

Annexure to the Board's Report

Disclosures under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time; and

B. Information regarding Diluted Earning Per Share on issue of shares pursuant to all the schemes covered under this Regulations in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time is disclosed in the notes to the Financial Statements.

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

4	Option movement during the year (For each ESOS):	Marico Employee Stock Option Plan 2016 (Marico ESOP 2016)																	
		Scheme I	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X								
	Number of options outstanding at the beginning of the period	80,000	939,700	83,300	657,510	67,120	87,410	554,730	-	-	-								
	Number of options granted during the year	-	-	-	-	-	4,060	115,260	24,820	81,800	715,400								
	Number of options forfeited / lapsed during the year	-	-	21,450	155,570	-	19,190	132,210	-	-	23,100								
	Number of options vested during the year	80,000	939,700	-	-	-	-	-	-	-	-								
	Number of options exercised during the year	-	-	-	-	-	-	-	-	-	-								
	Number of shares arising as a result of exercise of options	-	-	-	-	-	-	-	-	-	-								
	Money realized by exercise of options (INR), if scheme is implemented.	-	-	-	-	-	-	-	-	-	-								
	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA								
	Number of options outstanding at the end of the year	80,000	939,700	61,850	501,940	67,120	72,280	537,780	24,820	81,800	692,300								
	Number of options exercisable at the end of the year	80,000	939,700	-	-	-	-	-	-	-	-								
5	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	-	-	-	-	-	-	-	-	-	-								
6	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to - (a) senior managerial personnel; (b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year and (c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Employee wise details are available for inspection by the Members at the registered office of your Company during business hours on all working days except Saturdays and Sundays upto the date of the 31st Annual General Meeting. No employee of the Company received grant of Options during the year amounting to 5% or more of Options granted or exceeding 1% of issued Capital of the Company.																	
7	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	Marico Employee Stock Option Plan 2016 (Marico ESOP 2016)																	
		Scheme I	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme III (Part - 2)	Scheme IV (Part - 2)	Scheme III (Part - 3)	Scheme IV (Part - 3)	Scheme VI	Scheme VII	Scheme VI (Part - 2)	Scheme VII (Part - 2)	Scheme VI (Part - 3)	Scheme VII (Part - 3)	Scheme VIII	Scheme IX	Scheme X
a	i) the weighted-average values of share price	₹ 296.65	₹ 296.65	₹ 255.30	₹ 255.30	₹ 310.10	₹ 319.40	₹ 319.40	₹ 310.40	₹ 310.40	₹ 310.40	₹ 321.90	₹ 321.90	₹ 358.30	₹ 358.30	₹ 358.30	₹ 358.30	₹ 358.30	₹ 358.30
	ii) the weighted-average values of exercise price	₹ 1.00	₹ 280.22	₹ 1.00	₹ 256.78	₹ 1.00	₹ 1.00	₹ 302.34	₹ 1.00	₹ 307.77	₹ 1.00	₹ 307.77	₹ 1.00	₹ 316.53	₹ 1.00	₹ 346.47	₹ 1.00	₹ 1.00	₹ 346.47
	iii) the weighted-average values of expected volatility	25.80%	25.80%	26.10%	26.10%	26.30%	26.70%	26.70%	23.10%	23.10%	25.50%	25.50%	23.84%	23.84%	22.54%	22.54%	21.68%	23.40%	23.40%
	iv) the weighted-average values of expected option life	3.15 years	3.15 years	3.5 years	3.5 years	3.29 years	3.08 years	3.08 years	2.5 years	2.5 years	3.5 years	3.5 years	3.01 years	3.01 years	2.49 years	2.49 years	1.83 years	3.49 years	3.49 years
	v) the weighted-average values of expected dividends	0.96%	0.96%	0.96%	0.96%	0.96%	1.07%	1.07%	1.07%	1.07%	1.07%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%
	vi) the weighted-average values of the risk-free interest rate	7.25%	7.25%	6.75%	6.75%	6.25%	6.25%	6.25%	6.50%	6.50%	6.75%	6.75%	7.00%	7.00%	7.30%	7.30%	7.29%	7.39%	7.39%
b	The method used and the assumptions made to incorporate the effects of expected early exercise;	Fair Value																	
c	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Historical volatility of the share of the Company over the previous 3.15 years ended August 5, 2016, based on the life of options	Historical volatility of the share of the Company over the previous 3.5 years ended December 1, 2016, based on the life of options	Historical volatility of the share of the Company over the previous 3.29 years ended June 19, 2017, based on the life of options	Historical volatility of the share of the Company over the previous 3.08 years ended May 2, 2017, based on the life of options	Historical volatility of the share of the Company over the previous 2.5 years ended December 1, 2017, based on the life of options	Historical volatility of the share of the Company over the previous 3.5 years ended December 1, 2017, based on the life of options	Historical volatility of the share of the Company over the previous 3.01 years ended May 31, 2018, based on the life of options	Historical volatility of the share of the Company over the previous 2.49 years ended December 4, 2018, based on the life of options	Historical volatility of the share of the Company over the previous 1.83 years ended December 4, 2018, based on the life of options	Historical volatility of the share of the Company over the previous 3.49 years ended December 4, 2018, based on the life of options								
d	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	NA																	
8	Disclosures in respect of grants made in three years prior to IPO under each ESOS until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.	NA																	

B	Details related to SAR	STAR Scheme V	STAR Scheme VI	STAR Scheme VII	STAR Scheme VIII	Scheme IX							
1	Description of each Stock Appreciation Right (SAR) scheme that existed at any time during the year, including the general terms and conditions of each SAR scheme, including -												
a	Date of shareholders' approval:	Approved by NRC on August 5, 2015*.	Approved by NRC on December 2, 2015*.	Approved by NRC on December 8, 2016*.	Approved by NRC on December 1, 2017*.	Approved by NRC on December 6, 2018*.							
	*The Marico Employee Stock Appreciation Rights Plan 2011 (STAR Plan) was initially approved by the Board of Directors of the Company at its meeting held on January 27, 2011 and subsequently the modified STAR Plan was approved by the Board of Directors at its meeting held on June 22, 2015 and the same was recommended to the shareholders. The STAR Plan was then approved by the Shareholders at their meeting held on August 5, 2015, in order to align the STAR Plan with the requirements of the SEBI (Share Based Employee Benefits) Regulations, 2014. NRC has, from time to time, notified STAR schemes under the STAR Plan as authorized under the aforementioned resolutions.												
b	Total number of shares approved under the SAR scheme	The secondary acquisitions by the Trust shall not be more than: i) 5% of the paid up equity share capital of the Company as at the end of the financial year, immediately preceding the year in which approval of the shareholder was obtained for such secondary acquisitions; ii) 2% in a financial year of the paid up equity share capital as at the end of the previous financial year; and iii) 0.5% of the paid up equity share capital of the Company for each participant, during a financial year.											
c	Vesting requirements	As determined by the Nomination and Remuneration Committee in the respective Schemes notified under the Plan.											
d	SAR price or pricing formula	Average of Closing Market Price for a period of 22 Working Days (of the the Stock Exchange) immediately preceding the Grant Date.											
e	Maximum term of SAR granted	Period not exceeding 5 years from the Grant Date											
f	Method of settlement (whether in cash or equity)	Method of settlement is Cash settlement.											
g	Choice of settlement (with the Company or the employee or combination)	Choice vests with the Company.											
h	Source of shares (primary, secondary or combination)	Source of acquisition is Secondary.											
i	Variation in terms of scheme	None											
2	Method used to account for SAR - Intrinsic or fair value.	Fair Value											
3	Where the Company opts for expensing of SAR using the intrinsic value of SAR, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of SAR, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Not Applicable. As per IND AS requirement, the Company has to use fair value method.											
4	SAR movement during the year (For each SAR scheme):	STAR VI			STAR VII			STAR VIII				STAR IX	Total
	Particulars	Tranche I	Tranche II	Tranche III	Tranche I	Tranche II	Tranche III	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	
	Number of SARs outstanding at the beginning of the year	957,400	86,300	56,510	285,200	90,350	15,980	298,790	-	-	-	-	1,790,530
	Number of SARs granted during the year	-	-	-	-	-	0	0	47,770	40,000	35,580	412,760	536,110
	Number of SARs forfeited / lapsed during the year	118,200	800	350	79,000	26,030	3,140	89,230	6,850	8,000	-	33,240	364,840
	Number of SARs vested during the year	839,200	85,500	56,160	-	-	-	-	-	-	-	-	980,860
	Number of SARs exercised/settled during the year	839,200	85,500	56,160	-	-	-	-	-	-	-	-	980,860
	Number of options outstanding at the end of the year	-	-	-	206,200	64,320	12,840	209,560	40,920	32,000	35,580	379,520	980,940
	Number of options exercisable at the end of the year	-	-	-	-	-	-	-	-	-	-	-	-
5	Employee-wise details (name of employee, designation, number of SAR granted during the year, exercise price) of SAR granted to -												
a	Senior managerial personnel;	No STARs were granted to the Senior Managerial Personnel during the year under review											
b	any other employee who receives a grant in any one year of amounting to 5% or more of SAR granted during that year; and	Nil											
c	identified employees who were granted SAR, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil											
6	Disclosures in respect of grants made in three years prior to IPO under each SAR scheme until all SARs granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such SARs shall also be made.	NA											

B

Details related to Trust

The following details, inter-alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:			
Particulars	Details - FY19	Details - FY18	
I. General Information			
1	Name of the Trust	Welfare of Mariconians Trust	Welfare of Mariconian Trust
2	Details of the Trustee(s)	IDBI Trusteeship Services Limited	IDBI Trusteeship Services Limited
3	Amount of loan disbursed by Company / any Company in the group, during the year	51,000,000.00	-
4	Amount of loan outstanding (repayable to Company / any Company in the group) as at the end of the year	226,676,794	374,504,849
5	Amount of loan, if any, taken from any other source for which Company / any Company in the group has provided any security or guarantee	NIL	NIL
6	Any other contribution made to the Trust during the year	-	-
II. Brief details of transactions in the shares by the Trust			
1	Number of shares held at the beginning of the year;	1,931,470	2,837,070
2	Number of shares acquired during the year :	133,540	-
	(i) through primary issuance	-	-
	(ii) through secondary acquisition	133,540	-
3	Acquisition as a percentage of paid up equity capital as at the end of the previous financial year,	0.01%	-
4	Weighted average cost of acquisition per share	354.88	-
5	Number of shares sold/vested to the employees	980,860	905,600
6	Purpose of shares sold	Vesting of STAR Scheme VI	Vesting of STAR Scheme V
7	Number of shares held at the end of the year.	1,084,150	1,931,470
III. In case of secondary acquisition of shares by the Trust			
1	Number of shares		
2	Held at the beginning of the year	1,931,470	2,837,070
3	Acquired during the year	133,540	-
4	Sold during the year	980,860	905,600
5	Transferred to the employees during the year (No. of shares vested)	980,860	905,600
6	Held at the end of the year	1,084,150	1,931,470