy generation • Reduction on dependency on diesel, furnace oil with a focus to shift to clean fuel • Use of wind electricity (renewable) • Energy efficiency initiatives include - implementing energy efficient lighting fixtures, installation of water jet vacuum system, retrofitting high efficiency motors and installation of variable frequency drives at all manufacturing units • Opportunities in the field of renewable energy source are being implemented such as rooftop solar and biomass based heating equipment at our operations
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 FY19.
6.7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

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

Information with reference to BRR framework:

No.	Question	Information
7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: (a). (b). (c). (d).	Marico is associated with the following associations – 1. AIFPA (All India Food Processors Association) 2. AFSTI Mysore & Mumbai (Association of Food Scientists and Technologists, India) 3. FICCI (Federation of Indian Chambers of Commerce and Industry) 4. CIFTI (Confederation of Indian Food Trade and Industry) 5. NSI (Nutrition Society of India) Mysore & Mumbai chapter 6. All India Association of Industries 7. Indian society of cosmetics chemists (ISCC) 8. Ayurvedic Drug Manufacturers Association (ADMA) 9. India Home & Personal Care Industry Association (IHPCIA) 10. Central Food Technological Research Institute (CFTRI) 11. National Institute of Nutrition (NIN) 12. Department of Scientific and Industrial Research (DSIR) 13. Institute of Chemical Technology (ICT) (formerly known as UDCT) 14. Protein Foods and Nutrition Development Association of India (PFNDAI) 15. Indian Beauty & Hygiene Association (IBHA) 16. Tamil Nadu Agricultural University (TNAU) 17. Indian Agricultural Research Institute (IARI) 18. Solvent Extractors' association (SEA) 19. Consumer guidelines society of India (CGSI) 20. Indian Merchant Chambers (IMC) 21. Confederation of Indian Industry (CII) 22. International Market Assessment India Private Limited
7.2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Marico is associated with above institutions with an intention of mutual learning and contribution in development of processes. The Company contributes in development of Industry and government bodies in regulatory, operational and other areas by working along with these institutions. Food safety, nutritional intake and healthier heart awareness and campaigns are some of the areas where Marico has associated towards advancement and improvement of public wellbeing.

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

Information with reference to BRR framework:

No.	Question	Information
8.1	Does the company have specified programs/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, the Company has programs/initiatives/ projects in pursuit of the policy related to Principle 8. Marico flagship program - 'Parachute Kalpavriksha' aims to create a positive impact on farmers' income and make a noticeable difference to the quality of their lives by - enabling higher crop yield, educating farmers to handle their farms independently and transforming traditional farming into scientific farming. As on FY19, over 11,800+ farmers are enrolled and benefitted from the program. The Company continues to undertake water conservation initiatives in the vicinity of operations and in water stress regions in the country for larger community benefit. In FY19, initiatives like dam de-silting and construction of farm ponds were executed resulting in creation of 550,000 m3 of water harvest capacity. Marico Innovation Foundation (MIF) aims to nurture innovation in India across the business and social sectors alike. Through its sector agnostic programs, the foundation works closely with organisations that are innovative and impactful and have the potential to bring change and add value to overall growth of the nation. Further the Company has specified programmes in pursuit of the CSR policy focusing on education, health care, community sustenance and innovation. The manufacturing units focus on the community development in the vicinity of Company operations. Brief particulars of the CSR initiatives undertaken by Marico in FY19 are provided in the CSR section of this report.
8.2	Are the programs/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?	The manufacturing teams take up the community development initiatives directly or in partnership with non-profit organisations. The initiatives undertaken in FY19 either directly or in with NGOs includes Farm pond development, Dam De-silting, Sakshar Beti (program for girl education), Mobile Pathshala (program for English learning), Eat Right India, among others.
8.3	Have you done any impact assessment of your initiative?	Towards creating a noticeable positive impact to the farmer's part of the Parachute Kalpavriksha program, the Company has initiated the impact study. Other initiatives like Saffola*life*, Eat Right India, Educate Girls and Mobile Pathshala have gone through continuous monitoring process to ensure the impact. Also, internal teams at the manufacturing units evaluate the community development initiatives on a periodic basis. Details of the impact measured are mentioned in the CSR section of the report.
8.4	What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.	Marico has spent overall ₹18 Crore for community development activities. Brief particulars of the CSR initiatives undertaken by Marico in FY19 are provided in the CSR section of this report.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Marico's CSR initiatives are rolled out directly or in partnership with non-profit organisations. This helps in increasing reach as well as ensuring the adoption of initiative by communities. The CSR projects have been constantly evaluated to ensure maximum impact. Project teams track the reach and take necessary steps to make it successful.

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

It's our continuous endeavour at Marico to educate consumers on healthy lifestyle and nutritional intake. Marico promotes good living habits and knowledge about health through initiatives like 'Saffola*life*' and 'Eat Right India'. The Company works with people as well as Government and private agencies to create awareness about hygiene and product regulations.

The Company believes that consumer opinion, concerns and inquiries communicated are important sources of information. Hence, the Corporate Quality team consciously makes efforts to cater to all consumer concerns. Marico Corporate Quality team is certified for Customer compliant management system ISO 10002. This provides a systematic approach to understand consumer issues and improve production processes accordingly.

Information with reference to BRR framework:

No.	Question	Information
9.1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	There are 7 consumer cases pending as on the end of financial year on March 31, 2019.
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)	Yes, Marico adheres to all the applicable regulations regarding product labeling and displays relevant information on it. Additional information about the product is displayed over and above the mandated law wherever applicable.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No case filed by any stakeholder related to unfair trade practice, irresponsible advertising, and/or anti-competitive behavior is pending as at the end of financial year on March 31, 2019.
9.4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes, Consumer satisfaction is important for the Company business sustenance. Marico connects with consumers through multiple touch points. A survey is conducted with sample consumers to understand the product quality feedback by Corporate quality team. The Company has also established a process of consumer complaint management aligned with ISO 10002. This helps in systematic resolution of all complaints and helps in improving consumer delight.

BOARD'S REPORT

To the Members,

Your Board of Directors ("Board") are pleased to present the Thirty First Annual Report of Marico Limited ("Marico" or "the Company" or "your Company"), for the financial year ended March 31, 2019 ("the year under review" or "the year" or "FY19").

In compliance with the applicable provisions of Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Regulations"), this report covers the financial results and other developments during the financial year April 1, 2018 to March 31, 2019 and upto the date of the Board meeting held on May 6, 2019 to approve this report, in respect of Marico and Marico Consolidated comprising Marico, its subsidiaries and associate companies. The consolidated entity has been referred to as "Marico Group" or "Your Group" or "the Group" in this report.

FINANCIAL RESULTS - AN OVERVIEW

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consolidated Summary for the Group		
Revenue from Operations	7,334	6,333
Profit before Tax	1,263	1,117
Profit after Tax	1,135	827
Marico Limited – Revenue from Operations	5,971	5,181
Profit before Tax	1,187	954
Less: Provision for Tax for the current year	55	236
Profit after Tax for the current year	1,132	718
Other Comprehensive Income for the current year	(1)	(1)
Add: Surplus brought forward	2,348	2,266
Profit available for appropriation	3,480	2,984
Appropriations: Distribution to shareholders	613	549
Tax on dividend	89	87
	702	636
Surplus carried forward	2,777	2,348

REVIEW OF OPERATIONS

During FY19, Marico posted revenue from operations of INR 7,334 Crores, a growth of 16% over the previous year. Volume growth for the year was 8%. The value growth was led by price increases taken in core portfolios of the domestic business to counter significant input cost push and favorable forex impact on translation of overseas revenues. The business delivered an operating margin of 17.5% and recurring bottom line of INR 930 Crores (excluding the impact of the tax adjustments for earlier years), a growth of 14% over the last year. The reported bottom line was INR 1,118 Crores.

Marico India, the domestic FMCG business, achieved a turnover of INR 5,756 Crores in FY19, a growth of 16% over the last year. Volume growth for the year was 8%, in line with the medium term aspiration. The value growth was led by price hikes taken in core portfolios in response to rising input costs. The operating margin (before corporate allocations) for the India business was at 19.6% in FY19. Profitability for the year was subdued by gross margin contraction, which was only partly contained by the price hikes taken in respective portfolios.

During the year, Marico International, the International FMCG business, posted a turnover of INR 1,578 Crores, a growth of 16% over the last year. The business reported a 9% constant currency growth (volume growth of 8%) during the year. The operating margin (before corporate allocations) for the International business was at 19.1% in FY19, a sustained structural shift over the last few years from levels of below 10%.

There are no material changes and commitments affecting the financial position of your Company, which have occurred between the end of the FY19 and the date of this report.

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

RESERVES

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

DIVIDEND

Your Company's wealth distribution philosophy aims at sharing its prosperity with its shareholders, through a formal earmarking/ disbursement of profits to its shareholders. The Dividend Distribution Policy ("DD Policy") adopted by your Company is available on the Company's website which can be accessed using the link https://marico.com/investorspdf/Dividend_Distribution_Policy.pdf. The Policy also forms part of the Corporate Governance Report.

BOARD'S REPORT

Based on the principles enunciated in the DD Policy, your Company's distribution to equity shareholders during FY19 comprised the following:

- First Interim Dividend of 200% on the equity base of ₹129.09 Crores aggregating to ₹ 258.17 Crores declared by your Board of Directors on November 1, 2018 and
- Second Interim Dividend of 275% on the equity base of ₹129.09 Crores aggregating to ₹354.99 Crores declared by your Board of Directors on February 5, 2019.

The total equity dividend for FY19 (including dividend distribution tax) aggregated to ₹702.62 Crores. Thus, dividend pay-out ratio was 76% of the consolidated profit after tax as compared to 78% in the previous year.

CHANGES IN SHARE CAPITAL

During FY19, there was no change in the paid up share capital of the Company.

SUBSIDIARIES AND ASSOCIATE COMPANIES

A list of bodies corporate which are subsidiaries/associates/ joint ventures of your Company is provided as part of the notes to Consolidated Financial Statements. During the year under review, the Company entered into Shareholders' Agreement and Share Subscription Agreement with Revolutionary Fitness Private Limited ("Revofit") and acquired 22.46% of its equity stake. Consequently, Revofit became an associate company of Marico.

The Company incorporated the following subsidiaries during the year under review:

a. A non-profit company limited by guarantee in India named 'Parachute Kalpavriksha Foundation' to undertake the Company's CSR initiatives towards community and ecological sustenance and

b. A private limited company named 'Marico (Lanka) Private Limited' in Sri Lanka to strengthen the Company's business in that country.

A separate statement containing the salient features of the financial statements of all subsidiaries and associate companies/ joint ventures of your Company (in Form AOC - 1) forms part of this report.

The financial statements of the subsidiary companies and related information are uploaded on the website of your Company and can be accessed using the link http://marico.com/india/investors/documentation and the same are available for inspection by the Members at the Registered Office of your Company during business hours on all working days except Saturdays and Sundays up to the date of the 31st Annual General Meeting ("31st AGM"), as required under Section 136 of the Act. Any Member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office Address.

Your Company has approved a policy for determining material subsidiaries and the same is uploaded on the Company's website which can be accessed using the link https://marico.com/investorspdf/Policy_for_Determining_Material_subsidiaries.pdf As per this Policy, your Company did not have any material subsidiary as on March 31, 2019. However, based on financials of FY 19, Marico Bangladesh Limited has been identified as material subsidiary in FY 2019-20.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis forms an integral part of this Report and, inter-alia, gives an update on the following matters:

- Macro-Economic Indicators & FMCG Industry
- Opportunities and threats
- Risks and concerns
- Internal control systems and their adequacy
- Discussion on financial and operational performance
- Outlook
- Segment-wise performance
- Human capital Initiative outlook
- Details of significant changes in key financial ratios, etc.
- Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

I. Re-appointment of Mr. Rajeev Bakshi, Mr. B. S. Nagesh, Ms. Hema Ravichandar and Mr. Nikhil Khattau as Additional Directors (Independent) of the Company.

The tenure of Mr. Rajeev Bakshi (DIN: 00044621), Mr. B. S. Nagesh (DIN: 00027595), Ms. Hema Ravichandar (DIN: 00032929) and Mr. Nikhil Khattau (DIN: 00017880), Independent Directors was due to expire on March 31, 2019. The Board of Directors at its Meeting held on March 12, 2019, approved the re-appointment of the

BOARD'S REPORT

said Directors as Additional Directors (Independent) to hold office as Independent Directors for a tenure as mentioned below, subject to the approval of the shareholders by a Special Resolution at the ensuing 31st AGM of the Company. Accordingly, the matters with respect to their re-appointment are proposed in the Notice of the 31st AGM. Brief profile of each of the said Director and other related information is appended in the Corporate Governance Report.

Sr. No.	Names of the Independent Director	No. of year(s) re-appointed for	Tenure
1.	Mr. Rajeev Bakshi	1	From April 1, 2019 to March 31, 2020
2.	Mr. B.S. Nagesh	3	From April 1, 2019 to March 31, 2022
3.	Ms. Hema Ravichandar	5	From April 1, 2019 to March 31, 2024
4.	Mr. Nikhil Khattau	5	From April 1, 2019 to March 31, 2024

II. Re-appointment of Mr. Saugata Gupta as the Managing Director of the Company

As the tenure of Mr. Saugata Gupta, Managing Director & Chief Executive Officer was due to expire on March 31, 2019, the Board of Directors at their meeting held on March 12, 2019, re-appointed him for another term of 5 years with effect from April 1, 2019, subject to the approval of the Shareholders. Accordingly, the matter with respect to the re-appointment of Mr. Saugata Gupta is proposed in the Notice of the 31st AGM. A brief profile of Mr. Saugata Gupta and other related information is appended in the Corporate Governance Report.

III. Director retiring by rotation

In accordance with the provisions of Section 152 of the Act read with Rules made thereunder and the Articles of Association of the Company, Mr. Harsh Mariwala (DIN: 00210342) is liable to retire by rotation at the AGM and being eligible, has offered himself for re-appointment. Accordingly, the appointment of Mr. Harsh Mariwala is being placed for the approval of the Members at the 31st AGM. A brief profile of Mr. Harsh Mariwala and other related information is appended in the Corporate Governance Report.

IV. Declaration by Independent Directors

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

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

V. Key Managerial Personnel

During the year under review, there were no changes in the Key Managerial Personnel of the Company.

Mr. Saugata Gupta was re-appointed by the Board, subject to the approval of the shareholders, as the Managing Director & CEO of the Company for another term of 5 consecutive years with effect from April 1, 2019.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual financial statement for the financial year ended March 31, 2019, 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, 2019 and of the profit of your Company for the said period;

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

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

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

In accordance with the relevant provisions of the Act read with the corresponding Rules framed thereunder, the SEBI

BOARD'S REPORT

Regulations, evaluation of the performance of the individual Directors, Chairman of the Board, the Board as a whole and its individual statutory Committees was carried out for the year under review. The manner in which the evaluation was carried out and the outcome of the evaluation are explained in the Corporate Governance Report.

BUSINESS RESPONSIBILITY REPORT & SUSTAINABILITY REPORT

The current financial year marks an important milestone in the Company's corporate reporting journey as it is transitioning towards Integrated Reporting, which focuses on the imperatives of how the Company creates value over the short, medium and long term for all its stakeholders. The Company's maiden Integrated Report for the period 1 April 2018 to 31 March 2019 has been prepared as per the framework developed by International Integrated Reporting Council (IIRC).

Your Company strives to create value for all stakeholders whilst growing responsibly and sustainably. Accordingly, your Company has aligned its sustainability efforts towards reducing environmental footprint and increasing positive social impact. Consequently, your Company has taken ambitious targets in relation to increasing the number of farmer beneficiaries, reducing energy intensity, reducing GHG emission intensity, achieving water stewardship and responsible sourcing.

During the year under review, the Company has subsumed the sustainability disclosures in the Integrated Report, which has been exhibited in line with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (SRS) core guidelines. The Company has also presented the Business Responsibility Report (BRR) as per the requirements of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 describing the environmental, social and governance initiatives taken by the Company. The Integrated Report of the Company for the financial year 2018-19 can be accessed on its website using this link https://marico.com/india/investors/documentation.

AUDITORS & AUDITORS REPORT

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act, the Members at the 29th Annual General Meeting held on August 1, 2017 had approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants, for a term of five years, to hold office till the conclusion of the 34th Annual General Meeting of the Company. The requirement for the annual ratification of the appointment of the Statutory Auditors by Shareholders at every AGM has been omitted pursuant to the Companies (Amendment) Act, 2017 notified on May 7, 2018 and accordingly the same is not placed for ratification.

The Statutory Auditors have confirmed their eligibility for acting as the Statutory Auditors of the Company for the financial year 2019-20.

The Auditor's Report for the year ended March 31, 2019 on the financial statements of the Company forms part of Annual Report. There is no qualification, reservation or adverse remark or disclaimer in the said Auditor's Report. During the year under review, the Auditors have not reported any fraud under Section 143 (12) of the Act and therefore no detail are required to be disclosed under Section 134(3)(ca) of the Act.

COST AUDITORS

In terms of the Section 148 of the 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. The Board at its meeting held on May 6, 2019, based on the recommendation of the Audit Committee, approved the appointment of M/s. Ashwin Solanki & Associates, Cost Accountants, as the Cost Auditors of the Company to conduct audit of the cost records of the Company for the financial year ending March 31, 2020, at a fee of Rs. 9.5 lacs plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the Members at the ensuing 31st AGM. Accordingly, the matter relating to ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020 is placed at the 31st AGM. The Company has received a written consent and certificate of eligibility from M/s. Ashwin Solanki & Associates.

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

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on May 6, 2019, based on the recommendation of the Audit Committee, approved the appointment of Dr. K. R. Chandratre, Practicing Company Secretary (Certificate of Practice No. 5144) as the Secretarial Auditor to conduct audit of the secretarial records of the Company for the financial year ending March 31, 2020. The Company has received consent from Dr. K. R. Chandratre to act as such.

The Secretarial Audit Report for FY19 is enclosed as **"Annexure A"** to this report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Secretarial Auditor had not reported any fraud under Section 143(12) of the Act and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

RISK MANAGEMENT

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

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

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

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

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Internal Financial Controls are an integrated part of the risk management process which in turn is a part of Corporate Governance addressing financial and financial reporting risks. The Internal Financial Controls have been documented, embedded in the business processes. Your Company's approach on Corporate Governance has been detailed out in the Corporate Governance Report. Your Company has deployed the principles enunciated therein to ensure adequacy of Internal Financial Controls with reference to the financial statements. Your Board has also reviewed the internal processes, systems and the internal financial controls and the Directors' Responsibility Statement contains a confirmation as regards adequacy of the internal financial controls. Assurances on the effectiveness of Internal Financial Controls is obtained through management reviews, self-assessment, continuous monitoring by functional heads as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

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

RELATED PARTY TRANSACTIONS

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

All transactions with related parties entered into during FY19 were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Act and the Rules made thereunder, the SEBI Regulations and the Company's Policy on Related Party Transactions. There were no transactions which were material (considering the materiality thresholds prescribed under the Act and Regulation 23 of the SEBI Regulations). Accordingly, no disclosure is made in respect of the Related Party Transactions in the Form AOC-2 in terms of Section 134 of the Act and Rules framed thereunder.

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

BOARD'S REPORT

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

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

In terms of the applicable provisions of the Act, read with the Rules framed thereunder and the SEBI Regulations, your Board has in place a Policy for appointment, removal and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) and also on Board Diversity, Succession Planning and Evaluation of Directors ("NR Policy"). The remuneration paid to Directors, KMP and SMP of the Company are as per the terms laid down in the NR Policy of the Company. The Managing Director & CEO of your Company does not receive remuneration 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 Policy can be accessed using this link - https://marico.com/investorspdf/Policy_on_Nomination,_Remuneration_and_Evaluation.pdf

MARICO EMPLOYEE BENEFIT SCHEME/PLAN

- **Marico Employee Stock Option Plan, 2016**

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

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

  The Nomination and Remuneration Committee is entrusted with the responsibility of administering the Plan and the Scheme(s) notified thereunder.

  As on March 31, 2019, an aggregate of 3,059,590 Options were outstanding which constitute about 0.24% of the issued equity share capital of the Company.

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

  The Company had adopted Marico Stock Appreciation Rights Plan, 2011 ('STAR Plan') in the year 2011, for the welfare of its employees and those of its subsidiaries. Under the Plan, various schemes have been notified from time to time for conferring cash incentive benefit to the eligible employees through grant of stock appreciation rights (STARs). The Nomination and Remuneration Committee acts as the Compensation Committee for the purpose of the administration of the Plan. The Committee notifies various Schemes for granting STARs to the eligible employees. Each STAR is represented by one equity share of the Company. The eligible employees are entitled to receive in cash the excess of the maturity price over the grant price in respect of such STARs subject to fulfillment of certain conditions and applicability of Income Tax. The STAR Plan involves secondary market acquisition of the Equity Shares of your Company by an Independent Trust set up by your Company for the implementation of the STAR Plan. Your Company lends monies to the Trust for making secondary acquisition of Equity Shares, subject to statutory ceilings.

  As at March 31, 2019 an aggregate of 980,940 STARs were outstanding which constitute about 0.076% of the current paid up equity share capital of the Company.

STATUTORY INFORMATION ON ESOS, STAR AND TRUST

Disclosure on ESOS, STAR and Trust in terms of Regulation 14 of the SEBI (Share Based Employee Benefits) Regulation, 2014 and SEBI Circular dated June 16, 2015 is made available on the website of the Company and can be accessed using the link: https://marico.com/india/investors/documentation. Further, the Company has complied with the applicable accounting standards in this regard. Also, during the year under review, your Company has not given loan to any of its employees for purchase of shares of the Company.

All schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 as applicable, and the resolutions passed by the Members at the General Meetings

BOARD'S REPORT

approving such employee benefit Schemes/Plans. Further, a certificate to that effect has been obtained from the Statutory Auditors of the Company i.e. M/s. B S R & Co. LLP.

DISCLOSURES

MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

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

AUDIT COMMITTEE

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The ratio of remuneration of each Director to the median employee's remuneration as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016 is disclosed in **"Annexure 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, is available on the website of the Company . 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 write to the Company Secretary at the Registered Office Address.

CORPORATE GOVERNANCE REPORT

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

VIGIL MECHANISM

Your Company has a robust vigil mechanism in the form of Unified Code of Conduct ("CoC") which enables the stakeholders to report concerns about unethical/inappropriate behaviour, actual or suspected fraud or violation of the Code. Considering the changes, in the internal as well as external environment, the Board has revised and adopted the amended CoC on May 6, 2019. The CoC can be accessed on its website using the link http://marico.com/investorspdf/Marico_CoC.PDF .

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

Your Company has a policy for the prevention of sexual harassment which is embedded in the CoC. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Committee ("IC") to deal with complaints relating to sexual harassment at workplace. During the FY19, this Committee has received and resolved one complaint on sexual harassment.

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

All new employees go through a detailed personal orientation on CoC. Further, all employees have to mandatorily complete the online learning cum certification course on CoC. Your Company seeks an affirmation on compliance of CoC on an annual basis from all the employees and on a quarterly basis from the employees at senior level. Additionally, separate trainings (classroom/online) on Anti-Sexual Harassment Policy & Insider Trading Rules 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.

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

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

BOARD'S REPORT

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

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

A brief outline of the CSR Philosophy, salient features of the CSR Policy of the Company and changes therein, the CSR initiatives undertaken during the financial year 2018-19 together with progress thereon and the report on CSR activities as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in "**Annexure E**" to this Report and the CSR policy can be accessed through the link https://marico.com/investorspdf/CSR_Policy_(1).pdf.

SECRETARIAL STANDARDS

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs of India.

DEPOSITS

There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014, at the end of the financial year 2018-19 or the previous financial year. Your Company did not accept any deposits during FY19.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

ANNUAL RETURN

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

Pursuant to Section 134 (3) (a) of the Act, annual return will be placed on the website of the Company and can be accessed using the link: htttps://marico.com/india/investors/documentation.

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.

ACKNOWLEDGEMENT

Your Board takes this opportunity to thank Company's 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 shareholders, distributors, third party manufacturers, bankers and all other business associates and from the neighborhood communities of the various Marico locations. We look forward to continued support of all these partners in progress.

On behalf of the Board of Directors.

Harsh Mariwala
Chairman
DIN: 00210342

Place : Mumbai
Date : May 6, 2019

ANNEXURE 'A' SECRETARIAL AUDIT REPORT

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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

To,

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2019 ('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, 2019 according to the provisions of:

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

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

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

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

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

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018 (Not applicable to the Company during the Audit Period);

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

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

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

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and 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) Agricultural Produce (Grading & Marking) Act, 1937 and Rules made thereunder

(b) The Drugs and Cosmetics Act, 1940 and the Rules made thereunder

ANNEXURE 'A' SECRETARIAL AUDIT REPORT

(c) Agricultural and Processed Food Products Export Development Authority Act, 1985 (APEDA) and the Rules and Regulations made thereunder

(d) Blended Edible Vegetable Oils Grading and Marking Rules, 1991

(e) The Standards for Organic Production as notified in National Programme for Organic Production (NPOP) by the Director General of Foreign Trade under the Foreign Trade (Development and Regulation) Act, 1992, as applicable.

(f) Biological Diversity Act, 2002

(g) Food Safety and Standards Act, 2006 and the Rules and Regulations made thereunder

(h) The Legal Metrology Act, 2009 and the Rules made thereunder

(i) Plastic Waste Management Rules, 2016

(j) 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) 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.

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 there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

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

Place: Pune
Date : 6 May 2019

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.

ANNEXURE 'A' SECRETARIAL AUDIT REPORT

Annexure to the Secretarial Audit Report

To:

The Members,

Marico Limited,

7th Floor, Grande Palladium,

175, CST Road, Kalina,

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.

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 Place: Pune

FCS No.: 1370, C. P. No.: 5144 Date: May 6, 2019

ANNEXURE 'B' TO THE BOARD'S REPORT

Information required under section 197(12) of the Companies Act, 201-3 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A) Ratio of Remuneration of each Director to the median remuneration of all the employees of your Company for the financial year 2018-19 is as follows :

Name of Director	Total Remuneration* (₹)	Ratio of remuneration of Director to the Median remuneration***
Mr. Harsh Mariwala#	49,390,000	52.24
Mr. Saugata Gupta**	92,191,648	97.51
Mr. Rajeev Bakshi	3,300,000	3.49
Mr. Nikhil Khattau	3,650,000	3.86
Mr. Rajen Mariwala	3,100,000	3.28
Mr. B.S. Nagesh	3,650,000	3.86
Ms. Hema Ravichandar	3,550,000	3.75
Mr. Rishabh Mariwala	2,900,000	3.07
Mr. Ananth Sankaranarayanan	2,900,000	3.07

* The remuneration to Non-Executive Directors includes sitting fees paid during the financial year 2018-19.

\# The remuneration to Harsh Mariwala is the remuneration that was paid to him during the year including sitting fees.

** The remuneration of Mr. Saugata Gupta, Managing Director & CEO, includes the perquisite value of the stock appreciation rights vested on him during the financial year 2018-19 amounting to ₹ 2,40,58,747.

*** The median remuneration of the Company for all its employees is ₹9,45,503/- for the financial year 2018-19. For calculation of median remuneration, the employee count taken is 1,183, which comprises employees who have served for whole of the financial year 2018-19.

B) Details of percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2018-19 are as follows :

Name	Designation	Remuneration (₹)		Increase/ (Decrease) (%)
		2018-19	2017-18	
Mr. Harsh Mariwala*	Chairman & Non -Executive Director	49,390,000	60,727,500	-19%
Mr. Saugata Gupta**	Managing Director & CEO	92,191,648	206,238,498	-55%
Mr. B. S. Nagesh	Independent Director	3,650,000	3,550,000	3%
Ms. Hema Ravichandar	Independent Director	3,550,000	3,550,000	0%
Mr. Nikhil Khattau	Independent Director	3,650,000	3,500,000	4%
Mr. Rajeev Bakshi	Independent Director	3,300,000	3,300,000	0%
Mr. Rajen Mariwala	Non- Executive Director	3,100,000	3,200,000	-3%
Mr. Rishabh Mariwala#	Non- Executive Director	2,900,000	2,616,667	N.A.
Mr. Ananth Sankaranarayanan#	Independent Director	2,900,000	2,130,556	N.A.
Mr. Vivek Karve	Chief Financial Officer	25,521,969	21,903,678	17%
Ms. Hemangi Ghag^	Company Secretary & Compliance Officer	5,241,805	1,831,898	N.A.

* The remuneration to Harsh Mariwala is the remuneration that was paid to him during the year including sitting fees.

** The remuneration of Mr. Saugata Gupta, Managing Director & CEO, includes the perquisite value of the stock appreciation rights vested on him during the financial year 2018-19 amounting to ₹ 2,40,58,747 and during the financial year 2017-18 amounting to ₹ 13,90,13,297 (including perquisite value of stock options exercised during the financial year 2017-18). Excluding that, the remuneration of Mr. Gupta is ₹6,81,32,901 and ₹ 6,72,25,201 for financial year 2018-19 and financial year 2017-18, respectively.

\# Mr. Rishabh Mariwala was appointed as the Non-Executive Director of the Compnay w.e.f. May 2, 2017 and Mr. Ananth Sankaranarayanan was appointed as the Independent Director of the Company w.e.f. June 26, 2017, hence the remuneration paid to them in the financial year 2018-19 is not comparable with the remuneration paid to them in the financial year 2017-18.

^ Ms. Hemangi Ghag was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. October 30, 2017 and hence the remuneration paid to her in the financial year 2018-19 is not comparable with the remuneration paid to her in the financial year 2017-18.

ANNEXURE 'B' TO THE BOARD'S REPORT

Information required under section 197(12) of the Companies Act, 201-3 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

C) Percentage increase in the Median Remuneration of all employees in the financial year 2018-19

	2018-2019	2017-2018	Increase (%)
	Median	Median	
Median* remuneration of all employees per annum	945,503	920,787	3%

* For calculation of median remuneration, the employee count taken is 1,183 and 1,150 for the financial year 2018-19 and 2017-18, respectively, which comprise employees (excluding workmen) who have served for the whole of the respective financial years.

D) Number of permanent employees on the rolls of company as of March 31, 2019

1,683 (inclusive of workmen)

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

	2018-19	2017-18	% Increase/ (Decrease)
Average percentage increase in the Remuneration of all Employees* other than Key Managerial Personnel	2,019,737,172	1,977,250,309	2.1%
Average Percentage increase in the Remuneration of Key Managerial Personnel**			
Mr. Saugata Gupta, Managing Director & CEO	92,191,648	206,238,498	-55.3%
Mr. Vivek Karve, Chief Financial Officer	25,521,969	21,903,678	16.5%
Ms. Hemangi Ghag, Company Secretary & Compliance Officer^	5,241,805	1,831,898	N.A.

* Employees, other than KMPs, who have served for whole of the respective financial years have been considered.

** Kindly refer the explanations given under point No.B of this disclosure for better comprehension of the details given hereinabove and hence the remuneration paid to her in the financial year 2018-19 is not comparable with the remuneration paid to her in the financial year 2017-18.

^ In FY 2017-18, Ms. Hemangi Ghag was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. October 30, 2017 .

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

Place : Mumbai
Date : May 6, 2019

Harsh Mariwala
Chairman
DIN : 00210342

ANNEXURE C: CORPORATE GOVERNANCE REPORT

This report on Corporate Governance is divided into the following parts:

I. Philosophy on Code of Corporate Governance

II. Board of Directors ("the Board")

III. Audit Committee

IV. 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. Means of Communication

XII. General Shareholder Information

I. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Basic Philosophy

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

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

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

During the year under review, your Company engaged with Institutional Investor Advisory Services India Limited (IiAS), a proxy advisory firm, for an external assessment of your Company on the Indian Corporate Governance Scorecard developed by IiAS jointly with International Finance Corporation and Bombay Stock Exchange Limited. Based on such assessment, your Company has entered in the 'Leadership' category. In the IiAS's study of S&P BSE Listed Companies on the Indian Corporate Governance Scorecard in 2018, your Company has moved from the Top 10 position to the Top 5 position amongst the S&P BSE Listed Companies for exemplary Corporate Governance.

Risk assessment and risk mitigation framework

Marico believes that:

- Risks are an integral part of any business environment and it is essential that we create structures that are capable of identifying and mitigating the risks in a continuous and vibrant manner.
- Risks are multi-dimensional and therefore have to be looked at in a holistic manner, straddling both, the external environment and the internal processes.

  Marico's Risk Management processes therefore envisage that all significant activities are analysed across the value chain keeping in mind he following types of risks:

- Business Risks;
- Financial and Governance Risks and;
- Operational Risks.

  This analysis is followed by the relevant functions in your Company by prioritizing the risks, basis their potential impact and then tracking and reporting status on the mitigation plans for periodic management reviews. This is aimed at ensuring that adequate checks and balances are in place with reference to each significant risk.

  Your Company constituted a Risk Management Committee in 2014 pursuant to the provisions of

ANNEXURE C: CORPORATE GOVERNANCE REPORT

the SEBI Regulations which assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company. The terms of reference of the Committee are captured in the latter part of this report. At defined periodicity, Marico's Board also reviews progress on the plans for mitigation of the top risks that your Company is exposed to.

Your Company has an internal audit system commensurate with the size of the Company and the nature of its business. The Audit Committee of the Board has the authority and responsibility to select, evaluate and where appropriate, replace the Independent Internal Auditor in accordance with the law. All possible measures are taken by the Audit Committee to ensure the objectivity and independence of the Internal Auditor. The Audit Committee, independent of Management, holds periodic one to one discussions with the Internal Auditors to review the scope and findings of the audit and to ensure adequacy of the internal audit system in the Company. The Audit Committee reviews the internal audit plan for every year and approves the same in consultation with the Top Management and the Internal Auditor.

To ensure effective oversight over the financial statements of the Group, the Audit Committee holds periodic one-on-one discussions with Statutory Auditors also. Beginning with FY 2019-20, the Audit Committee has also commenced the practice of holding one-on-one discussions with Statutory Auditors of its material subsidiaries. These practices ensure independence and oversight.

We believe that this framework ensures a unified and comprehensive perspective.

Cornerstones of Corporate Governance at Marico

Your Company follows Corporate Governance practices around the following philosophical cornerstones:

Generative transparency and openness in information sharing

Marico believes that sharing and explaining all the relevant information on the Company's policies and actions to all those to whom it has responsibilities, with transparency and openness, generates an ambience which helps all the stakeholders to take informed decisions about the Company. This reflects externally in making maximum appropriate disclosures without jeopardising the Company's strategic interests as also internally in the Company's relationship with its employees and in the conduct of its business.

Transparency and openness is an organizational value and is practiced in action across levels at Marico. Every year the tone is set at our flagship annual conference 'Organization Communication- OC'. The Chairman as well as the MD & CEO share the strategic direction the organization is taking and also reinforce the mission and vision. These sessions are broadcasted live to all Indian and International locations. Eventfully the same message is shared with all the members across the globe at their respective location OCs. The leadership also incorporates the local business context and way ahead for the units.

Another major aspect of these OC events is the 'Open House' session, where the leadership takes questions from the audience. Marico encourages Members to ask questions and share views with anyone and everyone in the organization.

Our MD & CEO, Mr. Saugata Gupta also holds regular webinars throughout the year called 'Facetime with Saugata', broadcasted live globally. These sessions are designed to update the members on the road travelled so far and the way ahead. Members are encouraged to post questions during the session which are then addressed live on air.

As regard the performance updates to the Stock Exchanges and Shareholders, within the first week from the close of the quarter, the Company releases a brief update which seeks to provide an overall summary of the operating performance and demand trends witnessed during the preceding quarter. The update is first intimated to the Stock Exchanges and then posted on its website. The first quarterly update was published in January 2019.

The Company announces its financial results each 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. The Company also sends an email update to the Members who have registered their email addresses with the Company. Generally, once the quarterly results are announced, the Company conducts a call with the analyst community explaining to them the results and responding to their queries. The transcripts of such calls are posted on the Company's website. Marico participates in analyst

ANNEXURE C: CORPORATE GOVERNANCE REPORT

and investor conference calls, one-on-one meetings and investor conferences where analysts and fund managers get frequent access to the Company's Senior Management. A detailed investor presentation is uploaded on the website and is reviewed periodically which gives details about the history, current and future potential of the business. Through these meetings, presentations and information updates the Company shares its broad strategy and business outlook with the investor community. The Company promptly discloses details of the conference calls, Investor meetings and road shows being conducted within the quarters in and outside the Country to the Stock Exchanges and updates its website with the same simultaneously.

The Board has also adopted a comprehensive Policy for Determination of Materiality of Event or Information in accordance with Regulation 30 of the SEBI Regulations and the Company makes prompt disclosures to the Stock Exchanges where the shares of the Company are listed regarding material events/ information so as to keep the Stakeholders apprised and enable them to make informed decisions.

Your Company continues to use the electronic platform for sharing the information with the Directors and maintains a seamless and secured flow of information between the Management and the Board through Nasdaq Boardvantage, an iOS based platform. While being secure, this platform is also environment friendly.

Constructive separation of Ownership and Management

Marico's philosophy to have constructive separation of the Management of the Company from its Owners manifests itself in the composition of the Board of Directors wherein the office of Chairman of the Board and Managing Director & CEO are held by distinct individuals. The Board comprises of 5 Independent Directors, 3 Non-Executive Non-Independent Directors (all belonging to the Promoter Group) including 1 Chairman and 1 Managing Director & Chief Executive Officer as on the date of this Report. The Independent Directors ensure protection of interests of all stakeholders of the Company. The Board includes a Woman Independent Director. The Board does not consist of representatives of creditors or banks. The Board composition attempts at maximizing the effectiveness of both, Ownership and Management by sharpening their respective accountability.

The participation of the Senior Management Personnel is ensured at Board and/or Committee meetings so that the Board/Committees can seek and get explanations as required from them.

Accountability

The Board plays a supervisory role rather than an executive role. Members of the Board provide constructive critique on the strategic business plans and operations of the Company. Mr. Saugata Gupta, Managing Director & Chief Executive Officer, continues to head the Company's business and is responsible for its day to day management and operations and reports to the Board.

The Audit Committee, Nomination and Remuneration Committee and the Board of Directors meet at least once in every quarter to consider inter-alia, the business performance and other matters of importance. The Audit Committee additionally meets atleast once in a quarter, to have detailed deliberations on matters relating to Governance, Risk Management, Statutory Compliances, Internal Controls, Internal Audit, Related Party Transactions of the Company etc. The Corporate Social Responsibility Committee meets atleast thrice in a financial year in order to closely monitor the programs undertaken on the Corporate Social responsibility, progress made thereof and discuss and decide on other statutory matters. Further, the Risk Management Committee meets atleast twice in a year to frame and monitor risk management plan and risk assessment and mitigation procedures for the Company.

Discipline

Marico's Senior Management is always sensitive to the need for good Corporate Governance practices. Your Company places significant emphasis on good Corporate Governance practices and endeavours to ensure that the same is followed at all levels across the organisation.

Sustainable profitable growth can be significantly ensured if an enterprise is disciplined about its areas of focus. Your Company has an articulated medium term game plan to become an admired emerging market multinational in hair nourishment, male grooming and healthy foods in its chosen markets of Asia and Africa.

Your Company has always adopted a conservative policy with respect to debt and foreign exchange exposure management. All actions having financial implications are well thought through. The Company raises funds, which are used for expansion of business either organically or inorganically. The Company has also stayed away from entering into exotic derivative transactions.

ANNEXURE C: CORPORATE GOVERNANCE REPORT

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 find organic and inorganic growth of the Company. The Company has improved the dividend pay-out ratio over the last 5 years consistently and would endeavour to maintain a satisfactory pay-out ratio in future. The Dividend Distribution Policy is attached as **Annexure C1** to this Report.

Responsibility

The Company has put in place various mechanisms and policies to ensure orderly and smooth functioning of operations and also defined measures in case of transgressions by members.

The Company has integrated its internal regulations relating to these mechanisms, into a Unified Code of Conduct. In order to ensure that such Code of Conduct reflects the changing environment, both social and regulatory, given the increasing size and complexity of the business and the human resources deployed in them, the NRC reviews the Unified Code of Conduct document periodically.

The Company's Unified Code of Conduct is applicable to all members viz: the employees (whether permanent or not), Members of the Board and Associates (in some cases). The Unified Code of Conduct prescribes the guiding principles of conduct of the members to promote ethical conduct in accordance with the stated values of Marico and also to meet statutory requirements. The Whistle Blower Policy for all the stakeholders is embedded in the Unified Code of Conduct. The Code also cover our associates who partner us in our organizational objectives and customers for whom we exist.

The CEO declaration in accordance with Para D of Schedule V to the SEBI Regulations, to certify the above, has been appended to this report.

An organisation's responsibility extends beyond its own operations to the broader eco-system in which it operates. A write-up on your Company's sustainability efforts is part of this Annual Report. It explains the approach and progress made by the Company over the years.

Fairness

All actions taken are arrived at after considering the impact on the interests of all shareholders including minority shareholders. All shareholders have equal rights and can convene general meetings, if they feel the need to do so, in accordance with the provisions of the Act. Investor Relations is given due priority. There exists a separate department for handling this function. Full disclosures are made in the general meeting for all matters. Notices of the general meetings are comprehensive and the presentations made at the meetings are informative. The Board is remunerated commensurately with the growth in the Company's profits.

Your Company is an equal opportunity employer and promotes diversity and inclusion in its workforce, in terms of skills, ethnicity, nationalities and gender.

Social Awareness

The Company has an explicit policy emphasising ethical behaviour. It follows a strict policy of not employing any minor. The Company believes in gender equality and does not practice any type of discrimination. All policies are free of bias and discrimination. Environmental responsibility is given high importance and measures have been taken at all locations to ensure that members are educated and equipped to discharge their responsibilities in ensuring protection of the environment.

Value-adding Checks & Balances

Marico relies on a robust structure with value adding checks and balances designed to:

- prevent misuse of authority;
- facilitate timely response to change and
- ensure effective management of risks, especially those relating to statutory compliance.

At the same time, the structure provides scope for adequate executive freedom, so that bureaucracies do not take value away from the Governance Objective.

Board / Committee Proceedings

The process of the conduct of the Board and Committee proceedings is explained in detail later in this Report.

Other Significant Practices

Other significant Corporate Governance Practices followed are listed below:

Checks & Balances

- All Directors are provided with complete information relating to the operations and Company finances to enable them to participate effectively in the Board discussions. The Directors are also appraised on a regular basis by uploading

ANNEXURE C: CORPORATE GOVERNANCE REPORT

information in the Directors' Corner in the 'MeetX' application, which they can view in their personalized devices provided by the Company.

- Proceedings of Board are logically segregated and matters are delegated to Committees as under:
  - Administrative Committee approves routine transactional /operational matters.
  - Investment and Borrowing Committee supervises management of funds.
  - Audit Committee covers approval to related party transactions, review of internal controls and audit systems, oversight on risk management systems, financial reporting, compliance issues and vigil mechanism, appointment and remuneration to various auditors of the Company and their scope, Shareholders' grievances etc.
  - The NRC approves remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel. The NRC also acts as the Compensation Committee for the purpose of administration and superintendence of the Marico Employee Stock Option Plan, 2016 and the Marico Employee Stock Appreciation Rights Plan 2011. The 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 the Committees of the Board
  - Vigil Mechanism and Code of Conduct cases are discussed and reviewed in detail by the Audit Committee jointly with the NRC. The Audit Committee reviews the effectiveness of this process to ensure that there is an environment that is conducive to escalation of issues, if any, in the system.
  - Share Transfer Committee approves the transfer formalities and other share-related procedures.
  - Stakeholders' Relationship Committee specifically looks into various aspects of interest of the shareholders.
  - Securities Issue Committee approves the issue and allotment of securities and allied matters.
  - Corporate Social Responsibility ("CSR") Committee recommends, reviews and monitors the CSR initiatives taken by the Company.
  - Risk Management Committee assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company.
  - Sustainability Committee steers the sustainability initiatives of the Company and ensures sufficient assistance to the Business Responsibility Report Head from time to time.
- Each Non-Executive Director brings value through his or her specialisation.
- Other Directorships held by Directors are within the ceiling limits specified.
- Committee Memberships and Chairpersonship of Directors are also within the permissible limits.
- Statutory compliance report along with the Compliance Certificate is placed before the Audit Committee and Board at every quarterly meeting.
- All Directors endeavour to attend all the Board/ Committee meetings as also the General Meetings of the Company. The Chairpersons of the Audit Committee, the NRC and the Stakeholders' Relationship Committee attend the Annual General Meeting to address shareholders' queries, if any.
- The Chief Financial Officer, Secretary to NRC and the Company Secretary & Compliance Officer, in consultation with the Chairman of the Board/ respective Committee and the Managing Director & CEO, formalise the agenda for each of the Board / Committee Meetings.
- The Board/Committees, at their discretion, invite Senior Management Personnel and other employees of the Company and/or external Advisors to any of the meetings of the Board/ Committee.
- The Company ensures compliance with Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India in respect of the meetings of the Board/Committee and Shareholders.
- The Company has complied with the provisions of the SEBI Regulations including the circulars issued thereunder from time to time.

ANNEXURE C: CORPORATE GOVERNANCE REPORT

II. BOARD OF DIRECTORS

Your Company actively seeks to adopt best global practices for an effective functioning of the Board and believes in having a truly diverse Board whose wisdom and strength can be leveraged for earning higher returns for its stakeholders and better corporate governance. Therefore, Marico's Board is an ideal mix of knowledge, perspective, professionalism, divergent thinking and experience. Marico Board's uniqueness lies in the fact that the Board balances several deliverables, achieves sound corporate governance objectives in a promoter-owned organisation and acts as a catalyst in creation of stakeholder value.

In line with the applicable provisions of the Act and the SEBI Regulations, your Company's Board has an optimum combination of Executive and Non-Executive Directors with more than half of the Board comprising Independent Directors.

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

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

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

i) The Board has been meeting in an annual off-site. Apart from the agenda of evaluation of the performance of the Board and Committees, the Board engages with the management on long term strategic issues such as growth strategies, innovation, succession planning & human capital management, culture, Go to Market strategies, technology etc. These insightful sessions allow the Board members to get a better understanding of the business of the Company and allows the senior management to solicit different perspectives from the Board.

ii) The interaction with the Board is however not limited only to the meetings of the Board and Committees. The Chairman of the Board actively encourages interactions between the Board Members and the Senior Management outside the meetings. Depending on the area of expertise of an individual Director, the 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 (CFO) and the Chief Human Resources Officer (CHRO) hold separate planning sessions with the Chairpersons of the Audit Committee and the Nomination & Remuneration Committee, respectively, to ensure that the agenda of the meetings of these committees are comprehensive.

v) The Board does not step into the Management shoes, rather, it critiques the strategy, asks the right questions and mentors the Senior Management for sustainable profitable growth of the Company. There is a complete alignment between the Board and the Management on the respective roles.

Key Board Skills, Expertise and Competencies:

Your Board comprises of qualified members who bring in the following skills, expertise and competencies that allow them to make effective contribution to the Board and its Committees as required in context of its business and sector:

Areas of Expertise / Skills / Competencies
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

ANNEXURE C: CORPORATE GOVERNANCE REPORT

During the financial year, your Board met 7 (seven) times viz., on May 2, 2018, June 28, 2018, August 2, 2018, November 1, 2018, January 4, 2019, February 5, 2019 and March 12, 2019.

The composition of the Board, attendance of the Directors at the Board meetings and the Annual General Meeting held during the period April 1, 2018 to March 31, 2019 and the number of Board/ Committees of other companies in which the Director is a member or chairperson (#), is as under:

Name of the Director	Category	Attendance at Board Meetings	Attendance at Last AGM held on August 2, 2018	Other Board Position $	Committee Position ^	
					As Member	As Chairperson
Mr. Harsh Mariwala	Chairman & Non-Executive	7 of 7	Yes	13	1	NIL
Mr. Saugata Gupta	Managing Director & CEO	7 of 7	Yes	5	NIL	NIL
Mr. Ananth Sankaranarayanan	Independent	5 of 7	Yes	NIL	NIL	NIL
Mr. B. S. Nagesh	Independent	7 of 7	Yes	7	3	NIL
Ms. Hema Ravichandar	Independent	5 of 7	Yes	4	4	1
Mr. Nikhil Khattau	Independent	5 of 7	Yes	4	4	4
Mr. Rajeev Bakshi	Independent	5 of 7	No	4	1	NIL
Mr. Rajen Mariwala	Non-Executive	4 of 7	Yes	6	3	NIL
Mr. Rishabh Mariwala	Non-Executive	7 of 7	Yes	5	NIL	NIL

As on March 31, 2019.

$Includes directorship in companies as per Companies Act, 2013 and excludes directorship held in the Marico Limited.

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

Names of the listed entities where a Director of the Company is a Director and the category of Directorship as on March 31, 2019:

Names of the Directors	Name of the Listed entities in which he holds Directorship	Category of Directorship
Mr. Harsh Mariwala	1. JSW Steel Limited	Independent Director
	2. Thermax Limited	Independent Director
	3. Zensar Technologies Limited	Independent Director
	4. Kaya Limited	Chairman & Managing Director
	5. L&T Finance Limited (resigned with effect from March 31, 2019)	Independent Director
Mr. Saugata Gupta	-	-
Mr. Ananth Sankaranarayanan	-	-
Mr. B. S. Nagesh	1. Shoppers Stop Limited	Non-Executive, Non-Independent Director
	2. Kaya Limited	Independent Director
Ms. Hema Ravichandar	1. Titan Company Limited	Independent Director
	2. Bosch Limited	Independent Director
Mr. Nikhil Khattau	1. Kaya Limited	Independent Director
Mr. Rajeev Bakshi	1. Cummins India Limited	Independent Director
Mr. Rajen Mariwala	1. Patspin India Limited	Independent Director
	2. Kaya Limited	Non-Executive, Non-Independent Director
Mr. Rishabh Mariwala	-	-

During the year under review, the Independent Directors met once on March 10, 2019, without the presence of the Executive Director or Management representatives inter-alia to discuss the performance of Non-Independent Directors, the Chairman of the Board and the Board as a whole and asses the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the meeting.

In the opinion of the Board, the Independent Directors fulfil the criteria of Independence as defined under Section 149(6) of the Companies Act, 2013 and under Regulation 16(1)(b) of the SEBI Regulations and are Independent of the Management.

Except those mentioned below, none of the Directors of your Company are inter-se related to each other:

a. Mr. Harsh Mariwala and Mr. Rishabh Mariwala are related as Father and Son; and

b. Mr. Harsh Mariwala, Mr. Rajendra Mariwala and Mr. Rishabh Mariwala are the Members of the Promoter group.

III. AUDIT COMMITTEE

In line with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Regulations read with Part C of Schedule II thereto, a four member Audit Committee of the Board ("AC") comprises three Independent Directors and one Non-Executive Non Independent Director. All Members of the AC are financially literate. The Committee invites the Statutory Auditor and the Internal Auditor for one-on-one discussion, independent of the Management. Further, the Chief Financial Officer and Members of the Finance Team associated with Internal Audit and Governance, Risk & Compliance (GRC) are present at the AC meetings for relevant agenda matters. Members of Senior Management team also attend the meetings depending on the agenda. Ms. Hemangi Ghag, Company Secretary & Compliance Officer, acts as the Secretary to the AC.

The AC met 9 (Nine) times during the period under review for FY 2018-19 viz., April 11, 2018, May 2, 2018, July 16, 2018, August 2, 2018, October 10, 2018, November 1, 2018, January 9, 2019, February 5, 2019 and March 12, 2019. The composition of the AC along with the details of the meetings held and attended during the aforesaid period is detailed below:

ANNEXURE C: CORPORATE GOVERNANCE REPORT

Name of the Director	Director Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Nikhil Khattau	Independent	Chairman	9	9
Mr. B. S. Nagesh	Independent	Member	9	9
Ms. Hema Ravichandar	Independent	Member	9	8
Mr. Rajen Mariwala	Non-Executive	Member	9	7

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

The Charter of the Committee, inter-alia, articulates its role, responsibility and powers as follows:

1. Oversight of the Company's financial reporting processes and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of section 134(3)(c) of the Act;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by Management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions, if any;
    g. Modified opinion(s), if any, in the draft audit report.
5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. 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 Regulations;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with the internal auditors on any significant findings and follow up thereon;
15. 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;
16. 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;
17. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
18. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

ANNEXURE C: CORPORATE GOVERNANCE REPORT

19. Reviewing mandatorily the following information:
    a. Management discussion and analysis of financial condition and results of operations;
    b. Statement of significant related party transactions, submitted by the Management;
    c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    d. Internal audit reports relating to internal control weaknesses;
    e. The appointment, removal and terms of remuneration of the internal auditor and
    f. statement of deviations, if any,:
       i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
       ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
20. Vigil Mechanism:
    a. To ensure establishment of vigil mechanism for its Directors and employees to report genuine concerns;
    b. To provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
    c. To ensure that the existence of vigil mechanism is appropriately communicated within the Company and also made available on Company's website;
    d. To oversee the functioning of vigil mechanism and the Whistle blower mechanism and decide on the matters reported thereunder and
    e. To ensure that the interests of a person who uses such a mechanism are not prejudicially affected on account of such use;
21. Review the utilization of loans and/or advances from/investment in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments;
22. Review compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 atleast once in a financial year; and
23. To verify effective operation and adequacy of internal control systems.

IV. Nomination & Remuneration Committee ("NRC")

The NRC acts as the Compensation Committee for the purpose of SEBI (Share Based Employee Benefits), Regulations, 2014. Further, as per Section 178 of the Act and Regulation 19 of the SEBI Regulations read with Part D of Schedule II thereto, the 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 met 5 (five) times during the period April 1, 2018 to March 31, 2019 viz: on May 2, 2018, August 2, 2018, November 1, 2018, February 5, 2019 and March 12, 2019. The composition of the NRC along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Director	Director Category	Nature of Membership	No. of Meetings	
			Held	Attended
Ms. Hema Ravichandar	Independent	Chairperson	5	5
Mr. B. S. Nagesh	Independent	Member	5	5
Mr. Rajeev Bakshi	Independent	Member	5	5
Mr. Nikhil Khattau	Independent	Member	5	5

During the year under review, Ms. Shruti Ambegaoker, ceased to be the Secretary of the NRC with effect from May 2, 2018. Consequent to her resignation, Mr. Amit Prakash, Chief Human Resources Officer, was appointed as the Secretary to the NRC.

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

1. Formulate criteria for qualifications, positive attributes and independence of a Director, Key Managerial Personnel & 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;

ANNEXURE C: CORPORATE GOVERNANCE REPORT

3. Recommend to the Board a policy relating to the remuneration of the Director, Key Managerial Personnel and Senior Management;
4. Approve the remuneration (including revisions thereto) of the Director, Key Managerial Personnel and Senior Management and further recommend the same to the Board for its approval;
5. Formulate the criteria for evaluation of performance of Board, its Committees, individual directors and the Chairperson of the Company;
6. Devise a policy on Board diversity;
7. Devise a succession plan for the Board, Key Managerial Personnel & Senior Management;
8. Decide whether to extend/continue the term of appointment of Independent Directors on the basis of their performance evaluation report;
9. Participate in the review of Vigilance Mechanism conducted by Audit Committee of the Board;
10. Design for Board Retreat and Board Effectiveness; and
11. Administer Long Term Incentive Schemes such as Employee Stock Option Plan(s) (including Schemes notified thereunder) and Stock Appreciation Rights Plan(s) (including Schemes made there under) and such other employee benefit schemes / plans as the Board may approve from time to time.

POLICY ON NOMINATION, REMOVAL, REMUNERATION AND BOARD DIVERSITY

Pursuant to the requirements of Section 178 of the Act and corresponding provisions contained in Regulation 17 of the SEBI Regulations, the Board at its meeting held on August 2, 2018, approved the revised 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.

Following are the amendments to the NRE Policy carried out by the Board on recommendation of the Nomination and Remuneration Committee, at its meetings held on August 2, 2018 and May 6, 2019:

- Change in the composition of the Board by including at least one woman Independent Director on the Board of the Company;
- Change in the evaluation of the Independent Directors by including evaluation of the fulfilment of the independence criteria and their independence from the Management;
- Revision in the remuneration of Key Managerial Personnel (except MD & CEO) and Senior Management Person to be recommended by the NRC to the Board for approval;
- Change in the definition of Senior Management Personnel; and
- Responsibility to evaluate the performance of the Board, its Committees and individual directors shifted from NRC to the Board of Directors and NRC shall responsible to formulate the criteria on Board evaluation.

  The NR Policy of the Company can be accessed at the following link https://marico.com/india/investors/documentation/corporate-governance.

Remuneration to Executive Director

The Company's Board presently consists of only one Executive Director viz. Mr. Saugata Gupta, Managing Director & Chief Executive Officer ("MD & CEO"). The NRC (comprising Independent Directors) approves annual revision in the remuneration of the MD & CEO within the overall limit approved by the Members of the Company which is then placed before the Board for approval.

The annual remuneration to the MD & CEO comprises two broad terms – Fixed Remuneration and Variable Remuneration in the form of performance incentive. The performance incentive is based on the NR Policy of the Company. Additionally, the MD & CEO is entitled to employee stock options granted under Employee Stock Option Scheme(s) of the Company. The MD & CEO is not paid sitting fees for any of the Board or Committee meetings attended by him. The details of the stock options granted to the MD & CEO under various schemes/plans are provided in the Board's Report.

ANNEXURE C: CORPORATE GOVERNANCE REPORT

The tenure of office of the MD & CEO is for 5 (five) years from date of appointment and the terms of severance, notice period and termination will be governed as per the terms and conditions of agreement entered with him.

Based on the agreement and as approved by the NRC from time to time, long term incentives in the form of Employee Stock Options are granted to MD & CEO.

Accordingly, 171,940 Restricted Stock Units and 939,700 ESOPs were granted to the MD & CEO with a vesting period ranging between 1 year to 3 years and an exercise period of minimum 1 year, after the options are vested.

Remuneration to Non-Executive Directors

The Non-Executive Directors add substantial value to the Company through their contribution to the Management of the Company and thereby they safeguard the interests of the stakeholders at large by playing an appropriate control role. Non-Executive Directors bring in their vast experience and expertise to bear on the deliberations at the Marico's Board and its Committees. Although the Non-Executive Directors would contribute to Marico in several ways, including advising the Managing Director & CEO and the Senior Managerial Personnel outside the Board/Committee meetings, the bulk of their measurable inputs come in the form of their contribution at Board/Committee meetings.

The Company, therefore has a structure for remuneration to Non-Executive Directors, based on certain financial parameters like the performance of the Company, its market capitalization, etc., industry benchmarks, role of the Director and such other relevant factors. Non-Executive Directors are not entitled to any stock option or stock appreciation rights of the Company.

At the 27th Annual General Meeting held on August 5, 2015, the Members had approved the payment of remuneration to Non-Executive Directors (in addition to the sitting fees), in aggregate, not exceeding 3% of the net profits of the Company calculated in accordance with the provisions of the Act, with a liberty to the Board of Directors to decide the mode, quantum, recipients and the frequency of payment of such remuneration within the said limit.

Remuneration to Chairman & Non – Executive Director:

Mr. Harsh Mariwala as the Chairman of the Board continues to foster and promote the integrity of the Board while nurturing an environment so as to ensure harmony amongst the Directors for the long term benefit of all its stakeholders. The Chairman is entrusted with the responsibility of ensuring effective governance in the Company and continues to play an important role in guiding the Managing Director & CEO and the Top Management team for strategic business planning, leadership development, corporate social responsibility, image building, Board effectiveness and sustainable profitable growth of the Company.

The Chairman presides over the meetings of the Board and of the shareholders of the Company. The Chairman is also a Member of various Committees such as Investment and Borrowing Committee, Securities Issue Committee, Share Transfer Committee and the Risk Management Committee.

The Chairman of the Board is entitled to a remuneration which is commensurate with his engagement beyond the Board meetings and the same is proposed to the Members for approval vide Special Resolution as it exceeds 50% of the total annual remuneration payable to all the Non-Executive Directors of the Company, pursuant to Regulation 17(6)(ca) of the SEBI Regulations.

Directors' Remuneration and Shareholding

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

During the year under review, there was no change in the remuneration fixed for the Directors (both Executive and Non-Executive).

Details of the remuneration of Directors for the financial year ended March 31, 2019 and their shareholding in the Company as on March 31, 2019, are as under:

Name	Director Category	Remuneration (₹ per annum)	Sitting Fees (₹)	Salary & Perquisite# (₹)	Annual Performance Incentive (₹)	Contribution to Provident & Pension Funds (₹)	Total (₹)	No. of Equity shares held in the Company
Executive Director								
Mr. Saugata Gupta	Managing Director and CEO	-	-	7,28,12,307	1,72,41,901	21,37,440	9,21,91,648*	5,60,600
Non-Executive Directors								
Mr. Harsh Mariwala	Chairman	4,85,40,000	8,50,000	-	-	-	4,93,90,000*	3,12,02,900
Mr. Ananth Sankaranarayanan	Independent	22,00,000	7,00,000	-	-	-	29,00,000	NIL
Mr. B. S. Nagesh	Independent	22,00,000	14,50,000	-	-	-	36,50,000	NIL
Ms. Hema Ravichandar	Independent	23,50,000	12,00,000	-	-	-	35,50,000	NIL
Mr. Nikhil Khattau	Independent	23,50,000	13,00,000	-	-	-	36,50,000	NIL
Mr. Rajeev Bakshi	Independent	23,50,000	9,50,000	-	-	-	33,00,000	NIL
Mr. Rajen Mariwala	Non-Executive	22,00,000	9,00,000	-	-	-	31,00,000	55,32,900
Mr. Rishabh Mariwala	Non-Executive	22,00,000	7,00,000	-	-	-	29,00,000	2,49,76,500

*calculated on paid basis

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

ANNEXURE C: CORPORATE GOVERNANCE REPORT

Board / Committees thereof and commission payable to them annually.

PERFORMANCE EVALUATION

Your Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. Towards this end, the Nomination & Remuneration Committee (NRC) had laid down the criteria and processes for performance evaluation of Individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

The evaluation process was amended by the NRC at its meeting held on March 12, 2019, whereby now instead of the NRC, the Board carries out the evaluation of the performance of the Individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

The performance evaluation is conducted through structured questionnaires which covers various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Member's strengths and contribution, execution and performance of specific duties, obligations and governance. Performance evaluation is facilitated by the Chairman of the Board in the following manner based on the feedback received from Directors on structured questionnaires:

- A meeting of the Independent Directors was held wherein performance of Non Independent Directors, Chairman of the Board and of the entire Board was evaluated.
- The entire Board met to discuss the findings of the evaluation with the Independent Directors. The Board then evaluated the performance of the Individual Directors, the Board as a whole and the Committees of the Board.
- On completion of the above process, feedback was shared with each Director at the Board Meeting held subsequently on May 6, 2019.
- The Directors were satisfied with the evaluation process and have expressed their satisfaction with the evaluation process.

With respect to the focus areas identified by the Board last year, the following progress was made in the year under review:

Focus Areas	Progress made
Effectively overseeing the risk management strategies and practices amidst a highly volatile macro environment	The top risks were closely tracked and the risk management process was further strengthened during the year
Mentoring the Senior Management Personnel to set them up for success & helping in creating a process for succession to the level of Board, Managing Director and Senior Management Personnel	The process of rejuvenation of the Board was aligned and will be executed during the year.A robust process for succession planning has been set up and regularly discussed at the Board Level and NRC
Mentoring the Senior Management Personnel in creating a future-ready organization more specifically in areas of portfolio, digital strategies and best practices.	The Board guided the MD and the Senior Management Personnel in setting up of a transformational agenda to ensure accelerated growth for the organisation

For the year under review, the performance evaluation exercise conducted has resulted in identification of the following focus areas, for it to work upon in the coming years:

a) Continued focus on strategic risk management to de-risk the Company amidst the VUCA (Volatile, Uncertain, Complex and Ambiguous) environment

b) Provide critical inputs defining and building out the transformation agenda which is aimed at building a future-ready Marico

c) Collectively work towards rejuvenating the Board's functioning so as be at the frontier of innovation, growth and governance

d) Mentor the CEO & senior management personnel in the succession planning process with the ultimate objective of building out a robust talent pipeline

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has designed a Familiarisation Programme for its Independent Directors which is imparted at the time of appointment of an Independent Director on Board as well as annually. The Programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatise them with the processes, business and functionaries 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.

ANNEXURE C: CORPORATE GOVERNANCE REPORT

The Policy of conducting the Familiarisation Programme has been disclosed on the website of the Company at https://marico.com/india/investors/documentation/corporate-governance.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE ("SRC")

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of the SEBI Regulations read with Part D of Schedule II thereto, the Shareholders' Relationship Committee of the Board was reconstituted as the Stakeholders' Relationship Committee ("SRC"). During the year under review the SRC comprised of an Independent Director and a Non-Executive Director. Ms. Hemangi Ghag, Company Secretary & Compliance Officer of the Company, acts as the Secretary to the SRC.

The SRC met once during the period April 1, 2018 to March 31, 2019 viz: on January 2, 2019. The composition of the SRC along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Director	Director Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Nikhil Khattau	Independent	Chairman	1	1
Mr. Rajen Mariwala	Non-Executive	Member	1	1

During the year under review, Mr. Saugata Gupta, Managing Director & CEO was inducted as a member SRC w.e.f. April 1, 2019.

The primary objective of SRC is to specifically look into various aspects of interest of the shareholders, debenture holders and other security holders. The terms of reference of the SRC, inter-alia, include:

1. 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;
2. To review of measures taken for effective exercise of voting rights by shareholders;
3. 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
4. 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, 2019

Particulars	No. of complaints
Non - Receipt of Dividend	19
Non - Receipt of Annual Report	2
Non- Receipt of Share Certificates	3
Miscellaneous*	2
Total Complaints Received	26
Total Complaints Resolved	25

*Request type:

1. Inconvenient time of the AGM and
2. Non-receipt of rejected Demat Request Form.

The complaint outstanding as on March 31, 2019 was subsequently resolved in April 2019.

Your Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of certificates for transfer, sub-division, consolidation, etc. within the prescribed timelines and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the SEBI Regulations. Further, the Compliance Certificate under Regulation 7(3) of the SEBI Regulations, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Transfer Agent is also submitted to the Stock Exchanges on a half yearly basis.

VI. CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE

In line with the provisions of Section 135 of the Act read with the corresponding Rules framed thereunder, the Board has constituted a CSR Committee comprising of Independent Directors, Non-Executive Directors and the Managing Director & CEO of the Company. Mr. Udayraj Prabhu, Executive Vice President and Head - Business Process Transformation and IT, was appointed as the Secretary to this Committee with effect from May 2, 2018 in place of Ms. Priya Kapadia.

The CSR Committee met thrice during the period April 1, 2018 to March 31, 2019 on May 2, 2018, August 2, 2018 and February 5, 2019. The composition of the CSR Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

ANNEXURE C: CORPORATE GOVERNANCE REPORT

Name of the Director	Director Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Rajeev Bakshi	Independent	Chairman	3	3
Mr. Ananth Sankaranarayanan	Independent	Member	3	3
Mr. Harsh Mariwala	Chairman of the Board & Non-Executive Director	Member	3	3
Mr. Rajen Mariwala	Non-Executive Director	Member	3	2
Mr. Saugata Gupta	Executive - Managing Director & CEO	Member	3	3

The CSR Committee is entrusted with the following responsibilities:

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

VII. RISK MANAGEMENT COMMITTEE ("RMC")

In line with the provisions of Regulation 21 of the SEBI Regulations, the Board constituted Risk Management Committee comprising the Chairman of the Board, the Managing Director & CEO and the Chief Financial Officer. The Members of the top Leadership Team are Permanent Invitees to the RMC and the Chief Financial Officer also acts as the Secretary to the RMC.

The RMC met twice during the period April 1, 2018 to March 31, 2019 on June 25, 2018 and July 23, 2018. The composition of the Committee is detailed below along with the details of the meeting held and attended during the aforesaid period:

Name of the Director	Designation	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Harsh Mariwala	Chairman of the Board & Non-Executive Director	Chairman	2	2
Mr. Saugata Gupta	Executive -Managing Director & CEO	Member	2	2
Mr. Vivek Karve	Chief Financial Officer	Member & Secretary to the RMC	2	2

There was no change in the composition of the RMC during the year under review. The primary responsibility of the RMC is to assist the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company.

The terms of reference of the RMC, inter-alia, include:

1. Framing and monitoring the risk management plan for the Company:
    - Defining calendar for reviews of existing risks of every function / business unit with the objective to refresh the prioritized risks at defined periodicity;
    - Review the top 5 risks of every function at defined periodicity;
    - Refresh at defined intervals the top risks at the group level so that the Board can refresh the risk review calendar;
    - Ensure that the calendar defined by the Board for review of the top 10 risks of the Company is adhered to.

ANNEXURE C: CORPORATE GOVERNANCE REPORT

2. Risk Assessment and Mitigation Procedures:
   - Reviewing the Company's risk management policies from time to time and approve and recommend the same to the Board for its approval;
   - Be aware and concur with the Company's Risk Appetite, including risk levels, if any, set for financial and operational risks;
   - Ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
   - Being apprised of significant risk exposures of the Company and whether Management is responding appropriately to them in a timely manner;
   - While reviewing the top risks at function / business unit / company level, critically examine whether the mitigation plans as agreed are on track or not and whether any interventions are required.
3. Evaluation:
   - 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 RMC basis the performance and suggest suitable changes to improve effectiveness. The Board shall ensure that RMC is functioning in accordance with its Charter.
   - 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 ("the Committee") has an oversight on operational matters such as banking relations, authorizations / issuance of power of attorney, appointment of nominees under statutes, etc.

The Committee met 14 (fourteen) times during the period April 1, 2018 to March 31, 2019 viz. on April 3, 2018, April 18, 2018, May 17, 2018, June 18, 2018, July 6, 2018, September 6, 2018, October 5, 2018, November 1, 2018, November 30, 2018, January 4, 2019, January 28, 2019, February 5, 2019, March 1, 2019 and March 20, 2019.

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

Name of the Director	Designation	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Saugata Gupta	Managing Director & CEO	Member	14	6
Mr. Rajen Mariwala	Non-Executive Director	Member	14	10
Mr. Vivek Karve	Chief Financial Officer	Member	14	14
Mr. Pawan Agrawal	Executive Vice President & Head - Finance & Investor Relations	Member	14	13

INVESTMENT & BORROWING COMMITTEE

The Investment & Borrowing Committee constituted by the Board ("the Committee") is responsible for approving investment in trade instruments, borrowing/lending monies, extending guarantee/ security with a view to ensure smooth operation and timely action. Such investment, loan, borrowing, guarantees/ security transactions are sanctioned by the Committee within the monetary ceiling limits approved by the Board from time to time.

The Committee is also entrusted with powers relating to certain preliminary matters in connection with any acquisition/ takeover opportunity that the Company may explore. The Company Secretary & Compliance Officer of the Company acts as the Secretary to the Committee.

The Committee met 6 (six) times during the period April 1, 2018 to March 31, 2019 viz. on April 27, 2018, May 3, 2018, July 16, 2018, September 6, 2018, October 30, 2018 and November 5, 2018. The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Director	Director Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Harsh Mariwala	Chairman of the Board & Non-Executive	Member	6	5
Mr. Rajen Mariwala	Non-Executive	Member	6	5
Mr. Saugata Gupta	Managing Director & CEO	Member	6	6

SECURITIES ISSUE COMMITTEE

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

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

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

There were no meetings of the Committee held during the period April 1, 2018 to March 31, 2019.

SHARE TRANSFER COMMITTEE

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

The STC met 5 (five) times during the period April 1, 2018 to March 31, 2019 viz: on May 3, 2018, October 15, 2018, December 13, 2018, January 18, 2019 and March 14, 2019. The composition of the STC along with the details of the meetings held and attended during the aforesaid period is detailed below. The Company Secretary & Compliance Officer of the Company acts as the Secretary to the Committee.

Name of the Director	Director Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Harsh Mariwala	Chairman of the Board & Non-Executive	Member	5	5
Mr. Nikhil Khattau	Independent	Member	5	3
Mr. Rajen Mariwala	Non-Executive	Member	5	4
Mr. Saugata Gupta	Executive – Managing Director & CEO	Member	5	3

SUSTAINABILITY COMMITTEE

The Board constituted the Sustainability Committee ("the Committee") in 2016 to steer the sustainability activities of the Company and to ensure sufficient assistance to Mr. Jitendra Mahajan, the Business Responsibility Report Head and Mr. Saugata Gupta, the Managing Director & CEO, responsible for implementation of Business Responsibility Report.

The Committee met 2 times (two) during the period April 1, 2018 to March 31, 2019 viz: on April 25, 2018 and July 23, 2018. The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Director	Designation	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Jitendra Mahajan	Chief Operating Officer- Supply Chain & IT	Chairman	2	2
Mr. Vivek Karve	Chief Financial Officer	Member	2	2
Dr. Sudhakar Mhaskar	Chief Technology Officer	Member	2	2
Mr. Gaurav Mediratta*	Executive Vice President & Head Legal	Member	NIL	NIL

*appointed as a Member w.e.f. August 2, 2018

IX. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time	Nature of Special Resolutions Passed
2016	National Stock Exchange of India Ltd, Gr. Floor, Dr. R. H. Patil Auditorium, Exchange Plaza, G-Block, Plot No. C1, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	August 5, 2016	9.00 a.m.	1. Approval of the Marico Employee Stock Option Plan 2016 and grant of stock options to the eligible employees of the Company under the said plan. 2. Approval of the grant of stock options to the eligible employees of the Company's subsidiaries under the Marico Employee Stock Option Plan 2016.
2017	Indian Education Society ("IES"), Manik Sabhagriha, Vishwakarma, M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400 050	August 1, 2017	4.30 p.m.	None
2018	Mumbai Educational Trust, 1st Floor, Convention Centre, Bandra Reclamation, Bandra (West), Mumbai - 400 050	August 2, 2018	9.00 a.m.	None

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

During the year under review, no resolution was passed through postal ballot.

ANNEXURE C: CORPORATE GOVERNANCE 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 a well-defined vigil mechanism embedded in the Unified Code of Conduct and it is fully implemented by the Management.

No personnel have been denied access to the Audit Committee.

Compliance with mandatory and non-mandatory requirements of the SEBI Regulations

The Company has complied with mandatory requirements of the SEBI Regulations and has obtained a certificate from BSR & Co LLP, our Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in this clause and annexed the certificate to the Board's Report.

The provisions of Schedule V Part C, further states that the non-mandatory requirements adopted by the Company be specifically highlighted in the Corporate Governance Report. Accordingly, Company has complied with the following non-mandatory requirements:

- The office of Chairman and Managing Director & CEO are held by distinct individuals;
- The office of Chairman is occupied by a Non-executive Director of the Company and
- The Internal auditors of the Company directly report to the Audit Committee of the Board of Directors.

VIGIL MECHANISM

The vigil mechanism has been explained in detail in the Board's Report.

X. MATERIAL RELATED PARTY TRANSACTIONS

There were no material related party transactions entered into by the Company during the financial year 2018-19.

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

XI. MEANS OF COMMUNICATION

Quarterly and Annual Financial results for Marico Limited and consolidated financial results for the Marico Group are published in an English financial daily (Free Press Journal) and a vernacular newspaper (Navshakti). The Company also sends the same through email updates to the shareholders who have registered their email address with the Company or Depository Participant.

All official news releases and financial results are communicated by the Company through its corporate website - www.marico.com. Presentations made to Institutional Investors/ Analysts at Investor Meets organized by the Company are also hosted on the website for wider dissemination.

The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites.

The Management Discussion and Analysis Report forms part of the Annual Report

XII. GENERAL SHAREHOLDER INFORMATION

Information required under regulation 36(3) of the SEBI Regulations and Secretarial Standard-2 with respect to Directors' re-appointment/appointment annexed to this report as **Annexure C-2**.

Annual General Meeting

Date	: Thursday, August 1, 2019
Time	: 9 am
Venue	: Mumbai Educational Trust, 1st Floor, Convention Centre, Bandra Reclamation, Bandra (West), Mumbai - 400 050
Interim Dividends Payment Date	: November 29, 2018 (1st Interim Dividend) and March 6, 2019 (2nd Interim Dividend)

Financial calendar

Financial Year	: April 1 - March 31

For the year ended March 31, 2019, results were announced on

• First quarter	: August 2, 2018
• Half year	: November 1, 2018
• Third quarter	: February 5, 2019
• Annual	: May 6, 2019

Tentative Schedule for declaration of financial results during the financial year 2019-20

ANNEXURE C: CORPORATE GOVERNANCE REPORT

- First quarter : August 1, 2019
- Half year : October 25, 2019
- Third quarter : January 30, 2020
- Annual : Not scheduled

Listing Details

Name of Stock Exchange : Stock/ Scrip Code

BSE Limited : 531642
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

The National Stock Exchange of India Limited (NSE) : MARICO
Exchange Plaza,
Bandra Kurla Complex,
Mumbai - 400 051

ISIN : INE196A01026

Company Identification Number : L15140MH1988PLC049208

The Company hereby confirms that it has made the payment of Annual Listing Fees for the FY 2019-2020 to BSE Limited and The National Stock Exchange of India Limited.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") stipulates transfer of dividend that has remained unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules also stipulate transfer of shares in respect whereof the dividend has not been paid or claimed for a period of seven consecutive years or more to the demat account of the IEPF Authority.

In view of the above, during FY19, the Company transferred the following dividend to IEPF:

Financial Year	Type of Dividend	Rate (%)	Date of Declaration	Date of transfer to IEPF	Amount transferred
2010-11	2nd Interim Dividend	36%	02/05/2011	11/06/2018	56,877
2011-12	1st Interim Dividend	30%	04/11/2011	11/12/2018	104,203

Further, dividend for the following years will be transferred to IEPF on respective dates. Further, if the dividend remains unclaimed for seven consecutive years, the corresponding shares will also be transferred to the demat account of the IEPF Authority.

Financial Year	Type of Dividend	Rate (%)	Date of Declaration	Dur Date of transfer to IEPF	Amount unclaimed as on March 31, 2019
2011-12	2nd Interim Dividend	40	03-05-12	08-06-19	150,752
2012-13	1st Interim Dividend	50	02-11-12	08-12-19	156,941
	2nd Interim Dividend	50	30-04-13	05-06-20	201,362
2013-14	1st Interim Dividend	75	29-10-13	04-12-20	246,685
	2nd Interim Dividend	100	31-01-14	08-03-21	363,213
	3rd Interim Dividend	175	25-03-14	30-04-21	455,290
2014-15	1st Interim Dividend	100	07-11-14	13-12-21	307,619
	2nd Interim Dividend	150	03-02-15	11-03-22	360,321
2015-16	1st Interim Dividend	175	04-11-15	10-12-22	408,944
	2nd Interim Dividend	150	30-01-16	08-03-23	792,666
	3rd Interim Dividend	100	10-03-16	17-04-23	584,261
2016-17	1st Interim Dividend	150	04-11-16	11-12-23	788,883
	2nd Interim Dividend	200	02-02-17	11-03-24	1,028,742
2017-18	1st Interim Dividend	175	30-10-17	06-12-24	903,695
	2nd Interim Dividend	250	09-02-18	18-03-25	1,210,877
2018-19	1st Interim Dividend	200	01-11-18	08-12-25	231,562
	2nd Interim Dividend	275	05-02-19	14-03-26	307,672.25

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 corresponding shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

Transfer of shares to IEPF

Pursuant to the provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer equity shares in respect of which dividends have not be claimed for a period of seven years continuously to IEPF. The Company transferred 5,817 shares to IEPF during the

ANNEXURE C: CORPORATE GOVERNANCE REPORT

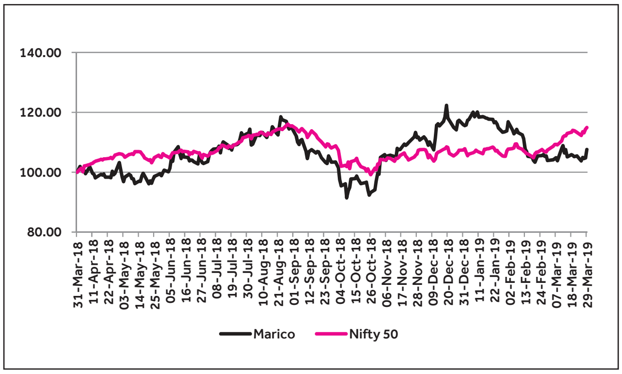
year. Details of these shares are available on the Company's website www.marico.com.

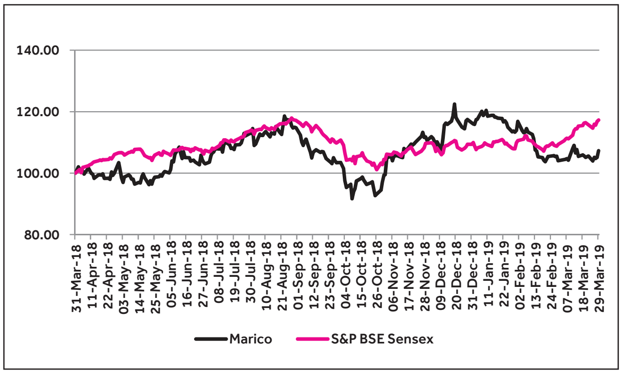
Further, shares in respect of which dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the IEPF as required by law. The Company will transfer the said shares, after sending an intimation of the proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be available on the Company's website www.marico.com.

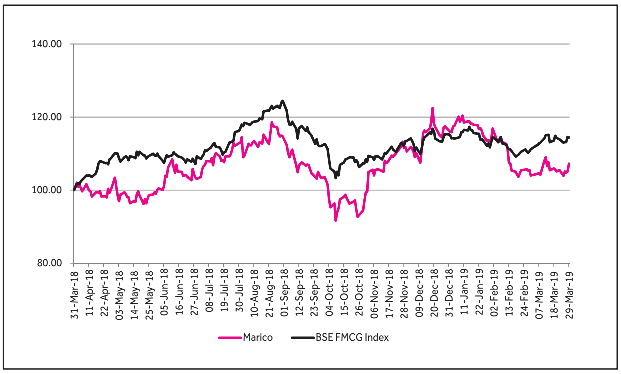
Market Price Data

Month	Bombay Stock Exchange Limited (BSE) (In ₹)		National Stock Exchange (NSE) (In ₹)	
	High	Low	High	Low
Apr-18	334.75	314.15	334.35	313.20
May-18	348.00	304.55	347.80	304.55
Jun-18	354.00	320.00	352.90	319.80
Jul-18	373.80	328.00	374.75	330.00
Aug-18	388.00	340.50	387.85	345.30
Sep-18	374.15	319.05	374.70	320.00
Oct-18	341.00	286.25	341.90	282.95
Nov-18	369.00	316.50	369.25	317.60
Dec-18	397.00	344.00	396.60	344.45
Jan-19	391.05	358.15	391.40	358.00
Feb-19	383.65	325.00	384.65	324.25
Mar-19	353.20	330.80	353.00	330.50

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







ANNEXURE C: CORPORATE GOVERNANCE REPORT

Share Transfer System	:	Transfers in physical form are registered by the Registrar and Transfer Agent immediately on receipt of completed documents and certificates are issued within 15 days of date of lodgement of transfer. Invalid share transfers are returned within 15 days of receipt. The Share Transfer Committee generally meets as may be warranted by the number of share transaction requests received by the Company. All requests for dematerialisation of shares are processed and the confirmation is given to respective Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited, generally within 21 days.
Registrar & Transfer Agent	:	Link Intime India Pvt Limited (Unit: Marico Ltd.) C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083

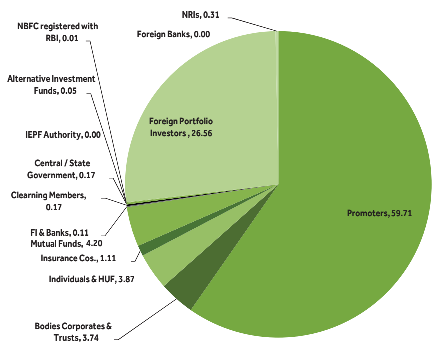
Distribution of Shareholding as on March 31, 2018:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	78,889	88	6,906,229	1
501-1000	4,557	5	3,573,384	0
1001 -2000	2,443	3	3,863,632	0
2001-3000	779	1	2,012,655	0
3001-4000	593	1	2,220,691	0
4001- 5000	314	0	1,922,437	0
5001-10000	939	1	7,051,569	1
10001 & above	1,330	1	1,263,313,801	98
Total	**89,844**	**100**	**1,290,864,398**	**100**

Categories of Shareholding as on March 31, 2019

Categories	31-March-19	% of total share capital
Indian		
Promoters	768,930,240	59.57
Bodies Corporate & Trusts	48,272,883	3.74
Individuals and HUF	49,920,457	3.87
Insurance Companies	14,292,384	1.11
Mutual Funds	54,155,668	4.20
Financial Institution & Bank	1,395,683	0.11
Clearing Members	2,181,076	0.17
Central / State Government	2,186,707	0.17
IEPF Authority	15,527	0.00
Alternative Investment Funds	708,155	0.05
NBFC registered with RBI	83,378	0.01
TOTAL A	**942,142,158**	**72.99**
Foreign		
Promoters	1,800,000	0.14
Foreign Portfolio Investors	342,864,580	26.56
Foreign Banks	6,000	0.00
NRIs	4,051,660	0.31
TOTAL B	**348,722,240**	**27.01**
GRAND TOTAL (A+B)	**1,290,864,398**	**100**
Total Demat Holding	**1,289,902,374**	**99.93**
Total Physical Holding	**962,024**	**0.07**

Shareholding Pattern as on Mar. 31, 2019



Strategic Report
Statutory Reports
Financial Statements

ANNEXURE C: CORPORATE GOVERNANCE REPORT

Dematerialization of Shares and Liquidity	:	As on March 31, 2019, 99.93% 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 deposite programme or any scheme or proposal during the year under review.
Plant Locations	:	Kanjikode, Perundurai, Pondicherry, Jalgaon, Baddi, Paonti Sahib and Guwahati.
Disclosure of foreign exchange risks, commodity price risks and hedging activities		Please refer Chapter: Risks and Opportunities 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.		Rs. 10,460,760/-
Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013		Please refer Board's Report for the same.

Shareholders/ Investors Complaint's received and redressed :

The Company gives utmost priority to the interests of the investors. All the requests / complaints of the shareholders have been resolved to the satisfaction of the shareholders within the statutory time limits. During the financial year ended March 31, 2019, **26** complaints were received and 25 of them were resolved as per the details given below. The one complaint that was pending as on March 31, 2019 was subsequently resolved.

Nature of Complaint	Received	Resolved
Non-Receipt of Dividend	19	18
Non-Receipt of Share Certificates	3	3
Others (e.g. non-receipt of Annual Report etc.)	4	4
Total	**26**	**25**

Address for correspondence :

Shareholding related queries
Company's Registrar & Transfer Agent:
Link Intime India Pvt Limited
Unit: Marico Limited

C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083
Tel.: 022 –49186270
Fax: 022 - 49186060

E-mail: rnt.helpdesk@linkintime.co.in

General Correspondence

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

ANNEXURE C: CORPORATE GOVERNANCE REPORT

Annexure C1: Dividend Distribution Policy

CONTENTS

Version	:	1 of 2016
Version approved by	:	The Board of Directors of Marico Limited
Version approved on	:	August 5, 2016
Effective Date	:	August 5, 2016
Last Modified on	:	May 6, 2 019
Effective date of Modification	:	May 6, 2019

ANNEXURE C: CORPORATE GOVERNANCE REPORT

1. Objective

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

2. Philosophy

The philosophy of the Company is to maximise the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distribute the surplus profits in the form of dividend to the shareholders.

3. Regulatory Framework

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate and disclose a Dividend Distribution Policy.

Marico Limited being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Definitions

4.1. Unless repugnant to the context:

4.1.1 **"Act"** shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

4.1.2 **"Applicable Laws"** shall mean the Companies Act, 2o13 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

4.1.3 **"Company or Marico"** shall mean Marico Limited.

4.1.4 **"Chairman"** shall mean the Chairman of the Board of Directors of the Company.

4.1.5 **"Compliance Officer"** shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4.1.6 **"Board"** or "Board of Directors" shall mean Board of Directors of the Company.

4.1.7 **"Dividend"** shall mean Dividend as defined under Companies Act, 2013.

4.1.8 **"MD & CEO"** shall mean Managing Director and Chief Executive Officer of the Company.

4.1.9 **"Policy or this Policy"** shall mean the Dividend Distribution Policy.

4.1.10 **"SEBI Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4.1.11 **"Subsidiary"** shall mean Subsidiary of the Company as defined under the Companies Act, 2013.

4.2. Interpretation

4.2.1 In this Policy, unless the contrary intention appears:

4.2.1.1 the clause headings are for ease of reference only and shall not be relevant to interpretation;

4.2.1.2 a reference to a clause number includes a reference to its sub-clauses;

4.2.1.3 words in singular number include the plural and vice versa;

4.2.1.4 Words and expressions used and not defined in this Policy but defined in Companies Act, 2013 or rules made thereunder or Securities and Exchange Board of India Act, 1992 or regulations made thereunder or Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

5. Parameters for declaration of Dividend

5.1 In line with the philosophy stated above in Clause 2, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

5.1.1 Financial Parameters / Internal Factors :

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

5.1.1.1 Consolidated net operating profit after tax;

5.1.1.2 Working capital requirements;

5.1.1.3 Capital expenditure requirements;

5.1.1.4 Resources required to fund acquisitions and / or new businesses

5.1.1.5 Cash flow required to meet contingencies;

5.1.1.6 Outstanding borrowings;

5.1.1.7 Past Dividend Trends

5.1.2 External Factors:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

5.1.2.1 Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;

5.1.2.2 Dividend pay-out ratios of companies in the same industry.

5.2 Circumstances under which the shareholders may or may not expect Dividend:

5.2.1 The shareholders of the Company may not expect Dividend under the following circumstances:

5.2.1.1 Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;

5.2.1.2 Significantly higher working capital requirements adversely impacting free cash flow;

5.2.1.3 Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;

5.2.1.4 Whenever it proposes to utilise surplus cash for buy-back of securities; or

5.2.1.5 In the event of inadequacy of profits or whenever the Company has incurred losses.

5.3 Utilization of retained earnings:

5.3.1 The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

5.4 Parameters adopted with regard to various classes of shares:

5.4.1 Presently, the Authorised Share Capital of the Company is divided into equity share of Re. 1 each and Preference shares of Rs. 10 each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

ANNEXURE C: CORPORATE GOVERNANCE REPORT

5.4.2 The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

5.4.3 The Company shall endeavour to maintain a minimum dividend pay-out ratio of 50% of the annual consolidated Profits after Tax (PAT) of the Company, subject to consideration of the parameters stated in this Policy.

5.4.4 As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

6 Procedure

6.1 The Chief Financial Officer in consultation with the MD & CEO of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.

6.2 The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.

6.3 Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.

6.4 The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

7 Disclosure:

7.1 The Company shall make appropriate disclosures as required under the SEBI Regulations.

8 General

8.1 This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

8.2 The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

8.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

ANNEXURE C: CORPORATE GOVERNANCE REPORT

Annexure C2:

Particulars	Mr. B. S. Nagesh	Mr. Rajeev Bakshi	Ms. Hema Ravichandar	Mr. Nikhil Khattau
Designation	Additional Independent Director	Additional Independent Director	Additional Independent Director	Additional Independent Director
Director Identification Number	00027595	00044621	00032929	00017880
Age (in years)	60	61	57	56
Date of first appointment	July 16, 2010	July 17, 2003	July 26, 2005	July 18, 2002
Qualification	- B. Sc. From Gorakhpur University, Uttar Pradesh - M.M.S. from Banaras Hindu University, Varanasi	- Honours Degree in Economics, St. Stephens College, Delhi - PGDM, IIM, Bangalore	- B.A. in Economics, University of Chennai - PGDM, Indian Institute of Management, Ahmedabad	- B. Com., University of Mumbai - Charted Accountant , the Institute of Chartered Accountants in England and Wales
Experience	Approx. 37 years	Approx. 35 years	Approx. 35 years	Approx. 33 years
Terms & Condition	To be appointed as Independent Director, not liable to retire by rotation for a tenure of three years from April 1, 2019 to March 31, 2022.	To be appointed as Independent Director, not liable to retire by rotation for one year from April 1, 2019 to March 31, 2020.	To be appointed as Independent Director, not liable to retire by rotation for a tenure of five years from April 1, 2019 to March 31, 2024.	To be appointed as Independent Director, not liable to retire by rotation for a tenure of five years from April 1, 2019 to March 31, 2024.
Details of remuneration last drawn (in Rs.)	36,50,000/-	33,00,000/-	35,50,000/-	36,50,000/-
Details of remuneration proposed	As per the Policy on Nomination, Remuneration and Evaluation, the provisions of the Companies Act, 2013 and as agreed by the Board of Directors on the recommendation of the Nomination and Remuneration Committee from time to time and within the limit of 3% of net profits of the Company approved by shareholders on August 5, 2015			
Shareholding in the Company as on the date of this report	-	-	-	-
Relationship with other directors, Manager & KMP	-	-	-	-
Directorships *Excludes directorship held in Marico Limited	Kaya Limited Shoppers Stop Limited Crossword Bookstores Limited Trrain Circle Private Limited Retailers Association of India Retailers Association's Skill Council of India Trrain Foundation	J.K.Helen Curtis Limited Cummins India Limited SVP Philanthrophy Foundation Omniactive Health Technologies Limited	Bosch Limited Feedback Business Consulting ServicesPrivate Limited TATA Consulting Engineers Limited Titan Company Limited	Securens Systems Private Limited Delightful Gourmet Private Limited Aaidea Solutions Private Limited Kaya Limited
Name of the entity in which holds memberships & chairpersonship (incl. Marico) **Covers two committees namely, Audit Committee and Stakeholders' Relationship Committee and excludes Committee position held in private limited Companies, foreign Companies and Section 8 Companies.	- Marico Limited - Audit Committee, Member - Kaya Limited - Audit Committee, Member - Shoppers Stop Limited - Stakeholders' Relationship Committee, Member	- Cummins Limited - Audit Committee, Member	- Marico Limited - Audit Committee, Member - Bosch Limited - Audit Committee, Member - Bosch Limited - Stakeholders' Relationship Committee, Member & Chairperson - TATA Consulting Engineers Limited - Audit Committee, Member	- Marico Limited - Audit Committee, Member & Chairperson - Marico Limited - Stakeholders' Relationship Committee, Member & Chairperson - Kaya Limited - Audit Committee, Member & Chairperson - Kaya Limited - Stakeholders' Relationship Committee, Member & Chairperson
No. of Board Meetings attended during FY 2018-19	7 out of 7	5 out of 7	5 out of 7	5 out of 7

ANNEXURE C: CORPORATE GOVERNANCE REPORT

Particulars	Mr. B. S. Nagesh	Mr. Rajeev Bakshi	Ms. Hema Ravichandar	Mr. Nikhil Khattau
Brief Profile	B. S. Nagesh is the Founder of a Public Charitable Trust TRRAIN (Trust for Retailers and Retail Associates of India). B S Nagesh has been involved with Shoppers Stop and its group companies since its inception in 1991 as the first employee. As part of his personal philosophy of Learn, Earn & Return he stepped out of the day-to-day roles of the business as MD in 2009 and founded TRRAIN. He is currently the Chairman and Non –Executive Director of Shoppers Stop Limited and is also the Founder Chairman of RAI (Retailers Association of India). B S Nagesh is on the Board of IGDS (Intercontinental Group of Departmental Stores), a global association of department stores, and the Vice-President for Asia, for IGDS. With his induction in the World Retail Hall of Fame in 2008, Mr. Nagesh is the only Indian retailer and the first Asian retailer to take a significant place alongside more than 100 stalwarts of the global retail industry. Recently he was awarded with the prestigious NCPEDP – Hellen Keller Award for creating livelihood opportunities for Persons with Disabilities and was recognized as the Change Maker at the Sabera Awards.	Rajeev Bakshi was the Managing Director of METRO Cash & Carry India, till January 2016 and was responsible for providing strategic leadership for the overall operations and growth of METRO in India. Under his guidance METRO Cash & Carry India has embarked on a pan-India expansion with a focus on customer orientation. Currently Rajeev is engaged in Strategy and Marketing Advisory with a few Companies apart from serving on few Boards. In his career spanning close to 35 years, Rajeev has held senior leadership positions in companies like ICICI Ventures, Pepsico International and Cadbury Schweppes. As the Joint Managing Director of ICICI Ventures, he led the Real Estate practice and managed consumer oriented investments like Retail and Life Sciences. During his tenure as the Chairman of Pepsi India, he successfully led the company to consolidate their foothold in India. He also held the position of Senior Vice President – Commercial, Asia Pacific for Pepsico. He has held various senior positions in Cadbury Schweppes viz. Sales and Marketing Director for India operations, Regional Marketing Director for Africa and Middle East, Managing Director of Cadbury India and then Managing Director of Cadbury's, South Africa. Rajeev started his career in Sales at Lakme India and went on to head Marketing followed by combined Sales and Marketing functions at Lakme. He has also held senior positions in the National Councils of Industry bodies such as CII and FICCI. Rajeev is a Graduate in Economics from St. Stephen's College, New Delhi and holds an M.B.A. from the Indian Institute of Management, Bangalore.	Hema Ravichandar is a management professional with more than 35 years of experience in the field of Human Resources, Leadership Development and Change Management across different industries. She was the Senior Vice President and Global Head of Human Resources Development at Infosys Limited (Infosys Technologies Ltd.) from 1998 to July 2005. She also served as the Global Head of HRD at Infosys Limited between 1992 and 1995. From 1996 to 1998, she served as Independent Consultant. She started her career at Motor Industries Company Limited (MICO), now Bosch India in 1983 until 1992. Since 2005, she has a boutique Strategic HR Advisory. She has also served as an Independent associate of Mercer Human Resource Consulting. She also serves on statutory and advisory Boards of both Indian and multinational corporations. Currently she is an Independent Director of Marico Limited (since July 25, 2005), Titan Company Limited (since March 30, 2009) and Bosch Limited (since September 2, 2017). She is also an Independent Director on the Board of Tata Consulting Engineers (since June 21, 2016). Under her HR Leadership, Infosys won several 'Best Employer of the Year' awards in India and was placed in Top 100 rankings, overseas. She has personally won several accolades and awards including three HR Professional of the Year Awards in 2004 and 2005 and listings amongst the 25 Most Powerful Women in India, Successful Women Professionals in IT for 2004 and 2005 and 25 Hottest Young Executives of the Year in 2002. She co-chaired the Confederation of Indian Industry's (CII) HR & IR (Southern Region) Subcommittee as also CII's National Conference on Leveraging Diversity and Managing Inclusion. She has also held several key industry positions and served as the Chairperson for The Conference Board USA 's HR Council of India and on the National Executive Board for the National HRD Network of India. Mrs. Ravichandar has also held positions in other industry bodies and served on several juries including that of Nasscom. She has also served as a Managing Committee Member of the Non-Executive Directors in Conversation Trust (NEDICT). She is a regular speaker at several International and National Conferences. Hema holds a B.A. in Economics from the University of Chennai and a Post Graduate Diploma in Management from IIM, Ahmedabad.	Nikhil Khattau is an experienced investor, entrepreneur and banker. At Mayfield, Nikhil has been leading investments since 2007. As an entrepreneur, he was founding CEO of SUN F&C, one of India's first privately-owned mutual fund houses. His investment banking experience was with EY's corporate Finance Group in London and New York. Nikhil is a Chartered Accountant from the ICAEW and received his Bachelor's degree from the University of Mumbai. He believes the Indian consumer is changing habits and he works with entrepreneurs at the forefront of this change. Food, online brands and consumer financial services are areas of his particular interest. He is on the Boards of Marico Ltd. (packaged consumer goods, listed) and Kaya Ltd. (listed, specialty skin care), Securens (remote monitoring and surveillance), Licious (Online meat brand), MilkBasket (micro delivery grocery player) and an investor in Box 8, TripHobo, Green Snacks, Matrimony.com and Sohan Lal Commodity Management.
Nature of expertise in specific functional areas	Retail & GTM	Brand Building and Retail & GTM	Human Capital Management	Financial & Accounting and M&A, Strategy & Investment Management

ANNEXURE C: CORPORATE GOVERNANCE REPORT

Particulars	Mr. Saugata Gupta	Mr. Harsh Mariwala
Designation	MD & CEO	Chairperson
Director Identification Number	05251806	00210342
Age	51	67
Date of first appointment	April 01, 2014	October 13, 1988
Qualification	- Chemical Engineering , IIT Kharagpur - PGDBM from IIM Bangalore.	- B. Com., University of Mumbai
Experience	Approx. 28 years	Approx. 48 years
Terms & Condition	To be appointed as Managing Director & CEO for a tenure of five years from April 1, 2019 to March 31, 2024, not liable to retire by rotation. Detailed terms stated in the Explanatory Statement.	Chairperson of the Company and Non-Executive Director liable to retire by rotation.
Details of remuneration last drawn (in Rs.) (on paid basis)	9,21,91,648/-	4,93,90,000/-
Details of remuneration proposed	As per the Policy on Nomination, Remuneration and Evaluation, the provisions of the Companies Act, 2013 and as agreed by the Board of Directors on recommendation of the Nomination and Remuneration Committee from time to time .	
Shareholding of the Company	5,60,600	3,12,02,900
Relationship with other directors, Manager & KMP	-	Son: Mr. Rishabh Mariwala Members of promoter group: Mr. Rajen Mariwala & Mr. Rishabh Mariwala
Directorships ***Excludes directorship held in Marico Limited**	Marico Innovation Foundation Halite Personal Care Indian Private Limited Marico Consumer Care Limited JSW Paints Private Limited Parachute Kalpavriksha Foundation	JSW Steel Limited Kaya Limited Thermax Limited Zensar Technologies Limited Eternis Fine Chemicals Limited Marico Consumer Care Limited Marico Innovation Foundation Aqua Centric Private Limited Halite Personal Care India Private Limited Indian School of Communications Private Limited Scientific Precision Private Limited Ascent India Foundation Mariwala Health Foundation
Name of the entity in which holds memberships & chairpersonship (incl. Marico) ****Covers two committees namely, Audit Committee and Stakeholders' Relationship Committee and excludes Committee position held in private limited Companies, foreign Companies and Section 8 Companies.**	- Marico Limited - Stakeholders' Relationship Committee, Member	- Kaya Limited - Stakeholders' Relationship Committee, Member
No. of Board Meetings attended during FY 2018-19	7 out of 7	7 out of 7

ANNEXURE C: CORPORATE GOVERNANCE REPORT

Brief Profile	Saugata serves as MD and CEO at Marico Limited responsible for driving the company's growth and operations both nationally and internationally. He has helped transform Marico into a high performing business with a commitment to sustainable development. In seeking to win amongst the consumers, he has taken the company forward in developing top quartile capability and processes while continuing to focus on best in class governance and risk management while driving growth. Saugata joined the company in January 2004 as Head of Marketing and was elevated to CEO of the India business in 2007. In April 2013, Marico restructured its Consumer Product Business (CPB) in India and International Business Group (IBG) under Saugata's leadership as the CEO of Marico Limited, the unified FMCG business. Thereafter, in March 2014, he was appointed as the Managing Director of the company. Saugata started his career with Cadbury (now Mondelez) where he spent 9 years in various roles in Sales and Marketing in India and the United Kingdom. Subsequently, he went on to become the Chief of Marketing and Group Sales at ICICI Prudential and was part of the startup team that was instrumental in establishing ICICI Prudential as the largest private sector insurance firm in the country. "What has got you here won't be enough to get you to the next level" – is the mantra that inspires him to keep raising the bar high for his team and himself. Known for his performance – oriented attitude, Saugata drives Marico to be a future- ready organization committed to consistent profitable and sustainable growth combined with societal value creation. Under his leadership, the company has won several accolades and prestigious awards. Marico is among the Best 25 Workplaces in Manufacturing in India and among the Top 50 India's Best Companies to Work for in India as per Great Place to Work Institute. Marico has been ranked among the Top 10 in corporate governance among all constituent companies of the S&P BSE 100 Index and also conferred the Best Domestic Company on Corporate Governance recognition by Asiamoney. Saugata was ranked #4 and #47 in the FMCG sector and Pan-India respectively in the Business Today-PWC list of India's Top 100 CEOs in 2017 and was ranked as 'India's Most Valuable CEOs' by BusinessWorld in 2016. Saugata is an alumnus of IIM Bangalore and holds a chemical engineering degree from IIT Kharagpur.	Mr. Mariwala aged 68, leads Marico Limited as its Chairman. He is also Chairman & Managing Director of Kaya Limited. Over the past three decades, Mr. Mariwala has transformed a traditional commodities driven business into a leading consumer products and services company in the Beauty and Wellness space. Mr. Mariwala's entrepreneurial drive and passion for innovation, enthused him to establish the Marico Innovation Foundation in 2003. The Foundation acts as a catalyst to fuel innovation in India. Mr Mariwala started ASCENT in 2012, a not-for-profit expression of his passion to create a unique trust based peer-to- peer platform for high potential growth-stage entrepreneurs that leverages the "Power of the collective" and enables them to share and exchange experiences, ideas, insights and create a healthy ecosystem to learn from each other and grow their enterprise. Mr. Mariwala was the President of Federation of Indian Chambers of Commerce and Industry (FICCI) in 2011
Nature of expertise in specific functional areas	Brand Building and Retail & GTM	Leadership and Entrepreneurship

CHIEF EXECUTIVE OFFICER (CEO) DECLARATION

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel. This Code of Conduct is available on the Company's website.

I hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company.

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Saugata Gupta
Managing Director & CEO

Place: Mumbai
Date: May 6, 2019

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2019 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 results that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent or illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

  (i) significant changes in internal control over financial reporting during the year;

  (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial 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.

Thank you.

Yours truly,

For **Marico Limited**

Saugata Gupta
Managing Director & Chief Executive Officer
Place: Mumbai
Date: May 6, 2019

For **Marico Limited**

Vivek Karve
Chief Financial Officer
Place: Mumbai
Date: May 6, 2019

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
Mumbai - 400 098.

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, Mumbai - 400 098 (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 Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2019, 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.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Harsh Charandas Mariwala	00210342	13/10/1988
2.	Rajendra Kishore Mariwala	00007246	26/07/2005
3.	Nikhil Khattau Nirvan	00017880	18/07/2002
4.	Nagesh Satyanarayan Basavanhalli	00027595	16/07/2010
5.	Hema Ravichandar	00032929	26/07/2005
6.	Rajeev Bakshi	00044621	17/07/2003
7.	Rishabh Harsh Mariwala	03072284	02/05/2017
8.	Saugata Gupta	05251806	01/04/2014
9.	Ananth Sankaranarayanan	07527676	26/06/2017

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

Practising Company Secretary

FCS No. 1370. Certificate of Practice No. 5144

Date : May 6, 2019

Place : Pune

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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 India 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 2019.

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 investor's grievance is pending unresolved by the Company for a period exceeding one month against the Company as per the records maintained by the Stakeholders Relationship Committee.

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. Certificate of Practice No. 5144

Date : May 6, 2019

Place : Pune

ANNEXURE 'D'

Conservation of Energy, Technological 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, 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 FY2018-19 are outlined below.

- Installation of water jet vacuum system in refining process
- Replacement of low efficiency motor with IE3 motor (high efficiency) in pumps
- Optimization of motor size in plant application at Baddi and Pondicherry units by minimizing the pump capacity
- Reduction in compressed air consumption in de-waxing filter drying process
- Installation of new transformer with high efficiency to reduce transmission loss at Perundurai unit
- Process heat requirement reduction in refining process at Baddi unit
- Continuation of installation of Variable Frequency Drive (VFD) for various process and utility equipment's across manufacturing locations
- Retrofitting of LED lights in existing light fixtures at Perundurai and Pondicherry locations
- Automation for self-regulating and tracing heat and energy consumption at Guwahati unit
- Automation on filling lines through instrumentation mechanism to reduce power consumption

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 Pondicherry unit. Further at Perundurai unit, 49% of the electricity is procured from wind turbine. Constant efforts are made to reduce the use of fossil fuel. Presently 73% of the energy requirement in operations is met through renewable sources. Further there are other projects under execution to further improve the renewable percentage.

- Project under commissioning for 450kw solar roof-top at Jalgaon unit
- Project under execution at Baddi unit to replace 1 million kCal/hr of energy from Furnace Oil based thermic fluid heater to biomass based fuel

3. Capital investment on energy conservation equipment's:

For the year under review, the capital investment on energy conservation projects was Rs. 3.58 crores.

B. Technology Absorption

1. Research and Development (R&D)

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

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

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

In Hair Nourishment, considerable energy was focussed on understanding consumer needs in hair oiling to create products that increase adoption and prevent lapsation. Understanding of unmet hair needs of consumers led to the creation of a unique product: Crème Oil, a sensorially superior and convenient format, designed to prevent lapsation. Nihar Naturals Extra Care Hair Oil was launched with a packaging innovation to emphasize the authenticity of the product format.

Significant efforts were undertaken on de-risking of commodities & developing products that are 'designed to cost'. Further understanding of consumer life style and life stage led to the creation of new variants in Livon Serum category. In male grooming, R&D efforts were focussed on creating products with the aim of premiumization. New fragrance variants in deodorants and waxes in hair grooming were launched based on these efforts.

Advanced Research focussed on strengthening basic understanding of hair & scalp biology, developing technology solutions for unmet consumer needs & designing innovative

ANNEXURE 'D'

Conservation of Energy, Technological Absorption and Foreign Exchange Earnings and Outgo

diagnostics to communicate product benefits to consumers. Based on unmet consumer need for solution for hair greying, in house research led to the creation of Anti greying product, a first of its kind product in India.

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

In the area of packaging, work continued in terms of premiumization & value management. Design thinking as an approach was taken up with serious efforts this year. This approach which generates a consumer centric design that meets the value perception of consumers was followed and executed in several products. This approach reinforces the faith Marico has in consumer centric innovations.

In skin care category, we added to our presence in mass skin care through new offerings in body care. In addition, a range of science based antiageing products were launched in the masstige space under the Kaya Youth brand. Continuous capability building efforts helped the South East Asia Regional Technology Centre become fully functional & develop & deploy several new products in the Region.

In foods, in-depth understanding of flavours, led to the creation of many seasoning nuances to serve the regional needs of India. Quality team is moving from current approach of consumer quality to a Quasi-Pharma Quality approach. Capability enhancement for Bangladesh in on ground execution was initiated to match India business.

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

- Launch of new products – Parachute Advanced Crème Oil, Serum Oil & shampoo, True Roots Botanical Hair Tonic, Nihar Naturals Extra Care Hair Oil, Livon Serum for Dry Hair, Colored Hair & Shake n Spray serum, Hair Waxes. Parachute Advanced Body Oil & Body Gel, Kaya Youth Face Cream, Face Wash, Wipes & Micellar Water. In Foods, new products viz: Sweet Oats, Green Tea & coffee, Protein soups, Meal Replacers, Healthy Breakfast options, Almond & peanut butters were launched.
- Strengthening knowledge of Hair Biology to create new actives for hair problems.
- Increased capability in clinical studies leading to strong claim support for new products.

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

   New technologies sourced from vendors, universities etc. were evaluated for implementation into Marico business needs. Clinical research organizations, original equipment manufacturers & University experts were engaged to develop new products & deploy them at a faster rate. These efforts allowed higher idea generation & quicker conversion of ideas into products.

4. **The Company has not imported any technology during last three years reckoned from the beginning of FY2018-19.**

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

Particulars	As at March 31, 2019 ₹ in Crore	As at March 31, 2018 ₹in Crore
(a) Capital	0.41	0.96
(b) Recurring	31.07	29.88
Total	31.48	30.84
As a % of revenues	0.53	0.60

The expenditure above includes a capital expenditure of Rs. 0.06 Crore (LY Rs. 0.23 Crore) and a revenue expenditure of Rs. 6.31 Crore (LY Rs.6.55 Crore) towards the edible oils and foods business of Your Company.

C. Foreign Exchange Earnings and Outgo

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

Particulars	As at March 31, 2019 ₹ in Crore	As at March 31, 2018 ₹in Crore
Foreign Exchange earned	401.22	324.86
Foreign Exchange used	154.58	208.72

For Marico Limited

Place : Mumbai
Date : May 6, 2019

Harsh Mariwala
Chairman
DIN : 00210342

ANNEXURE 'E' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility (''CSR'')

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

Marico's CSR Philosophy

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

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

Marico's CSR Policy is therefore anchored on the core purpose of "Make a Difference" to the lives of all its stakeholders to help them achieve their full potential. 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 at its meeting held on October 30, 2017. The Salient features of the CSR Policy are as under:

- CSR philosophy;
- Key thrust areas for CSR contributions;
- Governance: At CSR Team, CSR Committee and at Board level;
- Mechanisms over CSR Expenditure & Budget and;
- Monitoring & Impact Assessment of the CSR Programs.

The CSR policy can be accessed on https://marico.com/india/investors/documentation/corporate-governance

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

The CSR Pivots:

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

1) **Education**

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

2) **Health Care**

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

3) **Community Sustenance**

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

a) Creating sustainable livelihood and enhanced earning potential to the farmer community through knowledge, innovation and transformative actions through Kalpavriksha program is key thrust area of Marico's CSR.

b) Marico believes that it is important to integrate Sustainability into our core purpose which is to "Make a Difference". Hence, Marico works closely with its ecosystem to

ANNEXURE 'E' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

create a sustainable and inclusive growth for all. Our plan is to work for ensuring water security for low rain fed areas and also in around our workplaces and factories through our "Water stewardship program".

c) Community livelihood development is integral for building a harmonious relationship with the community dwelling in the areas where Marico operates. Marico therefore works towards up-liftment of communities those resides near to Marico's workplaces/ units to cater to their basic needs and provide related infrastructure.

4) **Start-up Innovations in India**

Marico believes in unlocking the potential of innovating start-ups in India through its intervention to aid them scale faster and thus create a sustainable and equitable impact on the innovation ecosystem. Marico will strive to foster this value through innovation and other means to deliver scale and direct impact.

5) **National Emergency & Disaster Relief**

Wherever appropriate, Marico will make contributions either through donations or otherwise during national emergencies arising out of external aggression (defence of India), or major disruptions of social and communal harmony or natural disasters or humanitarian relief.

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

1. Education

In 2012, your Company, under its hair oil brand name Nihar Shanti Amla, launched a programme called "Chotte Kadam Pragati Ke Aur" to support the education of underprivileged children. Retention and learning outcomes within the age group of 4-14 years were identified as the priority education interventions. Under this program NSA has two broad areas of operation:

I. Educate Girls: Udaipur and Jalore district of Rajasthan and Dhar district of Madhya Pradesh

II. Mobile Pathshala

I. Educate Girls:

Objective: Educate Girls (EG) is an NGO which provides quality education for all underserved and marginalized girls by mobilizing public, private and community resources thus improving access to education and school quality and achieving behavioral, social and economic transformation for all girls in India's gender gap districts thereby creating an India where all children have equal opportunities to access quality education.

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

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

Estimated Impact: Total number of children benefitted from EG Program in FY2018-19 is 1,06,333 in the Udaipur district and 1,02,707 in Dhar District.

II. Mobile Pathshala:

Nihar Mobile Paathshala also called "Paathshala Funwala" is a Platform property which houses quality content that is designed with leading educationist organization Pratham. Paathshala Funwala is available via a toll free number (8055667788) and provides IVR lead learning opportunities free-of-cost in a fun and engaging manner. The content and tonality is designed not just to make quality learning accessible but also improve the eventual learning outcome. Currently the Audio modules are designed to teach English. Having revamped our modules, the time spent on the modules is now an average of 12.1 minutes per caller Over the course of the last four years, we realized that since the kids were 1st generation school goers, they did not have the ecosystem where they could practice what they were learning with respect to the language. To enable this, we launched a unique new program this year, 'Phone Uthao India Ko Padhao', wherein the kids calling into our IVR platform, were given the choice to practice what they had learnt in modules and 2629 unique students opted to practise. Your Company also worked with the school teachers to promote

ANNEXURE 'E' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

participation in the program from within their schools.

Estimated Impact- Reached out to 7453 villages receiving 2.35 lakh unique callers with 5121 children completing 35+ modules.

2. Healthcare

Saffolalife is the non-profit arm of the Saffola brand, which remains committed to its vision of creating a Heart Healthy India. The brand has led many initiatives consistently over the years, to educate consumers on the importance of taking care of their heart. Saffolalife also believes in purpose of fighting against obesity and inspiring consumers to begin their journey towards fitness & healthier lifestyle at a young age.

During the period under review, Saffolalife created a school contact program called SNF@ School along with the FSSAI to teach young minds various aspect of nutrition & food safety. Project SNF@SCHOOL is based on a three-pronged approach: at the School, State and National level. At school level, the culture of food safety & nutrition is to be promoted through Health and Wellness Coordinators and Health Teams. Saffolalife developed Yellow Book E-module and facilitated in translation of Yellow book in Marathi. Around 25,000 Pink books (Safe and Nutritious Food at home) and Yellow books (Safe and Nutritious Food at School) are distributed among students and teachers as part of the school activation programme. An enabling legislative and regulatory framework is being developed to promulgate this message. We have covered and registered 200 different schools from PAN India and over 80,000 students were trained through this activity

Estimated Impact: Covered 200 schools and trained over 80,000 students.

3. Community Sustenance

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

A. Kalpavriksha

We launched our flagship program called 'Kalpavriksha' to Make a Difference in the life of Coconut farmers by supporting them to achieve higher & sustainable Crop Yield, providing training to farmers to handle their farms independently, transform myth and belief based farming into farming based upon scientific research and Knowledge.

The Program Model –

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

Kalpavriksha Programme Implementation -

Modes of implementation

i) Farm Care Personnel – (Agronomists)

To propagate our program, we deployed 45+ Agronomists on ground that can interact with farmers in helping them understand their program, enroll farmers and visit their fields for providing on-field support. **Training** – Training module consisting of scientific farm practices for Nutrient & disease management were used for training farmer groups.

ii) Jeep campaigns

Jeeps were deployed wherein our agricultural experts travelled across interior villages for propagating Kalpavriksha.

iii) Farmer training – Digital Library

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

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

Kalpavriksha Care Centre was set up where agricultural experts suggest on crop management

ANNEXURE 'E' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

practice. Support is available in local languages (Malayalam, Tamil, Telugu & Kanada) wherein farmer can call up and seek support on any farm issues they are facing. IVR team refers the call to FCPs in case it cannot be resolved over the call. Farmers can enrol in our program by calling IVR no.

Estimated Impact: 25,460 farmers connected through the IVR toll free line.

v) **Digital promotions**

A dedicated Facebook page is developed to support the farmers. Other digital platforms like Blogs and YouTube are chosen to create awareness among the coconut farmers .

Estimated Impact: 1.6 lac followers on Facebook and 1.36 Lac YouTube views .

vi) **Local TV channels**

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

vii) **Agri information services**

We also took help of Agri Information services (SMS, Newsletters, Magazines) for propagating our Programme. Difference we created in Life of Farmers-

- 9,309 farmers are enrolled in our Program covering 68416 Acres of coconut plantation. Farmers experienced 18% increase in Productivity in their farms after a time period of 6-8 months.
- Propagated Kalpavriksha program to approx. 1.7 lakhs farmers by various modes.

Regular monitoring of farm diagnosis and enthusiastic participation among farmers has given us more than 10,000 happy farmers. In long term basis, we aspire to touch a large percentage of 20 Lakhs coconut farmers in India and Make them Happy by striving to double their Farm income.

B. Water stewardship program

Water is a core thrust area of your company's agenda and our pursuit is to ensure water security to people for domestic and agricultural use in less rain fed areas. Initiatives like Farm Ponds and Dam De-silting are key projects that we undertook during FY 2018-19 to create total water conservation capacity of **550 Million Litres** of water, which is around **2.5 times the water footprint in our operations.** Cumulatively, we have created a water storage capacity of 720 million litres till date.

Farm Pond: In the current year Pond renovation and development work was undertaken at Karnataka and Tamil Nadu through a tri-party arrangement with NGO and farmers community. We have completed construction of 30 and 61 farms ponds in Karnataka and Tamil Nadu respectively in FY18-19. We have constructed 91 farm ponds with the capacity 130 million litres. We have covered 20 villages and benefitting 91 farmers.

Dam De-silting: In the current year your company worked on de-silting Yeldari Dam which is the second largest dam in Marathwada region. This project was executed along with an NGO partner under the "Galmukt Dharan Galyukt Shivar" Yojana of Govt. of Maharashtra. We initiated this project with an objective to increase water storage capacity of the dam and improve the farm land fertility. It will also improve the socio economic status of the farmers as the farmers developed an ability to harvest multiple crops. In the reporting period, Marico managed to excavate 4,20,411 cubic meter of silt in FY18-19 which increased the water storage capacity of the dam by approx. 42 Crore Litres. This in turn impacted the lives of approx. 366 farmers.

C. Community development

a. **Education**

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

During FY2018-19, your company was mainly focussed on education and health of girls. We aided their learning and better health by donating stationary kits and grocery items. Your company believes that to make the society stronger, education of females is necessary and hence we launched a program called "Sakshar Beti Sudridh Samaj". The stationery kit helped the school girls in learning and grocery items aided them to reduce their food expenses. We have benefitted 385 girl students from this initiative in the reporting period.

b. **Health Care, Hygiene and Sanitation**

The problem of women hygiene in rural areas is very prominent, as they have very limited understanding of healthy and scientific hygiene practices. Being cognizant about this, your company decided to launch an awareness campaign and Medical Health check up by appointing two doctors who undertook an awareness session on the

ANNEXURE 'E' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility (''CSR'')

advantages of using Sanitary napkins and their effects. We have educated 300 women and children on personal health and hygiene. We have also provided first Aid Kit and distributed napkins to women and the children beneficiaries of that localities.

To drive awareness on the harmful consumption of Betel Nut (supari found in Assam) at government schools your company undertook a need assessment study at the Guwahati plant and identified that children in Governmental Schools and local community are addicted to Betel nut. We conducted Dental check-up in Government schools to resolve this. We covered 289 children in this check-up and also invited their parents to educate them about the harmful effect of consumption of Betel nut. Based on the Dental check-up, 55 children were diagnosed with severe effects of this consumption

c. **Livelihood Enhancement**

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

Your Company has **benefitted an estimated 25,692 people** under our community development initiatives.

4. Innovation

Marico Innovation Foundation ("MIF")

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

A. MIF Scale Up Program:

MIF's Scale-up program aims to help young 'innovative' organisations in accelerating their growth through deep rooted and intensive mentoring from a domain expert at a nominal fee. MIF identifies critical business challenges faced by an innovation, collaborates with pool of mentors and provides implementable solutions; thereby leading to sustainable impact and sustained growth of the innovation. The engagement ends when the challenge is resolved and the organization is ready to scale up operations seamlessly.

The Scale up program is also aided through multiple interventions:

a) MIF leverages the expertise of Marico members, external CEO's and sectoral experts through measured and structured interventions which enables them to utilize their knowledge and skills and help the organizations to solve their business challenges.

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

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

In FY2018-19, the Foundation worked closely with the following organisations to scale them up. The active organisations are:

i) **Atomberg**

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

a) Manufacturing and Supply Chain problem and;

b) GTM Strategy0 Retail sales strategy and Sales transformation

c) Boosting their E-Commerce Sales and expanding their retail sales channel. The intervention has led to a 10X increase in the sales revenue.

ANNEXURE 'E' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

ii) **S4S Technologies**

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

a) Improve their quality control processes to ensure consistent output by identifying the current processes followed by them and then implementing standard operating protocols followed by Marico. This led to S4S on boarding 4 prominent B2B clients.

b) Setup a factory to increase their production capacity. This resulted in the production capacity increase by 10X.

c) Train them and help them to obtain funding by validating their valuations, pitch, focusing their presentation and connecting them with relevant investors. This enabled S4S to raise approx. 1 million dollars.

iii) **OpenApp**

OpenApp is a start-up focused on providing better security options for everyone. They have come up with unique innovative products that have made 'unlocking' really simple, secure and safe. By adding layers of technology to unlocking, they have transformed security with technological intelligence. Their products help in reduction of Outdated key management, pilferage and losses and improvement of operational efficiency. In the current year, MIF is helping them:

a) With defining their GTM strategy for their B2C segment

b) Structure their HR processes and policies.

iv) **Ekam Eco Solutions**

Ekam Eco Solutions has innovated in the sanitation space through their product called Zerodor which enables any urinal to be converted into a water-less urinals. Their innovation blocks out the smell and ensures that not a single drop of water is used in flushing away urine. The water-less and odour-less urinal is a B2B business. Ekam also has B2C line of products under their own brand called 'Care' which comprise of organic cleaning and deodorising solutions. The key differentiating factor between their products vs other alternatives is that that Ekam's products works on eliminating the cause of the ordour instead of masking it. In the current year, MIF is working with Ekam on

a) B2B business challenge,

b) B2C ecommerce retail challenge.

v) **Y-Cook**

Y-Cook is a food-tech company that is creating a new category in the foods and snacking space, using end-to-end (farmer to consumer) controlled supply chain. The new category of foods is that of providing fresh, boiled vegetables, fruits and lentils - which are packaged, with no preservatives and no additives and are 100% natural. The packaged products remain fresh for 12 months, without needing refrigeration. Y-Cook procures the produce within hours of harvest, and is cleaned, boiled and packaged within 24 hours of receiving the harvest. They are currently working with 1500+ farmers. In the current year, MIF is working with them on their marketing challenge and defining their customer value proposition.

vi) **Nap Nap Mats**

A portable vibrating sleeping mat that puts babies off to sleep and can be used by pregnant women as well. The mat has a vibrator that gives the baby the feeling of a mother's womb and ensures that the baby sleeps sound. It has 6 vibrating modes catering to different stages of the infant and has a 20 min auto cut off to avoid excess vibration for the baby. In the current year, MIF worked with them on their on their E-commerce sales strategy and also defining their customer value proposition.

vii) **Distinct Horizon**

They have developed a patented Fertilizer/Urea Deep Placement Applicator for rice farming that increases productivity by 25%, thereby reducing fertilizer consumption by 40%. They have now remodelled the innovation to be an attachment that fits the back of a truck. In the current year, MIF worked with them on their Sales challenge.

The Exited Organisations are:

i) **Incredible Device**

Incredible Device is an organization that has created an automatic Catheter Reprocessing system. In the current year MIF helped the organisation:

1. Set up its manufacturing operations and streamline various processes around it. This

ANNEXURE 'E' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility (''CSR'')

resulted in the increase of the manufacturing capacity by 5X.

2. Design their sales kit and other sales tools.

ii) Help US green

Help us Green is a social enterprise that collects floral waste from the temples in Uttar Pradesh thereby preserving River Ganges from becoming a religious sewer. The waste is then handcrafted by rural women self-help groups into patented organic fertilizer and incense sticks and stones. MIF has worked closely with the founder to re- create the brand architecture that will be a part of the new communication and packaging for Help us Green.

iii) Faclon Labs

Faclon Labs is an integrated end to end technology provider for Smart Water Management. They have a product that can track the leakage of water in real time and helps in leakage detection. MIF helped them formulate their GTM strategy and better their manufacturing processes. This intervention led to a 10X increase in their manufacturing capacity

iv) Arture

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

B. MIF #Innovate2Cultivate

In the current year, MIF launched a new program with a sharp focus on nurturing innovations in the agri-tech sector. This program aimed to focus on a single crop and try to solve the productivity challenges faced by the farmers on this crop. The focus crop was Coconut and MIF worked closely with Kalpavriksha Foundation on this project. As part of the program MIF reached out to approx. 500 Agri Innovations, which helped garner 97 applications from innovations in the agriculture sector. 24 entrepreneur teams visited Coimbatore and Pollachi for an immersive understanding of the coconut crop. 10 innovations have now been shortlisted for further evaluation and piloting and the Kalpavriksha team will be working closely with them.

5. National Emergency and Disaster Relief and Other Projects

A. Contribution for Kerala Flood Relief Project

In the current year, Kerala was affected by severe floods due to unusually high rainfall during the monsoon season. It was the worst flood in Kerala in nearly a century. The Indian government had declared it a Level 3 Calamity, or 'calamity of a severe nature'.

Your Company worked to help the affected people in Kerala through your company's Kanjikode plant & Copra Buying Unit. The team worked with the District administration to conduct operations in the rescue camp across various flood affected parts of Kerala. We worked with officials from police, Revenue, labor department and other departments in order to ensure that the operations at the camp were carried on seamlessly.

The members of your company from the Kanjikode plant & Copra Buying office helped to run the rehabilitation camp seamlessly and also helped in the cleaning and construction post the rains got over. At the camp your company distributed essential things and contributed 5 Lakh meal servings.

B. Contribution towards JSW Sports Initiative:

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

II. Composition of the CSR Committee:

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

ANNEXURE 'E' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

III Average net profit of the Company for the last three financial years : ₹ 904.14 Crores

IV Prescribed CSR Expenditure (2% of the amount as in item III above): ₹ 18.08 Crores

V Details of CSR spent during the financial year: ₹ 18.20 Crores

a Total amount to be spent for the financial year: ₹ 18.08 Crores

b Amount unspent , if any- Nil

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

1	2	3	4	5	6	7	8
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs: (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project or Program wise (Amount in R)**	**Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs (2) Overheads (Amount in ₹)**	**Cumulative expenditure upto the reporting period (Amount in ₹)**	**Amount spent: Direct or through implementing agency***
(A) Marico Innovation Foundation (MIF)							
1	**MIF Scale Up Program**			168,504	108,176	-	Through Implementation agency: MIF.
Current Projects						-	MIF is a not for Profit institution established in 2003, registered as a Section 25 company under Companies Act, 1956. MIF's Scale-up program aims to help young 'innovative' organisations in accelerating their growth through deep rooted and intensive mentoring from a domain expert at a nominal fee.
a	Atomberg	Promoting education and ensuring environmental sustainability	Mumbai, Maharashtra			-	
b	Ekam Eco Solutions	Promoting education and conservation of natural resources	Mumbai, Maharashtra				
c	S4S Technologies	Promoting education and Healthcare	Mumbai and Aurangabad, Maharashtra				
d	Nap Nap Mats	Promoting Healthcare	Mumbai, Maharashtra				
e	Aperion Electric Bike	Promoting environmental sustainability	Bangalore, Karnataka				
f	Y Cook	Promoting environmental sustainability	Bangalore, Karnataka				
g	OpenApp	Promoting education and ensuring environmental sustainability	Bangalore, Karnataka				
h	Distinct Horizon	Promoting environmental sustainability	Lucknow, Uttar Pradesh				
Exited Projects:							
a	Faclon Labs	Promoting environmental sustainability	Mumbai, Maharashtra			-	
b	Incredible Devices	Promoting Healthcare	Pune, Maharashtra				
c	Help Us Green	Promoting environmental sustainability	Lucknow, Uttar Pradesh				
d	Arture	Promoting environmental sustainability	Bangalore, Karnataka				

ANNEXURE ‘E’ TO THE BOARD’S REPORT

Disclosure on Corporate Social Responsibility (“CSR”)

1	2	3	4	5	6	7	8
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs: (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project or Program wise (Amount in R)**	**Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs (2) Overheads (Amount in ₹)**	**Cumulative expenditure upto the reporting period (Amount in ₹)**	**Amount spent: Direct or through implementing agency***
2	MIF #Innovate2Cultivate	Promoting Agriculture	Pan India	707,496	1,152,627	-	Through Implementation agency: MIF. Created a program to help innovative agri entrepreneurs work on a new crop and implement their solutions to the new crop and enhance productivity of the crop
3	Thought Leadership	Promoting education	India	3,424,000	3,322,749	-	Through Implementation agency: MIF. Dissemination of content through various platforms. Launched MIF Talkies which is a web series of short online videos that showcase impactful innovations that are truly transforming lives, communities, businesses and more. Launched an exclusive deal with LiveMint to share success stories of the entrepreneurs under MIF Scale up Program.
4	Innovation Book	Promoting Education	Pan India	500,000	520,253	-	Through Implementation agency: MIF. This book consists of the scaling up stories of select organisations that have been winners of MIF Awards in the past. The main objective of the book is to inspire other innovators and start-up to scale up their businesses by cross pollinating learnings
TOTAL (A)				**4,800,000**	**5,103,805**	**5,103,805**	
(B) Education							
1	Educate Girls (EG)	Promoting Education	Udaipur district, Rajasthan Dhar District, Madhya Pradesh	13,432,060	16,432,060	-	Through Implemention agency: Educate Girls EG is a non-governmental organization that holistically tackles issues at the root of gender inequality in India’s educational system. With a focus on enrollment, retention and learning, EG aims to provide quality education for all under-served and marginalized girls by mobilizing and leveraging public, private, and community resources to improve access to education and school quality.
2	Mobile Pathshala Initiative	Promoting Education	Uttar Pradesh, Madhya Pradesh, Bihar, Chattisgarh and Rajasthan	77,394,543	73,690,832	-	Direct
TOTAL (B)				**90,826,603**	**90,122,892**	**95,226,697**	**-**

ANNEXURE 'E' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

1	2	3	4	5	6	7	8
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs: (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project or Program wise (Amount in R)**	**Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs (2) Overheads (Amount in ₹)**	**Cumulative expenditure upto the reporting period (Amount in ₹)**	**Amount spent: Direct or through implementing agency***
(C) Healthcare							
1	Saffolalife	Preventive Healthcare	Mumbai and Jalgaon	5,000,000	4,687,773	-	Direct
TOTAL (C)				**5,000,000**	**4,687,773**	**99,914,470**	**-**
(D) Community Sustenance							
1	Farmer Development	Livelihood enhancement	Karnataka, Kerala, Tamil Nadu, Andhra Pradesh	46,575,000	46,162,000	-	Direct
2	Sustainability	Water Development	India	15,100,000	14,599,537	-	Direct
3	Community Initiatives	Calamity	India	5,250,406	6,240,733	-	Direct
TOTAL (D)				**66,925,406**	**67,002,270**	**166,916,740**	**-**
(E) Other Initiatives							
1	JSW Initiative for Sports	Training to promote sports	Bangalore, Karnataka for wrestlers across the country	2,500,000	2,500,000	-	Direct
2	Calamity Led Initiative	Livelihood enhancement, Preventive Health care, Eradicating Hunger, poverty, malnutrition, Ecological balance, protection of flora and fauna	Lakshwadeep	3,883,714	3,883,714	-	Direct
TOTAL (E)				**6,383,714**	**6,383,714**	**173,300,455**	**-**
(F) TOTAL CSR SPEND (A)+(B)+(C)+(D)+(E)				173,935,723	173,300,455	173,300,455	-
(G) Capacity Building and Administrative Expenditure (Limited to the cap of 5% of total spent)				8,696,786	8,665,023	8,665,023	-
TOTAL CSR SPEND (F)+(G)				**182,632,510**	**181,965,477**	**181,965,477**	**-**

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

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

Place: Mumbai
Date: May 6, 2019

Saugata Gupta
Managing Director & CEO

Rajeev Bakshi
Chairman of the CSR Committee

ANNEXURE 'F' TO THE BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
As on financial year ended March 31, 2019

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Edible Oils	10402	63
2	Hair Care	20236	28

ANNEXURE 'F' TO THE BOARD'S REPORT

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate Company	% of Shares Held	Applicable Section
1	**Marico Bangladesh Limited (MBL)** House-1, Road-1, Sector-1, Uttara, Dhaka-1230, Bangladesh	NA	Subsidiary	90%	2(87)(ii)
2	**Marico Middle East FZE (MME)** Office No. LB182303 & LB182304, Jebel Ali, Dubai, UAE	NA	Subsidiary	100%	2(87)(ii)
3	**Marico South Africa Consumer Care (Pty) Limited (MSACC)** Units 1-5, Site 2 East, Riverside Business Park, 74 Prince Umhlangane Road, Avoca, Durban 4051	NA	Subsidiary	100%	2(87)(ii)
4	**Marico South Africa (Pty) Limited (MSA)** Units 1-5, Site 2 East, Riverside Business Park, 74 Prince Umhlangane Road, Avoca 4051	NA	Subsidiary	100% through MSACC	2(87)(ii)(a)
5	**Marico South East Asia Corporation (MSEA)** No. 3, Road 5, Song Than 1 Industrial Zone, Di An Town, Binh Duong province, Vietnam	NA	Subsidiary	100%	2(87)(ii)
6	**Marico Consumer Care Limited (MCCL)** 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra	U24233MH2012PLC229972	Subsidiary	100%	2(87)(ii)
7	**Halite Personal Care India Private Limited** (A Company under Voluntary Liquidation) 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra	U24240MH2011PTC239427	Subsidiary	100% through MCCL	2(87)(ii)(a)
8	**Marico Innovation Foundation (MIF)** 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra	U93090MH2009NPL193455	Subsidiary	Section 8 Company limited by Guarantee with no Share Capital	2(87)(i)
9	**MBL Industries Limited (MBLIL)** House-1, Road-1, Sector-1, Uttara, Dhaka-1230, Bangladesh	NA	Subsidiary	100% through MME	2(87)(ii)(a)
10	**MEL Consumer Care S.A.E (MELCC)** Building 3,Section 1141, 34, IBAD Elrahman Street,Masaken Sheraton,Nozha District-Cairo-Egypt	NA	Subsidiary	100% through MME	2(87)(ii)(a)
11	**Marico Egypt For Industries S.A.E. (MEIC)** Building 3,Section 1141, 34, IBAD Elrahman Street,Masaken Sheraton,Nozha District-Cairo-Egypt	NA	Subsidiary	100% through MELCC	2(87)(ii)(a)
12	**Egyptian American Investment and Industrial Development Company S.A.E (EAIIDC)** Building 3, Section 1141, 34, IBAD Elrahman Street, Masaken Sheraton, Nozha District-Cairo-Egypt	NA	Subsidiary	100% through MME	2(87)(ii)(a)
13	**Marico Malaysia Sdn. Bhd. (MMSB)** Room A, Ground Floor, Lot 7, Block F, Saguking Commercial Building, Jalan Patau 87000, Labuan F.T. Malaysia	NA	Subsidiary	100% through MME	2(87)(ii)(a)
14	**Marico for Consumer Care Products SAE (Erstwhile MEL Consumer Care & Partners - Wind)** Building 3, Section 1141, 34, IBAD Elrahman Street, Masaken Sheraton, Nozha District-Cairo-Egypt	NA	Subsidiary	100% through MELCC	2(87)(ii)(a)
15	**Parachute Kalpavriksha Foundation (PKF)*** 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra	U93090MH2018NPL318842	Subsidiary	Section 8 Company limited by Guarantee with no Share Capital	2(87)(i)
16	**Marico Lanka (Private) Limited #** No. 168/5, Elvitigala Mawatha, Colombo 08	NA	Subsidiary	100%	2(87)(ii)
17	**Revolutionary Fitness Private Limited (Revofit)$** 301, Adhyaru Industrial Estate, Sun Mill Compound, Lower Parel, Mumbai -400013, Maharashtra	U85100MH2014PTC260237	Associate	22.46%	2(6)
18	**Zed Lifestyle Private Limited (Zed)** Office 04, T.F. 32, Swastik Society,Om Complex Opp. Bhagwati Chambers, C. G. Road, Navrangpura,Ahmedabad- 380009, Gujarat	U74999GJ2016PTC091839	Associate	42.88%	2(6)

* Incorporated by Marico Limited as its subsidiary w.e.f. December 27, 2018.
# Incorporated by Marico Limited as its subsidiary w.e.f. March 2, 2019.
$ Became an Associate Company of Marico Limited w.e.f. January 8, 2019.

ANNEXURE 'F' TO THE BOARD'S REPORT

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

(i) Categorywise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	750,633,240	-	750,633,240	58.15	750,633,240	-	750,633,240	58.15	0.00
b) Central Govt./ State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	18,297,000	-	18,297,000	1.42	18,297,000	-	18,297,000	1.42	0.00
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	**768,930,240**	**-**	**768,930,240**	**59.57**	**768,930,240**	**-**	**768,930,240**	**59.57**	**0.00**
(2) Foreign									
a) NRI- Individuals	1,800,000	-	1,800,000	0.14	1,800,000	-	1,800,000	0.14	0.00
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	**1,800,000**	**-**	**1,800,000**	**0.14**	**1,800,000**	**-**	**1,800,000**	**0.14**	**0.00**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**770,697,240**	**-**	**770,697,240**	**59.72**	**770,730,240**	**-**	**770,730,240**	**59.71**	**-**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	29,776,420	-	29,776,420	2.31	54,155,668	0	54,155,668	4.20	81.87
b) Banks/FI	707,188	-	707,188	0.05	1,395,683	0	1,395,683	0.11	97.36
c) Central Govt/State Govt.	1,635,501	-	1,635,501	0.13	2,186,707	0	2,186,707	0.17	33.70
d) Venture Capital Fund	-	-	-	-	-	-	-	-	-
e) Insurance Companies	50,059,305	-	50,059,305	3.88	14,292,384	0	14,292,384	1.11	-71.45
f) FIIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Foreign Portfolio Investor (Corporate)	353,944,811	9,000	353,953,811	27.42	342,850,860	9,000	342,859,860	26.56	-3.13
i) Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Bank	6,000	-	6,000	0	6,000	-	6,000	0.00	0.00
Alternate Investment Funds	1,747,883	-	1,747,883	0.14	708,155	-	708,155	0.05	-59.48
SUB TOTAL (B)(1):	**436,241,607**	**9,000**	**436,250,607**	**33.80**	**415,595,457**	**9,000**	**415,604,457**	**32.20**	**-4.73**

ANNEXURE 'F' TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporates									
i) Indian	28,279,652	68,000	28,347,652	2.20	41,105,689	68,000	41,173,689	3.19	45.25
ii) Foreign	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holdingnominal share capital upto Rs.1 lakh	34,856,027	1,089,854	35,945,881	2.78	37,577,891	885,024	38,462,915	2.98	7.00
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	9,606,337	-	9,606,337	0.74	9,905,637	-	9,905,637	0.77	3.12
c) NBFCs registered with RBI	0	0	0	0.00	83,378	-	83,378	0.01	100
d) Trust Employee	0	0	0	0.00	170	-	170	0.00	100
e) Others (specify)									
1. NRI	3,832,827	-	3,832,827	0.30	4,051,660	-	4,051,660	0.31	5.71
2. Clearing member	617,178	-	617,178	0.05	2,181,076	-	2,181,076	0.17	253.39
3. Trusts	415,899	-	415,899	0.03	6,014,874	-	6,014,874	0.47	1346.23
4. HUF	1,529,386	-	1,529,386	0.12	1,551,905	-	1,551,905	0.12	1.47
5. IEPF	9,710	-	9,710	0.00	15,527	-	15,527	0.00	37
6. Foreign Portfolio Investor (Individual)	2,000	-	2,000	0.00	4,720	-	4,720	0.00	136.00
SUB TOTAL (B)(2):	**79,158,726**	**1,157,854**	**80,316,580**	**6.22**	**102,492,527**	**953,024**	**103,445,551**	**8.01**	**28.80**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**518,967,304**	**1,166,854**	**520,134,158**	**40.29**	**518,087,984**	**962,024**	**519,050,008**	**40.21**	**-0.21**
C. Non Promotor - Non Public									
1. Shares held by Custodian forGDRs & ADRs	-	-	-	-	-	-	-	-	-
2. Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	1,931,470	-	1,931,470	0.15	1,084,150	-	1,084,150	0.08	-43.87
Grand Total (A+B+C)	**1,289,697,544**	**1,166,854**	**1,290,864,398**	**100**	**1,289,902,374**	**962,024**	**1,290,864,398**	**100**	**0.00**

ANNEXURE 'F' TO THE BOARD'S REPORT

(ii) & (iii) Shareholding of Promoters & Changes in Promoters' shareholding

Sl. No	Name	Shareholding at the beginning (01.04.2018)/end of the year(31.03.2019)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
1	Harsh Mariwala with Kishore Mariwala (For Valentine Family Trust)	148,459,200	11.50	01-Apr-18	-	No Change during the year	148,459,200	11.50
		148,459,200	11.50	31-Mar-19	-		148,459,200	11.50
2	Harsh Mariwala with Kishore Mariwala (For Aquarius Family Trust)	148,446,200	11.50	01-Apr-18	-	No Change during the year	148,446,200	11.50
		148,446,200	11.50	31-Mar-19	-		148,446,200	11.50
3	Harsh Mariwala with Kishore Mariwala (For Taurus Family Trust)	148,465,000	11.50	01-Apr-18	-	No Change during the year	148,465,000	11.50
		148,465,000	11.50	31-Mar-19	-		148,465,000	11.50
4	Harsh Mariwala with Kishore Mariwala (For Gemini Family Trust)	148,460,600	11.50	01-Apr-18	-	No Change during the year	148,460,600	11.50
		148,460,600	11.50	31-Mar-19	-		148,460,600	11.50
5	The Bombay Oil Private Limited	18,297,000	1.42	01-Apr-18	-	No Change during the year	18,297,000	1.42
		18,297,000	1.42	31-Mar-19	-		18,297,000	1.42
6	Mr. Harsh Mariwala	19,862,900	1.54	01-Apr-18	-	-	19,862,900	1.54
		-	-	21-Feb-19	12,240,000	Inter-se Transfer between Promoter Members	12,240,000	0.95
		32,102,900	2.49	31-Mar-19	-	-	32,102,900	2.49
7	Harshraj C Mariwala (HUF)*	12,240,000	0.95	01-Apr-18	-	-	12,240,000	0.95
		-	-	21-Feb-19	12,240,000	Inter-se Transfer between Promoter Members	-	-
		-	-	31-Mar-19	-	-	-	-
8	Mrs. Archana Mariwala	23,444,100	1.82	01-Apr-18	-	No Change during the year	23,444,100	1.82
		23,444,100	1.82	31-Mar-19	-		23,444,100	1.82
9	Ms. Rajvi Mariwala	28,408,000	2.20	01-Apr-18	-	No Change during the year	28,408,000	2.20
		28,408,000	2.20	31-Mar-19	-		28,408,000	2.20
10	Mr. Rishabh Mariwala	24,976,500	1.93	01-Apr-18	-	No Change during the year	24,976,500	1.93
		24,976,500	1.93	31-Mar-19	-		24,976,500	1.93
11	Mrs. Preeti Gautam Shah	1,800,000	0.14	01-Apr-18	-	No Change during the year	1,800,000	0.14
		1,800,000	0.14	31-Mar-19	-		1,800,000	0.14
12	Mrs. Pallavi Jaikishen	1,832,000	0.14	01-Apr-18	-	No Change during the year	1,832,000	0.14
		1,832,000	0.14	31-Mar-19	-		1,832,000	0.14
13	Mrs. Malika Chirayu Amin	1,800,000	0.14	01-Apr-18	-	No Change during the year	1,800,000	0.14
		1,800,000	0.14	31-Mar-19	-		1,800,000	0.14
14	Mr. Kishore Mariwala	2,445,220	0.19	01-Apr-18	-	Gift to the trusts	2,445,220	0.19
		-	-	19-Sep-18	1,500		2,443,720	0.19
		-	-	21-Sep-18	500		2,443,220	0.19
		2,443,220	0.19	31-Mar-19	-		2,443,220	0.19
15	Mrs. Hema Mariwala	7,679,480	0.59	01-Apr-18	-	No Change during the year	7,679,480	0.59
		7,679,480	0.59	31-Mar-19	-		7,679,480	0.59
16	Mr. Rajen Mariwala	5,532,900	0.43	01-Apr-18	-	No Change during the year	5,532,900	0.43
		5,532,900	0.43	31-Mar-19	-		5,532,900	0.43

ANNEXURE 'F' TO THE BOARD'S REPORT

Sl. No	Name	Shareholding at the beginning (01.04.2018)/end of the year(31.03.2019)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
17	Mrs. Anjali Mariwala	7,414,700	0.57	01-Apr-18	-	No Change during the year	7,414,700	0.57
		7,414,700	0.57	31-Mar-19	-		7,414,700	0.57
18	Dr. Ravindra Mariwala	13,954,540	1.08	01-Apr-18	-	No change during the year	13,954,540	1.08
		13,954,540	1.08	31-Mar-19	-		13,954,540	1.08
19	Mrs. Paula Mariwala	7,189,100	0.56	01-Apr-18	-	No Change during the year	7,189,100	0.56
		7,189,100	0.56	31-Mar-19	-		7,189,100	0.56
20	Kishore Mariwala for Arnav Trust	5,700	0.00	01-Apr-18	-	Gift from Mr. Kishore Mariwala	5,700	0.00
		-	-	19-Sep-18	500		6,200	0.00
		6,200	0.00	31-Mar-19	-		6,200	0.00
21	Kishore Mariwala for Vibhav Trust	5,700	0.00	01-Apr-18	-	Gift from Mr. Kishore Mariwala	5,700	0.00
		-	-	21-Sep-18	500		6,200	0.00
		6,200	0.00	31-Mar-19	-		6,200	0.00
22	Kishore Mariwala for Taarika Trust	5,700	0.00	01-Apr-18	-	Gift from Mr. Kishore Mariwala	5,700	0.00
		-	-	19-Sep-18	500		6,200	0.00
		6,200	0.00	31-Mar-19	-		6,200	0.00
23	Kishore Mariwala for Anandita Trust	5,700	0.00	01-Apr-18	-	Gift from Mr. Kishore Mariwala	5,700	0.00
		-	-	19-Sep-18	500		6,200	0.00
		6,200	0.00	31-Mar-19	-		6,200	0.00

*Consequent to inter-se transfer of 1,22,40,000 equity shares from HUF to Karta - Mr. Harsh Mariwala, holding of HUF is NIL as on March 31, 2019.

ANNEXURE 'F' TO THE BOARD'S REPORT

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs & ADRs)

Sl. No	Name	Shareholding at the beginning(01.04.2018)/ end of the year (31.03.2019)		Date	No. of Shares (Increase/Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares Held	% of total Shares of the Company				No. of Shares Held	% of total Shares of the Company
1	First State Investments ICVC- Stewart Investors Asia Pacific Leaders Fund	46,995,220	3.64	01-Apr-18	-	-	46,995,220	3.64
		-	-	22-Feb-19	4,986,445	Sale	42,008,775	3.25
		42,008,775	3.25	31-Mar-19	-	-	42,008,775	3.25
2	Arisaig India Fund Limited	28,647,339	2.22	01-Apr-18	-	-	28,647,339	2.22
		-	-	12-Oct-18	1,400,000	Sale	27,247,339	2.11
		-	-	19-Oct-18	760,102	Sale	26,487,237	2.05
		-	-	02-Nov-18	318,398	Sale	26,168,839	2.03
		26,168,839	2.03	31-Mar-19	-		26,168,839	2.03
3	Kuwait Investment Authority - fund no. 208	16,087,473	1.25	01-Apr-18	-	-	16,087,473	1.25
				13-Apr-18	87,466	Sale	16,000,007	1.24
				20-Apr-18	585,186	Sale	15,414,821	1.19
				27-Apr-18	87,915	Sale	15,326,906	1.19
				18-May-18	896,576	Purchase	16,223,482	1.26
				01-Jun-18	1,365,791	Purchase	17,589,273	1.36
				08-Jun-18	596,541	Purchase	18,185,814	1.41
				15-Jun-18	368,571	Purchase	18,554,385	1.44
				30-Jun-18	301,121	Purchase	18,855,506	1.46
				06-Jul-18	105,506	Purchase	18,961,012	1.47
				13-Jul-18	860,381	Sale	18,100,631	1.40
				27-Jul-18	1,317,975	Sale	16,782,656	1.30
				03-Aug-18	676,855	Sale	16,105,801	1.25
				10-Aug-18	20,450	Sale	16,085,351	1.25
				17-Aug-18	266,215	Sale	15,819,136	1.23
				24-Aug-18	113,586	Purchase	15,932,722	1.23
				31-Aug-18	362,311	Purchase	16,295,033	1.26
				29-Sep-18	75,908	Sale	16,219,125	1.26
				12-Oct-18	828,532	Sale	15,390,593	1.19
				02-Nov-18	517,785	Purchase	15,908,378	1.23
				09-Nov-18	488,811	Purchase	16,397,189	1.27
				16-Nov-18	590,475	Purchase	16,987,664	1.32
				21-Dec-18	284,891	Sale	16,702,773	1.29
				11-Jan-19	109,000	Purchase	16,811,773	1.30
				01-Feb-19	14,288	Sale	16,797,485	1.30
				08-Feb-19	129,347	Sale	16,668,138	1.29
				15-Feb-19	140,970	Purchase	16,809,108	1.30
		16,809,108	1.30	31-Mar-19	-	-	16,809,108	1.30
4	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus	12,656,189	0.98	01-Apr-18	-	-	12,656,189	0.98
				06-Apr-18	854,190	Sale	11,801,999	0.91
				04-May-18	153,110	Sale	11,648,889	0.90
				14-Sep-18	400,000	Purchase	12,048,889	0.93
				21-Sep-18	100,000	Purchase	12,148,889	0.94
				29-Sep-18	200,000	Purchase	12,348,889	0.96
				12-Oct-18	100,000	Purchase	12,448,889	0.96
				09-Nov-18	306,335	Sale	12,142,554	0.94
				16-Nov-18	342,554	Sale	11,800,000	0.91
				21-Dec-18	200,000	Sale	11,600,000	0.90
				15-Feb-19	200,000	Purchase	11,800,000	0.91
		11,800,000	0.91	31-Mar-19	-	Purchase	11,800,000	0.91

ANNEXURE 'F' TO THE BOARD'S REPORT

Sl. No	Name	Shareholding at the beginning(01.04.2018)/ end of the year (31.03.2019)		Date	No. of Shares (Increase/Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares Held	% of total Shares of the Company				No. of Shares Held	% of total Shares of the Company
5	Life Insurance Corporation of India	46,610,722	3.61	01-Apr-18	-	-	46,610,722	3.61
				13-Jul-18	1,300	Sale	46,609,422	3.61
				20-Jul-18	10,000		46,599,422	3.61
				31-Aug-18	1,830,705		44,768,717	3.47
				07-Sep-18	1,628,565		43,140,152	3.34
				14-Sep-18	1,884,129		41,256,023	3.20
				21-Sep-18	1,415,839		39,840,184	3.09
				29-Sep-18	3,243,062		36,597,122	2.84
				05-Oct-18	1,797,972		34,799,150	2.70
				19-Oct-18	1,201,697		33,597,453	2.60
				26-Oct-18	3,014,366		30,583,087	2.37
				02-Nov-18	6,257,355		24,325,732	1.88
				09-Nov-18	1,704,190		22,621,542	1.75
				16-Nov-18	2,745,071		19,876,471	1.54
				23-Nov-18	2,105,938		17,770,533	1.38
				30-Nov-18	2,539,723		15,230,810	1.18
				07-Dec-18	2,607,309		12,623,501	0.98
				14-Dec-18	1,248,950		11,374,551	0.88
				21-Dec-18	750		11,373,801	0.88
		11,373,801	0.88	31-Mar-19	-		11,373,801	0.88
6	Prazim Trading and Investment Company Private Limited	14,749,102	1.14	01-Apr-18	-	-	14,749,102	1.14
				06-Apr-18	105,434	Sale	14,643,668	1.13
				13-Apr-18	159,997		14,483,671	1.12
				27-Apr-18	2,308,800		12,174,871	0.94
				22-Mar-19	1,110,984		11,063,887	0.86
				29-Mar-19	359,604		10,704,283	0.83
		10,704,283	0.83	31-Mar-19	-		10,704,283	0.83
7	Arisaig Global Emerging Markets Consumer Fund (Singapore) Private Limited	8,162,030	0.63	01-Apr-18	-	-	8,162,030	0.63
				08-Jun-18	547,690	Purchase	8,709,720	0.67
				15-Jun-18	12,480		8,722,200	0.68
				22-Jun-18	424,089		9,146,289	0.71
				30-Jun-18	112,705		9,258,994	0.72
				03-Aug-18	431,500	Sale	8,827,494	0.68
		8,827,494	0.68	31-Mar-19	-		8,827,494	0.68
8	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund	4,609,600	0.36	01-Apr-18	-	-	4,609,600	0.36
				04-May-18	75,000	Purchase	4,684,600	0.36
				11-May-18	600,000		5,284,600	0.41
				18-May-18	401,100		5,685,700	0.44
				25-May-18	160,000	Sale	5,525,700	0.43
				01-Jun-18	18,200	Purchase	5,543,900	0.43
				05-Oct-18	90,000	Sale	5,453,900	0.42
				12-Oct-18	100,000	Purchase	5,553,900	0.43
				19-Oct-18	70,000		5,623,900	0.44
				02-Nov-18	1,000,000		6,623,900	0.51
				30-Nov-18	1,100,000		7,723,900	0.60
				07-Dec-18	100,000		7,823,900	0.61
				21-Dec-18	81,558		7,905,458	0.61
				28-Dec-18	864		7,906,322	0.61
				18-Jan-19	286,600	Sale	7,619,722	0.59
				25-Jan-19	43,000		7,576,722	0.59
				22-Feb-19	10,000	Purchase	7,586,722	0.59
				01-Mar-19	9,198		7,595,920	0.59
				08-Mar-19	16,644		7,612,564	0.59
				15-Mar-19	657		7,613,221	0.59
				22-Mar-19	3,825	Sale	7,609,396	0.59
				29-Mar-19	23,217		7,586,179	0.59
		7,586,179	0.59	31-Mar-19	-		7,586,179	0.59

ANNEXURE 'F' TO THE BOARD'S REPORT

Sl. No	Name	Shareholding at the beginning(01.04.2018)/ end of the year (31.03.2019)		Date	No. of Shares (Increase/Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares Held	% of total Shares of the Company				No. of Shares Held	% of total Shares of the Company
9	ICICI Prudential Balanced Advantage Fund	4,535,768	0.35	01-Apr-18	-	-	4,535,768	0.35
				06-Apr-18	41,937	Sale	4,493,831	0.35
				13-Apr-18	633,668	Purchase	5,127,499	0.40
				20-Apr-18	112,097		5,239,596	0.41
				27-Apr-18	996		5,240,592	0.41
				04-May-18	185,378		5,425,970	0.42
				11-May-18	8,517		5,434,487	0.42
				18-May-18	254		5,434,741	0.42
				25-May-18	4,947		5,439,688	0.42
				01-Jun-18	66,783		5,506,471	0.43
				08-Jun-18	8,518		5,514,989	0.43
				15-Jun-18	110,940	Sale	5,404,049	0.42
				22-Jun-18	32,544	Purchase	5,436,593	0.42
				30-Jun-18	28,678	Sale	5,407,915	0.42
				06-Jul-18	2,298	Purchase	5,410,213	0.42
				13-Jul-18	786,284	Sale	4,623,929	0.36
				20-Jul-18	367,323	Purchase	4,991,252	0.39
				27-Jul-18	538,462	Sale	4,452,790	0.34
				03-Aug-18	1,341	Purchase	4,454,131	0.35
				10-Aug-18	181		4,454,312	0.35
				17-Aug-18	1,420	Sale	4,452,892	0.34
				24-Aug-18	5,286	Purchase	4,458,178	0.35
				31-Aug-18	10,844		4,469,022	0.35
				07-Sep-18	19,573	Sale	4,449,449	0.34
				14-Sep-18	134,135	Purchase	4,583,584	0.36
				21-Sep-18	1,821		4,585,405	0.36
				29-Sep-18	6,949		4,592,354	0.36
				05-Oct-18	7,229		4,599,583	0.36
				12-Oct-18	197,698		4,797,281	0.37
				19-Oct-18	4,599		4,801,880	0.37
				26-Oct-18	1,117,575		5,919,455	0.46
				02-Nov-18	423,143		6,342,598	0.49
				09-Nov-18	2,062		6,344,660	0.49
				16-Nov-18	150,321		6,494,981	0.50
				23-Nov-18	81,835		6,576,816	0.51
				30-Nov-18	95,700	Sale	6,481,116	0.50
				07-Dec-18	1,991	Purchase	6,483,107	0.50
				14-Dec-18	24,233		6,507,340	0.50
				21-Dec-18	356,995	Sale	6,150,345	0.48
				28-Dec-18	11,004		6,139,341	0.48
				31-Dec-18	1,930	Purchase	6,141,271	0.48
				04-Jan-19	49,252	Sale	6,092,019	0.47
				11-Jan-19	269,482		5,822,537	0.45
				18-Jan-19	7,636	Purchase	5,830,173	0.45
				25-Jan-19	1,776		5,831,949	0.45
				01-Feb-19	390,535	Sale	5,441,414	0.42
				08-Feb-19	2,459	Purchase	5,443,873	0.42
				15-Feb-19	5,136		5,449,009	0.42
				22-Feb-19	127,045		5,576,054	0.43
				01-Mar-19	473,815		6,049,869	0.47
				08-Mar-19	369,911		6,419,780	0.50
				15-Mar-19	103,339		6,523,119	0.51
				22-Mar-19	211,116		6,734,235	0.52
				29-Mar-19	735,811		7,470,046	0.58
		7,470,046	0.58	31-Mar-19	-		7,470,046	0.58

ANNEXURE 'F' TO THE BOARD'S REPORT

Sl. No	Name	Shareholding at the beginning(01.04.2018)/ end of the year (31.03.2019)		Date	No. of Shares (Increase/Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares Held	% of total Shares of the Company				No. of Shares Held	% of total Shares of the Company
10	SBI MAGNUM TAXGAIN SCHEME	2,768	0.00	01-Apr-18	-	-	2,768	0.00
				06-Apr-18	327		3,095	0.00
				11-May-18	219		3,314	0.00
				18-May-18	300,469		303,783	0.02
				01-Jun-18	444		304,227	0.02
				08-Jun-18	700,000		1,004,227	0.08
				15-Jun-18	908,881		1,913,108	0.15
				22-Jun-18	225		1,913,333	0.15
				30-Jun-18	120		1,913,453	0.15
				06-Jul-18	40,000		1,953,453	0.15
				13-Jul-18	3,294		1,956,747	0.15
				20-Jul-18	3,392,888		5,349,635	0.41
				27-Jul-18	75,000		5,424,635	0.42
				03-Aug-18	11	Purchase	5,424,646	0.42
				10-Aug-18	5,224		5,429,870	0.42
				24-Aug-18	13		5,429,883	0.42
				31-Aug-18	241		5,429,642	0.42
				14-Sep-18	595,079		6,024,721	0.47
				21-Sep-18	434		6,025,155	0.47
				29-Sep-18	798,669		6,823,824	0.53
				05-Oct-18	109,494		6,933,318	0.54
				12-Oct-18	729		6,934,047	0.54
				19-Oct-18	400,234		7,334,281	0.57
				26-Oct-18	440		7,334,721	0.57
				02-Nov-18	165,999		7,500,720	0.58
				09-Nov-18	8,012		7,508,732	0.58
				16-Nov-18	189,605		7,319,127	0.57
				30-Nov-18	2,933		7,316,194	0.57
				14-Dec-18	116,912	Sale	7,433,106	0.58
				21-Dec-18	82		7,433,024	0.58
				28-Dec-18	4,634		7,428,390	0.58
				31-Dec-18	200,000	Purchase	7,628,390	0.59
				04-Jan-19	1,458		7,629,848	0.59
				11-Jan-19	907	Sale	7,628,941	0.59
				18-Jan-19	352	Purchase	7,629,293	0.59
				01-Feb-19	223		7,629,516	0.59
				08-Feb-19	49,281	Sale	7,580,235	0.59
				15-Feb-19	14,617		7,594,852	0.59
				22-Feb-19	477		7,595,329	0.59
				01-Mar-19	59,762	Purchase	7,655,091	0.59
				08-Mar-19	2,214		7,657,305	0.59
				15-Mar-19	8,504		7,665,809	0.59
				22-Mar-19	195,728		7,470,081	0.58
				29-Mar-19	12,186	Sale	7,457,895	0.58
		7,457,895	0.58	31-Mar-19	-		7,457,895	0.58

Notes:

1. Paid up Share Capital of the Company (Face Value ₹ 1.00) at the end of the year is 1,290,864,398 Shares.
2. The details of holding has been clubbed based on PAN.

ANNEXURE 'F' TO THE BOARD'S REPORT

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Name	Shareholding at the beginning (01.04.2018)/end of the year (31.03.2019)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No.of Shares	% of total Shares of the Company				No.of Shares	% of total Shares of the Company
Directors								
1	Mr. Harsh Mariwala (The Chairman of the Board & Non Executive Director)	19,862,900	1.54	01-Apr-18	-	-	19,862,900	1.54
		-	-	21-Feb-19	12,240,000	Inter-se Transfer between Promoter Members	32,102,900	2.49
		32,102,900	2.49	31-Mar-19	-	-	32,102,900	2.49
2	Mr. Rajen Mariwala (Non-Executive Director)	5,532,900	0.43	01-Apr-18	-	No Change during the year	5,532,900	0.43
		5,532,900	0.43	31-Mar-19	-		5,532,900	0.43
3	Mr. Saugata Gupta (Managing Director & Chief Executive Officer)	710,600	0.06	01-Apr-18	-	-	710,600	0.06
		-	-	14-Dec-18	50,000	Open market Sale	660,600	0.05
		-	-	17-Dec-18	50,000		610,600	0.05
		-	-	18-Dec-18	50,000		560,600	0.04
		560,600	0.04	31-Mar-19	-		560,600	0.04
5	Mr. B. S. Nagesh (Independent Director)	-	-	-	-	Nil Holding	-	-
6	Ms. Hema Ravichandar (Independent Director)	-	-	-	-	Nil Holding	-	-
7	Mr. Nikhil Khattau (Independent Director)	-	-	-	-	Nil Holding	-	-
8	Mr. Rajeev Bakshi (Independent Director)	-	-	-	-	Nil Holding	-	-
9	Mr. Rishabh Mariwala (Non-Executive Director)	24,976,500	1.93	01-Apr-18	-	No Change during the year	24,976,500	1.93
		24,976,500	1.93	31-Mar-19	-		24,976,500	1.93
10	Mr. Ananth Sankaranarayanan (Independent Director)	-	-	-	-	Nil Holding	-	-
Key Managerial Personnel								
1	Mr. Vivek Karve (Chief Financial Officer)	49,900	0.00	01-Apr-18	-	No Change during the year	49,900	0.00
		49,900	0.00	31-Mar-19	-		49,900	0.00
2	Ms. Hemangi Ghag (Company Secretary & Compliance Officer)	-	-	01-Apr-18	-	Nil Holding	-	-
		-	-	31-Mar-19	-		-	-

ANNEXURE 'F' TO THE BOARD'S REPORT

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year (As on 01.04.2018)				
i) Principal Amount	122	-	-	122
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0	-	-	0
Total (i+ii+iii)	**122**	**-**	**-**	**122**
Change in Indebtedness during the financial year				
Additions (Principal)	138	-	-	138
Reduction (Principal)	327	-	-	327
Adjustment (Exchange Rate difference)	-	-	-	-
Net Change	**11**	**-**	**-**	**11**
Indebtedness at the end of the financial year (As on 31.03.2019)				
i) Principal Amount	131	-	-	131
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0	-	-	0
Total (i+ii+iii)	**132**	**-**	**-**	**132**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the Managing Director - Mr. Saugata Gupta
1	**Gross salary**	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961. #	92,152,048
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	39,600
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
5	Others, Please specify	-
	Total (A)	**92,191,648**
	Ceiling as per the Act*	**-**

 # Includes Stock appreciations rights vested during the financial year.
**Remuneration paid to the Managing Director is within the ceiling provided under Section 197 of the Companies Act, 2013.*

ANNEXURE 'F' TO THE BOARD'S REPORT

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of other Directors					Total
1	Independent Directors	**Mr. Ananth Sankaranarayanan**	**Ms. Hema Ravichandar**	**Mr. Rajeev Bakshi**	**Mr. Nikhil Khattau**	**Mr. B. S. Nagesh**	
	(a) Fee for attending Board / Committee Meetings	700,000	1,200,000	950,000	1,300,000	1,450,000	5,600,000
	(b) Commission	2,200,000	2,350,000	2,350,000	2,350,000	2,200,000	11,450,000
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	**2,900,000**	**3,550,000**	**3,300,000**	**3,650,000**	**3,650,000**	**17,050,000**
2	Other Non-Exetutive Directors	**Mr. Harsh Mariwala**	**Mr. Rajen Mariwala**	**Mr. Rishabh Mariwala**			-
	(a) Fee for attending Board / Committee Meetings	850,000	900,000	700,000			2,450,000
	(b) Commission	48,540,000	2,200,000	2,200,000			52,940,000
	(c) Others, please specify	-	-	-			-
	Total (2)	**49,390,000**	**3,100,000**	**2,900,000**			**55,390,000**
	Total B(1+2)	**52,290,000**	**6,650,000**	**6,200,000**			**72,440,000**
	Total Managerial Remuneration (Total A+B)	-	-	-			**1,64,631,648**
	Overall Ceiling as per the Act	₹ 1,32,37,10,020.20 (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

C. Remuneration To Key Managerial Personnel Other than Managing Director /Manager/Whole Time Director

Sl.No	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Vivek Karve - Chief Financial Officer	**Ms. Hemangi Ghag- Company Secretary & Compliance Officer**
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	25,482,369	5,202,205
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
5	Others, Please specify	-	-
	Total	**25,521,969**	**5,241,805**

ANNEXURE 'F' TO THE BOARD'S REPORT

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

There were no penalties/punishment/compounding of offences for violation of the provisions of the Companies Act, 2013 against the Company or its Directors or other officers in default during the year.

For Marico Limited

Place : Mumbai
Date: May 6, 2019

Harsh Mariwala
Chairman
DIN : 00210342

FORM AOC - 1

Statement containing salient features of the financials statements of subsidiaries, associate companies and joint ventures.
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 ₹ Crore)

Sr. No.	Name of the subsidiary	Reporting Currency	Exchange Rate	Date of acquiring subsidiary	Start date of the Reporting Period	End date of the Reporting Period	Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (Excluding Investment in Subsidiaries)	Turnover	Profit /(Loss) Before Tax	Provision for Tax	Profit / (Loss) After Tax	Proposed Dividend including Dividend declared during the year	% of Share holding
1	Marico Bangladesh Limited	BDT		6th September,1999	1st April,2018	31st March,2019	32	99	458	327	206	877	275	73	202	221	90%
		₹	0.827				26	82	378	271	171	725	227	60	167	182	
2	MBL Industries Limited	BDT		2nd August, 2003	1st April,2018	31st March,2019	0	0	1	0	-	-	(0)	-	(0)	-	100%
		₹	0.827				0	0	1	0	-	-	(0)	-	(0)	-	
3	Marico Consumer Care Limited	₹		20th April,2012	1st April,2018	31st March,2019	21	4	25	1	22	-	8	2	6	16	100%
		₹	1.000				21	4	25	1	22	-	8	2	6	16	
4	Marico Middle East FZE	AED		8th November,2005	1st April,2018	31st March,2019	2	(12)	4	14	-	15	(0)	-	(0)	-	100%
		₹	18.889				42	(231)	79	268	-	285	(1)	-	(1)	-	
5	MEL Consumer Care SAE	EGP		1st October,2006	1st April,2018	31st March,2019	0	(12)	0	12	-	-	(2)	-	(2)	-	100%
		₹	4.002				0	(49)	1	50	-	-	(9)	-	(9)	-	
6	Egyptian American Company for Investment and Industrial Development SAE	EGP		19th December,2006	1st January,2018	31st December,2018	1	(1)	0	0	-	-	(0)	-	(0)	-	100%
		₹	3.884				3	(4)	0	1	-	-	(0)	-	(0)	-	
7	Marico South Africa (Pty) Limited	ZAR		17th October,2007	1st April,2018	31st March,2019	8	2	20	9	-	25	0	0	0	-	100%
		₹	4.785				41	11	95	43	-	121	1	0	1	-	
8	Marico South Africa Consumer Care (Pty) Limited	ZAR		1st November,2007	1st April,2018	31st March,2019	9	4	13	-	-	-	0	0	0	-	100%
		₹	4.785				43	19	62	-	-	-	0	0	0	-	
9	Marico Egypt for industries SAE	EGP		1st January,2008	1st January,2018	31st December,2018	1	(1)	1	1	1	6	0	(0)	(0)	-	100%
		₹	3.884				5	(4)	5	4	3	23	0	(0)	(0)	-	
10	Marico for Consumer Care Products SAE	EGP		19th December,2017	1st January,2018	31st December,2018	1	(5)	8	12	1	12	(3)	(0)	(3)	-	100%
		₹	3.884				6	(20)	32	47	4	45	(10)	(0)	(11)	-	
11	Marico Malaysia Sdn.Bhd	MYR		4th December,2009	1st April,2018	31st March,2019	2	(2)	0	0	-	-	(0)	-	(0)	-	100%
		₹	16.943				30	(30)	0	0	-	-	(0)	-	(0)	-	
12	Marico South East Asia Corporation	VND		18th February,2011	1st April,2018	31st March,2019	9,536	5,947	47,121	31,638	-	140,987	14,230	2,946	11,285	8,000	100%
		₹	0.00299				29	18	141	95	-	422	43	9	34	24	
13	Marico Innovation Foundation	₹		15th March,2013	1st April,2018	31st March,2019	-	(0)	0	0	-	-	0	-	0	-	100%
		₹	1.000				-	(0)	0	0	-	-	0	-	0	-	
14	Parachute Kalpvriksha Foundation	₹		27th December,2018	1st April,2018	31st March,2019	-	0	0	0	-	-	0	-	0	-	100%
		₹	1.000				-	0	0	0	-	-	0	-	0	-	

Notes:

1) % of Shareholding includes direct and indirect holding through subsidiary.
2) The amounts given in the table above are from the annual accounts made for the respective financial year end for each of the companies.
3) The Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates as on 31st March, 2019 and as at 31st December, 2018 as applicable.
4) One of the subsidiaries, Marico Lanka (Private) Limited is yet to commence operations. Halite Personal Care Private Limited , a step down subsidiary of the Company which has not been included in the above statement is under members voluntary liquidation and has concluded final distribution of its assets.
5) Marico Innovation Foundation ("MIF"), a company incorporated under Section 25 of the Companies Act, 1956 (being a private company limited by guarantee not having share capital) primarily with an objective of fuelling and promoting innovation in India, is a 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.
6) 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 December 27, 2018. Based on the Control assessment carried out by Marico Limited,the same is not consolidated as per IND AS 110.
7) Below the rounding off norm have been reflected as "0".

Part 'B' : Associates & Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

(₹ in Crore)

Name of Joint Venture	Zed Lifestyle Pvt. Ltd.	Revolutionary Fitness Prt. Ltd.
1. Latest audited Balance Sheet	March 31, 2019	March 31, 2019
2. Shares of Joint Venture held by the Company on the year end		
- Number	0	0
- Amount of Investment In Associates/Joint Venture	22	4
- Extend of Holding	42.88%	22.46%
3. Description of how there is significant influence	Shareholder's agreement	Shareholder's agreement
4. Reason why the joint venture is not consolidated	Not Applicable	Not Applicable
5. Networth attributable to shareholding as per latest audited Balance Sheet	4	1
6. Profit/Loss for the year		
i. Considered in consolidation	0	(0)
ii. Not Considered in consolidation	0	(0)

Note:- Refer note 31(b) of the consolidated financial statements for information on joint venture.

1. Names of Associates or joint venture which are yet to commence operations - Nil
2. Names of Associates or joint ventures which have been liquidated or sold during the year - Nil

For and On behalf of Board of Directors

HARSH MARIWALA Chairman
[DIN 00210342]

SAUGATA GUPTA Managing Director and CEO
[DIN 05251806]

VIVEK KARVE Chief Financial Officer

HEMANGI GHAG
[Membership No. F9329] Company Secretary

Place : Mumbai
Date : May 6, 2019

FINANCIAL STATEMENTS

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") and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2019, 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, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by the other auditors, 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 and its joint ventures as at 31 March 2019, of its consolidated profit and other comprehensive income, 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 Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters 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 to Note (e) of Significant Accounting Policies and Note 19 to the Financial Statements]

The Key Audit Matter	How the matter was addressed in our audit
• Revenue is recognised net of returns, trade allowances and rebates owed to the customers based on the arrangement with customers	Our audit procedures include: • Assessed the appropriateness of the Group's revenue recognition accounting policies, those relating to trade allowances and rebates by comparing with applicable accounting standards.
• The recognition and measurement of trade allowances and rebates, including establishing an appropriate accrual at year end, involves significant judgement and estimates, particularly the expected level of claims of each of the customers, leading to a risk of revenue being misstated due to faulty estimation over trade allowances and rebates.	• Assessed and 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, revenue cut-off and calculation and monitoring of trade allowances and rebates in the general ledger accounting system.
• Revenue is recognised when control of the underlying products have been transferred to the customer. There is a risk of revenue being overstated on account of variation in the timing of transfer of control due to the pressure management may feel to achieve performance targets at the reporting period end.	• Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included sales invoices/contracts and shipping documents. • We inspected, on a sample basis, key customer contracts to identify terms and conditions relating to goods acceptance and rebates and assessing the Group's revenue recognition policies with reference to the requirements of the applicable accounting standards. • We tested a sample of trade spends to the supporting documentation. We compared sales performance every quarter and trade spend accruals with prior period to understand deviations and inquired further for its significant deviation. • We assessed manual journal entries to revenue to identify unusual items and considered the adequacy of the disclosures in respect of revenue.

CONSOLIDATED AUDITORS' REPORT

Uncertain tax positions

[Refer to Note (h) of Significant Accounting Policies and Note 14, 26 and 33 to the Financial Statements]

The Key Audit Matter	How the matter was addressed in our audit
• The Group operates in a complex tax jurisdictions with various tax exemptions / deductions that may be subject to challenges and audits by tax authorities. There are open tax and transfer pricing matters under litigation with tax authorities • Judgment is required in assessing the level of provisions and disclosure of contingent liabilities required in respect of uncertain tax positions that reflects management's best estimate of the most likely outcome based on the facts available	Our audit procedures include: • For uncertain tax positions, we read and analysed select key correspondences with tax authorities, reviewed Management's judgment regarding the eventual resolution of matters with various tax authorities, assessment of third-party opinions and the use, of past experience, where available, with the tax authorities in the respective jurisdiction. • We have used our own tax specialists' expertise to assess the status of the ongoing tax litigations and judgmental tax positions in tax returns and their most likely outcome, basis expertise, industry outcomes and company's own past outcomes in respect of similar matters. • We evaluated the adequacy of financial statement disclosures in respect of the tax provision / adjustments and contingencies

Carrying value of goodwill:

[Refer to Note (j)of Significant Accounting Policies, Note 2(d) and 5 to the Financial Statements]

The Key Audit Matter	How the matter was addressed in our audit
• The carrying amount of goodwill aggregates Rs. 503 crores i.e. 10.44% of the total assets of the Group as at 31 March 2019. • The majority of goodwill has been allocated to the Vietnam cash-generating unit (CGU) and South Africa CGU of the Group. • The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the goodwill, which is based on the higher of the value in use or fair value less costs to sell, 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).	Our audit procedures include: • We evaluated the appropriateness of the assumptions applied to key inputs such as sales value, operating costs, long term growth rates and discount rates, which included comparing these inputs with the historical growth trends, agreeing the forecast used in prior year models to its actual performance of the business and also agreed to the board of directors / management approved plans as well as our own assessments based on our knowledge of the client • We challenged management by performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the currently estimated headroom • We evaluated the adequacy of financial statement disclosures in respect of the carrying amount of goodwill, including disclosures of key assumptions, judgements and sensitivities.

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 auditors' report thereon.

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 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.

Responsibilities of Management and Those Charged with Governance 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 term 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 including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures 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

CONSOLIDATED AUDITORS' REPORT

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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its joint ventures 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 management 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 and of its joint ventures is responsible for overseeing the financial reporting process of each company.

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 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 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 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 management.
- Conclude on the appropriateness of management's 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 (company and subsidiaries) as well as joint ventures 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 such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain

CONSOLIDATED AUDITORS' REPORT

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 para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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

(a) We did not audit the financial statements / financial information of six subsidiaries, whose financial statements/financial information reflect total assets of Rs. 792 crores as at 31 March 2019, total revenues of Rs. 1,635 crores and net cash flows amounting to Rs. (5) crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. 1 crore for the year ended 31 March 2019, in respect of two joint ventures, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the audit reports of the other auditors.

(b) The financial statements/financial information of six subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 63 crores as at 31 March 2019, total revenues of Rs. Nil and net cash flows amounting to Rs. 0 crores 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

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary

CONSOLIDATED AUDITORS' REPORT

for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The consolidated balance sheet, the consolidated statement of profit and loss (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.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and joint ventures incorporated in India, none of the directors of the Group companies and its joint ventures incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:

- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture. Refer Note 33 to the consolidated financial statements.
- The Group and joint venture did have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.
- There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture incorporated in India during the year ended 31 March 2019.
- The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company and joint ventures 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, its subsidiary company and joint ventures 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

Mumbai
6 May 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT - 31ST MARCH, 2019

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 2019, 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 and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its joint venture companies, 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 2019, 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 joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 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 reports 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 in so far as it relates to two joint venture companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No: 048648

Mumbai

6 May 2019

CONSOLIDATED BALANCE SHEET

as at 31 March 2019

(₹ in crore)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	572	534
Capital work-in-progress	3	45	27
Investment properties	4	17	30
Goodwill	5	503	486
Other intangible assets	5	55	60
Investment accounted for using the equity method	6(a)	25	20
Financial assets			
(i) Investments	6(a)	34	37
(ii) Loans	6(c)	4	4
(iii) Other financial assets	6(f)	25	15
Deferred tax assets (net)	7	188	9
Non current tax assets (net)	17	39	33
Other non-current assets	8	35	32
Total non-current assets		**1,542**	**1,287**
Current assets			
Inventories	9	1,411	1,511
Financial assets			
(i) Investments	6(a)	391	486
(ii) Trade receivables	6(b)	517	340
(iii) Cash and cash equivalents	6(d)	48	51
(iv) Bank balances other than (iii) above	6(e)	504	150
(v) Loans	6(c)	5	4
(vi) Other financial assets	6(g)	4	2
Other current assets	10	308	250
Assets classified as held for sale	11	12	-
Total current assets		**3,200**	**2,794**
Total assets		**4,742**	**4,081**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	129	129
Other equity			
Reserves and surplus	12(b)	2,920	2,448
Other reserves	12(c)	(50)	(34)
Equity attributable to owners		**2,999**	**2,543**
Non-controlling interests	12(c)	11	12
Total equity		**3,010**	**2,555**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	14	20
Employee benefit obligations	15	20	19
Deferred tax liabilities (net)	16	12	29
Total non current liabilities		**46**	**68**
Current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	335	289
(ii) Trade payables	13(c)		
Due to micro and small enterprises		13	4
Due to others		931	818
(iii) Other financial liabilities	13(b)	25	21
Other current liabilities	18	196	161
Provisions	14	57	57
Employee benefit obligations	15	68	56
Current tax liabilities (net)	17	61	52
Total current liabilities		**1,686**	**1,458**
Total liabilities		**1,732**	**1,526**
Total equity and liabilities		**4,742**	**4,081**
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

Place : Mumbai
Date : May 6, 2019

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No.F9329]

Place : Mumbai
Date : May 6, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

(₹ in crore)

Particulars	Notes	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue:			
Revenue from operations	19	7,334	6,333
Other income	20	103	85
Total Income		7,437	6,418
Expenses:			
Cost of materials consumed	21(a)	3,995	3,372
Purchases of stock-in-trade		145	196
Changes in inventories of finished goods, stock-in-trade and work-in progress	21(b)	(123)	(220)
Excise duty		-	11
Employee benefit expense	22	466	422
Finance costs	25	24	16
Depreciation and amortization expense	23	96	89
Other expenses	24	1,570	1,414
Total expenses		**6,173**	**5,301**
Profit before share of net profits of investments accounted for using equity method and tax		**1,264**	**1,117**
Share of net loss of joint ventures accounted for using the equity method	31	(1)	(0)
Profit before tax from continuing operations		**1,263**	**1,117**
Income tax expense			
Current tax	26	331	284
Deferred tax	26	(15)	6
Tax expense for the current year		**316**	**290**
Tax adjustment for earlier years	26	(188)	-
Total tax expense		**128**	**290**
Profit for the year (A)		**1,135**	**827**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15	(2)	(1)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		(0)	1
Total		**(2)**	**(0)**
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations	12 (c)	(16)	4
Change in fair value of hedging instruments	12 (c)	0	(2)
Income tax relating to items that will be reclassified to profit or loss			
Change in fair value of hedging instruments	12 (c)	(0)	1
Total		(16)	3
Other comprehensive income for the year (B)		**(18)**	**3**
Total comprehensive income for the year (A+B)		**1,117**	**830**
Net Profit attributable to:			
Owners		1,118	814
Non-controlling interests		17	13
		1,135	**827**
Other comprehensive income attributable to:			
Owners		(18)	3
Non-controlling interests		(0)	0
		(18)	**3**
Total comprehensive income attributable to:			
Owners		1,100	818
Non-controlling interests		17	13
		1,117	**831**
Earnings per equity share for profit attributable to owners:	36		
Basic earnings per share		8.67	6.31
Diluted earnings per share		8.67	6.32
Significant accounting policies	1		
Critical estimates and judgements	2		

The above consolidated Balance Sheet should be read in conjunction with the accompanying notes.

As per our attached report of even date.

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 6, 2019

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No.F9329]

Place : Mumbai
Date : May 6, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2019

A. Equity Share Capital

(₹ in Crore)

	Note	
As at 31st March, 2017		129
Changes in equity share capital	12(a)	0
As at 31st March 2018		**129**
Changes in equity share capital	12(a)	-
As at 31st March 2019		**129**

B. Other Equity

(₹ in Crore)

	Note	Attributable to owners										Non-con-trolling interests	Total equity
		Reserves and surplus							Other reserves		Total other equity		
		Securities premium	Retained earnings	General reserve	Share based option outstanding account	Treasury shares	Capital reduction (Note h)	Weoma reserve	Effective portion of cash flow hedge	Foreign currency translation reserve			
Balance as at 31st March, 2017		**411**	**2,255**	**299**	**8**	**(61)**	**(724)**	45	1	**(38)**	**2,196**	**13**	**2,209**
Profit for the year		-	814	-	-	-	-	-	-	-	814	13	827
Other comprehensive income for the year		-	(0)	-	-	-	-	-	(1)	4	3	0	3
Total comprehensive income for the year		**-**	**814**	**-**	**-**	**-**	**-**	-	(1)	**4**	**817**	**13**	**830**
(Purchase)/sale of treasury shares by the trust during the year (net)	12(b)	-	-	-	-	19	-	-	-	-	19	-	19
Income of the trust for the year	12(b)	-	-	-	-	-	-	10	-	-	10	-	10
Gain transferred to income statement	12(c)	-	-	-	-	-	-	-	(2)	-	(2)	-	(2)
Deferred hedging loss on hedging instruments	12(c)	-	-	-	-	-	-	-	1	-	1	-	1
Deferred tax on hedge reserve	12(c)	-	-	-	-	-	-	-	1	-	1	-	1
Exercise of employee stock options	12(b)	5	-	-	(4)	-	-	-	-	-	1	-	1
Share based payment expense	12(b)	-	-	-	7	-	-	-	-	-	7	-	7
Other adjustments	12(c)	-	-	-	-	-	-	-	-	-	-	(0)	(0)
Transactions with owners in their capacity as owners:													
Dividends paid on equity shares (including dividend distribution tax of ₹87 crore)	12(b)	-	(636)	-	-	-	-	-	-	-	(636)	(14)	(650)
Balance as at 31st March, 2018		416	2,433	299	11	(42)	(724)	55	0	(34)	2,414	12	2,426
Balance as at 31st March, 2018		416	2,433	299	11	(42)	(724)	55	0	(34)	2,414	12	2,426
Profit for the year		-	1,118	-	-	-	-	-	-	-	1,118	17	1,135
Other comprehensive income for the year		-	(2)	-	-	-	-	-	0	(16)	(18)	(0)	(18)
Total comprehensive income for the year		**-**	**1,116**	**-**	**-**	**-**	**-**	**-**	**0**	**(16)**	**1,100**	**17**	**1,117**
(Purchase)/sale of treasury shares by the trust during the year (net)	12(b)	-	-	-	-	15	-	-	-	-	15	-	15
Income of the trust for the year	12(b)	-	-	-	-	-	-	15	-	-	15	-	15
Loss transferred to income statement	12(c)	-	-	-	-	-	-	-	(0)	-	(0)	-	(0)
Deferred hedging gain on hedging instruments	12(c)	-	-	-	-	-	-	-	0	-	0	-	0
Deferred tax on hedge reserve	12(c)	-	-	-	-	-	-	-	(0)	-	(0)	-	(0)
Exercise of employee stock options	12(b)	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment expense	12(b)	-	-	-	8	-	-	-	-	-	8	-	8
Other adjustments	12(c)	-	-	-	-	-	-	-	-	-	-	(0)	(0)
Transactions with owners in their capacity as owners:													
Dividends paid on equity shares (including dividend distribution tax of ₹93 crore)	12(b)	-	(682)	-	-	-	-	-	-	-	(682)	(18)	(700)
Balance as at 31st March, 2019		416	2,867	299	19	(27)	(724)	70	0	(50)	2,870	11	2,881

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2019

Nature and purpose of reserves

a) **Securities premium**

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 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 establhised 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 MCCL**

During the year ended 31st March, 2014, Hon'ble High Court of Bombay had approved the Scheme of Capital Reduction vide its order dated 21st June, 2013 in accordance with the provisions of Section 78 (read with Sections 100 to 103) of the Companies Act, 1956, pertaining in the Group's wholly owned subsidiary, Marico Consumer Care Limited (MCCL). Pursuant to the Capital Reduction Scheme, intangible assets aggregating ₹724 Crore, were adjusted against the Share capital to the extent of ₹54 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. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 6, 2019

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No.F9329]

Place : Mumbai
Date : May 6, 2019

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March, 2019

(₹ in Crore)

	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A	CASH FLOW FROM OPERATING ACTIVITIES		
	PROFIT BEFORE INCOME TAX	**1,263**	**1,117**
	Adjustments for:		
	Depreciation, amortisation and impairment	96	89
	Share of net loss of joint ventures accounted for using the equity method	1	0
	Finance costs	24	16
	Interest income from financial assets at amortised cost	(54)	(34)
	Gain on disposal of property, plant and equipment	(7)	(2)
	Net fair value changes (including net gain on sale of investment)	(33)	(41)
	Employees stock option charge	9	7
	Stock appreciation rights expense charge	7	9
	Provision for doubtful debts, advances, deposits and others	11	(1)
		54	**43**
	Cash generated from operations before working capital changes	**1,317**	**1,160**
	Change in operating assets and liabilities:		
	(Increase)/ Decrease in inventories	100	(257)
	(Increase)/ decrease in trade receivables	(177)	(93)
	Decrease in other financials assets	(2)	2
	Increase in other non-current assets	(0)	(1)
	(Increase)/ decrease in other current assets	(60)	(152)
	Decrease in loans	(1)	2
	Increase in provisions	(0)	1
	Increase/(Decrease) in employee benefit obligations	4	(7)
	Increase/ (decrease) in other current liabilities	35	32
	Increase in trade payables	121	125
	Increase/(Decrease) in other financial liabilities	2	(1)
	Changes in Working Capital	**21**	**(349)**
	Cash generated from operations	**1,338**	**811**
	Income taxes paid (net of refunds)	(320)	(295)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**1,018**	**516**

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March, 2019

(₹ in Crore)

	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment for property, plant and equipment	(162)	(127)
	Proceeds for property, plant and equipment, investment properties and intangible assets	19	5
	Effect of translation diffrences on goodwill on consolidation	(17)	(6)
	(Purchase) / sale of investments (net)	103	70
	Investment in joint venture	(6)	(4)
	(Purhcase)/Sale of inter - corporate deposits (net)	20	39
	Investment in bank deposits (having original maturity more than 3 months)	(357)	43
	Interest received	49	35
	NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**(351)**	**55**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of share capital (net of share issue expenses)	-	0
	Sale of investments by WEOMA trust (net)	30	29
	Other borrowings (repaid) / taken (net)	40	70
	Decrease in minority interest	(18)	(14)
	Finance charges paid	(23)	(16)
	Dividends paid to company's shareholders (including dividend distribution tax)	(682)	(636)
	NET CASH USED IN FINANCING ACTIVITIES (C)	**(653)**	**(567)**
D	**EFFECT OF EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS (D)**	**(16)**	**4**
E	**NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)**	(2)	8
F	**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR**	51	43
G	**CASH AND CASH EQUIVALENTS AT END OF THE YEAR (REFER NOTE 6 (D))**	48	51

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 6, 2019

For and on behalf of the Board of Directors

HARSH MARIWALA
[DIN 00210342]
Chairman

SAUGATA GUPTA
[DIN 05251806]
Managing Director and CEO

VIVEK KARVE
Chief Financial Officer

HEMANGI GHAG
[Membership No.F9329]
Company Secretary

Place : Mumbai
Date : May 6, 2019

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

Back ground and operations

Marico Limited (herein after referred to as 'the Company'), headquartered in Mumbai, Maharashtra, India, together with its subsidiaries is referred as 'Marico' or 'Group'. Marico carries on business in branded consumer products. In India, Marico manufactures and markets products under the brands such as Parachute, Parachute Advansed, Nihar, Nihar Naturals, Saffola, Hair & Care, Revive, Mediker, Livon, Set-wet, etc. Marico's international portfolio includes brands such as Parachute, Parachute Advansed, Fiancée, Hair Code, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-men, Thuan Phat etc.

Note 1: Significant accounting policies:

This note provides a list of the significant accounting policies adopted in preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

The consolidated financial statements of the Company for the year ended 31st March, 2019 were approved for issue in accordance with the resolution of the Board of Directors on 6th May, 2019.

a) Basis of preparation:

i. Compliance with IND AS :

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 & other relevant provisions of the Act.

ii. 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 noncurrent.

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 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:

With effecte from 1st April, 2018 the group has applied IND AS 115: Revenue from contract with customers which provided a frame work determining the nature amount and timing of revenue recongnition. The impact on the financial statement or adoption of the standard is in significant.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, goods and service taxe and amounts collected on behalf of third parties.

The Group recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

i. Sale of goods:

Timing of recognition: Sale of goods is recognized when 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

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

deemed present as the sales are made with credit terms, which is consistent with market practice.

ii. **Sale of services:**

Revenue from services is recognized in the accounting period in which the services are rendered.

f) Income recognition

i. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the 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 profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

iii. Revenue from royalty income is recognized on accrual basis.

g) Government Grants:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and reduced from corresponding cost.

Income from incentives 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 adjustnents 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 fixed assets that are not yet ready for their intended use at the year end.

Depreciation and amortization:

Depreciation is calculated using the straight-line method to allocate the cost of Property, Plant and Equipment, net of their residual values, over their estimated useful lives.

As per technical evaluation of the Group, the useful life considered for the following items is lower than the life stipulated in Schedule II to the Companies Act, 2013:

Assets	Useful life (years)
Motor vehicle – motor car, bus and lorries, motor cycle, scooter	5
Office equipment – mobile and communication tools	2
Computer – Server network	3
Plant & equipment - Moulds	3 – 5
Leasehold land	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

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.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

j) Intangible Assets:

i. Goodwill:

Goodwill on acquisitions of subsidiaries is included in intangible assets. It is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses arising on the disposal of an entity are calculated after netting of the carrying amount of Goodwill relating to the entity sold, from the proceeds of disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

ii. Intangible assets with finite useful life:

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under:

Assets	Useful life (years)
Computer Software	3

iii. Intangible assets with indefinite useful life:

Intangible assets with indefinite useful lives are measured at cost and are not amortised, but are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

iv. Research & Development:

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned in para i & j above. Revenue expenditure is charged off in the year in which it is incurred.

k) Investment property

Property (land or a building—or part of a building—or both) that is held (by the owner or by the lessee under a finance lease) for long term rental yields or for capital appreciation or both, rather than for:

(a) use in the production or supply of goods or services or for administrative purposes; or

(b) 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

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. The same is accounted at the lower of fair value of the leased property or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary increase.

(ii) As a lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

n) Investment & financial assets:

i. Classification:

The Group classifies its financial assets in the following measurement categories those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost.

Classification of debt assets will be driven by the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement:

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group 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

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive the dividend is established.

iii. **Impairment of financial assets:**

The Group assesses if there is any significant increase in credit risk pertaining to the assets and accordingly creates necessary provisions, wherever required.

iv. **Derecognition of financial assets:**

A financial asset is derecognised only when

- the Group has transferred the rights to receive cash flows from the financial asset or
- the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows so received to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

o) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges),

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 27. Movements in the hedging reserve in shareholders' equity are shown in Note 12(c). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

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 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. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

t) Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

u) Employee Benefits:

i. Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

ii. **Superannuation Fund:**

The Group makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by insurance companies. The Group has no obligation to the scheme beyond its monthly contributions.

iii. **Provident fund:**

Provident fund contributions are made to a trust administered by the Group in India. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the 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.

iv. **Gratuity:**

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

v. **Leave encashment / Compensated absences:**

The Group provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation 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.

vi. **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) **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.

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.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

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

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) Standards issued but not yet effective:

i. Ind AS 116, Leases (Effective from 1st April, 2019):

Key requirements of the standard:

This standard changes the recognition, measurement, presentation and disclosure of leases. In particular it requires lessees to record all leases on the balance sheet with exemptions available for low value and short-term leases. At the commencement of a lease, a lessee will recognise lease payments (lease liability) and an asset representing the right to use the asset during the lease term (right-of-use asset). Lessees will subsequently reduce the lease liability when paid and recognise depreciation on the right-of-use asset.

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 right-of-use asset.

The standard has no impact on the actual cash flows of a Group. However the standard requires the capitalisation, and subsequent depreciation, of costs that are currently expensed as paid which impacts disclosures of cash flows within the cash flow statement. The amounts currently expensed as operating cash outflows which will instead be capitalised are presented as financing cash outflows.

Assessment and the likely impact:

The preparations for this standard are substantially complete. The Group intends on adopting the 'full retrospective' approach and in our Financial year 2019-20 reporting the comparative information relating to prior years will be restated.

The Group has reviewed all relevant contracts to identify leases. This review included an assessment about whether the contract depends on a specific asset, whether the Group obtains substantially all the economic benefits from the use of that asset and whether the Group has the right to direct the use of that asset. Based on this assessment, we calculated the restatement impact as at the transition date. From 1st April, 2019 the Group will focus on ensuring that the revised process for identifying and accounting for leases is followed.

The Group intends to use the exemptions provided by Ind AS 116 for short-term leases (less than a year) and leases for low-value assets. The estimated impact of Ind AS 116 on the Group's financial statements at 31st March, 2019 is as follows:

Balance sheet:

The Group estimates that the adoption of Ind AS 116 will result in an increase in total assets of approximately ₹154 Crores.

Financial liabilities are expected to increase by approximately ₹187 Crores.

Income statement:

The Group estimates that the adoption of Ind AS 116 will result in increased depreciation of approximately ₹36 Crores from the right-of-use assets. This will offset the reduction in annual operating lease expenses of around ₹46 Crores. Finance costs are expected to increase by approximately ₹16 Crores due to the interest recognised on lease liabilities.

Statement of Cash Flows:

The Group estimates that the adoption of Ind AS 116 will increase cash flows from operating activities by approximately ₹46 Crores with a related increase in cash flows used in financing activities of ₹46 Crores which relates to lease payments previously expensed as paid.

ii. other Amendments (Effective from 1st April, 2019)

- Appendix C to Ind AS 12, Income Taxes
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 109, Financial Instruments

Effective date for application of these amendments is annual period beginning on or after 1 April 2019. Based on preliminary work done, the Group does not foresee any significant impact on its Financial Statements.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

2 Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates & associated assumptions are based on historical experience & management's best knowledge of current events & actions the Group may take in future.

Information about critical estimates & assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets & liabilities are included in the following notes:

(a) Impairment of financial assets (including trade receivable) (Note 28)

(b) Estimation of defined benefit obligations (Note 15)

(c) Estimation of current tax expenses and payable (Note 26)

(d) Estimated impairment of goodwill & intangible assets with indefinite useful life (Note 5)

(e) Estimation of provisions & contingencies (Note 14 and 33)

(f) Recognition of deferred tax assets including MAT credit (Note 7)

(a) Impairment of financial assets (including trade receivable)

Impairment testing for financial assets (other than trade receivables) is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of the individual financial asset is determined based on value-in-use calculations which required use of assumptions.

Allowance for doubtful receivables represent the estimate of losses that could arise due to inability of the Customer to make payments when due. These estimates are based on the customer ageing, customer category, specific credit circumstances & the historical experience of the Group as well as forward looking estimates at the end of each reporting period.

(b) Estimation of defined benefit obligations

The liabilities of the Group arising from employee benefit obligations & the related current service cost, are determined on an actuarial basis using various assumptions. Refer Note 15 for significant assumptions used.

(c) Estimation of current and deferred tax expenses and payable

The Group's tax charge is the sum of total current and deferred tax charges. Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the Group operates. Any difference between the estimates & final tax assessments will impact the income tax as well as the resulting assets & liabilities.

(d) Estimated impairment of goodwill & intangible assets with indefinite useful life

Impairment testing for Goodwill & intangible assets with indefinite useful life is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions.

Goodwill with indefinite useful life held in Vietnam and South Africa business, are considered significant CGUs in terms of size & sensitivity to assumptions used. No other CGUs are considered significant in this respect.

Particulars	Vietnam	South Africa
Period of Cash flow projections	10 years	10 years
Avg Sales Growth (%)	11%	8%
Avg Gross Margins %	47%	30%
Terminal Sales Growth %	2%	2%
Pre- tax discount rate	13%	11%

The growth rates & margins used to make estimate future performance are based on past performance & our estimates of future growths & margins achievable in the CGUs. Pre-tax discount rates reflect specific risks relating to the relevant segments & geographies in which the CGUs operate.

(e) **Estimation of provisions & contingencies**

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Group. The Group exercises judgement & 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

3 Property, Plant and Equipment

(₹ in Crore)

Paritulars	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office Equipment	Leasehold im-provements	Total	CWIP
Year ended 31st March, 2018										
Gross carrying amount										
Opening gross carrying amount	**17**	**32**	**264**	**359**	**14**	**3**	**13**	**11**	**713**	**11**
Additions	-	-	4	49	5	1	4	1	64	
Disposals / transfers	(0)	-	(1)	(5)	-	(0)	(0)	-	(6)	
Exchange Differences	(1)	0	(1)	(2)	1	0	-	-	(3)	
Adjustments	-	-	13	-	-	-	-	-	13	
Closing gross carrying amount	**16**	**32**	**279**	**401**	**20**	**4**	**17**	**12**	**781**	
Accumulated depreciation										
Opening accumulated depreciation	**-**	**1**	**28**	**113**	**6**	**1**	**9**	**1**	**159**	
Depreciation charge during the year	-	1	14	59	3	0	4	1	82	
Disposals / transfers	-	-	(0)	(3)	-	(0)	(0)	-	(3)	
Adjustments	-	-	0	-	-	-	-	-	0	
Exchange Differences	-	-	(0)	(1)	(0)	0	(0)	-	(1)	
Closing accumulated depreciation	**-**	**2**	**42**	**168**	**9**	**1**	**13**	**2**	**237**	
Impairment loss										
Opening Impairment Loss	**-**	**-**	**1**	**5**	**1**	**-**	**0**	**-**	**7**	
Impairment charge/(reversal) during the year	-	-	0	3	0	-	(0)	-	3	
Exchange Differences	-	-	-	(0)	(0)	-	-	-	(0)	
Closing impairment loss	**-**	**-**	**1**	**8**	**1**	**-**	**0**	**-**	**10**	
Net carrying amount	**16**	**30**	**236**	**225**	**10**	**3**	**4**	**10**	**534**	**27**
Year ended 31st March, 2019										
Gross carrying amount										
Opening gross carrying amount	**16**	**32**	**279**	**401**	**20**	**4**	**17**	**12**	**781**	**27**
Additions	-	23	23	76	3	0	3	4	132	
Disposals / transfers	(0)	(1)	(6)	(12)	(0)	(0)	(2)	(1)	(22)	
Exchange Differences	1	0	2	4	(2)	0	0	-	5	
Closing gross carrying amount	**17**	**54**	**298**	**469**	**21**	**4**	**18**	**15**	**896**	
Accumulated depreciation										
Opening accumulated depreciation	**-**	**2**	**42**	**168**	**9**	**1**	**13**	**2**	**237**	
Depreciation charge during the year	-	1	16	67	4	1	3	1	93	
Disposals / transfers	-	(0)	(2)	(6)	(0)	(0)	(2)	(0)	(10)	
Adjustments	-	-	-	-	-	-	-	-	-	
Exchange Differences	-	0	1	2	(2)	0	0	-	1	
Closing accumulated depreciation	**-**	**3**	**57**	**231**	**11**	**2**	**14**	**3**	**321**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

3 Property, Plant and Equipment

(₹ in Crore)

Paritulars	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office Equipment	Leasehold im-provements	Total	CWIP
Impairment loss										
Opening Impairment Loss	-	-	1	8	1	-	0	-	10	
Impairment charge/(reversal) during the year	-	-	(1)	1	(0)	-	0	-	(0)	
Write off	-	-	(0)	(7)	(0)	-	(0)	-	(7)	
Exchange Differences	-	-	(0)	0	0	-	(0)	-	0	
Closing Impairment Loss	-	-	0	2	1	-	0	-	3	
Net carrying amount	**17**	**51**	**241**	**236**	**9**	**2**	**4**	**12**	**572**	**45**

(i) **Impairment loss**
Impairment loss pertains to Plant and equipment which are in damaged condition or are lying idle and have no future use.

(ii) **Contractual obligations**
Refer to Note 34 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) **Capital work-in-progress**
Capital work-in-progress mainly comprises spends towards capacity expnasion at Perundurai, India and for setting up new manufacturing unit at Ahmedabad, India.

(iv) **Leased assets**
Gross carrying amount of leasehold land represents amounts paid under lease agreements which are due for renewal in the years ranging from 2070 to 2117. In one case where the lease is expiring in 2070, the company has an option to purchase the property.

(v) **Buildings**
Buildings include Nil (31st March, 2018: Nil) being the value of shares in co-operative housing societies.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

4 Investment Properties

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Gross carrying amount		
Opening gross carrying amount / Deemed cost	**31**	**31**
Additions	-	-
Reclassification as held for sale (refer note v below)	(13)	-
Closing gross carrying amount	**18**	**31**
Accumulated Depreciation	**2**	**1**
Depreciation charge during the year*	0	0
Reclassification as held for sale (refer note v below)	(1)	-
Closing accumulated depreciation	**1**	**1**
Net carrying amount	**17**	**30**

* Includes exchange differences

(i) Amounts recognised in profit or loss for investment properties

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
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 operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within one year	0	0
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-

(iii) Fair value

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment properties	39	63

Estimation of fair value

The company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

(iv) The fair values of investment properties have been determined by an independent valuer who holds recognised and relevant professional qualification. The main inputs used are rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(v) During the year ended 31 March, 2019 investment property at Andheri, Mumbai has been classified as asset held for sale.

5 Intangible Assets

(₹ in Crore)

Particulars	Trademarks and copyrights (Refer note (i) below)	Computer software	Total	Goodwill
Year ended 31st March 2018				
Opening gross carrying amount	**23**	**13**	**36**	**479**
Additions	30	2	32	1
Exchange differences	4	(1)	3	6
Closing gross carrying amount	**57**	**14**	**71**	**486**
Accumulated amortisation	0	8	8	-
Amortisation charge for the year	-	3	3	-
Exchange differences	-	(0)	(0)	-
Closing accumulated amortisation	**0**	**11**	**11**	**-**
Closing net carrying amount	**57**	**3**	**60**	**486**
Year ended 31st March 2019				
Opening gross carrying amount	**57**	**14**	**71**	**486**
Additions (refer note ii below)	**-**	**4**	**4**	**-**
Exchange differences	(6)	0	(6)	17
Closing gross carrying amount	**51**	**18**	**69**	**503**
Accumulated amortisation	0	11	11	-
Amortisation charge for the year	-	3	3	-
Exchange differences	0	0	0	-
Closing accumulated amortisation	**0**	**14**	**14**	**-**
Closing net carrying amount	**51**	**4**	**55**	**503**

(i) During the previous year ended 31 March, 2018, the Group acquired the business & brand called 'ISOPLUS' in South Africa for a total consideration of ZAR 75 million. Consequent to which intangibles aggregating ZAR 60 million (Approx. ₹ 30 Crores) and goodwill aggregating ZAR 2.10 million (approx. ₹1 Crores) were recognised in the books and balance consideration was attributable towards other tangible assets.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

6(a) Investments

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current Investments		
I. Investment in Joint venture		
Equity instruments		
Joint venture	25	20
II. Other Invesments		
(A) Quoted		
Debentures	9	-
Bonds	25	25
Mutual Funds	-	12
	34	**37**
(B) Unquoted		
Equity instruments		
In Others	0	0
Government securities	0	0
	0	0
Total Non - current other Investments (A + B)	**34**	**37**
Current Investments		
(C) Quoted		
Debentures	84	-
Mutual Funds	13	25
	97	**25**
(D) Unqoted		
Intercorporate deposits	77	108
Commercial papers	25	-
Mutual Funds	192	353
	294	**461**
Total Non - current other Investments (C+D)	**391**	**486**
Unquoted at cost		
In Joint Venture		
Zed Lifestyle Private Limited (refer note (i) below)	22	20
5,176 (31st March, 2018 : 4,712) equity shares of ₹10 each fully paid		
Revolutionary Fitness Private Limited (refer note (ii) below)	4	-
4,022 (31st March, 2018 : Nil) equity shares of ₹10 each fully paid		
Total investment in Joint Venture	**26**	**20**
Aggregate carrying amount of quoted investments	131	62
Market value/ Net asset value of quoted investments	133	64
Aggregate carrying amount of unquoted investments	294	461

Notes:

(i) During the year ended 31st March, 2019, the Company acquired additional 2.28% stake in Zed Lifestyle Private Limited, a joint venture. During the previous year ended 31st March 2018 the Company had acquired additional stake of 5.17% in joint venture. As at 31st March, 2019 Company holds 42.88% stake in this Joint venture.

(ii) During the year ended 31st March, 2019, the Company acquired 22.46% stake in Revolutionary Fitness Private Limited, a joint venture.

(iii) The Company's investment in 45% of equity share capital of Bellezimo Professionale Products Private Limited, a joint venture which was completely impaired during the previous year ended 31st March, 2017 has been sold off for a consideration of ₹100/- to the promoters during current year ended 31st March, 2018.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

6(b)Trade Receivables

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade receivables	522	344
Less: Allowance for doubtful debts	(5)	(4)
Total receivables	**517**	**340**
Current Portion	517	340
Non-Current Portion	-	-
Break up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	517	340
Trade receivables which have significant increase in credit risk	4	3
Add Less: Allowance for doubtful debts	(4)	(3)
Trade receivables - Credit impaired	1	1
Less: Allowance for doubtful debts	(1)	(1)
Total	**517**	**340**

For credit risk and provision for loss allowance refer note 28(A)

6(c)Loans

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non current		
Unsecured, considered good		
Loans to employees	4	4
Total non current loans	**4**	**4**
Current		
Unsecured, considered good		
Loan to employees	5	4
Total current loans	**5**	**4**

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

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with banks		
Bank balances in current accounts	34	27
Deposits with original maturity of less than three months	14	24
Cash on hand	0	0
Total cash and cash equivalents	**48**	**51**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

6(e)Bank balances other than cash and cash equivalents

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed deposits with maturity more than 3 month but less than 12 months	502	150
Balances with banks for unclaimed dividend (Refer note below)	2	0
Total bank balance other than cash and cash equivalents	**504**	**150**

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, 2019	As at 31st March, 2018
Unsecured considered good (unless otherwise stated)		
Security deposits with public bodies and others		
Considered good	14	15
Considered doubtful	1	1
	15	16
Less: Provision for doubtful deposits	(1)	(1)
	14	15
Fixed deposits-maturing after 12 months (refer note below)	11	0
Total other non-current financial assets	**25**	**15**

Note : Fixed deposits with banks includes deposits with sales tax authorities, deposits held as lien by banks against guarantees and for other earmarked.

6(g)Other current financial assets

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Derivatives		
Foreign exchange forward contracts, options and interest rate swaps	2	1
	2	**1**
(ii) Others		
Advances to related parties (Refer Note 32)	1	0
Security deposits	0	0
Other deposits	1	1
	2	**1**
Total other current financial assets	**4**	**2**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

7 Deferred Tax Asset (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liabilities / provisions that are deducted for tax purposes when paid	33	2
Defined benefit obligations	2	2
MAT Credit entitlement	182	-
	217	**4**
Other items:		
On hedge reserve	-	-
Other timing differences	6	7
	6	**7**
Total deferred tax assets	**223**	**11**
Deferred tax liability :		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	34	-
Other timing differences	1	2
Total deferred tax liabilities	**35**	**2**
Net deferred tax assets	**188**	**9**

Movement in deferred tax assets

(₹ in Crore)

Particulars	Liabilities / provisions that are deducted for tax purposes when paid	Defined benefit obligations	On Intangible assets*	MAT Credit entitlement	Other items	Total deferred tax assets
As at 31st March, 2017	**3**	**1**	**-**	**-**	**7**	**12**
(Charged)/credited :						
to Profit and Loss	(1)	0	-	-	0	(1)
to other comprehensive income	-	0	-	-	-	0
As at 31st March 2018	**2**	**2**	**-**	**-**	**7**	**11**
(Charged)/credited :						
to Profit and loss	31	1	-	0	(0)	32
Tax adjustment for earlier years	-	(1)	-	188	(1)	186
to other comprehensive income	-	-	-	(7)	-	(7)
MAT Credit entitlement	-	-	-	-	-	-
As at 31st March 2019	**33**	**2**	**-**	**182**	**6**	**223**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

Movement in deferred tax liabilities

(₹ in Crore)

Particulars	Property plant and equipment and Investment property	Change in fair value of hedging instruments	Other items	Total deferred tax liabilities
As at 31st March, 2017	**(0)**	**-**	**1**	**1**
Charged/(credited) :				-
to Profit and loss	0	-	1	1
to other comprehensive income	-	-	-	-
As at 31st March, 2018	**0**	**-**	**2**	**2**
(Charged)/credited :				
to Profit and loss	34	-	(1)	33
to other comprehensive income	-	-	-	-
As at 31st March, 2019	**34**	**-**	**1**	**35**

8 Other Non Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital advances	21	19
Advances to vendors	1	1
Prepaid expenses	2	1
Fringe benefit tax payments	0	0
Deposits with statutory/government authorities	11	11
Total other non-current assets	**35**	**32**

9 Inventories

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials		
- In stock	398	615
- In transit	15	35
Packing materials		
- In stock	103	93
- In transit	1	2
Work-in-progress	304	258
Finished goods		
- In stock	534	476
- In transit	1	0
Stock in Trade	35	15
By-product	8	8
Stores and spares	12	9
Total inventories	**1,411**	**1,511**

Refer Note 1 (p) for basis for valuation

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances to vendors	88	125
Balances with government authorities	75	37
Input tax credit receivable	129	74
Prepaid expenses	16	14
Others	0	0
Total other current assets	**308**	**250**

11 Assets Classified as Held for Sale

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Land and Building	12	-
Total assets classified as held for sale	**12**	**-**

Non-recurring fair value measurements

Building classified as held for sale is being measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. Fair value of Building classified as held for sale was ₹13 Crore as at 31st March, 2019. 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	No. of shares (₹ in Crore)	Amount (₹ in Crore)
Authorised share capital		
As at 31st March, 2018		
Equity shares of Re. 1/- each	150.00	150
Preference shares of ₹10/- each	6.50	65
Total	**156.50**	**215**
As at 31st March, 2019		
Equity shares of Re. 1/- each	150.00	150
Preference shares of ₹10/- each	6.50	65
Total	**156.50**	**215**
Issued, subscribed and paid-up as at 31st March, 2018		
1,290,471,198 equity shares of Re. 1/- each fully paid-up	129.09	129
Total	**129.09**	**129**
Issued, subscribed and paid-up as at 31st March, 2019		
1,290,864,398 equity shares of Re. 1/- each fully paid-up	129.09	129
Total	**129.09**	**129**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 31st March, 2017	129.05	129
Shares issued during the year - ESOP (refer note 35)	0.04	0
As at 31st March, 2018	**129.09**	**129**
Shares issued during the year - ESOP (refer note 35)	-	-
As at 31st March, 2019	**129.09**	**129**

(ii) Rights, preferences and restrictions attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of Re.1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Shares reserved for issue under options

Information relating to Marico ESOS 2014, MD CEO ESOP Plan 2014 and Marico ESOP 2016, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 35.

(iv) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Re. 1/- each fully paid-up				
Harsh C Mariwala with Kishore V Mariwala (For Valentine Family Trust)	148,459,200	11.50	148,459,200	11.50
Harsh C Mariwala with Kishore V Mariwala (For Aquarius Family Trust)	148,446,200	11.50	148,446,200	11.50
Harsh C Mariwala with Kishore V Mariwala (For Taurus Family Trust)	148,465,000	11.50	148,465,000	11.50
Harsh C Mariwala with Kishore V Mariwala (For Gemini Family Trust)	148,460,600	11.50	148,460,600	11.50
First State Investments Services (UK) Ltd (along with Persons acting in concert)	78,346,023	6.07	69,813,543	5.41

(v) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
No. of equity shares allotted as bonus	645,085,599	645,085,599
No. of equity shares alloted under employee stock option plans	905,800	1,007,000

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

12(b) Reserves and Surplus

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Securities premium	416	416
General reserve	299	299
Share based option outstanding account	19	11
Treasury shares	(27)	(42)
WEOMA reserve	70	55
Retained earnings	2,867	2,433
Adjustment pursuant to the Scheme of Capital Reduction of MCCL (Refer Note (h) to the stament of changes in equity)	(724)	(724)
Total Reserve and surplus	**2,920**	**2,448**

(i) Securities premium

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	416	411
Add: Exercise of employee stock options	-	5
Closing Balance after Minority Interest	**416**	**416**

(ii) General reserve

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	299	299
Closing Balance after Minority Interest	**299**	**299**

(iii) Share based option outstanding account (refer note 35)

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	11	8
Exercise of employee stock options	-	(4)
Share based payment expense	8	7
Closing Balance after Minority Interest (ESOP)	**19**	**11**

(iv) Treasury shares

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	(42)	(61)
Add :(Purchase)/sale of treasury shares by the trust during the year (net)	15	19
Closing Balance after Minority Interest	**(27)**	**(42)**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

(v) WEOMA reserve

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	55	45
Add : Income of the trust for the year	15	10
Closing Balance after Minority Interest	**70**	**55**

(vi) Retained earnings

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	2,433	2,255
Net Profit for the year	1,118	814
Remeasurements of post-employment benefit obligation, net of tax	(2)	(0)
Less: Dividend	(589)	(549)
Less: Tax on dividend (net of tax on dividend received from foreign subsidiaries of ₹37 Crore) (Previous year ₹24 Crore)	(93)	(87)
Closing Balance (Retained earnings after Minority Interest)	**2,867**	**2,433**

12(c) Other reserves

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Hedge reserve	0	0
Foreign currency translation reserve	(50)	(34)
Total other reserves	**(50)**	**(34)**

Hedge Reserve

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	0	1
Deferred Hedging Gain / (Loss) on hedging instruments	0	0
Gain / (Loss) transferred to Income Statement	(0)	(2)
Deferred tax on hedge reserve	(0)	1
Closing Balance hedge reserve	**0**	**0**

Foreign currency translation reserve

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	(34)	(38)
Less: Transferred to retained earnings	-	-
Exchange gain/(loss) on translation during the year	(16)	4
Closing Balance Foreign currency translation reserve	**(50)**	**(34)**

Non controlling interest (NCI)

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	12	13
Total comprehensive income for the year	17	13
Less : Dividend distributed to minority shareholders	(18)	(14)
Other adjustments	(0)	(0)
Closing Balance Non controlling interest (NCI)	**11**	**12**

13(a) Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2019	As at 31st March, 2018
Unsecured					
Term loan					
From banks					
Loan in ZAR from Standard Bank of South Africa Limited	August 2022	Equal monthly instalments from April 2018 to August 2022	Relevant benchmark rate + 50 basis point	17	23
Total non-current borrowings				**17**	**23**
Less: Current maturities of long-term debt (refer note 13 (b))				3	3
Less: Interest accrued (refer note 13 (b))				0	0
Non-current borrowings				**14**	**20**

The scheduled maturity of long term borrowings is summarized as under:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within one year (refer note 10 - Current maturities of long term debt)	3	3
After 1 year but within 2 years	14	20
Total	**17**	**23**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2019	As at 31st March, 2018
Loans repayable on demand					
Secured					
From banks					
- Cash credit (refer note (i) below)	Payable on demand	Payable on demand	9.5% to 12.25% per annum	3	5
- Export packing credit (refer note (i) below)	Repayable on April, 2019 ₹5 Crores, June, 2019 ₹19 Crores, August, 2019 ₹10 Crores, September, 2019 ₹8 Crores (FY 18 - Repaid on May, 2018 ₹8 Crores June, 2018 ₹7 Crores August, 2018 ₹20 Crores)	For a term of two to six months	FY 19 Bank Base rate/ relevant Benchmark Rate plus applicable spread per annum (FY 18 - Bank Base rate/relevant Benchmark Rate plus applicable spread per annum;)	42	35
- Working capital demand loan	31st March, 2019 : Repayable with interest on April 2019 - ₹5 Crores, June 2019 - ₹40 Crores, August 2019 - ₹10 Crores, September 2019 - ₹11 Crores, March 2020 - ₹20 Crores - (FY 18 April to June 2018 - ₹45 Crore September to June 2018 - ₹27 Crore February, 2019 - ₹10 Crore)	For a term of six months to twelve months	FY 19 Bank Base rate/ relevant Benchmark Rate plus applicable spread per annum (FY 18 - Bank Base rate/relevant Benchmark Rate plus applicable spread per annum;)	86	82
Unsecured					
- Working Capital Demand Loan	31st March, 2019 : Repayable with interest, May 2019 - ₹84.25 Crores June, 2019 - ₹24.28 Crores, May, 2019 - ₹16.54 Crores, December, 2019 - ₹41.62 Crores (FY18: Repaid with interest / Renewed in - May 2018 - ₹78.74 Crores June, 2018 - ₹23 Crores December, 2018 - ₹26 Crores)	For terms upto twelve months	LIBOR plus applicable spread ranging from 0.70% to 0.90% per annum (31st March, 2018 : LIBOR plus applicable spread ranging from 0.80% to 1.10% per annum)	166	128
- Cash credit	Payable on demand	Payable on demand	LIBOR plus applicable spread ranging from 0.50% to 1.00% per annum (31st March, 2018 : LIBOR plus applicable spread ranging from 0.50% to 1.00% per annum)	39	39
Total current borrowings				**336**	**289**
Less: Interest accrued (refer note 13(b))				1	0
Current borrowings as per balance sheet				**335**	**289**

Note:-

(i) Cash Credit, export packing credit, and working capital demand loan is secured by hypothecation of inventory and debtors, value of ₹1,664 crore as at 31st March, 2019, ₹1,601 crore as at 31st March, 2018.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

13(b) Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current		
Current maturities of long-term debt (refer note 13(a))	3	3
Interest accrued and not due on borrowings (refer note 13(a))	1	0
Creditors for capital goods	3	4
Salaries, bonus and other benefits payable to employees	14	13
Security deposits from customers and others	2	1
Unclaimed dividend (refer note below)	2	0
Others	0	0
Total other current financial liabilities	**25**	**21**

Note : As at 31st March, 2019, there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the company. Unclaimed dividend if any, shall be transferred to IEPF as and when they become due.

13(c) Trade Payables

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current		
Trade payables:		
Dues to Micro and small enterprises (refer note below)	13	4
Dues to others	931	817
Total trade payables	**944**	**822**

Note: The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018
I. The principal amount remaining unpaid to any supplier as at the end of accounting year included in trade payable	12	4
II. Interest due thereon	1	0
Trade Payables due to micro and small enterprises	**13**	**5**
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	1	0
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	0	0

This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

14 Provisions

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current		
Interim Dividend	(0)	-
Disputed indirect taxes (refer Note (a))*	57	57
Total current provisions	**57**	**57**

*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

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

(a) Provision for disputed indirect taxes mainly pertains to Entry tax dispute in the state of Himachal Pradesh and West Bengal where as company has filed writ petition in both the states before both the respective Honourable High Courts and the matter is sub judice. It is not practicable to state the timing of the judgement & final outcome. Based on the monthly liability & filling return compliance, stay order granted by court, provision has been created for necessary amounts.

(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:

(₹ in Crore)

Disputed indirect taxes	As at 31st March, 2019	As at 31st March, 2018
Balance as at the beginning of the year	57	56
Add: Additional provision recognised	-	2
Less: Amount used during the year	(0)	(1)
Balance as at the end of the year	**57**	**57**

15 Employee benefit obligation non current

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Gratuity (refer note (i) & (a) below)	6	5
Leave encashment/compensated absences (refer note (iii) below)	9	9
Share-appreciation rights (refer note (iv) below)	2	2
Others	3	3
Total employee benefit obligations non current	**20**	**19**

Employee Benefit Obligation Current

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Gratuity (refer note (i) below)	6	4
Leave encashment/compensated absences (refer note (iii) below)	3	3
Share-appreciation rights (refer note (iv) below)	3	12
Incentives / bonus	56	37
Total employee benefit obligations current	**68**	**56**

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.

(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 2019 and 31st March, 2018.

(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.

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current leave obligations expected to be settled within the next 12 months	3	3

(iv) Share-appreciation rights

In respect of Employee Stock Appreciation Rights (STAR) granted pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011, the liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, (excess of fair value as at the period end over the Grant price) and is recognized as employee compensation cost over the vesting period .

(a) Balance sheet amounts - Gratuity

(₹ in Crore)

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
Balance as on 1st April 2017	**29**	**20**	**9**
Current service cost	4	0	4
Interest expense	2	0	2
Past service cost	3	0	3
Interest Income	0	(2)	(2)
Total amount recognised in profit or loss	**9**	(2)	**7**
Remeasurements			
(Gain)/loss from change in demographic assumptions	0	0	0
(Gain)/loss from change in financial assumptions	(1)	0	(1)
Experience (gains)/ losses	0	(0)	0
Total amount recognised in other comprehensive income	**(1)**	**(0)**	**(1)**
Employer contributions	(1)	5	(6)
Benefit Payments	(3)	(3)	(0)
Balance as on 31st March 2018	**33**	**24**	**9**
Balance as on 1st April 2018	**33**	**24**	**9**
Current service cost	5	0	5
Interest expense	3	0	3
Past service cost	0	0	0
Interest Income	0	(1)	(1)
Total amount recognised in profit or loss	**8**	**(1)**	**7**
Remeasurements			
(Gain)/loss from change in demographic assumptions	(0)	0	(0)
(Gain)/loss from change in financial assumptions	1	0	1
Experience (gains)/ losses	1	0	1
Total amount recognised in other comprehensive income	**2**	**0**	**2**
Employer contributions	0	4	(4)
Benefit Payments	(5)	(3)	(2)
Balance as on 31st March 2019	**38**	**26**	**12**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

The Net liability disclosed above relates to funded & unfunded plans are as follows

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Present value of funded obligations	**31**	28
Fair value of plan assets	**(26)**	(24)
Deficit of gratuity plan	**5**	4
Unfunded plans	**7**	5
Deficit of gratuity plan	**12**	9

The following table shows a breakdown of the defined benefit obligation (Gratuity) and plan assets by country:

Plan type	31st March, 2019				31st March, 2018			
	India	Bangladesh	Dubai	Total	India	Bangladesh	Dubai	Total
Present value of obligations	31	5	2	38	28	3	2	34
Fair value of plan assets	(26)	0	0	(26)	(24)	0	0	(24)
Total liability	**5**	**5**	**2**	**12**	**4**	**3**	**2**	**9**

The significant actuarial assumptions were as follows

Plan type	31st March, 2019			31st March, 2018		
	India	Bangladesh	Dubai	India	Bangladesh	Dubai
Discount rate	7.09%	10.00%	3.60%	7.50%	11.00%	2.83%
Rate of return on Plan assets*	7.09%	NA	NA	7.50%	NA	NA
Future salary rise**	10.00%	10.00%	5.00%	10.00%	12.00%	5.00%
Attrition rate	15&16%	17.00%	5.25%	16.00%	17.50%	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:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Projected benefit obligation on current assumptions	**38**	**34**
Delta effect of +1% change in rate of discounting	(2)	(2)
Delta effect of -1% change in rate of discounting	2	2
Delta effect of +1% change in rate of salary increase	2	1
Delta effect of -1% change in rate of salary increase	(2)	(1)
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 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.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The major categories of plans assets are as follows :

(₹ in Crore)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Amount	in %	Amount	in %
Special deposit scheme	-	0.00%	1	2.17%
Insurer Managed funds	26	100.00%	24	97.66%
Other	-	0.00%	0	0.17%
Total	**26**	**100.00%**	**24**	**100.00%**

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 2019 and 3 to 12 years as at 31st March 2018.

The expected maturity analysis of gratuity is as follows:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within the next 12 months	9	8
Between 2 and 5 years	3	2
Between 6 and 10 years	3	2
Beyond 10 years	5	5
Total	**20**	**17**

(b) Provident Fund

Amount recognised in the Balance sheet

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liability at the end of the year	0	0
Fair value of plan assets at the end of the year	163	141
Present value of benefit obligation as at the end of the period	(157)	(137)
Difference	5	4
Unrecognized past service Cost	(5)	(4)
(Assets) / Liability recognized in the Balance Sheet	**0**	**0**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

Changes in defined benefit obligations:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liability at the beginning of the year	137	117
Opening balance adjustment	1	2
Interest cost	12	11
Current service cost	10	9
Employee contribution	13	12
Liability Transferred in	3	5
Liability Transferred out	(8)	(9)
Benefits paid	(11)	(11)
Liability at the end of the year	**157**	**137**

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fair value of plan assets at the beginning of the year	141	122
Opening balance adjustment	1	1
Expected return on plan assets	14	11
Contributions	23	22
Transfer from other Company	3	5
Transfer to other Company	(8)	(9)
Benefits paid	(11)	(11)
Actuarial gain/(loss) on plan assets	0	1
Fair value of plan assets at the end of the year	**163**	**141**

Expenses recognised in the Statement of Profit and Loss :

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current service cost	10	9
Interest cost	14	11
Expected return on plan assets	(14)	(11)
(Income) / Expense recognised in the Statement of Profit and Loss	**10**	**9**

The major categories of plan assets are as follows :

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Amount	in %	Amount	in %
Central Government securities	14	8.67%	14	10.01%
State loan/State government Guaranteed Securities	13	7.94%	13	9.20%
Government Securities debt instruments	89	54.44%	62	43.75%
Public Sector Units	24	14.74%	34	24.04%
Private Sector Units	6	3.81%	7	5.26%
Equity / Insurance Managed Funds	9	5.32%	6	4.31%
Others	8	5.08%	5	3.43%
Total	**163**	**100.00%**	**141**	**100.00%**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

The Significant actuarial assumptions were as follows :

Particulars	As at 31st March, 2019	As at 31st March, 2018
Discount rate	7.07%	7.50%
Rate of return on plan assets*	8.65%	8.65%
Future salary rise**	10.00%	10.00%
Attrition rate	16%-15%	16.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

* The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors such as supply and demand factors in the employment market.

(c) Privileged leave (Compensated absences for employees):

Amount recognized in the Balance Sheet and movements in net liability:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance of compensated absences (a)	12	11
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	12	12

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 2018) 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

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

16 Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets		
Liabilities / provisions that are deducted for tax purposes when paid	-	27
On Intangible assets adjusted against Capital Redemption Reserve and Securities Premium Account under the Capital Restructuring Scheme*	-	5
MAT Credit entitlement	-	2
	-	**34**
Other items:		
Provision for doubtful debts / advances that are deducted for tax purposes when written off	-	2
Other timing differences	-	1
	-	3
Total deferred tax assets	**-**	**37**
Deferred tax liability:		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	0	41
Financial assets at fair value through Profit & Loss	-	14
Outside basis tax	12	11
Other timing differences	-	0
Total deferred tax liabilities	**12**	**66**
Net deferred tax liabilities	**12**	**29**

*On Intangible assets adjusted against Capital Redemption Reserve and Securities Premium account under the Capital Restructuring scheme. Refer note (h) to the statement of changes in equity.

Movement in deferred tax assets

Particulars	Liabilities / provisions that are deducted for tax purposes when paid	On intangible assets	MAT credit entitlement	Other items	Total deferred tax assets
As at 31st March, 2017	**22**	**7**	**8**	**2**	**39**
(Charged)/credited:					
to Profit and loss	5	(2)	(6)	1	(2)
to other comprehensive income	-	-	-	-	-
As at 31st March, 2018	**27**	**5**	**2**	**3**	**37**
(Charged)/credited:					
to Profit and loss	(27)	(5)	(2)	(3)	(37)
to other comprehensive income	-	-	-	-	-
As at 31st March, 2019	**(0)**	**(0)**	**0**	**0**	**0**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

Movement in deferred tax liabilities

Particulars	Property plant and equipment and Investment property	Financial assets at fair value through Profit & Loss	Outside basis tax	Other items	Total deferred tax liabilities
As at 31st March, 2017	**40**	**8**	**12**	**1**	**61**
(Charged)/credited :					
to Profit and loss	1	6	(1)	(3)	3
to other comprehensive income	-	-	-	(1)	(1)
Deferred tax on basis adjustment	-	-	-	3	3
As at 31st March, 2018	**41**	**14**	**11**	**0**	**66**
(Charged)/credited :					
to Profit and loss	(41)	(14)	1	(0)	(54)
to other comprehensive income	-	-	-	-	-
Deferred tax on basis adjustment	-	-	-	-	-
As at 31st March, 2019	**0**	**(0)**	**12**	**(0)**	**12**

17 Tax assets and liabilities

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non current tax assets (net)	39	33
Current tax liabilities (net)	61	52

The Current tax assets and liabilities has been derived at based on individual entity.

18 Other current liabilities

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Statutory dues (including provident fund, tax deducted at source and others)	20	24
Deffered income on government grants	6	6
Unpaid dividend	5	-
Book overdraft	12	12
Other current liabilities	**43**	**42**
Contractual obligation	123	96
Advance from customer	30	23
Others	0	0
Total other payables	**153**	**119**
Total other current liabilities	**196**	**161**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

19 Revenue From Operations

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Sale of products	**7,273**	**6,301**
Other operating revenue:		
Incentives (includes government grant, export incentives, budgetary support and other)	50	24
Sale of scrap	10	8
Total Revenue from continuing operations	**7,334**	**6,333**

Reconciliation of Revenue from sale of products with the contracted price

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Contracted Price	7,880	6,838
Less: Discounts	607	537
Sale of Products	**7,273**	**6,301**

20 Other Income

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Other income		
Rental income	1	1
Interest income from financial assets at amortised cost	54	34
Others	3	5
Total of other income	**58**	**40**
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment / business	7	2
Net gain on financial assets mandatorily measured at fair value through profit or loss and Net gain on sale of investments	33	41
Net foreign exchange gain/(loss)	5	2
Total of other gain/(losses)	**45**	**45**
Total other income	**103**	**85**

21(a)Cost of Materials Consumed

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total raw materials consumed	3,482	2,932
Total packing materials consumed	513	440
Total cost of materials consumed	**3,995**	**3,372**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

21(b)Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening inventories		
Finished goods	477	362
Work-in-progress	258	159
By-products	8	4
Stock-in-trade	15	13
Closing inventories		
Finished goods	534	477
Work-in-progress	304	258
By-products	8	8
Stock-in-trade	35	15
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(123)**	**(220)**

22 Employee Benefit Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, wages and bonus	402	361
Contribution to provident fund (refer note 15)	19	18
Share based payment expense (refer note 35)	15	16
Staff welfare expenses	30	27
Total employee benefit expense	**466**	**422**

23 Depreciation and Amortization Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation on property, plant and equipment (refer note 3)	93	82
Depreciation on investment properties (refer note 4)	0	0
Amortisation of intangible assets (refer note 5)	3	3
Impairment loss / (reversal of loss) of capitalised assets (refer note 3)	(0)	3
Total depreciation and amortization expense	**96**	**89**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

24 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Advertisement and sales promotion	659	586
Freight, forwarding and distribution expenses	287	241
Processing and Other Manufacturing Charges	250	227
Rent and storage charges	56	55
Legal & Professional Charges	48	53
Outside Services	44	41
Repairs and Maintenance	39	38
Power, fuel and water	37	34
Travelling, conveyance and vehicle expenses	45	43
Consumption of stores, spare and consumables	23	24
Provision for doubtful debts, loans, advances and investments	11	1
Miscellaneous expenses (refer note (i) below)	71	72
Total	**1,570**	**1,415**

(i) Miscellaneous expense includes printing and stationery, communication, rates and taxes, insurance and other expenses.

(ii) Corporate social responsibility expenditure

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Amount required to be spent as per the Section 135 of the Act	18	16
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	18	17

Note: Research and development expenses aggregating to ₹6 crore for food and edible items and ₹25 crore for others have been included under the relevant head in the statement of profit and loss (Previous year ended 31st March, 2018 aggregating ₹30 crore). Further Capital expenditure pertaining to this of ₹0 Crore for food and edible items and ₹0 crore for other have been incurred during the years (Previous year ended 31st March 2018)

25 Finance Costs

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest and finance charges on financial liabilities not at fair value through profit or loss	17	11
Bank and other financial charges	5	4
Exchange differences regarded as an adjustment to borrowing costs	-	1
Other borrowing costs	2	2
Finance costs expensed in profit or loss	**24**	**16**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

26 Income Tax Expense

(₹ in Crore)

Particulars		Year ended 31st March, 2019	Year ended 31st March, 2018
a	**Income tax expense**		
	Current tax on profits for the year	331	284
	Deferred tax	(15)	6
	Tax expense for the current year	**316**	**290**
	Tax adjustment for earlier years*	(188)	-
	Total income tax expenses recongised during the year	**128**	**290**

*During the year, the Company has written back tax provision pursuant to acceptance of its position in tax proceedings pertaining to earlier years.

b Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit from operations before income tax expense (a)	1,263	1,117
Income tax rate as applicable (b)	34.944%	34.608%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	**441**	**387**
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Effect of income that is exempt from taxation	(6)	(1)
Effect of Income which is taxed at special rate	(34)	(23)
Effect of expenses that are not deductible in determining taxable profit	21	25
Effect of expenses that are deductible in determining taxable profit	(6)	(1)
Effect of expenses that are deductible in determining taxable profit	(143)	(118)
Difference in tax rates in foreign jurisdictions	38	15
Others	5	6
Income tax expense for the current year	**316**	**290**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

27 Fair Value Measurements

(a) Financial Instruments by category

(₹ in Crore)

	Note	31st March, 2019			31st March, 2018		
		FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets							
Investments							
Equity Instruments	6(a)	0	-	-	0	-	-
Bonds and debentures commercial paper	6(a)	-	-	143	-	-	25
Mutual funds	6(a)	205	-	-	390	-	-
Government securities	6(a)	-	-	0	-	-	0
Trade receivables	6(b)	-	-	517	-	-	340
Inter corporate deposits	6(a)	-	-	77	-	-	108
Loans	6(c)	-	-	9	-	-	8
Derivative financial assets	6(f)	-	2	-	-	1	-
Security deposits	6(f)	-	-	14	-	-	15
Cash and bank balances	6(d),6(e)	-	-	36	-	-	28
Fixed deposits	6(d),6(e)&6(f)	-	-	527	-	-	175
Advances to subsidiaries	6(f)	-	-	1	-	-	0
Total financial assets		**205**	**2**	**1,324**	**390**	**1**	**699**
Financial Liabilities							
Borrowings (including interest accrued)	13(a)	-	-	353	-	-	313
Derivative financial liabilities	13(b)	-	-	-	-	-	-
Trade payables	13(c)	-	-	945	-	-	822
Capital creditors	13(b)	-	-	3	-	-	3
Others	13(b)	-	-	18	-	-	14
Total financial liabilities		**-**	**-**	**1,319**	**-**	**-**	**1,152**

Fair value hierarchy

(b) This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crore)

Financial assets and liabilities measured at fair value - recurring fair value measurements as 31st March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	0	0
Mutual funds - growth plan	6(a)	13	192	-	205
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	2	-	2
Total financial assets		**13**	**194**	**0**	**207**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

(₹ in Crore)

Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 31st March, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Bonds and debentures (including interest accrued)	6(a)	118	25	-	143
Government securities	6(a)	-	-	0	0
Inter - corporate deposits (including interest accrued)	6(a)	-	-	77	77
Total financial assets		**118**	**25**	**77**	**220**
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	353	353
Total financial liabilities		**-**	**-**	**353**	**353**

(₹ in Crore)

Financial assets and liabilities measured at fair value - recurring fair value measurements as 31st March, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	0	0
Mutual funds - growth plan	6(a)	12	378	-	390
Derivative designated as hedges					**-**
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	-	-	-
Total financial assets		**12**	**378**	**0**	**390**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	3	-	3
Total financial liabilities		**-**	**3**	**-**	**3**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 31st March, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Bonds and debentures (including interest accrued)	6(a)	25	-	-	25
Government securities	6(a)	-	-	0	0
Inter - corporate deposits (including interest accrued)	6(a)	-	-	108	108
Total financial assets		**25**	**-**	**108**	**133**
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	353	353
Total financial liabilities		**-**	**-**	**353**	**353**

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price and NAV published by the mutual funds. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the company carries such instruments at cost less impairment, if applicable.

The Group's policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Crore)

	Note	31st March 2019		31st March 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets					
Investments					
Bonds and debentures	6(a)	143	145	25	27
Government securities	6(a)	0	0	0	0
Inter - corporate deposits	6(a)	77	77	108	108
Total financial assets		**219**	**222**	**133**	**135**
Financial liabilities					
Borrowings	13(a)	353	353	353	353
Total financial liabilities		**353**	**353**	**353**	**353**

The carrying amounts of trade receivables, trade payables, capital creditors, loans and advances, security deposit, fixed deposit, insurance claim receivable, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

28 Financial Risk Management

Financial Risks

In the course of its business, the group is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk and interest rate risk, commodity price risk and equity price risk). This note presents the group's objectives, policies and processes for managing its financial risk and capital.

Boards of Directors of Marico Limited and some of its subsidiaries have approved Risk Management Framework through policies regarding Investment, Borrowing and Foregin Exchange Management policy for the respective entities. Management ensures the implementation of strategies and achievement of objectives as laid down by the Board through central Treasury function.

Approved Treasury Management Guidelines define and classify risks as well as determine, by category of transaction, specific approval, execution and monitoring procedures.

In accordance with the aforementioned policies, the group only enters into plain vanilla derivative transactions relating to assets, liabilities or anticipated future transactions.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments, the group aims to minimize its financial credit risk through the application of risk management policies. Credit limits are set based on a counterparty value . The methodology used to set the list of counterparty limits includes , counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out. The group avoids the concentration of credit risk on its liquid assets by spreading them over several asset management companies and monitoring of underlying sector exposure.

Trade receivables are subject to credit limits, controls & approval processes. Due to large geographical base & number of customers, the group is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables as per credit loss value 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 ₹517 Cr as at 31st March, 2019 (31st March, 2018 ₹340 Crore).

Reconciliation of loss allowance provision- Trade receivables

(₹ in Crore)

Particulars	31st March 2019	31st March 2018
Loss allowance at the beginning of the year	4	3
add : Changes in loss allowances	1	1
Loss allowance at the end of the year	5	4

Security deposits are interest free deposits given by the group for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of security deposit is ₹15 Crore as at 31st March, 2019 and ₹16 Crore as at 31st March, 2018.

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 singificant increase in credit risk of the asset.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

Reconciliation of loss allowance provision- Deposits/advances

(₹ in Crore)

Particulars	31st March 2019	31st March 2018
Loss allowance at the beginning of the year	1	1
add : Changes in loss allowances due to provision	10	(0)
Loss allowance at the end of the year	11	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 company as at 31st March, 2019 is 1.90 (as at 31st March, 2018 is 1.92) whereas the liquid ratio of the group as at 31st March, 2019 is 1.13 (as at 31st March, 2018 is 0.91).

Maturities of financial liabilities

(₹ in Crore)

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Contractual maturities of financial liabilities 31st March, 2019						
Non-derivatives						
Borrowings (including interest accrued)	13(a)	353	-	-	-	353
Trade Payables	13(c)	945	-	-	-	945
Other Financial Liabilities	13(b)	21	-	-	-	21
Total Non- derivative liabilities		**1,319**	**-**	**-**	**-**	**1,319**
Derivative (Net- Settled)						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Total derivative liabilities		**-**	**-**	**-**	**-**	**-**

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Contractual maturities of financial liabilities 31st March,2018						
Non-derivatives						
Borrowings (including interest accrued)	13(a)	313	-	-	-	313
Trade payables	13(c)	822	-	-	-	822
Other financial liabilities	13(b)	17	-	-	-	17
Total Non- derivative liabilities		**1,152**	**-**	**-**	**-**	**1,152**
Derivative (Net- Settled)						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Total derivative liabilities		**-**	**-**	**-**	**-**	**-**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

(C) Market Risk

The group is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and future transactions.

(i) Foreign currency risk

The group is exposed to foreign currency risk from transactions and translation.

Transactional exposures arise from transactions in foreign currency. They are managed within a prudent and systematic hedging policy in accordance with the Group's specific business needs through the use of currency forwards and options.

The group's exposure to foreign currency risk at the end of the reporting period expressed in INR as on 31st March, 2019

(₹ in Crore)

Particulars	AED	AUD	BDT	CAD	EGP	GBP	MYR	SGD	USD	VND	EUR	THB	IDR
Financial assets													
Foreign currency debtors for export of goods	(0)	-	-	0	-	-	-	-	79	-	-	-	-
Bank balances	-	-	-	-	-	-	0	-	3	0	0	-	0
Cash on hand	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable / (payable)	0	-	0	-	-	-	0	0	0	0	-	0	-
Derivative asset													
Foreign exchange forward contracts sell foreign currency	-	-	-	(0)	-	-	-		(58)	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	-	-	(54)	-	-	-	-
Net Exposure to foreign currency risk (assets)	**0**	**-**	**0**	**0**	**-**	**-**	**0**	**0**	**(30)**	**0**	**0**	**0**	**0**

Particulars	AUD	CAD	EUR	GBP	THB	MYR	SAR	SGD	USD
Financial liabilities									
Foreign currency creditors for import of goods and services	0	-	1	(1)	0	-	1	(0)	(33)
Foreign Currency Loan	-	-	-	-	-	-	-	-	(183)
Derivative liabilities									
Foreign exchange forward contracts buy foreign currency	-	-	(10)	-	-	-	-	-	(48)
Foreign exchange option contracts buy option	-	-	-	-	-	-	-	-	(10)
Net Exposure to foreign currency risk (liabilities)	**0**	**-**	**(9)**	**(1)**	**0**	**-**	**1**	**(0)**	**(274)**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

The group's exposure to foreign currency risk at the end of the reporting period expressed in INR as on 31st March, 2018

(₹ in Crore)

Particulars	CAD	EUR	GBP	AUD	USD	IDR	AED	MYR	SGD
Financial assets									
Foreign currency debtors for export of goods	1	-	-	-	84	-	-	-	-
Bank balances	-	-	-	-	16	0	-	0	-
Cash on hand	-	-	-	-	-	-	-	-	-
Other receivable / (payable)	-	0	3	5	12	-	0	0	0
Derivative asset									
Foreign exchange forward contracts sell foreign currency	-	-	-	-	(77)	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	(53)	-	-	-	-
Net Exposure to foreign currency risk (assets)	**1**	**0**	**3**	**5**	**(17)**	**0**	**0**	**0**	**0**

Particulars	EUR	LKR	GBP	AUD	USD	CAD	SGD	MYR	SAR
Financial liabilities									
Foreign currency creditors for import of goods and services	1	0	1	-	43	0	0	0	4
Foreign currency creditors for capital imports	-	-	-	-	-	-	-	-	-
Foreign Currency Loan	-	-	-	-	142	-	-	-	-
Derivative liabilities									
Foreign exchange forward contracts buy foreign currency	(1)	-	(3)	(2)	(24)	-	-	-	-
Foreign exchange option contracts buy option	-	-	-	-	(4)	-	-	-	-
Net Exposure to foreign currency risk (liabilities)	**0**	**0**	**(3)**	**(2)**	**157**	**0**	**0**	**0**	**4**

Particulars	Impact on profit after tax		Impact on other component of equity	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
USD Sensitivity				
INR/USD Increase by 6%	(5.21)	(2.86)	2.97	(3.96)
INR/USD Decrease by 6%	5.21	2.86	(2.97)	3.96
AUD Sensitivity				
INR/AUD Increase by 6%	0.04	0.21	0.38	0.09
INR/AUD Decrease by 6%	(0.04)	(0.21)	(0.38)	(0.09)

ii) Interest rate risk

The group is exposed primarily to fluctuation in USD interest rates. Interest rate risk on financial debt is managed through interest rate swaps.

The group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Variable rate borrowings	333	288
Fixed rate borrowings	19	25
Total borrowings (including interest accrued)	**352**	**313**

As at the end of the reporting period, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

	31st March 2019			31st March 2018		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	5.00%	333	94.51%	5.00%	288	92.00%
Net Exposure to Cash Flow Interest rate Risk		**333**			**288**	

Financial assets classified at amortized cost have fixed interest rate. Hence, the group is not subject to interest rate risk on such financial assets.

Sensitivity

(₹ in Crore)

	Impact on profit after tax		Impact on other component of equity	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
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 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 ₹2 Crores on the overall portfolio as at 31st March, 2019 and ₹4 Crores as at 31st March, 2018.

Impact of hedging activities

Derivate Asset and Liabilites through Hedge Accounting

Derivative financial instruments

The group's derivatives mainly consist of currency forwards and options; interest rate swaps. Derivatives are mainly used to manage exposures to foreign exchange, interest rate and commodity price risk as described in section Market risk.

Derivatives are initially recognised at fair value. They are subsequently remeasured at fair value on a regular basis and at each reporting date as a minimum, with all their gains and losses, realised and unrealised, recognised in the income statement unless they are in a qualifying hedging relationship.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

Hedge Accounting

The group designates and documents certain derivatives and other financial assets or financial liabilities as hedging instruments against changes in fair values of recognised assets and liabilities (fair value hedges), highly probable forecast transactions (cash flow hedges).The effectiveness of such hedges is assessed at inception and verified at regular intervals.

Fair value hedges

The group uses fair value hedges to mitigate foreign currency and interest rate risks of its recognised assets and liabilities.

Changes in fair values of hedging instruments designated as fair value hedges and the adjustments for the risks being hedged in the carrying amounts of the underlying transactions are recognised in the Statement of Profit and Loss.

The group uses cash flow hedges to mitigate a particular risk associated with a recognised asset or liability or highly probable forecast transactions, such as anticipated future export sales, purchases of equipment and raw materials.

The effective part of the changes in fair value of hedging instruments is recognised in other comprehensive income, while any ineffective part is recognised immediately in the Statement of Profit and Loss.

(₹ in Crore)

Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio effec-tiveness	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
31st March, 2019									
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	59	58	2	(1)	April 2019-March 2020	1:1	1 USD-Rs.71.79, 1 CAD-Rs.52.27, 1 EUR - Rs.84.54	(0)	0
Foreign Exchange Options Contracts	54	10	1	0	April 2019-March 2020	1:1	1 USD-Rs.70.54	0	(0)

(₹ in Crore)

Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio effec-tiveness	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
31st March, 2018									
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	77	30	0	0	April 2018-March 2019	1:1	1 USD-Rs. 66.04, 1 AUD-Rs. 50.50, 1 GBP-Rs. 85.80, 1 EUR-Rs. 81.23	(1)	1
Foreign Exchange Options Contracts	53	4	0	0	April 2018-March 2019	1:1	1 USD-Rs. 64.49	(0)	0

Disclosure of effects of Hedge Accounting on Financial Performance

As at 31st March, 2019

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, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	
Cash Flow							
Foreign Exchange Risk	1	0	-	-	(0)	(2)	Other expenses
Interest Rate Risk	-	-	-	-	-	-	Finance cost
Fair Value Hedge							
Foreign Exchange Risk	-	-	-	-	-	-	Finance cost

29 Capital Management

(a) Risk Management

The Group's capital management is driven by Group's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Group's capital. The Management monitors the capital structure and the net financial debt by currency. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments.

The debt equity ratio highlights the ability of a business to repay its debts. As at 31st March, 2019, the ratio was 11.69%. The Group complies with all statutory requirement as per the extant regulations.

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Net debt	352	313
Total equity	3,010	2,555
Net debt to equity ratio	**0.12**	**0.12**

(b) Dividend

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Equity shares		
Interim dividend for the year	**700**	**654**

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:

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

a) India - this part of the business comprises domestic consumer goods

b) International

(ii) The amount of the Group's revenue is shown in the table below.

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Segment revenue (sales and other operating income)		
India	5,756	4,969
International	1,578	1,364
Total segment revenue	**7,334**	**6,333**
Less : Inter segment revenue	-	-
	7,334	**6,333**

Revenue from similar products from external customers

Particulars	As at 31st March, 2019	As at 31st March, 2018
Edible	4,284	3,665
Hair oils	1,690	1,504
Personal care	888	746
Others	472	418
	7,334	**6,333**

The amount of revenue from external customers broken down by location of the customers is shown in the table below:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
India	5,756	4,969
Bangladesh	730	616
Vietnam	411	358
Others	437	390
	7,334	**6,333**
Segment results (Profit before tax and interest)		
India	**1,068**	**1,004**
International	**289**	**210**
Total segment results	**1,357**	**1,214**
Less : (i) Finance cost	**24**	**16**
(ii) Other un-allocable expenditure net of unallocable income	**69**	**80**
Profit before tax	**1,264**	**1,117**
Share of profit/ (loss) of Joint Venture	**(1)**	**(0)**
Profit Before Tax after share of profit/ (loss) of Joint Venture	**1,263**	**1,117**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Segment assets		
India	2,252	2,012
International	1,052	1,086
Unallocated	1,438	984
Total segment assets	4,742	4,082
Segment liabilities		
India	860	711
International	359	339
Unallocated	513	477
Total segment liabilities	1,732	1,527

Geographical non-current assets (Property, plant and equipment, capital work in progress, investment properties, goodwill, other intangible assets and other non-current assets) are allocated based on the location of the assets.

Information regarding geographical non-current assets is as follows:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
India	608	561
Bangladesh	42	42
Vietnam*	509	487
Others	69	80
	1,228	1,170

* Includes goodwill on consolidation amounting to ₹476 Crore as at 31st March, 2019, ₹455 Crore as at 31st March, 2018.

31 Interests in Other Entities

(a) Subsidiaries

The Group's subsidiaries at 31st March, 2019 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, 2019	31st March, 2018	31st March, 2019	31st March, 2018
		%	%	%	%
Subsidiary companies:					
Marico Bangladesh Limited (MBL)	Bangladesh	90	90	10	10
Marico Middle East FZE (MME)	UAE	100	100	Nil	Nil
Marico Bangladesh Industries Limited (MBLIL)	Bangladesh	100	100	Nil	Nil
Egyptian American 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

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

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, 2019	31st March, 2018	31st March, 2019	31st March, 2018
		%	%	%	%
Marico for Consumer Care Products SAE (w.e.f. December 19th, 2017)*	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)	India	100	100	Nil	Nil
Halite Personal Care India Private Limited (A Company under Voluntary Liquidation)	India	100	100	Nil	Nil
Marico Innovation Foundation (MIF)	India	NA	NA	NA	NA
Parachute Kalpavriksha Foundation (PKF)	India	NA	NA	0	0
Marico Lanka (Private) Limited**	Sri Lanka	100	0	0	0
Subsidiary firm:					
MEL Consumer Care & Partners - Wind (Through MELCC) (upto December 19th, 2017)*	Egypt	0	0	0	0

* MEL Consumer Care & Partners - Wind a partnership firm got converted into joint stock company Marico for Consumer Care Products SAE w.e.f. December 19th, 2017

The principle activity of the Group is consumer goods business.

Marico Innovation Foundation ("MIF"), a company incorporated under Section 25 of the Companies Act, 1956 (being a private company limited by guarantee not having share capital) primarily with an objective of fuelling and promoting innovation in India, is a wholly owned subsidiary of the Company with effect from 15th March, 2013.Based on the Control assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.

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. Based on the Control assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.

** Marico Lanka (Private) Limited was incroporated as wholly owned subsidiary w.e.f. 3rd March 2019.

b) Joint venture:

(₹ in Crore)

Name of entity	Carrying Amount as at 31st March, 2019	Carrying Amount as at 31st March, 2018	Accounting method	Share in Profit/(loss)	
				31st March, 2019	31st March, 2018
Revolutionary Fitness Private Limited	4	-	Equity Method	(1)	-
Zed Lifestyle Private Limited	22	20	Equity Method	0	(0)
Total equity accounted investments	**26**	**20**		**(1)**	**(0)**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

32 Related Party Transactions

I Name of related parties and nature of relationship:

(a) Joint venture:

Bellezimo Professionale Products Private Limited (w.e.f. March 7, 2018, the company ceased to be joint venture).

Zed Lifestyle Private Limited

Revolutionary Fitness Private Limited

b) Key management personnel (KMP):

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Saugata Gupta, Managing Director and CEO

Mr. Anand Kripalu, Independent Director (Resigned w.e.f. October 6, 2017)

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

Mr. Atul Choksey, Independent Director (Resigned w.e.f. April 1, 2017)

Mr. B.S. Nagesh, Independent Director

Ms. Hema Ravichandar, Independent Director

Mr. Nikhil Khattau, Independent Director

Mr. Rajen Mariwala, Non executive Director

Mr. Rajeev Bakshi, Independent Director

Mr. Rishabh Mariwala, Non executive Director (Appointed w.e.f May 2, 2017)

Mr. Vivek Karve, Chief Financial Officer

Ms. Hemangi Ghag, Company Secretary & Compliance Officer (Appointed w.e.f October 30, 2017)

Mr. Surender Sharma, Head-Legal, International Business & Company Secretary (Resigned w.e.f October 16, 2017)

c) Individual holding directly / indirectly an interest in voting power & their relatives (where transactions have taken place) - Significant Influence:

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Rajen Mariwala, Non executive Director

Mr. Rishabh Mariwala, son of Mr. Harsh Mariwala and Non executive Director

Mrs. Archana Mariwala, wife of Mr. Harsh Mariwala

d) Post employment benefit controlled trust

Marico Limited Employees Provident Fund

Marico Limited Employees Gratuity Fund

e) Others - Entities in which above (c) and (d) has significant influence and transactions have taken place:

Aqua Centric Private Limited

Ascent India Foundation

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

Feedback Business Consulting Services Private Limited

Kaya Limited

Mariwala Health Foundation

Soap Opera

The Bombay Oil Private Limited

Indian School of Communications Private Limited

II Transactions with related parties

The following transactions occurred with related parties:

Key management personnel compensation.

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Consideration received on exercise of options	-	0
Employee share-based payment	3	14
Short-term employee benefits	9	9
Post-employment benefits	0	0
Total compensation	**12**	**24**
Professional charges paid to Chairman and Non Executive Director	**4**	**6**
Remuneration / sitting fees to Non-Executive Directors	**2**	**2**

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. Remuneration for the current year does not include performance incentive for the year ended 31 March, 2019, pending finalisation.

iii. Also ESOP & STAR grant accrued annualy are included in the KMP's remuneration in the year in which the same are excercised.

Contribution to post employment benefit controlled trust

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Marico Limited Employees Provident Fund	23	22
Marico Limited Employees Gratuity Fund	4	5
	27	**27**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Particulars	Joint Venture (Referred in I (a), (b) and (c) above)		Others (Referred in I (e) above)	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Expenses paid on behalf of related parties	-	-	1	1
Kaya Limited	-	-	1	1
Others	-	-	0	0
Sale of goods	-	-	0	0
Kaya Limited	-	-	0	0
The Bombay Oil Pvt Ltd	-	-	-	0
Soap Opera	-	-	0	-
Sale of assets	-	-	-	0
Others	-	-	-	0
Sale of Shares	-	0	-	-
Bellezimo Professionale Products Private Limited	-	0	-	-
Lease Rental Income	-	-	1	1
Kaya Limited	-	-	1	1
Soap Opera	-	-	0	-
Others	-	-	0	0
Investments made during the year	4	4	-	-
Zed lifestyle Pvt Limited	2	4	-	-
Revolutionary Fitness Private Limited	2	-	-	-
Donation Given / CSR Activities	1	2	-	-
Marico Innovation Foundation	1	2	-	-
Parachute Kalpavriksha Foundation	0	-	-	-
Interest Income	-	0	-	-
Bellezimo Professionale Products Private Limited	-	0	-	-
Royalty expense	-	-	0	-
Kaya Limited	-	-	0	-
Business Consultancy Services	-	-	-	0
Feedback Business Consulting Services Private Limited	-	-	-	0
Interest written off	-	0	-	-
Bellezimo Professionale Products Private Limited	-	0	-	-
Lease rental expense	-	-	0	-
The Bombay Oil Pvt Ltd	-	-	0	-
Security deposit repaid	-	-	0	-
Kaya Limited	-	-	0	-
Intra Group Service (including mark-up)	-	-	-	0
Kaya Limited	-	-	-	0
Kaya Middle East FZE	-	-	-	0

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

III Outstanding balances

(₹ in Crore)

Particulars	Joint Venture (Referred in I (a), (b) and (c) above)		Others (Referred in I (e) above)	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties				
Trade receivables	-	-	0	0
The Bombay Oil Private Limited	-	-	-	0
Kaya Limited	-	-	0	-
Others	-	-	0	-
Investments	26	20	-	-
Zed lifestyle Pvt Limited	22	20	-	-
Revolutionary Fitness Private Limited	4	-	-	-
Rent Payable	-	-	0	-
The Bombay Oil Private Limited	-	-	0	-
Royalty Payable	-	-	0	-
Kaya Limited	-	-	0	-
Security Deposit Payable	-	-	-	0
Kaya Limited	-	-	-	0
Advances to/from related parties	-	0	0	0
Kaya Limited	-	-	0	0
Soap Opera	-	-	0	0
Bellezimo Professionale Private Limited	-	0	-	-
Others	-	-	0	0

Terms and conditions of transaction with related parties

All the transactions are at arms length and in normal course of business.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

33 Contingent liabilities:

The company had contingent liabilities in respect of:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Disputed tax demands / claims:		
Sales tax / VAT	158	145
Income tax	117	84
Service tax	0	0
Customs duty	0	0
Employees state insurance corporation	0	0
Excise duty	33	35
Claims against the Group not acknowledged as debts	19	18
Corporate guarantees given to banks on behalf of Broadcast Audience Research Council (BARC)	1	1

Note:

1. The Group has reviewed all its pending litigations and proceedings and has adequately provided for wherever there is a probable outflow of resources and disclosed as contingent liabilities wherever it is not more than likely, in its financial statements. The above contingent liabilities have not been discounted. The Group does not expect the outcome of these proceedings to have a adverse effect on its financial results.

34 Commitments

(a) Capital commitments:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	75	38
Total	**75**	**38**

(b) Non-cancellable operating leases

The Group's significant leasing arrangements are in respect of residential flats, office premises, warehouses, vehicles etc. taken on lease. The arrangements range between 11 months to 5 years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been given.

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Lease rental payments recognized in the Statement of Profit and Loss:	53	51
In respect of assets taken on non-cancellable operating lease:		
Lease obligations		
Future minimum lease rental payments		
- not later than one year	19	26
- later than one year but not later than five years	13	40
- later than five years	-	-
Total	**32**	**42**

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

35 Share-Based Payments

(a) Employee stock option plan

During the year ended 31st March, 2014, the Company implemented the Marico Employee Stock Option Scheme 2014 ("Marico ESOS 2014"). Marico ESOS 2014 was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on 25 March, 2014 enabling the grant of 300,000 stock options to the Chief Executive Officer of the Company (Currently designated as Managing Director & CEO).

Pursuant to the said approval, on 1st April, 2014 the Company granted 300,000 stock options to the Managing Director & CEO of the Company, at an exercise price of Re.1 per stock option. Each option represents 1 equity share in the Company. The vesting period is 2 years from the date of grant and the exercise period is 18 months from the date of vesting. During the year ended 31st March 2016, the aforesaid 300,000 stock options had increased to 600,000 on account of issue of bonus equity shares by the Company in the ratio of 1:1.

Marico ESOS 2014	As at 31st March, 2019	As at 31st March, 2018
Weighted average share price of options exercised	1.00	1.00
Number of options granted, exercised, and forfeited		
Balance as at beginning of the year	-	300,000
Granted during the year	-	-
Less : Exercised during the year	-	300,000
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)	-	-

During the year ended 31st March, 2015, the Company implemented the Marico MD CEO Employee Stock Option Plan 2014 ("MD CEO ESOP Plan 2014" or "the Plan"). The MD CEO ESOP Plan 2014 was approved by the shareholders at the 26th Annual General Meeting held on July 30, 2014 enabling grant of stock options not exceeding in the aggregate 0.5% of the number of issued equity shares of the Company, from time to time, through notification of one more Scheme(s) under the Plan. Each stock option represents 1 equity share in the Company. The vesting period and the exercise period under the Plan is not less than one year and not more than 5 years.

Pursuant to the aforesaid approval, on 5th January, 2015, the Company notified Scheme I under the Plan and granted 46,600 stock options to the Managing Director & CEO of the Company, at an exercise price of Re.1 per stock option. The vesting date for stock options granted under the Scheme I is 31st March, 2017. Further, the exercise period is one year from the date of vesting. As at 31st March 2016, the said 46,600 stock options have increased to 93,200 on account of issue of bonus equity shares by the Company in the ratio of 1:1. In view of the implementation of Marico Employee Stock Option Plan, 2016, as explained below, no further grant of stock options is envisaged under this Plan.

MD CEO ESOP Plan 2014	As at 31st March, 2019	As at 31st March, 2018
Weighted average share price of options exercised	1.00	1.00
Number of options granted, exercised, and forfeited		
Balance as at beginning of the year	-	93,200
Granted during the year	-	-
Less : Exercised during the year	-	93,200
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)	-	-

Marico ESOP 2016

During the year ended 31st March, 2017, the Company implemented Marico Employee Stock Option Plan, 2016 ("Marico ESOP 2016" or "the Plan"). The Marico ESOP 2016 was approved by the shareholders at the 28th Annual General Meeting held on 5th August, 2016, enabling grant of stock options to the eligible employees of the Company and its subsidiaries not exceeding in the aggregate 0.6% of the issued share equity share capital of the Company as on the commencement date of the Plan i.e. 5th August, 2016. Further, the stock options to any single employee under the Plan shall not exceed 0.15% of the issued equity share capital of the Company as on the commencement date (mentioned above). The Marico ESOP 2016 envisages to grant stock options to eligible employees of the Company and it's subsidiaries on an annual basis through one or more Scheme(s) notified under the Plan. Each option represents 1 equity share in the Company. The vesting period under the Plan is not be less than one year and not more than five years. Pursuant to the said approval, the Company notified below schemes under the Plan:

Particulars	Scheme I	Scheme II	Scheme III			Scheme IV			Scheme V
			Part I	Part II	Part III	Part I	Part II	Part III	
Options outstanding as at 31st March, 2019	80,000	939,700	49,100	7,800	4,950	397,930	62,330	41,680	67,120
Exercise price	1.00	280.22	1.00	1.00	1.00	256.78	302.34	307.77	1.00
Vesting date	31-Mar-19	31-Mar-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	31-Mar-20

Particulars	Scheme VI			Scheme VII			Scheme VIII	Scheme IX	Scheme X
	Part I	Part II	Part III	Part I	Part II	Part III			
Options outstanding as at 31st March, 2019	68,220	3,320	740	431,130	67,430	39,220	24,820	81,800	692,300
Exercise price	1.00	1.00	1.00	307.77	316.53	346.47	1.00	1.00	346.47
Vesting date	30-Nov-20	30-Nov-20	30-Nov-20	30-Nov-20	30-Nov-20	30-Nov-20	31-Mar-20	30-Nov-21	30-Nov-21

Marico ESOP 2016

Particulars	Scheme I	Scheme II	Scheme III			Scheme IV			Scheme V
			Part I	Part II	Part III	Part I	Part II	Part III	
Weighted average share price of options exercised	-	-	-	-	-	-	-	-	-
Number of options granted, exercised, and forfeited									
Balance as at beginning of the year	80,000	939,700	67,610	10,740	4,950	537,160	75,530	44,820	67,120
Granted during the year	-	-	-	-	-	-	-	-	-
Less : Exercised during the year	-	-	-	-	-	-	-	-	-
Forfeited / lapsed during the year	-	-	18,510	2,940	-	139,230	13,200	3,140	-
Balance as at end of the year	**80,000**	**939,700**	**49,100**	**7,800**	**4,950**	**397,930**	**62,330**	**41,680**	**67,120**
Weighted average remaining contractual life of options outstanding at end of period (in years)	1.00	1.00	1.67	1.67	1.67	1.67	1.67	1.67	2.00

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

Particulars	Scheme VI			Scheme VII			Scheme VIII	Scheme IX	Scheme X
	Part I	Part II	Part III	Part I	Part II	Part III			
Weighted average share price of options exercised	-	-	-	-	-	-	-	-	-
Number of options granted, exercised, and forfeited									
Balance as at beginning of the year	87,410	-	-	554,730	-	-	-	-	-
Granted during the year	-	3,320	740	-	76,040	39,220	24,820	81,800	715,400
Less : Exercised during the year	-	-	-	-	-	-	-	-	-
Forfeited / lapsed during the year	19,190	-	-	123,600	8,610	-	-	-	23,100
Balance as at end of the year	**68,220**	**3,320**	**740**	**431,130**	**67,430**	**39,220**	**24,820**	**81,800**	**692,300**
Weighted average remaining contractual life of options outstanding at end of period (in years)	2.67	2.67	2.67	2.67	2.67	2.67	2.00	4.67	4.67

Particulars	2019	2018
Aggregate of all stock options outstanding as at the year end to current paid-up equity share capital (percentage)	0.24%	0.19%

The following assumptions were used for calculation of fair value of grants using Black- Scholes:

Particulars	Marico ESOS 2014	MD CEO ESOP Plan 2014	Marico ESOP 2016 Scheme I	Marico ESOP 2016 Scheme II	Marico ESOP 2016 Scheme III Part I	Marico ESOP 2016 Scheme III Part II	Marico ESOP 2016 Scheme III Part III	Marico ESOP 2016 Scheme IV Part I	Marico ESOP 2016 Scheme IV Part II	Marico ESOP 2016 Scheme IV Part III
Risk-free interest rate (%)	8.00%	8.00%	7.25%	7.25%	6.75%	6.25%	6.50%	6.75%	6.25%	6.50%
Expected life of options (years)	3 years	3 years 3 months	3 years 2 months	3 years 2 months	3 years 6 months	3 years 1 month	2 years 6 months	3 years 6 months	3 years 1 month	2 years 6 months
Expected volatility (%)	26.62%	23.66%	25.80%	25.80%	26.10%	26.70%	23.10%	26.10%	26.70%	23.10%
Dividend yield (%)	3.50%	3.50%	0.96%	0.96%	0.96%	1.07%	1.07%	0.96%	1.07%	1.07%
Fair value of the option	189	309	287	86	246	308	301	69	87	64

Particulars	Marico ESOP 2016 Scheme V	Marico ESOP 2016 Scheme VI Part I	Marico ESOP 2016 Scheme VI Part II	Marico ESOP 2016 Scheme VI Part III	Marico ESOP 2016 Scheme VII Part I	Marico ESOP 2016 Scheme VII Part II	Marico ESOP 2016 Scheme VII Part III	Marico ESOP 2016 Scheme VIII	Marico ESOP 2016 Scheme IX	Marico ESOP 2016 Scheme X
Risk-free interest rate (%)	6.25%	6.75%	7.00%	7.30%	6.75%	7.00%	7.30%	7.29%	7.39%	7.39%
Expected life of options (years)	3 years 4 months	3 years 6 months	3 years	2 years 6 months	3 years 6 months	3 years	2 years 6 months	1 year 10 months	3 years 6 months	3 years 6 months
Expected volatility (%)	26.30%	25.50%	23.84%	22.50%	25.50%	23.84%	22.50%	21.70%	23.40%	23.40%
Dividend yield (%)	0.96%	1.07%	1.29%	1.29%	1.07%	1.29%	1.29%	1.29%	1.29%	1.29%
Fair value of the option	300	298	309	346	84	78	80	349	342	98

(b) **Share appreciation rights**

The Corporate Governance Committee has granted Stock Appreciation Rights ("STAR") to certain eligible employees pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011 ("Plan"). The grant price is determined based on a formulae as defined in the Plan. There are schemes under each Plan with different vesting periods. Scheme I to V have matured on their respective vesting dates. Under the Plan, the specified eligible employees are entitled to receive a Star Value which is the excess of the maturity price over the grant price subject to certain conditions. The Plan is administered by Corporate Governance Committee comprising independent directors.

Details of STAR Scheme:

	STAR V				STAR VI						STAR VII			
Grant Date	5 August, 2015		4 November, 2015		1 December, 2015		5 August, 2016		2 December, 2016		1 December, 2016		2 May, 2017	
Grant Price (₹)	217.46		197.61		203.63		280.22		256.78		256.78		302.34	
Vesting Date	30 November, 2017		30 November, 2017		30 November, 2018		30 November, 2018		30 November, 2018		30 November, 2019		30 November, 2019	
	As at March 31		As at March 31		As at March 31		As at March 31		As at March 31		As at March 31		As at March 31	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Number of grants outstanding at the beginning of the year	-	1,140,600	-	142,700	1,123,200	1,417,800	105,300	135,800	103,660	122,460	404,990	495,070	108,020	-
Add : Granted during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	110,830
Less : Forfeited during the year	-	156,800	-	42,400	137,000	294,600	9,400	30,500	-	18,800	102,370	90,080	22,930	2,810
Less : Exercised during the year	-	983,800	-	100,300	986,200	-	95,900	-	103,660	-	-	-	-	-
Number of grants at the end of the year	-	-	-	-	-	1,123,200	-	105,300	-	103,660	302,620	404,990	85,090	108,020
Carrying amount of liability - included in employee benefit obligation														
Classified as long-term	-	-	-	-	-	-	-	-	-	-	-	2	-	0
Classified as short-term	-	-	-	-	-	11	-	0	-	1	2	-	0	-

	STAR VII		STAR VIII								STAR IX	
Grant Date	1 December, 2017		1 December, 2017		31 May, 2018		2 August, 2018		4 December, 2018		4 December, 2018	
Grant Price (R)	307.77		307.77		316.53		352.42		346.47		346.47	
Vesting Date	30 November, 2019		30 November, 2020		30 November, 2020		30 November, 2020		30 November, 2020		30 November, 2021	
	As at March 31		As at March 31		As at March 31		As at March 31		As at March 31		As at March 31	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Number of grants outstanding at the beginning of the year	30,570	-	410,710	-	-	-	-	-	-	-	-	-
Add : Granted during the year	-	30,570	-	416,740	64,130	-	56,000	-	57,020	-	536,840	-
Less : Forfeited during the year	3,140	-	96,970	6,030	6,850	-	8,000	-	-	-	8,100	-
Less : Exercised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Number of grants at the end of the year	27,430	30,570	313,740	410,710	57,280	-	48,000	-	57,020	-	528,740	-
Carrying amount of liability - included in employee benefit obligation												
Classified as long-term	-	0	1	0	0	-	0	-	0	-	0	-
Classified as short-term	0	-	-	-	-	-	-	-	-	-	-	-

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

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 ₹23 Crore as at 31st March, 2019 (₹ 37 Crore as at 31st March 2018) 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 after1 April, 2013), shall utilize the proceeds towards meeting its STAR Value obligation.

The fair value of the STAR's was determined using the Black-Scholes model using the following inputs at the grant date and as at each reporting date:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Share price at measurement date (INR per share)	346.7	326.1
Expected volatility (%)	22.8% - 25.8%	20.1% - 23.2%
Dividend yield (%)	1.29%	1.07%
Risk-free interest rate (%)	6.30%	6.75%

(c) Expense arising from share-based payment transactions recognised in Profit or Loss as part of employee benefit expense were as follows:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Employee stock option plan	9	7
Stock appreciation rights	7	11
Total employee share based payment expense	**15**	**18**

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 dilutive potential equity shares in to equity share.

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the company (in ₹)	8.67	6.31
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the company (in ₹)	8.67	6.32
(c) Earnings used in calculating earnings per share (₹ in Crores)	1,118	814
(d) Weighted average number of equity shares used as denominator		
Weighted average number of equity shares outstanding	1,290,864,398	1,290,624,530
Shares held in controlled trust	(1,608,164)	(2,558,830)
Weighted average number of equity shares in calculating basic earnings per share	1,289,256,234	1,288,065,700
Options	712,182	671,090
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	**1,289,968,416**	**1,288,736,790**

(e) Information concerning the classification of securities

(i) Options

Options granted to employees under Marico ESOS 2014, MD ESOP Plan 2014 and Marico Employee Option Plan 2016 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 35.

(ii) Treasury shares

Treasury shares are excluded for the purpose of calculating basic and diluted earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2019

37 Additional information required by Schedule III

Name of the Entities	Net Assets i.e. total assets minus total liabilities				Share in profit or (loss)				Share in other comprehensive income				Share in total comprehensive income			
	As a % of consolidated net assets		Amount (r in Crore)		As a % of consolidated profit or loss		Amount (r in Crore)		As a % of other comprehensive income		Amount (rin Crore)		As a % of total comprehensive income		Amount (rin Crore)	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Parent:																
Marico Limited	116.50%	119.01%	3,509	3,041	99.95%	86.80%	1,132	718	49.74%	-78.05%	(1)	(2)	99.92%	86.35%	1,132	716
Subsidiaries:																
- Indian																
Marico Consumer Care Limited	0.81%	1.46%	24	37	0.52%	0.61%	6	5	0.00%	0.00%	-	-	0.52%	0.61%	6	5
- Foreign																
Marico Bangladesh Limited	3.57%	4.54%	108	116	14.88%	15.64%	169	129	50.26%	8.27%	(1)	0	14.82%	15.62%	168	130
Marico Bangaldesh Industries Limited	0.01%	0.02%	0	0	0.00%	0.00%	(0)	(0)	0.00%	0.00%	-	-	0.00%	0.00%	(0)	(0)
Marico Middle East FZE	-6.30%	-6.94%	(190)	(177)	-0.09%	-0.65%	(1)	(5)	0.00%	0.00%	-	-	-0.09%	-0.65%	(1)	(5)
MEL Consumer Care SAE	-1.63%	-1.45%	(49)	(37)	-0.79%	-3.61%	(9)	(30)	0.00%	0.00%	-	-	-0.79%	-3.60%	(9)	(30)
Marico Egypt Industries Company	0.01%	0.04%	0	1	-0.08%	-4.29%	(1)	(36)	0.00%	0.00%	-	-	-0.08%	-4.28%	(1)	(36)
Egyptian American Company for Investment and Industrial Development SAE	-0.05%	-0.03%	(1)	(1)	-0.05%	0.13%	(1)	1	0.00%	0.00%	-	-	-0.05%	0.13%	(1)	1
Marico South Africa Consumer Care (Pty) Limited	2.07%	2.83%	62	72	0.00%	0.00%	(0)	(0)	0.00%	0.00%	-	-	0.00%	0.00%	(0)	(0)
Marico South Africa (Pty) Limited	1.70%	2.30%	51	59	0.05%	-0.24%	1	(2)	0.00%	0.00%	-	-	0.05%	-0.24%	1	(2)
Marico for Consumer Care Products SAE	-0.48%	-0.21%	(14)	(5)	-0.75%	-0.65%	(8)	(5)	0.00%	0.00%	-	-	-0.75%	-0.65%	(8)	(5)
Marico Malaysia Sdn Bhd	0.00%	0.01%	0	0	0.00%	-0.01%	(0)	(0)	0.00%	0.00%	-	-	0.00%	-0.01%	(0)	(0)
Marico South East Asia Corporation	1.54%	1.37%	46	35	3.01%	2.83%	34	23	0.00%	0.00%	-	-	3.01%	2.83%	34	23
Thuant Phat Foodstuff Joint Stock Company	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Joint Ventures																
- Indian																
Bellezimo Professionale Products Private Limited	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Zed Lifestyle Private Limited	0.00%	0.00%	-	-	0.01%	-0.02%	0	(0)	0.00%	0.00%	-	-	0.01%	-0.01%	0	(0)
Revolutionary Fitness Private Limited	0.00%	0.00%	-	-	-0.09%	0.00%	(1)	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Subtotal			**3,548**	**3,142**			**1,321**	**799**	0.00%	0.00%	**(1)**	**(2)**			**1,320**	**797**
Intercompany Elimination & Consolidation Adjustments	-17.77%	-22.95%	(535)	(586)	-16.57%	3.44%	(188)	28	0.00%	169.78%	-	4	-16.57%	3.88%	(188)	32
Grand total:			**3,012**	**2,555**			**1,133**	**827**			**(1)**	**2**			**1,133**	**830**
Minority Interest in all subsidiaries	0.36%	0.45%	11	12	1.49%	1.57%	17	13	5.03%	0.89%	(0)	0	1.48%	1.56%	17	13

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2019

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, the Group has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

39 Previous year's figures have been regrouped/reclassified to make them comparable with those of current year.

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

Place : Mumbai
Date : May 6, 2019

For and on behalf of the Board of Directors

HARSH MARIWALA
[DIN 00210342]
Chairman

SAUGATA GUPTA
[DIN 05251806]
Managing Director and CEO

VIVEK KARVE
Chief Financial Officer

HEMANGI GHAG
[Membership No.F9329]
Company Secretary

Place : Mumbai
Date : May 6, 2019

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 2019, 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 2019, and 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.

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 Financial Statements]

The Key Audit Matter	How the matter was addressed in our audit
• Revenue is recognised net of returns, trade allowances and rebates owed to the customers based on the arrangement with customers. • The recognition and measurement of trade allowances and rebates, including establishing an appropriate accrual at year end, involves significant judgement and estimates, particularly the expected level of claims of each of the customers, leading to a risk of revenue being misstated due to faulty estimation over trade allowances and rebates. • Revenue is recognised when control of the underlying products have been transferred to the customer. There is a risk of revenue being overstated on account of variation in the timing of transfer of control due to the pressure management may feel to achieve performance targets at the reporting period end.	In view of the significance of the matter we applied following procedures : • Assessed the appropriateness of the Company's revenue recognition accounting policies, those relating to trade allowances and rebates by comparing with applicable accounting standards. • Assessed and 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, revenue cut-off and calculation and monitoring of trade allowances and rebates in the general ledger accounting system • Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, by verifying the underlying documents, which included sales invoices/contracts and shipping documents. • We inspected, on a sample basis, key customer contracts to identify terms and conditions relating to goods acceptance and rebates and assessing the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards. • We tested a sample of trade spends to the supporting documentation. We compared sales performance every quarter and trade spend accruals with prior period to understand deviations and inquired further for its significant deviation. • We assessed manual journals posted to revenue to identify unusual items and considered the adequacy of the disclosures in respect of revenue.

INDEPENDENT AUDITORS' REPORT

Taxation

[Refer to Note (g) of Significant Accounting Policies and Note 14, 25 and 31 to the Financial Statements]

The Key Audit Matter	How the matter was addressed in our audit
• The Company operates in a complex tax jurisdictions with various tax exemptions / deductions that may be subject to challenges and audits by tax authorities. There are open tax and transfer pricing matters under litigation with tax authorities • Judgment is required in assessing the level of provisions and disclosure of contingent liabilities required in respect of uncertain tax positions that reflects management's best estimate of the most likely outcome based on the facts available	Our audit procedures include: • For uncertain tax positions, we read and analysed select key correspondences with tax authorities, reviewed Management's judgment regarding the eventual resolution of matters with various tax authorities, assessment of third-party opinions and the use of past experience, where available, with the tax authorities in the respective jurisdiction. • We used our tax specialists' expertise to assess the status of the ongoing tax litigations and judgmental tax positions in tax returns and their most likely outcome, basis expertise, industry outcomes and company's own past outcomes in respect of similar matters. We evaluated the adequacy of financial statement disclosures in respect of the tax provision / adjustments and contingencies.

Carrying value of investment in subsidiaries and joint ventures:

[Refer to Note (z) of Significant Accounting Policies, Note 2(a) and Note 6(a) to the Financial Statements]

The Key Audit Matter	How the matter was addressed in our audit
• The carrying amount of investment in subsidiaries and joint ventures aggregate Rs. 1,026 crores i.e. 22% of the total assets of the Company as at 31 March 2019. • The annual impairment testing of investments is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the investments, which is based on the higher of the value in use or fair value less costs to sell, 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).	Our audit procedures include: • We evaluated the appropriateness of the assumptions applied to key inputs such as sales value, operating costs, long term growth rates and discount rates, which included comparing these inputs with the historical growth trends, agreeing the forecast used in prior year models to its actual performance of the business and also agreed to the board of directors / management approved plans as well as our own assessments based on our knowledge of the client . • We involved our internal valuation specialists, where appropriate, who review and comment on the reasonability of the methodology and approach used in the valuation carried out by the management for its carrying amount of investments ments and sensitivities.

The Key Audit Matter	How the matter was addressed in our audit
	• We challenged management by performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the currently estimated headroom. • We evaluated the adequacy of financial statement disclosures in respect of the investment in subsidiaries and joint ventures, including disclosures of key assumptions, judge

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 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

INDEPENDENT AUDITORS' REPORT

and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 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.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. (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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

    (e) On the basis of the written representations received from the Directors as on 31 March 2019 and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2019 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31 to the standalone Ind AS financial statements.
    - The Company did not have any long –term contracts including derivative contracts for which there were any material foreseeable losses.
    - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

   (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

    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

Mumbai
6 May 2019

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2019

(Referred to in our report of even date)

(i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 3 to the Standalone Ind AS financial statements, are held in the name of the Company.

(ii) The inventory, except goods-in-transit has been physically verified by the management during the year. For inventory lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of accounts.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act during the year. The Company has complied with the provisions of Section 186 of the Act, in respect grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax and Value added tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Enclosure I to this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company does not have any loans or borrowings from financial institutions and Government, nor has it issued any debentures during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2019

(Referred to in our report of even date)

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

Enclosure I to Annexure A to the Independent Auditors' Report – 31st March, 2019

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the Amount relates	Amount under dispute (₹ in Crores)	Amount paid under protest (₹ in Crores)
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	High Court	Various years	52	2
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	Additional Commissioner - Sales tax	Various years	6	1
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	Joint commissioner - Sales tax	Various years	19	3
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	Deputy Commissioner - Sales tax	Various years	4	1
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	Assistant Commissioner	Various years	0	0
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	Tribunal	Various years	9	1
The Central Excise Act	Excise Duty (including penalty if applicable)	Customs, Excise and Service Tax Appellate Tribunal	Various years	43	3
Service Tax (Finance Act, 1994)	Service Tax (including penalty if applicable)	Customs, Excise and Service Tax Appellate Tribunal	2006 – 2012	0	0
Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	AY 2010 – 11 to AY 2015 -16	11	-
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 1998 - 99 to AY 2000 - 01, AY 2002 - 03	1.42	-
Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	AY 2010 – 11 to AY 2013 -14	10.39	-

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

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
6 May 2019

ANNEXURE - B TO THE INDEPENDENT AUDITORS'

Rreport on the standalone financial statements of Marico Limited for the year ended 31 March 2019

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 2019 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 2019, 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 financial statements.

ANNEXURE - B TO THE INDEPENDENT AUDITORS'

Rreport on the standalone financial statements of Marico Limited for the year ended 31 March 2019

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
6 May 2019

BALANCE SHEET

as at 31 March 2019

(₹ in Crore)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	503	466
Capital work-in-progress	3	42	25
Investment properties	4	11	23
Intangible assets	5	22	20
Investment in subsidiaries and joint venture	6(a)	1,026	1,020
Financial assets			
(i) Investments	6(a)	34	37
(ii) Loans	6(c)	4	4
(iii) Other financial assets	6(f)	41	33
Deferred tax assets (net)	7	178	-
Non current tax assets (net)	16	36	30
Other non-current assets	8	30	27
Total non-current assets		**1,927**	**1,685**
Current assets			
Inventories	9	1,234	1,313
Financial assets			
(i) Investments	6(a)	380	450
(ii) Trade receivables	6(b)	430	288
(iii) Cash and cash equivalents	6(d)	10	7
(iv) Bank balances other than (iii) above	6(e)	329	54
(v) Loans	6(c)	3	3
(vi) Other financial assets	6(g)	54	35
Other current assets	10	262	185
Assets classified as held for sale	11	12	-
Total current assets		**2,714**	**2,335**
Total assets		**4,641**	**4,020**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	129	129
Other equity			
Reserves and surplus	12(b)	3,379	2,912
Other reserves	12(c)	0	0
Total equity attributable to owners		**3,508**	**3,041**
LIABILITIES			
Non-current liabilities			
Employee benefit obligations	15	9	10
Deferred tax liabilities (net)	7	-	18
Total non-current liabilities		**9**	**28**
Current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	131	122
(ii) Trade payables	13(c)		
Due to micro and small enterprises		13	4
Due to others		702	583
(iii) Other financial liabilities	13(b)	8	8
Other current liabilities	17	146	121
Provisions	14	57	57
Employee benefit obligations	15	51	39
Current tax liabilities (net)	16	16	17
Total current liabilities		**1,124**	**951**
Total liabilities		**1,133**	**979**
Total equity and liabilities		**4,641**	**4,020**
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

For and on behalf of the Board of Directors

SADASHIV SHETTY
Partner
Membership No. 048648

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No.F9329]

Place : Mumbai
Date : May 6, 2019

Place : Mumbai
Date : May 6, 2019

STATEMENT OF PROFIT & LOSS

for the year ended 31 March 2019

(₹ in Crore)

Particulars	Notes	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue:			
Revenue from operations	18	5,971	5,181
Other income	19	301	218
Total Income		**6,272**	**5,399**
Expenses:			
Cost of materials consumed	20(a)	3,463	3,015
Purchases of stock-in-trade		109	73
Changes in inventories of finished goods, stock-in-trade and work-in progress	20(b)	(101)	(222)
Excise duty		-	11
Employee benefit expense	21	307	274
Finance costs	24	12	8
Depreciation and amortization expense	22	81	67
Other expenses	23	1,214	1,115
Total expenses		**5,085**	**4,341**
Profit before exceptional items and tax		**1,187**	**1,058**
Exceptional items	6(a)	-	(104)
Profit before tax		**1,187**	**954**
Income tax expense for current year			
Current tax	25	260	230
Deferred tax	7	(17)	6
Total tax expense for the current year		**243**	**236**
Tax adjustment for earlier years	25	(188)	-
Total tax expense		**55**	**236**
Profit for the year (A)		**1,132**	**718**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15	(1)	(1)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	25	0	0
Total		**(1)**	**(1)**
Items that will be reclassified to profit or loss			
Change in fair value of hedging instruments	12 (c)	0	(2)
Income tax relating to items that will be reclassified to profit or loss			
Change in fair value of hedging instruments	12 (c)	(0)	1
Total		0	(1)
Other comprehensive income for the year, net of tax (B)		**(1)**	**(2)**
Total comprehensive income for the year (A+B)		**1,131**	**716**
Earnings per equity share for profit attributable to owners (in ₹)	34		
Basic earnings per share		8.78	5.58
Diluted earnings per share		8.78	5.57
Significant accounting policies	1		
Critical estimates and judgements	2		

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 6, 2019

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No.F9329]

Place : Mumbai
Date : May 6, 2019

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2019

A. Equity Share Capital

(₹ in Crore)

	Note	
As at 1st April 2017		129
Changes in equity share capital	12 (a)	0
As at 31st March 2018		**129**
Changes in equity share capital	12 (a)	-
As at 31st March 2019		**129**

B. Other Equity

(₹ in Crore)

	Note	Attributable to owners							
		Reserves and surplus						Other reserves	Total other equity
		Securities Premium	Retained earnings	General reserve	Share based option outstanding account	Treasury shares	WEOMA reserve	Effective portion of cash flow hedge	
Balance as at 1st April, 2017		**238**	**2,266**	**298**	**8**	**(61)**	**45**	**1**	**2,795**
Profit for the year		-	718	-	-	-	-	-	718
Other comprehensive income for the year		-	(1)	-	-	-	-	(1)	(2)
Total comprehensive income for the year		**-**	**717**	**-**	**-**	**-**	**-**	**(1)**	**716**
(Purchase)/sale of treasury shares by the trust during the year (net)	12 (b)	-	-	-	-	19	-	-	19
Dividend paid on equity shares (including dividend distribution tax of ₹ 87 Cr)	12 (b)	-	(636)	-	-	-	-	-	(636)
Income of the trust for the year	12 (b)	-	-	-	-	-	10	-	10
Gain/(loss) transferred to Income Statement	12 (c)	-	-	-	-	-	-	(2)	(2)
Deferred hedging gain / (loss) on hedging instruments	12 (c)	-	-	-	-	-	-	1	1
Deferred tax on hedge reserve	12 (c)	-	-	-	-	-	-	1	1
Exercise of employee stock options	12 (b)	5	-	-	(4)	-	-	-	1
Share based payment expense	12 (b)	-	-	-	7	-	-	-	7
Balance as at 31st March, 2018		**243**	**2,347**	**298**	**11**	**(42)**	**55**	**0**	**2,912**
Balance as at 1st April, 2018		243	2,347	298	11	(42)	55	0	2,912
Profit for the year		-	1,132	-	-	-	-	-	1,132
Other comprehensive income for the year		-	(1)	-	-	-	-	0	(1)
Total comprehensive income for the year		**-**	**1,131**	**-**	**-**	**-**	**-**	**0**	**1,131**
(Purchase)/sale of treasury shares by the trust during the year (net)	12 (b)	-	-	-	-	15	-	-	15
Dividend paid on equity shares (including dividend distribution tax of ₹ 93 Cr)	12 (b)	-	(702)	-	-	-	-	-	(702)
Income of the trust for the year	12 (b)	-	-	-	-	-	15	-	15
Gain/(loss) transferred to Income Statement	12 (c)	-	-	-	-	-	-	0	0
Deferred hedging gain / (loss) on hedging instruments	12 (c)	-	-	-	-	-	-	0	0
Deferred tax on hedge reserve	12 (c)	-	-	-	-	-	-	(0)	(0)
Share based payment expense	12 (b)	-	-	-	8	-	-	-	8
Balance as at 31st March, 2019		**243**	**2,776**	**298**	**19**	**(27)**	**70**	**0**	**3,379**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Nature and purpose of reserves

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.

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.

General Reserve

General Reserve is used from time to time to record transfer of profit from retained earnings, for appropriation purposes. As General Reserve is created by transfer from one component of equity to another and it is not an item of other comprehensive income, item included in the General Reserve will not be reclassified subsequently to Profit or Loss.

Share based option outstanding account

The Company has establhised various equity settled share based payment plans for certain category of employees of the company. Refer note 33 for further details of these plans.

WEOMA reserve and Treasury shares

The company has formed Welfare of Mariconions Trust (WEOMA trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. WEOMA purchases shares of the Company out of funds borrowed from the Company. The Company treats WEOMA as its extension and shares held by WEOMA are treated as treasury shares. Profit on sale of treasury shares (net of tax) and dividend earned on the same by WEOMA trust is recognised in WEOMA reserve.

Hedge Reserve

The Company uses forward and options contracts to hedge its risks associated with foreign currency transactions relating to certain firm commitments and forecasted transactions. The Company also uses Interest rates swap contracts to hedge its interest rate risk exposure. The Company designates these as cash flow hedges. These contracts are marked to market as at the year end and resultant exchange differences, to the extent they represent effective portion of the hedge, are recognized directly in hedge reserve. The ineffective portion of the same is recognized immediately in the Statement of Profit and Loss. Exchange differences taken to hedge reserve account are recognized in the Statement of Profit and Loss upon crystallization of firm commitments or occurrence of forecasted transactions or upon discontinuation of hedge accounting resulting from expiry / sale / termination of hedge instrument or upon hedge becoming ineffective.

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 6, 2019

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No.F9329]

Place : Mumbai
Date : May 6, 2019

STATEMENT OF CASH FLOW

For the year ended 31st March, 2019

(₹ in Crore)

	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A	CASH FLOW FROM OPERATING ACTIVITIES		
	PROFIT BEFORE INCOME TAX	**1,187**	**954**
	Adjustments for:		
	Depreciation, amortisation and impairment	81	67
	Finance costs	12	8
	Interest income from financial assets at amortised cost	(36)	(19)
	Net (Gain)/ Loss on disposal of property, plant and equipment	(3)	(0)
	Net fair value changes(including net gain on sale of investment)	(32)	(40)
	Dividend income from subsidiaries	(206)	(134)
	Employees stock option charge	8	7
	Stock appreciation rights expense charge/(reversal)	5	7
	Provision for investment impairment	-	104
	Provision for doubtful debts, advances, deposits and others	11	1
		(159)	**(0)**
	Cash generated from operations before working capital changes	1,028	954
	Change in operating assets and liabilities:		
	(Increase)/ decrease in inventories	79	(230)
	(Increase) in trade receivables	(143)	(61)
	(Increase) in other financials assets	(25)	(16)
	(Increase)/ decrease in other non-current assets	(1)	0
	(Increase) in other current assets	(80)	(113)
	(Increase)/ decrease in loans and other assets	(1)	0
	Increase/ (decrease) in provisions	(0)	1
	Increase/ (decrease) in employee benefit obligations	5	(8)
	Increase in other current liabilities	25	16
	Increase in trade payables	128	110
	(Decrease) in other financial liabilities	(1)	(3)
	Changes in Working Capital	**(14)**	**(304)**
	Cash generated from operations	**1014**	**649**
	Income taxes paid (net of refunds)	(259)	(241)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**755**	**409**

STATEMENT OF CASH FLOW

For the year ended 31st March, 2019

(₹ in Crore)

	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment for property, plant and equipment, investment properties & intangible asset	(150)	(73)
	Proceeds from sale of property, plant and equipment	13	2
	Payment for purchase of investments	5,757	(2,533)
	Proceeds from sale of investments	(5,678)	2,613
	Investment in joint venture	(6)	(19)
	(Purchase)/ redemption of inter-corporate deposits (Net)	18	31
	Investment in Bank deposits (having original maturity more than 3 month)	(269)	10
	Loans (given)/ repaid by/ to related parties	-	2
	Dividend income from subsidiaries	206	134
	Interest received	31	21
	NET CASH GNERATED FROM INVESTING ACTIVITIES (B)	(79)	**187**
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issuance of share capital (net of share issue expenses)	-	0
	Sale of investments by WEOMA trust (net)	30	29
	Other borrowings taken	9	12
	Interest paid	(12)	(8)
	Dividends paid to company's shareholders (including dividend distribution tax)	(702)	(636)
	Net cash used in financing activities (C)	**(674)**	**(602)**
D	NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**2**	**(6)**
E	Cash and cash equivalents at the beginning of the financial year	8	14
F	**Cash and cash equivalents at end of the year (Refer note 6 (d))**	**10**	**8**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 6, 2019

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No.F9329]

Place : Mumbai
Date : May 6, 2019

NOTES

To Financial Statements for the year ended 31st March, 2019

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, 2019 were approved for issue in accordance with the resolution of the Board of Directors on 6th May, 2019.

a) Basis of preparation:

i. Compliance with IND AS :

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

ii. Historical cost convention :

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial instruments (including derivative instruments) and contingent consideration that are measured at fair value (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 is designated as CODM.

c) Foreign currency transactions:

i. Functional and presentation currencies:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in INR which is the functional and presentation currency for Marico Limited.

ii. Transactions & Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

d) Revenue recognition:

With effected from 1st April, 2018 the Company has applied INP AS 115: Revenre form contract with customers which provided a frame work determining the nature amount and timing of revenue recognition. The impact on the financial statement or adoption of the stanard is insignificant.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, goods and services taxes and amounts collected on behalf of third parties.

The company recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

i. Sale of goods:

Timing of recognition:

Sale of goods is recognized when control of the goods has transferred to the customers, depending on individual terms. i.e. 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:

Revenue from services is recognized in the accounting period in which the services are rendered.

e) Income recognition

i. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the 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 by 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.

NOTES

To Financial Statements for the year ended 31st March, 2019

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

h) Property, plant and equipment :

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 fixed assets that are not yet ready for their intended use at the year end.

Depreciation and amortization

Depreciation is calculated using the straight-line method to allocate the cost of Property, Plant and Equipment, net of residual values, over their estimated useful lives.

As per technical evaluation of the Company, the useful life considered for the following items is lower than the life stipulated in Schedule II to the Companies Act, 2013:

Assets	Useful life (years)
Motor vehicle – motor car, bus and lorries, motor cycle, scooter	5
Office equipment – mobile and communication tools	2
Computer – Server network	3
Plant & equipment - Moulds	3 – 5
Leasehold land	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.

NOTES

To Financial Statements for the year ended 31st March, 2019

i) Intangible Assets:

i. Intangible assets with finite useful life:

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under:

Assets	Useful life (years)
Computer Software	3

ii. Intangible assets with indefinite useful life:

Intangible assets with indefinite useful lives are measured at cost and are not amortised, but are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

iii. Research & 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:

i) As a lessee

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The finance lease assets are depreciated on a Straight line basis over the lease term. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases.

NOTES

To Financial Statements for the year ended 31st March, 2019

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary increase.

ii) As a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

m) Investment & 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 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

NOTES

To Financial Statements for the year ended 31st March, 2019

made for doubtful 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 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. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

s) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

t) Employee Benefits:

i. Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Provident fund:

Provident fund contributions are made to a trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the Company is additionally provided for. Actuarial losses and gains are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

iii. Gratuity:

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

iv. Leave encashment / Compensated absences:

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation 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.

v. **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.

u) Provisions and Contingent Liabilities:

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

v) 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.

w) Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdraft.

Strategic Report
Statutory Reports
Financial Statements

NOTES

To Financial Statements for the year ended 31st March, 2019

x) 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.

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 Company is treated as an exceptional item and disclosed as such in the financial statements.

z) Investment in subsidiaries and joint ventures:

Investments in subsidiaries and associates 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.

aa) 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.

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) 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.

ad) 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.

ae) 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.

af) Standards issued but not yet effective:

The following new standards have been released but are not yet adopted by the Company. The expected impact and progress is shown below.

i. Ind AS 116, Leases (Effective from 1st April, 2019):

- **Key requirements of the standard:**

  This standard changes the recognition, measurement, presentation and disclosure of leases. In particular it requires lessees to record all leases on the balance sheet with exemptions available for low value and short-term leases. At the commencement of a lease, a lessee will recognise lease payments (lease liability) and an asset representing the right to use the asset during the lease term (right-of-use asset). Lessees will subsequently reduce the lease liability when paid and recognise depreciation on the right-of-use asset.

  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 right-of-use asset.

  The standard has no impact on the actual cash flows of a Company. However the standard requires the capitalisation, and subsequent depreciation, of costs that are currently expensed as paid which impacts disclosures of cash flows within the cash flow statement. The amounts currently expensed as operating cash outflows which will instead be capitalised are presented as financing cash outflows.

- **Assessment and the likely impact:**

  The preparations for this standard are substantially complete. The Company intends on adopting the 'full retrospective' approach and in our Financial year 2019-20 reporting the comparative information relating to prior years will be restated.

  The Company has reviewed all relevant contracts to identify leases. This review included an assessment about whether the contract depends on a specific asset, whether the Company obtains substantially all the economic benefits from the use of that asset and whether the Company has the right to direct the use of that asset. Based on this assessment, we calculated the restatement impact as at the transition date. From 1st April, 2019 the Company will focus on ensuring that the revised process for identifying and accounting for leases is followed.

  The Company intends to use the exemptions provided by Ind AS 116 for short-term leases (less than a year) and leases for low-value assets. The estimated impact of Ind AS 116 on the Company's financial statements at 31st March, 2019 is as follows:

  Balance sheet:

  The Company estimates that the adoption of Ind AS 116 will result in an increase in total assets of approximately ₹ 104 Crores.

  Financial liabilities are expected to increase by approximately ₹ 127 Crores.

  Income statement:

  The Company estimates that the adoption of Ind AS 116 will result in increased depreciation of approximately ₹ 23 Crores from the right-of-use assets. This will offset the reduction in annual operating lease expenses of around ₹ 30 Crores. Finance costs are expected to increase by approximately ₹ 12 Crores due to the interest recognised on lease liabilities.

  Statement of Cash Flows:

  The Company estimates that the adoption of Ind AS 116 will increase cash flows from operating activities by approximately ₹ 30 Crores with a related increase in cash flows used in financing activities of ₹ 30 Crores which relates to lease payments previously expensed as paid.

ii. Other Amendment (effective from 1st April, 2019)

- Appendix C to IND As 12, Income Taxes
- Amendments to IND As 19, Employee Benefits
- Amendments to IND As 23, Borrowing costs
- Amendments to IND As 109, Financial Instruments

Effective date for application of these amendments is annual period beginning on or after 1 April 2019. Based on preliminary work done, the Company does not foresee any significant impact on its Financial Statements.

NOTES

To Financial Statements for the year ended 31st March, 2019

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 and investment in subsidiaries and joint venture (including trade receivable) (Note : 27)

(b) Estimation of defined benefit obligations (Note 15)

(c) Estimation of current tax expenses and payable (Note 25)

(d) Estimated impairment of intangible assets with indefinite useful life (Note 5)

(e) Estimation of provisions and contingencies (Note 14 and 31)

(f) Recognition of deferred tax assets including MAT credit (Note 7)

(a) Impairment of financial assets and investment in subsidiaries and joint venture (including trade receivable)

Impairment testing for financial assets including investment in subsidiaries and joint ventures (other than trade receivables) is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of the individual financial asset is determined based on value-in-use calculations which requires use of assumptions. Allowance for doubtful receivables represent the estimate of losses that could arise due to inability of the Customer to make payments when due. These estimates are based on the customer ageing, customer category, specific credit circumstances and the historical experience of the company as well as forward looking estimates at the end of each reporting period.

(b) Estimation of defined benefit obligations

The liabilities of the company arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions. Refer note 15 for significant assumptions used.

(c) Estimation of current and deferred tax expenses and payable

The Company's tax charge is the sum of total current and deferred tax charges. Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the company operates. Any difference between the estimates and final tax assessments will impact the income tax as well as the resulting assets and liabilities.

(d) Estimated impairment of intangible assets with indefinite useful life

Impairment testing for intangible assets with indefinite useful life is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions.

(e) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the company. The Company exercises judgement and estimates in recognizing the provisions and assessing 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. 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

3 Property, Plant and Equipment

(₹ in Crore)

	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office Equipment	Leasehold im-provements	Total	CWIP
Year ended 31st March, 2018										
Gross carrying amount										
Opening gross carrying amount	**2**	**26**	**233**	**304**	**11**	**2**	**8**	**11**	**597**	**8**
Additions	-	-	4	39	1	0	1	0	45	
Disposals / write off	(0)	-	(1)	(3)	-	-	(0)	-	(4)	
Adjustments	-	-	13	-	-	-	-	-	13	
Closing gross carrying amount	**2**	**26**	**249**	**340**	**12**	**2**	**9**	**11**	**651**	
Accumulated depreciation										
Opening accumulated depreciation	**-**	**1**	**16**	**88**	**4**	**0**	**6**	**1**	**116**	
Depreciation charge during the year	-	1	9	49	2	0	1	1	63	
Disposals / write off	-	-	(0)	(2)	-	-	(0)	-	(2)	
Adjustments	-	-	0	-	-	-	-	-	0	
Closing accumulated depreciation	**-**	**2**	**25**	**135**	**6**	**(0)**	**7**	**2**	**177**	
Impairment loss										
Opening accumulated Impairment	**-**	**-**	**1**	**5**	**0**	**-**	**0**	**-**	**6**	
Impairment charge/(reversal) during the year	-	-	0	2	0	-	(0)	-	2	
Closing balance	**-**	**-**	**1**	**7**	**0**	**-**	**0**	**-**	**8**	
Net carrying amount	**2**	**24**	**223**	**198**	**6**	**1**	**2**	**9**	**466**	**25**
Year ended 31st March, 2019										
Gross carrying amount										
Opening gross carrying amount	**2**	**26**	**249**	**340**	**12**	**2**	**9**	**11**	**651**	**25**
Additions	-	23	23	66	2	0	1	4	119	
Disposals / write off	-	(1)	(5)	(9)	(0)	-	(0)	(1)	(16)	
Closing gross carrying amount	**2**	**48**	**267**	**397**	**14**	**2**	**10**	**14**	**754**	
Accumulated depreciation										
Opening accumulated depreciation	-	2	25	135	6	(0)	7	2	177	
Depreciation charge during the year	-	0	13	61	2	0	2	1	79	
Disposals / write off	-	(0)	(1)	(5)	(0)	-	(0)	(0)	(6)	
Closing accumulated depreciation	**-**	**2**	**37**	**191**	**8**	**0**	**9**	**3**	**250**	
Impairment loss										
Opening accumulated impairment	**-**	**-**	**1**	**7**	**0**	**-**	**0**	**-**	**8**	
Impairment charge/(reversal) during the year	-	-	(1)	1	0	-	0	-	(0)	
Write off	**-**	**-**	**(0)**	**(7)**	**(0)**	**-**	**(0)**	**-**	**(7)**	
Closing balance	**-**	**-**	**0**	**1**	**0**	**-**	**0**	**-**	**1**	
Net carrying amount	**2**	**46**	**230**	**205**	**6**	**2**	**1**	**11**	**503**	**42**

(i) Impairment loss
Impairment loss pertains to Plant and equipment which are in damaged condition or are lying idle and have no future use.

(ii) Contractual obligations
Refer to Note 32 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) Capital work-in-progress
Capital work-in-progress mainly comprises spends towards capacity expansion at Perundurai, India and for setting up new manufacturing unit at Ahmedabad, India.

(iv) Leased assets
Gross carrying amount of leasehold land represents amounts paid under lease agreements which are due for renewal in the years ranging from 2070 to 2117. In one case where the lease is expiring in 2070, the company has an option to purchase the property.

(v) Building
Buildings include Nil (31st March, 2018: Nil) being the value of shares in co-operative housing societies.

NOTES

To Financial Statements for the year ended 31st March, 2019

4 Investment Properties

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Gross carrying amount		
Opening gross carrying amount / Deemed cost	**24**	**24**
Additions	-	-
Reclassification as held for sale (Refer note (v) below)	(13)	-
Closing gross carrying amount	**11**	**24**
Accumulated Depreciation	**1**	**1**
Depreciation charge	0	0
Reclassification as held for sale	(1)	-
Closing accumulated depreciation	**0**	**1**
Net carrying amount	**11**	**23**

(i) Amounts recognised in profit or loss for investment properties

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
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 31st March, 2019	As at 31st March, 2018
Within one year	0	0
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-

(iii) Fair value

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment properties	17	42

Estimation of fair value

The company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

NOTES

To Financial Statements for the year ended 31st March, 2019

(iv) The fair values of investment properties have been determined by an independent valuer who holds recognised and relevant professional qualification. The main inputs used are rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(v) During the year ended 31st March, 2019 investment property at Andheri, Mumbai has been classified as asset held for sale.

5 Intangible Assets

(₹ in Crore)

	Trademarks and copyrights	Computer software	Total
Year ended 31st March, 2018			
Gross carrying amount			
Opening gross carrying amount	**19**	**9**	**28**
Additions	-	1	1
Closing gross carrying amount	**19**	**10**	**29**
Accumulated amortisation			
Opening accumulated amortisation	-	7	**7**
Amortisation charge for the year	-	2	**2**
Closing accumulated amortisation	**-**	**9**	**9**
Closing net carrying amount	**19**	**1**	**20**
Year ended 31st March, 2019			
Gross carrying amount			
Opening gross carrying amount	**19**	**10**	**29**
Additions	-	4	4
Closing gross carrying amount	**19**	**14**	**33**
Accumulated amortisation			
Opening accumulated amortisation	-	9	9
Amortisation charge for the year	-	2	2
Closing accumulated amortisation	**-**	**11**	**11**
Closing net carrying amount	**19**	**3**	**22**

NOTES

To Financial Statements for the year ended 31st March, 2019

6(a)Investments

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current Investments		
I. Investment in Subsidiaries and Joint venture		
Quoted		
Equity instruments		
Subsidiaries	1,000	1,000
Joint venture	26	20
	1,026	**1,020**
II. Other investments		
(A) Quoted		
Debentures	**9**	**-**
Bonds	25	25
Mutual Funds	-	12
	34	**37**
(B) Unquoted		
Equity instruments		
Others	0	0
Government securities	0	0
	0	0
Total Non-current other invements (A + B)	**34**	**37**
Current Investments		
(C) Quoted		
Debentures	84	-
Mutual Funds	13	25
	97	**25**
(D) Unquoted		
Intercorporate deposits	66	95
Commercial papers	25	-
Mutual Funds	192	330
	283	**425**
Total current invements (C+D)	**380**	**450**
Non-current Investments		
Investment in equity instruments (fully paid-up)		
Quoted at cost		
In subsidiary Company		
Marico Bangladesh Limited	1	1
28,350,000 (31st March, 2018 : 28,350,000) equity shares of Bangladesh taka 10 each fully paid		
(Quoted on Dhaka Stock exchange and Chittagong Stock exchange).		
Unquoted at cost		
In Subsidiary companies		
Marico Middle East FZE (wholly owned)	28	28
22 (31st March, 2018 : 22) equity share of UAE dirham 1,000,000 fully paid		

NOTES

To Financial Statements for the year ended 31st March, 2019

Particulars	As at 31st March, 2019	As at 31st March, 2018
Marico South Africa Consumer Care (Pty) Limited (wholly owned) (refer note (iv) below)	74	74
1,569 (31st March, 2018 : 1,569) equity shares of SA Rand 1.00 fully paid		
Marico South East Asia Corporation (wholly owned)	255	255
9,535,495 (31st March, 2018 : 9,535,495) equity shares of VND 10,000 fully paid		
Marico Consumer Care Limited (wholly owned) (refer note (v) below)	746	746
20,660,830 (31st March, 2018 : 20,660,830) equity shares of ₹10 each fully paid		
Less: Provision for impairment in value of investment (refer note (v) below)	(104)	(104)
	642	642
Total investment in subsidiaries	**1,000**	**1,000**
Unquoted at cost		
In Joint Venture		
Zed Lifestyle Private Limited (refer note (ii) below)	22	20
5,176 (31st March, 2018 : 4,712) equity shares of ₹10 each fully paid		
Revolutionary Fitness Private Limited (refer note (i) below)	4	-
4,022 (31st March, 2018 : Nil) equity shares of ₹10 each fully paid		
Total investment in Joint Venture	**26**	**20**
Aggregate carrying amount of quoted investments	132	63
Market value/ Net asset value of quoted investments	3,502	2,753
Aggregate carrying amount of unquoted investments	1,308	1,444
Aggregate amount of impairment in the value of investments	104	104

Notes:

(i) During the year ended 31st March, 2019, the Company acquired 22.46% stake in Revolutionary Fitness Private Limited, a joint venture.

(ii) During the year ended 31st March, 2019, the Company acquired additional 2.28% stake in Zed Lifestyle Private Limited, a joint venture. During the previous year ended 31st March 2018 the Company had acquired additional stake of 5.17% in joint venture. As at 31st March, 2019 company holds 42.88% stake in this joint venture.

(iii) The Company's investment in 45% of equity share capital of Bellezimo Professionale Products Private Limited, a joint venture which was completely impaired during the previous year ended 31st March, 2017 was sold for a consideration of ₹100/- to the promoters during previous year ended 31st March, 2018.

(iv) During the previous year ended 31st March, 2018 additional equity infusion was done in Marico South Africa Consumer Care (Pty) Limited (MSACC) whereby 322 equity shares were issued by MSACC for a consideration of ZAR 30 Million.

(v) During the previous year ended 31st March, 2018, the Company has made an assessment of the fair value of investment made in its subsidiary Marico Consumer Care Limited ('MCCL'), taking into account the past business performance, prevailing business conditions and revised expectations of the future performance. Based on above factors the Company has recognised an impairment loss in the value of investment made in MCCL of ₹ 104 crores. The same is disclosed under "Exceptional items" in the Statement of Profit and Loss. The recoverable amount of the investment is determined at ₹ 642 crores, which is based on its value in use. This value in use calculation is performed taking into account the discount rate of 10.90% per annum.

NOTES

To Financial Statements for the year ended 31st March, 2019

6(b) Trade Receivables

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade receivables	411	245
Less: Allowance for doubtful debts	(5)	(4)
	406	**241**
Receivables from related parties (refer note 30)	24	47
Total receivables	**430**	**288**
Current Portion	430	288
Non-Current Portion	-	-
Break up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	430	288
Trade receivables which have significant increase in credit risk	4	3
Less: Allowance for doubtful debts	(4)	(3)
Trade receivables - Credit impaired	1	1
Less: Allowance for doubtful debts	(1)	(1)
Total	**430**	**288**

Note: For credit risk and provision for loss allowance refer note 27(A)

6(c) Loans

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non current		
Unsecured, considered good		
Loans to employees	4	4
Total non current loans	**4**	**4**
Current		
Unsecured, considered good		
Loan to employees	3	3
Total current loans	**3**	**3**

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.

NOTES

To Financial Statements for the year ended 31st March, 2019

6(d) Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Bank balances in current accounts	10	5
Deposits with original maturity of less than three months	-	2
Cash on hand	0	0
Total cash and cash equivalents	**10**	**7**

6(e) Bank balances other than cash and cash equivalents

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed deposits with maturity more than 3 month but less than 12 months	328	54
Balances with banks for unclaimed dividend (Refer note below)	1	0
Total bank balance other than cash and cash equivalents	**329**	**54**

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, 2019	As at 31st March, 2018
Unsecured considered good (unless otherwise stated)		
Advances to subsidiaries (refer note 30)		
Considered good	30	21
Considered doubtful	-	-
	30	21
Less: Provision for doubtful advances	-	-
	30	21
Security deposits with public bodies and others		
Considered good	11	12
Considered doubtful	1	1
	12	13
Less: Provision for doubtful deposits	(1)	(1)
	11	12
Fixed deposits-maturing after 12 months (refer note below)	0	0
Total other non-current financial assets	**41**	**33**

Note : Fixed deposits with banks includes deposits with sales tax authorities, deposits held as lien by banks against guarantees and for other earmarked balances.

NOTES

To Financial Statements for the year ended 31st March, 2019

6(g) Other current financial assets

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Derivatives		
Foreign exchange forward contracts, options and interest rate swaps	2	1
	2	**1**
(ii) Others		
Advances to Subsidiaries (Refer Note 30)	9	20
Security deposits	1	0
Divided from subsidiary (refer note 30)	42	14
	52	**34**
Total other current financial assets	**54**	**35**

7 Deferred Tax Asset/ (Liabilities)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax Asset :		
Liabilities / provisions that are deducted for tax purposes when paid	27	27
On Intangible assets adjusted against Capital Redemption Reserve and Securities premium account under the Capital Restructuring scheme (refer note (i) below)	3	5
MAT credit entitlement	182	2
	212	**34**
Other items:		
Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off	2	2
Other timing differences	1	1
	3	**3**
Total deferred tax assets	**215**	**37**
Deferred tax liability :		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	38	41
Financial assets at fair value through Profit and loss	(1)	14
Other timing differences	0	0
Total deferred tax liabilities	**(37)**	**(55)**
Net deferred tax assets/ (liabilities)	**178**	**(18)**

NOTES

To Financial Statements for the year ended 31st March, 2019

Movement in deferred tax assets

(₹ in Crore)

Particulars	Defined benefit obligations	Liabilities /provisions that are deducted for tax purposes when paid	On Intangible assets (Note 1)	MAT Credit entitlement	Other items	Total deferred tax assets
As at 31st March, 2017	**-**	**22**	**7**	**8**	**3**	**40**
(Charged)/credited :						
to Profit and Loss	-	5	(2)	(6)	0	(3)
to other comprehensive income	-	-	-	-	-	-
As at 31st March 2018	-	**27**	**5**	**2**	**3**	**37**
(Charged)/credited :						
to Profit and loss	-	0	(2)	-	(0)	(2)
to other comprehensive income	-	-	-	-	-	-
Tax adjustment for earlier years	-	-	-	188	-	188
MAT Credit utilised	-	-	-	(8)	(0)	(8)
As at 31st March 2019	-	**27**	**3**	**182**	**3**	**215**

Movement in deferred tax liabilities

(₹ in Crore)

Particulars	Property plant and equipment and Investment property	Change in fair value of hedging instruments	Other items	Total deferred tax liabilities
As at 31st March, 2017	**40**	**8**	**1**	**49**
Charged/(credited) :				
to Profit and loss	1	6	(3)	4
to other comprehensive income	-	-	(1)	(1)
Deferred tax on basis adjustment	-	-	3	3
As at 31st March, 2018	**41**	**14**	**0**	**55**
(Charged)/credited :				
to Profit and loss	(3)	(15)	(0)	(18)
to other comprehensive income	-	-	0	0
Deferred tax on basis adjustment	-	-	0	0
As at 31st March, 2019	**38**	**(1)**	**0**	**37**

Note 1 : On intangible asset adjusted against capital redemption reserve and securities premium accounts under the capital restructuring scheme.

8 Other Non Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital advances	18	15
Fringe benefit tax payments	0	0
Deposits with statutory/government authorities	11	11
Prepaid expenses	1	1
Total other non-current assets	**30**	**27**

NOTES

To Financial Statements for the year ended 31st March, 2019

9 Inventories

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials		
- In stock	340	525
Packing materials	75	73
Work-in-progress	282	235
Finished goods		
- In stock	486	452
- In transit	1	0
Store in Trade	34	15
By-product	7	6
Stores and spares	9	7
Total inventories	**1,234**	**1,313**

Refer note 1(o) for basis of valuation

10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances to vendors	54	68
Prepaid expenses	12	12
Balances with government authorities	75	37
Input tax credit receivable	120	68
Others	1	0
Total other current assets	**262**	**185**

11 Assets Classified as Held for Sale

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Land and Building	12	-
Total assets classified as held for sale	**12**	**-**

Non-recurring fair value measurements

Building classified as held for sale is being measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. Fair value of Building classified as held for sale was ₹13 Crore as at 31st March, 2019. 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.

NOTES

To Financial Statements for the year ended 31st March, 2019

12(a)Equity Share Capital

(₹ in Crore)

Particulars	No. of shares (in Crore)	Amount
Authorised share capital		
As at 31st March, 2018		
Equity shares of Re. 1/- each	150.00	150
Preference shares of ₹10/- each	6.50	65
Total	**156.50**	**215**
As at 31st March, 2019		
Equity shares of Re. 1/- each	150.00	150
Preference shares of ₹10/- each	6.50	65
Total	**156.50**	**215**
Issued, subscribed and paid-up as at 31st March, 2018		
1,290,471,198 equity shares of Re. 1/- each fully paid-up	129.09	129
Total	**129.09**	**129**
Issued, subscribed and paid-up as at 31st March, 2019		
1,290,864,398 equity shares of Re. 1/- each fully paid-up	129.09	129
Total	**129.09**	**129**

(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 31st March, 2017	129.05	129
Shares issued during the year - ESOP (refer note 33(a))	0.04	0
As at 31st March, 2018	**129.09**	**129**
Increases during the year		
Shares issued during the year - ESOP (refer note 33(a))	-	-
As at 31st March, 2019	**129.09**	**129**

(ii) Rights, preferences and restrictions attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of Re.1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Shares reserved for issue under options

Information relating to Marico ESOS 2014, MD CEO ESOP Plan 2014 and Marico ESOP 2016 including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 33.

NOTES

To Financial Statements for the year ended 31st March, 2019

(iv) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	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)	14,84,59,200	11.50	14,84,59,200	11.50
Harsh C Mariwala with Kishore V Mariwala (For Aquarius Family Trust)	14,84,46,200	11.50	14,84,46,200	11.50
Harsh C Mariwala with Kishore V Mariwala (For Taurus Family Trust)	14,84,65,000	11.50	14,84,65,000	11.50
Harsh C Mariwala with Kishore V Mariwala (For Gemini Family Trust)	14,84,60,600	11.50	14,84,60,600	11.50
First State Investments Services (UK) Ltd (along with Persons acting in concert)	7,83,46,023	6.07	6,98,13,543	5.41

(v) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
No. of equity shares allotted as bonus	645,085,599	645,085,599
No. of equity shares alloted under employee stock option plans	905,800	1,007,000

12(b) Reserves and Surplus

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Securities premium	243	243
Retained earnings	2,776	2,347
General reserve	298	298
Share based option outstanding account	19	11
Treasury shares	(27)	(42)
WEOMA reserve	70	55
Total Reserve and surplus	**3,379**	**2,912**

(i) Securities premium

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	243	238
Add: Exercise of employee stock options	-	5
Closing balance	**243**	**243**

NOTES

To Financial Statements for the year ended 31st March, 2019

(ii) General reserve

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	298	298
Closing balance	**298**	**298**

(iii) Share based option outstanding account (refer note 33)

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	11	8
Exercise of employee stock options	-	(4)
Add : Share based payment expense	8	7
Closing balance	**19**	**11**

(iv) Treasury shares

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	(42)	(61)
Add: (Purchase)/sale of treasury shares by the trust during the year (net)	15	19
Closing balance	**(27)**	**(42)**

(v) WEOMA reserve

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	55	45
Add: Income of the trust for the year	15	10
Closing balance	**70**	**55**

(vi) Retained earnings

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	2,347	2,266
Net Profit for the year	1,132	718
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(1)	(1)
Less: Dividend (₹4.75 per equity share (31st March, 2018: ₹4.25 per equity share))	(613)	(549)
Less: Tax on dividend (net of tax on dividend received from foreign subsidiaries of ₹37 Crore) (Previous year ₹24 Crore)	(89)	(87)
Closing balance	**2,776**	**2,347**

NOTES

To Financial Statements for the year ended 31st March, 2019

12(c) Other reserves

Hedge reserve

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	0	1
Changes in fair value	0	0
Reclassified to statement of profit and loss	0	(2)
Deferred tax on above	(0)	1
Closing balance	**0**	**0**

13(a) Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repay-ment	Coupon /Interest rate	As at 31st March, 2019	As at 31st March, 2018
Loans repayable on demand					
Secured					
From banks					
- Cash credit (refer note (i) below)	Payable on demand	Payable on demand	9.5% to 12.50% per annum	3	5
- Working capital demand loan (refer note (i) below)	31st March, 2019 : Repayable with interest on April 2019 - ₹5 Crores, June 2019 - ₹40 Crores, August 2019 - ₹10 Crores, September 2019 - ₹11 Crores, March 2020 - ₹20 Crores - (FY 18 April to June 2018 - ₹45 Crore September to June 2018 - ₹ 27 Crore February, 2019 - ₹10 Crore)	For a term of six months to twelve months	Bank Base rate/relevant Benchmark Rate plus applicable spread ranging between 0.1% to 0.2% per annum; (FY 18 - Bank Base rate/relevant Benchmark Rate plus applicable spread ranging between 0.1% to 0.2% per annum)	86	82
- Export packing credit (refer note (i) below)	Repayable on April, 2019 ₹5 Crores, June, 2019 ₹19 Crores, August, 2019 ₹10 Crores, Spetember, 2019 ₹8 Crores (FY 18 - Repaid on May, 2018 ₹8 Crores June, 2018 ₹7 Crores August, 2018 ₹20 Crores)	For a term of six months	Bank Base rate/Relevant Benchmark rate plus applicable spread ranging between 0.4% to 0.9% per annum less Interest Subvention of 3.00% per annum; (FY 18 - Bank Base rate/Relevant Benchmark rate plus applicable spread ranging between 0.7% to 1.5% per annum less Interest Subvention of 3% per annum)	42	35
Total current borrowings				**131**	**122**
Less: Interest accrued but not due on borrowings (refer note 13(b))				0	0
Current borrowings as per balance sheet				**131**	**122**

Note:-

(i) Cash credit, pre-shipment credit in foreign currency, working capital demand loan and export packing credit is secured by hypothecation of inventory and debtors, amounting ₹1,664 crore as at 31st March, 2019 and ₹1,601 crore as at 31st March 2018.

NOTES

To Financial Statements for the year ended 31st March, 2019

13(b) Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current		
Interest accrued but not due on borrowings (refer note 13(a))	0	0
Creditors for capital goods	3	4
Salaries, bonus and other benefits payable to employees	2	2
Trade Deposits from customers and other	2	1
Unclaimed Dividend (refer note below)	1	0
Others	0	1
Total other current financial liabilities	**8**	**8**

Note : As at 31st March, 2019, there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the company. Unclaimed dividend if any, shall be transferred to IEPF as and when they become due.

13(c) Trade Payables

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current		
Trade payables:		
Dues to Micro and small enterprises (refer note below)	13	4
Dues to related parties (refer note 30)	3	2
Dues to others	699	581
Total trade payables	**715**	**587**

Note: The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
I. The principal amount remaining unpaid to any supplier as at the end of accounting year icluded in trade payable	12	4
II. Interest due thereon	1	0
Trade payable due to micro and small enterprises	**13**	**4**
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	1	0
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	0	0

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES

To Financial Statements for the year ended 31st March, 2019

14 Provisions

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current		
Disputed indirect taxes (refer note (a) & (b) below)	57	57
Total current provisions	**57**	**57**

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 Himachal Pradesh and West Bengal where as company has filed a writ petition in both the states before both the respective Honourable High Courts and the matter is sub judice. It is not practicable to state the timing of the judgement & final outcome. Based on the monthly liability & filling return compliance, stay order granted by court, provision has been created for necessary amounts.

(b) Movement in 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:

(₹ in Crore)

Disputed indirect taxes	As at 31st March, 2019	As at 31st March, 2018
Balance as at the beginning of the year	57	56
Add: Additional provision recognised	-	2
Less: Amount used during the year	(0)	(1)
Balance as at the end of the year	**57**	**57**

15 Employee benefit obligation non current

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Leave encashment/ compensated absences (refer note (iii) below)	8	8
Share-appreciation rights (refer note (iv) below)	1	2
Total employee benefit obligations non current	**9**	**10**

Employee Benefit Obligation Current

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Gratuity (refer note (i) below)	5	4
Leave encashment/ compensated absences (refer note (iii) below)	2	2
Share-appreciation rights (refer note (iv) below)	2	10
Incentives / Bonus	41	23
Others	1	-
Total employee benefit obligations current	**51**	**39**

Notes:-

(i) Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years 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 for the number of years of service. The gratuity plan is funded through gratuity trust and the company makes contributions to the trust.

NOTES

To Financial Statements for the year ended 31st March, 2019

(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, 2019 and 31st March,2018.

(iii) Leave Encashment/ compensated absences.

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation.

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current leave obligations expected to be settled within the next 12 months	2	2

(iv) Share-appreciation rights

In respect of Employee Stock Appreciation Rights (STAR) granted pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011, the liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, (excess of fair value as at the period end over the Grant price) and is recognized as employee compensation cost over the vesting period (refer note 33).

(a) Balance sheet amounts - Gratuity

(₹ in Crore)

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
Balance as on 31st March 2017	**24**	**21**	**3**
Current service cost	2	-	2
Past service cost	3	-	3
Interest expense	1	-	1
Interest Income	-	1	(1)
Total amount recognised in profit or loss	**6**	**1**	**5**
Remeasurements			
(Gain)/loss from change in demographic	0	-	0
(Gain)/loss from change in financial assumptions	(1)	-	(1)
Experience (gains)/ losses	2	(0)	2
Total amount recognised in other comprehensive income	**1**	**(0)**	**1**
Employer contributions	-	5	(5)
Benefit Payments	(3)	(3)	-
Balance as on 31st March 2018	**28**	**24**	**4**
Current service cost	4	-	4
Interest expense	2	-	2
Interest Income	-	2	(2)
Total amount recognised in profit or loss	**6**	**2**	**4**
Remeasurements			
(Gain)/loss from change in demographic assumptions	(0)	-	(0)
(Gain)/loss from change in financial assumptions	1	-	1
Experience (gains)/ losses	0	0	(0)
Total amount recognised in other comprehensive income	**1**	**0**	**1**
Employer contributions	-	4	(4)
Benefit Payments	(3)	(3)	-
Balance as on 31st March 2019	**32**	**27**	**5**

NOTES

To Financial Statements for the year ended 31st March, 2019

The Net liability disclosed above relates to funded & unfunded plans are as follows

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Present value of funded obligations	32	28
Fair value of plan assets	(27)	(24)
Deficit of gratuity plan	**5**	**4**

The significant actuarial assumptions were as follows

Particulars	As at 31st March, 2019	As at 31st March, 2018
Discount rate	7.09%	7.50%
Rate of return on Plan assets*	7.09%	7.50%
Future salary rise**	10.00%	10.00%
Attrition rate	15% & 16%	16.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

* The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Sensitivity analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Projected benefit obligation on current assumptions	32	28
Delta effect of +1% change in rate of discounting	(1)	(1)
Delta effect of -1% change in rate of discounting	2	1
Delta effect of +1% change in rate of salary increase	1	1
Delta effect of -1% change in rate of salary increase	(1)	(1)
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 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.

NOTES

To Financial Statements for the year ended 31st March, 2019

The major categories of plans assets are as follows :

(₹ in Crore)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Amount	in %	Amount	in %
Special deposit scheme	-	0.00%	0	4.00%
Insurer Managed funds	26	100.00%	24	96.00%
Other	-	0.00%	0	0.00%
Total	**26**	**100.00%**	**24**	**100.00%**

Defined benefit liability and employer contributions

The weighted average duration of the gratuty is 6 years as at 31st March, 2019 and as at 31st March, 2018

The expected employers contribution towards gratuty for the next year is ₹ 8 crores

(b) Provident Fund

Amount recognised in the Balance sheet

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liability at the end of the year	-	-
Fair value of plan assets at the end of the year	163	141
Present value of benefit obligation as at the end of the period	(157)	(137)
Difference	6	4
Unrecognized past service Cost	(6)	(4)
(Assets) / Liability recognized in the Balance Sheet	**-**	**-**

Changes in defined benefit obligations:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liability at the beginning of the year	137	117
Opening balance adjustment	1	2
Interest cost	12	12
Current service cost	10	9
Employee contribution	13	12
Liability Transferred in	3	5
Liability Transferred out	(8)	(9)
Benefits paid	(11)	(11)
Liability at the end of the year	**157**	**137**

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fair value of plan assets at the beginning of the year	141	122
Opening balance adjustment	1	1
Expected return on plan assets	14	10
Contributions	23	22
Transfer from other Company	3	5
Transfer to other Company	(8)	(9)
Benefits paid	(11)	(11)
Actuarial gain/(loss) on plan assets	0	1
Fair value of plan assets at the end of the year	**163**	**141**

Expenses recognised in the Statement of Profit and Loss :

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current service cost	10	9
Interest cost	12	12
Expected return on plan assets	(14)	(10)
(Income) / Expense recognised in the Statement of Profit and Loss	**8**	**11**

The major categories of plan assets are as follows :

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Amount	in %	Amount	in %
Central Government securities	14	8.67%	14	10.01%
State loan/State government Guaranteed Securities	13	7.94%	13	9.20%
Government Securities debt intruments	89	54.44%	62	43.75%
Public Sector Units	24	14.74%	34	24.04%
Private Sector Units	6	3.81%	7	5.26%
Equity / Insurance Managed Funds	9	5.32%	6	4.31%
Others	8	5.09%	5	3.43%
Total	**163**	**100.00%**	**141**	**100.00%**

The Significant actuarial assumptions were as follows :

Particulars	As at 31st March, 2019	As at 31st March, 2018
Discount rate	7.07%	7.50%
Rate of return on plan assets*	8.65%	8.65%
Future salary rise**	10.00%	10.00%
Attrition rate	16%-15%	16.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

* The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors such as supply and demand factors in the employment market.

NOTES

To Financial Statements for the year ended 31st March, 2019

(c) Privileged leave (Compensated absences for employees):

Amount recognized in the Balance Sheet and movements in net liability:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance of compensated absences (a)	10	8
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	9	10

The privileged leave liability is not funded.

(d) Employee State Insurance Corporation

The Company has recognised ₹0 Crore (Rs.0 Crore for the year ended 31st March 2018) 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.

16 Tax assets and liabilities

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non current tax assets (net)	36	30
Current tax liabilities (net)	16	17

17 Other Current Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory dues, including provident fund and tax deducted at source	9	12
Deferred income on government grants (refer note below)	6	6
Book overdraft	11	11
Contractual and constructive obligations	98	71
Advance from customer	22	21
Others	0	0
Total other current liabilities	**146**	**121**

The Company is eligible for government grants which are conditional upon construction of new factories in North east region.The Company has initiated the process for claim. The factories had been constructed and been in operation since May 2016 and March 2017. These grants, recognized as deferred income, is being amortized over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised.

NOTES

To Financial Statements for the year ended 31st March, 2019

18 Revenue from Operations

The company derives the following types of revenue:

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of products	**5912**	**5150**
Other operating revenue:		
Incentives (includes government grant, budegetary support, export incentives and others)	50	24
Sale of scrap	9	7
Total revenue	**5,971**	**5,181**

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Edible oils	3,750	3,188
Hair oils	1,464	1,347
Personal care	372	314
Others	326	302
Sale of products	**5,912**	**5,150**

Note: According to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the year ended 31st March, 2017 was reported inclusive of excise duty. Goods and Services Tax ("GST") has been implemented with effect from 1st July, 2017 which subsumes various taxes including Excise Duty. As per Ind AS 115, the revenue for the period from July 1, 2017 to 31st March, 2019 is net of GST.

Reconciliation of Revenue from sale of Products with contracted price

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Contracted Price	6390	5581
Less: Discount	478	431
Sale of Products	**5,912**	**5,150**

19 Other Income

(₹ in Crore)

	Particulars	As at 31st March, 2019	As at 31st March, 2018
(a)	**Other income**		
	Lease rental income	1	1
	Dividend income from subsidaries	206	134
	Interest income from financial assets at amortised cost	36	19
	Royalty income	13	11
	Others	5	9
	Total	261	174
(b)	**Other gains/(losses):**		
	Net gain on disposal of property, plant and equipment	3	0
	Net gain on foreign currency transactions and revaluation	5	4
	Net fair value change (including net gain on save of investment	32	40
	Total	**40**	**44**
	Total other income	301	218

NOTES

To Financial Statements for the year ended 31st March, 2019

20 (a) Cost of materials consumed

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials consumed	3,033	2,633
Packing materials consumed	430	382
Total cost of materials consumed	**3,463**	**3,015**

20 (b) Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening inventories		
Finished goods	452	328
Work-in-progress	235	142
By-products	6	3
Stock-in-trade	15	13
	707	**487**
Closing inventories		
Finished goods	486	452
Work-in-progress	282	235
By-products	7	6
Stock-in-trade	34	15
	809	**707**
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(101)**	**(222)**

21 Employee Benefit Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, wages and bonus	264	230
Contribution to provident and other funds (refer note 15)	17	17
Share based payment expense (refer note 33)	13	14
Staff welfare expenses	13	13
Total employee benefit expense	**307**	**274**

22 Depreciation and Amortization Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation on property, plant and equipment (refer note 3)	79	63
Depreciation on investment properties (refer note 4)	0	0
Amortisation of intangible assets (refer note 5)	2	2
Impairment loss / (reversal of loss) of capitalised assets (refer note 3)	(0)	2
Total Depreciation and Amortization Expense	**81**	**67**

NOTES

To Financial Statements for the year ended 31st March, 2019

23 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Advertisement and sales promotion	482	437
Freight, forwarding and distribution expenses	216	185
Processing and Other Manufacturing Charges	208	192
Rent and storage charges	41	42
Legal & Professional Charges	42	47
Outside Services	39	40
Repairs and Maintenance	34	31
Power, fuel and water	33	30
Travelling, conveyance and vehicle expenses	30	28
Consumption of stores, spare and consumables	18	20
Provision for doubtful debts, loans, advances and investments	11	1
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)	59	61
Total	**1,214**	**1,115**

(a) Miscellaneous expense includes printing and stationery, communication, rates and taxes, insurance and other expenses.

(b) Corporate social responsibility expenditure

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Amount required to be spent as per the section 135 of the Act	18	16
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	18	17
(iii) Above includes a contribution made to Marico Innovation Foundation which is a Section 25 registered Company under Companies Act, 1956, with the main objectives of working in the areas of educational, social, cultural, and creative and sports related enterprises and to Parachute Kalpavriksha Foundation 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.		
(iv) 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 ₹6 Crore for food and edible items and ₹25 Crore for others have been included under the relevant heads in the Statement of Profit and Loss. (Previous year ended 31st March, 2018 aggregating ₹30 Crore). Further Capital expenditure pertaining to this of ₹0 Crore for food and edible items and ₹0 Crore for others have been incurred during the year (Previous year ended 31st March, 2018 aggregating ₹1 Crore).

(d) Contribution to political parties during the year is ₹Nil (Previous year ended 31st March, 2018 is ₹Nil)

NOTES

To Financial Statements for the year ended 31st March, 2019

24 Finance Costs

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest expenses on financial liabilities at amortised cost	9	5
Other borrowing costs	0	0
Bank and other financial charges	3	2
Exchange differences regarded as an adjustment to borrowing costs	-	1
Finance costs expensed in profit or loss	**12**	**8**

25 Income Tax Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Income tax expense		
Current tax on profit for the year	260	230
Deferred tax	(17)	6
Tax expense for the current year	**243**	**236**
Tax adjustment for the earlier years*	**(188)**	**-**
Total income tax expenses recongised during the year	55	236

*During the year, the Company has written back tax provision pursuant to acceptance of its position in tax proceedings pertaining to earlier years.

Reconciliation of tax expense and accounting profit multiplied by India tax rate

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit from operations before exceptional items and income tax expense (a)	1,187	1,058
Income tax rate as applicable (b)	34.944%	34.608%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	**415**	**366**
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	(6)	(1)
Effect of Income which is taxed at special rate	(34)	(24)
Effect of expenses that are not deductible in determining taxable profit	16	13
Effect of expenses that are deductible in determining taxable profit	(6)	(1)
Income tax Incentives	(143)	(118)
Others	1	1
Income tax expense for the current year	**243**	**236**

26 Fair Value Measurements

(a) Financial Instruments by category

(₹ in Crore)

	Note	31st March, 2019			31st March, 2018		
		FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets							
Investments							
Equity Instruments	6(a)	0	-	-	0	-	-
Bonds, debentures and Commercial Papers (including interest accrued)	6(a)	-	-	143	-	-	25
Mutual funds	6(a)	205	-	-	367	-	-
Government securities	6(a)	-	-	0	-	-	0
Trade receivables	6(b)	-	-	430	-	-	288
Inter corporate deposits (including interest accrued)	6(a)	-	-	66	-	-	95
Loans	6(c)	-	-	7	-	-	7
Derivative financial assets	6(g)	-	2	-	-	1	-
Security deposits	6(f),6(g)	-	-	12	-	-	12
Cash and cash equivalent	6(d)	-	-	10	-	-	5
Bank balance	6(e)	-	-	1	-	-	-
Fixed deposits	6(d),6(e)&6(f)	-	-	328	-	-	56
Advances to subsidaries	6(f),6(g)	-	-	81	-	-	55
Total financial assets		**205**	**2**	**1,078**	**367**	**1**	**543**
Financial Liabilities							
Borrowings (including interest accrued)	13(a)	-	-	131	-	-	122
Derivative financial liabilities	13(b)	-	-	-	-	-	-
Trade payables	13(c)	-	-	715	-	-	587
Capital creditors	13(b)	-	-	3	-	-	4
Others	13(b)	-	-	5	-	-	4
Total financial liabilities		**-**	**-**	**854**	**-**	**-**	**717**

NOTES

To Financial Statements for the year ended 31st March, 2019

Fair value hierarchy

(b) This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Accounting Standard. An explanation of each level follows underneath the table.

(₹ in Crore)

Financial assets and liabilities measured at fair value - recurring fair value measurements as 31st March, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	0	0
Mutual funds	6(a)	13	192	-	205
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	2	-	2
Total financial assets		**13**	**194**	**0**	**207**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

(₹ in Crore)

Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 31st March, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Bonds, Debentures and Commercial Papers (including interest accrued)	6(a)	118	25	-	143
Government securities	6(a)	-	-	0	0
Inter - corporate deposits (including interest accrued)	6(a)	-	-	66	66
Total financial assets		**118**	**25**	**66**	**209**
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	131	131
Total financial liabilities		**-**	**-**	**131**	**131**

NOTES

To Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Financial assets and liabilities measured at fair value - recurring fair value measurements as 31st March, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity instruments	6(a)	-	-	0	0
Mutual funds	6(a)	37	330	-	367
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	1	-	1
Total financial assets		**37**	**331**	**0**	**368**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

(₹ in Crore)

Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 31st March, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Bonds and debentures (including interest accrued)	6(a)	27	-	-	27
Government securities	6(a)	-	-	0	0
Inter - corporate deposits (including interest accrued)	6(a)	-	-	95	95
Total financial assets		**27**	**-**	**95**	**122**
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	122	122
Total financial liabilities		**-**	**-**	**122**	**122**

Notes to financial statement for the year ended 31st March, 2019

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate. The mutual funds are valued using the closing NAV pubhlished by mutual fund.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the company carries such instruments at cost less impairment, if applicable.

NOTES

To Financial Statements for the year ended 31st March, 2019

The Company policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Crore)

	Notes	31st March 2019		31st March 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets					
Investments					
Bonds, Debentures and Commercial Papers	6(a)	143	145	25	27
Government securities	6(a)	0	0	0	0
Inter - corporate deposits	6(a)	66	66	95	95
Total financial assets		**209**	**211**	**120**	**122**
Financial liabilities					
Borrowings	13(a)	131	131	122	122
Total financial liabilities		**131**	**131**	**122**	**122**

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 Foregin 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 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 ₹435 Crores as at 31st March, 2019, ₹292 Crores as at 31st March, 2018

Reconciliation of loss allowance provision- trade receivables

(₹ in Crore)

Particular	31st March 2019	31st March 2018
Loss allowance at the beginning of the year	4	3
Add : Changes in loss allowances	1	1
Loss allowance at the end of the year	5	4

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 ₹12 Crores as at 31st March, 2019 and ₹13 Crores as at 31st March, 2018.

Other financial asset includes investment, loans to employees and advances given to subsidiaries and joint venture for various operational requirements and other receviables (refer note 6(a), 6(c) and 6(g)). Provision is made where there is singificant increase in credit risk of the asset.

Reconciliation of loss allowance provision- other financial assets

(₹ in Crore)

Particular	31st March 2019	31st March 2018
Loss allowance at the beginning of the year	1	1
Add : Changes in loss allowances due to provision/(reversal/write off)	10	(0)
Loss allowance at the end of the year	11	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, 2019 is 2.41 (as at 31st March, 2018 is 2.46) whereas the liquid ratio of the company as at 31st March, 2019 is 1.39 (as at 31st March, 2018 is 1.17).

NOTES

To Financial Statements for the year ended 31st March, 2019

Maturities of financial liabilities (₹ in Crore)

Contractual maturities of financial liabilities 31st March 2019	Notes	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)	131	-	-	-	131
Trade Payables	13(c)	715	-	-	-	715
Other Financial Liabilities	13(b)	7	-	-	-	7
Total Non- derivative liabilities		**853**	**-**	**-**	**-**	**853**
Derivative						
Foreign exchange forward contracts Principal swap	13(b)	-	-	-	-	-
Total derivative liabilities		**-**	**-**	**-**	**-**	**-**

Contractual maturities of financial liabilities 31st March 2018	Notes	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)	122	-	-	-	122
Trade payables	13(c)	587	-	-	-	587
Other financial liabilities	13(b)	8	-	-	-	8
Total Non- derivative liabilities		**717**	**-**	**-**	**-**	**717**
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.

NOTES

To Financial Statements for the year ended 31st March, 2019

The company's exposure to foreign currency risk at the end of the reporting period INR as on 31st March, 2019

(₹ in Crore)

Particular	AED	AUD	BDT	CAD	EGP	GBP	USD	VND	THB	EUR
Financial assets										
Foreign currency debtors for export of goods	0	-	-	0	-	-	34	-	-	-
Bank balances	-	-	-	-	-	-	0	0	-	-
Other receivable / (payable) including advance for imports	-	0	-	-	-	0	19	-	0	1
Receivables from subsidiaries	4	-	49	-	0	-	26	1	-	-
Derivative asset										
Foreign exchange forward contracts sell foreign currency	-	-	-	(0)	-	-	(58)	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	(54)	-	-	-
Net Exposure to foreign currency risk (assets)	**4**	**0**	**49**	**0**	**0**	**0**	**(33)**	**1**	**0**	**1**

Particular	AED	BDT	EUR	GBP	VND	MYR	SGD	USD
Financial liabilities								
Foregin currency Creditors for Import of goods and services	0	0	-	1	0	0	0	0
Foreign Currency Loan	-	-	-	-	-	-	-	
Derivative liabilities								
Foreign exchange forward contracts buy foreign currency	-	-	(10)	-	-	-	-	(37)
Foreign exchange Option contracts buy option	-	-	-	-	-	-	-	(10)
Net Exposure to foreign currency risk (liabilities)	**0**	**0**	**(10)**	**1**	**0**	**0**	**0**	**(47)**

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR as on 31st March 2018

(₹ in Crore)

Particular	AED	AUD	BDT	CAD	EGP	GBP	USD	VND	EUR
Financial assets									
Foreign currency debtors for export of goods	-	-	-	0	-	-	64	-	-
Bank balances	-	-	-	-	-	-	0	-	-
Other receivable / (payable)	0	5	-	-	-	3	12	-	0
Advances to subsidiaries (including interest accrued)	3	-	16	-	0	-	19	1	-
Derivative asset									
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	(77)	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	(53)	-	-
Net Exposure to foreign currency risk (assets)	**3**	**5**	**16**	**0**	**0**	**3**	**(35)**	**1**	**0**

NOTES

To Financial Statements for the year ended 31st March, 2019

Particular	AUD	CAD	EUR	GBP	LKR	MYR	SGD	USD
Financial liabilities								
Foregin currency Creditors for Import of goods and services	-	0	-	1	0	0	0	-
Foreign Currency Loan	-	-	-	-	-	-	-	-
Derivative liabilities								
Foreign exchange forward contracts buy foreign currency	(2)	-	(1)	(3)	-	-	-	(24)
Foreign exchange Option contracts buy option	-	-	-	-	-	-	-	(4)
Net Exposure to foreign currency risk (liabilities)	**(2)**	**0**	**(1)**	**(3)**	**0**	**0**	**0**	**(28)**

Particular	Impact on profit after tax		Impact on other component of equity	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
USD Sensitivity				
INR/USD Increase by 6%	3	4	3	(4)
INR/USD Decrease by 6%	(3)	(4)	(3)	4
AUD Sensitivity				
INR/AUD Increase by 6%	0	0	0	0
INR/AUD Decrease by 6%	(0)	(0)	(0)	(0)
BDT Sensitivity				
INR/BDT Increase by 6%	2	1	-	-
INR/BDT Decrease by 6%	(2)	(1)	-	-

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:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Variable rate borrowings	131	122
Fixed rate borrowings	-	-
Total borrowings (including interest accrued)	**131**	**122**

As at the end of the reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding;

	31st March 2019			31st March 2018		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	5.36%	131	100.00%	5.55%	122	100.00%
Interest rate Swaps (Notional principal amount)	-	-	-	-	-	-
Net Exposure to Cash Flow Interest rate Risk	**-**	**131**	**-**	**-**	**122**	**-**

Financial assets classified at amortized cost have fixed interest rate. Hence, the Company is not subject to interest rate risk on such financial assets.

Sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

(₹ in Crore)

	Impact on profit after tax		Impact on other component of equity	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Interest rates - Increase by 50 basis point (50 bps)	0	0	-	-
Interest rates - decrease by 50 basis point (50 bps)	(0)	(0)	-	-

iii) Price risk

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of ₹2 Crores and ₹4 Crores, on the overall portfolio as at 31st March, 2019 and 31st March, 2018 respectively.

Impact of hedging activities

Derivate Asset and Liabilites through Hedge Accounting

Derivative financial instruments

The Company's derivatives mainly consist of currency forwards and options; interest rate swaps. Derivatives are mainly used to manage exposures to foreign exchange, interest rate and commodity price risk as described in section Market risk.

Derivatives are initially recognised at fair value. They are subsequently remeasured at fair value on a regular basis and at each reporting date as a minimum, with all their gains and losses, realised and unrealised, recognised in the Profit and Loss statement unless they are in a qualifying hedging relationship.

Hedge Accounting

The Company designates and documents certain derivatives and other financial assets or financial liabilities as hedging instruments against changes in fair values of recognised assets and liabilities (fair value hedges) and highly probable forecast transactions (cash flow hedges).The effectiveness of such hedges is assessed at inception and verified at regular intervals.

Fair value hedges

The Company uses fair value hedges to mitigate foreign currency and interest rate risks of its recognised assets and liabilities.

NOTES

To Financial Statements for the year ended 31st March, 2019

Changes in fair values of hedging instruments designated as fair value hedges and the adjustments for the risks being hedged in the carrying amounts of the underlying transactions are recognised in the Statement of Profit and Loss.

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.

31st March 2019 (₹ 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	59	47	2	(1)	April 2019-March 2020	1:1	1 USD-Rs.71.79, 1 CAD-Rs.52.27, 1 EUR - Rs.84.54	(0)	0
Foreign Exchange Options Contracts	54	10	1	0	April 2019-March 2020	1:1	1 USD-Rs.70.54	0	(0)
Net Investment Hedge									

31st March 2018 (₹ 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	77	30	0	0	April 2018-March 2019	1:1	1 USD-Rs.66.04, 1 AUD-Rs.50.50, 1 GBP-Rs.85.80, 1 EUR - Rs.81.23	(1)	1
Foreign Exchange Options Contracts	53	4	0	0	April 2018-March 2019	1:1	1 USD-Rs.64.49	(1)	1
Net Investment Hedge									

NOTES

To Financial Statements for the year ended 31st March, 2019

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, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	
Cash Flow							
Foreign Exchange Risk	1	0	-	-	(0)	(2)	Other expenses
Interest Rate Risk	-	-	-	-	-	-	Finance cost
Fair Value Hedge							
Foreign Exchange Risk	-	-	-	-	-	-	Finance cost

28 Capital Management

(a) Risk Management

Capital management is driven by company's policy to maintain a sound capital base to support the continued development of its business.

The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Management monitors the capital structure and the net financial debt at individual level currency. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments.

The debt equity ratio highlights the ability of a business to repay its debts. Refer below for Debt equity ratio as on March 31, 2019 and 2018.

The Company complies with all statutory requiment as per the extant regulations.

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Net debt	131	122
Total equity	3,508	3,041
Net debt to equity ratio	**0.04**	**0.04**

(b) Dividend

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Equity shares		
Interim dividend for the year	**613**	**549**

29 Segment Information

(i) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one business segment i.e. manufacturing and sale of consumer products within India, hence does not have any reportable segment as per Indian Accounting Standard 108 "operating segments" in Standalone. The company while presenting the consolidated financial statements has disclosed the segment information as required under Indian Accounting Standard 108 "operating segments".

NOTES

To Financial Statements for the year ended 31st March, 2019

(ii) The amount of the company's revenue from external customers broken down by each product and service is shown in the table below.

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Edible	3,750	3,188
Hair Oils	1,464	1,347
Personal care	372	314
Others	326	302
Total	**5,912**	**5,150**

(iii) Revenue from external customer outside India and assets located outside India are not material. Further, the Company does not have revenue more than 10% of total revenue from single customer.

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, 2019	31st March, 2018	31st March, 2019	31st March, 2018
		%	%	%	%
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 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 (w.e.f. December 19th, 2017)*	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
Marico Consumer Care Limited (MCCL)	India	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	0	0	0
Subsidiary firm:					
MEL Consumer Care & Partners - Wind (Through MELCC) (upto December 19th, 2017)*	Egypt	0	99	0	1

* MEL Consumer Care & Partners - Wind a partnership firm got converted into joint stock company Marico for Consumer Care Products SAE w.e.f. 19th December, 2017.

** Marico Lanka (Private) Limited was incorporated as wholly owned subsidiary w.e.f. 3rd March, 2019.

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.

NOTES

To Financial Statements for the year ended 31st March, 2019

b) Joint venture:

Bellezimo Professionale Products Private Limited (w.e.f. 7th March, 2018, the Company ceased to be an Associate Company)

During the year ended 31st March, 2019, the Company acquired additional 2.28% stake in Zed Lifestyle Private Limited, a joint venture. During the previous year ended 31st March 2018 the Company had acquired additional stake of 5.17% in joint venture.

During the year ended 31st March, 2019, the Company acquired 22.46% stake in Revolutionary Fitness Private Limited, a joint venture.

c) Key management personnel (KMP):

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Saugata Gupta, Managing Director and CEO

Mr. Anand Kripalu, Independent Director (Resigned w.e.f. 6th October, 2017)

Mr. Ananth Sankaranarayanan, Independent Director

Mr. Atul Choksey, Independent Director (Resigned w.e.f. 1st April, 2017)

Mr. B.S. Nagesh, Independent Director

Ms. Hema Ravichandar, Independent Director

Mr. Nikhil Khattau, Independent Director

Mr. Rajen Mariwala, Non executive Director

Mr. Rajeev Bakshi, Independent Director

Mr. Rishabh Mariwala, Non executive Director

Mr. Vivek Karve, Chief Financial Officer

Ms. Hemangi Ghag, Company Secretary & Compliance Officer

Mr. Surender Sharma, Head-Legal, International Business & Company Secretary (Resigned w.e.f 16th October, 2017)

d) Individual holding directly / indirectly an interest in voting power & their relatives (where transactions have taken place) - Significant Influence:

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Rajen Mariwala, Non executive Director

Mr. Rishabh Mariwala, son of Mr. Harsh Mariwala and Non executive Director

Mrs. Archana Mariwala, wife of Mr. Harsh Mariwala

e) Post employment benefit controlled trust

Marico Limited Employees Provident Fund

Marico Limited Employees Gratuity Fund

NOTES

To Financial Statements for the year ended 31st March, 2019

f) Others - Entities in which above (c) and (d) has significant influence and transactions have taken place:

Aqua Centric Private Limited

Ascent India Foundation

Feedback Business Consulting Services Private Limited

Kaya Limited

Mariwala Health Foundation

Soap Opera

The Bombay Oil Private Limited

Indian School of Communications Private Limited

II Transactions with related parties

The following transactions occurred with related parties:

Key management personnel compensation.

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Consideration received on exercise of options	-	0
Employee share-based payment	3	14
Short-term employee benefits	9	9
Post-employment benefits	0	0
Total compensation	**12**	**24**
Professional charges paid to Chairman and Non Executive Director	**4**	**6**
Remuneration / sitting fees to Non-Executive and Independent Directors (Excluding the Chairman)	**2**	**2**

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. Remuneration for the current year does not include performance incentive for the year ended 31 March, 2019, pending finalisation.

iii. Also ESOP & STAR grant accrued annualy are included in the KMP's remuneration in the year in which the same are excercised.

Contribution to post employment benefit controlled trust

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Marico Limited Employees Provident Fund	23	22
Marico Limited Employees Gratuity Fund	4	5
	27	27

NOTES

To Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Particular	Subsidiaries and Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (d) and (f) above) For the year ended	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Sale of goods	119	124	0	0
Marico Bangladesh Limited	10	6	-	-
Marico Middle East FZE	84	83	-	-
Marico South East Asia Corporation	24	36	-	-
Others	0	0	0	0
Sale of assets	0	-	-	0
Marico Bangladesh Limited	0	-	-	-
Others	-	-	-	0
Sales returns	-	0	-	-
Marico for Consumer Care Products SAE	-	0	-	-
Purchases of goods	7	0	-	-
Marico South East Asia Corporation	6	0	-	-
Others	1	-	-	-
Other transactions				
Royalty income	13	11	-	-
Marico Bangladesh Limited	7	6	-	-
Marico Middle East FZE	4	3	-	-
Marico South East Asia Corporation	1	1	-	-
Others	0	0	-	-
Dividend income	206	134	-	-
Marico Bangladesh Limited	166	120	-	-
Marico South East Asia Corporation	25	14	-	-
Others	15	-	-	-
Interest income	-	0	-	-
Marico South Africa Consumer Care (pty) Limited	-	-	-	-
Bellezimo Professionale Products Private Limited	-	0	-	-
Business consultancy services	-	0	-	-
Feedback Business Consulting Services Private Limited	-	0	-	-
Interest written off	-	0	-	-
Bellezimo Professionale Products Private Limited	-	0	-	-
Expenses paid on behalf of related parties	6	6	1	1
Marico Bangladesh Limited	2	2	-	-
Marico Egypt Industries Company	-	1	-	-
Marico Middle East FZE	1	1	-	-
Kaya Limited	-	-	1	1
Marico South East Asia Corporation	2	2	-	-
Marico South Africa (Pty) Limited	0	0	-	-
Marico For Consumer Care Products S.A.E	1	0	-	-
Others	-	-	0	0

NOTES

To Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Particular	Subsidiaries and Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (d) and (f) above) For the year ended	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Expenses paid by related parties on behalf of Marico Limited	4	2	-	-
Marico South East Asia Corporation	0	0	-	-
Marico Middle East FZE	4	2	-	-
Others	-	0	-	-
Lease rental income	-	-	1	1
Kaya Limited	-	-	1	1
Others	-	-	0	0
Lease rental expense	-	-	0	-
The Bombay Oil private limited	-	-	0	-
Royalty expense	6	5	0	-
Marico Consumer Care Limited	6	5	-	-
Others	-	-	0	-
Investments made during the year	4	19	-	-
Revolutionary Fitness private limited	2	-	-	-
Marico South Africa Consumer Care (pty) Limited	-	15	-	-
Zed Lifestyle Private Limited	2	4	-	-
Donation given / CSR activities	1	2	-	-
Marico Innovation Foundations	1	2	-	-
Parachute Kalpavriksha Foundation	0	-	-	-
Security deposit repaid	-	-	0	-
Kaya Limited	-	-	0	-
Agency commission for copra procurement	1	2	-	-
Marico Middle East FZE	1	2	-	-
Corporate guarantee commision	1	1	-	-
Marico Middle East FZE	1	1	-	-
Marico South Africa (Pty) Limited	0	0	-	-
Provision for impairment of investment	-	104	-	-
Marico Consumer Care Limited	-	104	-	-
Intra group service arrangement	6	12	-	0
Marico Bangladesh Limited	3	4	-	-
Marico Egypt Industries Company	-	2	-	-
Marico South East Asia Corporation	1	4	-	-
Marico Middle East FZE	1	1	-	-
Marico For Consumer Care Products S.A.E	1	-	-	-

NOTES

To Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Particular	Subsidiaries and Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (d) and (f) above) For the year ended	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Others	0	1	-	0

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 (d) and (f) above) For the year ended	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties				
Investments	1,026	1,020	-	-
Marico South East Asia Corporation (Net of Provision for impairment - refer note 6a (V))	255	255	-	-
Marico Consumer Care Limited	642	642	-	-
Others (31st March, 2017: The share capital of Bellezimo Professionale Products Private Limited is fully provided in books ₹1.62 Crore)	129	123	-	-

(₹ in Crore)

Particulars	Subsidiaries and Joint Venture (Referred in I (a), (b) and (c) above) For the year ended		Others (Referred in I (f) above) For the year ended	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Trade payables (purchases of goods and services)	1	0	-	0
Marico for Consumer Care Products SAE	-	-	-	-
Marico South East Asia Corporation	1	0	-	-
Others	0	0	-	0
Trade receivables (sale of goods and services)	24	47	0	0
Marico Middle East FZE	18	37	-	-
Marico Bangladesh Limited	0	0	-	-
Marico South East Asia Corporation	6	9	-	-
Others	0	0	0	0
Interest accrued on loan and advances	-	-	-	-
Bellezimo Professionale Products Private Limited	-	-	-	-
Security deposit payable	-	-	-	0
Kaya Limited	-	-	-	0

NOTES

To Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Particulars	Subsidiaries and Joint Venture (Referred in I (a), (b) and (c) above) For the year ended		Others (Referred in I (f) above) For the year ended	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Royalty payable	3	2	0	-
Marico Consumer Care Limited	3	2	-	-
Others	-	-	0	-
Rent Payable	0	-	-	-
The Bombay Oil private limited	0	-	-	-
Advance towards purchase	0	-	-	-
Marico Bangladesh Limited	0	-	-	-
Advances to related parties	39	41	1	1
Marico Bangladesh Limited	31	34	-	-
Marico Middle East FZE	4	3	-	-
Marico South East Asia Corporation	2	3	-	-
Others	2	1	1	1
Dividend Receivable	42	14	-	-
Marico Bangladesh Limited	42	-	-	-
Marico South East Aisa Corporation	-	14	-	-
Corporate guarantee	220	174	-	-
Marico Middle East FZE	198	149	-	-
Marico South Africa (Pty) Limited	22	25	-	-
Stand-by letter of credit given to banks	-	-	-	-
Marico Middle East FZE	-	-	-	-

Terms and conditions of transaction with related parties

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2018. Management believes that the Company's international transactions with related parties post 31 March 2018 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, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2017-18: 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.

Disclosure for loans and advances in terms of Securities & Exchange Board of India (Listing obligation and disclosure requirements) Regulations 2015.

NOTES

To Financial Statements for the year ended 31st March, 2019

Loans and advances in the nature of loans to subsidiaries/joint venture :

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loans to joint venture:Bellezimo Professionale Private Limited		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	1.65
The subsidiaries / joint venture do not hold any shares in the Company.		

31 Contingent liabilities and contingent assets

The company had contingent liabilities in respect of :

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Disputed tax demands / claims :		
Sales tax	86	79
Income tax	117	84
Customs duty	-	0
Employees state insurance corporation	0	0
Excise duty	33	25
Service Tax	0	0
Claims against the Company not acknowledged as debts	0	0
Guarantees excluding financial guarantees:		
Corporate guarantees given to banks on behalf of Broadcast Audience Research Council (BARC)	1	1
Corporate guarantees given to subsidiaries against which credit and other facilities are availed at the year end	205	166

Note:

1. The Company has reviewed all its pending litigations and proceedings and has adequately provided for wherever there is a probable outflow of resources and disclosed as contingent liabilities wherever it is not more than likely, in its financial statements. The above contingent liabilities have not been discounted. The Company does not expect the outcome of these proceedings to have a adverse effect on its financial results.

32 Commitments

(a)	Estimated amount of contracts remaining to be executed on capital account and provided for (net of advances)	59	38

(b) Non-cancellable operating leases

The Company's significant leasing arrangements are in respect of residential flats, office premises, warehouses, vehicles etc. taken on lease. The arrangements range between 11 months to 5 years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been given.

NOTES

To Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Lease rental payments recognized in the Statement of Profit and Loss.	38	37
In respect of assets taken on non-cancellable operating lease:		
Lease obligations		
Future minimum lease rental payments		
- not later than one year	8	8
- later than one year but not later than five years	5	8
- later than five years	-	-
Total	**13**	**16**

(c) Corporate guarantees given to subsidiaries against which no credit facilities are availed at the year end	14	8

33 Share-Based Payments

(a) Employee stock option plan

During the year ended 31st March, 2014, the Company implemented the Marico Employee Stock Option Scheme 2014 ("Marico ESOS 2014"). Marico ESOS 2014 was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on 25 March, 2014 enabling the grant of 300,000 stock options to the Chief Executive Officer of the Company (Currently designated as Managing Director & CEO).

Pursuant to the said approval, on 1st April, 2014 the Company granted 300,000 stock options to the Managing Director & CEO of the Company, at an exercise price of Re.1 per stock option. Each option represents 1 equity share in the Company. The vesting period is 2 years from the date of grant and the exercise period is 18 months from the date of vesting. During the year ended 31st March 2016, the aforesaid 300,000 stock options had increased to 600,000 on account of issue of bonus equity shares by the Company in the ratio of 1:1.

Marico ESOS 2014	As at 31st March, 2019	As at 31st March, 2018
Weighted average share price of options exercised	1.00	1.00
Number of options granted, exercised and forfeited		
Balance as at beginning of the year	-	300,000
Granted during the year	-	-
Less : Exercised during the year	-	300,000
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)	-	-

During the year ended 31st March, 2015, the Company implemented the Marico MD CEO Employee Stock Option Plan 2014 ("MD CEO ESOP Plan 2014" or "the Plan"). The MD CEO ESOP Plan 2014 was approved by the shareholders at the 26th Annual General Meeting held on July 30, 2014 enabling grant of stock options not exceeding in the aggregate 0.5% of the number of issued equity shares of the Company, from time to time, through notification of one more Scheme(s) under the Plan. Each stock option represents 1 equity share in the Company. The vesting period and the exercise period under the Plan is not less than one year and not more than 5 years.

NOTES

To Financial Statements for the year ended 31st March, 2019

Pursuant to the aforesaid approval, on 5th January, 2015, the Company notified Scheme I under the Plan and granted 46,600 stock options to the Managing Director & CEO of the Company, at an exercise price of Re.1 per stock option. The vesting date for stock options granted under the Scheme I is 31st March, 2017. Further, the exercise period is one year from the date of vesting. As at 31st March 2016, the said 46,600 stock options have increased to 93,200 on account of issue of bonus equity shares by the Company in the ratio of 1:1. In view of the implementation of Marico Employee Stock Option Plan, 2016, as explained below, no further grant of stock options is envisaged under this Plan.

MD CEO ESOP Plan 2014	As at 31st March, 2019	As at 31st March, 2018
Weighted average share price of options exercised	1.00	1.00
Number of options granted, exercised and forfeited		
Balance as at beginning of the year	-	93,200
Granted during the year	-	-
Less : Exercised during the year	-	93,200
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)	-	-

NOTES

To Financial Statements for the year ended 31st March, 2019

Marico ESOP 2016

During the year ended 31st March, 2017, the Company implemented Marico Employee Stock Option Plan, 2016 ("Marico ESOP 2016" or "the Plan"). The Marico ESOP 2016 was approved by the shareholders at the 28th Annual General Meeting held on 5th August, 2016, enabling grant of stock options to the eligible employees of the Company and its subsidiaries not exceeding in the aggregate 0.6% of the issued share equity share capital of the Company as on the commencement date of the Plan i.e. 5th August, 2016. Further, the stock options to any single employee under the Plan shall not exceed 0.15% of the issued equity share capital of the Company as on the commencement date (mentioned above). The Marico ESOP 2016 envisages to grant stock options to eligible employees of the Company and it's subsidiaries on an annual basis through one or more Scheme(s) notified under the Plan. Each option represents 1 equity share in the Company. The vesting period under the Plan is not be less than one year and not more than five years. Pursuant to the said approval, the Company notified below schemes under the Plan:

Particulars	Scheme I	Scheme II	Scheme III			Scheme IV			Scheme V
			Part I	Part II	Part III	Part I	Part II	Part III	
Options outstanding as at 31st March, 2019	80,000	939,700	49,100	7,800	4,950	397,930	62,330	41,680	67,120
Exercise price	1.00	280.22	1.00	1.00	1.00	256.78	302.34	307.77	1.00
Vesting date	31-Mar-19	31-Mar-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	30-Nov-19	31-Mar-20

	Scheme VI			Scheme VII			Scheme VIII	Scheme IX	Scheme X
	Part I	Part II	Part III	Part I	Part II	Part III			
Options outstanding as at 31st March, 2019	68,220	3,320	740	431,130	67,430	39,220	24,820	81,800	692,300
Exercise price	1.00	1.00	1.00	307.77	316.53	346.47	1.00	1.00	346.47
Vesting date	30-Nov-20	30-Nov-20	30-Nov-20	30-Nov-20	30-Nov-20	30-Nov-20	31-Mar-20	30-Nov-21	30-Nov-21

Marico ESOP 2016

Particulars	Scheme I	Scheme II	Scheme III			Scheme IV			Scheme V
			Part I	Part II	Part III	Part I	Part II	Part III	
Weighted average share price of options exercised	-	-	-	-	-	-	-	-	-
Number of options granted, exercised and forfeited									
Balance as at beginning of the year	80,000	939,700	67,610	10,740	4,950	537,160	75,530	44,820	67,120
Granted during the year	-	-	-	-	-	-	-	-	-
Less : Exercised during the year	-	-	-	-	-	-	-	-	-
Forfeited / lapsed during the year	-	-	18,510	2,940	-	139,230	13,200	3,140	-
Balance as at end of the year	80,000	939,700	49,100	7,800	4,950	397,930	62,330	41,680	67,120
Weighted average remaining contractual life of options outstanding at end of period (in years)	1.00	1.00	1.67	1.67	1.67	1.67	1.67	1.67	2.00

Particulars	Scheme VI			Scheme VII			Scheme VIII	Scheme IX	Scheme X
	Part I	Part II	Part III	Part I	Part II	Part III			
Weighted average share price of options exercised	-	-	-	-	-	-	-	-	-
Number of options granted, exercised and forfeited									
Balance as at beginning of the year	87,410	-	-	554,730	-	-	-	-	-
Granted during the year	-	3,320	740	-	76,040	39,220	24,820	81,800	715,400
Less : Exercised during the year	-	-	-	-	-	-	-	-	-
Forfeited / lapsed during the year	19,190	-	-	123,600	8,610	-	-	-	23,100
Balance as at end of the year	68,220	3,320	740	431,130	67,430	39,220	24,820	81,800	692,300
Weighted average remaining contractual life of options outstanding at end of period (in years)	2.67	2.67	2.67	2.67	2.67	2.67	2.00	4.67	4.67

	2019	2018
Aggregate of all stock options outstanding as at the year end to current paid-up equity share capital (percentage)	0.24%	0.19%

The following assumptions were used for calculation of fair value of grants:

Particulars	Marico ESOS 2014	MD CEO ESOP Plan 2014	Marico ESOP 2016 Scheme I	Marico ESOP 2016 Scheme II	Marico ESOP 2016 Scheme III Part I	Marico ESOP 2016 Scheme III Part II	Marico ESOP 2016 Scheme III Part III	Marico ESOP 2016 Scheme IV Part I	Marico ESOP 2016 Scheme IV Part II	Marico ESOP 2016 Scheme IV Part III
Risk-free interest rate (%)	8.00%	8.00%	7.25%	7.25%	6.75%	6.25%	6.50%	6.75%	6.25%	6.50%
Expected life of options (years)	3 years	3 years 3 months	3 years 2 months	3 years 2 months	3 years 6 months	3 years 1 months	2 years 6 months	3 years 6 months	3 years 1 months	2 years 6 months
Expected volatility (%)	26.62%	23.66%	25.80%	25.80%	26.10%	26.70%	23.10%	26.10%	26.70%	23.10%
Dividend yield (%)	3.50%	3.50%	0.96%	0.96%	0.96%	1.07%	1.07%	0.96%	1.07%	1.07%
Fair value of the option	189.11	308.98	287.05	85.53	246.12	308.10	301.35	68.80	86.70	64.28

Particulars	Marico ESOP 2016 Scheme V	Marico ESOP 2016 Scheme VI Part I	Marico ESOP 2016 Scheme VI Part II	Marico ESOP 2016 Scheme VI Part III	Marico ESOP 2016 Scheme VII Part I	Marico ESOP 2016 Scheme VII Part II	Marico ESOP 2016 Scheme VII Part III	Marico ESOP 2016 Scheme VIII	Marico ESOP 2016 Scheme IX	Marico ESOP 2016 Scheme X
Risk-free interest rate (%)	6.25%	6.75%	7.00%	7.30%	6.75%	7.00%	7.30%	7.29%	7.39%	7.39%
Expected life of options (years)	3 years 4 months	3 years 6 months	3 years	2 years 6 months	3 years 6 months	3 years	2 years 6 months	1 year 10 months	3 years 6 months	3 years 6 months
Expected volatility (%)	26.30%	25.50%	23.84%	22.50%	25.50%	23.84%	22.50%	21.70%	23.40%	23.40%
Dividend yield (%)	0.96%	1.07%	1.29%	1.29%	1.07%	1.29%	1.29%	1.29%	1.29%	1.29%
Fair value of the option	299.70	298.18	308.80	346.10	83.77	77.50	79.70	349.10	341.70	98.20

NOTES

To Financial Statements for the year ended 31st March, 2019

(b) **Share appreciation rights**

The Corporate Governance Committee has granted Stock Appreciation Rights ("STAR") to certain eligible employees pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011 ("Plan"). The grant price is determined based on a formulae as defined in the Plan. There are schemes under each Plan with different vesting periods. Scheme I to VI have matured on their respective vesting dates. Under the Plan, the specified eligible employees are entitled to receive a Star Value which is the excess of the maturity price over the grant price subject to certain conditions. The Plan is administered by Corporate Governance Committee comprising independent directors.

Details of STAR Scheme:

	STAR V				STAR VI						STAR VII			
Grant Date	5 August, 2015		4 November, 2015		1 December, 2015		5 August, 2016		2 December, 2016		1 December, 2016		2 May, 2017	
Grant Price (₹)	217.46		197.61		203.63		280.22		256.78		256.78		302.34	
Vesting Date	30 November, 2017		30 November, 2017		30 November, 2018		30 November, 2018		30 November, 2018		30 November, 2019		30 November, 2019	
	As at March 31		As at March 31		As at March 31		As at March 31		As at March 31		As at March 31		As at March 31	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
Number of grants outstanding at the beginning of the year	-	951,200	-	136,400	957,400	1,240,600	86,300	96,100	56,510	56,510	285,200	340,140	90,350	-
Add : Granted during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	100,350
Less : Forfeited during the year	-	139,600	-	42,400	118,200	283,200	800	9,800	350	-	79,000	54,940	26,030	10,000
Less : Exercised during the year	-	811,600	-	94,000	839,200	-	85,500	-	56,160	-	-	-	-	-
Number of grants at the end of the year	-	-	-	-	-	957,400	-	86,300	-	56,510	206,200	285,200	64,320	90,350
Carrying amount of liability - included in employee benefit obligation														
Classified as long-term	-	-	-	-	-	-	-	-	-	-	-	1	-	0
Classified as short-term	-	6	-	1	-	10	-	0	-	0	2	-	0	-

	STAR VII		STAR VIII								STAR IX	
Grant Date	**1 December, 2017**		**1 December, 2017**		**31 May, 2018**		**2 August, 2018**		**4 December, 2018**		**4 December, 2018**	
Grant Price (₹)	**307.77**		**307.77**		**316.53**		**352.42**		**346.47**		**346.47**	
Vesting Date	**30 November, 2019**		**30 November, 2020**		**30 November, 2020**		**30 November, 2020**		**30 November, 2020**		**30 November, 2021**	
	As at March 31		**As at March 31**		**As at March 31**		**As at March 31**		**As at March 31**		**As at March 31**	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Number of grants outstanding at the beginning of the year	15,980	-	298,790	-	-	-	-	-	-	-	-	-
Add : Granted during the year	-	15,980	-	302,360	47,770	-	40,000	-	35,580	-	412,760	-
Less : Forfeited during the year	3,140	-	89,230	3,570	6,850	-	8,000	-	-	-	33,240	-
Less : Exercised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Number of grants at the end of the year	12,840	15,980	209,560	298,790	40,920	-	32,000	-	35,580	-	379,520	-
Carrying amount of liability - included in employee benefit obligation												
Classified as long-term	-	0	1	0	0	-	0	-	0	-	0	-
Classified as short-term	0	-	-	-	-	-	-	-	-	-	-	-

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 ₹23 Crore as at 31st March, 2019 (₹37 Crore as at 31st March 2018) 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 after1 April, 2013), shall utilize the proceeds towards meeting its STAR Value obligation.

The fair value of the STAR's was determined using the Black-Scholes model using the following inputs at the grant date and as at each reporting date:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Share price at measurement date (INR per share)	346.7	326.1
Expected volatility (%)	22.8% - 25.8%	20.1% - 23.2%
Dividend yield (%)	1.29%	1.07%
Risk-free interest rate (%)	6.30% - 6.59%	6.75%

(c) Expense arising from share-based payment transactions recognised in Profit or Loss as part of employee benefit expense were as follows:

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Employee stock option plan	8	7
Stock appreciation rights	5	7
Total employee share based payment expense	**13**	**14**

34 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.

NOTES

To Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the company (in Rs.)	8.78	5.58
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the company (in Rs.)	8.78	5.57
(c) Earnings used in calculating earnings per share (Rs in Crores)	**1,132**	**718**
(d) Weighted average number of equity shares used as denominator		
Weighted average number of equity shares outstanding	1,290,864,398	1,290,624,530
Shares held in controlled trust	(1,608,164)	(2,558,830)
Weighted average number of equity shares in calculating basic earnings per share	1,289,256,234	1,288,065,700
Dilutive impact of Share Options	712,182	671,090
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	1,289,968,415	1,288,736,790

Information concerning the classification of securities

(i) Share Options

Options granted to Employees under Marico ESOS 2014, MD CEO ESOP Plan 2014 and Marico Employee Stock Option Plan 2016 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 33.

(ii) Treasury shares

The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during.

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, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

36 Previous year's figures have been regrouped/reclassified to make them comparable with those of current year.

As per our report of even date

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

For and on behalf of the Board of Directors

SADASHIV SHETTY
Partner
Membership No. 048648

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No.F9329]

Place : Mumbai
Date : May 6, 2019

Place : Mumbai
Date : May 6, 2019

PERFORMANCE TRENDS

Performance Trends
Consolidated Quarterly Financials

(Amount in ₹ Crore)

2018-19	Three Months Ended				Annual
Particulars	30-Jun-18	30-Sep-18	31-Dec-18	March 31, 2019	FY19
Total Income	2,051	1,866	1,883	1,637	7,436
Total Expenditure	1,672	1,543	1,512	1,326	6,053
Profit before Finance Cost, Tax, Depreciation and Amortisation	**379**	**323**	**371**	**311**	**1,384**
Finance Cost	5	6	5	8	24
Depreciation and Amortisation	22	22	23	29	96
Profit before Share of Profit/(Loss) of Joint Ventures, Exceptional Items and Tax	**351**	**295**	**343**	**274**	**1,264**
Share of Profit/(Loss) of Joint Ventures	0	1	-	(1)	(0)
Profit before Tax	**351**	**296**	**343**	**273**	**1,263**
Tax Expense	91	78	91	56	316
Profit after Tax	260	218	252	217	947
Minority Interest	4	4	4	4	17
Net Profit attributable to Owners of the Company	**256**	**214**	**247**	**213**	**930**
Equity Share Capital	129	129	129	129	129
Earning per Share - (₹)	**2.0**	**1.7**	**1.9**	**1.7**	**7.2**

*Profit After Tax for three months ended March 31, 2019 and FY19 excludes the impact of the tax adjustment for earlier years.

2017-18	Three Months Ended				Annual
Particulars	30-Jun-17	30-Sep-17	31-Dec-17	31-Mar-18	FY18
Total Income	1,715	1,558	1,642	1,503	6,418
Total Expenditure	1,367	1,277	1,323	1,228	5,195
Profit before Finance Cost, Tax, Depreciation and Amortisation	**347**	**281**	**319**	**275**	**1,222**
Finance Cost	3	4	4	5	16
Depreciation and Amortisation	21	24	21	23	89
Profit before Share of Profit/(Loss) of Joint Ventures, Exceptional Items and Tax	**323**	**254**	**294**	**247**	**1,117**
Share of Profit/(Loss) of Joint Ventures	(0)	(1)	(0)	1	(0)
Profit before Tax	**323**	**253**	**294**	**247**	**1,117**
Tax Expense	87	68	71	64	290
Profit after Tax	236	185	223	183	827
Minority Interest	4	4	3	3	13
Net Profit attributable to Owners of the Company	**232**	**181**	**221**	**181**	**814**
Equity Share Capital	129	129	129	129	129
Earning per Share - (₹)	**1.8**	**1.4**	**1.7**	**1.4**	**6.3**

Economic Value Added

₹ in Crore

	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Average Capital Employed	2,421	2,395	2,180	2,330	2,493	2,747	3,132
Average Debt / Total capital (%)	34	31	25	16	11	10	11
Profit After Current Tax (excluding extraordinary items)	400	515	583	778	856	833	932
Add: Interest Post Tax	43	25	16	15	12	12	18
Net Operating Profit After Tax	443	540	600	793	868	845	950
Less: Cost of Capital	216	208	181	235	259	295	357
Economic Value Added	**227**	**332**	**419**	**558**	**610**	**550**	**593**

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, 2019		**8,000**	**17,500**	**100**

Return	Through	Shares	Value (in ₹)	Indexed Value
March 31, 2019	Market value	8000	27,73,200	15,847
March 2004	Redemption proceeds of Bonus Preference shares	200	2,000	11
April 1996 - March 2019	Dividend Received*#		1,83,899	1,051
Gross Returns			**29,59,099**	**16,909**

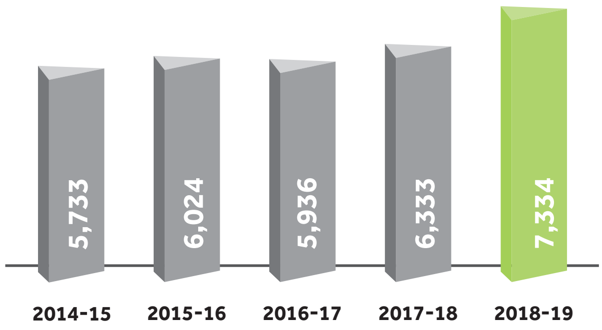
Compound Annual Return since IPO			**25%**	**25%**

* Dividends are inclusive of those received on Bonus Preference Shares

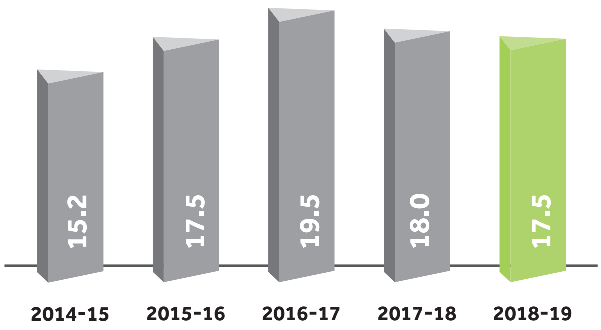
Subject to taxes as applicable

Key Performance Indicators

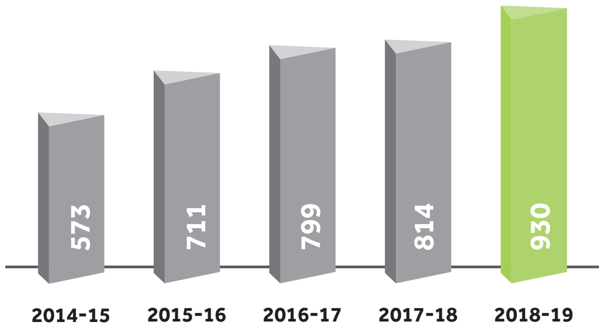
REVENUE FROM OPERATIONS (₹ CRORE)



EBIDTA MARGINS (%)

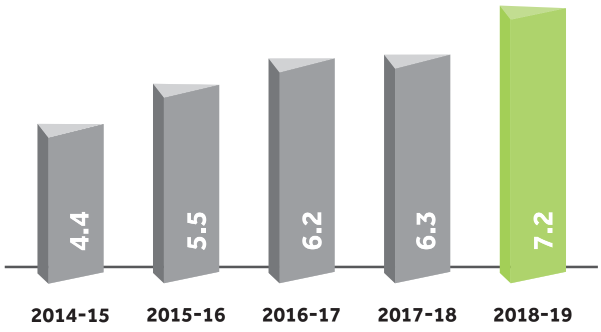


NET PROFIT (₹ CRORE)

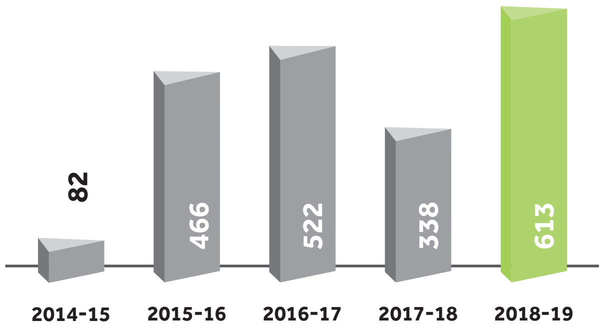


FY19 Net Profit excludes the impact of tax adjustment for earlier years.

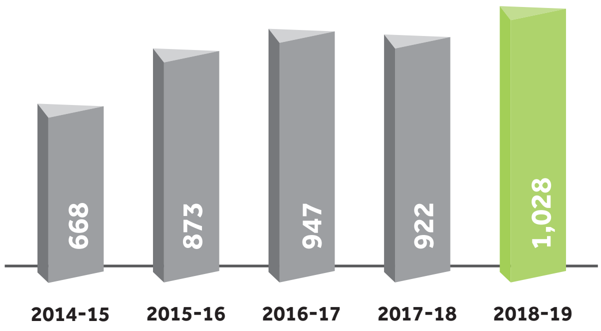
EARNINGS PER SHARE (₹)



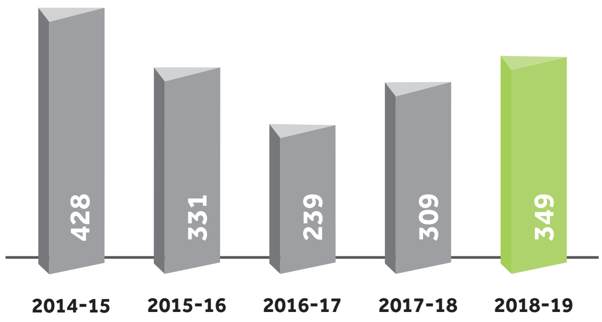
SURPLUS ON BOOKS (₹ CRORE)



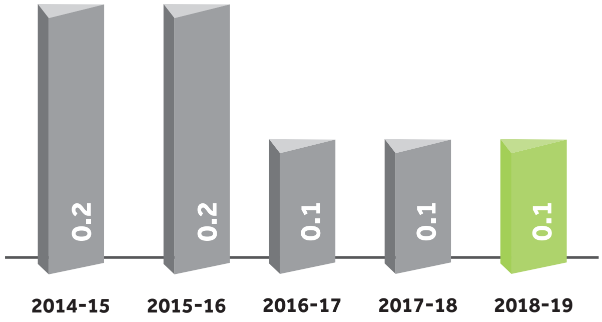
CASH PROFITS (₹ CRORE)



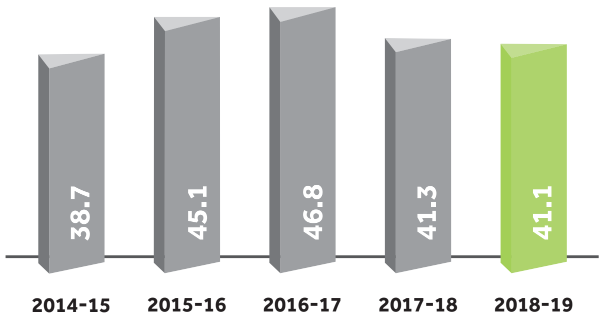
LOANS ON BOOKS (₹ CRORE)



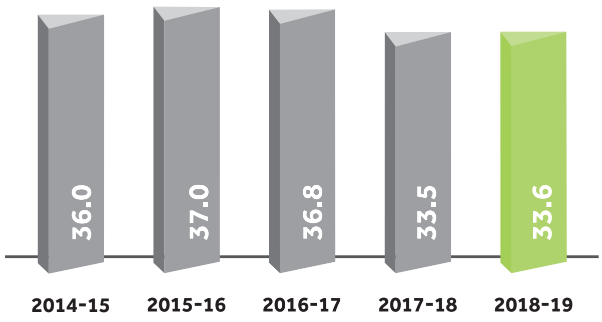
DEBT / EQUITY



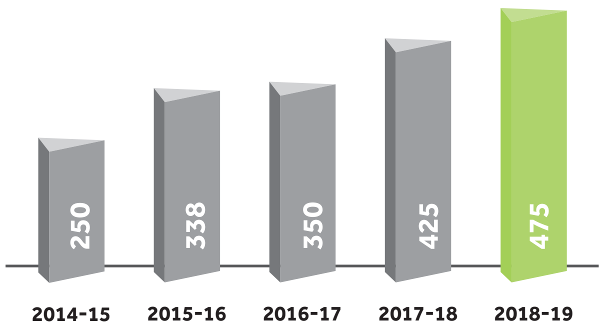
RETURN ON CAPITAL EMPLOYED (%)



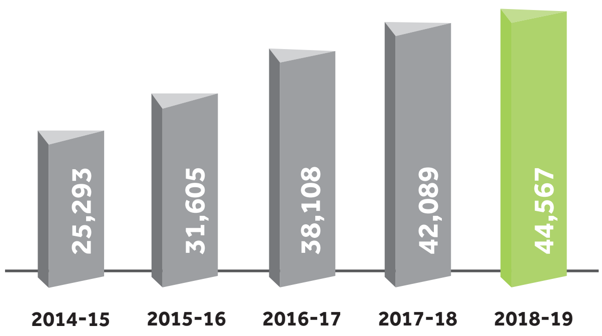
RETURN ON NET WORTH (%)



DIVIDEND DECLARED (% OF FACE VALUE)



MARKET CAPITALISATION (₹ CRORE)



GRI Content Index

SRS Indicator	Disclosure	Reference
SRS 102: General disclosures (2016)		
1. Organisational profile		
102-1	Name of the organisation	About Marico, p. 2
102-2	Activities, brands, products, and services	Our Products, p. 6 to 9
102-3	Location of the organisation's headquarters	Back Cover Page
102-4	Number of countries operating	Our Presence, p. 4 to 5
102-5	Nature of ownership and legal form	Corporate Governance Report (Annexure C to the Board's Report), p. 133
102-6	Markets served	Our Presence, p. 4 to 5 About Marico, p. 2 to 3
102-7	Scale of the reporting organisation	Performance Highlights, p. 10 to 11
102-8	Information on employees and other workers	Human Capital, p. 50 Business Responsibility Report, p. 96
102-9	Supply chain	Manufactured Capital, p. 42 to 43
102-10	Significant changes to the organisation and its supply chain	There are no significant changes
102-11	Precautionary Principle or approach	Strategy & Enablers, p. 18 to 21 Risk Management & Materiality, p. 34 to 37
102-12	External initiatives	Social & Relationship Capital, p. 60 to 63
102-13	Memberships of associations	Social & Relationship Capital, p. 66 to 67
2. Strategy		
102-14	Statement from senior decision-maker	Chairman's Message, p. 12 to 13 MD & CEO's Message, p. 14 to 15
102-15	Key impacts, risks, and opportunities	Risk Management & Materiality, p. 34 to 37
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	About Marico, p. 2 to 3
4. Governance		
102-18	Governance structure	Our Leadership, p. 74 to 75
5. Stakeholder engagement		
102-40	List of stakeholder groups	Value Creation Model, p. 24
102-41	Collective bargaining agreements	Business Responsibility Report, p. 96
102-42	Identifying and selecting stakeholders	Value Creation Model, p. 24
102-43	Approach to stakeholder engagement	Value Creation Model, p. 22
102-44	Key topics and concerns raised	Value Creation Model, p. 24
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	Inside this Report (inside front cover page)
102-46	Defining report content and topic boundaries	Inside this Report (inside front cover page)
102-47	List of material topics	Risk Management & Materiality, p. 37
102-48	Restatements of information	Inside this Report (inside front cover page)
102-49	Changes in reporting	Inside this Report (inside front cover page)
102-50	Reporting Period	Inside this Report (inside front cover page)
102-51	Date of most recent report	FY18
102-52	Reporting cycle	Inside this Report (inside front cover page)
102-53	Contact point for questions regarding the report	Inside this Report (inside front cover page)
102-54	Claims of reporting in accordance with the GRI Standards	Inside this Report (inside front cover page)
102-55	GRI content index	GRI Content Index, p. 338 to 339
102-56	External assurance	The disclosure made on GRI indicators are not external assured

SRS Indicator	Disclosure	Reference
GRI Topic Specific Standards (2016)		
201: Economic performance (linked to material topic of "Business growth and profitability")		
201	Economic performance	Financial Capital, p. 38 to 39
201-1	Direct economic value generated or distributed	10 Years' Financial Highlights, p. 340
201-3	Coverage of the organisation's defined benefit plan obligations	Notes to Consolidated Financial Statements, p. 218 to 223
201-4	Financial assistance received from government	Notes to Consolidated Financial Statements, p. 190, 225
204: Procurement practices (linked to material topic of "Sustainable supply chain")		
204	Procurement practices	Manufactured Capital, p. 42 to 43
204-1	Proportion of spending on local suppliers	Manufactured Capital, p. 42
301: Materials (linked to material topic of "Responsible resource consumption")		
301	Materials	Manufactured Capital, p. 44 to 45
301-1	Materials used by weight or volume	Manufactured Capital, p. 44 to 45
301-2	Recycled input material used	Manufactured Capital, p. 44 to 45
301-3	Reclaimed products and their packaging materials	Manufactured Capital, p. 44 to 45
302: Energy (linked to material topic of "Responsible resource consumption")		
302	Energy	Natural Capital, p. 48
302-1	Energy consumption within the organisation	Natural Capital, p. 48
302-3	Energy intensity	Natural Capital, p. 48
302-4	Reduction of energy consumption	Natural Capital, p. 48
303: Water (linked to material topic of "Responsible resource consumption")		
303	Water	Natural Capital, p. 49
303-1	Water withdrawal by source	Natural Capital, p. 49
303-2	Water sources significantly affected by withdrawal of water	No water sources were significantly affected by withdrawal of water for our operations
305: Emissions (linked to material topic of "Climate change")		
305	Emissions	Natural Capital, p. 48 to 49
305-1	Direct (Scope 1) GHG emissions	Natural Capital, p. 48 to 49
305-2	Energy indirect (Scope 2) GHG emissions	Natural Capital, p. 48 to 49
305-4	GHG emissions intensity	Natural Capital, p. 48 to 49
305-5	Reduction of GHG emissions	Natural Capital, p. 48 to 49
308: Supplier environmental assessment (linked to material topic of "Sustainable supply chain")		
308	Supplier environmental assessment	Manufactured Capital, p. 43
308-1	New suppliers that were screened using environmental criteria	Manufactured Capital, p. 43
SRS 401: Social		
413: Local community (linked to material topic of "Community development")		
413	Local communities	Social & Relationship Capital, p. 56 to 65
413-1	Operations with local community engagement, impact assessments and development programs	Social & Relationship Capital, p. 56 to 65
414: Supplier social assessment (linked to material topic of "Sustainable supply chain")		
414	Supplier social assessment	Manufactured Capital, p. 43
414-1	New suppliers that were screened using social criteria	Manufactured Capital, p. 43
416: Customer health and safety (linked to material topic of "Product responsibility")		
416	Customer health and safety	Manufactured Capital, p. 46 to 47
416-1	Assessment of health and safety impacts of product and service categories	Manufactured Capital, p. 46 to 47
417: Marketing and labelling (linked to material topic of "Product responsibility")		
417	Marketing and labelling	Manufactured Capital, p. 47
417-1	Requirements of product and service information and labelling	Manufactured Capital, p. 47

10 Years' Financial Highlights

₹ Crore

Year ended March 31,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Income from Operations	2,661	3,135	3,980	4,596	4,687	5,733	6,024	5,936	6,333	7,334
EBITDA	375	418	484	626	748	870	1,051	1,159	1,138	1,281
Profit before Interest & Tax (PBIT)	333	369	444	577	729	845	1,050	1,166	1,133	1,288
Profit before Tax (PBT)	298	376	400	552	695	822	1,029	1,149	1,117	1,263
Net Profit attributable to Owners of the Company	232	286	317	396	485	573	711	799	814	930
Cash Profits (Profit after Current Tax + Depreciation + Amortisation)	333	405	397	491	592	668	873	947	922	1,028
Economic Value Added	**201**	**180**	**204**	**227**	**332**	**419**	**558**	**610**	**550**	**593**
Goodwill on consolidation	85	398	395	396	254	489	497	479	486	503
Net Fixed Assets	400	458	502	1,422	638	590	620	616	651	690
Investments	83	89	296	152	311	284	513	608	543	450
Net Current Assets	483	607	532	674	671	749	655	846	1,140	1,457
Net Non Current Assets	-	130	205	251	213	163	35	41	65	82
Deferred Tax Asset (Net)	62	30	22	-	-	-	65	10	9	188
Total Capital Employed	**1,112**	**1,712**	**1,953**	**2,894**	**2,086**	**2,274**	**2,386**	**2,600**	**2,894**	**3,370**
Equity Share Capital	61	61	61	64	64	65	129	129	129	129
Reserves	593	854	1,082	1,917	1,296	1,760	1,888	2,197	2,415	2,869
Net Worth	**654**	**915**	**1,143**	**1,982**	**1,361**	**1,825**	**2,017**	**2,326**	**2,544**	**2,998**
Minority interest	13	22	25	35	36	14	14	13	12	11
Borrowed Funds	446	774	785	872	680	428	331	239	309	349
Deferred Tax Liability	-	-	-	6	10	8	23	22	29	12
Total Funds Employed	**1,112**	**1,712**	**1,953**	**2,894**	**2,086**	**2,274**	**2,386**	**2,600**	**2,894**	**3,370**
EBITDA Margin (%)	14.1	13.3	12.2	13.6	16.0	15.2	17.5	19.5	18.0	17.5
Profit before Tax to Turnover (%)	11.2	12.0	10.1	12.0	14.8	14.3	17.1	19.4	17.6	17.2
Profit after Tax to Turnover (%)	8.7	9.1	8.0	8.6	10.4	10.0	11.8	13.5	12.9	12.7
Return on Net Worth (%)	41.8	36.5	30.8	25.3	30.1	36.0	37.0	36.8	33.5	33.6
(PAT / Average Net Worth $)										
Return on Capital Employed	**34.3**	**26.1**	**24.3**	**23.8**	**30.4**	**38.7**	**45.1**	**46.8**	**41.3**	**41.1**
(PBIT / Average Total Capital Employed @)										
Net Cash Flow from Operations per share (₹) (Refer Cash Flow Statement)	3.4	4.0	6.5	6.7	10.2	10.3	6.5	5.0	4.0	7.9
Earning per Share (EPS) (₹)	**3.8**	**4.7**	**5.2**	**6.1**	**7.5**	**8.9**	**5.5**	**6.2**	**6.3**	**7.2**
(PAT / No. of Equity Shares)										
Economic Value Added per share (₹)	3.3	2.9	3.3	3.5	5.1	6.5	4.3	4.7	4.3	4.6
Dividend per share (₹)	0.7	0.7	0.7	1.0	3.5	2.5	3.4	3.5	4.3	4.8
Debt / Equity	**0.7**	**0.8**	**0.7**	**0.4**	**0.5**	**0.2**	**0.2**	**0.1**	**0.1**	**0.1**
Book Value per share (₹)	**10.7**	**14.9**	**18.6**	**30.7**	**21.1**	**28.3**	**15.6**	**18.0**	**19.7**	**23.2**
(Net Worth / No. of Equity Shares)										
Sales to Average Capital Employed @	2.7	2.2	2.2	1.9	2.0	2.6	2.6	2.4	2.3	2.3
Sales to Average Net Working Capital #	6.3	5.3	7.0	7.6	6.6	8.1	8.6	7.9	6.4	5.6

@ Average Capital Employed = (Opening Capital Employed + Closing Capital Employed)/2

$ Average Net Worth = (Opening Net Worth + Closing Net Worth)/2

Average Net Working Capital = (Opening Net Current Assets + Closing Net Current Assets)/2

Note 1: FY11 onwards the financial figures are as per revised Schedule VI

Note 2: FY14 onwards, financials will not include Kaya as it has been demerged from Marico Group effective April 1,2013.

Note 3: FY16 onwards, per share numbers are calculated on the post bonus number of shares

Note 4: FY16 onwards, financials are as per IND - AS and hence not comparable with earlier years.

Note 5: FY19 Net Profit excludes the impact of tax adjustment of earlier years recognised in Q4 of the financial year.

marico
make a difference

Purpose Statement

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

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