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August 5, 2020

The Secretary,
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 531642

The Manager,
Listing Department,
National Stock exchange of India Limited,
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai 400 051
Scrip Symbol: MARICO

Dear Sir/Madam,

Sub.: Notice of 32nd Annual General Meeting and Annual Report for the financial year 2019-20

Further to our letter dated July 24, 2020 and in terms of the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening the 32nd Annual General Meeting of the Company ("AGM") and the Annual Integrated Report for the financial year 2019-20, which have been sent through electronic mode to the Members of the Company who have registered their e-mail address with the Company/Depository Participant(s).

In compliance with various circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India at the backdrop of COVID-19 pandemic, the AGM will be held on Friday, August 28, 2020 at 10.00 a.m. through Video Conference/ Other Audio-Visual Means (VC/OAVM).

Further, the Company has fixed Friday, August 21, 2020 as the cut-off date to ascertain the eligibility of the Members entitled to vote electronically, "Remote E-voting" and voting during the AGM.

The Notice of the AGM along with the Annual Integrated Report can also be accessed on the website of the Company at the below links:

AGM Notice: https://marico.com/investorspdf/2020/Notice-of-32nd-AGM.pdf
Annual Report: https://marico.com/investorspdf/Annual-Report-FY-2019-20.pdf

Kindly take the above information on record.

Thank you.

Yours faithfully,

For **Marico Limited**
HEMANGI YATEEN GHAG
Digitally signed by HEMANGI YATEEN GHAG
Date: 2020.08.05 19:41:48 +05'30'

Hemangi Ghag
Company Secretary & Compliance Officer

Encl.: As above

CIN: L15140MH1988PLC049208
Email: investor@maricoindia.net

Marico Limited
Regd Office:
7th Floor
Grande Palladium
175, CST Road, Kalina
Santacruz (E)
Mumbai 400 098, India
Tel: (91-22) 6648 0480
Fax: (91-22) 2650 0159

www.marico.com

NOTICE

MARICO LIMITED

CIN: L15140MH1988PLC049208

Registered Office: 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai – 400 098
Tel No.: (+91-22) 6648 0480, Fax No.: (+91-22) 2650 0159; Website: www.marico.com, Email: investor@marico.com

NOTICE is hereby given that the **32nd Annual General Meeting** of the Members of Marico Limited will be held on **Friday, August 28, 2020 at 10:00 a.m. IST** through Video Conferencing/Other Audio-Visual Means to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the reports of the Board of Directors and Statutory Auditors thereon.
2. To appoint a Director in place of Mr. Rishabh Mariwala (DIN:03072284), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To ratify the remuneration payable to M/s. Ashwin Solanki & Associates, Cost Accountants (Firm Registration No. 100392), the Cost Auditors of the Company for the financial year ending March 31, 2021 and if thought fit to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules framed thereunder, as amended from time to time, the Members of the Company do hereby ratify the remuneration of ₹ 9,00,000/- (Rupees Nine Lacs only), plus applicable taxes and reimbursement of out of pocket expenses, if any, to M/s. Ashwin Solanki & Associates, Cost Accountants (Firm Registration No. 100392), as approved by the Board of Directors of the Company, for conducting audit of the cost records of the Company for the financial year ending March 31, 2021."

4. To approve the appointment of Mr. Sanjay Dube (DIN:00327906) as an Independent Director of the Company and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and the Articles of Association of the Company, Mr. Sanjay Dube (DIN: 00327906), who was appointed as an Additional Director (Independent) with effect from January 30, 2020, in respect of whom the Company has received a notice of candidature from a member under Section 160 of the Act and who meets the criteria of independence as prescribed under the Act and SEBI Listing Regulations and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as the Independent Director of the Company to hold office for a tenure of 5 (five) consecutive years with effect from January 30, 2020 to January 29, 2025, not being liable to retire by rotation."

5. To approve the appointment of Mr. Kanwar Bir Singh Anand (DIN: 03518282) as an Independent Director of the Company and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, and the Articles of Association of the Company, Mr. Kanwar Bir Singh Anand (DIN: 03518282), who was appointed as an Additional Director (Independent) with effect from April 1, 2020, in respect of whom the Company has received a notice of candidature from a member under Section 160 of the Act and who meets the criteria of independence as prescribed under the Act and SEBI Listing Regulations and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as the Independent Director of the Company to hold office for a tenure of 5 (five) consecutive years with effect from April 1, 2020 to March 31, 2025, not being liable to retire by rotation."

6. To approve the remuneration payable to Mr. Harsh Mariwala (DIN: 00210342), Chairman of the Board and Non-Executive Director of the Company, for the financial year 2020-21 and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013, if any, and the Rules framed thereunder ("the Act"), the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Articles of Association of the Company, the Company's Policy on Nomination, Remuneration & Evaluation, the resolution passed by the Members at the 27th Annual General Meeting of the Company held on August 5, 2015 approving the remuneration payable to the Non-Executive Directors of the Company, in aggregate up to 3% (three percent) of the Net Profits of the Company for any financial year, as computed in the manner laid down under the Act, approval of the Members be and is hereby given for payment of remuneration to Mr.

Harsh Mariwala (DIN: 00210342), Chairman of the Board and Non-Executive Director of the Company, as below, for the financial year 2020-21:

i. ₹ 40,000,000 (Rupees Four Crores only);

ii. Other benefits and entitlements like provision of office staff and cars, memberships to Club(s), health insurance and reimbursements for travel and entertainment as may be required for official purpose and as approved by the Board of Directors; and

iii. sitting fees as approved by the Board of Directors for all the Non-Executive Directors from time to time."

By Order of the Board
For **Marico Limited**

Hemangi Ghag
Company Secretary & Compliance Officer
FCS No. 9329

Place: Mumbai
Date : July 16, 2020

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

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India for special business under Item Nos. 3 to 6 of the Notice is annexed hereto.

2. Relevant documents referred to in this Notice shall be made available for inspection in accordance with the applicable statutory requirements based on requests received by the Company at investor@marico.com.

3. In view of the continuing COVID-19 pandemic and restrictions on movement of individuals at several places in the country, the Ministry of Corporate Affairs ("MCA") vide General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively and the Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("SEBI Circular"), have permitted companies to conduct AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020 without the physical presence of the Members at a common venue. In accordance with the above stated circulars and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has decided to conduct its 32nd AGM through VC/ OAVM. The Company has availed the services of Central Depository Services (India) Limited ("CDSL") for conducting AGM through VC/OAVM for enabling participation of Members, remote e-voting and e-voting during the AGM. The procedure for participating in the meeting through VC/ OAVM is explained at point no. 23 below.

4. The recorded transcript of the AGM will be hosted on the website of the Company post the AGM.

5. The AGM shall be deemed to be held at the Registered Office of the Company at 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, as prescribed under the abovementioned circulars.

6. As the AGM shall be conducted through VC / OAVM and physical attendance of Members has been dispensed with, the facility for appointment of Proxy by Members is not available for this AGM. Accordingly, proxy form and attendance slip including route map have not been annexed with this notice.

7. Non-individual Members (i.e., Institutional / Corporate Members) intending to participate through their Authorized Representatives are requested to send a scanned copy (in JPEG / PDF format) of a duly certified Board Resolution authorizing their representative(s) to participate and vote on their behalf at the AGM (through e-voting), pursuant to Section 113 of the Act, to the Company's Registrar and Share Transfer Agent at rnt.helpdesk@linkintime.co.in with a copy marked to helpdesk.evoting@cdslindia.com.

8. In case of joint holders participating at the AGM together, only such joint holder who is higher in the order of names will be entitled to vote.

9. Information required pursuant to Regulation 36(3) of the SEBI Listing Regulations read with the applicable provisions of Secretarial Standard-2, in respect of the Directors seeking appointment/ re-appointment, is provided in the Corporate Governance Report, forming part of the Annual Report 2019-20.

10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and any other documents referred to in the accompanying Notice and Explanatory Statements, shall be made available for inspection in accordance with the applicable statutory requirements based on the requests received by the Company at investor@marico.com.

11. Members who hold shares in dematerialised form are requested to direct any change of address/bank mandate to their respective Depository Participant. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividend.

12. Members holding shares in physical form are requested to notify/send any change in their address/bank mandate to the Company's Registrar and Share Transfer Agent at:

    Link Intime India Private Limited,
    C - 101, 247 Park, L. B. S. Marg,
    Vikhroli (West), Mumbai - 400 083.
    Tel No.: +91 -22- 49186270 Fax No.: +91- 22- 4918 6060
    E-mail: rnt.helpdesk@linkintime.co.in
    Website: www.linkintime.co.in

    Members may also address all other correspondences to the Registrar and Share Transfer Agent at the address mentioned above.

13. **Electronic Dispatch of Annual Report and Process for Registration of e-mail Id for obtaining the Annual Report:**

    Pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 36 of the SEBI Listing Regulations, companies can send Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository Participant(s). In accordance with the Circulars issued by MCA and SEBI and owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith) due to COVID-19 pandemic situation, such statements including the Notice of the 32nd AGM are being sent through electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice of the Meeting and the Annual Report 2019-20 is available on the Company's website www.marico.com, website of the Stock exchanges i.e. BSE i.e., www.bseindia.com and NSE i.e., www.nseindia.com. The AGM Notice is also disseminated on the website of CDSL i.e. www.evotingindia.com.

Members who have not registered their e-mail address with the Company or their Depository Participant are requested to register their e-mail address in the following manner:

For shares held in Physical form	1. Click on the link - https://www.linkintime.co.in/EmailReg/Email_Register.html 2. Select the name of the Company – **Marico Limited** 3. Mention Folio No. or DP/Client ID, Name of Member, Certificate No, Permanent Account Number (PAN), Mobile Number, Email-Id along with a self-attested copy of your PAN Card / Aadhar / Valid Passport etc.
For shares held in Dematerialized form	The Members holding shares in electronic mode are also requested to register/update their email address, PAN and Bank Account details with the Depository Participant where their respective dematerialised accounts are maintained.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in dematerialised form are therefore requested to submit their PAN to the Depository Participant(s) with whom they are maintaining their dematerialised accounts. Members holding shares in physical form can write to the Registrar and Share Transfer Agent with their PAN details.

15. Members may note that, as mandated by SEBI, effective April 1, 2019, requests for effecting transfer of securities held in physical mode cannot be processed by the Company, unless the securities are held in dematerialized form. Hence, Members are requested to dematerialize their shares if held in physical form.

16. Pursuant to the provisions of Section 72 of the Act read with the Rules made thereunder, Members holding shares in a single name may avail the facility of nomination in respect of the shares held by them. Members holding shares in physical form may avail this facility by sending a nomination in the prescribed Form No. SH-13 to the Registrar and Share Transfer Agent. The said form is available on the Company's website and can be downloaded using the web-link https://marico.com/india/investors/documentation/shareholderinfo. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

17. Members who wish to claim dividends that remain unclaimed / unpaid are requested to write to the Company's Registrar and Share Transfer Agent (at details mentioned hereinbelow) or the Company Secretary, at the Company's Registered Office. Members are requested to note that dividends that are not claimed or remain unpaid for 7 (seven) years from the date of transfer to the Company's unpaid dividend account will be / is transferred to the Investor Education and Protection Fund (IEPF). Further, equity shares in respect whereof dividend remains unclaimed / unpaid for 7 (seven) consecutive years will also be transferred to the IEPF as per Section 124 of the Act read with Rules notified thereunder, as may be amended from time to time. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5. The said form is available on the Company's website and can be downloaded using the web-link https://marico.com/india/investors/documentation/dividend.

18. Any person becoming a Member of the Company after the Notice of the Meeting is sent out through e-mail and holds shares as on the cut-off date i.e. **Friday, August 21, 2020**, may obtain the user ID and Password by sending a request to helpdesk.evoting@cdslindia.com and can exercise their voting rights through remote e-voting by following the instructions listed hereinbelow or by voting facility provided during the meeting.

<u>Instructions for Members for Remote e-voting:</u>

19. Pursuant to Section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations and the MCA Circulars mentioned above, a facility is provided to the Members to cast their votes using an electronic voting system from any place before the meeting ("remote e-voting") and during the meeting in respect of the resolutions proposed in this Notice using the platform of Central Depository Services (India) Limited ("CDSL").

20. A facility for e-voting at the AGM will be made available to the Members who have not already cast their votes by remote e-voting prior to the Meeting. Members who have cast their votes by remote e-voting prior to the Meeting may participate in the AGM but shall not be entitled to cast their votes during the meeting.

21. Voting Rights shall be reckoned on the paid-up value of equity shares registered in the name of the Members as on the cut-off date i.e. **Friday, August 21, 2020.** A person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the cut-off date, **i.e. Friday, August 21, 2020 only shall be entitled to avail the facility of remote e-voting.**

22. The remote e-voting period commences on **Monday, August 24, 2020** from **9:00 a.m.** IST and ends on **Thursday, August 27, 2020** at **5:00 p.m.** IST. The remote e-voting module shall be disabled by CDSL thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

<u>The details of the process and manner for remote e-voting are explained herein below:</u>

(i) The Members should log on to the e-voting website www.evotingindia.com.

(ii) Click on "Shareholders" module.

(iii) Now enter your User ID:

a. **For CDSL:** 16 digits beneficiary ID,

b. **For NSDL:** 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(iv) Next enter the Image Verification as displayed and Click on **"Login"**.

(v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(vi) If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	• Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vii) After entering these details appropriately, click on **"SUBMIT"** tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN of **MARICO LIMITED** to vote.

(xi) On the voting page, you will see "**RESOLUTION DESCRIPTION"** and against the same the option **"YES/NO"** for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.

(xii) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.

(xiii) After selecting the resolution, you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.

(xiv) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.

(xv) If a Member holding shares in dematerialized form has forgotten the password, the member can retrieve the same by entering the User ID and the image verification code and then by clicking on **"FORGOT PASSWORD"**. Members are requested to enter the details as prompted by the system.

(xvi) **<u>Note for Non – Individual Members and Custodians:</u>**

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the **"CORPORATES"** module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed at rnt.helpdesk@linkintime.co.in with a copy marked to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz.; investor@marico.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xvii) Members can also cast their vote using CDSL's mobile app **"m-Voting"**. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

23. **<u>Instructions for Members for participating in the AGM through VC/OAVM:</u>**

i. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Members login where the EVSN of Company will be displayed.

ii. The Members can start joining in 30 (thirty) minutes before the scheduled time of AGM and it will be kept open for 15 (fifteen) minutes after the start of AGM.

iii. The facility of participation at the AGM through VC/ OAVM will be made available to atleast 1000 Members on first come first served basis.

iv. In case of any assistance or difficulty in attending the AGM, the Members can get in touch with officials of CDSL as per the details mentioned hereinbelow:

- Send a request at www.evotingindia.com or use Toll free no.: 1800225533; or
- Send a request at helpdesk.evoting@cdslindia.com or contact the below mentioned officers at CDSL:
  - Mr. Nitin Kunder (022-23058738)
  - Mr. Mehboob Lakhani (022-23058543)
  - Mr. Rakesh Dalvi (022-23058542)

v. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

vi. Members are encouraged to join the Meeting through Laptops/IPads for a better experience.

vii. Further Members will be required to use Camera and Internet with a good speed to avoid any disturbance during the meeting.

viii. Please note that Participants Connecting from Devices via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

ix. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

24. **<u>The instructions for Members for e-voting on the day of the AGM are as under:</u>**

(a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

(b) Only those Members, who will participate in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

(c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(d) For details of the person who may be contacted for any assistance connected with the facility for e-voting on the day of the AGM, please refer Note No. 23 above.

(e) If any Votes are cast by the members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

25. **<u>Procedure to raise questions / seek clarifications with respect to Annual Report:</u>**

- As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, Demat account number / folio number, email id, mobile number to investor@marico.com. Questions / queries received by the Company **till 5:00 p.m. IST on Tuesday, August 25, 2020,** shall only be considered and responded to during the AGM.
- Members who would like to express their views or ask questions during the AGM may register themselves as

a speaker by sending an email to investor@marico.com **any time before 5:00 p.m. IST on Tuesday, August 25, 2020,** mentioning their name, Demat account number/ folio number, email id, mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM, depending on availability of time.

26. **General Guidelines for Members:**

    i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

    ii. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

    iii. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

27. The voting rights of Members shall be proportionate to their share of the paid-up capital of the Company as on the cut-off date i.e. **Friday, August 21, 2020**. Any person becoming Member of the Company after the dispatch of the Notice convening 32nd Annual General Meeting and holding shares as on the cut-off date may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or rnt.helpdesk@linkintime.co.in.

28. **Voting Results:**

    - The Board of Directors of the Company has appointed Mr. Makarand M. Joshi and in his absence, Mr. Omkar Dindorkar, of M/s. Makarand M. Joshi & Co., Practising Company Secretaries, Mumbai, as the Scrutinizer to scrutinize the voting including remote e-voting process in a fair and transparent manner.
    - The Scrutinizer shall immediately after the conclusion of voting at the Meeting will first count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-voting and shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a Director or Company Secretary authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
    - Once declared, the results along with the consolidated Scrutinizer's report shall be placed on the Company's website www.marico.com and on the website of CDSL www.evotingindia.com. The Company shall also forward the results to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.
    - Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. **Friday, August 28, 2020**.

By Order of the Board
For **Marico Limited**

Hemangi Ghag
Company Secretary & Compliance Officer
FCS No. 9329

Place: Mumbai
Date : July 16, 2020

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARD - 2 ON GENERAL MEETING ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Item No. 3:

The provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended, mandate audit of the cost accounting records of the Company in respect of certain products of the Company. Accordingly, the Board of Directors, based on the recommendation of the Audit Committee, at its meeting held on May 4, 2020, appointed M/s. Ashwin Solanki & Associates, Cost Accountants (Firm Registration No. 100392), Mumbai, as the Cost Auditors of the Company for the financial year ending March 31, 2021, at a remuneration of ₹ 9,00,000/- (Rupees Nine Lacs only) plus applicable taxes and reimbursement of out of pocket expenses incurred, if any, in connection with the Cost Audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors must be ratified by the Members of the Company. Accordingly, consent of the Members if sought for the remuneration payable to the Cost Auditors.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the passing of the said resolution.

The Board recommends passing of the resolution at Item No. 3 of the Notice as an **Ordinary Resolution** by the Members.

Item 4 & 5:

The Board of Directors, based on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Sanjay Dube as an Additional Director (Independent), with effect from January 30, 2020 and Mr. Kanwar Bir Singh Anand as an Additional Director (Independent), with effect from April 1, 2020, both for a term up to 5 (five) consecutive years each from the date of their respective appointments, subject to the approval of the Members at the Annual General Meeting.

Mr. Sanjay Dube & Mr. Kanwar Bir Singh Anand are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have consented to act as Independent Directors of the Company. The Company has also received from the above named Directors, declarations to the effect that they meet the criteria of independence as prescribed under Section 149 of the Act and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and declarations that they are not debarred from holding office of director by virtue of any SEBI order or any other such authority.

In the opinion of the Board, both the Directors fulfil the conditions of Independence as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for such appointment and are independent of the Management.

Brief profile of both the Directors, nature of their expertise in specified functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read together with Secretarial Standard – 2 are provided in the Corporate Governance Report forming part of the Annual Report.

Copies of the draft letters of appointment of the said Directors setting out the terms and conditions of appointment are available for inspection by the Members subject to prior written intimation to the Company Secretary & Compliance Officer. The remuneration of the Independent Directors will be 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 within the limit of 3% (three percent) of net profits of the Company approved by Members on August 5, 2015.

Except Mr. Sanjay Dube & Mr. Kanwar Bir Singh Anand, the appointee Directors, none of the other Directors, Key Managerial Personnel, of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolutions proposed in Item Nos. 4 & 5 respectively.

The Board of Directors believes that the association of these Independent Directors would be of immense benefit to the Company considering their expertise and experience and accordingly, recommends passing of the resolutions set forth under Item Nos. 4 & 5 of the accompanying Notice as **Ordinary Resolutions** by the Member.

Item No. 6:

Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires companies to obtain approval of the Members by passing of a special resolution, every year, for payment of remuneration to a Non-Executive Director exceeding 50% (fifty percent) of the total annual remuneration payable to all Non-Executive Directors.

Mr. Mariwala is the Promoter, Non-Executive Director and Chairman of the Board of Directors of the Company. In 1990, he was appointed as the Vice-Chairman and Managing Director and in April 2000, he became the Chairman and Managing Director of the Company. He was re-designated as the Chairman and

Non-Executive Director effective from April 1, 2014. However, he continues to play an important role in guiding the MD & CEO for ensuring sustainable profitable growth of the Company.

In his capacity as the Chairman, Mr. Mariwala guides the Managing Director & CEO on the Company's long-term strategic imperatives. He also engages with the Board for improving the effectiveness of the Board's functioning and also on the corporate social responsibility agenda of the Company.

In light of the role that he is expected to play, the proposed remuneration structure of the Chairman is devised so as to be commensurate with the efforts and inputs that he provides to the Company and to the MD & CEO and accordingly he is entitled to an additional remuneration for his engagement beyond Board meetings which is based on industry benchmarks.

The Board of Directors on recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members, approved the remuneration of the Chairman of the Company and further recommends the same for the approval of the Members.

Except Mr. Harsh Mariwala, Mr. Rishabh Mariwala, Mr. Rajendra Mariwala and their relatives, none of the other Directors, Key Managerial Personnel, of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution proposed in Item No. 6.

The Board recommends the passing of Item No. 6 of the Notice as a **Special Resolution** by the Members.

By Order of the Board
For **Marico Limited**

Hemangi Ghag
Company Secretary & Compliance Officer
FCS No. 9329

Place: Mumbai
Date : July 16, 2020

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

marico
make a difference

PRODUCTS THAT
IMPROVE LIVES

GROWTH THAT BRINGS
STEADY RETURNS

EMPOWERED PEOPLE
WHO LEARN AND GROW

CARE FOR COMMUNITIES
AND THE ENVIRONMENT

THIS PASSION TO DELIVER
MAKES US WHO WE ARE

AND FOR US, THIS HAS MADE ALL THE DIFFERENCE

INTEGRATED REPORT 2019-20

About this Report

This is Marico's second Annual Integrated Report.

We continue to move forward in our reporting journey to inform our stakeholders about the organisation's value creation process, using both financial and non-financial resources.

Reporting framework

The financial statements and statutory disclosures including the Board's Report, Management Discussion and Analysis (MDA), and 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 International Integrated Reporting <IR> framework, published by the International Integrated Reporting Council (IIRC). The Key Performance Indicators (KPIs) reported are as per the Global Reporting Initiative (GRI) Standards 'Core' option. The Report is also aligned with the nine principles of the Ministry of Corporate Affairs' National Voluntary Guidelines (NVGs) 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 non-financial information is limited to the Company's operations in India, unless otherwise specified at relevant sections.

Reporting period

The Report covers financial and non-financial performance of the Company from April 1, 2019 to March 31, 2020.

Management responsibility statement

The management of Marico acknowledges its responsibility in ensuring the integrity of the Integrated Report. The management also confirms that the Report addresses all material matters pertaining to the organisation and its stakeholders, and communicates the organisation's ability to pursue prospects and mitigate risks.

Assurance of report content

Reporting Element	Assurance Status
Financial information	The financial statements presented in the report have been audited by BSR & Co. LLP
Selected non-financial performance metrics	The energy and emission related disclosure for India operations have been audited by DNV GL Business Assurance India Pvt. Ltd.
All other non-financial performance information	Internally verified and assured by the Management

Restatement

The changes in reporting, with respect to the organisation and supply chain, if any, are mentioned at respective sections as notes.

At Marico, we are driven by the aspirations of our stakeholders.

A purpose-led organisation, our work ethic is centred around giving back more than what we take. For the past thirty years, this has enabled our transformative journey, which has delivered superior value for all our stakeholders.

True to our ethos, today, as we continue to innovate, transform and grow, we stay committed to effectively 'making a difference'.

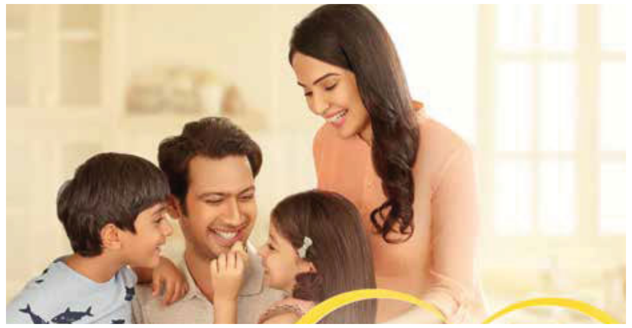
Read the full report online at –
www.marico.com/page/DigitalReport2019-2020

Any queries/feedback, to be directed to –
investor@marico.com
sustainability@marico.com

Inside this Report

₹1,043 Crore
Net Profit After Tax*

96 %
Dividend Pay-out Ratio



118 Million
Indian households reached during the year

58,000
Villages in India reached through stockist network

40%
Leadership hires in FY20 are women

56%
Of total management trainees hired from premier B-schools of India are women

*excluding one-offs

5.1 Million
Distribution retail outlets in India
(Source: Nielsen)

800 +
No. of value-chain partners associated in India

640 Million litres
Water conservation capacity created in India

₹19 Crore
Total Corporate Social Responsibility expenditure during the year

79%
Overall renewable energy share of India operations

68%
Reduction in Greenhouse Gas (GHG) emission intensity (2013 base year)

About Marico

Who we are

Marico Limited is one of India's leading consumer goods companies operating in global beauty and wellness categories. With its headquarters in Mumbai, Marico is present in over 25 countries across emerging markets of Asia and Africa. It nurtures leading brands across categories of hair care, skin care, edible oils, healthy foods, male grooming, and fabric care.

₹7,315 Crore
Turnover

₹1,043 Crore
Net Profit after Tax*

*excluding one-offs

Marico touches the lives of one out of every three Indians, through its portfolio of brands, such as Parachute, Saffola, Saffola FITTIFY Gourmet, Hair & Care, Parachute Advansed, Nihar Naturals, Mediker, Veggie Clean, Kaya Youth, Coco Soul, Revive, Set Wet, Beardo and Livon.

Marico has eight factories in India, located at Puducherry, Perundurai, Jalgaon, Guwahati, Baddi, Paonta Sahib and Sanand.

The International business portfolio includes brands such as Parachute, Parachute Advansed, HairCode, Mediker SafeLife, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Sedure, Thuan Phat and Isoplus.

1 out of 3
Indians use Marico products

8
Factories in India

Our Values

Consumer Centric

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

Transparency and Openness

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

Opportunity Seeking

Identifying early opportunity signals in the environment to generate growth options

Bias for Action

Preference for quick thoughtful action as opposed to delayed action through analysis

Excellence

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

Boundarylessness

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

Innovation

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

Global Outlook

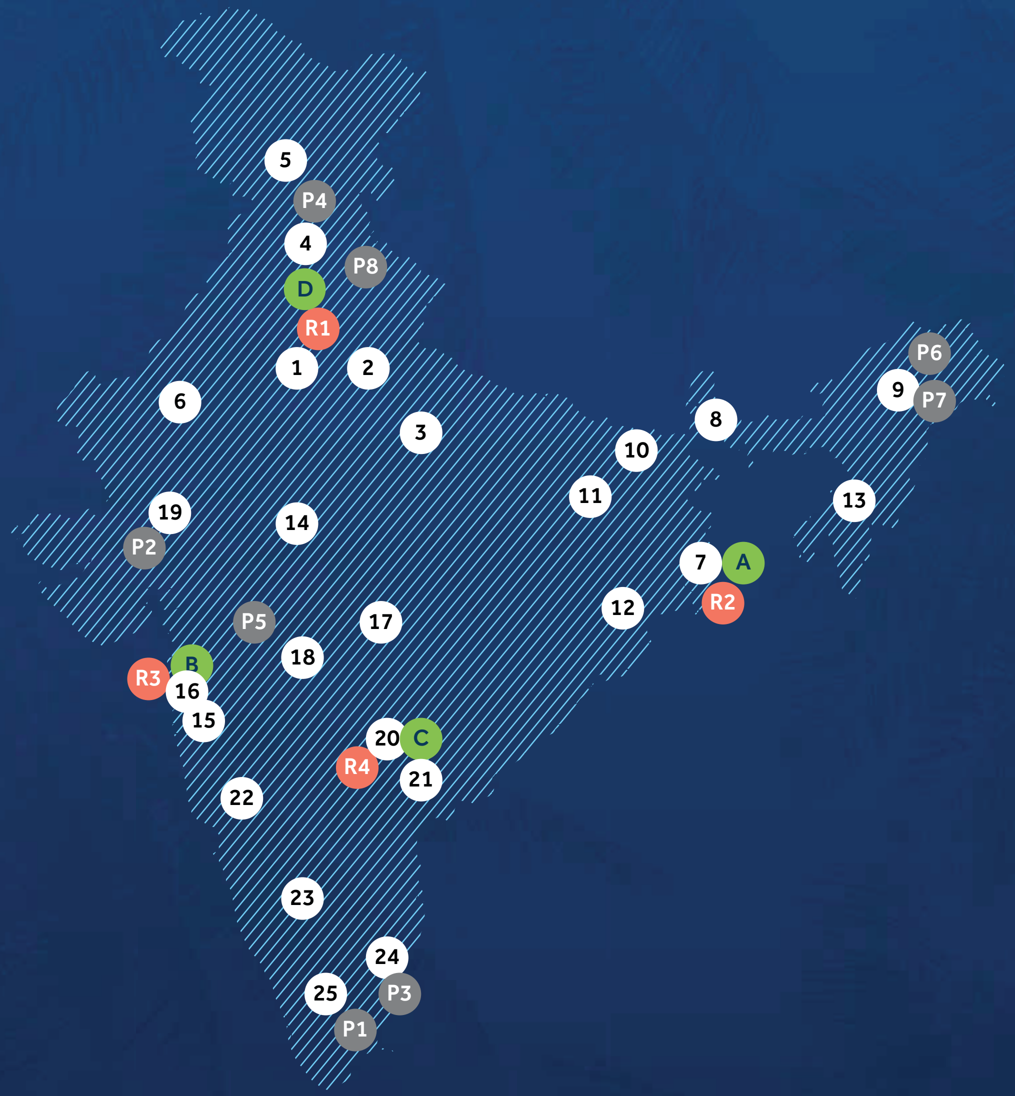
Sensitivity and adaptability to cultural diversity and learning from different cultures

Geographical Presence

Spreading wings in India and beyond

25

Depots enabling reach across the country



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

23%

Share of International FMCG Business

National Markets

Depots

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

Redistribution Centres

A Kolkata
B Bhiwandi
C Hyderabad
D Sonipat

Regional Offices

R1 New Delhi
R2 Kolkata
R3 Mumbai
R4 Hyderabad

Plant Locations

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

International Markets

North Africa and the Middle East

1 Egypt
2 Middle East

South Asia

3 India
4 Bangladesh

South East Asia

5 Vietnam
6 Myanmar

South and Sub-Saharan Africa

7 South Africa

Resilient portfolio of trusted brands

INDIA

Coconut Oil

Nihar Naturals Uttam Coconut Oil

Parachute Coconut Oil

Nihar Naturals Coconut Oil

Super Premium Refined Edible Oils

Saffola Active

Saffola Tasty

Saffola Gold

Saffola Total

Value-Added Hair Oils

Parachute Advansed
Hot Oil
Gold Coconut Hair 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 Coconut Hair Oil
Perfumed Coconut Hair Oil
Gold Coconut Hair Oil

Hair & Care
Olive and Vitamin E
Dry Fruit Oil

Healthy Foods

Saffola Oats

Saffola Masala Oats

Saffola Perfect Nashta

Coco Soul Virgin Coconut Oil

Saffola FITTIFY Gourmet Range

Premium Hair Nourishment

Livon Serums Range

Hair & Care Silk n Shine Leave-In Hair Conditioner

Male Grooming & Styling

Set Wet
Hair Gels and Waxes
Deodorants
Studio X Range

Beardo

Parachute Advansed Men Aftershower Hair Cream

Skin Care

Kaya Youth
Oxy Infusion Range
Hydro Replenish Range

Parachute Advansed
Body Lotion
Body Gel
Body Oil

Hygiene

Mediker
Hand Sanitizer

Veggie Clean

Our Products

BANGLADESH

Coconut Oil, Hair Care, Skincare, Babycare, Male Grooming & Styling, Edible Oils and Hygiene

Parachute Coconut Oil

Value Added Hair Oils
Parachute Advansed Beliphool
Parachute Advansed ExraCare
Parachute Advansed Aloe Vera
Nihar Naturals Shanti Badam Amla
Nihar Naturals Joba Amla
Nihar Naturals 5 Seeds

Skincare
Parachute SkinPure Body Lotion
Parachute SkinPure Petroleum Jelly
Parachute SkinPure Aloe Vera Gel
Parachute SkinPure Beauty Olive Oil

Hair Serum
Livon

Hair Colour
Hair Code

Set Wet
Deo
Hair Gel

StudioX
Deo
Hair Gel
Face Wash
Styling Shampoo

Parachute Just For Baby
Just For Baby Oil
Just For Baby Lotion
Just For Baby Wash
Just For Baby Soap
Just For Baby Powder

Mediker SafeLife
Hand Sanitizer
Hand Wash
Veggie Wash

Saffola Active

VIETNAM

Male Grooming & Styling, Female Grooming and Foods

X-Men

Sedure

Thuan Phat

MYANMAR

Hair Care & Styling, Male Grooming

Parachute Advansed Coconut Hair Oil

Silk n Shine Serum

Code 10

SOUTH AFRICA

Hair Care, Healthcare and Skincare

Caivil
Hair Colour
Fusion Oil
Oil Moisturiser
Mend n Grow Hair Foods

Black Chic
Coconut Hair Food
Oil Sheen Spray With Avocado Oil
Natural Kids Detangler
Hair Colour
Avocado Oil Moisturising Lotion

Isoplus
Oil Sheen Spray
Designing & Holding Spritz
Holding & Edge Control Gel
Styling Gel
Dreadlocks Moulding Gel

Just For Kids
Relaxer
Hair Food
Detangler
Pink Oil Moisturiser

Just for Baby
Petroleum Jelly
Aqueous Cream
Talc Powder
Baby Oil

Hercules
Coconut Oil
Castor Oil
Eucalyptus Oil
Beauty Butter
Calamine Lotion

Ingwe
Stamina mixture
Tokoloshe Salts
Vusa Um Zimba

MENA

Coconut Oil, Hair Care, Male Grooming & Styling

Parachute Coconut Oil

Parachute Gold Range

Parachute Advansed Hair Oils

Parachute Sampoorna Hair Oil

Parachute Virgin Coconut Oil

HairCode

Fiancée

Performance Highlights FY20

Performing across the triple bottom line

Business Performance

₹7,315 Crore
(US$ 1.03 Billion)
Consolidated turnover

11%
Consolidated EBITDA growth (y-o-y)

200 bps
Y-o-Y EBITDA margin expansion

13%
Y-o-Y Growth in consolidated Profit After Tax (excl. one-offs)

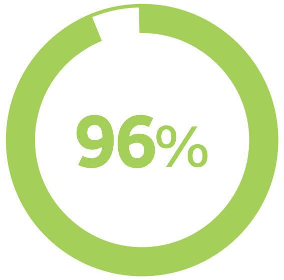
58,000
Villages in India reached through the stockist network

5.1 Million
Overall distribution reach in terms of number of retail outlets in India
(Source: Nielsen)

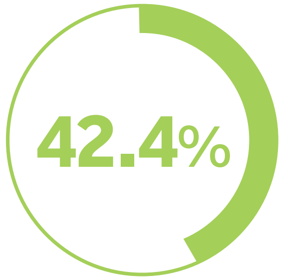
118 Million
Indian households reached during the year
(Source: IMRB)

22%
Domestic revenue contribution from modern trade and e-commerce
(up from 17% in FY19)

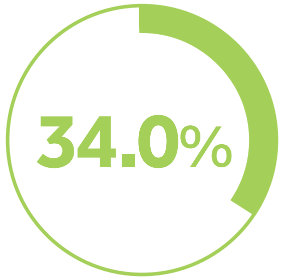
₹704 Crore
Economic Value Added



Dividend pay-out in FY20



Return on Capital Employed

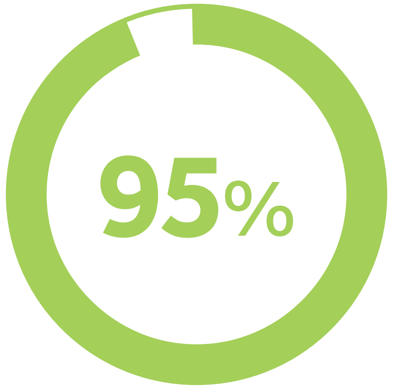


Return on Net Worth

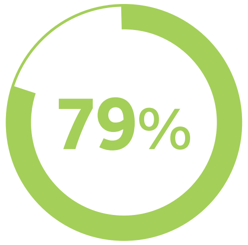
Environment Performance

(India operations)

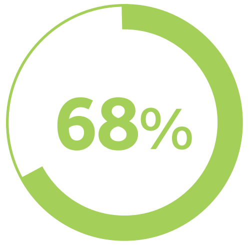
640 Million litres
Water conservation capacity created (Cumulative conservation capacity stands at 1.36 Billion litres)



Packaging material used are recyclable by weight



Total energy consumed is from renewable sources



Reduction in Green House Gas (GHG) emission intensity from base year (20% reduction from previous year)

Social Performance

(India operations)

1 Million+
Students received access to quality education under 'Nihar Shanti Pathshala Funwala' since inception

79,391
Student beneficiaries under 'Educate Girls' programme

9,550
Coconut farmers enrolled under the 'Parachute Kalpavriksha' programme (Cumulative enrolment of 21,043 farmers)

58%
Of members in marketing, HR and technology are women

Making a difference in the new normal

Harsh Mariwala
Chairman

Dear Shareholders,

It is with immense pleasure that I present to you the second Integrated Report of your Company. The year under review has presented a variety of challenges with economic growth in India weakening quarter-on-quarter amidst a severe liquidity slump, falling consumption trends, especially in rural, and last but not least, the outbreak of COVID-19 in March, which has not only elevated the economic challenges, but also adversely affected the society, at large.

Macro environment

The COVID-19 pandemic is dealing a severe blow to the global economy. Lockdowns and other restrictions needed to address the public health crisis, together with spontaneous reductions in economic activity by many consumers and producers, constitute an unprecedented combination of adverse shocks that is causing deep recession in many advanced economies as well as Emerging Market and Developing Economies (EMDEs). As per the *World Economic Situation and Prospects as of mid-2020* released by the United Nations in May 2020, global Gross Domestic Product is expected to shrink by 3.2% in 2020, with only a gradual recovery of lost output projected for 2021.

In India, the uninspiring trajectory of key macro-indicators during the year under review, belied expectations of a strong reform-led push for growth. Subsequently, the severe curtailment of economic activities and social distancing necessitated by the outbreak of the coronavirus pandemic, has further clouded the near-term outlook. The World Bank has projected the Indian economy to contract by 3.2% in FY21. However, the government has announced various fiscal and monetary measures to mitigate the economic fallout, the positive impact of which, is expected to be seen in the medium-term. Hopes of a faster recovery in the rural sector rest on improvement in agricultural output, on the back of a favourable monsoon forecast, good harvest of Rabi crops, recent APMC reforms, hike in Minimum Support Prices (MSPs) and higher allocation under MNREGA. The pace and sequence of recovery from the crisis will largely depend on the efficacy of public health and fiscal measures, containing the spread of the virus, minimising risks of reinfection, protecting jobs and incomes and restoring consumer confidence.

While Mr. Saugata Gupta, the Managing Director and CEO of your Company, will share an overview of the performance in his message, I would describe FY20 as a year of some hits and a few misses, as the business delivered a flat topline vis-à-vis last year, but posted healthy earnings growth due to improvement in profitability in an accommodative input cost environment. While we begin FY21 in the clutches of a pandemic, I believe in your Company's ability to cope with the rapidly evolving dynamics in supply chain and consumer behaviour and emerge stronger from this crisis. It will be our constant endeavour to fortify the enterprise through resolute focus on, and consistent investment behind, what we believe are the strategic building blocks, i.e. brand, talent and culture, which will allow us to effectively adapt to the new normal, and stay true to our purpose of creating value for all stakeholders in a sustainable manner.

Sustainability at Marico

If the world today is moving slowly, but consistently, towards conscious and responsible action, it's because of one simple idea: everyone can be a change-maker. It's a precept that Marico has believed in for years. In every layer of our organisation, and in the DNA of every member, is embedded a desire to make a difference; to adopt every possible measure, big or small, that will take us further along the road to sustainability. Creation of shared value, defined as one of our strategic pillars, is fundamental to the purpose of your Company's existence. We see it, not only in bottom lines and awards, but also in enhanced relationships, a safer, cleaner environment and a corporate ethos that has sustainability embedded in its very core.

During the year, your Company demonstrated steady progress and success in various programme that have been underway to create a sustainable ecosystem along the stated focus areas, namely responsible resource consumption, climate change, circular economy, sustainable supply chain, product responsibility and community development.

In response to climate change, your Company has been able to improve the share of renewable energy in its operations to 79% at the end of FY20. I am also pleased to share that Marico's manufacturing unit at Perundurai, Tamil Nadu, was certified as 'Carbon Neutral' by DNL GV Assurance India Pvt. Ltd. and also achieved a 'Platinum' rating as per the GreenCo Rating System by CII-Godrej Green Business Centre.

Further to our commitment to addressing plastic waste management, your Company completed several successful trials to use recycled plastic under the 'UpCycle' programme, and have been actively working towards completely phasing out the use of PVC in our product packaging, by the end of next year. We also duly completed our Extended Producers Responsibility (EPR) commitment for FY20, to collect and effectively dispose 50% of post-consumer use multi-layer packaging waste.

Water is a core thrust area of our sustainability agenda and we aim to promote effective conservation and management of the country's water resources. With the 'Jalaashay' initiative, we have been able to create 640 million litres of additional water harvest potential this year, which is equivalent to 3.2 times the water footprint in our operations. We also completed construction of 95 additional farm ponds in Tamil Nadu and Puducherry, and de-silting activity of 77 water bodies in Maharashtra.

Your Company strives to make a measurable difference to the life of the coconut farmer through our flagship programme, Parachute Kalpavriksha. The cumulative farmer enrolment under the programme now stands at 21,043, thereby covering over 1.28 Lakh acres of coconut farms.

Your Company stands united with all stakeholders to alleviate the hardships posed by the ongoing COVID-19 crisis. We have been able to contribute towards providing meals for migrant labourers, the police force, health-workers and other disadvantaged sections of society, in partnership with various government agencies. We also attempted to safeguard lives of those who are fighting the battle on ground – primary healthcare workers, the police force and emergency services staff, by providing personal protective equipment. Your Company also pledged contribution to the PM CARES Fund to support the government's efforts to fight the pandemic.

Since its inception in 2003, the Marico Innovation Foundation has strived to fuel and nurture innovation in India. The Foundation also responded to the growing seriousness of the COVID-19 pandemic by launching a first of its kind grand challenge, Innovate2Beat COVID, in March 2020, to harness the power of innovation to solve current and potential challenges that our medical fraternity stands to face, with respect to the shortage of ventilators, respiratory solutions as well as PPE solutions in hospitals and medical centres during this crisis.

Looking ahead

As an organisation, Marico has established a distinct culture that is unique, not just to the Company, but also to the way Mariconians function. Derived from the Company's core values, our culture defines who we are and how we conduct ourselves on each and every day. It is the DNA of our organisation, which is embedded in every member across hierarchies and geographies.

Given the far-reaching economic impact of the COVID-19 crisis so far, the path to recovery from this setback is expected to be slow and gradual. The sudden and unprecedented disruptions in current times have emphasised that agility and consumer centricity are necessary attributes for an organisation to navigate through the challenging times unscathed, and effectively turn adversity into opportunity. Innovation and collaboration across the value chain will set successful companies apart. I am enthused by our recent foray into the Hygiene category, which is slated to be one of the fastest growing categories over the medium-term. We plan to build a winning portfolio and deliver sustained growth in this segment on the back of innovation, investment behind brand building and strong execution.

The near-term uncertainty notwithstanding, your Company remains steadfast in its efforts towards becoming a leading emerging market multinational, and consistently providing solutions to delight its consumers.

I continue to act as the Non-Executive Chairman of the Board, while Saugata 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 (CSR) 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 goal. Earlier this year, Mr. Sanjay Dube and Mr. Kanwar Bir Singh Anand were appointed as Independent Directors on the Board of Directors of your Company. I would like to take this opportunity to welcome them to Marico's journey towards 'Making a Difference'. Your Company stands committed to upholding the highest standards of corporate governance.

It is the passion and dedication of your Company's team members that has enabled its progress so far and will be a key constituent to the success in future endeavours. I would like to thank each and every one of them for their constant engagement, commitment and support. I would also like to extend my sincere gratitude for the continued guidance and support of your Company's Board. I also convey my heartfelt appreciation for all our business partners, vendors and other business associates, who have continued to collaborate with your Company over the years. We deeply value the overwhelming faith maintained by all our shareholders over the years. We sincerely look forward to your continued partnership as we chart the course of the best years for Marico.

Warm regards,

Harsh Mariwala
Chairman

MD & CEO's Message

Differentiating our way forward

Saugata Gupta
MD & CEO

Dear Shareholders,

I am pleased to present to you Marico's Integrated Report for the year ended March 31, 2020.

The year under review was unprecedented in many ways – a very difficult macroeconomic condition, plagued by demand slowdown across categories, with probably an exception of foods and allied categories, and culminating with a once-in-a-century phenomenon of a pandemic, the COVID-19 outbreak. Your Company's performance was a mixed bag, marred to a large extent by the adverse macro conditions and also a few internal performance misses. While the top line growth was muted, your Company did reasonably well on profits as the gross margins expanded amidst benign raw material scenario. Your Company's trusted brands across all the key franchises continued to strengthen their position with market share gains over the previous year. The pandemic has disrupted operations severely ever since its breakout in March'20. However, I have full confidence in your Company's members and associates, whose dedication and bias for action will ensure that your Company not only fights adversity, but also come out as a winner. I take this opportunity to thank them all.

FY20 overview

While the Management Discussion and Analysis (MD&A) in this Report provides a detailed account of our performance, I will attempt to sum up the year that was. Your Company started off on a positive note in the first quarter, but was unable to maintain a momentum in the face of a challenging macro environment that was characterised by progressively weakening consumer sentiment, liquidity constraints in the domestic business and COVID-led disruption in March. In line with sectoral trends, it was the Edible Oils and Foods segments that did well during the year, while personal care categories were subdued. However, despite the muted volume growth for the year, your Company's brands continued to gain market share across each of its key franchises and outperform the overall category, which witnessed negative to muted growth. While traditional trade declined in both urban and rural, modern trade and e-commerce sales grew steadily, with contribution rising to 17% and 5% of the India business respectively.

The International business had a relatively better year, with a mid-single constant currency growth and a healthy improvement in profitability. Bangladesh continued its stellar performance by delivering double digit constant currency growth. Vietnam delivered mid-single digit constant currency growth, as growth was impacted by moderating growth trends in the Home and Personal Care category. Businesses in the Middle East, North Africa and South Africa had a lacklustre year due to the unfavourable macro-economic backdrop and the impact of the pandemic in the last quarter. The New Country Development and Exports business continued to show promise.

Strategic overview and outlook

Going forward, your Company will stay focused on delivering sustained profitable volume growth and market share gains by **growing the core portfolio, creating new engines of growth** with portfolio expansion in existing and new categories and markets, while consistently moving along the path of **creating shared value**. Consumer centric **innovation**, adaptive **business and GTM models**, leveraging **technology and automation, cost management**, nurturing **talent and culture and mainstreaming sustainability** will remain key enablers in this journey.

While the current economic scenario is unprecedented and continues to be unpredictable in the near term, your Company expects to contain the impact given that about 85% of the portfolio comprises daily-use items. We witnessed relatively weaker consumption trends in rural India through the year. However, recent government stimulus packages, agricultural sector reforms, higher agricultural output, good rabi harvest and projections of a near-normal monsoon bode well for disposable incomes in the coming year, while the reverse migration of labour would also lead to a shift in the consumption base. As availability has now become more critical than ever, your Company continues to invest in upgrading its GTM infrastructure in urban and rural, with a focus on expanding its direct reach. With more than 90% of portfolio comprising trusted leader brands, your Company is aggressively working towards enhancing the value proposition across its key franchises.

As consumers are now increasingly conscious of nutrition, health, hygiene and immunity as a part of their lifestyle, this calls for companies to realign their portfolio so they can actively innovate and adapt to this trend. Your Company's recent foray into the Hygiene segment is a step in this direction, and it is working on a pipeline of new products for a sustained and meaningful play in this segment.

In the International business, your Company has systematically invested to strengthen both its brands and the requisite leadership and organisational capabilities. In Bangladesh, we will leverage its distributive strength to further consolidate market shares in the core portfolios, scale up new launches of FY20 as well as enter new categories. Being a market leader, the Vietnam business will continue to invest in the male grooming category and excellence in sales and distribution systems. An aggressive cost management programme is also underway in Vietnam, which will enable resource generation for brand building. Your Company remains cautious on the outlook for the MENA business but will be aggressive on cost management to enable it to tide over the challenging macros. We expect to protect the core franchise of ethnic hair care and healthcare in South Africa over the medium-term. We will also continue to invest in developing new export markets and scaling this business profitably.

Your Company holds its medium-term aspiration of delivering 13-15% revenue growth on the back of 8-10% volume growth in the India business and double-digit constant currency growth in the International business. We expect to maintain operating margin at 19% + over the medium term.

We will continue to invest behind brand building to support market growth initiatives in core categories and expansion into adjacent categories. With consumers spending significantly more screen time, your Company is reallocating A&P spends from non-media to media channels to drive share of voice in the core portfolios in the near-term, in addition to rationalising investment in premium/discretionary portfolios, which are witnessing lower demand. In addition, your Company continues to maintain a tight grip over costs across the organisation and is aggressively working towards cost transformation to extract savings that can be redeployed towards pricing and profitable growth.

Responsible Marico

Sustainability is a long-term commitment and a way of life at Marico. Your Company believes in conscious capitalism, and therefore, recognises its responsibility as a corporate citizen to partner with each of its stakeholders to create sustainable value for all.

In addition to the progress in the initiatives mentioned in the Chairman's message, we have extended our vision of sustainability on to our value-chain partners. During the year, we made steady progress on our responsible sourcing initiative under 'SAMYUT', by completing certification of 22% of our critical value-chain partners.

The COVID-19 outbreak has been especially harsh on certain sections of the society that have been the worst affected in this crisis, either due to loss of employment or unavailability of daily necessities. Your Company has attempted to contribute by providing meals and personal protective equipment to the disadvantaged members of our society and those in essential services who are fighting at the forefront round the clock. Also, with most of our distributors now resuming operations, we have ensured our distributor salespersons are covered under insurance for COVID-19 related treatment and have also provided monetary assistance to them. We also created a collective fund through voluntary member contributions aided with equivalent contribution from your Company to help the front-line teams of our business partners, who are working on-ground and ensuring the availability of Marico products to consumers.

Our people help us stay ahead

On the announcement of the national lockdown, all offices across India were shut down and the 'Work from Home' policy was enforced. Since then, some of our offices have resumed with limited attendance in adherence with the government directions/advisories. Similarly, there have been total or partial lockdowns in our overseas markets as well. Despite the unprecedented times we are currently operating in, the exceptional level of grit, agility and spirit of collaboration that each and every member of your Company continues to exhibit, has been exhilarating to witness. I would like to express sincere gratitude to the entire team, for their passion and dedication that is the essence of the organisation Marico is today. I am pleased to share that your Company has been recognised amongst **India's 5 Best Workplaces in FMCG** as per the study conducted by Great Place to Work® Institute and The Economic Times in 2020, and is also ranked as the one of the **25 Most Desirable Companies To Work for** across sectors, as per the Dare2Compete Employer Branding Report 2020.

Your Company has been able to consistently create value for all its stakeholders on the back of the leadership position and resilience of its trusted brands, an empowering and enterprising culture and focus on best-in-class governance and risk management. We believe it is our will to always keep punching above our weight and the unflinching support of all stakeholders that has and will continue to power us on. I would, therefore, like to 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 exemplary faith in Marico's ability to 'make a difference'.

Warm regards,

Saugata Gupta
MD & CEO

Our Value Creation Paradigm

Our pillars of value creation

Resources we depend upon to create value

Our ability to create value depends upon the use of six capitals:

Financial
Human
Manufactured
Social & Relationship
Intellectual
Natural

Refer Page 20 for more information

Stakeholders we rely on and create value for

We believe that mutual and inclusive growth is necessary, and strive to maintain the right balance towards meeting stakeholder interests through continuous and proactive engagement.

Consumers
Value-chain partners
Shareholders
Government & Regulators
Employees
Community

Refer Pages 22 to 23 for more information

Our strategic pillars

Marico remains committed towards sustainable value creation through a 'consumer-' and 'community-' centric strategy. Below are the three strategic pillars that accelerate our journey on sustainable value creation over the short-, medium- and long-terms.

Grow the core
New growth engines
Create shared value

Refer Pages 26 to 27 for more information

Our strategy enablers

These enablers focused towards Marico's transformation prepare it for the emerging new realities and changing consumer needs.

Business and Go-to-Market models
Product innovation
Technology and automation
Cost management
Talent and culture
Mainstreaming Sustainability

Refer Pages 28 to 29 for more information

How we create value

Marico's focus on delivering sustainable profitable growth has translated into a compounded annual growth of 16% in top-line and 23% in profits, since inception.

16% Growth in top-line

23% Growth in profits

We aspire to tread the path of value-based growth by ensuring business sustainability and creating differentiated benefits to all our stakeholders, by partnering in their growth agenda through continuous engagement. The value-accretive business opportunities in this environment sets us on a path of accelerated, yet sustainable growth, thus benefitting all.

Our Capitals

Capitals	Description
Financial	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 talent and brand building, which enables it to consistently deliver effective customer value proposition and expand its consumer franchise.
Manufactured	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.
Natural	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 an approach encompassing clean and green technology, responsible consumption and circular economy.
Human	The organisational culture at Marico encourages collaboration. Our talent value proposition rests on continuously challenging, enriching and fulfilling the aspirations of our members so that they maximise and realise their true potential.
Social & Relationship	Marico lives by its purpose of 'Make a Difference', and continuously strives to make a positive impact on all its stakeholders. We remain committed towards driving inclusive agenda with our value-chain partners and well-being programmes for the community, the nation, and the world at large.
Intellectual	Through Research and Development, we remain focused on developing brands and new products that are most trusted by consumers. We also focus on investing in new technologies and innovation to create safer, smarter and simpler processes.

Creating consistent value

INPUTS

Financial Capital

- Debt: ₹338 Crore
- Equity: ₹3,023 Crore
- Capex: ₹194 Crore
- Working capital: ₹1,397 Crore

Manufactured Capital

- **8** Domestic manufacturing facilities
- **5** International manufacturing facilities
- **25** depots and warehouses

Natural Capital

- **202,886 m³** Water consumed
- **340,152 GJ** Energy consumed
- **282,928 MT** Raw material used
- **36,077 MT** Packaging material used

Human Capital

- **1,631** Total number of employees in India

Social & Relationship Capital

- **₹19 Crore** Investment on CSR initiatives in FY20
- **800+** value-chain partners
- **5.1 Million** Strong retail outlets network
- **60+** On-field agronomists under 'Parachute Kalpavriksha' programme

Intellectual Capital

- **₹31 Crore** Investment in R&D
- **73 members** R&D Strength
- **9.9%** Of sales in FY20 invested in brand building

VALUE CREATION APPROACH

Purpose

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

Values

- Consumer centric
- Transparency and openness
- Opportunity seeking
- Bias for action
- Excellence
- Boundarylessness
- Innovation
- Global outlook

Strategic Pillars

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

Business activity

Enablers

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

Capitals we depend upon

- Financial
- Manufactured
- Intellectual
- Human
- Natural
- Social and Relationship

Stakeholders we rely upon

- Shareholders
- Consumers
- Employees
- Value-chain Partners
- Community
- Environment
- Government and Regulators

OUTPUTS

Portfolio: Beauty & Wellness

Coconut Oil

Parachute, Nihar Naturals and Oil of Malabar

Value Added Hair Oils

Nihar Naturals, Parachute Advansed and Hair & Care

Super Premium Refined Edible Oils & Foods

- Super Premium Refined Edible Oils – Saffola
- Foods – Saffola Oats, Saffola FITTIFY Gourmet, Coco Soul

Premium Personal Care

- Male Grooming – Set Wet/Beardo/ Parachute Advansed
- Premium Hair Nourishment – Livon/Hair & Care
- Premium Skin Care – Parachute Advansed/ Kaya Youth

OUTCOMES

Financial Capital

US$ 4.7 Billion Market Capitalisation
42.4% Return On Capital Employed
34.0% Return on Equity
96% Dividend Payout in FY20
₹7,315 Crore Turnover
₹1,469 Crore EBITDA
20.1% Operating Margin
₹1,043 Crore Profit After Tax (excl. one-offs) (CAGR since inception: 23%)
₹8.1 EPS

Manufactured Capital

1.5+ Billion packs sold every month

Natural Capital

2.4 tCO_2e / unit Crore Revenue GHG emission intensity (68% reduction from base year FY13)
640 Million litres Water harvest capacity created (3.2 times the water footprint in our operations)
79% Of total energy is from renewable energy source
95% Of the packaging material used is recyclable by weight

Human Capital

48% Leadership talent in consumer facing functions of technology and marketing are women
77% Of overall leadership roles in India are filled by home-grown talent
13% Employees with tenure > 10 years with Marico

Social & Relationship Capital

118 Million Indian households (urban+rural) reached during the year
22% Of domestic business revenue contributed by new age channels (modern trade and e-commerce)
21,043 Coconut farmers enrolled under 'Parachute Kalpavriksha' programme till date
1 Million+ Students reached under 'Nihar Shanti Pathshala Funwala' since inception
22% Critical value-chain partners certified on level 1 of responsible sourcing under SAMYUT

Intellectual Capital

15 brands owned by Marico in India

SUSTAINABLE DEVELOPMENT GOALS (SDGs) LINKAGE

Financial Capital

8 DECENT WORK AND ECONOMIC GROWTH

Manufactured Capital

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Natural Capital

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Human Capital

5 GENDER EQUALITY
10 REDUCED INEQUALITIES

Social & Relationship Capital

2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
17 PARTNERSHIPS FOR THE GOALS

Intellectual Capital

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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

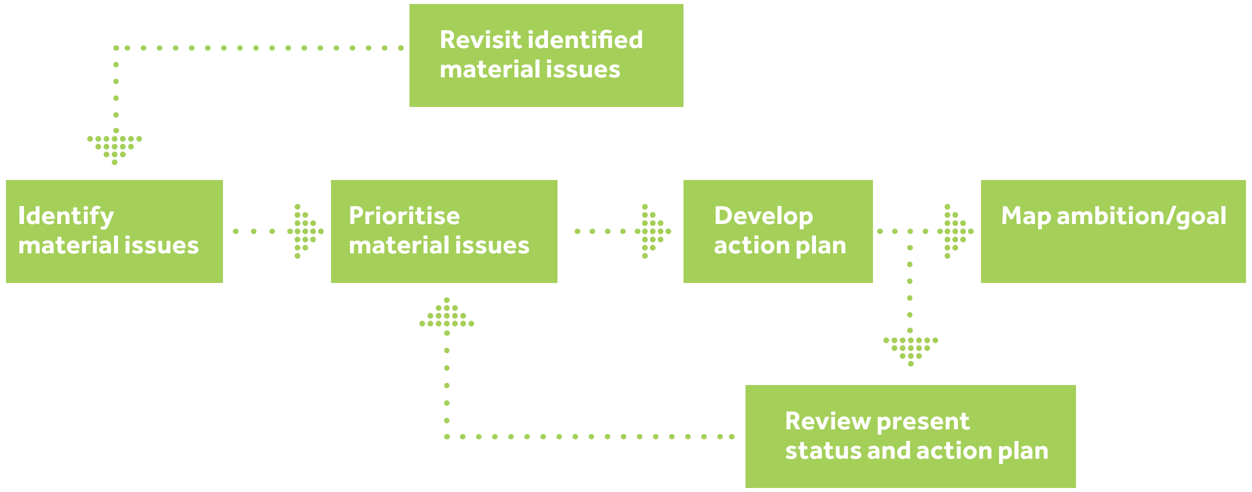
Together with our stakeholders

'Create Shared Value' is defined as one of our strategic pillars and is fundamental to the purpose of our existence. It is applied to ensure that business decisions balance financial, social and environmental considerations, always keeping in mind the best interests of our stakeholders. For each stakeholder group, we have identified specific propositions that help in arriving at mutual wins.

STAKEHOLDER GROUP	KEY PROPOSITION	DEFINITION	ENGAGEMENT OBJECTIVE	MODE OF ENGAGEMENT	FREQUENCY	CAPITAL LINKAGE
CONSUMERS	Delight	With our uncompromising quality, trusted brands and product innovations, we endeavour to provide a unique value proposition to our consumers. Our brands differentiate themselves across the core and aspirational market segments. We strive to bring innovation in every facet of our operations, while ensuring the availability of products at the right time and for the right price.	• Develop sustainable relationships • Understand long-term and short-term needs	• One-on-one interaction • Consumer satisfaction survey • Call centre/Consumer Cell • Digital platforms	Continuous	
SHAREHOLDERS	Deliver	Consistent shareholder value creation remains our topmost priority. We plan to achieve this by strengthening our core segments and achieving growth in niche markets through our innovation and entrepreneurial approach. This has led to a steady focus on maximising volumes, market share gains and cost optimisation, despite an inflationary environment and macro headwinds.	• Become a better investee company • Create high shareholder value • Communicate performance and future growth plans • Understand concerns and expectations	• Annual General Meeting • Investor calls • Press releases • Published results	Quarterly, Half-yearly, Annually *(Note: Financial calendar)*	
VALUE-CHAIN PARTNERS	Include	As a responsible organisation, Marico believes that mutual and inclusive growth of our value-chain partners is necessary and sets a precedent. We strive to maintain the right balance by meeting the needs of our partners through continuous proactive engagement and timely response strategies. We play a small, yet significant, part in the growth stories of our value-chain partners	• Sharing of mutual expectations and needs, especially with regard to quality, cost and timely delivery • Capability building and growth plans • Sharing of best practices	• Periodic interactions (physical, telephone, mailer) • Annual meets/events • Training programmes and workshops	Continuous	
EMPLOYEES	Empower	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'. Further, our values are based on the principles of 'involvement builds commitment', and thus, are co-owned by all Mariconians	• Communicate organisational vision • Training and development • Support career growth plan • Workplace needs and expectations	• Personal development programme • Learning and development • Engagement survey • Organisation communication • Digital interactions	Continuous, Half-yearly, Annually	
COMMUNITY	Nurture	Our belief of giving back to the society drives our social and community engagement initiatives. Alongside we strive to safeguard the farmers and farming interests and create a positive impact on the standards of their lives.	• Maintain cordial relationship • Improve livelihood and create positive impact • Shared eco-system	• One-on-one interactions • Field visits and trainings • Digital platforms • CSR and sustainability initiatives	Continuous	
GOVERNMENT & REGULATORS	Adhere	Marico is committed to be a leading consumer goods company that meets and exceeds compliance and regulatory mandates towards its products and processes	• Understand compliance and applicable regulations • Collaborations on national agendas	• Physical meetings • Industry forums	On need basis	

Key issues that impact value-creation

Materiality assessment is an important tool for Marico to identify and prioritise issues that are of prime importance to our business as well as to our stakeholders. It helps us align our business strategies to various risks and opportunities and influence our ability to create value in the short, medium and long terms. During FY18, we had undertaken a materiality assessment exercise, which had enabled us to identify key issues that impact our performance. In FY20, we reviewed the top quartile material issues and included additional focus areas that have gained importance due to recent changes in the business and regulatory landscape.



Top quartile material issues:

Across all material focus areas, we have identified and declared ambitious sustainability goals that drive Marico's growth and approach to value creation.

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^ 'Circular Economy' is introduced as a new material issue, considering the focus on plastics and its waste management by the regulatory and social system

MARICO SUSTAINABILITY GOALS MANIFESTO

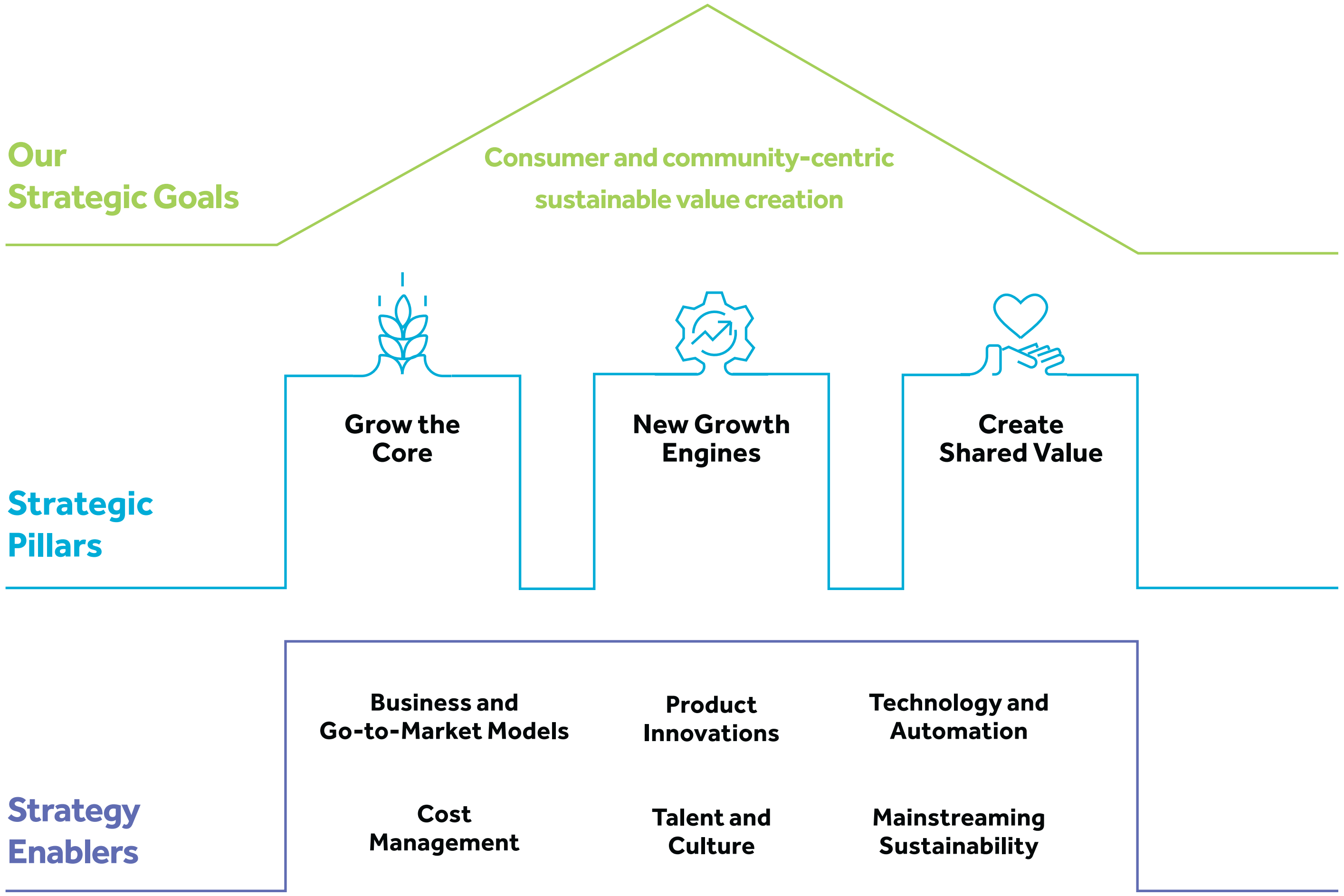
Material issue	Focus area	Goal	Target year	Achievement (As on March 31, 2020)	Disclosure section
Responsible resource consumption	Energy	Reduce energy intensity (plant operations) by 50% from FY13	2022	32%	Environment **Page 76**
	Water	Offset 100% of water used in own operations through catchments and conservation measures	Continuous	3.2 times water harvest capacity created this year	Community **Page 65**
Climate change	GHG emissions	Reduce GHG emission intensity (Scope 1 and 2) by 75% from FY13	2022	68%	Environment **Page 77**
Circular economy	Sustainable packaging	Have 'Zero PVC' use in packaging	2022	0.14%	Environment **Page 80**
		Have 100% recyclable, reusable or compostable packaging portfolio	2025	95%	Environment **Page 80 to 81**
		Reduce packaging intensity by 10% from FY20	2025	Declared this year	Environment **Page 80 to 81**
Sustainable supply chain	Responsible sourcing	Certify 20% of critical value-chain partners on level 1 of responsible sourcing	2022	22% Certification completed	Value-chain partners **Page 59-60**
Community development	Farmers	Increase farmer beneficiaries by 5% y-o-y	Continuous	9,550 New farmers enrolled this year	Community **Page 64-65**
Product responsibility	Consumer health and safety	Ensure 100% adherence to all product compliance	Continuous	We continue to adhere to all product related compliances	Consumer **Page 40-51**

Strategy that enables sustainable growth

Marico remains committed towards sustainable value creation through a consumer and community-centric strategy. Being the market leader in ~90% of our business segments, we focus on maintaining our leadership position and driving category growth by bringing value to our consumers in the form of right pricing as well as superior product offerings. Simultaneously, we intend to selectively nurture new growth engines towards achieving balanced growth and a diversified portfolio mix.

Sustainability and community well-being have always been at the heart of Marico's overall strategy. As the COVID-19 pandemic sweeps the world, we at Marico, recognise our extended responsibility towards the community and remain committed towards driving the health, safety, and well-being of our members, extended partners, nation, and the world at large.

> In the post COVID-19 world, consumer habits, preferences, and spend patterns are expected to undergo a significant change. We consider this disruption as an opportunity for nimble innovations and business model transformation. Our strategic enablers will help Marico transform and be ready for the emerging new realities and changing consumer needs.



Strategic Pillars

Grow the Core

Marico continues to consolidate its leadership position with market share gains across its core segments: coconut oil, value-added hair oils, and super premium refined edible oils. There continues to be significant headroom for category growth as well as market share gains, the short-term rural demand slowdown notwithstanding.

Marico will continue to drive unbranded to branded conversions and penetration at the bottom of the pyramid, through attractive consumer pricing as well as enhanced distribution reach. At the same time, we continue to pursue opportunities for premiumisation in select pockets through product innovations by delivering enhanced value to the consumer.

For instance, Saffola is on a healthy growth trajectory, thereby further strengthening its market leadership position. Resurgence of in-home cooking will lead to a trend of eating healthy and thus higher consumption of healthy and trusted brands. Saffola is well placed to ride this wave of health awareness and should continue to consolidate its position on the health platform. Our focus will continue to be on driving penetration with the right value offering and distribution reach.

International Markets:
Over the last few years, we have systematically invested in our core international markets and we are confident that the key markets are well-poised to capitalise on the present opportunities.

- Bangladesh is a strategic priority market and has continued its positive momentum with strong growth in FY20. While we continue to drive penetration in Coconut Oil through brand building and go-to-market transformation, we will also continue to focus on diversification into Value-added Hair Oils, Baby Care and other personal care segments.
- As a market leader in male grooming, the Vietnam business will continue to invest in the category and uphold excellence in sales and distribution systems. The Foods portfolio is witnessing healthy growth and will continue to be the focus area for diversification.
- In the Middle East and North Africa, we will focus on getting the basics right by judiciously investing behind brands and go-to-market initiatives.
- In South Africa, while macros remain weak, we expect some revival over the medium term in the business on the back of a pipeline of new products.

New Growth Engines

We continue to focus on portfolio diversification with a healthy mix of core portfolio and future growth engines aligned to the changing consumer trends.

In India, we have witnessed consistently strong traction in the Foods portfolio in FY20. We will continue to focus on driving penetration of savoury oats and further extending the category with new offerings focused on immunity, convenience and nutrition.

Male Grooming and Premium Personal Care have seen muted growth due to slowdown in discretionary spending, which is expected to continue in FY21 owing to the COVID-19 impact. Our aim is to realign the business strategy with relevant product innovations and go-to-market models in line with emerging consumer needs and preferences.

During and post COVID-19, hygiene is expected to be one of the key consumer needs. Marico has introduced Mediker Hand Sanitizer and Veggie Clean in India. We will be looking to broadening our play further and building a sustainable portfolio in this segment, in the near future. A similar initiative in hygiene is also being driven in Bangladesh and other key markets.

Create Shared Value

Marico lives by its purpose of 'Make a Difference' and continuously strives to create shared value in collaboration with all stakeholders. 'Shared Value' is anchored in the ethos of the way we do business and applied to ensure that all business decisions balance economic, environmental and social considerations. To enable this, we have charted our path on sustainability, with dynamic and challenging objectives as milestones.

Our six long-term sustainability focus areas are: **responsible resource consumption, climate change, circular economy, sustainable supply chain, product responsibility, and community development.** In this journey, we envisage working with all our stakeholders to attain a more secure, sustainable and inclusive future.

Strategy Enablers

Business and Go-to-Market Models

We have strived to continuously experiment and adapt our business and go-to-market models in line with the changing market landscape and business realities. Marico has significantly enhanced its presence in modern trade and e-commerce, with the share of these channels increasing from 12% to 22% over the past two years. Given the acceleration in the adoption of online shopping, this will continue to be a strategic priority for us. We continue to work towards creating a win-win proposition for our channel partners and expanding our reach in the rural parts of the country. In addition, we are piloting multiple models and are working with strategic partners towards building direct-to-retail as well as direct-to-consumer capabilities. This will ensure continued product availability for consumers, even if the traditional supply chain is disrupted.

Product Innovations

Consumer-centric innovation is a key growth driver and our effort has been to bring in more agility through structural interventions. We have created roles focusing on driving consumer insights and innovations for our growth engines. There is a well-defined stage-gate structure guiding the product innovations process right from conceptualisation till product launch. Our Innovation Council (led by the MD & CEO) is the central cross-functional forum for stress testing ideas and is focused on bringing in the best of Marico to ideation, design and execution of product innovations.

Technology and Automation

Marico has always focused on technology and automation as a key lever for building a future-ready organisation. With increased restrictions on human movement and social distancing norms, technology will have a huge role to play in defining the art of the possible and future workplace design. We are leveraging technology to redefine our business model for enhanced reach and continued engagement with our partners and consumers, even in the absence of regular channels. We also continue to focus on building cutting-edge analytics and AI capabilities to enable focused action planning, resource allocation and decision support. For example, Marico Miner League is our front-end analytics team working on predictive modelling using digital and e-commerce platforms data, enabling the business with right decisions and spend optimisation. We have also built in social listening capabilities to ensure we stay abreast of changing consumer needs and preferences.

Cost Management

While profitable growth has always been a focus for Marico, cost consciousness is even more important in current scenario to ensure we maintain healthy profitability and are able to fund strategic initiatives for future growth. The Marico Value Enhancement (MarVal) programme continues to drive organisation-wide efficiency initiatives across functions and geographies. We are also using data and analytics for very sharp prioritisation in resource allocation, and will continue to focus on passing on the value to our consumers and shareholders.

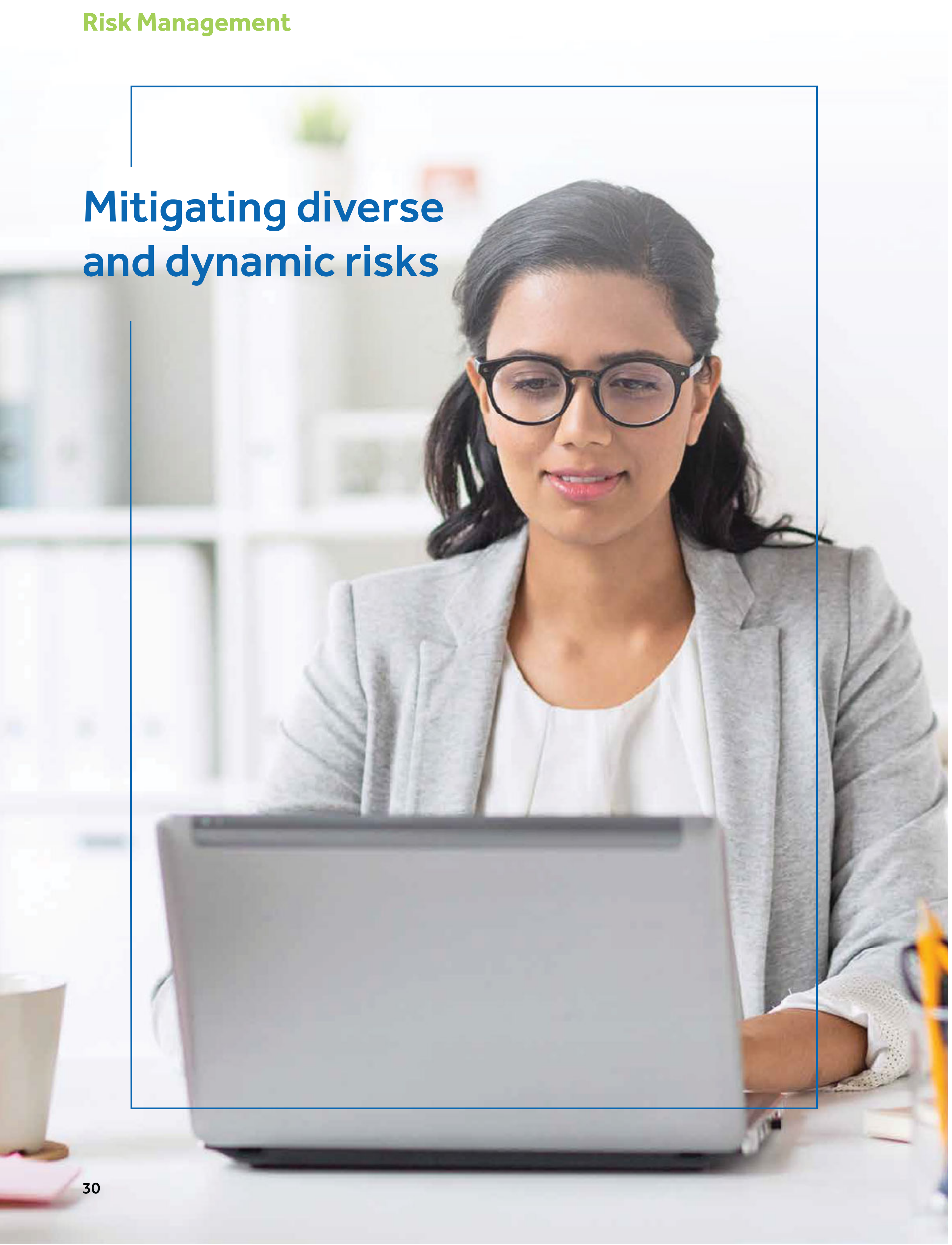
Talent and Culture

At Marico, our core value proposition is to provide challenging, enriching and fulfilling opportunities that maximise the potential of our people. We aim to develop members into leaders by leveraging a combination of proven experiential and futuristic approaches and ensuring an active role of Learning & Development through customised functional and leadership training modules. Our sustainable growth story rests on an empowering work culture that encourages taking complete ownership and making a difference to the entire business ecosystem. We believe that our endeavour to deliver on this proposition by providing early responsibility, fast-paced learning and growth, together with an entrepreneurial and flexible work culture, enables us to work towards a shared vision.

Mainstreaming Sustainability

Sustainability is embraced as a part of Marico's mainstream business approach to create shared value. We have a defined governance mechanism with a Sustainability/Business Responsibility Committee constituted by the Board of Directors and headed by the Chief Operating Officer (COO). The Head of the Committee reviews the sustainability performance of the Company, and assists the MD & CEO in driving the sustainability agenda set for each year. We have formed a core team with responsibilities defined to ensure effective formulation of policies, implementation of projects and establishment of focus areas, targets and performance. Through this mechanism, we interact and engage with all stakeholders, including shareholders, consumers, employees, value-chain partners and the community, among others, in our sustainability journey.

Mitigating diverse and dynamic risks



Risks are an integral part of any business environment and it is essential that organisations create structures that are capable of identifying and mitigating the risks in a dynamic and ongoing manner. Risks are inherently multi-dimensional and therefore need to be addressed in a holistic manner, straddling both the external environment and the internal processes.

At Marico, our risk management process, therefore strives to analyse all significant business processes across the value chain, keeping in mind the following types of risks:

- Strategic risk
- Financial risk
- Operational risk
- Compliance and governance risk
- Environmental risk
- Social risk

RISK MANAGEMENT COMMITTEE (RMC)

- Comprises Chairman of the Board, Managing Director and CEO, and the Chief Financial Officer
- Assists the Board and Audit Committee
- Material risks are reviewed annually by the RMC
- Manages risks, both at strategic and operational level

Risk management framework

Identify	Quantify	Plan	Implement	Monitor
Identify top risk for each function/ business unit level	Rate the risks on 'impact' and 'vulnerability' factors Prioritise Top 10 risks at company level	Develop mitigation plan for each risk with relevant efforts and result metrics Recommend plan to the Board for approval	Implement the risk mitigation plan	Examine whether the mitigation plans are on track. Periodically review the existing risks and related metrics

Risk Management

Strategic risk

Risk type	Description	Mitigation strategy	Stakeholders impacted	Capitals impacted
Changing consumer preference	Demand could be adversely affected by shift in consumer preferences. Given the explosion of social media, the speed of such a shift could be unparalleled.	• Investment in consumer insighting to adapt to changing consumer preferences • Actively monitor social media trends to spot early consumer trends; quickly respond to these trends with innovative offerings	• Consumers • Shareholders	• Financial • Social and Relationship • Intellectual
Competitive market conditions	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, male grooming, skincare, premium haircare) • Protect volumes in preference to short-term profitability • Invest in brand building • Agile response mechanism to counter competitive moves	• Consumers • Shareholders	• Financial • Social and Relationship
Underperformance 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 ensure continuous flow of new ideas, coupled with rigorous governance around scalable innovations • Prototyping approach to new product introductions for accelerated learning and adjustment • Identify and invest in big-ticket new ideas in the chosen categories for driving growth • Resilient presence in marketplace with adequate investments in brand building	• Consumers • Shareholders	• Financial • Social and Relationship • Intellectual
Private labels	Expansion of modern trade and e-commerce could lead to the emergence of private labels.	• 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	• Consumers • Shareholders	• Financial • Social and Relationship

Financial risk

Risk type	Description	Mitigation strategy	Stakeholders impacted	Capitals impacted
Volatility in interest rates	Though the FMCG sector is not capital intensive, fund requirements arise on account of inventory position building, capital expenditure undertaken or funding inorganic growth. Changes in the interest regime and in the terms of borrowing could impact the financial performance of the Company. Further, this risk may also impact income on Company's investment and mark-to-mark hit on its investment portfolio.	• Well-defined framework for capital gearing • Maintain a liquidity chest for immediate working capital requirements • In case of foreign currency borrowings, implement hedging as per policy • Manage interest rate risk to investments by implementing board-approved investment policy, which focuses on safety and liquidity, thereby mitigating short-term interest risks.	• Shareholders	• Financial
Foreign currency exposure	Marico has significant local presence in Bangladesh, South East Asia, Middle East, Egypt and South Africa. The Company is thus exposed to a wide variety of currencies. Fluctuations in these currencies could impact the Company's financial performance.	• While the 'translation risk' will continue to be unhedged, Marico has a well-defined hedging framework for managing any foreign exchange risk in India and Bangladesh. The Board-approved policy in this regard is periodically reviewed for its effectiveness.	• Shareholders	• Financial
Macro-economic factors	Factors such as low GDP growth and high food inflation could result in down trading from branded to non-branded or premium to mass market products.	• 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 the future	• Consumers • Shareholders	• Financial • Social and Relationship
Cyber and data security	Disruption in business operation due to non-availability of critical information systems through cyber-attack and loss of sensitive information due to unauthorised access.	• Identification of business critical IT systems and putting in place disaster recovery plan. The plans are tested periodically and kept relevant. • Implementation of IT security practices in line with ISO 27001 standards • Implementation of the latest cyber security technologies with preventive, detective and reactive controls	• Shareholders • Value-chain partners • Consumers	• Financial • Intellectual • Social and Relationship

Risk Management

Operational risk

Risk type	Description	Mitigation strategy	Stakeholders impacted	Capitals impacted
Commodity risk	Unexpected changes in commodity prices and supply could impact business margins and ability to service demand. The past few years have witnessed wide fluctuations in input prices. As a result, the overall uncertainty in the environment continues to be high.	• Commodity procurement is driven by a comprehensive process manual for each category that governs norms related to price discovery, inventory policy, supplier management, governance mechanism • Company policy defines purchase of commodity in line with business requirement and in accordance with the inventory policy and does not encourage speculative buying or trading of said commodity either in physical form or in exchange • Marico has developed and deployed various programmes in order to ensure sustainable availability of agriculture commodities to support future business requirements. Few of them include: a. Sponsoring research in agriculture breeding technology b. Developing strategic sourcing alternatives from other geographies c. Strategic presence in extended backward value chain • Marico has well-defined norms for building strategic inventory positions as a hedge against price volatility	• Shareholders • Value-chain partners	• Financial • Manufactured
Political instability in operating geographies	Unrest and instability in countries of operation could significantly impact business results.	• A comprehensive insurance programme to hedge all insurable risks • At a macro level, our country selection template emphasises geopolitical stability and robust growth prospects	• Shareholders • Members	• Financial • Manufactured
Under - performance of acquisition deliverables	Acquisitions may impose a financial burden on the parent entity. Integration of operations and cultural harmonisation may also take time, thereby deferring benefits of synergies.	• A well-defined playbook for selection of targets, due diligence, value finalisation and integration • Well-defined performance tracking systems to for monitoring progress periodically • Cross-application of governance practices of the parent organisation soon after the takeover to ensure controls	• Shareholders • Members	• Financial • Human

Compliance and governance risks

Risk type	Description	Mitigation strategy	Stakeholders impacted	Capitals impacted
Non-compliance with regulatory requirements	Inadequate compliance systems and processes can pose reputation risk for the Company. This could expose the Company to legal consequences, resulting in financial losses and penalties.	• Invest in IT-enabled compliance systems and processes • Ensure all functions and units are aware of the laws and regulations to comply with • Ensure adequate monitoring mechanism towards compliance • Communicate periodically to reiterate the importance of compliance	• Government body • Members	• Financial • Human • Social and Relationship
Violation of ethics and business integrity	Failure to act with integrity or behave in a manner inconsistent with the Marico purpose statement and values defined, can damage corporate reputation and business results.	• Code of Conduct (CoC) and Marico Code of Business Ethics (MCoBE) outlines the Company's commitment to ethics and integrity • Robust vigil mechanism, which enables the stakeholders to report concerns about unethical behaviour, fraud or violation of code • Detailed personal orientation and mandatory certification on CoC for all employees • Effective oversight by the Board of Directors	• Members • Value-chain partners	• Financial • Human • Social and Relationship

Environmental risk

Risk type	Description	Mitigation strategy	Stakeholders impacted	Capitals impacted
Disruption due to climate change events	Climate change related events that have the potential to disrupt Marico's operations, include changes in weather patterns such as increased temperatures and altered rainfall patterns. This will affect the planning and day-to-day operation as the risk arises from availability of agriculture input materials, climate-related policy changes, evolving regulations and increased consumer concerns.	• Embrace climate change adaption and mitigation measures • Promote scientific farming practices that are resilient to climate-related adverse impacts • Continuous monitoring of environmental policies and regulations • Investment in low-carbon technologies and equipment, and renewable and clean energy sources • Adoption of CDP climate change disclosures and science based target (SBT) framework approach to minimise operational environmental footprint	• Shareholders • Community • Value-chain partners • Consumers • Government Body	• Financial • Natural • Manufactured • Social and Relationship

Risk Management

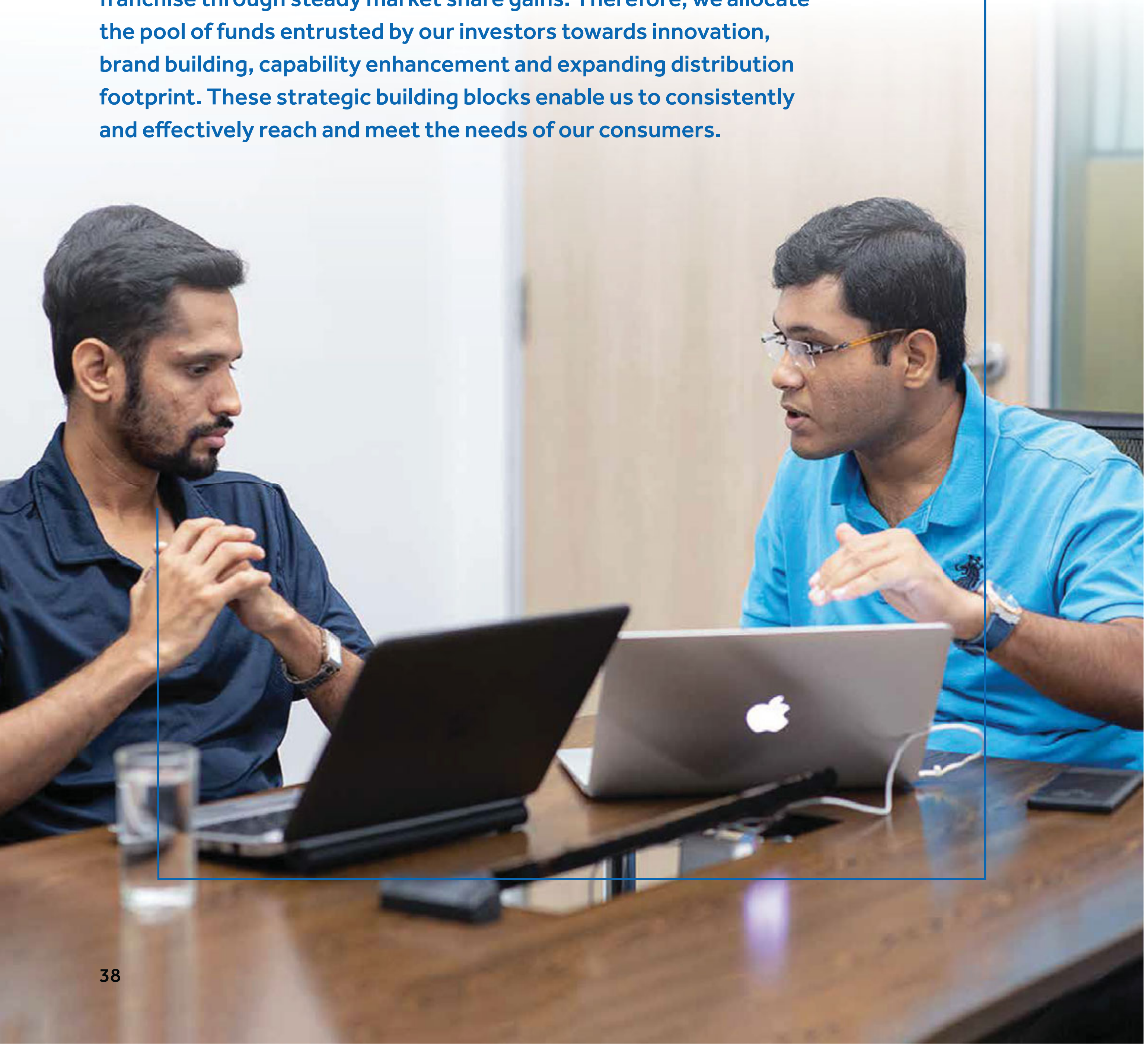
Risk type	Description	Mitigation strategy	Stakeholders impacted	Capitals impacted
Adverse impact of energy and water scarcity	Energy and water are crucial for our business and day-to-day operations. Non-availability of these resources will lead to operational disruptions and impact production plans and product delivery.	• Continuous focus on energy conservation measures • Investment in energy-efficient systems • Operationalising reduce-reuse-recycle model of water management across plants • Comprehensive watershed management programmes leading to harvesting and ground water recharge augmenting supply and water availability for community	• Shareholders • Community	• Financial • Natural • Manufactured • Social and Relationship
Handling of plastic packaging and waste	The regulatory, consumers and community response to the environmental impact of plastic wastes and emerging regulation by different state governments on ban of use of certain plastics, require us to find sustainable packaging solutions.	• Adopt circular approach based on 4Rs – reduce, recycle, replace and recover • Investment in R&D measures to enable design innovations and reduce weight of plastic used under value enhancement approach by Marico • Strategic partnerships and collaborations to drive penetration of recyclable plastics and enhance use of recycled plastics • Honour obligations under the Extended Producer Responsibility (EPR) commitments • Continuous monitoring and tracking of plastic waste policies and regulations • Awareness and communication to consumers and community on collection, segregation and safe disposal of plastic waste	• Community • Government body • Value-chain partners	• Natural • Social and Relationship • Intellectual

Social risks

Risk type	Description	Mitigation strategy	Stakeholders impacted	Capitals impacted
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 coupled with its growth orientation 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	• Employees	• Human • Manufactured
Community distress in operating locations	Social licence to operate refers to the level of acceptance by local communities in proximity to our operations. The absence of understanding and inability to maintain a harmonious relationship with communities could result in damage to our brand, reputation and pose risk to our operations.	• Commitment to sustainable and inclusive growth in all social outreach programmes and initiatives with an aim to augment social infrastructure • Constant engagement channels with the local community stakeholders to understand their needs	• Community	• Manufactured • Social and Relationship
Failure to meet product quality and safety requirements	The quality and safety of our products are of paramount importance for our brands and our reputation. Any failure to meet the product quality and safety requirements could lead to significant reputational risk, loss of consumer trust and potential exposure to regulatory actions.	• Robust system to ensure compliance to regulatory requirements • Assessment of quality and safety aspects of products at each stage in the value chain • Stringent quality and safety compliance check for suppliers before inducting in the system • Ingredients assessment in line with the requirements set for its usage according to the law of the land • Facilitate consumer feedback on product safety and quality through dedicated Consumer Service Cell (CSC) • Robust crisis management framework	• Government • Consumers • Value-chain partners	• Financial • Manufactured • Intellectual • Social and Relationship

Growing with strong fundamentals

Marico's constant endeavour is to maximise shareholder value by delivering sustainable profitable growth and expanding our consumer franchise through steady market share gains. Therefore, we allocate the pool of funds entrusted by our investors towards innovation, brand building, capability enhancement and expanding distribution footprint. These strategic building blocks enable us to consistently and effectively reach and meet the needs of our consumers.



Well-validated financial discipline

The value of efficient allocation and utilisation of resources was particularly accentuated in the challenging business environment during 2019-20. While offtake growth in most of our categories was difficult to come by, we prudently invested in our brands, distribution and capabilities. Advertising and promotion spends as a percentage of sales, was about 9.9% in FY20, up 90 bps than last year. We backed an extensive number of new launches in the last 18 months, while continuing to support the core. This disciplined approach has helped in further improvement in the capital efficiency ratios during the year.

Maintaining liquidity and cash flow

Cash generated from operations at ₹1,218 crore in FY 2020, remained the primary source of liquidity. Net surplus at the end of the year was at ₹607 crore, largely maintaining the year-ago levels. 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, we incurred a capital expenditure of ₹194 crore for capacity expansion and maintenance of existing manufacturing facilities.

Maintaining efficiency

While borrowings are mainly for working capital requirements, we actively explore opportunities to optimise borrowing costs and maximise yield on investments while maintaining conservative guardrails on safety, liquidity and returns. We ensure adequate access to funding and leverage the surplus to meet operating needs and strategic objectives while managing cash flows in a cost-efficient manner.

It's pertinent to note that even amidst the pandemic-induced lockdown, there has been no major impact on our liquidity position. Our ability to service debts and financing obligations on time remains unaffected and are in a comfortable position to meet all our commitments.

We continue to drive a profitable business and enjoy a secure net cash surplus situation. We are also implementing stringent cost control measures across the organisation to conserve cash in order to address any concerns arising post the lock-down. Moreover, in case any exigencies arise in future affecting the liquidity position, the Company would be in a comfortable position to borrow capital given that it enjoys AAA credit rating and has a favourable debt equity ratio. As on March 31, 2020, its Debt/EBITDA was extremely comfortable at 0.23.

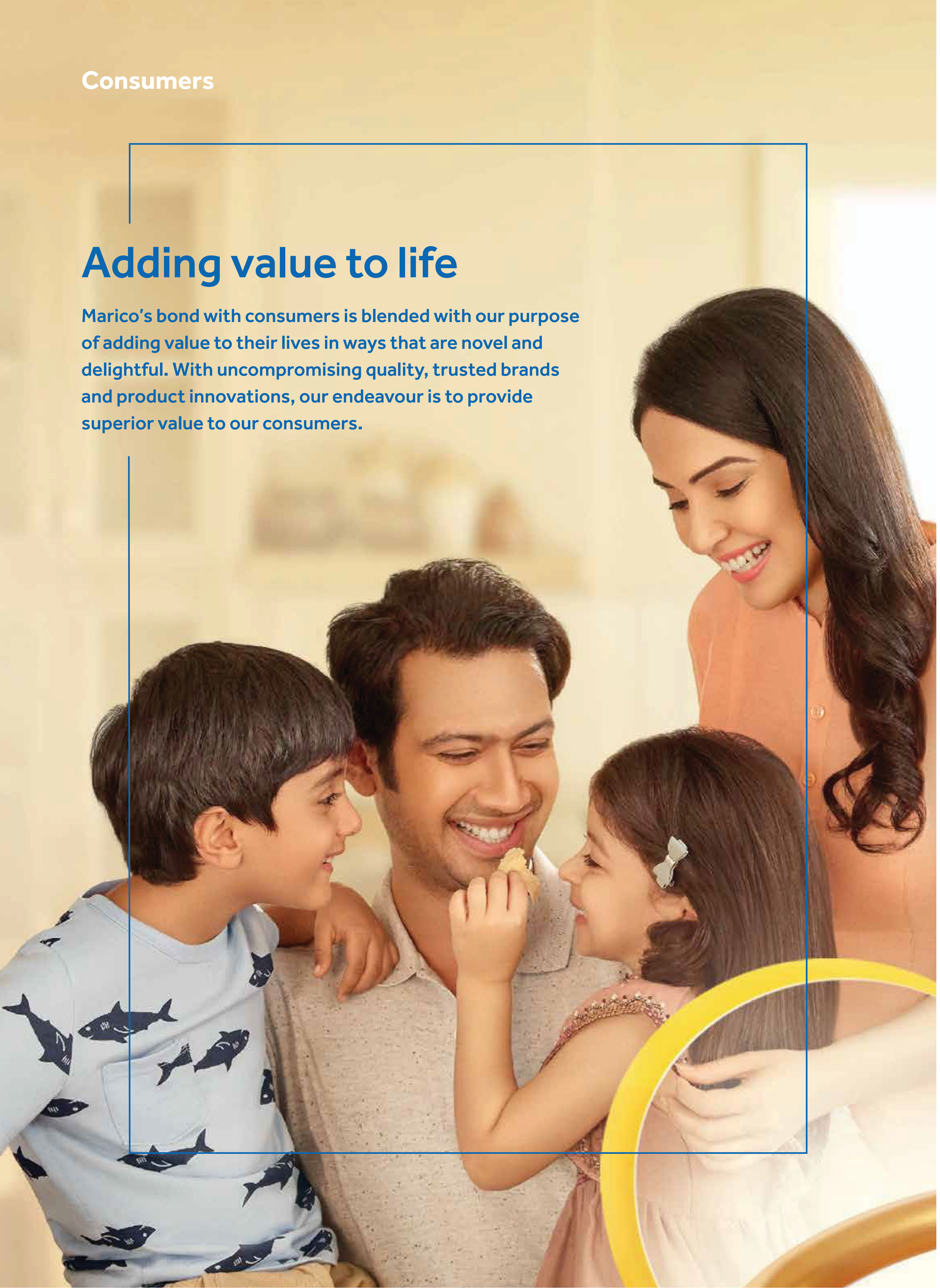
Financial performance

In FY 2020, Marico achieved a consolidated turnover of ₹7,315 Crore, only marginally lower than last year, and consolidated PAT (excluding one-offs) of ₹1,043 Crore, up 13%. The operating margin stood at 20.1%, up 200 bps from last year. Our dividend pay-out ratio for the year was higher at 96% (FY 2019: 76%). Having maintained a healthy operating performance, both Return on Capital Employed (ROCE) and Return on Equity (ROE) improved to 42.4% and 34.0%, respectively.

A detailed discussion on the financial and operational performance in FY 2020 is available in the Management Discussion and Analysis section of the Report.

Key performance indicators

Key Financial Capital Inputs	**FY20**	**FY19**	
Debt/EBITDA	0.23	0.26	
Investment in brand building - ASP to sales (%)	9.9	9.0	
Capital expenditure (in ₹ Crore)	194	162	
Key Financial Capital Outputs	**FY20**	**FY19**	**Change**
Revenue from operations (in ₹ Crore)	7,315	7,334	
EBITDA (in ₹ Crore)	1,469	1,326	11%
EBITDA (%)	20.1	18.1	200 bps
Profit after tax excluding one-offs (in ₹ Crore)	1,043	926	13%
Basic EPS (₹/share)	8.1	7.2	13%
Operating cash flow (in ₹ Crore)	1,218	1,062	15%
Return on capital employed (%)	42.4	42.0	40 bps
Return on equity (%)	34.0	33.7	30 bps
Key Financial Capital Outcomes	**FY20**	**FY19**	
Dividend pay-out ratio (%)	96	76	
Market capitalisation at the end of FY 2020 (in ₹ Crore)	35,480	44,567	



Adding value to life

Marico's bond with consumers is blended with our purpose of adding value to their lives in ways that are novel and delightful. With uncompromising quality, trusted brands and product innovations, our endeavour is to provide superior value to our consumers.

Our Consumer Value Proposition

Affordability

Offer benefit to the consumers through affordable and fair priced products

Availability

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

Early Innovation

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

Product Experience

Reinvent product formulation, packaging or format to suit modern consumer lifestyles and provide the desired experience

Purposeful Brands

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

Innovation

We are constantly innovating and creating unique and differentiated product offerings across the portfolio to address the evolving needs of our consumers. Through our best-in-class research and development (R&D) facility at Mumbai, we ensure that every product we develop meets the highest standards of quality. Resources to the tune of ₹31.4 Crore were invested in R&D activities this year, supported by a dedicated team of 73 personnel.

R&D efforts and focus areas

Foray into hygiene segment

With personal and domestic hygiene gaining prominence we launched Mediker Hand Sanitizer with 70% v/v alcohol and an industry-first fruits and vegetables liquid cleaner- Veggie Clean made with 100% naturally derived ingredients.

Product development in Hair Care, Skin Care and Foods

With deeper and real consumer insights, we created new hair care formats for India as well as International geographies. We also entered the Baby Care category in Bangladesh, with our in-house researched products.

Male Grooming

Several new creations were launched under male grooming category with superior packaging and strong consumer benefits.

Functional Foods

Continued research on creating healthy solutions through innovative blends under edible oils. Also launched various lifestyle management formats under the brand Saffola FITTIFY.

Packaging through design thinking

Adopted new ways of packaging designs by making consumer a part of the process. Also incorporated 3R approach in current and new designs to support sustainable packaging.

Rooted in design thinking approach, several new creations were launched during 2020. This approach reinforces the faith Marico has in consumer centric innovations.

Parachute Advansed Body Oil

Tinted transparent bottle and label to convey beauty, modernity and purity codes for the brand.

Set Wet 2-in-1 Serum

Premium packaging cues by developing unique, off-centre neck bottle design and super transparent label.

Kaya Youth Hydro Range

Carton and tube decoration with matte effect, textured finish and foiling for enhanced aesthetics.

Consumers

Enhancing consumer experience through campaigns

INDIA

Parachute Advansed 'Mere Baal Meri Jaan'

Parachute Advansed launched its new, emotive TVC campaign – 'Mere Baal, Meri Jaan', this year. With an aim to forge a deeper connect with women, the campaign captures the importance of hair in every woman's life and beautifully depicts this unique personification, which is core to a woman's identity. The TVC builds on modern beauty imagery, while using real-life instances where hair is fundamental to the expression of a woman's emotions and frame of mind. It goes on to depict several women for whom hair symbolises their resilience, love, freedom, determination, happiness, motivation, hope and optimism. The film ends with a voice-over that says, "Mere Baal, Meri Jaan Hai", showcasing Parachute Advansed Gold. A brand that has been an ally of women since its inception truly understands the essence of hair in their lives, urges them to use nothing, but the best, to nourish it.

Parachute Advansed #ChampiBeats

Parachute Advansed launched #ChampiBeats campaign to encourage consumers to use the lockdown time to bond with their loved ones over a 'musical' champi. Roping in renowned TV celebrities and influencers, the brand ran the campaign on TikTok, garnering a whopping 10 billion views in the first six days alone.

The champi is a timeless Indian practice of giving a head massage with oil. Beyond being a hair nourishment ritual and a stress buster, the champi also reflects and reinforces the close bond between loved ones.

At Marico, we identified two broad themes arising out of the recent lockdowns – our consumers are getting more time to spend with the family and that they are dealing with a lot of anxiety and stress. In response, our Parachute Advansed brand decided to bring the champi back into the lives of consumers, at a time when it was needed most.

Prominent TV celebrities such as Bharti Singh, Anita Hassanandani, Hina Khan and Deepika Singh, as well as key TikTok influencers, took up the challenge and created champi videos with their family members and also encouraged their fans to do the same.

Parachute Kalpavriksha Foundation | The Tree Song

Through the Parachute Kalpavriksha Foundation, we strive to create a positive impact on the income and standard of living of coconut farmers and help them protect and care for what they love! The programme has enrolled 21,043 farmers till date, and the farms that have completed more than a year with Parachute Kalpavriksha, have delivered 15% increase in yields.

'The Tree Song' film beautifully captures a young boy's dream of saving his grandfather's farm come true with a little help from the Parachute Kalpavriksha team. The digital film resonated well with the audience, garnering over 2.1 Million views.

Nihar Shanti Amla 'Phone Uthao India Ko Padhao'

On the occasion of International Literacy Day on 8th September, Nihar Shanti Amla launched a national programme called 'Phone Uthao India Ko Padhao'. With purpose at its heart and commitment towards social progress, the brand maintains that education is the core foundation for growth. The programme is aimed at providing basic English speaking skills to underprivileged children by connecting them to adult volunteers in urban centres simply through a phone call. In order to be a part of the programme, volunteers need to register online and take out 10 minutes of their time for a phone call every week to help these children practise spoken English remotely.

During the pandemic, as schools remained shut for months, Nihar Shanti Pathshala Funwala announced 'Padhai Par Lockdown Nahi' that ensured students continue to learn English through 'Phone Uthao India ko Padhao'. The Paathshala Funwala app also made available free virtual classes for Grades 6-10, with modules offering complete school curriculum for CBSE, Uttar Pradesh State Board and The NIOS (National Institute of Open Schooling).

Saffola*life* 'Heart Healthy India'

Saffola*life*, a not-for-profit initiative by Saffola, has always championed the cause of heart health with a vision to create a 'Heart Healthy India'. On 29th September, marking the World Heart Day, Saffola*life* launched yet another impactful campaign, which aimed at driving awareness on lifestyle behaviours and habits that are often ignored, but can have a significant impact on one's heart health.

This digital first campaign kick-started with a set of two digital films that portray very common lifestyle facets and depict them in a simple yet impactful manner. The campaign did not stop with just driving awareness. Consumers were encouraged to visit Saffola*life*.com where they could understand the impact of their lifestyle behaviours and choices on their heart health, through an online tool called Heart Ka Exam, developed with the help of cardiologists. The website also provided important steps to be taken to protect the heart and enable consumers to lead a heart healthy lifestyle.

The initiative was supported by an exhaustive research, conducted in the top cities of India in partnership with Nielsen & SRL Labs, which highlighted interesting statistics on lifestyle behaviours and resultant impact on heart health. The study was launched by leading cardiologists and nutritionists, and was covered by major local and national publications.

The campaign reached over 10 Million consumers. The campaign was also trending in Twitter on World Heart Day.

Saffola Healthy Snackathon

As the nation stayed indoors during the COVID-19 pandemic, Saffola*life* launched a new initiative 'Saffola*life* Healthy Snackathon' to encourage healthier snacking amongst people. As part of this campaign, Saffola*life* introduced multiple recipes curated by celebrity chef Kunal Kapur on the Fit Foodie website. Designed using readily available ingredients at home, the recipes included delicious and healthy savoury and sweet snacks, across cuisines.

A host of Instagram and Facebook influencers leveraged these multiple interesting formats showcasing ingredients used, explained recipes in snapshots, encouraging viewers to share their favorites too with a healthy twist. The select consumer recipes were also featured on the Fit Foodie site.

Livon India's Top K-Pop Stars

The Korean Pop or K-Pop genre has created one of the biggest waves in the global entertainment circuit and gained immense popularity with gen-Z across the world.

Riding the K-Pop trend, Livon curated a unique property **– Livon India's Top K-Pop Stars** in partnership with international music channel 9XO. With K-pop stars becoming major global fashion influencers and shaping fashion trends worldwide, styling has become critical for any emerging talent in the genre. Thus, Livon focused not only on hunting and honing the singing abilities but also groomed the contestants into getting 'that awesome K-Pop look'. The K-Pop music video of the band of five chosen Indian girls was released on air by 9XO. To help choose this band and mentor them throughout the process, Livon partnered with popular musicians from the North East region – Alobo Naga, Alune Tetseo and Kuvelu Tetseo, while Livon itself played the role of primary styling guide to the participants.

Hair & Care 'Khule Baal Befikar'

Staying true to its philosophy of being youthful and contemporary, Hair & Care's new campaign #KhuleBaalBefikar celebrates the joy of 'Khule Baal' or open hair.

With a 360-degree integrated marketing communications approach, the campaign went live with a TV commercial in Hindi-speaking markets, featuring the iconic song 'Ude Jab Jab Zulfein Teri'. The brand has also innovated with their OOH advertisements in the form of motion sensor boards at targeted locations including the Saki Naka Metro Station, Mumbai and the Jawaharlal Nehru Marg, Jaipur. The screens displayed the photo of a girl with open hair that was programmed to fly every time a train or a bus entered the station. A radio campaign was also a part of the mix where listeners were encouraged to share their 'Khule Baal Befikar' videos on social media pages of the radio jockeys.

A key element of this campaign was the TikTok challenge that went live with top influencers of the platform and crossed 2.8 Billion views within 3 days and by February, the number grew to 10.6 Billion. The TikTok influencers and users had to make their hair dance and upload videos of their best hair moves with the hashtag #KhuleBaalBefikar.

BANGLADESH

'Studio X' launches international quality male grooming product line for style-conscious men

International male grooming brand Studio X, launched in Bangladesh in January 2020, with a full range of products for men, who are style conscious and are aware of trends in grooming and impression. Studio X is the first international male grooming product line of Marico Bangladesh Limited. The Studio X range comprises shampoo, face wash, hair gel, soap and deodorant for men. Apart from this, the brand also launched a website www.studioxstyle.com for the style-conscious men of Bangladesh. The website has been designed with information on grooming and styling for men. With a younger and more connected generation, today's male consumer segment is more aware than ever of their appearance and have specific and differentiated grooming needs. Studio X aims to cater to these needs of the target audience.

Style is a reflection of one's personality. It's not just about beauty or looks, but more about making a statement. Studio X products focus on providing consumers with international quality grooming and styling products with a specific focus on men.

To know more about the Studio X male-grooming product line in Bangladesh and get grooming and styling information, visit the official website of Studio X at **www.studioxstyle.com/**

Parachute SkinPure – an exciting new range of skin care products

Parachute Bangladesh has launched SkinPure with a promise to provide healthy and beautiful skin, harnessing the goodness of natural ingredients. Its differentiated value proposition – 'Beauty through goodness of nature' was delivered through a TVC, besides print and digital media, with the intent of communicating with the consumers all year round. This built a solid foundation for Marico, as we entered the skin category with SkinPure.

Mediker SafeLife handwash and hand sanitizer

Mediker SafeLife - a brand of hygiene was launched in April 2020 in response to the immediate need of hygiene products in the market. With the pandemic having entered the country then, most brands operating in the hygiene space had run out of market. The Mediker SafeLife range of products were thus introduced to aid a social cause, by providing safety with its category products and promising to donate all profits from the same to the honorable Prime Minister's Relief Fund to support the COVID-19 affected victims. With quick-acting sanitiser and handwash assuring safety, the brand has been very well-received in the very first month of launch and has created a space for itself in the category.

VIETNAM

Thuan Phat Black Anchovies Fish Sauce/ Thuan Phat Ca Com Than: A healthy gift from nature

Thuan Phat has lived with its brand purpose 'Improving Vietnamese people's lives with daily nutritious meals', since it was founded in 1982. In 2019, we launched new Black Anchovies Fish Sauce with 16 nutrients, made from high-protein black anchovies in Phu Quoc barrelhouse.

We introduced Thuan Phat into the mass fish sauce segment, on the back of sharp consumer insights and consequent product conceptualisation, and an effective launch campaign on digital and large-scale wet market activation(reach of 65,000 people, 58% conversion rate. Further, it contributed to a 41%+ category growth in the fish sauce segment in FY20.

Offering nutritional choice to consumers

Nutrition has become a topmost priority among today's contemporary consumers. It is also recognised as a global goal under the United Nations Sustainable Developmental Goals (UN SDGs). It requires several inter-sectoral policies and interventions to address the distinct, yet interrelated, aspects of nutritional security.

Taking cognisance of this, Marico has curated products for individuals to indulge in nutritional intake, while balancing the taste. This includes adding more fibre, vital proteins, vitamins and minerals into the products, while combining them with healthy taste solutions. This addresses the twin objectives of catering to the changing consumer preferences and delivering healthy nutrition.

1

Coco Soul Virgin Coconut Oil

Our Coco Soul Virgin Coconut Oil is a superfood that is 100% natural and pure. Specifically prepared from fresh raw coconuts through a meticulous 'No Heat' process, it comes with nature's goodness, fully preserved.

Key benefits

- Boosts energy
- Helps manage weight
- Helps improve immunity

(As per Coconut Board of India website www.coconutboard.nic.in/)

2

Saffola Edible Oil

Saffola offers a range of heart-healthy oils, which are a carefully crafted blend of two oils, which help deliver balanced nutrition. This ensures a good balance of Mono-unsaturated Fatty Acid (MUFA) and Polyunsaturated Fatty Acid (PUFA), as advised by the National Institute of Nutrition (ICMR), in comparison to single seed oils. The oil also provides several other benefits including a special combination of anti-oxidants and oryzanol that helps keep the heart healthy. With the patented LoSorb technology, food fried in Saffola oils absorbs lesser oil. It is also fortified with Vitamin A and D, for better nutrition.

3

Saffola Masala Oats

Designed as a healthy grain made tasty, Saffola Masala Oats provides a delicious snack solution without compromising on health. With the right balance of spices, real vegetables and wholesome goodness of fiber rich oats, Saffola Masala Oats is the perfect solution for any time snacking, ensuring both convenience and healthy nutrition in one go.

Saffola Masala Oats – Innovation Journey

Offering new concept of oats vending machine, so that a healthy snack is always available during working hours.

4

Saffola Perfect Nashta

Modern lifestyle leaves not enough time to prepare or consume nutritious breakfast to begin the day, leading to imbalanced nutrition intake. Saffola, through its brand Saffola Perfect Nashta, provides a smart solution to this challenge. Created using Saffola's health expertise, its 'Ready to Cook' breakfast mixes contain five pillars of nutrition, be it from the ingredients or as fortification to the overall formulation. Further, the products are also designed to resemble home-cooked meals, by using authentic Indian tadkas.

With maximum nutrition and maximum taste, in minimum time, Saffola Perfect Nashta offers a healthier and modern solution for daily breakfast.

5

Saffola FITTIFY Gourmet

Saffola FITTIFY Gourmet, is the reflection of our belief in adding more nutrition to your food and more flavour to your life. Under this brand, our product range consists of Meal Shake, Green Coffee, Superfood Moringa Green Tea and Hi-Protein Soup, all of which have been carefully created by nutritionists and curated by Chef Kunal Kapur.

HI-PROTEIN SLIM MEAL SHAKE

- 18–20g protein per serve
- 26 essential vitamins and minerals
- 2–4g fibre per serve
- With 5 plant based superfoods

GREEN COFFEE INSTANT BEVERAGE MIX

- Up to 3x antioxidants power *
- Helps boost immunity
- Aids weight management#
- Regulates metabolism#

SUPERFOOD MORINGA GREEN TEA

- Aids weight management ^
- Regulates metabolism
- Certified USDA Organic

HI-PROTEIN SOUP

- Up to 4x protein compared to regular powdered soups
- With multigrain crunchies

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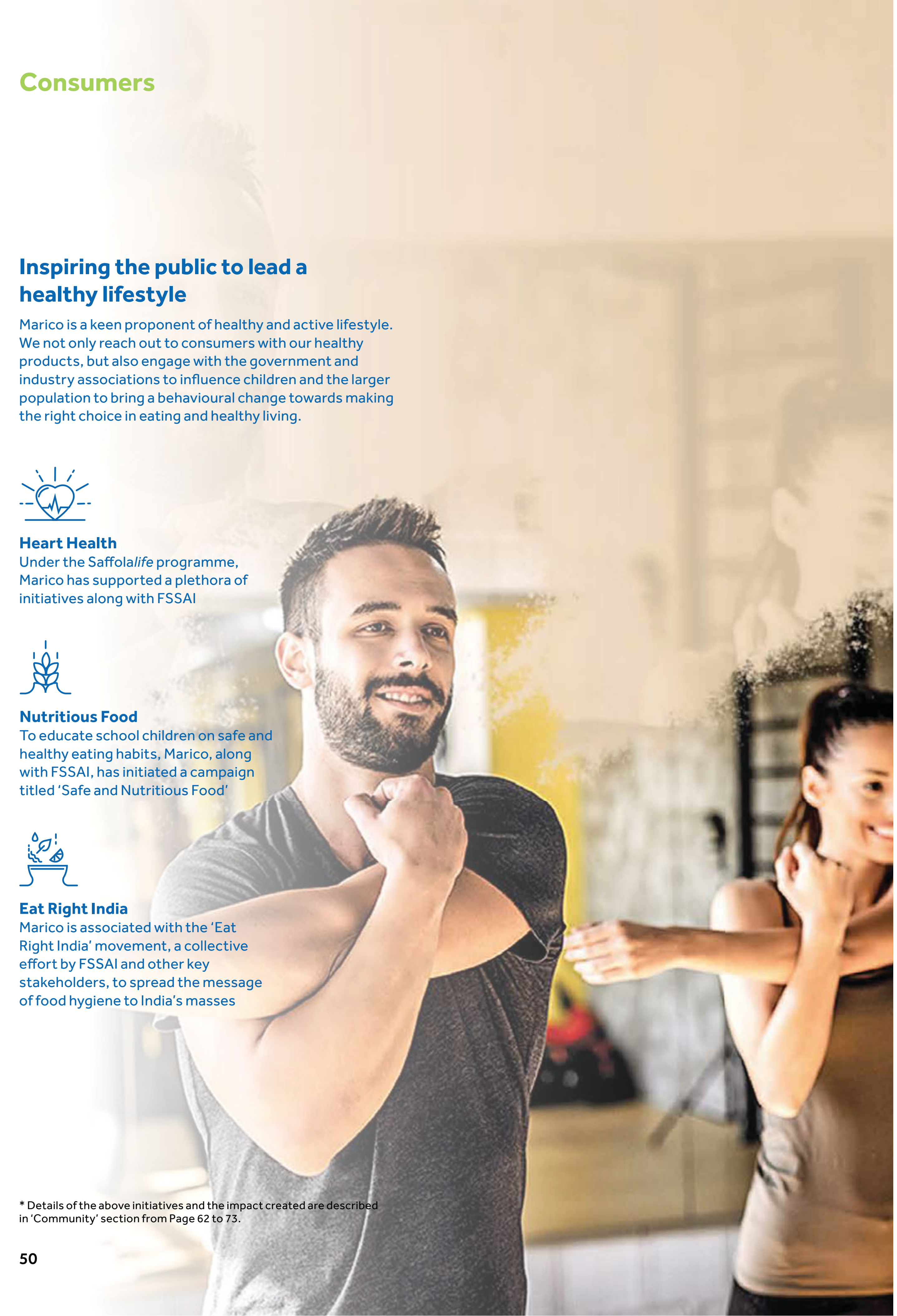
* *V/s regular coffee*

\# *Contains 50% CGA (chlorogenic acid), a powerful antioxidant known to give several health benefits*

^ *When consumed without milk and sugar, as part of balanced diet and active lifestyle*



Consumers

Inspiring the public to lead a healthy lifestyle

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

Heart Health
Under the Saffola*life* programme, Marico has supported a plethora of initiatives along with FSSAI

Nutritious Food
To educate school children on safe and healthy eating habits, Marico, along with FSSAI, has initiated a campaign titled 'Safe and Nutritious Food'

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 of food hygiene to India's masses

* Details of the above initiatives and the impact created are described in 'Community' section from Page 62 to 73.

Offering safe and high quality products

Product safety and quality assume the topmost priority at Marico. Not only do we have established well-defined systems to ensure compliance to regulatory requirements, but have also developed a clear assessment of quality and safety aspects 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 the National Accreditation Board for Testing and Calibration (NABL).

Raw materials

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

Suppliers/vendors

Perform exhaustive suppliers quality audits and maintain strict controls with respect to reliability and traceability. It enables us to ensure the quality of raw materials and packaging essentials.

Manufacturing

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

Packaging

Strict controls on the quality of the final packaging to ensure a pleasant consumer experience.

Finished products

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

Our responsibility to use safe ingredients

We carefully choose our ingredients, which are considered safe for human use. We participate as well as represent safe ingredient usage on various national and international regulatory fora to understand and provide inputs for framing regulations for ingredient safety. While choosing our ingredients, we consider the national and international regulations, current and upcoming, to comply with the dynamic regulatory information on ingredient safety.

Marico participates and represents safe ingredient usage on various national and international regulatory fora to understand and provide inputs for framing regulations for ingredient safety.

We have developed an in-house database for approval and monitoring of ingredients. Our ingredient assessments are in line with the requirement set for its usage as per the law of the land. We further strive to have all our ingredient specifications and requirements aligned to the European Union, US Food and Drug Administration (USFDA), and CODEX standards. Even though we primarily operate in the ASEAN, Middle East and African markets, we are committed to meeting the global recommendations and requirements for Substances of Very High Concern (SVHC) and Substitute It Now (SIN) list. It is our continuous commitment to minimise the chemicals highlighted in the list and find suitable alternatives.

Consumer connect

We constantly look for ways to explore the unmet needs, insights and innovative offerings that can cement our bond further with our consumers. To facilitate feedback from them, we have a dedicated Consumer Service Cell (CSC), which is ISO 10002 certified. The CSC plays a key role in interfacing with consumers.

All consumer complaints are addressed within 48 hours

Contact mechanisms are mentioned on all our product packs

Leverage social media, digital technologies to improve consumer engagement

'Consumer Connect: Dawn to Dusk' implemented to capture voice of consumers

Nurturing people, growing careers

Building an agile, inclusive, entrepreneurial and high performing organisation

We take pride in our culture that promotes openness, transparency and recognition as cornerstones of performance. Driven by our core beliefs of empowerment, mutual respect and trust, we enable our people to truly have a sense of ownership at Marico, learning and developing as individuals, even as they grow the business.

We foster a positive and inclusive work environment for all our members irrespective of race, caste, religion, marital status, gender, sexual orientation, age, nationality, ethnicity, ability or any other personal characteristic. Our values reinforce our commitment to be an organisation ensuring equal opportunity, respect, dignity, fairness and human rights for all our members. We have put in place enabling infrastructure and work practices such as the parental support programme and flexible work arrangements, besides an increased focus on sensitising our members on unconscious biases and helping them break stereotypes.

Driving diversity

We have an enhanced workforce representation that straddles gender, and abilities, leading to diverse competencies. Driving thought diversity within our teams, we have welcomed members with diverse backgrounds – defined by education, the industry they have worked in, overall experience, employment models, and others.

58%

Of members in Marketing, Technology and HR functions are women

Policy level initiatives

- 'Same Sex' partner benefits across all applicable policies of Marico
- Specific need based Mediclaim policy for differently abled members
- Parenthood benefits for LGBT+ members
- Flexi-work options post maternity break

Infrastructure related initiatives

- Gender neutral infrastructure including washrooms in Corporate and R&D offices
- Differently-able infrastructure in Corporate and R&D office
- Launch of wellness, maternity care and kids-room to enable members manage their personal and professional life priorities with ease

Employees

A value-driven culture

We believe membership is superior to employee-ship and hence consciously, all Mariconians are called 'members'. This membership is built on our core beliefs of trust, transparency, care and concern, appreciation and teamwork. We help members fully embrace and live our values. A detailed Values Workshop for new members is an integral part of our induction process, and once a year, we host a Values Week, to celebrate our values through various initiatives. These include recognition for living our values and bringing to life our purpose of making a difference.

Member appreciation and recognition are key to demonstrating our values. We have rolled out our internal social recognition platform, Maricognize, to our members in Bangladesh, Egypt and South Africa, as well. Function-specific awards have also been set up on Maricognize to make the recognition process easier and effective. Long service recognition for ten and five years - Club X and High 5 respectively, has been instituted. Around 103 members were recognised in FY20.

This year on Values Week, over 30000 'I Value You' cards were exchanged between members.

How we engaged with our members

Our regular engagement surveys give members a chance to share their views and provides us key insights for action.

Engagement Dipstick survey conducted right after the onset of COVID showed average engagement score of 96% in the first 4 weeks.

Our Values Survey conducted annually in Supply Chain and Operations gives us a glimpse of how our values are experienced across levels. The values index was at 93% in 2020 over 87% in 2019.

Leveraging technology to engage

'My Voice' is a conversational bot, which engages with the frontline sales members on a periodic basis. The average engagement across frontline sales is 77% for India. We extended 'My Voice' to our Bangladesh business as well, this year. The effective usage of technology helps deep dive and analyse member sentiment.

Digital transformation training

Building digital skills of our members is central to our agenda of building leaders of the future. With a nine-month long learning plan facilitated by external experts, teams have been tasked with digital experiments for their brands. They are learning various aspects of this dynamic environment, be it impact assessment in terms of media effectiveness, adoption of new techniques in trend-spotting, content planning or data-driven marketing approaches.

Fostering leadership capabilities of the future

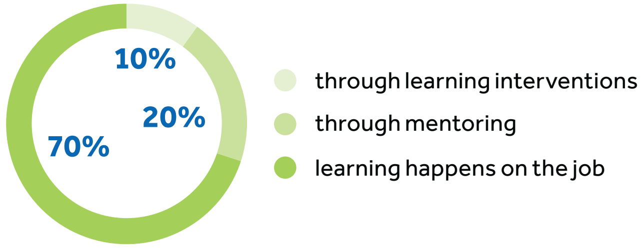
With an open, empowering and non-hierarchical environment, developing distributed leadership capabilities across levels is crucial in fostering entrepreneurial spirit and a growth mindset. Members are encouraged to master 'Leading Self', 'Leading Others', and 'Leading Business' to be future ready.

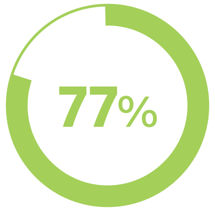
Our 'Lead with Impact' series, especially designed for high potential members, is customised for various segments, workgroups and experience levels including budding young leaders, seasoned leaders, and leaders transitioning across roles. The series follows a blended learning approach over a period of 9-12 months. It is a combination of self-paced e-learning modules, face-to-face experiential learning, live learning classes, assessments, readings, coaching, project teamwork, online collaboration and sharing of best practices.

175 participants

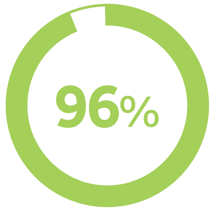
At Lead with Impact series in 2019

We follow a '10-20-70' model of leadership development





Of the current leadership team is home-grown talent



Retention of key talent

Young Board programme

We have set up a Young Board, which comprises young home-grown partner talent, nominated from across the business, who are expected to bring fresh and differentiated thinking. This helps provide a well-rounded perspective on the new opportunities that we want to pursue, to make Marico future ready. Each Young Board has a tenure of one year.

Our channels of learning

Marico Leaders as Teachers

This year, 22 of our leaders across locations went through a three-day facilitation skills workshop based on the 'Accelerated Learning' model. These certified leaders are now designing and conducting training programmes for their functions on induction topics such as new manager assimilation, Marico's values and Code of Conduct, technical topics of HR analytics and insights, pumps and pumping systems and behavioural topics such as trust and collaboration, stakeholder management, communication with impact, time management, collaboration between teams and managing self.

There is also **Anytime and Anywhere** learning with **BLINK**, our internal smart, Machine Learning and Artificial Learning (AI) driven system that serves best-in-class content, basis the role and skills of the learner.

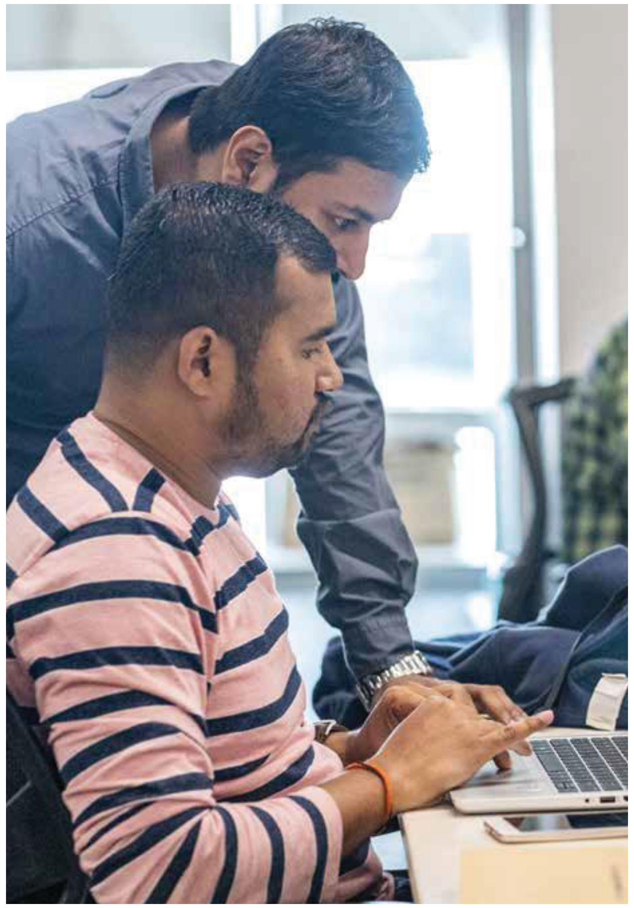
Capability building across functions

Sales capabilities: Leveraging advanced virtual learning technology for our frontline sales through Train the Trainer 'Friday Learning' sessions have helped make learning an ongoing process without the need for physical presence and without any loss of man days.

1800+ Distributor Sales Representatives (DSR) has been trained weekly by Territory Sales Executives/Officers, who have been trained through the 'Train the Trainer' programme.

Toolbox Talks: Technical self-learning in engineering and production through a library of short learning videos of 3-5 minutes

Gyaanshala: The corporate function teams identify specific topics outside the regular learning plan, the discussion sessions of which are conducted by internal trained facilitators



Our career management philosophy

Our career management philosophy is defined across four anchors of career growth through employability enhancement, leveraging members' strengths, perspective building and skills and knowledge enhancement. We believe that while employability enhancement is the responsibility of the member, the organisation will create the right environment for career growth. Members are given exposure through critical projects and secondments, where their strengths are leveraged.

We believe performance is not equal to the potential of an individual, and hence we assess performance and potential separately. Our holistic potential identification process, the Personal Development Planning process, assesses member aspirations, drives meaningful career conversations that result in Individual Development Plans (IDPs), which are then tracked through check-ins. Check-ins are regular conversations between members and supervisors to review action/development plan to ensure progress and alignment. Coaching, in-time feedback and guidance from supervisors sharpen the plans and help course correct, when necessary.

Starting this year, members can also view their potential career trajectory for the next five years. This career visibility is derived post detailed career conversations, career guidance sessions and internal calibration through the talent review process.

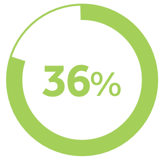
Creating a future-ready talent pipeline

While deepening engagement with our external hiring partners, we have diversified our hiring sources to enhance hiring through referrals, internal job postings, rehires, and through alternate media such as social media and alumni groups.

TAREEF: We encourage members to refer professionals from their network and get rewarded for every successful referral. 36% of vacancies at the mid management level have been through referrals, resulting in faster hiring closures and direct cost savings.

Homecoming: We have a strong alumni network, which is a potential source of talent and referrals. Basis our re-hire policy, we have also welcomed several ex-Mariconians back into the Marico family.

Alternate hiring: We have leveraged job portals like Naukri, IIM Jobs and social media platforms such as LinkedIn and Facebook, to reach out to prospective talent that is not actively seeking a job change. We have also reached out to them through institute alumni groups.



Of our mid-management talent are sourced through referrals and alternate hiring

Of the Managers and Partners pool include Ex-Mariconians who have re-joined

Campus talent

We have talented graduates from campuses across the country, who join us every year. Our key engagements include:

Operations Bootcamp

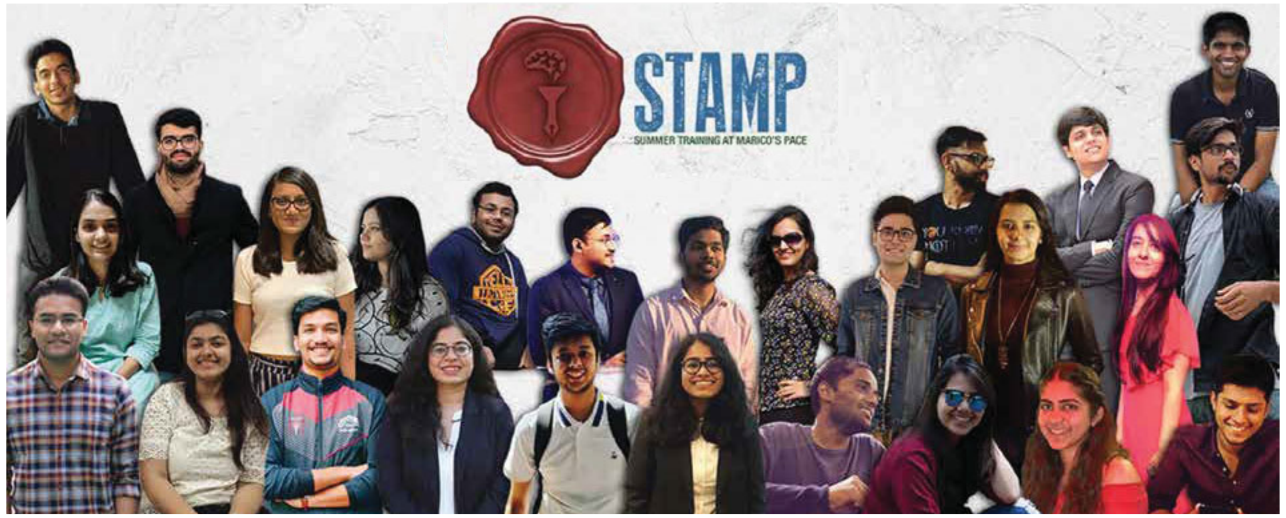
Under Operation Bootcamp, students from operations and supply chain interact with the Marico leadership to get in depth exposure to the supply chain function coupled with a virtual tour of Marico's Perundurai factory.

Over the Wall

Our flagship campus challenge for business ideas that would create an impact, received an overwhelming response from **over 1, 400 students across 12 B-Schools this year.** This challenge is part of Marico's focus on nurturing and developing future leaders with the right guidance and support. This year, Season 7 has been featured in the list of **Top 20 Prestigious B-School competitions of 2020 by the Employer Branding Consultant and Student Community Platform - Dare2Compete.**

STAMP (Summer Training at Marico's Pace)

The summer internship programme at Marico is one of the strongest sources of talent from premier business schools. It is indeed a matter of pride that some of our successful members had joined us as Summer Trainees and their contributions over the years, is a testimony to the success of our STAMP programme. With STAMP, students get to work on challenging and enriching live projects. We increased the number of interns by approximately 20% this year, compared to the previous year.



Ignite

Our Management Trainee Programme is aimed at inspiring the trainees to push the limits. They work with real life, strategic business issues affecting Marico and its stakeholders. The organisation places immense trust in their abilities and provides them with early responsibility and empowerment. Ignite executes Marico's vision of putting the trainees through a journey that not only assesses them, but also enhances their skills and readies them for future challenges.

Graduate programmes

With an increased focus on bringing in talent from diverse backgrounds even at an entry level, we have started the Graduate Leadership programme, through which we hire Graduate Trainees from top institutes like Shri Ram College of Commerce, St. Stephens College and Lady Shri Ram College for Women, and provide them with cross-functional exposure for 12-18 months, before moving them into respective functional roles. We have also recruited graduate engineering interns from the Indian Institute of Technology, Bombay. The internship will enable the students to get real world exposure and realise their true potential by working on high impact live projects.

In addition to these, we hire trainees for front-line sales from regional management institutes, who undergo 6-8 months of comprehensive field training before directly moving onto handling independent territories.

Fostering member wellness

Marico has taken significant strides in adopting and initiating the best-in-class practices for overall wellness of our members.

Physical wellness

A comprehensive medical check-up facility was set up at corporate locations. On-site nutritionist and a general physician consultation on a fortnightly basis were also included. In addition, Zumba and Yoga sessions were conducted. We tied-up with one of India's leading healthcare app for remote consultation by a physician and a nutritionist. This has enabled members to avoid visiting clinics and hospitals during the COVID-19 pandemic.

Stepathlon

This year's edition of the 75-day fitness challenge witnessed 335 members participating in 6 weekly challenges across various fitness activities.

Emotional wellness

The Marico Member Assistance Program (MAP) is a counselling service available for our members and their immediate family, completely free of cost, and with assured confidentiality. At the onset of COVID, we doubled down on the assistance programme and carried out focussed communication on the availability of an emotional wellness counselling service. In addition to this, we had sessions on parenting, mindfulness, mental health, lifestyle changes among others.

Well-being sessions

During the on-going pandemic, we have started a webinar series on important issues like coping with anxiety caused by COVID-19, how to deal with working from home, staying positive during social distancing, guiding children and teens, educating them about COVID-19, managing elders and family members, besides addressing mental health and others, during the crisis.

Community well-being

Members voluntarily contributed a day's salary for the welfare of our front-line sales field force in view of the COVID-19 crisis. Our members also voluntarily contribute to the GiveIndia Foundation, with a matching contribution from Marico. We also celebrated Daan Utsav Week, where we contributed towards a variety of causes such as education, women empowerment, disabilities and others.

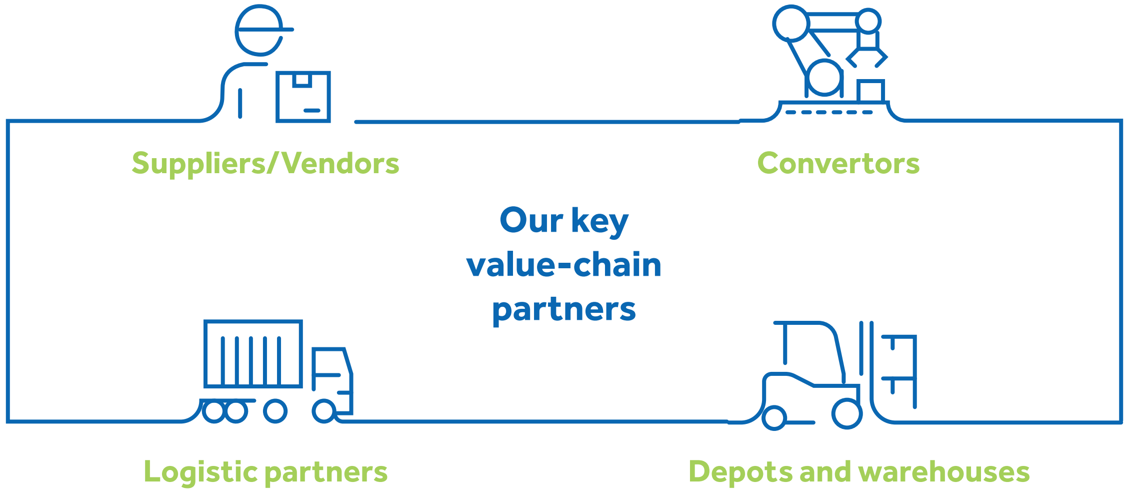
Financial wellness

We helped educate members on financial security and financial management through a video series along with a financial planning expert.

Growing with partnerships

Our relationship with the value-chain partners are founded on mutual and inclusive growth. These norms have set the precedent for us, as a responsible company, even as we continue to positively influence and impact the growth story of our business partners.

Our stated purpose to **'make a difference'** has enabled us to create shared value for all stakeholders across the value chain.



Extending sustainability to our value-chain partners

Marico has distinguished itself by integrating sustainability into all categories of sourcing, whether materials or services.

SAMYUT
Together . We . Achieve

22%
Of critical value-chain partners certified on level 1 of responsible sourcing

RESPONSIBLE SOURCING – POLICY STATEMENT
'Source material and services for Marico products through sustainable and responsible suppliers or business associates, who share our sustainability vision.'

We have made a steady headway on the 'responsible sourcing' initiative that was launched in the year 2018. Today, the programme has evolved into a larger initiative as 'SAMYUT', to enable a shared value approach. Under it, we follow a three-stage, progressive approach: Educate – Evaluate – Evolve, to engage with our critical value-chain partners. We believe that extending sustainability to our business associates will help foster innovation and meet evolving consumer preferences, besides realising our goal of delivering inclusive growth.

With regard to our commitment to have 20% of our overall critical value-chain partners certified on Educate (level 1) of responsible sourcing, we are happy to share that we have completed certification of 22% critical value-chain partners* in FY20. We are on course to progress further on this journey.

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* This covers critical raw material and packaging material suppliers. Other value-chain partners will be covered going forward.

Value-chain Partners

Suppliers

Procurement is a strategic function at Marico. It is crucial for our suppliers to realise our objective of long-term sustainable growth as well as our efforts to drive the growth of the local economy. Hence, the Supplier Relationship Management (SRM) strategy at Marico operates with the philosophy of creating win-win relationships.

Vendor development and supply assurance

The sourcing team at Marico constantly strives to develop new vendors to ensure supply assurance. We have suppliers across various regions, who are able to consistently provide us with the required ingredients and packaging materials. The sourcing team explores and on-boards newer vendors from local as well as unexplored geographies. In the process, we have done pioneering work in sourcing the commodities from new vendors, thereby contributing to the overall business and category growth at large.

Encouraging local procurement

We encourage and take efforts to source materials locally. We have over 700+ suppliers, and 95% of the procurement by spend during 2020, was on local suppliers (for the India business). We believe that the focus on local procurement will help reduce the carbon footprint of our products and also encourage local economic development.

95%

Of procurement by spend in India during 2020, was on local suppliers

Quality within supply chain

The procurement and central quality assurance team at Marico jointly drives the Supplier Quality Assurance (SQE) programme, which aims at identifying specific training and development needs at our suppliers' end. Improvement projects are then identified and executed by ascertaining the right degree of 'responsibility' and 'accountability', both at Marico and the supplier's end.

SQE: Overseas Food Supplier
During 2020, the SQE team addressed chronic issues with one of the overseas food supplier in areas covering process management, infrastructure upgrades and handling international logistics. Persistent efforts helped the rejection percentage to reach zero level.

Rewards and recognitions

As part of our SRM strategy, we reward suppliers with appropriate business share for those who bring value in terms of service level performance, quality systems and cost competitiveness. Further, suppliers exhibiting exemplary performance, in line with the Marico values of excellence, bias for action, boundarylessness, innovation, transparency and openness, are recognised across various fora like Supplier Quality Excellence (SQE), SAMYUT, and vendor meets, among others.

Convertors

(Third party manufacturers)
Convertors or third party manufacturers are the business associates for Marico, crucial in transforming our products into packaged finished goods to be delivered to the consumers. It is Marico's shared vision to co-work with our convertors towards upgrading to best in class facilities to make products that consumers can trust. We constantly collaborate with our convertors with respect to technology, quality systems, process efficiency, operational excellence and environment initiatives. Our endeavour is to establish better synergies leading to long-term mutual benefits.

As part of our continuous quality systems improvement journey, we are determined to accomplish acclaimed food safety certifications and recognitions for our convertors to establish them as best-in-class facilities. We constantly work together and support our convertors in areas like system and process changes, capability building of internal teams and also modifying infrastructure requirements. These interventions demonstrate our focus on delivering the right quality and safe products to our consumers.

Our coconut oil cluster convertors achieved 'Food Safety System Certification 22000 (FSSC 22000)' and also advanced with no major or critical observations during the surprise audit conducted in 2020.

Depots and warehouses

Ensuring best-in-class depot and warehousing capabilities by consistently improving their performance standards, has always been a key area of focus at Marico.

Our depot quality journey

'Kaun Banega Champion' (KBC), the depot certification programme by Marico, aims to pursue and instil world-class standards. The programme has evolved over the years, and has now become a strong benchmarking standard in the industry.

IMPACT CREATED 2020

ZERO
Major incident reported

99.5%
First-time-right product across depots

50%
Reduction in Leakage and Damage (L&D)

100%
Compliance to regulatory norms

Automation in warehouse

We have implemented 'Warehouse Management System' (WMS), a software application used to monitor and control warehouse operations and materials. WMS has helped us automate the basic functions of warehousing: goods receipt, storage, warehouse control, picking, retrieval and goods issue.

The available resources are very efficiently managed with the WMS system, which has helped us improve productivity and stocks accuracy.

KBC programme objective

1. INTEGRATE quality systems and processes in distribution chain
2. ENHANCE focus on depot safety systems
3. REDUCE cost by efficient operations
4. REGULATE compliance requirements

Depot audits are carried out annually by the Corporate Audit team across India. The audits have raised the expectation levels and the excellence bar, in terms of compliance to KBC modules. The best performing depots are recognised at the annual Marico Business Associate (MBA) conference.

24
Depot audits were conducted in FY20

External accolades:

Ramakrishna Bajaj National Quality Award: Certificate of Merit (S.M. Logistics, Marico Sonipat C&FA)

CII Food Safety Award: Certificate for Strong Commitment to Good Warehousing Practices (Kamal sons, Marico Lucknow C&FA)

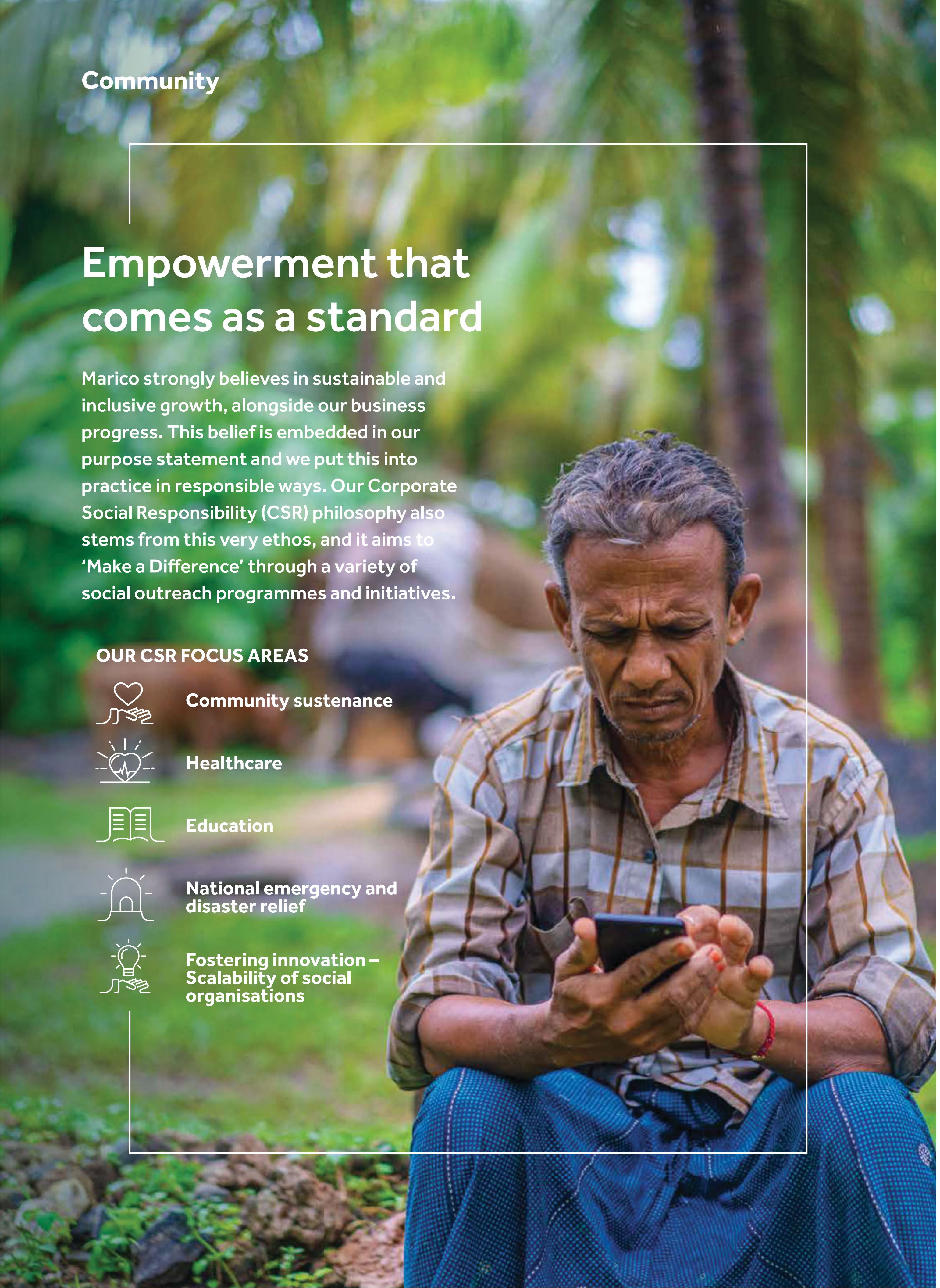
Logistics & transportation

Our aspiration is to create a supply chain system that is agile, cost competitive and sustainable, thereby leading to customer delight. Our logistics team drives various initiatives at each node to ensure that our distribution network is constantly evolving across – service, cost and sustainability.

Transporter Excellence Awards

During FY20, we instituted half-yearly transporter excellence awards to reward the top performing transport partners. The performance is evaluated on multiple aspects such as placement performance, transit performance, innovation focus, commercial compliance as well as cost and efficiency enhancement. The best performers will be recognised with an award on a half-yearly basis.

START-UP TRANSPORT PARTNERS
Marico has constantly provided opportunity to start-up transport partners such as Blackbuck, Rivigo and Delhivery. Our business share with these partners has increased from 9% in FY16 to 63% in FY20.



Empowerment that comes as a standard

Marico strongly believes in sustainable and inclusive growth, alongside our business progress. This belief is embedded in our purpose statement and we put this into practice in responsible ways. 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 and initiatives.

OUR CSR FOCUS AREAS

- Community sustenance
- Healthcare
- Education
- National emergency and disaster relief
- Fostering innovation – Scalability of social organisations

1.Community sustenance

Marico's key community stakeholders are farmers, with whom the Company has forged an enduring partnership through farming engagements and the local community residing in close proximity to our operations.

Our community sustenance initiatives are designed to build and maintain harmonious relationship with the local communities in and around our operations, while uplifting their lives in a sustainable and responsible manner.

WATER STEWARDSHIP

Water catchment and conservation is a challenge in many Indian states. Our pursuit is to ensure water security and availability to communities which live in and around our operations and larger community both for domestic and agricultural use.

Under Jalaashay, Marico's water stewardship initiative, we pledge to ensure water security for communities to overcome social and economic challenges.

In FY20, we created

640 Million litres

of water storage potential, which is equivalent to 3.2 times the water footprint in our operations in India

Dam desilting

Marico has adopted Jalgaon district in Maharashtra state of India with an objective of rejuvenation of water bodies. In FY20, we successfully completed the de-silting activity in entire district under the 'Galmukt Dharan Galyukt Shivar' (silt-free dam, 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.

Farm ponds

During the year, Marico constructed 93 farm ponds in Tamil Nadu (under Parachute Kalpavriksha water conservation) and 2 farm ponds in Puducherry, with a water storage potential of 105 Million litres and 16 Million litres, respectively. This initiative benefitted farmer families by making water available both for agriculture and domestic needs.

77
Water bodies covered

5,18,623 m^3
Of silt excavated

172
Villages benefitted with water availability and silt

786
Farmers benefitted

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* As per the third party audit and report submitted to Marico

Community

PARACHUTE KALPAVRIKSHA

Our Parachute Kalpavriksha programme, launched on September 2, 2017 (on account of 'World Coconut Day'), is focussed on making a difference in the lives of coconut farmers by supporting them in enhancing their productivity and income, and is led by:

Enabling
higher and sustainable crop yield

Training
farmers to handle their farms independently

Transforming
myth and belief-based farming into farming based on scientific research and knowledge

Parachute Kalpavriksha Foundation, a separate non-profit company (80G certified), is now operating the Parachute Kalpavriksha programme for enhancing the farm yield and earnings of coconut farmers.

60+
On-field agronomists

21,043
Farmers enrolled till date

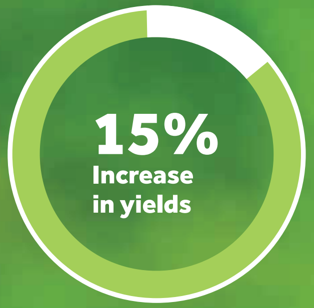
128,818 acres
Coconut farms covered under the programme till date

In FY20, we have enrolled 9,550 farmers covering 53,423 acres of coconut farms.

Programme methodology

- Conduct training and awareness programmes propagating scientific farm practices on nutrient, disease and water management
- Agronomists enrol farmers into the programme, educate them providing on-field support and monitoring implementation of right farm practices
- Provide on-call troubleshooting solution through the Parachute Kalpavriksha Care call centre
- Experiment and promote water conservation practices in farms

Farms that have completed **more than a year** with Parachute Kalpavriksha have delivered


15%
Increase in yields

Calculated as per the comparison done with the Control Farms

Apart from engaging the agronomists, we have also deployed jeep campaigns, launched the toll free IVR (Interactive Voice Response) system, deployed digital and social platforms (like YouTube, Facebook, Instagram etc.) for providing access to our digital farm care video library. All these channels enable us to maximise our farmer reach.

Tanjavur crop revival

The 'Gaja Cyclone' led to huge devastation of coconut plantations in Tanjavur district in Tamil Nadu. Marico supported the revival of coconut plantation to restore farmer income. Through this initiative, we:

- Provided immediate relief activities like coconut and banana seedlings

Supported farmers in seedling plantation, young tree management, inter-cropping and standing tree rejuvenation.

Parachute Kalpavriksha Knowledge Centre

We have developed a knowledge centre to train and demonstrate to farmers best farm practices. In this financial year, 165 farmers were trained at the Parachute Kalpavriksha Knowledge Centre.

100,000
Seedlings were developed in collaboration with experts and freely distributed amongst farmers to support crop revival (68,000 seedlings distributed)

Community initiatives around our factories

We understand the needs of the people who live in the neighbouring areas around our factories through need assessment or studies involving the communities. The programmes are then designed to fulfil the needs and lead to overall social development.

24,875
Total beneficiaries of the CSR initiatives within communities near our factories in FY20

Cause	No. of beneficiaries
Flood Relief	7,770
Health & Hygiene	3,004
Water Conservation	7,860
Education / Skill Building	2,336
Environment	1,600
Others	2,305

SWAPNO Programme – unleashing the potential of ultra-poor women in Bangladesh

Marico continued its partnership with the United Nations Development Program (UNDP) and the Government of Bangladesh to execute the SWAPNO programme, which focusses on ultra-poor, women-led households. The programme fosters a best-in-class poverty graduation model, and Marico is the first private sector partner to undertake such a programmatic approach to poverty alleviation alongside the government and the United Nations Development Programme (UNDP).

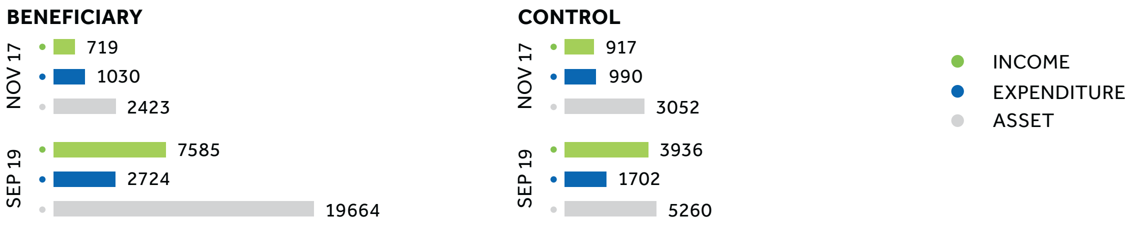
SWAPNO focuses on creating productive employment opportunities for its beneficiaries (rather than being merely a safety net programme), aiming at more sustainable results of poverty-alleviation. The programme works with the most vulnerable groups of women, where 47% beneficiaries are widowed, 27% are abandoned, 18% are divorced, and 8% have a disabled husband.

In the last financial year, Marico invested BDT 200 Million (~US$ 2.36 Million) in the SWAPNO programme, which has enabled 9,000 beneficiaries to graduate out of poverty, and pursue sustainable livelihoods. In addition to the existing 9,000 beneficiaries, another 3,564 were enrolled in the programme in the third quarter of FY20. It has now expanded to Jamalpur, Lalmonirhat and Gaibandha districts, in addition to Kurigram and Satkhira, under the renewed partnership agreement.

Impact parameters

Financial inclusion	Asset creation	Behavioural change	Asset creation
Beneficiaries are provided with mobile handsets to ensure: 1. 100% digital payment 2. Complete transparency in fund transfers	All beneficiaries participate in Rotating Savings and Credit Associations, which enable them to access financing for expanding livelihoods or buying assets	Apart from livelihood skills, the programme provides training on health and nutrition, gender issues, adult financial literacy to empower beneficiaries to manage their livelihoods independently	Economic empowerment is measured* across increase in income, consumption/ expenditure and increase in asset holding

The following chart illustrates the change in economic status of SWAPNO beneficiaries



Market Opportunity Survey

Based on mutual discussions between Marico and UNDP, an independent Market Opportunity Survey (MOS) and Training Needs Assessment (TNA) in the new districts included under the programme were conducted. Based on the different trades identified by the surveys, the skills training plan for livelihoods development and formal sector employment are being redesigned. Through the MOS, 44 trades are identified by the respondents which can be suitable for beneficiaries. The trades are clustered into three categories i.e. high priority (above 50%); average priority (from 50% to 25%) and less priority trades (below 25%).

44

Trades suitable for beneficiaries identified by respondents

Private sector knowledge partnership for achieving Sustainable Development Goals (SDGs)

The SWAPNO programme is aligned with, and has a direct bearing on, the achievement of 8 of the 17 SDGs. The Bangladesh Government has also commended the programme to be best-in-class at the Social Security Summit organised by the Cabinet Ministry. Given the learnings of the partnership and Marico's extensive expertise in sales & distribution, we will act as 'Knowledge Partner' to UNDP to derive the following outcomes:

1. Find solutions for development challenges through core business activities and initiatives that include low-income groups into value chains
2. Co-design programmes targeting distressed and vulnerable women to get them out of poverty and help them sustain with higher income level
3. Co-design and implement strategies for transitioning current SWAPNO approach to market-driven skills and diversified climate change resilient livelihoods options

The first-ever private sector dialogue

The SWAPNO programme initiated a one-of-its-kind and first-ever tripartite dialogue between the Government, UNDP and the private sector, held on September 23, 2019. Representatives from the Ministry of Finance, Ministry of Local Government and Rural Development (LGRD) and Ministry of Environment were present, who actively took part in the dialogue. Drawing upon the success and learnings of the Marico-UNDP-Government partnership in the SWAPNO programme, major local and global corporates including Unilever, Robi Axiata, H&M and Bank Asia also participated towards forming a private-sector alliance and replicating the SWAPNO partnership model.

Community

2.Healthcare

Saffola*life*

Saffola*life*, a not-for-profit initiative by Marico, remains committed to its vision of creating a 'Heart Healthy India'. The brand has led many initiatives consistently over the years and educated consumers on the importance of taking care of their heart. Saffola*life* also believes in fighting against obesity and inspiring consumers to start their journey towards fitness and healthier lifestyle at a younger age.

During FY20, Saffola*life* supported a plethora of initiatives by Food Safety and Standards Authority of India (FSSAI).

Eat Right Initiatives

Safe and Nutritious Food (SNF) at schools

The school contact programme supported by Saffola*life*, in partnership with FSSAI, focuses at creating awareness among school children as well as the parents and teachers on inculcating the habit of safe and healthy eating. The project involved 100 different schools in various cities covering over 80,000 students till date.

Completed activation in

84 Schools

23 Audits

Completed for Eat Right canteen certification

Magic Box Training Kit placed in

70 Schools

'Report Card' challenge conducted in

70 Schools

Eat Right Campus

- Programme to cover large campuses
- 10 campuses activation is the new plan
- With the support of Gujarat Food and Drug Administration, Saffola*life* is also supporting hygiene rating audits for 30 other campus food business operators in the state.
- 4 large campuses in Gujarat recommended for FSSAI Eat Right certification
- 20 Food Business Operators (FBOs) certified in Gujarat
- **Estimated Impact:** Over 3,00, 000 visitors come to these campuses

Eat Right Street Food Hubs

- Saffola*life* collaborated with FSSAI and local Food and Drug Administration authorities to improve hygiene condition of public eating places
- Completed certification of 7 street food hubs in Gujarat, Maharashtra and Tamil Nadu
- **Estimated Impact:** Over 5, 00, 000 consumers benefited from safe and hygienic food.

Eat Right Mela

- Participated in the 11th National Street Food Festival
- Over 20,000 people connected through the mela

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[3] As per the third party audit of the initiative and report submitted to Marico

3.Education

One of the most significant indicators of social progress is education. With purpose at its heart and commitment towards social progress, Nihar Shanti Amla, has been continuously strengthening its mission to impart quality education to underprivileged children across multiple states in India. Through its Nihar Shanti Pathshala Funwala and Educate Girls initiative millions of students are impacted. Technology, collaboration and scale forms the core pillars of our initiatives.

Enabling access to quality education for

1 Million+ students

since inception

Leveraging technology and state partnerships to create scalable impact

Teacher Empowerment Programme

This is an initiative in partnership with Government of Rajasthan, Madhya Pradesh and Uttar Pradesh to empower government school teachers with quality teaching material for English Language. In a novel approach, we have leveraged the most ubiquitous technology - WhatsApp to reach out to far flung rural areas.

4,500+
Teachers signed up

1.35 Lakh+
Students reached

Mobile Pathshala

With the objective of accelerating the spread of spoken English, Mobile Pathshala provides children free-of-cost education modules along with songs, mnemonics, memorable and relatable characters as learning aid. This year, we managed to reach 350+ schools in Uttar Pradesh to take on this self-learning journey.

50,000+
Government school students registered

Virtual School

Enabling anytime, anywhere learning, the program was initiated with an aim of supplementing school education with a personalised app based one to one solution. Designed to replicate the school model virtually, it brings together the key stakeholders – students, teachers and parents. Curriculum is as per CBSE guidelines blended with activity-based learning approach. The initiative was extended as a scholarship under 'Nihar Shanti Pathshala Funwala' linked to student's performance improvement and interest.

2,000+
Students undergo virtual learning

Digital Classroom

Aimed at catering to the shortfall of teachers in government school under this initiative, 20 government schools have been provided with required equipment to run live digital classes in English, Maths and Science in Uttar Pradesh and Jharkhand. The classes are anchored by volunteers remotely.

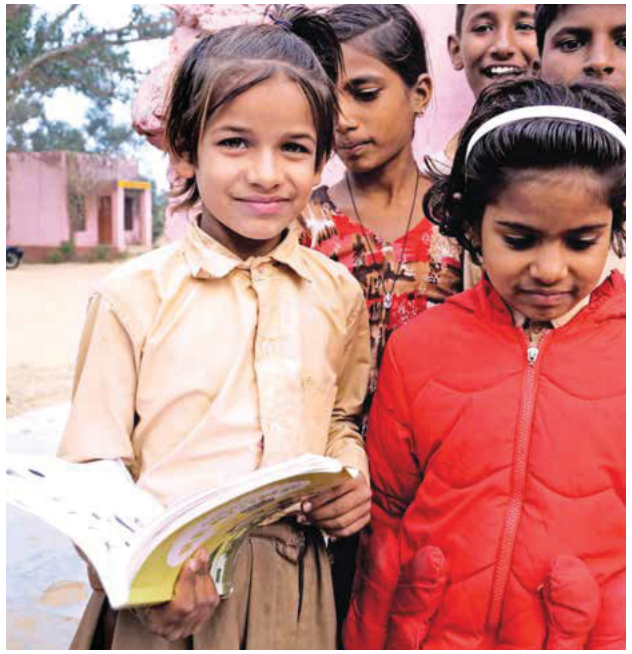
2,000+
Students attend classes

2 Lakh+
Students were provided access to quality education in FY20 through Nihar Shanti Pathshala Funwala

Partnering with Educate Girls

'Educate Girls' is the NGO partner, with whom we continue to provide quality education for girls from underserved and marginalised households. The programme mobilises public, private and community resources, thus improving access to education and achieving behavioural, social and economic transformation of girls in India's gender gap districts. The program model is focused on improving the Enrolment – Retention – Learning cycle of every child in the educationally backward districts in which it operates.

79,391
Beneficiaries in Jhadol and Kotra blocks in Udaipur, Rajasthan



4. National emergency and disaster relief

Providing 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 to those in need.

Disaster relief

In 2020, Marico donated ₹2.65 Million towards Assam state flood relief activity. The contributions were made towards the Chief Minister's Relief Fund, education development as well as medical camps and rehabilitation of flood victims in Kurua and Athgaon village benefitting 2,500+ households. We also made monetary contribution of ₹1.5 Million to Goonj towards rehabilitation of communities affected by the Odisha cyclone Fani.

Marico against COVID-19

In our fight against the COVID-19 pandemic, which is currently plaguing the country and the world, Marico has pledged ₹70 Million to support the people, the medical fraternity and the government.

#MaricoUnitedAgainstCOVID19

As part of the initiative, we have allocated ₹10 Million to support police, primary healthcare workers, and emergency services with adequate protective equipment like face masks, gloves, thermometers, and sanitisers and ₹20 Million allocated towards rehabilitation activities. Further, we have committed to allocate ₹20 Million to deliver dry ration and cooked meals to support the migrant workers with safe and nutritious food. In addition to our own funds, we are also raising fund on GiveIndia.org to supplement our efforts. Our ambition is to raise ₹30 Million and serve equivalent cooked or dry meals. Our Parachute Kalpavriksha Foundation is donating ₹2,000 per person to the tree climbers, who work in the coconut farms.

PM CARES Fund

Marico is making a contribution of ₹10 Million to the PM CARES Fund and other state funds in the country. In addition to this, our employees are also doing voluntary donation of one day's salary matched by an equivalent donation by the company.

5. Fostering innovation – Scalability of social organisations

MARICO INNOVATION FOUNDATION (MIF)

INSPIRE. IMPACT. INVOLVE.

Incepted in 2003, Marico Innovation Foundation (MIF), aims to nurture innovation in India across the business and social sectors alike.

"Our vision encompasses the innovation ecosystem in India. The Marico Innovation Foundation believes that innovation can spur creation and sustenance of successful and enduring Indian brands. That will enable India to reposition itself as a global economic superpower."

Harsh Mariwala
Chairman

Scale-up Programme

As part of the Scale-Up Programme, MIF identifies business challenges faced by an organisation, collaborates with mentors and provides implementable solutions; thereby leading to substantial impact and sustained growth.

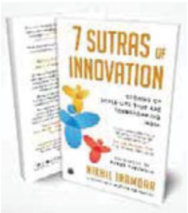
11
Challenges completed across 6 organisations in FY20

Particulars	Impact
Total no. of organisations worked with during FY20	18
No. of active organisations (as of end of FY20)	12
No. of challenges closed	11
No. of mentors engaged	32
Total no. of mentor hours spent	344

Organisation	Impact
Y-Cook [Ready-to-eat food tech]	Improved OEE from 65% to 78% and designed for three crucial product SKUs
Atomberg [IoT enabled electronics]	Reduced distribution transit times by 30% and escalation by 90%
S4S [Farm-level solar dryer]	Developed procurement plan with estimated ₹2 Crore annual savings, helped raise grant funding from the Shell Foundation
BOHECO [Hemp based food]	Through logistics optimisation measures, helped 43% reduction in transport cost with 0% damages in transit
Innaumation [Voice prosthesis]	Identified distribution model to function without intermediaries, bringing down final cost of device to patient
Ecolibrium [Predictive IoT solutions]	Developed sales strategy leading to in-roads with 4 large Indian business houses

Innovation Book

MIF published its second book '7 Sutras of Innovation', which houses the business insights from scale-up journeys of past MIF Award winners. It is aimed at sparking impactful and innovative ideas, thereby contributing to India's growth story.



3,500
Copies sold within 2 months of the book release

#Innovate2BeatCOVID

MIF launched a unique, nationwide platform called #Innovate2BeatCOVID on March 29, 2020. Med-tech entrepreneurs, corporates and innovators were invited to share existing cost-effective and innovative solutions to combat short supply of ventilators, personal protective equipment and other respiratory solutions that can aid the medical fraternity.

MIF along with the A.T.E. Chandra Foundation and Harsh Mariwala, in his personal capacity, will offer a total grant worth ₹25 Million to the most impactful innovations.

670+
Relevant proposals have been received till date

MIF InnoWin and Talkies

MIF also helps bring innovation to the fore, and inspires a new generation of innovators, who can make a seismic contribution to their industry. Thus, MIF aims to create a hub for individuals and organisations to engage with each other through thought leadership platforms like 'MIF Talkies and InnoWin'.

Giving back more than what we take

By virtue of being an FMCG company, we significantly rely on natural resources. They are inherent to our business for achieving long-term sustainable growth and hence we consider it our responsibility to judiciously manage the use of natural resources, and reduce the negative impact of our operations on the environment.

Rain water harvesting project at Perundurai unit

Achieving our environmental goals

CONSERVE energy

Implement energy efficiency measures

REDUCE Greenhouse Gas emissions

- **Enhance renewable energy use**
- **Implement low carbon projects**

ACHIEVE water security

Implement water offset projects

AVOID waste landfill

Divert waste from landfill

BUILD sustainable packaging

- **Increase recyclability of packaging**
- **Use recycled polymer in packaging**
- **Eliminate use of hazardous packaging material**

In order to create the above impact, we have formulated a series of public commitments to be achieved and report their progress, year-on-year.

Focus Area	Goal	Target year	FY20 result	FY19 result
ENERGY	Reduce energy intensity (plant operations) GJ per unit crore revenue by 50% from FY13 base year	2022	32% ^	25%
EMISSIONS	Reduce GHG emission intensity (Scope 1 and 2) tCO_2e per unit crore revenue by 75% from FY13 base year	2022	68% ^	56%
WATER	Offset 100% of water used in own operations through catchments and conservation measures	Continuous	Offset 3.2 times	Offset 2.5 times
PACKAGING	Achieve ZERO PVC in packaging	2022	0.14%	0.4%
	Increase recyclable packaging portfolio	2025	95%	94%
	Reduce packaging consumption MT per unit crore revenue by 10% from FY20 base year	2025	6.54	NA*

^ The denominator for intensity reporting is changed from 'per kg product manufactured' to 'per unit crore revenue'. The change is adopted due to shift in business operations in India during FY20. We initiated manufacturing in Sanand, Gujarat and discontinued at Kanjikode, Kerala. Further, there were also consolidation and expansion activities across our depots and third party manufacturing units (convertors) as part of our Planning & Logistics strategy. We anticipate more such shift in our business portfolio, going forward. Hence, to ensure comparability in our environmental performance disclosures year-on-year, we have shifted our intensity reporting denominator for all environment KPIs to 'per unit crore revenue'.

* Goal is established this year. The progress will be reported from next reporting cycle onwards.

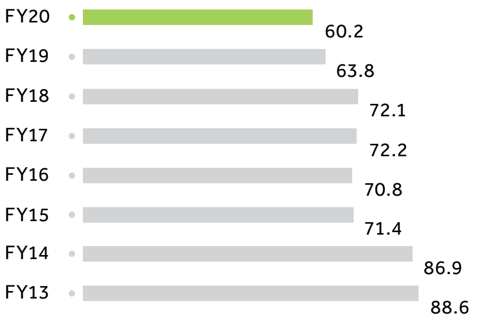
ENERGY

Our manufacturing operations fulfil energy requirements from a variety of sources like electricity from grid, furnace oil, diesel, wind power, solar power and biomass fuel. In the year 2020, total energy consumption stands at 340,152 GJ, out of which 267,624 GJ is contributed to direct energy consumption and 72,528 GJ contributed to indirect energy consumption. With respect to the 2022 energy intensity target, we have achieved 32% reduction against the 2013 base year and 6% reduction from the previous year. The initiatives undertaken during the year related to energy efficiency measures are highlighted in section 6.5 of the Business Responsibility Report (BRR).

32%
Reduction in energy intensity from 2013

India operations: Energy intensity trend

ENERGY INTENSITY
(GIGAJOULE PER UNIT CRORE REVENUE)



The energy intensity reported is 'per unit crore revenue'. However, we have retained the 2022 target to reduce energy intensity by 50% from base year.

Renewable Energy

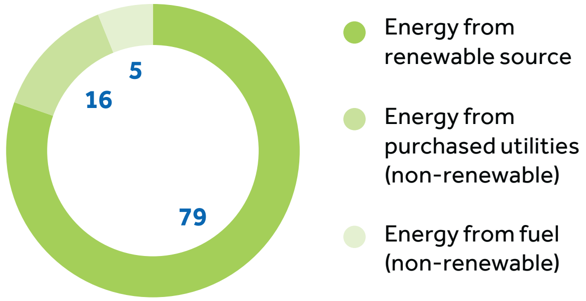
Our efforts to reduce dependency on fossil fuel and increase use of clean and renewable fuel continues to be in-line with our strategy. To this end, we have achieved significant reduction in the use of fossil fuels, which stands at 91% reduction from that of the 2013 base year. The thermal energy requirement at three of our manufacturing operations are derived from 100% renewable source (biomass).

79%
Of total energy is from renewable source

Overall renewable energy percentage stands at 79% as on 2020, an increase by 246% from that of base year and 9% from that of the previous year.

India operations: Energy Mix FY20

ENERGY MIX (%)



CLIMATE CHANGE

Climate change is a pressing global issue and it requires urgent action. At Marico, we aim to play a catalysing role in order to actively address this challenge.

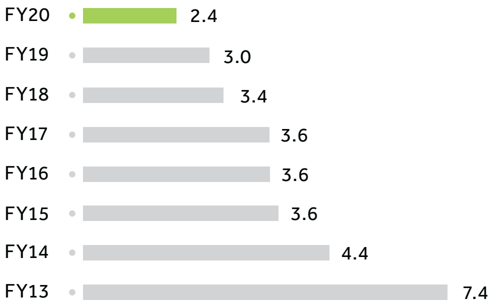
Our performance

Marico remains committed in its journey on the low carbon pathway and have set a target to reduce GHG emission intensity (Scope 1 and 2) by 75% from the FY13 base year.

In FY20, the absolute GHG emissions (Scope 1 and 2) for India manufacturing operations stood at 13,520 tCO$_2$e, which is 21% reduction from that of the previous year. Further, the GHG emission intensity (Scope 1 and 2) stood at 2.4 tCO$_2$e per unit crore revenue, demonstrating reduction of 68% from that of the base year and 20% from the previous year.

India operations: GHG emission intensity trend

GHG INTENSITY
(TCO$_2$e PER UNIT CRORE REVENUE)



The GHG emission intensity reported is 'per unit crore revenue'. However, we have retained the 2022 target to reduce GHG emissions intensity by 75% from the base year.

68%
Reduction in GHG emission intensity from 2013

ACTION ON CLIMATE CHANGE

Carbon Neutral facility
'**Perundurai factory**' became Marico's first manufacturing operation to be certified as a 'carbon neutral' facility during 2020.

Marico responded to the CDP 2019 Climate Change disclosure.

Scope 3 emissions

More than 95% of our GHG emissions can be attributed to our value chain. To account for this, we have completed inventory of Scope 3 emissions for all the categories applicable for Marico India operations in the value-chain.

In FY20, the Scope 3 GHG* emissions for India operations stood at 499,568 tCO$_2$e, which is a 1.6% reduction from previous year.

India Operations: Scope 3 GHG emissions

Scope 3 Categories	UoM	FY20	FY19	% change
Cat 1 - Purchased goods and services	tCO$_2$e	376,047	380,562	**-1.2**
Cat 3 - Fuel- and energy-related activities	tCO$_2$e	6,870	7,862	**-12.6**
Cat 4 - Upstream Transportation of Products	tCO$_2$e	45,257	42,512	**6.5**
Cat 5 - Waste generated in operations	tCO$_2$e	12,138	14,184	**-14.4**
Cat 6 - Business travel	tCO$_2$e	1,668	1,639	**1.8**
Cat 7 - Employee commuting	tCO$_2$e	1,208	1,124	**7.5**
Cat 8 - Upstream Leased Assets	tCO$_2$e	24,751	27,013	**-8.4**
Cat 9 - Downstream transportation & Distribution	tCO$_2$e	3,748	3,665	**2.3**
Cat 12 - End of Life treatment	tCO$_2$e	27,881	29,108	**-4.2**
Total		**499,568**	**507,667**	**-1.6**

To guide our efforts going forward, we have identified several key actions across our operations and value chain to minimise the climate change impact. The interventions include investment in renewable energy projects in our factories, replacement of fossil fuel with clean fuel in operations, business related travel optimisation, logistics optimisation, sustainable packaging solutions, recycling and reuse of waste, besides partnering with critical value-chain partners to implement green projects.

Emissions reduction through logistics optimisation

We have progressively improved our primary logistics performance over the years. The fuel efficiency realisation per tonne load of high capacity vehicles is better than that of low capacity vehicles and in turn results in lower carbon footprint. Keeping this in judgement, we have increased the use of higher capacity vehicles from 1% in FY18 to 33% in FY20, in our primary movements.

The initiatives have directly translated into reduction of diesel consumed by almost 4 litres per tonne of product transferred in our primary movements, translating to avoiding 2,975 tCO$_2$e of GHG emissions.

* Calculated as per GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standards

WATER

We use a host of agro-based raw material in our products, and hence water availability is crucial to ensure sustainable supply of input materials. Further, ensuring water security for larger community needs is an embedded belief in our corporate social responsibility philosophy.

Marico responded to CDP 2019 Water disclosure.

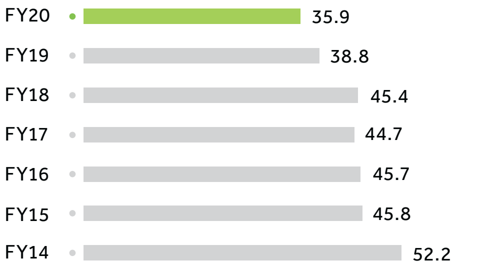
31%
Reduction in water intensity from 2014

* Watershed management projects completed in 2020 are reported in 'Community' chapter, page 63

During 2020, we consumed 20.3 crore litres of water in our operations, a 9% reduction from previous year. The water intensity for India operations stood at 35.9 kilo litre per unit crore revenue, which is a decrease of 31% from year 2014, and 8% from the previous year. In our operations, we continuously evaluate and execute innovative projects to reduce fresh water consumption. During the year, we completed several projects to improve water efficiency and usage, including the construction of a rainwater harvesting pond, recycling of domestic sewage, eco water fittings, among others.

India operations: Water intensity trend

WATER INTENSITY
(KILO LITRE PER UNIT CRORE REVENUE)



ENVIRONMENTAL PERFORMANCE: MARICO INTERNATIONAL OPERATIONS

In 2020, we expanded our sustainability disclosure focus to Marico International locations. We have initiated reporting environmental performances covering energy, GHG emission and water for our international operations at Bangladesh, Vietnam and Egypt.

Locations	ENERGY (GJ)		GHG EMISSION (tCO$_2$e)		WATER (KL)	
	FY19	FY20	FY19	FY20	FY19	FY20
Bangladesh	34,054	36,510	3,621	3,809	12,004	19,946
Vietnam	9,318	8,849	1,451	1,403	35,345	35,552
Egypt	7,875	5,785	943	695	17,229	16,853
Total (International)	**51,247**	**51,145**	**6,015**	**5,906**	**64,578**	**72,351**

The total energy, emissions and water consumed by Marico India and International operations put together in FY20 stands at 391,297 GJ, 19,427 tCO$_2$e and 27.5 crore litres respectively.

SUSTAINABLE PACKAGING

Packaging at Marico is critically appraised through the lens of design, material, manufacturability and consumer preferences, keeping sustainability at the core.

36,077 tonnes
Of packaging material used in 2019-20

8,41,000 kg
Of packaging material saved in 2019-20 through design and innovation

6.54 MT
Of packaging material consumption per unit crore revenue for 2019-20

95%
Of packaging material recyclable by weight as on 2019-20

7,73,000 kg
Of post-consumer non-recyclable plastic waste collected and energy recovered in 2019-20*

*Executed as part of the Extended Producers Responsibility (EPR) requirement under Plastic Waste Management Rules.

UpCycle

- **Bring change in consumer behaviour**
- **Eliminate use of hazardous materials**
- **Enhance recyclability and use of recycled plastic**
- **Optimise weight through design and innovation**

Our packaging designs give signature identity to our brands. While we take pride in our distinguished identity through packaging we are also cognisant of the environmental and social consequences of using packaging materials. We constantly look for opportunities to improve and promote sustainability in our packaging portfolio. To enable this, we launched the 'UpCycle' programme, an initiative that echoes the philosophy of circular economy. Our endeavour under the programme is to establish and enhance value of packaging material at every stage of its life, with primary focus on plastic.

Weight optimisation

Marico has long been working on packaging weight reduction measures. During the year, the projects under design change and innovative efforts, coupled with modern techniques have led us to save 8,41,000 kg of packaging material. The interventions are exerted under the value enhancement approach by Marico. In several products, we have saved up to 60% and 30% of paperboard and plastic respectively, without affecting consumer delight, while providing parity performance characteristics.

Enhance recyclability and recycled plastic use

We have made steady progress on use of 100% recyclable packaging material. As on 2020, about 95% of packaging used by Marico is recyclable by weight. Continuing our endeavour to use recycled plastic, we spend considerable time and effort in finding greener opportunities.
To highlight a few achievements till date – 20% r-HDPE used in household care brand and 50% r-LDPE used in shrink films for secondary packaging of edible oil brand. Further, trials are underway for several prototypes. We are in the process of extending the r-PET used in hair oil bottles. Successful trials have been done with 20% r-PET and we are on our way to implementation.

Eliminating PVC usage

We are committed to eliminating the use of PVC in our packaging by FY22, and are working towards an advance achievement of the target. At present, the use of PVC is 0.14% of the total packaging material used.

Strategic partnerships

Marico became member of 'Un-plastic Collective', an initiative co-founded by CII, UN Environment and WWF to minimise the externalities of plastic on ecological and social health of the planet.

Aligned with the national agenda on plastic waste management, we partnered with several agencies, multilateral bodies and NGOs with an aim to build awareness amongst consumers about plastic waste handling and encourage them to take an active role.
We have created impact through several community awareness, collection drives, beach clean-up activity and medical tests for waste aggregators during the year 2020.

Responding to emerging regulations

Marico in-line with the Plastic Waste Management (PWM) rules has undertaken the Extended Producer Responsibility (EPR) towards collection and safe disposal of post-consumer non-recyclable plastic waste. The activity was carried out across several states in India along with approved agency partners. During the year, we have completed collection and safe disposal of 7,73,000 kg of non-recyclable plastic waste.

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

KBS Anand

Independent Director

Rajendra Mariwala

Non-Executive Director

Rishabh Mariwala

Non-Executive Director

Sanjay Dube

Independent Director

Know our Management Team

Saugata Gupta

Managing Director &
Chief Executive Officer

Amit Prakash

Chief Human Resources Officer

Gaurav Mediratta

Chief Legal Officer

Jitendra Mahajan

Chief Operating Officer-
Supply Chain & IT

Koshy George

Chief Marketing Officer

Sanjay Mishra

Chief Operating Officer - India Sales
Chief Executive Officer - New Business

Sudhakar Mhaskar

Chief Technology Officer

Vivek Karve

Chief Financial Officer

Awards and Accolades

Our achievements

Corporate

- Marico ranked in the Top 10 BSE 100 Indian Companies for exemplary corporate governance
- Saugata Gupta, MD and CEO, honoured with Best CEO - Private Sector at Forbes India Leadership Awards 2019
- Pawan Agrawal, EVP and Head – Finance & Investor Relations, conferred CFONEXT100 2019 Roll of Honour at CFONext 100 Awards by CFO India
- Laqshya Pitch CMO Awards recognised Koshy George, Chief Marketing Officer, with the CMO Leadership Award

Picture Courtesy: Forbes India

Human Resources

- Marico featured amongst India's 5 Best Workplaces in FMCG by the Great Place to Work® Institute (India) workplace study 2020
- Marico has been ranked as the 7th Most Preferred FMCG/Beverage Company amongst B-school students and one of the 25 Most Desirable Companies To Work for across sectors, as per the Dare2Compete
- Marico featured among Jombay's Top 50 People Capital Index Companies for 2019

Best Companies To Work For Great Place To Work. INDIA 2020 THE ECONOMIC TIMES

Marketing & Innovation

- Parachute featured in 'The Economic Times Brand Equity 100 Most Trusted Brands 2020'
- Nihar Shanti Amla and Nihar Naturals won Bronze for Sustained Success (Products) and Regional Category respectively at EFFIE India 2020
- Marico Bangladesh won accolades for Parachute Advansed as the "Most Consistent Brand of the Decade" by Bangladesh Brand Forum for constant excellence in the past 10 years
- In a pan India consumer survey conducted by Nielsen, Coco Soul, True Roots and Saffola FITTIFY, received 'Product of the Year' in their respective categories.
- Set Wet bagged Silver for integration with Dabangg 3 as style partner at Exchange4Media Primetime Awards
- Livon won Silver for Best Use of Influencers at ET Brand Equity Kaleido Awards 2020

Sustainability

- Marico Perundurai unit rated **'PLATINUM'** in accordance with GreenCo rating system by CII-Godrej Green Building Centre
- Marico Head Office and MARKS Office (R&D) canteens get 5-star rating and felicitated with **'Eat Right Campus'** award by FSSAI

Quality and Manufacturing

- Marico Perundurai factory recognised with **Ramakrishna Bajaj National Quality Award – Manufacturing Category**
- Marico was presented with Milestone Merit recognition for outstanding performance in **Customer Focus and Operation focus** by the Ramakrishna Bajaj National Quality Award
- Marico Pondicherry factory recognised with **Emerging Leaders Award** for Business Excellence in Operations Management Category by CII
- Marico conferred with Food Safety & Quality Awards by CII for **Performance Excellence in Quality and Food Safety management** across its value chain
- Marico recognised with **Food Safety Kaizen Award** by CII
- Marico Baddi factory declared second runner-up for **'Refinery Process Improvement'** at the 31st QualTech Award
- Marico Bangladesh won "Best Organisation" Award at Supply Chain Excellence Awards given by Bangladesh Supply Chain Management Society and IPDC Finance Limited in collaboration with The Daily Star, leading English daily.

Corporate Information

Company Secretary & Compliance Officer

Ms. Hemangi Ghag

Audit Committee:

- **Mr. Nikhil Khattau**
  Chairman
- **Mr. B. S. Nagesh**
  Member
  (resigned from Committee w.e.f May 4, 2020)
- **Ms. Hema Ravichandar**
  Member
- **Mr. Rajendra Mariwala**
  Member
- **Mr. Sanjay Dube**
  Member (w.e.f May 4, 2020)
- **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 (resigned w.e.f. March 31, 2020)
- **Mr. K. B. S. Anand**
  Member (w.e.f. May 4, 2020)
- **Mr. Amit Prakash**
  Chief Human Resources Officer

Corporate Social Responsibility Committee

- **Mr. Rajeev Bakshi**
  Chairman (resigned w.e.f March 31, 2020)
- **Mr. B. S. Nagesh**
  Chairman (w.e.f April 1, 2020)
- **Mr. Ananth Sankaranarayanan**
  Member
- **Mr. Harsh Mariwala**
  Member
- **Mr. Rajendra 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. Rajendra Mariwala**
  Member
- **Mr. Saugata Gupta**
  Member
- **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

Deloitte Touche Tohmatsu India LLP

Cost Auditor

M/s Ashwin Solanki & Associates

Secretarial Auditor

Dr. K. R. Chandratre

Registered Office

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

Our Presence

Factories – 15
(8 in India and 7 overseas)

Regional Offices – 4 in India

Depots – 25 in India

Overseas Offices – 20

Websites

www.marico.com

https://www.maricoinnovationfoundation.org

www.parachuteadvansed.com

www.saffola.in

www.saffolalife.com

www.setwet.com

www.livonhairgain.com

www.livonilovemyhair.com

www.fitfoodie.in

www.fitfoodie.in/saffola-masala-oats

https://www.saffolafittify.com

www.pblskin.com

https://www.niharnaturals.com/extracare/index.html

https://www.cocosoul.in

https://www.kayayouth.com

https://www.niharnaturals.com

https://niharshantipathshala.com/

https://parachutekalpavriksha.com/

Statutory Reports

Management Discussion and Analysis

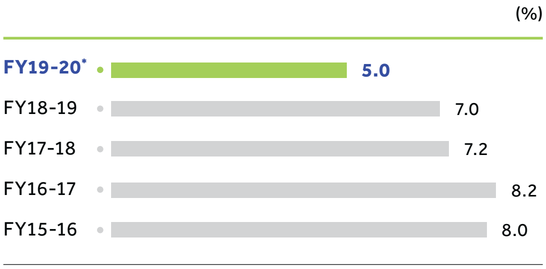
This discussion covers the financial results and other developments for the year ended March 31, 2020, in respect of Marico Consolidated, comprising its domestic and international business. The Consolidated entity has been referred to as 'Marico' or 'Group' or 'Company', in this discussion.

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 macroeconomic indicators

India

GDP Growth



Source: Asian Development Bank, Central Statistics Office
*Advance official estimates

Economic growth slowed to 5.0% in FY20, according to advance official estimates. This was below the average of 7.0% in the past decade and the slowest since the global financial crisis, when growth had slipped to 3.1% in FY09. Within FY20, growth hit a 27-quarter low of 4.7% in the third quarter. With the COVID-19 outbreak starting in late January, and subsequently affecting India, the actual GDP growth in FY20 is likely to be lower than the advance estimate.

On the supply side, agriculture growth improved on better grain output supported by an above normal rainfall in the second half, while industry growth slowed as manufacturing and construction weakened. With public administration and other services expanding, services grew healthily. On the demand side, a decline in investment severely dragged down growth. After growing by an annual average of 7.2% over the past decade, gross fixed capital formation contracted by 0.6% in FY20, its worst showing since FY03. With consumer confidence sagging to its lowest in a decade, growth in private consumption slowed from 7.2% in FY19 to 5.3%, adding only 3.0 percentage points to GDP growth in FY20, the least since FY10. Government consumption rose by 9.8%, as it acted to support growth from the second quarter of FY20. As domestic demand slowed, imports of goods and services fell, allowing net exports to improve and contribute 0.9 percentage points to growth despite falling exports. With remittances also growing in double digits, the current account deficit therefore shrank from the equivalent of 2.1% of GDP in FY19 to 0.9% in FY20.

The growth slowdown in the past three years from a recent high of 8.2% in FY17 reflects both cyclical and structural factors. The economy had enjoyed fast growth at an annual average of 7.5% from FY14 to FY17, driven largely by consumption, both private and government. Credit from banks and in particular nonbanking financial companies (NBFCs, including housing finance companies) supported this expansion. Banks, mainly, public sector banks constrained by high non-performing loans (NPLs) from earlier periods, were not as aggressive as before. NBFCs stepped up lending to consumers and businesses, expanding their share of nonfood credit. As the economy slowed, the asset quality of NBFCs deteriorated. With banks and NBFCs stressed, a credit crunch ensued as the flow of financial resources to businesses collapsed from the equivalent of 11.7% of GDP in FY19 to 4.0% in the first half of FY20. The credit crunch directly induced a continued slowdown in FY19 and FY20. Other structural constraints were - subdued job and wage growth and continued rural stress, which affected consumption; inadequate infrastructure; very slow progress on reforms in key areas such as labor and land; and low tax revenue constricting fiscal space. Further, with the central government missing its disinvestment target, it had little room to use fiscal policy to boost economic activity in FY20. The fiscal deficit in FY20 was revised up by 0.5 percentage points to 3.8%, after fiscal stimulus was provided by lowering corporate tax rates.

Consumer price inflation, benign in the first half of FY20, spiked above the target zone of 2%–6% in December 2019, for the first time since the adoption of inflation targeting. The spike was caused by a surge in prices for vegetables, particularly onions as the harvest was hit by a late monsoon. Inflation remained elevated in early 2020 and averaged 4.7% in FY20.

Net foreign direct investment (FDI) inflow remained healthy at $54.1 Billion in FY20. Net foreign portfolio flow remained positive, but then turned negative in March 2020 under COVID-19. Equity inflow similarly grew modestly from the beginning of the fiscal year, before a substantial fall in March 2020. The Indian rupee depreciated against the US dollar by 7.8% in FY20, more than half of the decline occurring in March. India's international reserves increased by $58.4 Billion in FY20 to $471.3 Billion.

Despite these challenges, India is now within touching distance of a place in the top 50 best places to do business. The country climbed to the 63rd rank among 190 countries in the World Bank's Ease-of-Doing-Business rankings in the 2020 report. The leap of 14 places put India among the top 10 improvers in the rank yet again.

Startups in the country have been able to create an estimated 60,000 new direct jobs over the year, in addition to another 1.3-1.8 Lakh new indirect jobs estimated to have been created. India has seen an addition of over 1,300 startups in 2019, strengthening its position as the third largest startup ecosystem across the world, right behind China and the US, but ahead of Britain and Israel. This takes the total number of technology startups to about 9,000 in the last five years, according to the NASSCOM Startup Report.

The COVID-19 pandemic jeopardises global growth and India's recovery. The spread of the virus within India has widened significantly. Indian central and state governments have moved to contain the outbreak by closing borders and initiating a national lockdown from March 25th until at least May 31st. Consumption and investment are expected to be severely affected in the first quarter of FY20, though demand is expected to recover strongly when the pandemic is eventually contained in India and globally. India's low participation in global supply chains may help limit impact. The lowest oil prices in more than 15 years will, if sustained, benefit India as a large oil importer, and partly offset the adverse impact of COVID-19.

Domestic demand is expected to rebound strongly once the pandemic passes and full economic activity resumes. As consumer sentiment and investor confidence are restored, growth in consumption and investment is expected to return to rates similar to before FY20, or perhaps higher. However, FY21 will face the brunt of this pandemic and the economy may contract.

With the hope for a normal monsoon in FY21, agriculture is likely to remain strong and support rural incomes. Government measures are expected to alleviate rural distress and help revive rural consumption. The FY20 budget increased allocations to agriculture and rural sectors by 28.1% to equal 0.8% of GDP. A 16-point action plan in the budget includes hikes to minimum support prices that aim to ensure a minimum 50% profit margin to farmers, an ambitious target of $210 Billion in credit to agriculture from public and private financial institutions, and an increased allocation to a central government programme of conditional cash transfers to small landholders. A record high winter crop in the second half of FY20 will increase famers' incomes.

To counter the impact of COVID-19, the central government has allocated $2 Billion to strengthen the health system and introduced a $22.5 Billion (0.8% of GDP) relief package, including direct cash transfers and increased free distribution of food and gas to the poor and vulnerable, insurance covers for health workers, welfare support for construction workers and support for small businesses. The central government had increased capital expenditure to the equivalent of 1.8% of GDP in the Union Budget announced before the pandemic. To support an ambitious plan to invest $1.4 Trillion in designated National Infrastructure Pipeline projects in the next five years, the central government has allocated $3 Billion as equity support to infrastructure finance companies to leverage more long-term lending from the market. The central bank has been accommodative in its stance and cut its policy rate by 75 basis points to 4.4% in March 2020, and rolled out a range of measures to preserve financial stability.

Private investment, both domestic and foreign, will be encouraged by corporate tax cuts introduced in September 2019, which eased the average effective corporate tax rate including all surcharges from 30% to 25% and, for new manufacturing companies, to 17%. Investor sentiment should improve as well with the removal of the dividend distribution tax, the extension of concessional corporate tax rates to new power companies, and tax relief introduced for startups. An investment clearance cell is being set up to provide end-to-end facilitation and support for investment, including pre-investment advice, and improve the ease of doing business. Foreign sovereign wealth funds are incentivized to invest in infrastructure.

Nonbanking financial companies (NBFCs) have become increasingly important to financing the Indian economy, particularly after 2013, as bank credit growth slowed in response to NPLs rapidly increasing to an 11.2% share of all loans outstanding in FY18. Recently, NBFCs have become fragile, and the collapse of a large one triggered the credit crunch that slowed growth in FY20. Therefore, ensuring NBFC health has become essential.

As per RBI's latest assessment of the economic situation, the Indian economy is expected to contract for the first time in nearly 41 years, while the outlook for inflation remains highly uncertain. Directionally, headline inflation may remain firm in the first half of the year and may ease in second half. Inflation may fall below 4% in the third or fourth quarter of the current fiscal. The combined impact of demand compression and supply disruption will depress economic activity in the first half of the year. Assuming economic activity gets restored in a phased manner, especially in the second half of this year, and taking into consideration favorable base effects, it is expected that the combination of fiscal, monetary and administrative measures being currently undertaken would create conditions for a gradual revival in activity in the second half of FY21. Separately, several investment banks, brokerages and economists have also predicted the economic growth to remain flat or contract in the range of 1.5% to 6.8%.

However, there are downside risks to the outlook. A prolonged COVID-19 pandemic would push the global economy into deep recession and further slow Indian growth. Were the virus to spread widely within India, economic activity would be severely constrained. Failure to implement reform to address structural weakness would further hamper recovery after the pandemic.

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 increased to 8.2% in FY19 (ended 30 June 2019) from 7.9% in the previous year, on robust growth in industry and services. Growth in industry rose from 12.1% in FY18 to 12.7% in FY19, reflecting brisk growth in manufacturing output to supply markedly higher export demand, notably to the US and some previously unpenetrated markets. Growth in services increased from 6.4% to 6.8% mainly on improvements in wholesale and retail trade, transport, education, and health and social services. Agriculture growth moderated from 4.2% to 3.9%. Inflation slowed following a good crop harvest, and the current account deficit narrowed as the trade deficit shrank and remittances expanded further.

As per IMF estimates, GDP growth is expected to decline to 3.8% in FY20 (ended 30 June 2020), as the nationwide stay-at-home order to contain the coronavirus pandemic has resulted in simultaneous supply and demand shocks, with production, consumption, trade and investment severely affected. The traditional growth drivers of the economy -export-oriented industries, remittances, domestic consumptions, and SMEs - have all ground to a halt. Before the pandemic, the economy was on track to grow by 7.8% in FY20. Bangladesh has taken prompt actions to control the spread of the disease and manage its impact on health, welfare, and the economy under its COVID-19 response plan. A social protection and economic stimulus package amounting to Tk 95,619 crore, or $11.3 Billion, equivalent to 3.5% of the GDP, has been announced. The risk of delayed implementation of the economic stimulus or inadequate size remains, which may reduce the effectiveness of the programme. Also, significant escalation of the pandemic may lead to severe disruptions in government work that could hamper programme implementation.

Prudent macroeconomic management has allowed Bangladesh to achieve impressive economic and social development in recent past. Robust growth has increased per capita income and reduced poverty. 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 remained robust, recording 7% GDP growth in calendar year 2019, with expansion underpinned by strong domestic demand, resilient manufacturing, and solid foreign direct investment. However, growth is forecast to decelerate significantly in 2020, with risks to the downside as the COVID-19 pandemic unfolds. Inflation eased to a three-year low in 2019, but it is projected to rise moderately in 2020 and 2021. The current account surplus expanded in 2019, but will contract sharply this year. Despite the economic deceleration and the downside risks from the COVID-19 pandemic, the economic growth in Vietnam is projected to remain one of the highest in the region.

As per the Asian Development Bank's outlook, the spread of COVID-19 and the resulting abrupt global slowdown will slash growth in Vietnam to 4.8% in 2020. Despite the potentially large impact of COVID-19, Vietnam's economic fundamentals remain resilient. The government has taken very early and effective measures to curb the spread of the pandemic in the country, which has resulted in reopening of the economy. If the outbreak is contained within the first half of 2020, growth should rebound to 6.8% in 2021 and remain strong over the medium and long term.

Drivers of economic growth—a growing middle-income class and a dynamic private sector, notably household businesses and domestically held enterprises—remain robust. The middle class in Vietnam is one of the fastest growing in Southeast Asia. According to the Boston Consulting Group, the middle class has doubled in size since 2014 to 33 Million, or a third of the population. The business environment similarly continues to improve. The disbursement of public investment has improved significantly, growing by nearly 18% in January–February 2020 over the same period in 2019. Disbursement will continue to improve in 2020 as this is a priority fiscal measure in response to COVID-19. The large number of bilateral and multilateral trade agreements in which Vietnam participates promise the improved market access essential for an economic rebound after COVID-19. Containment of COVID–19 in the People's Republic of China and that market's likely return to normalcy will help revive global value chains and facilitate economic recovery in Vietnam.

Middle East and North Africa (MENA)

Growth in the MENA region decelerated to an estimated 0.1% in calendar year 2019. Geopolitical and policy constraints on oil sector production slowed growth in oil-exporting economies, despite support from public spending. Growth in oil importers remained stable, as reform progress and resilient tourism activity were offset by structural and external headwinds.

Events over the first quarter of calendar year 2020 have posed major challenges to the Middle East & North Africa region's economic outlook, both over the short and longer term. The spread of Covid-19 has caused large-scale disruptions to economic activity-weighing on external and domestic demand-while the breakdown of OPEC+ and resultant sharp drop in oil prices has significantly ramped up fiscal and external pressures on MENA oil producers. World Bank economists expect output of MENA to decline in calendar year 2020. This is in sharp contrast to the forecast in October 2019 when the regional economies were expected to grow at 2.6% this year.

Real Gross Domestic Product (GDP) growth increased in Egypt to 5.6% in FY19 (ending June 30, 2019), up from 5.3% in the previous year. Egypt's macroeconomic stabilisation programme was largely successful in supporting growth, generating a solid primary budget surplus, reducing the debt-to-GDP ratio, and replenishing reserves. Vulnerabilities persist however, including the exports and FDI underperformance, which may be aggravated by the disruptive repercussions related to the COVID-19 pandemic. Despite the expected gradual recovery of private consumption and investment, the pandemic is expected to hamper growth through its effect on production and exports. Key sectors, such as tourism and natural gas, are expected to experience a slowdown due to restricted international travel and the crash in oil prices. Policy responses are already being put in place, including the 300-basis point monetary policy rate cut, forbearance measures on credit, and signals of fiscal stimulus in the Fiscal Year 2020-21 budget. In case of prolonged disruptions, the impact is expected to affect the availability of final products and lead to a new wave of inflation, thereby challenging the recovery of households' purchasing power.

South Africa

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

In South Africa, growth remained anemic in calendar year 2019 as it fell to 0.7%, down from 0.8% in 2018. Weak growth momentum has reflected an array of overlapping constraints. These include persistent policy uncertainty, constrained fiscal space, subdued business confidence, infrastructure bottlenecks —especially in electricity supply—and weakening external demand, particularly from the Euro Area and China. In addition, financial stresses at the public energy utility have worsened the government budget balance and raised debt sustainability concerns, weighing further on sentiment.

Ratings agency Moody's foresees the South African economy going into recession and the gross domestic product (GDP) contracting 6.5% in real terms in calendar year 2020. This is as a result of long-standing structural challenges and the severe hit to economic activity caused by the outbreak of COVID-19. It foresees that the temporary lockdown of the country will reduce production and cut household consumption. Furthermore, it foresees that the transport, hospitality, mining and manufacturing industries will be particularly hard hit. Moody's does, however, acknowledge that government's fiscal package and regulatory measures to ensure adequate liquidity in money and government bond markets and loosening of capital requirements to free capital for on-lending by banks, will provide some support.

Fast-Moving Consumer Goods (FMCG) sector in India

India is the fastest-growing trillion-dollar economy in the world and the fifth-largest overall, with a nominal GDP of $2.94 Trillion. India has become the fifth-largest economy in 2019, overtaking the United Kingdom and France. 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.

Fast-moving consumer goods (FMCG) sector is the fourth largest sector in the Indian economy with Household and Personal Care accounting for 50% of FMCG sales in India. Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector. The urban segment (accounts for a revenue share of around 55%) is the largest contributor to the overall revenue generated by the FMCG sector in India.

Rural consumption has also increased, led by a combination of increasing incomes and higher aspiration levels; there is an increased demand for branded products in rural India. Semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50% of total rural spending. Being largely dependent on agriculture and allied activities, the factors affecting agricultural income like monsoon and minimum support prices (MSP) of crops are critical for the growth in rural consumption demand. Various government reforms like increasing minimum support prices (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 reduce the immediate burden on customers, but also allow companies to expand their product portfolio and upgrade the customers from loose to branded products.

With the share of the 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.

It is estimated that a massive increase in internet penetration will lead to more than a billion internet users in India by 2030. Online connectivity, and the resultant access to information, is proving to be a key driver of differences in aspiration and the desire to spend and upgrade consumption, even among people at similar income levels. While general trade continues to be the largest sales channel for overall FMCG retail sales, growth in sales through modern trade and E-Commerce in particular, is significantly outpacing the growth of FMCG products in general trade. Amongst all the FMCG items, online grocery order leads the sales with 44% contribution, followed by personal care which accounts for 40% of such orders. Household care, comes third in the list, with a share of 13% of all online FMCG orders. As per Nielsen, while the E-Commerce FMCG market stands at around $1.2 Billion, which is 2% of the total FMCG market in India, metro cities account for 6% orders from the online channels of the FMCG total sales. Fast-moving consumer goods sales coming from the E-Commerce channel is expected to grow to $4 Billion with a CAGR of 44% by 2022. Continued demand for convenience in urban areas, the integration between online and offline, the creation of new direct-to-consumer options and more technology, will all help reach new targets beyond the current profile of affluent families with children.

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. According to Accenture, 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, like food, healthcare, household and personal care products, is likely to sustain in the long term. In addition, India is expected to witness strong growth in per capita income, leading to an increase in affluent population and rise in disposable income in general, which in turn should result in a rise in discretionary spending. As per a report published by the World Economic Forum in collaboration with Bain & Company, the vision for the future of consumption in India is anchored in the growth of the upper-middle income and high-income segments, which will grow from being one in four households today, to one in two households by 2030. At the same time, India will also lift nearly 25 Million households out of poverty, to reduce the share of households below the poverty line to 5%, down from 15% today. Thus, India represents a relatively broad-based pattern of growth and benefit sharing, in contrast to the global scenario of increasing inequality, wherein the richest 10% of the population is capturing an increasing share of national incomes and, consequently, wealth. 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 Union Budget and subsequent policy measures is expected to positively impact the FMCG sector. While the outbreak of COVID-19 has clouded the outlook in the near term in the wake of an adversely affected supply chain, change in consumer behavior and a much weakened macro-environment, the FMCG sector in India is likely to grow steadily owing to these structural drivers over the medium to long run.

The Marico Growth Story

In FY20, Marico posted revenue from operations of ₹7,315 Crore (USD 1.03 Billion), which was marginally lower than the previous year. The underlying volume growth for the year was 2%. The business delivered an operating margin of 20.1% and recurring net profit of ₹1,043 Crore, a growth of 13% over the last year on a like-to-like basis.

Domestic Business: Marico India

Marico India, the domestic FMCG business, achieved a turnover of ₹5,655 Crores in FY20, down 2% over the last year. The underlying volume growth was a muted 1%, vastly affected by the consumption slowdown witnessed in the economy through the year, which was further exacerbated by supply chain disruptions from the lockdowns enforced in the month of March 2020 to contain the outbreak of COVID-19 in India. The operating margin (before corporate allocations) for the India business was healthy at 22.0% in FY20 vs 20.2% in FY19. The improvement in profitability was led by gross margin tailwinds owing to a benign input cost environment

Coconut Oil (44% of India business)

Parachute's rigid portfolio (packs in blue bottles) had a flat FY20 in volume terms, amidst a slow consumption environment, a delay in connecting specific pricing interventions to the retail shelves due to older inventory in the channel at the end of H1FY2020 and severe lockdown-led disruptions in March 2020. The brand strengthened its leadership position with a gain of 268 bps in volume market share (MAT Mar'20). The non-focused Coconut Oil portfolio had a soft year amidst the tepid consumption environment. Overall, the volume market share of the Coconut Oil franchise (includes Nihar Naturals and Oil of Malabar) improved by 208 bps to 62% (Mar'20 MAT).

Given Parachute's volume market share in rural is much lower (47%) than in urban (61%), 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 ₹5,000 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 as long as margins remain within a band. Towards that end, we will continue to invest behind brand building and tactical inputs to remain competitive. Therefore, given the market construct and brand equity, the Company expects to deliver 5-7% volume CAGR in Parachute Rigids over the medium term. In the near term, the brand can witness accelerated market share gains as marginal branded players could be contending with liquidity constraints. Also, as consumers grow wary of unhygienic loose oil, the franchise may further benefit as it stands for purity and is manufactured without the involvement of any direct human touch.

*Based on management estimates

Saffola: Super Premium Refined Edible Oils and Foods (23% of India business)

The Saffola refined edible oils franchise grew 9% in volume terms during FY20. While the brand posted growth in the traditional channel as well, higher salience in the new age channels of modern trade and E-Commerce enabled it to outperform through the year. The continued traction in Q4 was topped up by households stocking up on food and essential items in the early stages of the COVID-19 outbreak in March 2020. The brand has been backed by in-store promoter programmes and significant media investments with communication to build relevance and drive adoption among its target consumers by re-affirming its superior credentials. The renewed communication appears to have resonated well with the consumer, and we will continue to implement differential packs/pricing/ channel strategies in an attempt to maintain the healthy growth trajectory for the brand. The brand gained 350 bps in volume market share brand to consolidate its volume market share at ~76% in the Super Premium Refined Edible Oils category (MAT Mar'20). Rising health consciousness among consumers and higher incidence of in-home cooking also augur well for the franchise.

The Healthy Foods franchise posted value growth of 31% in FY20, led by consistent growth in the Saffola Oats franchise. The value market share of Saffola Masala Oats strengthened to ~86% in the flavoured oats category (Mar'20 MAT), driven by consistent communication and distribution expansion. The brand continued to gain traction in modern trade and E-Commerce.

Select offerings in the Saffola FITTIFY Gourmet and Coco Soul ranges have been received well.

From Q1 FY20, the Company also prototyped the Saffola Perfect Nashta range, comprising a range of 3-minute ready-to-cook mixes of traditional Indian breakfasts, such as idli, dosa, upma (semolina) and poha (rice flakes), with a perfect balance of traditional spices fortified with five essential nutrients. The Company prototyped the range in modern trade and select general trade channels in Delhi and NCR. Given the encouraging response, the prototype was extended to Mumbai in Q4 FY20.

We believe that growth in the Healthy Foods category will come through continuous innovation in product and packaging and the Company is taking definitive steps towards the same.

Value Added Hair Oils (24% of India business)

Value added hair oils registered a volume decline of 2% during the year, largely due to underperformance in the mid and premium segments, while category growth flattened in a subdued demand environment, especially in rural. The performance was also affected by primary sales plummeting in the last fortnight of March, with cessation of sales in the last 7 days of the year. However, offtake growth ahead of the category led the Company to consolidate its market leadership in the circa ₹8,200 Crore with a volume share of ~35% and value share of ~26% (Mar'20 MAT).

Nihar Naturals Shanti Amla Badam has been the leading hair oil in volume sales among all sub-brands in Value Added Hair Oils category. The brand gained 64 bps in volume share (MAT Mar'20) in the Amla Hair Oils category.

Among the newer introductions, **Parachute Advansed Aloe Vera Enriched Coconut Hair Oil** and **Hair & Care Dry Fruit Oil**, both now scaled up to a pan-India level, continued to post healthy growths.

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.

The Company aims to revive growth in this franchise over the medium term by adopting a three-pronged strategy:

a) Continue aggressive participation at the bottom of the pyramid on the back of its leadership position

b) Accelerate growth in the mid segment through pricing and brand renovation

c) Aim to gain market share in the premium segments, where the Company is relatively under-represented, through brand building and innovations offering higher order sensorial and functional benefits

Premium Personal Care (5% of India business)

The Premium Personal Care portfolio, comprising Premium Hair Nourishment, Male Grooming and Premium Skin Care, had a lacklustre year amidst a sharp dip in discretionary spending during the year.

Within Premium Hair Nourishment, Livon Serums posted high single-digit volume growth in FY20. While the growth in the bottle packs was led by new age channels of Modern Trade and Ecommerce, the 2.5 ml sachet pack (priced at ₹3) played its role as the key trial pack by expanding the brand's reach in General Trade.

With a dominant volume share of ~65% (MAT Mar'20) in the leave-in conditioners category, the Company continues to focus on innovation and consumer engagement to drive category growth.

We have gone back to the drawing board for Parachute Advansed Coconut Crème Oil and True Roots after a lukewarm response. We believe that establishing category relevance would be the key growth driver for these brands and we will continue to direct our efforts towards the same.

Within Male Grooming, Set Wet consolidated its 55% value market share in the styling category. Set Wet Hair Waxes also gained share in the overall styling segment.

Parachute Advansed Men Hair Creams grew healthily with a sustained momentum in the E-Commerce channel. The Company has planned focused initiatives to accelerate growth of this franchise. Execution will however be contingent upon the duration of lockdown and return to normalcy thereafter.

Within Premium Skin Care, Kaya Youth has a presence in General Trade in Mumbai, Pune and Delhi, Modern Trade in the top eight metros and E-Commerce. The beauty advisor programme, which was initially rolled out to 70 stores, is emerging as a key driver and has been scaled up to more high potential outlets in the modern trade and self-service channels. During the year, the Company extended this range with the launch of Oxy-Infusion Face Polishing Scrub and Oxy-Infusion Face Mask (in two variants - Brightening and Replenishing). The Company will aim to extend this range to build a larger portfolio play over the medium term. However, the Company may lie low in this category in the near term, given that premium personal care may struggle to gain traction in the current environment.

Sales and Distribution

Marico reaches 5.1 Million retail outlets, which are serviced by its nationwide distribution network. The Company has continued to expand its direct distribution and now serves over 0.9 Million outlets directly. It reaches 58,000 villages through its stockist network.

Go-To-Market Transformation is one of the key pillars of long-term growth for Marico. With a focus on building processes, driving new age initiatives, creating a state-of-the-art IT & Analytics infrastructure and an advanced capability building cell, the Company has witnessed an exciting journey in FY20.

Foray into the Hygiene segment: Mediker Hand Sanitizer and Veggie Clean launched

With the rising consciousness among consumers about personal health and hygiene, the Company introduced Mediker Hand Sanitizer in April'20. The hand sanitiser packs have 70% v/v alcohol content that is sufficient to kill 99.9% germs without water, ensuring effective protection on-the-go from disease-causing germs. We have launched three SKUs – 90 ml, 200 ml, 500 ml and are ramping up distribution across all channels.

In April'20, the Company also launched Veggie Clean, a first-of-its-kind fruit and vegetable cleaner, made with a unique mix of 100% safe ingredients that removes all the germs, bacteria, chemicals, waxes and soil present on the surface of fruits and vegetables without leaving any residue, aftertaste or smell. This solution does not contain any harmful preservative and is soap-free, chlorine-free as well as alcohol-free. Veggie Clean has been introduced in two SKUs - 200 ml and 400 ml, and has been made available across all channels.

In order to drive greater engagement among our General Trade channel partners, we kick-started a slew of measures in FY20. These are aimed at driving greater ownership of the Company's agenda and improvement in partner engagement. We have also rolled out an exclusive loyalty programme for top channel partners across the country with benefits like:

- Joint Business Planning
- Regular interaction with senior leadership
- Training exercises to help them manage their business better

Another key focus area has been the expansion of direct distribution in rural and urban. In rural, the aim has been to build a future ready infrastructure to grow our business in a sustainable manner. Initial efforts have already started yielding dividends, as we have increased our stockist base by 33%, leading to incremental growth. To further increase our urban footprint, **Project SURE (Sustainable Urban Reach Expansion)** was kick-started in February 2020, in order to improve our reach in a cost-efficient manner over the next one to two years.

The Company also initiated a separate route-to-market for our chemist and cosmetics channel in select metro cities. This initiative has been expanded to 10 cities and delivered reasonable growth in FY20.

Further leveraging technology as an enabler for sales, the Company launched a behavioural science driven sales analytics program called **Project Nudge**, to help improve the productivity of the field force. In addition, a series of Big Data and Analytics based initiatives have been started to ensure the Company stays ahead of the curve in its GTM journey.

In line with our digital transformation journey, we have successfully moved our sales training and capability modules online. This has led to 5700 hours of training being imparted across the country through digital means, which has doubled from the previous year. In addition, we launched an exclusive online training and certification program for all our sales teams leading to 570 man-hours of training.

In order to cope up with the twin challenges of manpower and logistics availability posed by the unprecedented crisis of COVID-19, the Company has identified and nimbly executed a number of innovative GTM approaches. The Company joined forces with online food-service aggregators to use their platforms for direct delivery to customers. Post enforcement of complete lockdown, a tele-caller facility was set up to directly reach ~80K top retail outlets in the country and take orders from them. In order to ensure uninterrupted supplies to retailers, the Company tied up with new-age logistics services start-ups. The Company also introduced a direct-to-home delivery portal for consumers in select metro cities. This has been critical in ensuring business continuity during the crisis.

The consumption slowdown was most pronounced in the traditional channel as urban and rural sales were down 8% and 3%, in volume terms, respectively. Rural contributed to 31% of domestic sales. Modern Trade grew by 27%, while E-Commerce grew 43%. Urban, including the alternate channels, grew 2%. Modern Trade and E-Commerce contributed to 17% and 5% of the India business respectively. CSD (7% of sales) grew by 6%.

International FMCG Business: Marico International

Marico International, the International FMCG business, posted a turnover of ₹1,660 Crore, a growth of 5% over the last year. The business reported constant currency growth of 5%. The revenue contribution from new products in FY20 jumped to ~5% in FY20 from ~2% in FY19. The operating margin (before corporate allocations) for the International business expanded to 21.5% in FY20 from 20.1% in FY19. The margin improvement was led by input cost tailwinds in the Bangladesh business.

Bangladesh

(49% of the International Business)

The business in Bangladesh grew by 12% in FY20 in constant currency terms, thereby delivering double-digit constant currency growth for the third year in a row.

Parachute Coconut Oil posted 5% constant currency growth in FY20. With the category having matured in this market, the Company expect to grow this franchise in mid-single digits on a constant currency basis over the medium-term on the back of its dominant market share, distributive strength and consumption growth.

The non-Coconut oil portfolio in Bangladesh grew by 29% in FY20, in constant currency terms. Consequent to the consistent high double digit growth in Value Added Hair Oils, the Company retained market leadership in value terms on MAT basis and also attained leadership in volume terms on P3M (past 3 months) basis in Q4.

During the year, the Company also launched **Parachute SkinPure Beauty Olive Oil**. Made from the finest olives in Spain and enriched with Vitamin E & C, the product can be used for hair and skin nourishment.

The initial response to the recent launches - baby care range (Parachute Just for Baby), Male Grooming Range (Studio X) and Olive Oil (Parachute SkinPure), has been positive.

In Apr'20, Marico Bangladesh launched **Mediker SafeLife Hand Sanitizer** and **Hand Wash**, bringing Mediker's international expertise in care and protection to the country.

The non-Coconut Oil portfolio in Bangladesh constitutes over ~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% by FY22. We remain confident of delivering double-digit constant currency growth in this geography over the medium term. The healthy macro indicators also provide the required thrust for growth.

South East Asia

(26% of the International Business)

The South East Asia business grew by 4% in FY20 in constant currency terms. The business witnessed limited impact in Q4 due to less stringent COVID-19-led restrictions in the region.

Vietnam posted a growth of 5% in constant currency terms as growth in the Home and Personal Care (HPC) segment moderated. In H1, the Company launched a new range - shampoo, shower gel and face wash, under the brand X-Men, aimed at converting the unisex users looking for functional benefits. The Foods portfolio managed to post decent growth.

To serve the pressing hygiene needs of its consumers, the Company launched X-Men Go Hand Sanitizer, a cleansing gel that gives 99% protection, in a convenient pack size for men to carry on the go. Launched in April, the product has been made available in both General and Modern Trade.

The Company has initiated an aggressive cost management programme, which will enable resource generation for brand building. We expect to deliver steady currency growth in this geography over the medium term. In FY21, we expect normalcy to return faster compared to other regions due to well-implemented safety measures by the local government.

Middle East and North Africa (MENA)

(12% of the International Business)

The MENA business declined by 18% in constant currency terms, further accentuated by supply chain disruptions in March 20 due to the COVID-19 outbreak. The recent crash in oil prices and volatile macro environment keeps us cautiously optimistic about the medium term outlook of these markets. We remain cautious about Egypt at this stage and will be aggressive on cost management to give the business a fighting chance to survive and thrive.

South Africa

(7% of the International Business)

The South Africa business declined by 5% in constant currency terms, due to continued macro headwinds coupled with social distancing and other restrictions enforced to contain the outbreak of COVID-19 in the region during Q4 FY20. In Q4 FY20, the Company has recognised an impairment loss of ₹10 Crore towards Goodwill arising out of South African Hair styling brand ISOPlus, which was acquired in 2017. The same is disclosed under 'Exceptional items' in the Consolidated Statement of Profit and Loss.

The macros in the region continue to be weak. We expect some revival in this business over the medium term on the back of a pipeline of new products.

New Country Development & Exports

(6% of the International Business)

With expansion in adjacent markets such as Nepal and Bhutan, exports to diaspora and other markets generated revenues of nearly US$ 14 Million in FY20. The business grew by 33% in constant currency terms in FY20. The Company remains positive on the future prospects of this business, as it incubates new geographies to expand its franchise. Early signs of easing of cross-border supply chain makes us confident of reviving growth in FY21.

Consolidated results of operations – an overview

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 FY19 and FY20:

Particulars (in ₹ Crore)	FY20	FY19
Revenue from Operations	7,315	7,334
Other Income	124	103
Total Income	**7,439**	**7,437**

There has been 0.3% decline in Revenue from Operations on account of 2% decline in Marico India and 5% growth in Marico International.

Expenses

The following table sets the expenses and certain other profit and loss account line items for the years FY19 and FY20:

For the year ended March 31	FY20 ₹ Crore	% of Revenue	FY19 ₹ Crore	% of Revenue
Revenue from Operations	7,315		7,334	
Expenditure				
Cost of Materials	3,745	51.2	4,017	54.8
Employees Cost	478	6.5	466	6.4
Advertisement and Sales Promotion	727	9.9	659	9.0
Other Expenditure	896	12.2	866	11.8
EBITDA	1,469	20.1	1,326	18.1
Depreciation and Amortisation	140	1.9	131	1.8
Finance Charges	50	0.7	40	0.5
Tax (excl. tax adjustments for earlier years)	331	4.5	314	4.3
Profit After Tax (excl. one-offs)	1,043	14.3	926	12.6

Cost of Materials

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

In FY20, average domestic copra prices were down 9%, rice bran oil was down 4%, LLP was down 8% and HDPE was down 24%.

Employee Cost

During the year under review, employee cost grew by 3% over FY19.

Advertisement and Sales Promotion (ASP)

ASP spends during the year was 9.9% of sales, up 10% over FY19.

Capital Expenditure and Depreciation

The capital expenditure in FY21 is likely to be around ₹125–150 crores. Depreciation was at ₹140 crore in FY20 as compared to ₹131 crore in FY19.

Other Expenses

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 11-13% of turnover in the medium term.

Other Expenses (in ₹ Crore)	FY20	FY19	% variation
Fixed	273	258	6
Variable	623	608	2
Total	**896**	**866**	3

Finance Charges

Finance charges comprise interest on loans and other financial charges. Finance charges was at ₹50 Crore in FY20 as compared to ₹40 Crore in FY19.

Direct Tax

The Effective Tax Rate (ETR) for FY20 was 24.1%. It should be noted that this tax rate is basis the accounting charge in the P&L account.

In view of the recent changes in the corporate tax rates, the Company will continue to recognize tax expense after availing the exemptions/deductions as per the existing provisions of the Income Tax Act and not opt for the revised rate structure. However, from a cash flow point of view, the Company will utilise MAT credit accumulated over the years. The current MAT credit stands at ₹133 Crore as of 31st March, 2020.

Impact of Ind AS-116

Ind AS-116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion. The accounting treatment has no impact on the actual cash flows of a Company.

In order to facilitate a like-to-like comparison, Marico has restated the financials for the comparative quarters as reported in the statutory disclosures, including the last financial year (FY19). **As per the restated financials, EBITDA margin stands revised upwards by 60-70 bps in the reported periods**.

The impact of Ind AS-116 on the Company's consolidated financial statements for the reported periods is as under:

(in ₹ Crore)	FY20	FY19
Increase in Depreciation and Amortisation expense	37	35
Reduction in Other Expenses	(50)	(45)
Increase in Interest Cost	16	16
Increase in EBITDA	50	45

Capital utilisation

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

Ratio	FY20	FY19
Return on Capital Employed (ROCE)	42.4	42.0
Return on Net Worth (RONW)	34.0	33.7
Working Capital Ratios (Group)		
Debtors Turnover (Days)	26	21
Inventory Turnover (Days)	70	73
Net Working Capital (Days)	37	38
Debt: Equity (Group)	0.11	0.12
Finance Costs to Turnover (%) (Group)	0.7	0.5

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

The ratios have continued to be healthy for the year. The variation in ratios is due to:

a. Lower inventory turnover on account of benign input costs and lower buildup of raw materials.

b. Higher receivables turnover was due to increase in revenue contribution from MT and E-Commerce, higher receivables from CSD and selective extension of credit periods in GT due to the liquidity stress and also to support our channel partners during lockdown. In the near term, we expect the receivable days to remain at higher levels although we do not expect any bad debt risks.

c. However, net working capital was lower due to higher payables, on account of supply chain financing initiatives.

Shareholder value

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

Dividend Declared

Keeping in mind, the steady increase in operating cash flows and in an endeavour to maximise the returns to its shareholders, the Company increased its dividend payout in FY20 to 675% as compared to 475% during FY19. The overall dividend payout ratio in FY20 stood at 96% of the consolidated Profit After Tax. While the Company is open to strategic acquisitions, the leverage ratios are comfortable.

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, the Middle East and North Africa as well as 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 that promotes innovation driven growth.

Marico India

- In FY20, the India business delivered a volume growth of 1%, amidst a tough consumption environment, especially in rural, with acute liquidity stress crippling the traditional trade channel, fall in overall discretionary spending, delay in pricing interventions in the Parachute Coconut Oil, underperformance of mid and premium segments of Value Added Hair Oils, and lastly, the unprecedented COVID-19-led disruption in the last fortnight of March.
- With the first quarter of FY21 starting on a considerably bleak note due to the extended period of lockdown, it is difficult to set an aspiration for FY21, until more clarity emerges during the year.
- In the near term, the Company will channelise its energies towards the following:
  - As consumers are likely to be more value-seeking during this economic downturn, consumer-advantaged pricing and small packs will be a key focus.

  - Enhancing the value proposition of recruitment packs in Coconut Oil, thereby hastening the conversion from loose to the branded fold in this scenario.
  - Continue aggressive strategies in the bottom of pyramid segment of Value Added Hair Oils to garner volume growth and market share gains.
  - Scaling up availability and distribution of Saffola Edible Oils, leveraging the strong equity of the brand, especially given the rising consciousness towards health and wellness and high incidence of in-home cooking.
  - With a near cessation of out-of-home consumption and increasing in-home savoury meals consumption, focus on broad-basing of the Foods portfolio through innovation to serve the evolving consumer needs.
  - In view of the heightened need of hygiene and sanitisation among consumers, the Company has launched Mediker Hand Sanitizer and Veggie Clean in India during the quarter and will further broaden its play in the Hygiene segment for long term sustainability in performance.
  - With further acceleration in online shopping and online media consumption, the Company will continue to aggressively push for growth of the E-Commerce business. E-Commerce contributed more than 5% of India sales in FY20.
  - Given the perceptible shifts in consumer behaviour during this crisis, the Company will prioritise investments in Foods and Hygiene over Premium Personal Care categories.
- Parachute Rigids had a flat FY20. Given the market construct and strengthening brand equity, the Company expects to grow volumes in the range of 5-7% over the medium term.
- Value Added Hair Oils has posted 2% volume decline in FY20. The Company aims to revive volume growth in this franchise in the near term with focused pricing and marketing initiatives, innovation, driving premiumisation, scale-up of new launches and active participation in the bottom of the pyramid segment.
- Saffola Edible Oils volumes grew by 9% in FY20. The brand appears to have charted a sustainable growth path after a variety of channel/pricing/promotion measures taken over the last 18 months. We aim to sustain high single digit volume growth over the medium term in this franchise.
- Foods grew 31% in value terms in FY20. The Company will continue to innovate and broad-base its play in this category, thereby maintaining 20% + CAGR over the medium term.
- 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% + CAGR over the medium term in these portfolios. Though, in the near term, our expectations remain muted.
- The Company's medium-term Go-To-Market (GTM) strategy will be focused on improving the width and depth of its distribution. The Company is investing behind upgrading its distribution infrastructure in urban General Trade to ensure profitability of channel partners and expanding direct reach in rural markets. It aims to ensure sustainable, harmonious and incremental growth in General Trade, Modern Trade and E-Commerce through specific price and SKU management measures.
- 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. With Beardo coming under Marico's fold, we expect a positive shift in our capabilities in E-Commerce and salons over the medium term.

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 handle growth. The Company is confident that the key markets are well-poised to capitalise on the market opportunities.
- Like in case of India, with the first quarter of FY21 starting on a considerably sombre note due to the extended period of lockdown, it is difficult to set an aspiration for FY21, until more clarity emerges in Q2.
- The business in **Bangladesh** is likely to continue the momentum as the medium term macro prospects look promising. Therefore, the Company will leverage its distributive strength to further consolidate market shares in the core portfolios, scale up new launches of FY20 and enter into new categories.
- As a market leader, the **Vietnam** business will continue to invest in the male grooming category and excellence in sales and distribution systems. The Company has initiated an aggressive cost management programme, which will enable resource generation for brand building. **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. In the Middle East, the Company will work towards strengthening the Coconut Oils and Hair Oils play. While Egypt may struggle due to persistent macro headwinds, the Company has launched cost management initiatives to enable the business to cope better.
- 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. In the short term, ably restoring the supply chain will be key.

- We aim to clock an organic broad-based double-digit constant currency growth.
- 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

- While the Company holds its medium term aspiration of delivering 8-10% volume growth and 13-15% revenue growth, the near term is currently unpredictable. The Company will focus on right pricing and availability of goods to the consumer to maneuvre through the current crisis.
- We will continue to invest behind brand building to support market growth initiatives in core categories and expansion into adjacent categories. In the near term, the Company will reallocate spends from non-media to media channels. Spends on the digital platforms will continue to rise.
- The Company will continue to drive cost excellence across the organisation to extract savings that will be redeployed towards igniting profitable growth and pricing. The Company may also explore aggressive work from home programmes to adapt to the more contemporary ways of working.
- In FY21, the Company will strive to maintain the operating margin at FY20 levels. However, it would be comfortable maintaining operating margin at 19% + over the medium term.

Human resources

Talent and 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 **Employees section on Page 52.**

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 three 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 **Consumers.**

Risks & opportunities

Risks are an integral part of any business environment and it is essential that we create structures and processes that are capable of identifying and effectively mitigating 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.

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**.

Internal control systems and their adequacy

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

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

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

The internal 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 like procurement, manufacturing, information technology, supply chain, sales, marketing and finance. The internal audit programme is reviewed by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Reports of the internal auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. Summaries of the reports and actions taken on audit findings are presented to the Audit Committee of the Board.

The Company has also deployed audit analytics in the domain of sales, procurement, manufacturing, supply chain and employee spends. It helps in continuous control monitoring of control effectiveness and areas, where actions are required. The Internal Controls team reviews output of this tool and derives corrective action on timely basis. In order to strengthen control environment, audit analytics will be deployed in other functions of Marico India as well as in key international geographies.

Deloitte has carried out the internal audit for Marico in the year under review. 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 and protection.

Internal Financial Controls (IFC)

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

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

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

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

Business Responsibility Report for 2019-20

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 – 400 098, Maharashtra
4.	Website	www.marico.com
5.	E-mail ID	investor@marico.com
6.	Financial year reported	Year ended on 31.03.2020 (FY 2019-20)
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, GCC, Egypt, South East Asia and Africa b) National locations: - Corporate Office: Mumbai - R&D Centre: Mumbai - Manufacturing Units: Puducherry, Perundurai, Jalgaon, Paonta Sahib, Guwahati, Baddi and Sanand - Regional Office: Delhi, Mumbai, Kolkata and Hyderabad
10.	Markets served by the Company	- India, Bangladesh, Egypt, Vietnam, Myanmar, UAE and South Africa, through domestic operations - Exports are done to other countries such as Singapore, Malaysia, Nepal, Canada, Africa, UK and the USA.

Section B: Financial Details of the Company

No.	Particulars	Company Information
1.	Paid up Capital as on March 31, 2020	129,10,18,088 Equity shares of ₹1 aggregating to ₹129,10,18,088
2.	Total Turnover	₹ 5,853 Crore
3.	Profit after Tax	₹ 1,006 Crore
4.	Total Spending on Corporate Social Responsibility (CSR)	
	a) in ₹	a) 19 Crore
	b) As a percentage of Average Net Profit of the Company for the last 3 financial years:	b) 2%
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 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. Three subsidiary companies participate 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 associates such as suppliers and distributors to adopt BR initiatives. Currently less than 30% of such associated entities participate in BR initiatives of Marico.

Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR

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

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

b. Details of BR head

No.	Particulars	Details
1.	DIN Number	NA
2.	Name	Mr. Jitendra Mahajan
3.	Designation	Chief Operating Officer (Supply Chain, IT and MENA Business)
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	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Policies are prepared ensuring adherence to applicable laws and in line with international standards such as ISO, GRI, 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	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. Code of Conduct https://marico.com/aboutus_coc_pdf/marico_code_of_conduct.pdf 2. Sustainability Policy https://marico.com/investorspdf/Sustainability_Policy.pdf 3. CSR Policy https://marico.com/investorspdf/CSR_Policy_(1).pdf 4. Responsible Sourcing Policy https://marico.com/investorspdf/ResponsibleSourcingPolicy.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Not Applicable								
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 voluntarily started publishing annual sustainability report from FY2015-16 onwards. In the year 2018-19, Marico shifted its corporate reporting journey to Integrated Report as per the International Integrated Reporting Council (IIRC) framework. This year, the Company continues to publish the Integrated Report as per IIRC framework. The Integrated Report for FY2020 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. The Audit Committee of the Board of Directors oversees the functioning of the vigil mechanism and compliance of the Code of Conduct by the employees on a quarterly basis. For further details on vigil mechanism, refer to the Board Report section of the Annual Report.

Members of Code of Conduct Committee (CCC)

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

Information with reference to BRR framework:

No.	Questions	Information
1.1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Marico Code of Conduct (CoC) policy provides guidelines on ethics, anti-bribery and anti-corruption to be abided by all the members. It is mandatory for all employees to undergo the CoC online course. Further, the Marico Code of Business Ethics (MCoBE) policy provides guidelines on ethics, anti-bribery and anti-corruption to be abided by the business associates. The requirements under the policy is communicated to all 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 for investigation of all complaints, as it has a significant bearing on the individual and the organisation. In the financial year 2019-20, the Company received 24 complaints as follows: • Quarter 1: 2 • Quarter 2: 10 • Quarter 3: 7 • Quarter 4: 5 The Company satisfactorily resolved 20 out of the 24 complaints. The pending 4 complaints are at various stages of investigation and adjudication.

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

As a responsible company, providing safe and high quality product to consumers is our top most priority. Sustainability at Marico is not only emphasised on green and lean manufacturing practices, but also extended to our products right from formulation and design stage. In this direction, we adopted Life Cycle Assessment (LCA) approach couple of years ago to identify the environmental impact of our products at different stage of its life. The LCA study of a few key products was carried through external agencies. In FY2020, we implemented LCA tool and initiated in-house cradle to grave LCA study. With the outcome from the study, sustainability projects/interventions are designed to improve environmental performance of the product.

Information with reference to BRR framework:

No.	Questions	Information
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. (a) . (b) . (c) .	Marico, through its brands, contributes towards safeguarding environment and also promotes several social causes. The efforts made in this direction are given below: **1. Parachute Coconut Oil** This year, we completed LCA study of our Parachute Coconut Oil product variants. The study was carried out by in-house team using LCA tool covering raw material and packaging material impact from cradle to grave. Interventions like reduction is bottle and cap weight, enhancing use of renewable energy, elimination of wastes, logistics optimisation and sustainable packaging solutions have been evaluated for implementation to improve the sustainability profile of coconut oil brand. **2. Saffola*life*** Saffola*life*, a not-for-profit initiative by Marico, remains committed to its vision of creating a 'Heart Healthy India'. The brand has led many initiatives consistently over the years and educated consumers on the importance of taking care of their heart. During the year 2019-20, Saffolalife supported a plethora of initiatives by Food Safety and Standards Authority of India (FSSAI) – • Eat right initiative: activation completed in 84 schools • Eat Right at Campus: 4 campus in Gujarat recommended for certification of 'Eat Right' • Clean Street Food Hubs: Completed certification of 7 street food hubs • Eat Right Mela: over 20,000 people connected through the mela **3. Nihar Shanti Amla** One of the most significant indicators of social progress is education. With purpose at its heart and commitment towards social progress, Nihar Shanti Amla, has been continuously strengthening its mission to impart quality education to underprivileged children across multiple states in India. Through its Nihar Shanti Pathshala Funwala and Educate Girls initiative millions of students are impacted. Technology, collaboration and scale forms the core pillars of our initiatives. Since inception of 'Nihar Shanti Pathshala Funwala', we have enabled access to quality education for 1 million+ students.

<table>
<tr><th>No.</th><th>Questions</th><th>Information</th></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>As part of Marico Sustainability Goals, we monitor and report the energy, water and emissions performance at a company level (and not product-wise). We follow a series of environmental performance indicators to monitor the efforts of responsible resource use. The Company is committed to conservation and optimal utilisation of all resources.

Resource Consumption:
<table>
<tr><th>No.</th><th>Parameter</th><th>FY2019-20</th></tr>
<tr><td>1.</td><td>Energy consumed in operations in GJ per unit crore revenue</td><td>60.2</td></tr>
<tr><td>2.</td><td>Water consumed in operations in KL per unit crore revenue</td><td>35.9</td></tr>
</table>
a) Reduction achieved
<table>
<tr><th>No.</th><th>Parameter</th><th>% change from last year</th><th>% change from base year</th></tr>
<tr><td>1.</td><td>Energy intensity (GJ per unit crore revenue)*</td><td>(6)%</td><td>(32)%</td></tr>
<tr><td>2.</td><td>GHG emission intensity (tCO_2e per unit crore revenue)*</td><td>(20)%</td><td>(68)%</td></tr>
<tr><td>3.</td><td>Water intensity (KL per unit crore revenue)**</td><td>(8)%</td><td>(31)%</td></tr>
</table>
* Baseline year FY2012-13
** Baseline year FY2013-14

b) Reduction during usage by consumers
Not measured.</td></tr>
<tr><td>2.3</td><td>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.?</td><td>SAMYUT – the responsible sourcing programme by Marico aims at sourcing of materials and services through responsible business associates who share our sustainability vision. We initiated the first level engagement in 2018 (out of 3 levels designed under the programme). In FY 2019-20, we completed level 1 certification for 22% of our critical value chain partners (this covers the critical raw material and packaging material vendors). In coming years, we plan to cover other critical partners like our convertors, logistics, depot and warehouse partners.</td></tr>
<tr><td>2.4</td><td>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?</td><td>Agro-materials contribute significantly to our procurement requirements. The input materials are procured from local farmers, small groups and collection centres through active engagement. The Company believes in driving the growth of local economy and thus continues to work with the local producers and communities. In FY 2020, 95% of material supplies by value spend were procured from local producers and vendors (within India). We continue in our efforts to work closely with the local farmer community and help them improve productivity through trainings based on scientific farm practices and contribute to sustainable livelihood.</td></tr>
</table>

No.	Questions	Information
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 Marico's ongoing endeavour to tap opportunity to reduce, reuse and recycle waste generated from our operations. Across all our manufacturing operations, we have established well defined waste management systems. All the wastes generated (hazardous and non-hazardous) are disposed through appropriate channels and approved vendors. Presently <5% of our overall waste is recycled. Further, to tackle the plastic waste problems, under project "UpCycle" we have exclusive initiatives contributing to the circular economy. We are also completely aligned with the Extended Producer Responsibility (EPR) requirements under the PWM Rules. In FY2020, we completed collection and safe disposal of 50% of post-consumer multi-layer plastic waste. Being a Consumer Staple company, we have a well-defined policy and system to take-back our products which have expired or found with packaging defects in order to recycle them to best possible extent.

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

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

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

Information with reference to BRR framework:

No.	Questions	Information : as on 31.03.2020
3.1	Please indicate the Total number of employees	1,631
3.2	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis	56
3.3	Please indicate the Number of permanent women employees	241
3.4	Please indicate the Number of permanent employees with disabilities	2
3.5	Do you have an employee association that is recognised by management?	Yes
3.6	What percentage of your permanent employees is members of this recognised employee association?	4%

No.	Questions	Complaints	Filed	Resolved
3.7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Child Labour/Forced Labour	0	NA
		Involuntary Labour	0	NA
		Sexual Harassment	0	NA
		Discriminatory employment	0	NA

No.	Questions	Employee Categories	% trained on Safety & Skill Upgradation(*)
3.8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	a) Permanent employees	100%
		b) Permanent women employees	100%
		c) Contract employees	100%
		d) Employees with disabilities	100%

* Includes employees covered under safety, compliance and skill upgradation related trainings.

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

Information with reference to BRR framework:

No.	Questions	Information
4.1	Has the Company mapped its internal and external stakeholders? Yes/No	Yes.
4.2	Out of the above, has the Company identified the disadvantaged, vulnerable & 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.	During the year, we have undertaken several need-based community programmes under our CSR focus areas. These initiatives are emphasised for the disadvantaged, vulnerable and marginalised stakeholders residing in close proximity of all our manufacturing operations. • Watershed management (create harvest capacity) to meet the agricultural and domestic water needs • Desilting of dams for optimising water storage capacity • Constructing farm ponds for coconut farmers to ensure water availability • Providing access to toilets and sanitation in rural households • Skill development through vocational trainings to youths and women • Education for underprivileged children • School infrastructure support

Principle 5: Businesses should respect and promote human rights.

Information with reference to BRR framework:

No.	Questions	Information
5.1	Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Company Code of Conduct (CoC) and Marico Code of Business Ethics (MCoBE) covers the guidelines on human rights and are applicable to all employees and business associates of Marico.
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company did not receive any complaints with regard to human rights violation in the FY2020.

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

Information with reference to BRR framework:

No.	Questions	Information
6.1	Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others.	We have implemented "sustainability policy" which extends to all stakeholders of the Company. https://marico.com/investorspdf/Sustainability_Policy.pdf
6.2	Does the Company have strategies/initiatives to addressglobal 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 climate change. We report to the environmental questionnaire on CDP (both climate change and water). Our sustainability interventions are also mapped with UN Sustainable Development Goals (SDGs) and have taken a very specific and focussed approach within the parameters of our business operations. http://marico.com/india/make-a-difference/sustainability
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. It is also part of Marico risk management plan. 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.
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 fossil fuel by shifting to clean fuel • Use of wind electricity (renewable) • Implementation of solar roof-top project • Energy efficiency initiatives include – Installation of LED lighting, installation of Variable Frequency Drives (VFD), Automation on conveyors for optimising the running duration of conveyor, modification heating control in shrink wrapping tunnel for optimising heat loss • This year, Perundurai factory was rated 'Platinum' on GreenCo rating system for its sustainability efforts
6.6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes, the emissions/waste generated by the Company is within the permissible limits given by CPCB / SPCB for the FY 2020.
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.	One (1) notice is pending as on end of financial year. The action on notice is taken and is in final stage of closure.

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

Information with reference to BRR framework:

No.	Questions	Information
7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: (a) . (b) . (c) . (d) .	Marico is associated with the following associations – 1. All India Food Processors Association (AIFPA) 2. Protein Foods and Nutrition Development Association of India (PFNDAI) 3. Association of Food Scientists and Technologists, India (AFSTI Mysore and Mumbai) 4. Federation of Indian Chambers of Commerce and Industry (FICCI) 5. Confederation of Indian Food Trade and Industry (CIFTI) 6. Confederation of Indian Industry (CII) 7. Indian Beauty & Hygiene Association (IBHA) 8. Ayurvedic Drug Manufactures Association (ADMA) 9. The Solvent Extractors Association of India (SEA) 10. Oil Technologist Association of India 11. Consumer Guidance Society of India (CGSI) 12. Health Foods and Dietary Supplements Association (HADSA) 13. All India Association of Industries 14. Food Safety and Standards Authority of India (FSSAI) New Delhi 15. Ministry of Food Processing 16. Food and Drug Administration (Maharashtra and Gujarat) 17. Department of Science and Technology Ministry of Science and Technology 18. AGMARK, Ministry of Agriculture, Government of India 19. Department of Legal Metrology, Ministry of Consumer Affairs, Government of India 20. Coconut Development Board (CDB) 21. NSI (Nutrition Society of India) Mysore & Mumbai chapter 22. Indian Society of Cosmetics Chemists (ISCC) 23. India Home & Personal Care Industry Association (IHPCIA) 24. Central Food Technological Research Institute (CFTRI) 25. National Institute of Nutrition (NIN) 26. Department of Scientific and Industrial Research (DSIR) 27. Institute of Chemical Technology (ICT) (formerly known as UDCT) 28. Protein Foods and Nutrition Development Association of India (PFNDAI) 29. Tamil Nadu Agricultural University (TNAU) 30. Indian Agricultural Research Institute (IARI) 31. Indian Merchant Chambers (IMC) 32. International Market Assessment India Private Limited 33. WPO Organisation (Mumbai Chapter)
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 DevelopmentPolicies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Marico is associated with above institutions with an intention of mutual learning, support regulatory activities, disseminating knowledge in relation to food safety, quality, health 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 well-being.

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

Information with reference to BRR framework:

No.	Questions	Information
8.1	Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, the Company has programmes/ initiatives/ projects in pursuit of the policy related to Principle 8. Marico flagship programme – 'Kalpavriksha' focus on making a difference in life of coconut farmers by supporting them to enhance their earning. As on March 31, 2020, we have cumulatively enrolled about 1.28 Lakh acres of coconut farms covering 21,043 farmers. The farms that have completed more than a year with Kalpavriksha have delivered 15% increase in yields. We continue to undertake water conservation initiatives as part of our flagship project 'Jalaashay'. Till date, we have created 136.7 crore litres of water harvest capacity in vicinity of our operations and in water stress regions in the country. In FY2020, initiatives like dam desilting and construction of farm ponds were executed resulting in creation of 64 crore litres of water harvest capacity. Marico Innovation Foundation (MIF) has enabled innovators across sectors such as agriculture, clean energy, education, consumer goods and medical equipment, among others. With support from 100+ mentors, the programme has helped solve business challenges across functions like sales, distribution, marketing, packaging, procurement, quality, product development, finance and HR. Further the Company has specified programmes in pursuit of the CSR policy focusing on education, health care, community sustenance and innovation. The manufacturing units focus on the community development in the vicinity of our operations. Brief particulars of the CSR initiatives undertaken by Marico in FY2019-20 are provided in the CSR section of this report.
8.2	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?	The community development programmes/projects are implemented either directly or in partnership with non-profit organisations, government and other external agencies. The initiatives undertaken in FY2019-20 either directly or in partnership includes Farm pond development, Dam Desilting, Sakshar Beti (programme for girl education), Mobile Pathshala (programme for English learning), Educate Girls, among others. The Company through the MIF Scale Up programme works with 'For Profit' and 'Not-For-Profit' organisations and is sector agnostic. It focuses on the innovative ideas and the impact an organisation wishes to achieve.
8.3	Have you done any impact assessment of your initiative?	Towards creating a noticeable positive impact we conduct impact study of all flagship programmes frequently. This year, we carried out impact study by an external agency for two (2) of our flagship programmes – • Impact study of the Dam desilting initiative in Jalgaon district under the MoU with Government of Maharashtra • Impact study of Parachute Kalpavriksha initiative Also, internal teams at our manufacturing units evaluate the impact of 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 ₹ 19 crores for community development activities. Brief particulars of the CSR initiatives undertaken by Marico in FY2019-20 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 NGO's, government structure or other agencies. 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 works with Government and other industry bodies like FSSAI, CII, FICCI and other private agencies to create awareness about hygiene, food safety and product regulations.

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

Information with reference to BRR framework:

No.	Questions	Information
9.1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	There are 7 consumer cases pending as on the end of financial year ended on 31 Mar 2020.
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 labelling 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 behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No case filed by any stakeholder related to anti-competitive behaviour and irresponsible advertising, and/or is pending as at the end of financial year ended on March 31, 2020.
9.4	Did your Company carry out any consumer survey/consumer satisfaction trends?	Marico connects with consumers through multiple touch points. Surveys are conducted with sample consumers to understand their satisfaction and product quality feedback by our consumer insights and corporate quality teams. The Company has also established a process of consumer complaint management aligned with ISO 10002. This helps in systematic resolution of all consumer concerns.

BOARD'S REPORT

To the Members,

Your Board of Directors ("Board") are pleased to present the Thirty Second Annual Report of Marico Limited ("Marico" or "the Company" or "your Company"), for the financial year ended March 31, 2020 ("the year under review" or "the year" or "FY20").

In compliance with the applicable provisions of Companies Act, 2013, ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), this report covers the financial results and other developments during the financial year from April 1, 2019 to March 31, 2020 and up to the date of the Board meeting held on May 4, 2020 approving 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 "the Group" in this report.

FINANCIAL RESULTS - AN OVERVIEW

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consolidated Summary for the Group		
Revenue from Operations	7,315	7,334
Profit before Tax	1,374	1,257
Profit after tax before exceptional items	1,065	943
Profit after Tax	1,043	1,131
Marico Limited – Revenue from Operations	**5,853**	**5,971**
Profit before Tax	1,258	1,183
Less: Provision for Tax for the current year	252	54
Profit after Tax for the current year	**1,006**	**1,129**
Other Comprehensive Income for the current year	(2)	(1)
Add: Surplus brought forward	2,757	2,331
Profit available for appropriation	3,228	2,892
Appropriations: Distribution to shareholders	**872**	**613**
Tax on dividend	130	89
Surplus carried forward	2,760	2,757

REVIEW OF OPERATIONS

In FY20, Marico posted revenue from operations of INR 7,315 Crores, which was marginally lower than the previous year. The underlying volume growth for the year was 2%. The business delivered an operating margin of 20.1% and INR 1,043 Crores, a growth of 13% over the last year on a comparable basis.

Marico India, the domestic FMCG business, achieved a turnover of INR 5,655 Crores in FY20, down 2% over the last year. The underlying volume growth was a muted 1%, vastly affected by the consumption slowdown witnessed in the economy through the year, which was further exacerbated by lockdowns enforced in the month of March 2020 to contain the outbreak of COVID-19 in India. The operating margin (before corporate allocations) for the India business was at 22%. The improvement in profitability was led by significant gross margin tailwinds, owing to a benign input cost environment.

During the year, Marico International, the International FMCG business, posted a turnover of INR 1,660 Crores, a growth of 5% over the last year. The business reported constant currency growth of 5%. The operating margin (before corporate allocations) for the International business expanded by 139 bps to 21.5%, led by gross margin expansion in the Bangladesh business.

There are no material changes and commitments affecting the financial position of your Company, which have occurred between the end of the FY20 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 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.

Based on the principles enunciated in this Policy, your Company's distribution to equity shareholders during FY20 comprised the following:

- First Interim Dividend of 275% on the equity base of ₹129.09 Crores aggregating to ₹355.01 Crores declared by your Board of Directors on October 25, 2019;
- Second Interim Dividend of 325% on the equity base of ₹129.09 Crores aggregating to ₹419.56 Crores declared by your Board of Directors on January 30, 2020 and
- Third Interim Dividend of 75% on the equity base of ₹129.09 Crores aggregating to ₹96.82 Crores declared by your Board of Directors on March 6, 2020.

The total equity dividend for FY20 (including dividend distribution tax) aggregated to ₹1,001.24 Crores. Thus, dividend pay-out ratio was 95% of the consolidated profit after tax as compared to 76% in the previous year.

CHANGES IN SHARE CAPITAL

During FY20, the paid up share capital of the Company has been increased form ₹ 129.08 Crores to ₹129.10 Crores, consequent to the allotment of 1,53,690 equity shares of ₹1 each under the Marico Employee Stock Option Plan, 2016.

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.

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 - https://marico.com/india/investors/documentation and the same are available for inspection by the Members. Any Member desirous of making inspection or obtaining copies of the said financial statements may write to the Company Secretary or email at investor@marico.com.

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_Determination_of_Material_Subsidiary.pdf. In terms of this Policy, Marico Bangladesh Limited continues to be the material subsidiary of your Company.

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
- Fast moving consumer goods sector in India and Marico growth story
- Overview of Consolidated results of operations
- Outlook
- Human Resources
- Information Technology and digital
- Risks & opportunities
- Internal control systems and their adequacy

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

I. Appointment of Mr. Sanjay Dube and Mr. Kanwar Bir Singh Anand as Additional Directors (Independent) of the Company

The Board of Directors at its Meeting held on January 30, 2020 appointed Mr. Sanjay Dube as an Additional Director (Independent) of your Company with effect from January 30, 2020. Further, the Board at its Meeting held on March 6, 2020 appointed Mr. Kanwar Bir Singh Anand as an Additional Director (Independent) of the Company with effect from April 1, 2020.

Mr. Dube and Mr. Anand hold office as Additional Directors (Independent) upto the date of the 32nd Annual General Meeting ("the AGM") and subject to the approval of Members at the AGM shall be appointed as Independent Directors to hold office for a period of 5 years each from the date of their respective appointments. Notice in writing, signifying their candidature for appointment as Independent Directors, under Section 160 of the Act has been received by the Company from a Member. Accordingly, the matters relating to their appointment are being placed for the approval of the Members at the AGM. Brief profile of each of these

Directors and other related information is appended in the Corporate Governance Report.

II. 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. Rishabh Mariwala is liable to retire by rotation at the AGM and being eligible, has offered himself for re-appointment. Accordingly, the appointment of Mr. Rishabh Mariwala is being placed for the approval of the Members at the AGM. A brief profile of Mr. Rishabh Mariwala and other related information is appended in the Corporate Governance Report.

III. Declaration by Independent Directors

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

IV. Key Managerial Personnel

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual financial statement for the financial year ended March 31, 2020, 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, 2020 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

Evaluation of the performance of the individual Directors, Chairman of the Board, the Board as a whole and its 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

Your Company continues to publish the Integrated Report for the second year, which will continue to focus on the imperatives of how the Company creates value over the short, medium and long term for all its stakeholders. The Integrated Report for the year ended March 31, 2020 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.

The Company has subsumed the sustainability disclosures in the Integrated Report, which have been exhibited in line with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (SRS) core guidelines. The Company has also presented separately 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.

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 5 (five) years, to hold office till the conclusion of the 34th AGM of the Company. Accordingly, the Statutory Auditors would hold office untill the conclusion of the 34th AGM of the Company. The Statutory Auditors have confirmed their eligibility for acting as the Statutory Auditors of the Company for the financial year 2020-21.

The Auditor's Report for the year ended March 31, 2020 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 details 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 4, 2020, 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, 2021. A remuneration of ₹ 9,00,000 (Rupees Nine Lacs only) plus applicable taxes and out of pocket expenses, has been fixed for the Cost Auditors subject to the ratification of such fees by the Members at the AGM. Accordingly, the matter relating to ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021 will be placed at the AGM. The Company has received 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 4, 2020, 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, 2021. The Company has received consent from Dr. K. R. Chandratre to act as such.

The Secretarial Audit Report for FY 2019-20 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 has 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 aspect of Corporate Governance. Your Company believes that a robust Risk Management ensures adequate controls and monitoring mechanisms for a smooth and efficient running of the business. A risk-aware organization is better equipped to maximize shareholder value.

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

- 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 Board is responsible for reviewing and guiding on the risk policy of the Company while the Audit Committee of the Board is responsible for evaluating the risk management systems in the Company. 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 reviews the internal processes, systems and the internal financial controls and accordingly, the Directors' Responsibility Statement contains a confirmation as regards adequacy of the internal financial controls. Assurances on the effectiveness of Internal Financial Controls is obtained through management reviews, self-assessment, continuous monitoring by functional heads as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

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

RELATED PARTY TRANSACTIONS

All transactions with related parties are placed before the Audit Committee for its approval. An omnibus approval from the Audit Committee is obtained for the related party transactions which are repetitive in nature. 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 the limit ₹ 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 during FY20 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 Listing Regulations and the Company's Policy on Related Party Transactions. There were no transactions for which consent of the Board of Directors was required to be taken and 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.

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

In terms of the applicable provisions of the Act, read with the Rules framed thereunder and the SEBI Listing Regulations, your Board has adopted a Policy for appointment, removal and remuneration of Directors, Key Managerial Personnel ("KMP") and Senior Management Personnel ("SMP") and also on Board Diversity, Succession Planning and Evaluation of Directors ("NRE Policy"). The remuneration paid to Directors, KMP and SMP of the Company are as per the terms laid down in the NRE Policy. The 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 also 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, 2020, an aggregate of 44,83,320 Options were outstanding which constitute about 0.35% of the issued equity share capital of the Company as on that date.

- **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 administers 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, 2020 an aggregate of 970,110 STARs were outstanding which constitute about 0.08% of the paid up equity share capital of the Company as on that date.

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. Further, during the year under review, the 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 approving such employee benefit Schemes/Plans. Further, an annual certificate to that effect is obtained from the Statutory Auditors of the Company i.e. M/s. B S R & Co. LLP.

DISCLOSURES

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 www.marico.com. 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 or email at investor@marico.com.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 of the SEBI Listing Regulations, a separate report on Corporate Governance along with the certificate from the Secretarial Auditor on its compliance is annexed to this report as **"Annexure C"**. Dr. K.R. Chandratre, Practicing Company Secretaries have certified the Company's compliance requirements of Corporate Governance in terms of Regulation 34 of the SEBI Listing Regulations and their Compliance Certificate is annexed to the Report on Corporate Governance.

VIGIL MECHANISM

Your Company has a robust vigil mechanism in the form of Code of Conduct ("CoC") which enables its stakeholders to report concerns about unethical/inappropriate behaviour, actual or suspected fraud or any other violation of the CoC.

BOARD'S REPORT (Contd.)

Considering the changes, in the internal as well as external environment, the Board amended the CoC during the year. The CoC can be accessed on its website using the link: https://marico.com/aboutus_coc_pdf/Marico-Code-of-Conduct-2019.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. There are separate guidelines under the CoC that are applicable to 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. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules made thereunder, your Company has constituted Internal Committee ("IC") to deal with complaints relating to sexual harassment at workplace. During the FY 2019-20, the Company had not received any complaint on sexual harassment.

To encourage employees to report any concerns and to maintain anonymity, the Company has provided a toll free helpline number and a website, wherein the grievances/concerns can reach the Company or the Chairman of the Audit Committee. For administration and governance of the Code, a Committee called Code of Conduct Committee 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 affirmation on compliance of CoC on an annual basis from all the employees and on a quarterly basis from the Directors and 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 under CoC and the status of resolution of such cases.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is enclosed as **"Annexure 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 2019-20 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 2019-20 or the previous financial year. Your Company did not accept any deposits during FY20.

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: https://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 4, 2020

ANNEXURE 'A' SECRETARIAL AUDIT REPORT

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

To,

The Members,
Marico Limited,
7th Floor, Grande Palladium,
175, CST Road, Kalina,
Santacruz – (East),
Mumbai – 400 098

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2020 ('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, 2020 according to the provisions of:

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

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

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

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment. There were no External Commercial Borrowings transactions during the Audit Period;

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

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

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

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

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

  (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, 2018 (Not applicable to the Company during the Audit Period).

(vi) **I further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

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

  b) Blended Edible Vegetable Oils Grading and Marking Rules, 1991

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

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

e) Plastic Waste Management Rules, 2016 and

f) The Bureau of Indian Standards (BIS) Act, 2016 and the Rules made thereunder, as applicable

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

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and

(ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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, C. P. No.: 5144
UDIN: F001370B000200162

Place: Pune
Date : 4 May, 2020

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 (Contd.)

Annexure to the Secretarial Audit Report

To,

The Members,
Marico Limited,
7th Floor, Grande Palladium,
175, CST Road, Kalina,
Santacruz – (East),
Mumbai – 400 098

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
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 4, 2020

ANNEXURE ‘B’ TO THE BOARD’S REPORT

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

A) Ratio of Remuneration of each Director to the median remuneration of all the employees of your Company for the financial year 2019-20 is as follows :

Name of Director	Total Remuneration* (₹)	Ratio of remuneration of Director to the Median remuneration**
Mr. Harsh Mariwala	36,775,000	36.20
Mr. Saugata Gupta***	137,836,549	135.68
Mr. Rajeev Bakshi	4,250,000	4.18
Mr. Nikhil Khattau	4,730,000	4.66
Mr. Rajendra Mariwala	4,080,000	4.02
Mr. B.S. Nagesh	4,150,000	4.09
Ms. Hema Ravichandar	4,700,000	4.63
Mr. Rishabh Mariwala	3,500,000	3.45
Mr. Ananth S.	3,650,000	3.59
Mr. Sanjay Dube#	609,589	0.60

B) Details of percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2019-20 are as follows :

Name	Designation	Remuneration (₹)		Increase/ (Decrease) (%)
		2019 -20	2018-19	
Mr. Harsh Mariwala	Chairman & Non -Executive Director	36,775,000	49,390,000	-26%
Mr. Saugata Gupta***	Managing Director & CEO	137,836,549	89,773,568	54%
Mr. B. S. Nagesh	Independent Director	4,150,000	3,650,000	14%
Ms. Hema Ravichandar	Independent Director	4,700,000	3,550,000	32%
Mr. Nikhil Khattau	Independent Director	4,730,000	3,650,000	30%
Mr. Rajeev Bakshi	Independent Director	4,250,000	3,300,000	29%
Mr. Rajendra Mariwala	Non- Executive Director	4,080,000	3,100,000	32%
Mr. Rishabh Mariwala	Non- Executive Director	3,500,000	2,900,000	21%
Mr. Ananth S.	Independent Director	3,650,000	2,900,000	26%
Mr. Sanjay Dube#	Additional Director (Independent)	609,589	-	NA
Mr. Vivek Karve^	Chief Financial Officer	17,804,161	24,336,912	-27%
Ms. Hemangi Ghag	Company Secretary & Compliance Officer	5,653,918	4,361,962	30%

* The remuneration of all Non-Executive Directors includes sitting fees paid during the financial year 2019-20.

** The median remuneration of the Company for all its employees is ₹10,15,901 for the financial year 2019-20. For calculation of median remuneration, the employee count taken is 1257, which comprises employees who have served for whole of the financial year 2019-20.

*** The remuneration of Mr. Saugata Gupta, includes the perquisite value of stock options exercised during the financial year 2019- 20 amounting to ₹ 2,91,52,000 and the perquisite value of stock appreciation rights vested in him during the financial year 2018-19 amounting to ₹ 2,40,58,747. Excluding that, the remuneration of Mr. Gupta is ₹ 10,86,84,549 and ₹ 6,81,32,901 for financial year 2019-20 and financial year 2018-19 respectively.

\# Mr. Sanjay Dube was appointed as the Additional Director (Independent) of the Company on January 30, 2020

^ The remuneration of Mr. Vivek Karve for FY 2018-19, includes the perquisite value of stock appreciation rights vested in him amounting to ₹ 78,25,000. Excluding that, the remuneration of Mr. Karve was ₹ 1,78,04,161 and ₹ 1,65,11,912 for financial year 2019-20 and financial year 2018-19 respectively.

C) Percentage increase in the Median Remuneration of all employees in the financial year 2019-20

	2019-2020	2018-2019	Increase (%)
	Median	Median	
Median[$] remuneration of all employees per annum	1,015,901	945,503	7%

[$] For calculation of median remuneration, the employee count taken is 1,257 and 1,183 for the financial year 2019-20 and 2018-19, 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, 2020

1,684 (inclusive of workmen)

ANNEXURE 'B' TO THE BOARD'S REPORT (Contd.)

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

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

	2019-2020	2018-2019	% Increase/ (Decrease)
Average percentage increase in the Remuneration of all Employees* other than Key Managerial Personnel	2,235,472,449	2,004,711,930	12%
Average Percentage increase in the Remuneration of Key Managerial Personnel			
Mr. Saugata Gupta, Managing Director & CEO**	137,836,549	89,773,568	54%
Mr. Vivek Karve, Chief Financial Officer***	17,804,161	24,336,912	-27%
Ms. Hemangi Ghag, Company Secretary & Compliance Officer	5,653,918	4,361,962	30%

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

** The remuneration of Mr. Saugata Gupta, includes the perquisite value of stock options exercised during the financial year 2019- 20 amounting to ₹2,91,52,000 and the perquisite value of stock appreciation rights vested in him during the financial year 2018-19 amounting to ₹ 2,40,58,747. Excluding that, the remuneration of Mr. Gupta is ₹ 10,86,84,549 and ₹ 6,81,32,901 for financial year 2019-20 and financial year 2018-19 respectively.

*** The remuneration of Mr. Vivek Karve for FY 2018-19, includes the perquisite value of stock appreciation rights vested in him amounting to ₹ 78,25,000. Excluding that, the remuneration of Mr. Karve was ₹ 1,78,04,161 and ₹ 1,65,11,912 for financial year 2019-20 and financial year 2018-19 respectively.

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 4, 2020

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 ("the Board") 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.

While, your Company confirms compliance to the corporate governance requirements prescribed under law, it believes that 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 was listed in the top 10 position amongst the S&P BSE Listed Companies for exemplary Corporate Governance, an assessment conducted by Institutional Investor Advisory Services India Limited, a proxy advisory firm.

Risk assessment and risk mitigation framework

Marico believes that:

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

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

- Business Risks;
- 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 which assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company. The terms of reference of the Committee are captured in the latter part of this report. At defined periodicity, Marico's Board also reviews progress on the plans for mitigation of the top risks that your Company is exposed to. The Audit Committee reviews the risk management systems in the Company.

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 discussion 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.

During the year under review, your Company appointed Deloitte Touche Tohmatsu India LLP, Chartered Accountants having firm registration no: AAE-8458 as the Internal Auditors of the Company with effect from October 1, 2019. The erstwhile Internal Auditors of the Company, Ernst & Young India LLP, Chartered Accountants, having firm registration no: AAB-4343 continued with the Internal Audit Agenda till September 30, 2019.

Further to ensure effective oversight over the financial statements of the Group, the Audit Committee holds a periodic one-on-one discussion with the Statutory Auditors of the Company. During the year under review, 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 over the financial reporting process of the Company and its material subsidiary. 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 Company announces its financial results every quarter, usually within 40 days from the end of the quarter. Apart from disclosing these in a timely manner to the Stock Exchanges, the Company also hosts the results on its website together with a detailed information update and media release discussing the results. The financial results are published in leading newspapers. The Company also sends an email update to the Members who have registered their email addresses with the Company. Generally, once the quarterly results are announced, the Company conducts a call with the analyst community explaining to them the results and responding to their queries. The transcripts of such calls are posted on the Company's website. Marico participates in analyst and investor conference calls, one-on-one meetings and investor conferences where analysts and fund managers get frequent access to the Company's Senior Management. A detailed investor presentation is uploaded on the website and is reviewed periodically which gives details about the history, current and future potential of the business. Through these meetings, presentations and information updates the Company shares its broad strategy and business outlook with the investor community. The Company promptly discloses details of the conference calls, Investor meetings and road shows being conducted within the quarters in and outside the Country to the Stock Exchanges and updates its website with the same simultaneously.

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 and user friendly, 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 6 (six) Independent Directors, 3 (three) Non-Executive Non-Independent Directors (all belonging to the Promoter Group including 1 Chairman) and 1 (one) Managing Director & Chief Executive Officer as on the date of this Report. The Independent Directors ensure protection of interests of all the 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 directly 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, the Nomination and Remuneration Committee and the Board meet at least once in every quarter to consider *inter-alia*, the business performance and other matters of importance. The Audit Committee additionally meets once in every 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 ("CSR") Committee meets atleast twice in a financial year in order to closely monitor the programs undertaken as CSR, progress made thereon and impact of the same on the beneficiaries. 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 conscious of 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.

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 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 Nomination and Remuneration Committee reviews the Code of Conduct document periodically.

The Company's Code of Conduct is applicable to all members viz: the employees (whether permanent or not) and the members of the Board. The 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 Code of Conduct. The Code also cover separate guidelines applicable to 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("the SEBI Listing 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. The efforts taken by the Company over the years on sustainability are detailed in the Integrated Report which forms part of this Annual Report

Fairness

All actions taken are arrived at after considering the impact on the interests of all shareholders including minority shareholders. All shareholders have equal rights and can convene general meetings, if they feel the need to do so, in accordance with the provisions of the Act. Investor Relations is given due priority. There exists a separate department for handling this function. Full disclosures are made in the general meeting for all matters. Notices of the general meetings are comprehensive, and the presentations made at the meetings are informative. The Board is remunerated commensurately with the growth in the Company's profits.

Your Company is an equal opportunity employer and promotes diversity 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.

Other Significant Practices

Other significant Corporate Governance Practices followed are listed below:

Checks & Balances

- All Directors are provided with complete information relating to the operations and Company finances to enable them to participate effectively in the Board discussions. The Directors are also appraised on a regular basis by uploading information in the Directors' Corner in the 'MeetX' application, which they can view in their personalized devices provided by the Company.
- Proceedings of Board are segregated and matters are delegated to Committees as under
    - Administrative Committee approves the routine transactional/operational matters.
    - Investment and Borrowing Committee supervises management of funds.

- Audit Committee is responsible for approval of related party transactions, review of internal controls and audit systems, oversight on risk management systems, financial reporting, compliance issues and vigil mechanism, appointment and remuneration to various auditors of the Company and their scope, Shareholders' grievances etc.
- The Nomination and Remuneration Committee is responsible for approval of remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel. The Committee also acts as the Compensation Committee for the purpose of administration and superintendence of the Marico Employee Stock Option Plan, 2016 and the Marico Employee Stock Appreciation Rights Plan, 2011. The Nomination and Remuneration Committee 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 Nomination and Remuneration Committee. 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 stakeholders.
- 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.

❖ Directorships held by Directors in other companies are within the permitted ceiling limits.

❖ Memberships and Chairpersonships held by Directors are also within the permitted ceiling limits.

❖ Statutory compliance report along with the Compliance Certificate is placed before the 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 Nomination and Remuneration Committee and the Stakeholders' Relationship Committee attend the Annual General Meeting to address shareholders' queries, if any.

❖ The Chief Financial Officer, Secretary to the Nomination and Remuneration Committee and the Company Secretary & Compliance Officer, in consultation with the Chairman of the Board/ respective Committee and the Managing Director & CEO, formalise the agenda for each of the Board / Committee Meetings.

❖ The Board/Committees, at their discretion, invite Senior Management Personnel and other employees of the Company and/or external Advisors to any of the meetings of the Board/ Committee.

II. BOARD OF DIRECTORS

Your Company actively seeks to adopt best global practices for an effective functioning of the Board and believes in having a truly diverse Board whose wisdom and strength can be leveraged for earning higher returns for its stakeholders, protection of their interests and better corporate governance. Therefore, Marico's Board is an ideal mix of knowledge, perspective, professionalism, divergent thinking and experience. Marico Board's uniqueness lies in the fact that the Board balances several deliverables, achieves sound corporate governance objectives in a promoter-owned organisation and acts as a catalyst in creation of stakeholder value.

ANNEXURE C:
CORPORATE GOVERNANCE REPORT (Contd.)

In line with the applicable provisions of the Act and the SEBI Listing Regulations, your Company's Board has an optimum combination of Executive and Non-Executive Directors with more than half of the Board comprising Independent Directors. Your Board comprises of qualified members who collectively bring in the skills, expertise and competencies stated below that allow them to make effective contribution to the Board and its Committees as required in context of its business and sector and to ensure highest standards of corporate governance.

The table below highlights the Core Areas of Expertise /Skills/Competencies of the Board members. However, absence of mention of a skill/expertise/competency against a member's name does not indicate that the member does not possess that competency or skill.

Core Areas of Expertise / Skills/ Competencies	Mr. Harsh Mariwala	Mr. Ananth S.	Mr. B. S. Nagesh	Ms. Hema Ravichandar	Mr. KBS Anand	Mr. Nikhil Khattau	Mr. Rajendra Mariwala	Mr. Rishabh Mariwala	Mr. Sanjay Dube	Mr. Saugata Gupta
Corporate Strategy and Planning	✓	✓	✓	✓	✓	✓	✓		✓	✓
Leadership	✓	✓	✓	✓	✓	✓	✓		✓	✓
Entrepreneurship	✓	✓	✓		✓	✓	✓	✓	✓	✓
Global business & Consumer Understanding	✓	✓			✓	✓	✓		✓	✓
Brand Building	✓	✓	✓		✓		✓	✓	✓	✓
New Age Consumer Channel & Digital Skills		✓	✓			✓		✓	✓	✓
Retail & GTM	✓	✓	✓		✓	✓		✓	✓	✓
M&A, Strategy and Investment Management	✓	✓	✓		✓	✓	✓	✓	✓	✓
Financial & Accounting			✓			✓	✓		✓	
Corporate Governance, Risk & Compliance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Human Capital Management	✓	✓	✓	✓	✓	✓	✓			✓
Geographic, Gender and cultural diversity	✓	✓		✓	✓	✓	✓			✓
Legal		✓	✓			✓				✓

Board's Vision

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

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

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

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 Resource Officer (CHRO) hold separate sessions with the Chairpersons of the Audit Committee and the Nomination & Remuneration Committee, respectively, to ensure planning on the agenda of the meetings of these committees.

v) 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.

Board composition:

During the financial year, your Board met 6 (six) times viz., on May 6, 2019, July 15, 2019, August 1, 2019, October 25, 2019, January 30, 2020, and March 6, 2020.

The composition of the Board, attendance of the Directors at the Board meetings and the Annual General Meeting held during the period April 1, 2019 to March 31, 2020 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 1, 2019	Other Board Position $	Committee Position ^	
					As Member	As Chairperson
Mr. Harsh Mariwala	Chairman & Non-Executive	6 of 6	Yes	13	1	NIL
Mr. Saugata Gupta	Managing Director & CEO	6 of 6	Yes	6	NIL	NIL
Mr. Ananth S.	Independent	5 of 6	Yes	1	NIL	NIL
Mr. B. S. Nagesh	Independent	5 of 6	Yes	8	3	NIL
Ms. Hema Ravichandar	Independent	6 of 6	Yes	4	4	1
Mr. Nikhil Khattau	Independent	6 of 6	Yes	4	2	2
Mr. Rajeev Bakshi*	Independent	5 of 6	Yes	3	1	NIL
Mr. Rajendra Mariwala	Non-Executive	6 of 6	Yes	3	1	NIL
Mr. Rishabh Mariwala	Non-Executive	5 of 6	Yes	4	NIL	NIL
Mr. Sanjay Dube (appointed on January 30, 2020)	Independent (Additional)	1 of 1	NA	2	NIL	NIL

As on March 31, 2020.

$ 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.

*ceased to be a Director on March 31, 2020.

Names of the listed entities where a Director of the Company is a Director and the category of Directorship as on March 31, 2020:

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
Mr. Saugata Gupta	1.	Ashok Leyland Limited	Independent Director
Mr. Ananth S.		None	-
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
	3.	The Indian Hotels Company Limited	Additional Director (Independent)
Mr. Nikhil Khattau	1.	Kaya Limited	Independent Director
Mr. Rajeev Bakshi*	1.	Cummins India Limited	Independent Director
Mr. Rajendra Mariwala	1.	Kaya Limited	Non-Executive, Non-Independent Director
Mr. Rishabh Mariwala		None	-
Mr. Sanjay Dube		None	-

During the year under review, the Independent Directors met once on March 4, 2020, 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 Independent Directors were present at the meeting.

In the opinion of the Board, all the Independent Directors fulfil the criteria of Independence as defined under Section 149(6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Qualification of Directors) Rules 2014, Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management of the Company. The Independent Directors appointed during the year also fulfil the criteria of integrity, expertise and experience, in the opinion of the Board and will complete the Proficiency test, within the timelines provided by the Ministry of Corporate Affairs.

ANNEXURE C:
CORPORATE GOVERNANCE REPORT (Contd.)

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

b. Mr. Harsh Mariwala and Mr. Rajendra Mariwala are first cousins and

c. Mr. Harsh Mariwala, Mr. Rajendra Mariwala and Mr. Rishabh Mariwala are members of the Promoter group of the Company.

III. AUDIT COMMITTEE

The Audit Committee of the Board comprises three Independent Directors and one Non-Executive Non-Independent Director. All Members of the Committee are financially literate. The Committee invites the Statutory Auditor and the Internal Auditor for one-on-one discussions, independent of the Management. Further, the Chief Financial Officer and Members of the Finance Team associated with Internal Audit and Governance, Risk & Compliance are present at the meetings of the Committee 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 Committee.

The Committee met 8 (eight) times during the year i.e. on April 19, 2019, May 6, 2019, July 15, 2019, August 1, 2019, October 9, 2019, October 25, 2019, January 16, 2020, and January 30, 2020. The composition of the Committee along with the details of attendance at its meetings is detailed below:

Name of the Director	Director Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Nikhil Khattau	Independent	Chairman	8	8
Mr. B. S. Nagesh*	Independent	Member	8	7
Ms. Hema Ravichandar	Independent	Member	8	8
Mr. Sanjay Dube*	Independent	Member	N.A.	N.A.
Mr. Rajendra Mariwala	Non-Executive	Member	8	7

*On May 4, 2020, Mr. Sanjay Dube was appointed as the member of the Audit Committee in place of Mr. B. S. Nagesh who resigned as the member of the Committee on that date.

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 Listing 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. Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
18. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
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. Ensuring establishment of vigil mechanism for its Directors and employees to report genuine concerns;
    b. Providing for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
    c. Ensuring that the existence of vigil mechanism is appropriately communicated within the Company and also made available on Company's website;
    d. Overseeing the functioning of vigil mechanism and the Whistle blower mechanism and decide on the matters reported thereunder and
    e. Ensuring that the interests of a person who uses such a mechanism are not prejudicially affected on account of such use;
21. Reviewing the utilization of loans and/ or advances from/investment in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments;
22. Reviewing compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 atleast once in a financial year; and
23. Verifying effective operation and adequacy of internal control systems.

IV. Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises four Members all of whom are Independent Directors. Mr. Amit Prakash, Chief Human Resources Officer, acts as the Secretary to the Committee. The Committee also acts as the Compensation Committee for the purpose of SEBI (Share Based Employee Benefits), Regulations, 2014.

The Nomination & Remuneration Committee met 5 (five) times during the year i.e. on May 6, 2019, August 1, 2019, October 25, 2019, January 30, 2020 and March 6, 2020. The composition of the Committee along with the details of attendance at its meetings 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
Mr. K. B. S. Anand*	Independent	Member	N.A.	N.A.

*On May 4, 2020, Mr. K. B. S. Anand was appointed as the member of the Nomination and Remuneration Committee.

#Ceased to be the Director of the Company on March 31, 2020.

The charter of the Nomination and Remuneration Committee, *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;
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

In terms of Section 178 of the Act and corresponding provisions contained in Regulation 17 of the SEBI Listing Regulations, the Board at its meeting held on May 6, 2019, revised the policy on Nomination, Remuneration and Evaluation (hereinafter referred to as 'NRE Policy').

The NRE Policy covers the following aspects:

- Appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management;
- Remuneration to the Directors, Key Managerial Personnel and employees in Senior Management;
- Familiarization Programme for Independent Directors;
- Board Diversity;
- Succession plan for Directors, Key Managerial Personnel and employees in Senior Management and
- Formulation of criteria for evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

  The NRE Policy of the Company can be accessed at the following link https://marico.com/india/investors/documentation/corporate-governance.

Remuneration to Executive Director

The Company's Board presently consists of one Executive Director viz. Mr. Saugata Gupta, Managing Director & Chief Executive Officer ("MD & CEO"). The Nomination & Remuneration Committee approves annual revisions in the remuneration of the MD & CEO within the overall limit approved by the Members of the Company which are then placed before the Board for its 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 Remuneration 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 current tenure of office of the MD & CEO is for 5 (five) years starting from April 1, 2019 and the terms of severance, notice period and termination will be governed as per the terms and conditions of agreement entered with him by the Company.

Remuneration to Non-Executive Directors

The Non-Executive Directors add significant value to the Company through their contribution to the Management of the Company and thereby they are playing an appropriate control role in safeguarding the interests of the stakeholders at large. They 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 options 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 delegation to the Board of Directors to decide the mode, quantum, recipients and the frequency of payment of such remuneration within the said limit. Accordingly, the Board fixes the remuneration payable to the Non-Executive Directors from time to time which is well within the limit approved by the Members.

Remuneration to the Chairman of the Board:

Mr. Harsh Mariwala as the Chairman of the Board and a Non-Executive Director continues to foster and promote the integrity of the Board while nurturing an environment so as to ensure harmony amongst the Directors for the long-term benefit of all its stakeholders. The Chairman is entrusted with the responsibility of ensuring effective governance in the Company and continues to play an important role in guiding the 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 the general meetings 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 is entitled to a remuneration which is commensurate with his engagement beyond the Board meetings. As such remuneration exceeds 50% of the total annual remuneration payable to all the Non-Executive Directors of the Company, the same is placed before the Members for an approval as required pursuant to Regulation 17(6)(ca) of the SEBI Listing Regulations.

Directors' Remuneration and Shareholding

Details of the remuneration of Directors for the financial year ended March 31, 2020 and their shareholding in the Company as on March 31, 2020, 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	-	-	8,93,04,636	4,58,01,901	27,30,012	13,78,36,549*	5,90,600
Non-Executive Directors								
Mr. Harsh Mariwala	Chairman	3,60,25,000	7,50,000	-	-	-	3,67,75,000*	9,81,31,500
Mr. Ananth S.	Independent	30,00,000	6,50,000	-	-	-	36,50,000	NIL
Mr. B. S. Nagesh	Independent	30,00,000	11,50,000	-	-	-	41,50,000	NIL
Ms. Hema Ravichandar	Independent	34,00,000	13,00,000	-	-	-	47,00,000	NIL
Mr. Nikhil Khattau	Independent	34,00,000	13,30,000	-	-	-	47,30,000	NIL
Mr. Rajeev Bakshi	Independent	33,00,000	9,50,000	-	-	-	42,50,000	NIL
Mr. Sanjay Dube	Independent	5,09,589	1,00,000				6,09,589	NIL
Mr. Rajendra Mariwala	Non-Executive	30,00,000	10,80,000	-	-	-	40,80,000	109,47,600
Mr. Rishabh Mariwala	Non-Executive	30,00,000	5,00,000	-	-	-	35,00,000	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 Board / Committees thereof and commission payable to them annually.

PERFORMANCE EVALUATION

Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board engagement and Effectiveness. The Policy and criteria for Board Evaluation is duly approved by Marico's Nomination and Remuneration Committee. This process at Marico is conducted through structured questionnaires which cover various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Member's strengths and contribution, execution and performance of specific duties, obligations and governance. Performance evaluation is facilitated by the Chairman of the Board who is supported by the Chairperson of the Nomination and Remuneration Committee. During the year, post receiving individual feedbacks which also involved peer evaluation, the following process was followed to assimilate and process the feedback:

- A meeting of the Independent Directors was held wherein performance of Non-Independent Directors, 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, individual feedback was shared with each Director.
- The Directors were satisfied with the outcome of the Board effectiveness evaluation and have expressed their satisfaction with the assessment 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 vola-tile 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 Nomination and Remuneration Committee
Mentoring the Senior Management Personnel in creating a future-ready organization more specifically in areas of portfolio, digital strategies and best practices.	During the year, through offline and joint conversations between the Board and the top management team, the Board provided its inputs on shifts in consumer behaviour, emerging channels of distribution, newer operating models and the risks & opportunities that these shifts are bringing along.

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:

1) As part of the Board Rejuvenation process, during the year under review, Mr. Rajeev Bakshi, Independent Director, completed his tenure and Mr. Sanjay Dube and Mr. KBS Anand were appointed as Additional Directors (Independent). Your Company already has an elaborate familiarization plan in place for effective induction of new directors. The Board acknowledged this and reiterated the importance of a rigorous execution of this induction process to ensure a smooth transfer and seamless integration of the new Board Members.

2) The Board laid specific emphasis on strategic risk management. It believes that the environment is very volatile. COVID19 outbreak was a clear example of a black swan event. Should the situation escalate further, it may have a deeper impact on demand and supply scenarios. In light of this and such black swan events, it's important to de-risk the Company to sustain and improve its operating and financial performance. The Board would therefore provide its strategic inputs to survive and win amidst such VUCA (Volatile, Uncertain, Complex & Ambiguous) environment.

3) The Board would continue to mentor the MD & CEO and his senior management team for defining and building out the transformation agenda which is aimed at building a future-ready Marico more specifically in areas of portfolio, channel strategies, digital strategies and talent management.

4) For the Board Committees, the following focus areas were identified:

    a. Audit Committee: Further strengthening the GRCC (governance, risk management, controls and compliance) policies, processes and systems in the Company with special focus on automation and exception analytics;

    b. Nomination and Remuneration Committee:

        i. helping strengthen the culture codes for the Company and improving the talent management processes, with specific focus on strengthening the top talent pipeline;

        ii. succession planning for MD & CEO and the Senior Management Personnel;

    c. Corporate Social Responsibility Committee: Bringing focus on improving the effectiveness of Marico's CSR spends.

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

The Familiarisation Programme and details of Program conducted during the year under review have been disclosed on the website of the Company at https://marico.com/india/investors/documentation/corporate-governance.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In accordance with the statutory requirements, the Company constituted Stakeholders' Relationship Committee comprising three members viz. an Independent Director, a Non-Executive Director and the Managing Director & CEO of the Company. Ms. Hemangi Ghag, Company Secretary & Compliance Officer of the Company, acts as the Secretary to the Committee.

The Committee met once during the year i.e. on January 16, 2020. The composition of the Committee along with the details of attendance at its meetings 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. Rajendra Mariwala	Non-Executive	Member	1	1
Mr. Saugata Gupta	Executive	Member	1	1

Mr. Saugata Gupta, Managing Director & CEO was inducted as a member of the Committee with effect from April 1, 2019.

The primary objective of the Committee is to specifically look into various aspects of interest of the shareholders, debenture holders and other security holders. The terms of reference of the Committee, *inter-alia,* include:

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, 2020

Particulars	No. of complaints*
Non - Receipt of Dividend	6
Non - Receipt of Annual Report	2
Total Complaints Received	8
Total Complaints Resolved	7

*The complaint outstanding as on March 31, 2020 was subsequently resolved in April, 2020.

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company's Corporate Social Responsibility Committee ("CSR Committee") comprises two Independent Directors, two Non-Executive Directors and the Managing Director & CEO of the Company. Mr. Udayraj Prabhu, Executive Vice President and Head - Business Process Transformation and IT, acts as the Secretary to this Committee.

The CSR Committee met thrice during the year i.e. on May 6, 2019, October 25, 2019 and January 30, 2020. 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 (Contd.)

Name of the Director	Director Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Rajeev Bakshi*	Independent	Chairman*	3	3
Mr. B. S. Nagesh*	Independent	Chairman*	N. A.	N. A.
Mr. Ananth S.	Independent	Member	3	2
Mr. Harsh Mariwala	Chairman & Non-Executive	Member	3	3
Mr. Rajendra Mariwala	Non-Executive	Member	3	2
Mr. Saugata Gupta	Managing Director & CEO	Member	3	3

* Mr. Rajeev Bakshi ceased to be the Director of the Company on March 31, 2020 and Mr. B.S. Nagesh was appointed as the Chairman of the Committee in his place with effect from April 1, 2020.

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 ₹ 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

The Risk Management Committee comprises the Chairman of the Board, the Managing Director & CEO and the Chief Financial Officer. The Top Leadership Team comprising Senior Management Personnel are permanent invitees to the Committee and the Chief Financial Officer also acts as the Secretary to the Committee.

The Risk Management Committee met twice during the year i.e. on October 18, 2019 and December 24, 2019. The composition of the Committee and the details of attendance at its meetings is given below:

Name of the Director	Designation	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Harsh Mariwala	Chairman & Non-Executive Director	Chairman	2	1
Mr. Saugata Gupta	Managing Director & CEO	Member	2	2
Mr. Vivek Karve	Chief Financial Officer	Member & Secretary	2	2

The primary responsibility of the Committee is to assist the Board in monitoring and reviewing the risk management plan, implementation of the risk management framework of the Company and the cyber security.

The terms of reference of the Risk Management Committee, *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.

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 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 year i.e. on April 8, 2019, May 6, 2019, May 30, 2019, June 27, 2019, July 12, 2019, August 5, 2019, August 30, 2019, October 3, 2019, October 25, 2019, December 6, 2019, January 7, 2020, January 30, 2020, February 25, 2020, March 6, 2020 and March 19, 2020.

The composition of the Committee along with the details of attendance at the meetings 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	15	9
Mr. Rajendra Mariwala	Non-Executive Director	Member	15	12
Mr. Vivek Karve	Chief Financial Officer	Member	15	14
Mr. Pawan Agrawal	Executive Vice President & Head - Finance & Investor Relations	Member	15	15

INVESTMENT & BORROWING COMMITTEE

The Investment & Borrowing Committee constituted by the Board is responsible for approving investments in trade instruments, borrowing/lending monies, extending guarantee/ security with a view to ensure smooth operation and timely action. The investments, loans, borrowings, guarantees/ security transactions are sanctioned by the Committee within the ceiling limits and on the terms approved by the Board from time to time.

The Committee is also entrusted with the 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 9 (nine) times during the year i.e. on April 8, 2019, May 30, 2019, August 5, 2019, October 3, 2019, November 11, 2019, December 17, 2019, February 10, 2020, March 6, 2020 and March 18, 2020. 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 & Non-Executive	Member	9	9
Mr. Rajendra Mariwala	Non-Executive	Member	9	8
Mr. Saugata Gupta	Managing Director & CEO	Member	9	6

SECURITIES ISSUE COMMITTEE

The Securities Issue Committee constituted by the Board approves matters pertaining to issuance of securities and other matters incidental thereto. 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. Rajendra Mariwala	Non-Executive	Member
Mr. Saugata Gupta	Managing Director & CEO	Member
Mr. Rishabh Mariwala*	Non-Executive	Member

*Mr. Rishabh Mariwala was appointed as the Member of the Securities Issue Committee on May 4, 2020 in place of Mr. Nikhil Khattau who resigned as a member of the Committee on that date.

The Committee did not meet during the year. However, the approval of the Committee on relevant matters was obtained through resolutions passed by circulation.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee constituted by the Board is responsible to approve transfer, transmission, sub-division, consolidation and issuance of duplicate share certificate, requests lodged by the shareholders of the Company. The Committee met 7 (seven) times during the year i.e. on May 9, 2019, June 20, 2019, August 1, 2019, October 16, 2019, November 22, 2019, December 18, 2019 and January 23, 2020. The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below. The Company Secretary & 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 & Non-Executive	Member	7	7
Mr. Nikhil Khattau	Independent	Member	7	1
Mr. Rajendra Mariwala	Non-Executive	Member	7	5
Mr. Saugata Gupta	Managing Director & CEO	Member	7	7

SUSTAINABILITY COMMITTEE

The Board constituted the Sustainability Committee in 2016 to steer the sustainability activities of the Company. Mr. Jitendra Mahajan, Chief Operating Officer- Supply Chain & IT, Supply Chain, is the Business Responsibility Head and Mr. Saugata Gupta, the Managing Director & CEO is responsible for implementation of Business Responsibility.

The Committee met once during the year i.e. on April 24, 2019. 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	1	1
Mr. Vivek Karve	Chief Financial Officer	Member	1	1
Dr. Sudhakar Mhaskar	Chief Technology Officer	Member	1	1
Mr. Gaurav Mediratta	Chief Legal Officer	Member	1	1

IX. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time	Nature of Special Resolutions Passed
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
2019	Mumbai Educational Trust, 1st Floor, Convention Centre, Bandra Reclamation, Bandra (West), Mumbai - 400 050	August 1, 2019	09:00 a.m.	1. Approval of the remuneration payable to Mr. Harsh Mariwala (DIN: 00210342), Chairman of the Board and Non-Executive Director of the Company. 2. Approval of the re-appointment of Mr. Nikhil Khattau (DIN 00017880) as an Independent Director of the Company from April 1, 2019 to March 31, 2024 3. Approval of the re-appointment of Ms. Hema Ravichandar (DIN 00032929) as an Independent Director of the Company from April 1, 2019 to March 31, 2024 4. Approval of the re-appointment of Mr. B. S. Nagesh (DIN 00027595) as an Independent Director of the Company from April 1, 2019 to March 31, 2022 5. Approval of the re-appointment of Mr. Rajeev Bakshi (DIN 00044621) as an Independent Director of the Company from April 1, 2019 to March 31, 2020

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

During the year under review, no resolution was passed through postal ballot.

DISCLOSURES

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

The Company has a well-defined vigil mechanism embedded in the 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 Listing Regulations

The Company has complied with mandatory requirements of the SEBI Listing Regulations and has obtained a certificate from Mr. K. R. Chandratre, our Secretarial Auditor regarding compliance of conditions of Corporate Governance as stipulated in this clause.

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 the Chairman and that of the Managing Director & CEO are held by distinct individuals;
- The office of the Chairman is occupied by a Non-executive Director of the Company;
- The Internal auditors of the Company directly report to the Audit Committee of the Board of Directors;
- The Audit Committee holds independent discussions with the Auditors of the Company and also of its material subsidiary;
- The Audit Committee meets at least eight times in a year.

VIGIL MECHANISM

The vigil mechanism has been explained in detail in the Board's Report.

FUND UTILISATION

The Company does have any unutilised funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

DIRECTORS DISQUALIFICATION

A certificate from Dr. K. R. Chandratre, Practicing company Secretary and our Secretarial Auditor has been obtained and annexed with the report as Annexure C4 stating that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Non-acceptance of any recommendation of the Committees by the Board

During the financial year under review, there were no instances of non-acceptance of any recommendation of any statutory committee of the Board.

X. MATERIAL RELATED PARTY TRANSACTIONS

There were no material related party transactions entered into by the Company during the financial year 2019-20.

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. COMMODITY PRICE RISK / FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Commodity risks for your Company are mainly due to edible oils and crude oil price fluctuations. Unexpected changes in commodity prices and supply could impact business margins and ability to service demand. The past few years have witnessed wide fluctuations in input prices. As a result, the overall uncertainty in the environment continues to be high. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2020 are disclosed in Notes to the standalone financial statements.

ANNEXURE C:
CORPORATE GOVERNANCE REPORT (Contd.)

The details of the exposure of the Company to material risk commodities is given below:

Commodity Name	Exposure in INR	Exposure in quantity terms
Edible Oils	2232	280049
Crude Oil Derivatives	382	63281
Total	**2613**	**343330**

XII. MEANS OF COMMUNICATION

Quarterly and Annual Financial results for Marico Limited and consolidated financial results for the Marico Group are published in an English financial daily (Free Press Journal) and a vernacular newspaper (Navshakti). The Company also sends the same through email updates to the shareholders who have registered their email address with the Company or Depository Participant.

All official news releases and financial results are communicated by the Company through its corporate website - www.marico.com. Presentations made to Institutional Investors/ Analysts at Investor Meets organized by the Company are also hosted on the website for wider dissemination.

The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites.

The Management Discussion and Analysis Report forms part of the Annual Report

XIII.GENERAL SHAREHOLDER INFORMATION

Information required under regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 with respect to Directors' re-appointment/appointment annexed to this report as **Annexure C2**.

Annual General Meeting through Video Conferencing / Other Audio-Visual Means (VC/OAVM) Facility

Date	: Friday, August 28, 2020
Time	: 10:00 a.m.
Deemed Venue for Meeting	: Registered Office: Marico Limited, Grande Palladium, 7th floor, 175 CST Road, Kalina, Mumbai – 400 098
Interim Dividends Payment Date	: November 29, 2019 (1st Interim Dividend), February 28, 2020 (2nd Interim Dividend) and March 27, 2020 (3rd Interim Dividend)

Financial calendar

Financial Year : April 1 - March 31

For the year ended March 31, 2020, results were announced on

- First quarter : August 1, 2019
- Half year : October 25, 2019
- Third quarter : January 30, 2020
- Annual : May 4, 2020

Tentative Schedule for declaration of financial results during the financial year 2020-21

- First quarter : July 27, 2020
- Half year : October 28, 2020
- Third quarter : January 27, 2021
- Annual : Not scheduled

Listing Details

Name of Stock Exchange	Stock/ Scrip Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	531642
The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Mumbai - 400 051	MARICO

ISIN : INE196A01026

Company Identification Number : L15140MH1988PLC049208

The Company hereby confirms that it has made the payment of Annual Listing Fees for the FY 2020-2021 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.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at https://marico.com/india/investors/documentation/dividend.

In view of the above, during FY20, the Company transferred the following dividend to IEPF

Financial Year	Type of Dividend	Rate (%)	Date of Declaration	Date of transfer to IEPF	Amount transferred
2011-12	2nd Interim Dividend	40%	03/05/2012	10/06/2019	1,49,947
2012-13	1st Interim Dividend	50%	02/11/2012	18/12/2019	1,48,234

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	Due Date for transfer to IEPF	Amount unclaimed as on March 31, 2020
2012-13	2nd Interim Dividend	50	30-04-2013	05-06-2020	1,94,805.00
2013-14	1st Interim Dividend	75	29-10-2013	04-12-2020	2,41,360.00
	2nd Interim Dividend	100	31-01-2014	08-03-2021	3,58,113.00
	3rd Interim Dividend	175	25-03-2014	30-04-2021	4,39,365.00
2014-15	1st Interim Dividend	100	07-11-2014	13-12-2021	2,96,994.00
	2nd Interim Dividend	150	03-02-2015	11-03-2022	3,46,821.00
2015-16	1st Interim Dividend	175	04-11-2015	10-12-2022	3,96,694.00
	2nd Interim Dividend	150	30-01-2016	08-03-2023	7,82,916.00
	3rd Interim Dividend	100	10-03-2016	17-04-2023	5,78,261.00
2016-17	1st Interim Dividend	150	04-11-2016	11-12-2023	7,67,164.00
	2nd Interim Dividend	200	02-02-2017	11-03-2024	10,05,184.00
2017-18	1st Interim Dividend	175	30-10-2017	06-12-2024	8,69,082.00
	2nd Interim Dividend	250	09-02-2018	18-03-2025	11,43,629.00
2018-19	1st Interim Dividend	200	01-11-2018	08-12-2025	9,73,480.00
	2nd Interim Dividend	275	05-02-2019	14-03-2026	13,01,238.25
2019-20	1st Interim Dividend	275	25-10-2019	28-11-2026	10,63,316.00
	2nd Interim Dividend	325	30-01-2020	26-02-2027	4,29,920.00
	3rd Interim Dividend	75	06-03-2020	10-04-2027	2,92,817.00

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.

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 24,719 shares to IEPF during the year. Details of these shares are available on the Company's website www.marico.com.

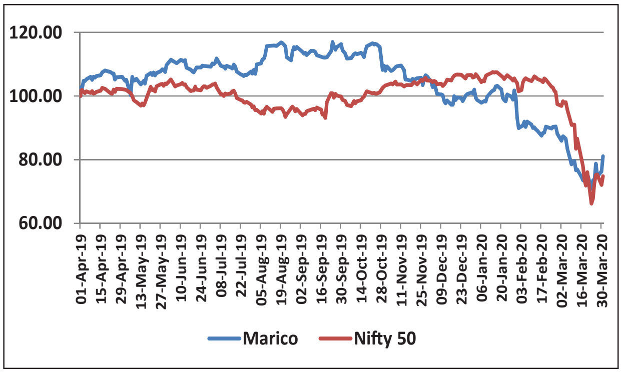
Further, shares in respect of which dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the IEPF as required by law. The Company will transfer the said shares, after sending an intimation of the proposed transfer in advance to the concerned shareholders, 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.

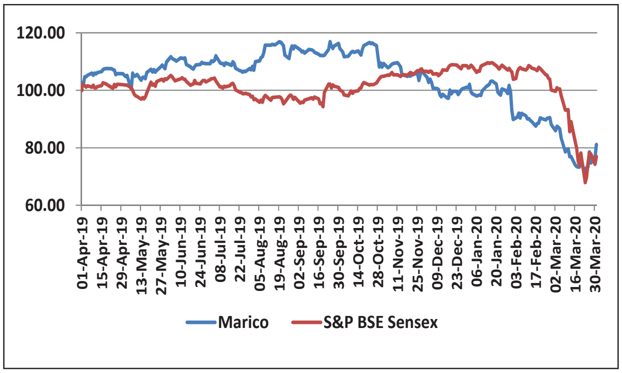
Market Price Data

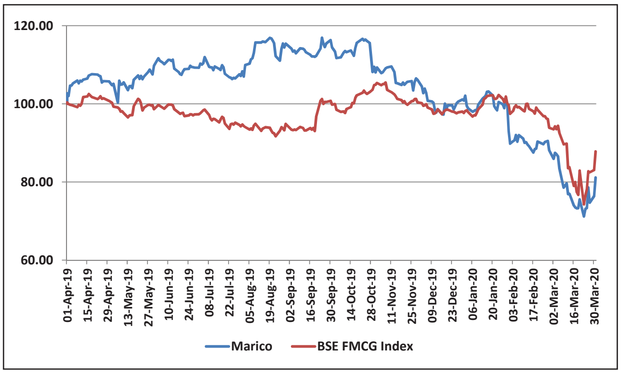
	Bombay Stock Exchange Limited (BSE)		National Stock Exchange (NSE)	
Month	(In ₹)		(In ₹)	
	High	Low	High	Low
Apr-19	369.2	344.3	369.3	344.45
May-19	374.7	338.3	375	337.55
Jun-19	380.25	360.7	380.45	360.6
Jul-19	382.5	354.95	382.7	354.85
Aug-19	401.5	350.65	401.75	350.4
Sep-19	403.7	369.15	404	369
Oct-19	400.5	362.35	400.9	362.25
Nov-19	375	348.5	375	348.3
Dec-19	363	327.9	359.75	327.6
Jan-20	353.85	312.45	353.95	313
Feb-20	323.9	292	321	292.15
Mar-20	311	233.8	311.4	234

ANNEXURE C:
CORPORATE GOVERNANCE REPORT (Contd.)

PERFORMANCE IN COMPARISON: BSE SENSEX, NIFTY 50 AND BSE FMCG







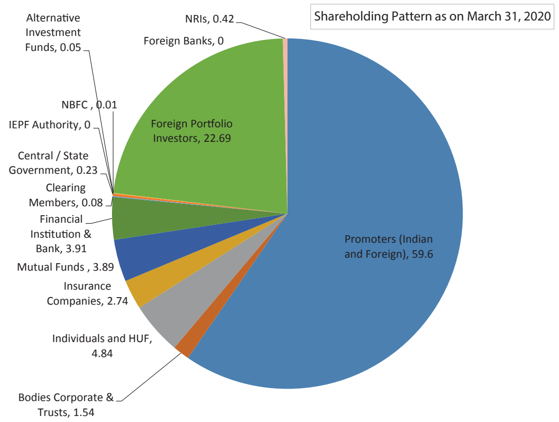
Share Transfer System	:	The Board has delegated the authority for approving transfer / transmission / transposition of securities of the Company pursuant to Regulation 40 of the SEBI Listing Regulations to the Share Transfer Committee. The Share Transfer Committee meets as may be warranted by the number of share transaction requests received by the Company. Transmissions in physical form are registered by the Registrar and Transfer Agent immediately on receipt of completed documents and certificates are generally issued within 15 days of date of lodgement of request. 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, 2020:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	1,59,407	90.89	1,21,17,242	0.94
501-1000	6,950	3.96	53,56,127	0.41
1001 -2000	3,840	2.19	58,81,624	0.46
2001-3000	1,187	0.68	30,57,514	0.24
3001-4000	793	0.45	29,21,636	0.23
4001- 5000	433	0.25	20,12,695	0.16
5001-10000	1,179	0.67	87,42,769	0.68
10001 & above	1,598	0.91	1,25,09,28,481	96.89
Total	**1,75,387**	**100.00**	**1,29,10,18,088**	**100**

Categories of Shareholding as on March 31, 2020:

Categories	31-March-19	% of total share capital
Indian		
Promoters	76,76,05,240	59.46
Bodies Corporate & Trusts	1,98,43,633	1.54
Individuals and HUF	6,24,44,977	4.84
Insurance Companies	3,53,37,450	2.74
Mutual Funds	5,02,52,349	3.89
Financial Institution & Bank	5,04,16,157	3.91
Clearing Members	10,84,398	0.08
Central / State Government	30,12,525	0.23
IEPF Authority	40,246	0.00
Alternative Investment Funds	6,38,184	0.05
NBFC registered with RBI	1,38,100	0.01
TOTAL A	**99,08,13,259**	**76.75**
Foreign		
Promoters	18,00,000	0.14
Foreign Portfolio Investors	29,29,66,447	22.69
Foreign Banks	6,000	0.00
NRIs	54,32,382	0.42
TOTAL B	**30,02,04,829**	**23.25**
GRAND TOTAL (A+B)	**1,29,10,18,088**	**100.00**
Total Demat Holding	**1,29,02,56,720**	**99.94**



Dematerialization of Shares and Liquidity	:	As on March 31, 2020, 99.94% of shareholding was held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.
Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity	:	The Company has not issued any GDR / ADR / Warrants or any convertible instruments.
Credit Ratings and revisions thereto for all debt instruments or any fixed deposit programme or any scheme or proposal of the Company obtained during the year under review	:	The Company did not have any debt instruments or any fixed deposit programme or any scheme or proposal during the year under review.
Plant Locations	:	Kanjikode, Perundurai, Pondicherry, Jalgaon, Baddi, Paonta Sahib, Guwahati and Sanand.
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.		1,35,96,690
Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013		Please refer Board's Report for the same.

ANNEXURE C:
CORPORATE GOVERNANCE REPORT (Contd.)

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 generally resolved to the satisfaction of the shareholders within the statutory time limits.

Address for correspondence : **Shareholding related queries**

Company's Registrar & Transfer Agent:
Link Intime India 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

For Marico Limited

Place : Mumbai
Date : May 4, 2020

Harsh Mariwala
Chairman
(DIN: 00210342)

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

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, 2013 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 Listing 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 ₹ 1 each and Preference shares of ₹ 10 each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

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 Listing 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 C2: Information required under Regulation 36(3) of the SEBI Listing Regulations with respect to Directors' re-appointment/appointment

Particulars	Mr. KBS Anand	Mr. Sanjay Dube	Mr. Rishabh Mariwala
Designation	Additional Director (Independent)	Additional Director (Independent)	Non-Executive Non-Independent Director
Director Identification Number	03518282	00327906	03072284
Age (in years)	64	59	38
Date of first appointment	April 1, 2020	January 30, 2020	May 2, 2017
Qualification	- Mechanical Engineer from Indian Institute of Technology, Mumbai - Post Graduation Diploma in Business Management (IIM Calcutta)	- Engineering from BITS Pilani and - MBA from IIM-Calcutta	Graduate from Zarb School of Business, Hofstra University, New York, USA.
Experience	Approx. 40 years	Approx. 34 years	Approx. 12 years
Terms & Condition	To be appointed as Independent Director, not liable to retire by rotation for a tenure of five years from April 1, 2020 to March 31, 2025.	To be appointed as Independent Director, not liable to retire by rotation for a tenure of five years from January 30, 2020 to January 29, 2025.	Non-Executive Director of the Company liable to retire by rotation
Details of remuneration last drawn (in ₹)	N.A	609,589	3,500,000
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	-	-	24,976,500
Relationship with other directors, Manager & KMP	None	None	Son of Mr. Harsh Mariwala, Chairman of the Board and Promoter of the Company. Nephew of Mr. Rajendra Mariwala, Non-Executive Director and member of the Promoter group of the Company.
Directorships	***Listed Companies:*** Tata Chemicals Limited Borosil Limited ***Unlisted Companies:*** Paints and Coatings Skill Council	***Unlisted Companies:*** R Retail Ventures Private Limited Histyle Retail Private Limited	***Unlisted Companies:*** The Bombay Oil Private Limited Aqua Centric Private Limited Marico Innovation Foundation Indian School of Communications Private Limited

ANNEXURE C: CORPORATE GOVERNANCE REPORT (Contd.)

Particulars	Mr. KBS Anand	Mr. Sanjay Dube	Mr. Rishabh Mariwala
Name of the entity in which the Director 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.	None	Member of Audit Committee of the Board of Directors of Marico Limited. (with effect from May 4, 2020)	None
No. of Board Meetings attended during FY 2019-20	N.A.	1 out of 1	5 of 6
Brief Profile	Mr. K.B.S. Anand is a Mechanical Engineer from the Indian Institute of Technology, Bombay and has a postgraduate diploma in Business Management from the Indian Institute of Management, Kolkata with a specialization in Marketing. Mr. Anand joined Asian Paints Limited in the year 1979 and has held various positions in decorative, industrial and chemical sales functions of the company. He became the Head of the Decorative Business in 2008 and served as the Managing Director and CEO of Asian Paints Limited until March 2020. Mr. K. B. S. Anand is also an Independent Director on the Board of Tata Chemicals Limited and Borosil Limited.	Mr. Sanjay Dube completed his Engineering from BITS Pilani and MBA from IIM-Calcutta. Presently, he is the CEO of R. Retail Ventures Pvt Ltd, a Runwal Group & Warburg Pincus joint venture. Mr. Dube brings over 34 years of experience working in diverse consumer facing businesses ranging from FMCG to service industries such as hotels, restaurants, fitness clubs & family entertainment centres. He has worked in multiple geographies ranging from India, Europe and the Middle East with a large MNC and family owned businesses. He brings a track record of managing businesses in diverse environments, in different industries, geographies and corporate cultures. Mr. Dube was most recently the CEO of Landmark Hospitality (part of Landmark Group) based in Dubai and prior to that, he led Unilever's operations in Central and Eastern Europe. Before his stint in Europe, he spent 23 years across Unilever, Colgate Palmolive and Lakme Lever in India.	Rishabh, a second generation family business entrepreneur, is a graduate from Zarb School of Business, Hofstra University, New York, USA. He is an avid learner and has undergone different executive courses from various universities. His engagement at Kaya Skin Care (chain of Dermatology Clinics across India) from 2008 - 2011 gave him an opportunity to gain holistic organizational experience. In 2010, he launched a new business line "Soap Opera" catering to the masstige and luxury consumer segment. His passion for innovative product formulations and the deep consumer insight was instrumental in introducing the luxury range of skincare products called "PureSense" in 2016. Rishabh founded Sharrp Ventures - the Mariwala Family Office, and presently heads the same. Sharrp Ventures is engaged in public markets, private equity and start-ups. This experience has provided him great insight into India's vibrant start-up space and immense learning about global best practices. Having undertaken various responsibilities, Rishabh has acquired overall entrepreneurial hands-on experience across all aspects of the business
Nature of expertise in specific functional areas	Corporate Strategy and Planning, Leadership, Entrepreneurship, Global business & Consumer Understanding, Brand Building, Retail & Go To Market, M&A, Strategy and Investment Management, Corporate Governance, Risk & Compliance, Human Capital Management and Geographic, Gender and cultural diversity.	Corporate Strategy and Planning, Leadership, Entrepreneurship, Global business & Consumer Understanding, Brand building, New Age Consumer Channel & Digital Skills, Retail & Go To Market, M&A, Strategy and Investment Management, Financial & Accounting and Corporate Governance, Risk & Compliance	Entrepreneurship, Brand Building, New Age Consumer Channel & Digital Skills, Retail & Go To Market, M&A, Strategy and Investment Management and Corporate Governance, Risk & Compliance.

CHIEF EXECUTIVE OFFICER (CEO) DECLARATION

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel as well as all the employees of the Company. This Code of Conduct is available on the Company's website.

I hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company.

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Saugata Gupta
Managing Director & CEO
(DIN: 05251806)
Place: Mumbai
Date: May 4, 2020

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We hereby certify that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2020 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 in violation 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
(DIN: 05251806)
Place: Mumbai
Date: May 4, 2020

For **Marico Limited**

Vivek Karve
Chief Financial Officer
(DIN: 06840707)
Place: Mumbai
Date: May 4, 2020

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 2020, 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.	Mr. Harsh Charandas Mariwala	00210342	13/10/1988
2.	Mr. Rajendra Kishore Mariwala	00007246	26/07/2005
3.	Mr. Nikhil Nirvan Khattau	00017880	18/07/2002
4.	Mr. Nagesh Satyanarayan Basavanhalli	00027595	16/07/2010
5.	Ms. Hema Ravichandar	00032929	26/07/2005
6.	Mr. Rishabh Harsh Mariwala	03072284	02/05/2017
7.	Mr. Saugata Gupta	05251806	01/04/2014
8.	Mr. Ananth Sankaranarayanan	07527676	26/06/2017
9.	Mr. Sanjay Maheshchandra Dube	00327906	30/01/2020
10.	Mr. Rajeev Bakshi*	00044621	17/07/2003
11.	Mr. Kanwar Bir Singh Anand**	03518282	01/04/2020

* term as an independent director ended on 31 March 2020.

** was appointed as an additional director (independent category) on 6 March 2020 with effect from 1 April 2020.

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
UDIN: F001370B000200228

Date : May 4, 2020
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 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 2020.

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
UDIN: F001370B000200241

Date : May 4, 2020
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 FY2019-20 are outlined below.

- Energy savings through replacement of vibro sieve separator with screen conveyor at Perundurai unit
- Replacement of conventional AC with variable refrigerant flow (VRF) AC in MCC room at Perundurai unit
- Retrofitting of LED lights in existing light fixtures at Puducherry, Guwahati and Poanta units
- Removal of additional motors at Guwahati unit
- Installation of Variable Frequency Drive (VFD) for various process and utility equipment's across manufacturing locations
- Optimization of motor size in plant application at Puducherry unit

2. Steps taken for utilising alternate sources of energy:

- Your Company utilizes 100% renewable source for thermal energy requirements for process at Jalgaon, Perundurai and Puducherry units.
- Constant efforts are taken to reduce the use of fossil fuels. At Baddi unit, the use of furnace oil has reduced by 69% from previous year. Further, 450kW solar roof-top project is implemented at Jalgaon unit and is expected generation from June 2020. At Perundurai unit, 84% of the electricity was procured from wind energy.
- During this financial year, 79% of the total energy requirement in operations were met through renewable sources.
- There are other projects in pipeline like solar roof-top at Perundurai and Sanand unit to further enhance the renewable percentage.

3. Capital investment on energy conservation equipment's:

For the year under review, the capital investment on energy conservation projects was ₹ 8.36 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:

- Product development in Hair care, skin care and Foods
- Male grooming
- Functional foods
- Packaging through design thinking

In Hair Nourishment, we concentrated our efforts to build the product superiority and also the consciousness of creating value through cost management. With deeper and real consumer insights, we created a few hair care formats for Indian as well as international geographies with superior sensory and differentiated functional offerings. Such focussed efforts led to recreation of a new offering in Nihar Sarson and also various cost rationalization in several products. We have renewed our focus on Bangladesh with a view to first understand under-met consumer needs in hair oiling and launched several product appropriating the market requirement. New launches under the Nihar brand in Bangladesh have received good consumer response in the initial phases. The packaging innovations in Indian markets to show the efficacy of natural ingredients through visual cue were extended in Bangladesh. Serious efforts are being made to make Hair oil category richer in terms of its offering in Bangladesh. We have also entered Baby care category in Bangladesh through in-house researched products.

Development teams participated in creating several initiatives to rationalise the cost without detracting value equation of products. Significant efforts were undertaken on de-risking of commodities & developing products that are 'designed to cost'. We have also focussed on male grooming category to create innovations to serve the evolving needs of the male consumers. We have realised the fact that the approach for the development of these new products (NPD) would be different and, further tuned our NPD stage gate process to meet the demands of the business. Several new creations were launched in the market with great packaging and with appropriate consumer benefits. Kaya Youth has seen a new line launch based on Aloe. We are now creating new formats to mitigate the effects of various damages inflicted on skin and hair by lifestyle and environmental factors.

Advanced Research focussed on supporting the product development through creation of underlying science for the hair and skin care benefits, strengthening basic understanding of hair & scalp biology & designing innovative diagnostics to communicate product benefits to consumers. We have continued our research on hair problems in holistic way so that we can manage them more effectively than currently possible.

In edible oils, we continued our research on creating healthy solutions through innovative blends and we launched new blends under Saffola Gold to manage the health of heart through correcting prominent biomarker deviations. Importantly, we have also launched various lifestyle management formats under new Brand Fittify like Green Coffee, Green Tea, Protein shake – meal replacements, Peanut butter, Protein soup. The journey will continue further this year.

Consumer Technical Insights function followed a new approach "Jobs to be done" to create deeper insights to create differentiation in highly cluttered categories. More time was spent on looking at the experience of the product at consumer end so to get realism in product designs. The approach has generated many ideas about the product formats, occasions and the value perceived by consumer. In the new world of tech savvy and informed consumers, growing competition, lowered brand loyalties and digital modes of retail emerging, the empathy based in-sighting model enables innovations that ensure product delight at a price affordable to the consumer and a cost profitable to the business.

Our quest to premiumise our packaging to make it contemporary was met with good success after following the Design Thinking approach. The new way of designing packaging by making consumer a part of process has resulted stand out packaging which was rewarded handsomely in external forums. We have now incorporated 3R approach in the current and new designs so that we support the global movement of sustainability.

We have sharpened our focus on quality assurance of our products and offerings in a far reaching way. We have moved from "quality for manufacturing" to Quality for consumers. We now wish to move further in ensuring the quality of our products to be intact under in-use conditions at consumer homes. Our Technical and Regulatory functions have played a pivotal role in creating Indian Consumer Centric Legislations. We have partnered with Government in several consumer and skill building initiatives.

2. Benefits derived as the result of the above efforts

- Launch of new products – Nihar Natural Sarso Kesh Tel, Set Wet coloured Hair wax, Kaya Youth range Under eye gel/ Wipes, Nihar Gold Hair Oil, Livon Shake & Spray serum, Livon Serum Damaged Protect, Livon Cream for Curly hair, Set wet 2 in 1 Serum. Additionally, SkinPure & Just for Baby launch in Bangladesh. In Foods, new products viz: Saffola Masala Oats new flavour Kerala Kanjiyum /Madras Sambar, Fittify Hi Protein soups, Saffola Perfect Nashta range 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.

In foods, to improve the overall quality of Oats, unique RFT technology was implemented for treatment of oats flakes. This is first in kind in industry.

4. The Company has not imported any technology during last three years reckoned from the beginning of FY 2019-20.

ANNEXURE 'D' (Contd.)

Conservation of Energy, Technological Absorption and Foreign Exchange Earnings and Outgo

5. The expenditure incurred on Research and Development:

Particulars	As at March 31, 2020 ₹ in Crore	As at March 31, 2019 ₹in Crore
(a) Capital	0.63	0.41
(b) Recurring	30.84	31.07
Total	31.47	31.48
As a % of revenues	0.54	0.53

The expenditure above includes a capital expenditure of ₹ 0.51 Crore (LY ₹ 0.06 Crore) and a revenue expenditure of ₹ 8.14 Crore (LY ₹ 6.31 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, 2020 ₹ in Crore	As at March 31, 2019 ₹in Crore
Foreign Exchange earned	382.97	401.22
Foreign Exchange used	153.43	154.58

For Marico Limited

Place : Mumbai
Date : May 4, 2020

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". We believe that we exist to benefit the entire ecosystem of which we are an integral part. We have a commitment towards our interdependent ecosystem of shareholders, consumers, associates, employees, Government, environment and society.

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

Marico's CSR Policy is therefore anchored on this core purpose making a difference to the lives of all its stakeholders to help them achieve their full potential. Pursuant to the requirements of Section 135 of the Companies Act, 2013 read with the Rules made thereunder, the Board of Directors of the Company at its meeting held on November 7, 2014 had adopted the CSR Policy, which was last amended by the Board of Directors 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:

❖ Education

Marico believes that one of the most significant indicators of social progress is education.

With purpose at its heart and commitment towards social progress, Nihar Shanti Amla, has been continuously strengthening its mission to impart quality education to underprivileged children across multiple states in India. Through its Nihar Shanti Pathshala Funwala and Educate Girls initiative millions of students are impacted. Technology, collaboration and scale forms the core pillars of our initiatives.

A) Nihar Shanti Paathshala Funwala

Mobile Paathshala: Mobile Paathshala platform has quality English language content designed in partnership with educationist organization Pratham. It is an IVR based learning platform available free-of-cost to students. The content and tonality are designed not just to make quality learning accessible but also improve the eventual learning outcomes.

Teacher Training Initiatives: Through our partnerships with Madhya Pradesh and Rajasthan Government we train Government school teachers in a unique teaching pedagogy enabling them to help children learn English using regional languages. In a novel approach, we leveraged technology to create a WhatsApp based system to provide access to quality training materials for teachers even in far flung rural areas.

Digital Classrooms: Aimed at addressing the dearth of teachers in government schools, we equipped 20 government schools in Uttar Pradesh and Jharkhand to run live digital classes for English, Maths and Science anchored by volunteers remotely. 2000+ children undergo digital classes.

Virtual School: Enabling anytime, anywhere learning, virtual schools supplement school education with a personalised app-based, one to one solution– closely connecting the key stakeholders – students, teachers and parents. The curriculum is designed as per CBSE guidelines blended with activity-based learning approach. The initiative was extended as a scholarship under 'Nihar Shanti Paathshala Funwala' linked to child's performance improvement. 2000+ students undergo virtual learning.

Impact: Through our various initiatives we have effectively provided teaching know-how to 4.5k+ teachers and provided access to quality education 2 lakh+ students in FY20.

B) Partnering with Educate Girls

We have partnered with Educate Girls (EG), an NGO which provides quality education for 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 girls in India's gender gap districts. The EG program model is focused on improving the Enrolment – Retention – Learning cycle of every child.

Impact: 79,391 children in Jhadol and Kotra blocks in Udaipur, Rajasthan.

❖ Community Sustenance

Community Sustenance refers to Marico's belief in giving back to the society by working in a sustainable manner in and around the communities where Marico is present. The three key pillars of Community Sustenance are **Parachute Kalpavriksha** (Program for the coconut farming community), **Water Stewardship** Program and **Community Development**.

A) Parachute Kalpavriksha program

Marico, through the **Parachute Kalpavriksha Foundation**, a non-profit company set up by the Company, strives to create sustainable livelihood and enhanced earning potential for the coconut farmer community using technical knowledge, innovation and transformative actions. The program is focused on:

- Enabling higher and sustainable crop yield with research-based farm practices, on-field support and monitoring by our agronomists.
- Training farmers to manage farms independently
- Providing on call support through Parachute Kalpavriksha customer care.

With 60+ on-field agronomists, the Parachute Kalpavriksha program has cumulatively enrolled around 1.28 lac acres of farms and 21,043 farmers. Apart from the agronomists, Marico has also deployed jeep campaigns, launched toll free IVR system (Interactive Voice Response), deployed digital and social platforms (like Youtube, Facebook, Instagram etc.) for providing access to the digital farm care video library. All these channels enable us to reach many more coconut farmers. During the year 2019-20, around 68,000 coconut seedlings, were developed and distributed free to the farmers post the Gaja cyclone devastation to help revive the coconut plantation. Farmers were trained to produce their own seedlings. Further, 165 farmers were trained on best farm practices at the Parachute Kalpavriksha Knowledge Centre and 9,550 farmers enrolled in the programme covering 53,423 acres of land.

Impact: Farms that have completed more than a year with Parachute Kalpavriksha have delivered 15% increase in yield.

B) WATER STEWARDSHIP

Marico believes that it is important to integrate sustainability into our core purpose which is to "Make a Difference". Hence, we work closely with the ecosystem to create a sustainable and inclusive growth for all. Our "Water stewardship program" addresses water security challenges in low rain fed areas and in areas around our workplaces and factories. Through our flagship project Jalashay, we aim to promote effective conservation and management of water. A parallel aim is also to replenish water back to the community more than that Marico uses for its operations through capacity creation. This includes – dam desilting, farm ponds construction, community awareness programs to promote water conservation, rainwater harvesting and minimizing wastage of water.

i) Dam Desilting

During the year 2019-20, Marico adopted Jalgaon district in Maharashtra to carry out water secuirity iniciatives and successfully completed the de-silting activity which resulted towards water capacity creation of 520 million litres across Jalgaon district under the "Galmukt Dharan Galyukt Shivar" (Silt-free dam and silt-enriched farm) Yojana (Scheme) of the Govt. of Maharashtra. This initiative resulted in expansion of the water storage capacity of the dam while helping farmers improve land fertility with the excavated silt.

518,623 m^3 – total silt excavated

520 million litres – increase in dam storage capacity

786 farmer families benefited

ii) Farm Ponds

In FY 20, Marico completed the construction of additional 93 farm ponds in Tamil Nadu and 2 Farm ponds at Pondicherry with an overall storage capacity of 121 million litres. This initiative was undertaken as part of a tri-partite arrangement with a NGO and the farmer community. The initiative, implemented across 20 villages, benefited farmer families by making water available to them to meet both agricultural as well as domestic needs.

Marico have created total water storage potential of around 1,370 million litres through desilting of 78 water bodies and constructed 258 farm ponds across Maharashtra, Karnataka, Tamil Nadu, and Pondicherry till date. Going forward, Marico will rejuvenate more than 50 water bodies through expansion of Jalashay project in Bulandshahar region of Madhya Pradesh, Balrampur district of Uttar Pradesh and Barmer district of Rajasthan. More than 100 community engagement programs will be organised to drive importance of minimising wastage of water. We have partnered with NGOs for all the above three states -'Society for Development Alternative', 'PANI' and 'Dhara Sansthan' respectively. By the end of FY 2021 we aim to touch the lives of more than 50 thousand families including more than 1000 farmers who directly benefit from the silt which is used as fertilizer and availability of water for irrigation. Thousands of local community members will get water for their basic needs. Our Jalashay program will support more than 1,000 families of Barmer district of Rajasthan with water availability in their villages which will spare them from walking miles to just get a bucket of water. In addition to this we have committed to capacity creation of 200 million litres in Tamil Nadu.

C) Community initiatives – Marico's contributions in and around where we operate

Our community initiatives are focused in and around the communities where we operate in. Each of our units identifies intervention areas for the year based on the need of neighbouring community and defines the CSR agenda thereon.

Some of the areas in which we support are:

- Education – Infrastructural support, Wellness program, Skill building, Support to underprivileged students
- Health and Hygiene – Cleanliness drive, Blood Donation Camp, Medical Check-up
- Disaster Relief – Support for flood relief or any other disaster affected people based on need and in consultation with local administration
- Water and Environment – Rain-water harvesting, Check dams, Dam desilting, Energy Conservation, Renewable energy.

Impact:

Cause	No of Beneficiaries
Disaster Relief	7,770
Health & Hygiene	3,004
Water Conservation	7,860
Education / Skill Building	2,336
Environment	1,600
Others	2,305
Total	24,875

Healthcare

Saffolalife 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 the purpose of fighting against obesity and inspiring consumers to begin their journey towards fitness and healthier lifestyle at a young age.

A) **SNF@ School**

Saffolalife conducts SNF@ School (Safe and Nutritious Food @School), a school contact program along with the Food Safety and Standards Authority of India (FSSAI) on nutrition and food safety. The program creates awareness amongst school students, teachers and parents alike on use of fortified food in the diet and identification of fortified foods on food labels. The project involved 200 different schools in various cities covering over 80,000 students till date.

Impact: 84 school activations were completed with Magic box kits placed in 70 schools. 23 audits were completed for Eat Right Canteen Certification and it is in progress.

B) **Eat Right Movement- Campuses and Street Hubs**

During the year 2019-20, Saffolalife supported a plethora of FSSAI initiatives in addition to continuing with the SNF@School programme. Some such initiatives undertaken during the year are:

i) **Eat Right Campus**

This year's endeavour was to spread our reach beyond school students by targeting large campuses and certifying them as Eat Right Campuses by FSSAI. The program aimed to cover 10 campuses in Gujarat and Maharashtra. With the support of Gujarat Food and Drug Administration, Saffolalife is also supporting hygiene rating audits for 30 other campus Food Business Operators in the state of Gujarat to assess and improve the quality of food served in the premises.

Estimated Impact – Over 350,000 visitors coming to these campuses.

ii) **Clean Street Food Hubs**

This year Saffolalife also collaborated with FSSAI and local Food and Drug Administration authorities of the states to cover public eating places i.e. street food hubs, for improving their condition with respect to hygiene and sanitation. We aimed to certify 10 street food hubs as Clean Street Food Hubs in Gujarat, Maharashtra and Tamil Nadu and completed certification of 7 street food hubs while 3 are under progress due to COVID-19 situation.

Estimated Impact – Over 500,000 consumers benefitted from safe and hygienic food.

iii) **Eat Right Mela –**

Saffolalife participated in the "**11th National Street Food Festival"** to raise awareness on eating right.

Estimated Impact – Around 20,000 people connected at Eat Right Mela.

❖ **National 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 FY20, we made monetary contribution of ₹15 lacs to Goonj towards rehabilitation of communities affected by the Odisha cyclone Fani and ₹ 26.5 lacs towards flood relief in Assam.

❖ **Fostering Innovation**

Marico Innovation Foundation (MIF) aims to nurture innovation in India across sectors.

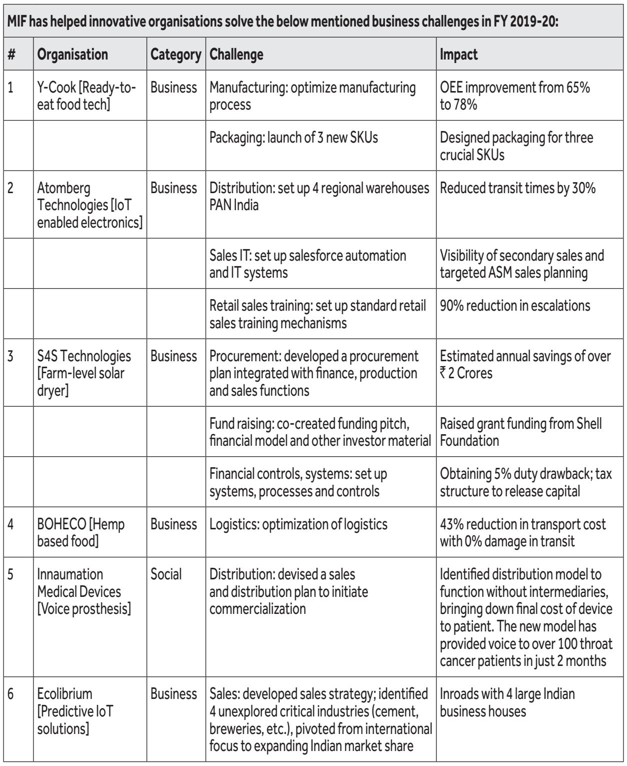
Scale-Up Program

Marico believes that innovation will drive the next growth revolution in India. Keeping in line that belief, MIF's Scale-Up Program is a 360-degree, sector-agnostic growth program for innovations in India. It is focused on scaling innovative organizations' operations through deep-rooted and structured guidance to resolve critical business challenges with the help of functional / subject matter experts (mentors) from within Marico as well as external industry leaders. While the Indian funding ecosystem has seen significant growth in the last decade, Scale-Up Program anchored by MIF plugs the gap in operational capabilities and builds capacity within the Startup community for rapid operational scale.

Program highlights for FY 2019-20:

Particulars	Impact
Total # of organisations worked with during FY20	18
# of active organisations (as of end of FY20)	12
# of challenges closed	11
# of mentors engaged	32
Total # of mentor hours spent	344

MIF has helped innovative organisations solve below mentioned business challenges in FY 2019-20:



MIF has helped innovative organisations solve the below mentioned business challenges in FY 2019-20:

#	Organisation	Category	Challenge	Impact
1	Y-Cook [Ready-to-eat food tech]	Business	Manufacturing: optimize manufacturing process	OEE improvement from 65% to 78%
			Packaging: launch of 3 new SKUs	Designed packaging for three crucial SKUs
2	Atomberg Technologies [IoT enabled electronics]	Business	Distribution: set up 4 regional warehouses PAN India	Reduced transit times by 30%
			Sales IT: set up salesforce automation and IT systems	Visibility of secondary sales and targeted ASM sales planning
			Retail sales training: set up standard retail sales training mechanisms	90% reduction in escalations
3	S4S Technologies [Farm-level solar dryer]	Business	Procurement: developed a procurement plan integrated with finance, production and sales functions	Estimated annual savings of over ₹ 2 Crores
			Fund raising: co-created funding pitch, financial model and other investor material	Raised grant funding from Shell Foundation
			Financial controls, systems: set up systems, processes and controls	Obtaining 5% duty drawback; tax structure to release capital
4	BOHECO [Hemp based food]	Business	Logistics: optimization of logistics	43% reduction in transport cost with 0% damage in transit
5	Innaumation Medical Devices [Voice prosthesis]	Social	Distribution: devised a sales and distribution plan to initiate commercialization	Identified distribution model to function without intermediaries, bringing down final cost of device to patient. The new model has provided voice to over 100 throat cancer patients in just 2 months
6	Ecolibrium [Predictive IoT solutions]	Business	Sales: developed sales strategy; identified 4 unexplored critical industries (cement, breweries, etc.), pivoted from international focus to expanding Indian market share	Inroads with 4 large Indian business houses

#Innovate2Beat COVID

With an aim to support our medical infrastructure, Marico Innovation Foundation launched a unique, nationwide platform called #Innovate2BeatCOVID. It invited med-tech entrepreneurs, corporates and innovators to share existing cost-effective and innovative solutions to combat short supply of ventilators, personal protective equipment and other respiratory solutions that can aid the medical fraternity. Marico Innovation Foundation along with the A.T.E. Chandra Foundation and Harsh Mariwala in his personal capacity offered total grants worth ₹2.5 Crores to the most impactful innovations. The challenge has received an overwhelming response already with 600+ relevant proposals.

Innovation Book

In January 2020, MIF published its second book called '7 Sutras of Innovation'. The book brings out business insights of scaling up journey of 8 past Innovation for India Award winners. The book has sold almost 3,500 copies within 2 months of its release.

MIF InnoWin and Talkies

Harnessing the power of digital media, MIF continues to create awareness about innovations that are truly transforming lives, communities and businesses. Thus, MIF infuses innovation in the lives of individuals and organizations through the leadership platforms - e-newsletter InnoWin and digital video series MIF Talkies.

II Composition of the CSR Committee:

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

III Average net profit of the Company for the last three financial years : ₹ 958.67 Crores

IV Prescribed CSR Expenditure (2% of the amount as in item III above): ₹ 19.17 Crores

V Details of CSR spent during the financial year: ₹ 19.38 Crores

a Total amount to be spent for the financial year: ₹ 19.17 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**			281,548	116,475	4,297,754	Through Implementing agency: Marico Innovation Foundation.
Current Projects						-	
a	Atomberg	Promoting education and ensuring environmental sustainability	Mumbai, Maharashtra			-	
b	Y Cook	Promoting environmental sustainability	Bangalore, Karnataka				
c	S4S Technologies	Promoting education and Healthcare	Mumbai and Aurangabad, Maharashtra				
d	Niki.ai	Promoting education	Bangalore, Karnataka				
e	BOHECO	Promoting education and Healthcare	Mumbai, Maharashtra				
f	Agatsa	Promoting Healthcare	Noida, Uttar Pradesh				
g	Ecolibirum	Promoting environmental sustainability	Ahmedabad, Gujarat				
h	St. Jude	Promoting Healthcare	Mumbai, Maharashtra				
i	Innaumation	Promoting Healthcare	Bangalore, Karnataka				
j	Torch-it	Promoting Healthcare	Ahmedabad, Gujarat				
k	Swades Foundation	Promoting education, healthcare and ensuring environmental sustainability	Mumbai, Maharashtra				
l	Stellapps	Promoting education and Healthcare	Bangalore, Karnataka				
Exited Projects:							
a	OpenApp	Promoting education and ensuring environmental sustainability	Bangalore, Karnataka			-	
b	Distinct Horizon	Promoting environmental sustainability	Lucknow, Uttar Pradesh				
c	Nap Nap Mats	Promoting Healthcare	Mumbai, Maharashtra				
d	Rise Legs	Promoting Healthcare	Bangalore, Karnataka				
e	Ekam Eco Solutions	Promoting education and conservation of natural resources	Mumbai, Maharashtra				
2	**Thought Leadership**	Promoting education	Pan India	1,518,000	2,116,559	11,236,992	Through Implementing agency: Marico Innovation Foundation.

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***
3	**Innovation Book**	Promoting Education	Pan India	1,265,000	865,837	1,386,090	Through Implementing agency: Marico Innovation Foundation.
4	**Mass Innovation**	Promoting Education	Pan India	-	1,437,491	1,437,491	Through Implementing agency: Marico Innovation Foundation.
TOTAL (A)				**3,064,548**	**4,536,363**	**15,483,346**	
(B) Education							
1	Educate Girls (EG)	Promoting education	Uttar Pradesh, Rajasthan	25,000,000	25,000,000	117,600,000	Through Implementation Agency: Educate Girls
2	Pathshala Funwala Initiative 1) Teacher Training 2) Mobile Pathshala 3) Digital Classroom 4) Virtual School	Promoting education	Uttar Pradesh, Madhya Pradesh, Rajasthan, Jharkhand	50,000,000	50,016,931	193,700,000	Through Implementation Agency: LeapForWord, Synergie Institute of Trade Commerce and Industry, Evidyaloka, Avileen Academic Services Pvt. Ltd.
TOTAL (B)				**74,500,000**	**75,016,931**	**311,300,000**	**-**
(C) Healthcare							
1	Saffolalife – Eat Right @ Schools Eat Right @ Campus Clean Street Food Hubs	Promoting Healthcare	Maharashtra, Gujarat, Chandigarh, Tamil Nadu	5,000,000	4,596,651	140,715,179	Direct
TOTAL (C)				**5,000,000**	**4,596,651**	**140,715,179**	**-**
(D) Community Sustenance							
1	Farmer Development	Livelihood enhancement	Karnataka, Kerala, Tamil Nadu, Andhra Pradesh	55,590,200	54,941,022	120,100,000	Direct & Parachute Kalpavriksha Foundation
2	Sustainability	Water Steward Program: - Jalashay through Desilting water bodies & Farm pond creation	Maharashtra, (Jalgaon) Tamil Nadu, Madhya Pradesh(Bundelkhand region), Uttar Pradesh (Balrampur district), Pondicherry	26,750,000	28,078,478	53,640,796	Through implementation Agency - Anulom, PANI, Dharasansthan & Society for development alternatives
3	Community Initiatives	Flood relief, Health & Hygiene, Environment	Acroos Marico factory - Pan India	7,585,000	9,794,784	20,409,676	
TOTAL (D)				**89,925,200**	**92,814,284**	**194,150,472**	**-**
(E) Other Initiatives							

ANNEXURE 'E' TO THE BOARD'S REPORT (Contd.)

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***
1	JSW Initiative for Sports	Training to promote sports	Bangalore, Karnataka for wrestlers across the country	2,500,000	2,500,000	10,000,000	Direct
2	Calamity Led Initiative	Assam Flood Relief & Odisha Cyclone	Assam, Odisha	6,700,000	5,074,727	19,109,960	Direct
TOTAL (E)				**9,200,000**	**7,574,727**	**29,109,960**	**-**
(G) TOTAL CSR SPEND (A)+(B)+(C)+(D)+(E)				181,689,748	184,538,956	690,758,957	-
(H) Capacity Building and Administrative Expenditure (Limited to the cap of 5% of total spent)				9,084,487	9,226,948	34,537,948	-
TOTAL CSR SPEND (G)+(H)				**190,774,235**	**193,765,904**	**725,296,905**	

VI 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 4, 2020

Saugata Gupta
Managing Director & CEO
(DIN: 05251806)

B. S. Nagesh
Chairman of the CSR Committee
(DIN: 00027595)

ANNEXURE ‘F’ TO THE BOARD’S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
As on financial year ended March 31, 2020

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:

a	CIN	L15140MH1988PLC049208
b	Registration Date	October 13, 1988
c	Name of the Company	Marico Limited
d	Category/Sub-category of the Company	Company Limited by Shares/Non-Govt Company
e	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
f	Whether listed company	Yes
g	Details of the Stock Exchanges where shares are listed	BSE Limited (BSE) : 531642 The National Stock Exchange of India Limited (NSE): MARICO
h	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

SI. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
a	Edible Oils	10402	65
b	Hair Care	20236	30

ANNEXURE ‘F’ TO THE BOARD’S REPORT (Contd.)

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, Durban, 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** 36-3/1, Haig Road, Bambalapatiya, Colombo – 04, Sri Lanka	NA	Subsidiary	100%	2(87)(ii)
17	**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	45.00%	2(6)
18	**Revolutionary Fitness Private Limited (Revofit)** 301, Adhyaru Industrial Estate, Sun Mill Compound, Lower Parel, Mumbai -400013, Maharashtra	U85100MH2014PTC260237	Associate	29.44%	2(6)
19	**Hello Green Private Limited** Office 7th- 8th Floor, Time Square CTS No 349, 349/1, Weastern Express Highway, Andheri (East) Mumbai - 400069, Maharashtra	U55204MH2019PTC333279	Associate	25.79%	2(6)

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 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% 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	749,308,240		749,308,240	58.04	-0.11
b) Central Govt./ State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	18,297,000	-	18,297,000	1.42	18,297,000	0	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**	**767,605,240**	**0**	**767,605,240**	**59.46**	**-0.11**
(2) Foreign									
a) NRI- Individuals	1,800,000	-	1,800,000	0.14	1,800,000	0	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**	**0**	**1,800,000**	**0.14**	**0.00**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**770,730,240**	**0**	**770,730,240**	**59.71**	**769,405,240**	**0**	**769,405,240**	**59.60**	**-0.11**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	54,155,668	0	54,155,668	4.20	50,252,349	0	50,252,349	3.89	-0.30
b) Banks/FI	1,395,683	0	1,395,683	0.11	18,862,949	0	18,862,949	1.46	1.35
c) Central Govt/State Govt.	2,186,707	0	2,186,707	0.17	3,012,525	0	3,012,525	0.23	0.06
d) Venture Capital Fund	-	-	-	-	-	-	-	-	-
e) Insurance Companies	14,292,384	0	14,292,384	1.11	66,890,658	0	66,890,658	5.18	4.07
f) FIIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Foreign Portfolio Investor (Corporate)	342,850,860	9,000	342,859,860	26.56	29,295,6727	5,000	29,296,1727	22.69	-3.87
i) Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Bank	6,000		6,000	0.00	6,000	0	6,000	0.00	0.00
Alternate Investment Funds	708,155	-	708,155	0.05	638,184	0	638,184	0.05	-0.01
SUB TOTAL (B)(1):	**415,595,457**	**9,000**	**415,604,457**	**32.20**	**432,619,392**	**5,000**	**432,624,392**	**33.51**	**1.31**

ANNEXURE ‘F’ TO THE BOARD’S REPORT (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporates									
i) Indian	41,105,689	68,000	41,173,689	3.19	12,232,117	48,000	12,280,117	0.95	-2.24
ii) Foreign	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto r 1 lakh	37577891	885,024	38,462,915	2.98	49,758,425	708,364	50,466,789	3.91	0.93
ii) Individuals shareholders holding nominal share capital in excess of r 1 lakh	9,905,637	-	9,905,637	0.77	10,246,474	0	10,246,474	0.79	0.03
c) NBFCs registered with RBI	83,378	-	83,378	0.01	138,100	0	138,100	0.01	0.00
d) Trust Employee	170	-	170	0.00	6,697	0	6,697	0.00	0.00
e) Others (specify)									
1. NRI	4,051,660	-	4,051,660	0.31	5,433,378	4	5,433,382	0.42	0.11
2. Clearing member	2,181,076	-	2,181,076	0.17	1,084,398	0	1,084,398	0.08	-0.08
3. Trusts	6,014,874	-	6,014,874	0.47	6,535,029	0	6,535,029	0.51	0.04
4. HUF	1,551,905	-	1,551,905	0.12	1,730,714	0	1,730,714	0.13	0.01
5. IEPF	15,527	-	15,527	0.00	40,246	0	40,246	0.00	0.00
6. Foreign Portfolio Investor (Individual)	4,720	-	4,720	0.00	4,720	0	4,720	0.00	0.00
SUB TOTAL (B)(2):	**102,492,527**	**953,024**	**103,445,551**	**8.01**	**87,210,298**	**756,368**	**87,966,666**	**6.81**	**-1.20**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**518,087,984**	**962,024**	**519,050,008**	**40.21**	**519,829,690**	**761,368**	**520,591,058**	**40.32**	**0.11**
C. Non Promotor - Non Public									
1. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
2. Employee Benefit Trust (under SEBI (Share Based Employee Benefit) Regulations, 2014)	1084150	-	1,084,150	0.08	1,021,790	0	1,021,790	0.08	0.00
Grand Total (A+B+C)	**1,289,902,374**	**962,024**	**1,290,864,398**	**100.00**	**1,289,234,930**	**761,368**	**1,291,018,088**	**100.00**	**0.00**

(ii) & (iii) Shareholding of Promoters & Changes in Promoters' shareholding

Sl. No	Name	Shareholding at the beginning (01.04.2019)/end of the year(31.03.2020)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		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	1-Apr-19	-	No Change during the year	148,459,200	11.50
		148,459,200	11.50	31-Mar-20	-		148,459,200	11.50
2	Harsh Mariwala with Kishore Mariwala (For Aquarius Family Trust)	148,446,200	11.50	1-Apr-19	-	No Change during the year	148,446,200	11.50
		148,446,200	11.50	31-Mar-20	-		148,446,200	11.50
3	Harsh Mariwala with Kishore Mariwala (For Taurus Family Trust)	148,465,000	11.50	1-Apr-19	-	No Change during the year	148,465,000	11.50
		148,465,000	11.50	31-Mar-20	-		148,465,000	11.50
4	Harsh Mariwala with Kishore Mariwala (For Gemini Family Trust)	148,460,600	11.50	1-Apr-19	-	No Change during the year	148,460,600	11.50
		148,460,600	11.50	31-Mar-20	-		148,460,600	11.50
5	The Bombay Oil Private Limited	18,297,000	1.42	1-Apr-19	-	No Change during the year	18,297,000	1.42
		18,297,000	1.42	31-Mar-20	-		18,297,000	1.42
6	Mr. Harsh Mariwala	32,102,900	2.49	1-Apr-19	-	-	32,102,900	2.49
		-	-	13-Sep-20	2,000,000	Gift to Trusts	30,102,900	2.33
		-	-	27-Sep-20	2,000,000		28,102,900	
		28,102,900	2.18	31-Mar-20	-	-	28,102,900	2.18
7	Mrs. Archana Mariwala	23,444,100	1.82	1-Apr-19	-	-	23,444,100	1.82
				13-Sep-19	3,400,000	Gift to Trusts	20,044,100	1.55
				27-Sep-19	3,400,000		16,644,100	1.29
		16,644,100	1.29	31-Mar-20	-		16,644,100	1.29
8	Ms. Rajvi Mariwala	28,408,000	2.20	1-Apr-19	-	No Change during the year	28,408,000	2.20
		28,408,000	2.20	31-Mar-20	-		28,408,000	2.20
9	Mr. Rishabh Mariwala	24,976,500	1.93	1-Apr-19	-	No Change during the year	24,976,500	1.93
		24,976,500	1.93	31-Mar-20	-		24,976,500	1.93
10	Mrs. Preeti Gautam Shah	1,800,000	0.14	1-Apr-19	-	No Change during the year	1,800,000	0.14
		1,800,000	0.14	31-Mar-20	-		1,800,000	0.14
11	Mrs. Pallavi Jaikishen	1,832,000	0.14	1-Apr-19	-	No Change during the year	1,832,000	0.14
		1,832,000	0.14	31-Mar-20	-		1,832,000	0.14
12	Mrs. Malika Chirayu Amin	1,800,000	0.14	1-Apr-19	-	No Change during the year	1,800,000	0.14
		1,800,000	0.14	31-Mar-20	-		1,800,000	0.14
13	Mr. Kishore Mariwala	2,443,200	0.19	1-Apr-19	-	-	2,443,200	0.19
		-	-	10-May-19	2000	Gifts to Trusts	2,441,200	0.19
		2,441,200	0.19	31-Mar-20			2,441,200	0.19
14	Mrs. Hema Mariwala	7,679,480	0.59	1-Apr-19	-	No Change during the year	7,679,480	0.59
		7,679,480	0.59	31-Mar-20	-		7,679,480	0.59
15	Mr. Rajendra Mariwala	5,532,900	0.43	1-Apr-19	-	-	5,532,900	0.43
				20-Aug-19	250,000	Open Market Sale	5,282,900	0.41
				27-Aug-19	250,000		5,032,900	0.39
				13-Sep-19	500,000		4,532,900	0.35
				25-Sep-19	500,000		4,032,900	0.31
		4,032,900	0.31	31-Mar-20			4,032,900	0.31

ANNEXURE ‘F’ TO THE BOARD’S REPORT (Contd.)

Sl. No	Name	Shareholding at the beginning (01.04.2019)/end of the year(31.03.2020)		Date	No. of Shares (Increase/ Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
16	Mrs. Anjali Mariwala	7,414,700	0.57	1-Apr-19	-	-	7,414,700	0.57
				27-Sep-19	404,828		7,009,872	0.54
				30-Sep-19	95,172		6,914,700	0.54
		6,914,700	0.54	31-Mar-20			6,914,700	0.54
17	Dr. Ravindra Mariwala	13,954,540	1.08	1-Apr-19	-	-	13,954,540	1.08
				23-Aug-19	50,000	Inter se transfer	14,004,540	1.08
				20-Sep-19	400,000		14,404,540	1.12
		14,404,540	1.12	31-Mar-20	-	-	14,404,540	1.12
18	Mrs. Paula Mariwala	7,189,100	0.56	1-Apr-19	-	-	7,189,100	0.56
				23-Aug-19	125,000	Inter-se transfer	7,314,100	0.57
				20-Sep-19	100,000		7,414,100	0.57
		7,189,100	0.56	31-Mar-20	-	-	7,414,100	0.57
19	Kishore Mariwala for Arnav Trust	6,200	0.00	1-Apr-19	-	-	6,200	0.00
			-	10-May-19	500	Gift received	6,700	0.00
		6,700	0.00	31-Mar-20			6,700	0.00
20	Kishore Mariwala for Vibhav Trust	6,200	0.00	1-Apr-19	-	-	6,200	0.00
			-	10-May-19	500	Gift received	6,700	0.00
		6,700	0.00	31-Mar-20			6,700	0.00
21	Kishore Mariwala for Taarika Trust	6,200	0.00	1-Apr-19	-	-	6,200	0.00
			-	10-May-19	500	Gift received	6,700	0.00
		6,700	0.00	31-Mar-20			6,700	0.00
22	Kishore Mariwala for Anandita Trust	6,200	0.00	1-Apr-19	-	-	6,200	0.00
			-	10-May-19	500	Gift received	6,700	0.00
		6,700	0.00	31-Mar-20			6,700	0.00
23	Valley of Light*	0.00	0.00	1-Apr-19	-	-	0.00	0.00
		-	-	13-Sep-19	5,400,000	Gift received	5,400,000	0.42
		5,400,000	0.42	31-Mar-20	-	-	5,400,000	0.42
24	Valour Trust*	0	0	1-Apr-19	-		0	0
		-	-	27-Sep-19	5,400,000	Gift received	5,400,000	0.42
		5,400,000	0.42	31-Mar-20	-	-	5,400,000	0.42

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs & ADRs)

Sl. No	Name	Shareholding at the beginning(01.04.2019)/ end of the year (31.03.2020)		Date	No. of Shares (Increase/Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		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	42,008,775	3.25		-	-	42,008,775	3.25
		-	-	26-Apr-19	5,974,172	Purchase	47,982,947	3.72
				29-Jun-19	2,843,398		50,826,345	3.94
				05-Jul-2019	280,278		51,106,623	3.96
				12-Jul-2019	333,549		51,440,172	3.98
				19-Jul-2019	27,720		51,467,892	3.99
		51,467,892	3.99	-	-	-	51,467,892	3.99
2	Life Insurance Corporation of India	11,373,801	0.88	1-Apr-19	-	-	11,373,801	0.88
				09-Aug-2019	734,000		12,107,801	0.94
				16-Aug-2019	888,603		12,996,404	1.01
				23-Aug-2019	286,703		13,283,107	1.03
				30-Aug-2019	2,902,863		16,185,970	1.25
				06-Sep-2019	1,769,801		17,955,771	1.39
				13-Sep-2019	2,534,432		20,490,203	1.59
				20-Sep-2019	1,674,480		22,164,683	1.72
				27-Sep-2019	1,579,800		23,744,483	1.84
				30-Sep-2019	418,912		24,163,395	1.87
				04-Oct-2019	933,295		25,096,690	1.94
				11-Oct-2019	1,909,499		27,006,189	2.09
				18-Oct-2019	2,312,688		29,318,877	2.27
				25-Oct-2019	1,042,379		30,361,256	2.35
				01-Nov-2019	1,998,978		32,360,234	2.51
				08-Nov-2019	1,786,234		34,146,468	2.65
				15-Nov-2019	1,761,000		35,907,468	2.78
				22-Nov-2019	1,061,950		36,969,418	2.86
				29-Nov-2019	1,275,715		38,245,133	2.96
				06-Dec-2019	522,727		38,767,860	3.00
				13-Dec-2019	399,924		39,167,784	3.03
				20-Dec-2019	470,899		39,638,683	3.07
				27-Dec-2019	380,000		40,018,683	3.10
				31-Dec-2019	348,000		40,366,683	3.13
				03-Jan-2020	558,870		40,925,553	3.17
				10-Jan-2020	2,029,372		42,954,925	3.33
				17-Jan-2020	893,352		43,848,277	3.40
				24-Jan-2020	946,899		44,795,176	3.47
				31-Jan-2020	80,500		44,875,676	3.48
				07-Feb-2020	230,500		45,106,176	3.49
				14-Feb-2020	577,000		45,683,176	3.54
				21-Feb-2020	633,000		46,316,176	3.59
				28-Feb-2020	696,596		47,012,772	3.64
				06-Mar-2020	301,578		47,314,350	3.66
				27-Mar-2020	2,500		47,316,850	3.67
		47,316,850	3.67	31-Mar-20	-		47,316,850	3.67

ANNEXURE ‘F’ TO THE BOARD’S REPORT (Contd.)

Sl. No	Name	Shareholding at the beginning(01.04.2019)/ end of the year (31.03.2020)		Date	No. of Shares (Increase/Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares Held	% of total Shares of the Company				No. of Shares Held	% of total Shares of the Company
3	Arisaig Global Emerging Markets Consumer Fund (Singapore) Private Limited	26,168,839	2.03	1-Apr-19	-	-	26,168,839	2.03
				07-Feb-2020	580,000	Sale	25,588,839	1.98
				14-Feb-2020	2,435,440		23,153,399	1.79
				21-Feb-2020	1,253,679		21,899,720	1.70
				28-Feb-2020	2,973,475		18,926,245	1.47
				20-Mar-2020	223,219		18,703,026	1.45
				27-Mar-2020	2,276,781		16,426,245	1.27
		16,426,245	1.27	31-Mar-20	-		16,426,245	1.27
4	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	4,410,206	0.34	1-Apr-19	-	-	4,410,206	0.34
				05-Apr-2019	100,000	Purchase	4,510,206	0.35
				10-May-2019	700,000	Sale	3,810,206	0.30
				17-May-2019	81,000		3,729,206	0.29
				14-Jun-2019	210,000	Purchase	3,939,206	0.31
				21-Jun-2019	187,000		4,126,206	0.32
				05-Jul-2019	200,000		4,326,206	0.34
				26-Jul-2019	200,000		4,526,206	0.35
				02-Aug-2019	200,000		4,726,206	0.37
				09-Aug-2019	200,000		4,926,206	0.38
				30-Aug-2019	185,000	Sale	4,741,206	0.37
				06-Sep-2019	10,000	Purchase	4,751,206	0.37
				20-Sep-2019	100,000		4,851,206	0.38
				27-Sep-2019	25,000		4,876,206	0.38
				30-Sep-2019	100,000		4,976,206	0.39
				04-Oct-2019	575,000		5,551,206	0.43
				11-Oct-2019	55,000		5,606,206	0.43
				18-Oct-2019	100,111		5,706,317	0.44
				25-Oct-2019	590,000		6,296,317	0.49
				01-Nov-2019	388,000	Sale	5,908,317	0.46
				08-Nov-2019	153,136	Purchase	6,061,453	0.47
				22-Nov-2019	50,000		6,111,453	0.47
				29-Nov-2019	385,000		6,496,453	0.50
				06-Dec-2019	75,000		6,571,453	0.51
				13-Dec-2019	25,000		6,596,453	0.51
				20-Dec-2019	10,000		6,606,453	0.51
				27-Dec-2019	75,000		6,681,453	0.52
				03-Jan-2020	61,000		6,742,453	0.52
				10-Jan-2020	30,000		6,772,453	0.52
				17-Jan-2020	2,000	Sale	6,770,453	0.52
				24-Jan-2020	5,000		6,765,453	0.52
				31-Jan-2020	120,000	Purchase	6,885,453	0.53
				07-Feb-2020	345,000		7,230,453	0.56
				14-Feb-2020	220,000		7,450,453	0.58
				21-Feb-2020	795,000		8,245,453	0.64
				28-Feb-2020	995,000		9,240,453	0.72
				06-Mar-2020	786,100		10,026,553	0.78
				13-Mar-2020	310,500		10,337,053	0.80
				20-Mar-2020	916,500		11,253,553	0.87
				27-Mar-2020	157,000		11,410,553	0.88
				31-Mar-2020	33,000		11,443,553	0.89
		11,443,553	0.89	31-Mar-20	-		11,443,553	0.89

Sl. No	Name	Shareholding at the beginning(01.04.2019)/ end of the year (31.03.2020)		Date	No. of Shares (Increase/Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares Held	% of total Shares of the Company				No. of Shares Held	% of total Shares of the Company
5	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE EQUITY HYBRID '95 FUND	7,586,179	0.59				7,586,179	0.59
				12-Apr-2019	1,360	Sale	7,584,819	0.59
				26-Apr-2019	100,630		7,484,189	0.58
				24-May-2019	209	Purchase	7,484,398	0.58
				07-Jun-2019	113,088	Sale	7,371,310	0.57
				19-Jul-2019	7,892		7,363,418	0.57
				26-Jul-2019	100,201	Purchase	7,463,619	0.58
				09-Aug-2019	820,402		8,284,021	0.64
				16-Aug-2019	50,000	Sale	8,234,021	0.64
				30-Aug-2019	59,700	Purchase	8,293,721	0.64
				06-Sep-2019	100,000		8,393,721	0.65
				13-Sep-2019	98,364		8,492,085	0.66
				20-Sep-2019	200		8,492,285	0.66
				27-Sep-2019	27,935		8,520,220	0.66
				04-Oct-2019	74,009	Sale	8,446,211	0.65
				18-Oct-2019	499,027		7,947,184	0.62
				25-Oct-2019	560,000		7,387,184	0.57
				15-Nov-2019	500,000		6,887,184	0.53
				22-Nov-2019	23,156		6,864,028	0.53
				29-Nov-2019	15,440		6,848,588	0.53
				06-Dec-2019	80		6,848,508	0.53
				17-Jan-2020	192	Purchase	6,848,700	0.53
				24-Jan-2020	1,260	Sale	6,847,440	0.53
				07-Feb-2020	1,490,564	Purchase	8,338,004	0.65
				14-Feb-2020	45,663		8,383,667	0.65
				28-Feb-2020	187,200		8,570,867	0.66
				06-Mar-2020	16,600	Sale	8,554,267	0.66
				13-Mar-2020	157,026	Purchase	8,711,293	0.67
				20-Mar-2020	449,806		9,161,099	0.71
				27-Mar-2020	196,196		9,357,295	0.72
				31-Mar-2020	1,019		9,358,314	0.72
		9,358,314	0.72	31-Mar-20	-	-	9,358,314	0.72
6	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	7,470,046	0.58	1-Apr-19	-	-	7,470,046	0.58
				05-Apr-2019	81,639	Puchase	7,551,685	0.59
				12-Apr-2019	4,657		7,556,342	0.59
				19-Apr-2019	742		7,557,084	0.59
				26-Apr-2019	4,817		7,561,901	0.59
				03-May-2019	1,853	Sale	7,560,048	0.59
				10-May-2019	249,631	Purchase	7,809,679	0.60
				17-May-2019	201,031		8,010,710	0.62
				24-May-2019	8,273		8,018,983	0.62
				31-May-2019	3,722		8,022,705	0.62
				07-Jun-2019	511	Sale	8,022,194	0.62
				14-Jun-2019	6,161	Purchase	8,028,355	0.62
				21-Jun-2019	197,932	Sale	7,830,423	0.61
				29-Jun-2019	2,165	Purchase	7,832,588	0.61
				05-Jul-2019	6,582	Sale	7,826,006	0.61
				12-Jul-2019	29,606	Sale	7,796,400	0.60
				19-Jul-2019	400,507	Purchase	8,196,907	0.63
				26-Jul-2019	4,062	Purchase	8,200,969	0.64

ANNEXURE ‘F’ TO THE BOARD’S REPORT (Contd.)

Sl. No	Name	Shareholding at the beginning(01.04.2019)/ end of the year (31.03.2020)		Date	No. of Shares (Increase/Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares Held	% of total Shares of the Company				No. of Shares Held	% of total Shares of the Company
				02-Aug-2019	981,102	Sale	7,219,867	0.56
				09-Aug-2019	5,222	Purchase	7,225,089	0.56
				16-Aug-2019	1,137	Purchase	7,226,226	0.56
				23-Aug-2019	73,084	Sale	7,153,142	0.55
				30-Aug-2019	192,342	Purchase	7,345,484	0.57
				06-Sep-2019	35,074		7,380,558	0.57
				13-Sep-2019	3,682		7,384,240	0.57
				20-Sep-2019	22,461		7,406,701	0.57
				27-Sep-2019	46,579		7,453,280	0.58
				30-Sep-2019	19,443		7,472,723	0.58
				04-Oct-2019	215,885	Sale	7,256,838	0.56
				11-Oct-2019	11,670		7,245,168	0.56
				18-Oct-2019	34,472	Purchase	7,279,640	0.56
				25-Oct-2019	535,916	Sale	6,743,724	0.52
				01-Nov-2019	432,411		6,311,313	0.49
				08-Nov-2019	63,233	Purchase	6,374,546	0.49
				15-Nov-2019	12,968	Sale	6,361,578	0.49
				22-Nov-2019	16,772	Purchase	6,378,350	0.49
				29-Nov-2019	101,514		6,479,864	0.50
				06-Dec-2019	21,263		6,501,127	0.50
				13-Dec-2019	57,685		6,558,812	0.51
				20-Dec-2019	104,613		6,663,425	0.52
				27-Dec-2019	11,192	Sale	6,652,233	0.52
				31-Dec-2019	12,519	Purchase	6,664,752	0.52
				03-Jan-2020	5,132		6,669,884	0.52
				10-Jan-2020	149,951	Sale	6,519,933	0.51
				17-Jan-2020	4,657	Purchase	6,524,590	0.51
				24-Jan-2020	13,939	Sale	6,510,651	0.50
				31-Jan-2020	353,273		6,157,378	0.48
				07-Feb-2020	1035,854	Purchase	7,193,232	0.56
				14-Feb-2020	163,797		7,357,029	0.57
				21-Feb-2020	103,764		7,460,793	0.58
				28-Feb-2020	1,052,294		8,513,087	0.66
				06-Mar-2020	362,828		8,875,915	0.69
				13-Mar-2020	222,173		9,098,088	0.70
				20-Mar-2020	3,041	Sale	9,095,047	0.70
				27-Mar-2020	54,862	Purchase	9,149,909	0.71
				31-Mar-2020	449		9,150,358	0.71
		9,150,358	0.71	31-Mar-20			9,150,358	0.71

Sl. No	Name	Shareholding at the beginning(01.04.2019)/ end of the year (31.03.2020)		Date	No. of Shares (Increase/Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares Held	% of total Shares of the Company				No. of Shares Held	% of total Shares of the Company
7	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	7,025,544	0.54	1-Apr-19	-	-	7,025,544	0.54
				05-Apr-2019	137,220	Purchase	7,162,764	0.55
				26-Apr-2019	189,730	Sale	6,973,034	0.54
				10-May-2019	198,388	Purchase	7,171,422	0.56
				07-Jun-2019	56,962		7,228,384	0.56
				14-Jun-2019	78,633		7,307,017	0.57
				23-Aug-2019	161,824		7,468,841	0.58
				21-Feb-2020	93,373		7,562,214	0.59
				28-Feb-2020	94,666		7,656,880	0.59
				06-Mar-2020	93,631		7,750,511	0.60
				20-Mar-2020	222,985		7,973,496	0.62
				27-Mar-2020	6,109	Sale	7,967,387	0.62
				31-Mar-20			7,967,387	0.62
		7,967,387	0.62	31-Mar-20			7,967,387	0.62
8	FRANKLIN INDIA EQUITY FUND	11,800,000	0.91	1-Apr-19	-	-	11,800,000	0.91
				07-Jun-2019	314,890	Sale	11,485,110	0.89
				14-Jun-2019	185,110		11,300,000	0.88
				05-Jul-2019	1,200,000		10,100,000	0.78
				19-Jul-2019	333,081		9,766,919	0.76
				26-Jul-2019	165,479		9,601,440	0.74
				02-Aug-2019	601,440		9,000,000	0.70
				09-Aug-2019	800,000		8,200,000	0.64
				30-Aug-2019	700,000		7,500,000	0.58
				06-Sep-2019	1500,000		6,000,000	0.46
				20-Sep-2019	300,000		5,700,000	0.44
				01-Nov-2019	300,000	Purchase	6,000,000	0.46
				08-Nov-2019	200,000		6,200,000	0.48
				22-Nov-2019	100,000		6,300,000	0.49
				06-Dec-2019	100,000		6,400,000	0.50
				27-Dec-2019	100,000		6,500,000	0.50
				07-Feb-2020	200,000		6,700,000	0.52
				14-Feb-2020	200,000		6,900,000	0.53
				21-Feb-2020	200,000		7,100,000	0.55
				28-Feb-2020	200,000		7,300,000	0.57
				06-Mar-2020	100,000		7,400,000	0.57
				13-Mar-2020	200,000		7,600,000	0.59
				20-Mar-2020	100,000		7,700,000	0.60
				31-Mar-20			7,700,000	0.60
		7,700,000	0.60	31-Mar-20				

ANNEXURE ‘F’ TO THE BOARD’S REPORT (Contd.)

Sl. No	Name	Shareholding at the beginning(01.04.2019)/ end of the year (31.03.2020)		Date	No. of Shares (Increase/Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares Held	% of total Shares of the Company				No. of Shares Held	% of total Shares of the Company
9	UTI - EQUITY FUND	4,733,480	0.37	1-Apr-19	-	-	4,733,480	0.37
				05-Apr-2019	83,602	Purchase	4,817,082	0.37
				12-Apr-2019	10,030		4,827,112	0.37
				19-Apr-2019	317	Sale	4,826,795	0.37
				26-Apr-2019	2,627	Purchase	4,829,422	0.37
				03-May-2019	4,146	Sale	4,825,276	0.37
				10-May-2019	301,562	Purchase	5,126,838	0.40
				17-May-2019	213,722		5,340,560	0.41
				24-May-2019	153,380		5,493,940	0.43
				31-May-2019	109,782		5,603,722	0.43
				07-Jun-2019	78,017		5,681,739	0.44
				14-Jun-2019	13,800		5,695,539	0.44
				21-Jun-2019	1,656		5,697,195	0.44
				29-Jun-2019	13,863		5,711,058	0.44
				05-Jul-2019	143,233		5,854,291	0.45
				12-Jul-2019	64,026		5,918,317	0.46
				19-Jul-2019	51,618		5,969,935	0.46
				26-Jul-2019	23,985		5,993,920	0.46
				02-Aug-2019	9,877		6,003,797	0.47
				09-Aug-2019	217,169		6,220,966	0.48
				16-Aug-2019	5,568	Sale	6,226,534	0.48
				23-Aug-2019	8,901	Purchase	6,235,435	0.48
				30-Aug-2019	111,704		6,347,139	0.49
				06-Sep-2019	6,061		6,353,200	0.49
				13-Sep-2019	7,892		6,361,092	0.49
				20-Sep-2019	107,867		6,468,959	0.50
				27-Sep-2019	3,368	Sale	6,465,591	0.50
				30-Sep-2019	9,715	Purchase	6,475,306	0.50
				04-Oct-2019	12,801		6,488,107	0.50
				11-Oct-2019	14,118		6,502,225	0.50
				18-Oct-2019	84,600		6,586,825	0.51
				25-Oct-2019	1,513		6,588,338	0.51
				01-Nov-2019	31,979		6,620,317	0.51
				08-Nov-2019	329	Sale	6,619,988	0.51
				15-Nov-2019	53,675		6,566,313	0.51
				22-Nov-2019	53,151	Purchase	6,619,464	0.51
				29-Nov-2019	60,090		6,679,554	0.52
				06-Dec-2019	14,949		6,694,503	0.52
				13-Dec-2019	38,829		6,733,332	0.52
				20-Dec-2019	16,955	Sale	6,716,377	0.52
				27-Dec-2019	175,212	Purchase	6,891,589	0.53
				31-Dec-2019	915	Sale	6,890,674	0.53
				03-Jan-2020	131,152	Purchase	7,021,826	0.54
				10-Jan-2020	3,691		7,025,517	0.54
				17-Jan-2020	76,320		7,101,837	0.55
				24-Jan-2020	67,304		7,169,141	0.56
				31-Jan-2020	23,453	Sale	7,145,688	0.55
				07-Feb-2020	910,405		6,235,283	0.48
				14-Feb-2020	240,960	Purchase	6,476,243	0.50
				21-Feb-2020	167,344		6,643,587	0.51
				28-Feb-2020	90,357		6,733,944	0.52

Sl. No	Name	Shareholding at the beginning(01.04.2019)/ end of the year (31.03.2020)		Date	No. of Shares (Increase/Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares Held	% of total Shares of the Company				No. of Shares Held	% of total Shares of the Company
				06-Mar-2020	206,613		6,940,557	0.54
				13-Mar-2020	257,096		7,197,653	0.56
				20-Mar-2020	51,269	Sale	7,146,384	0.55
				27-Mar-2020	498,558	Purchase	7,644,942	0.59
				31-Mar-2020	65,801		7,710,743	0.60
		7,710,743	0.60	31-Mar-20			7,710,743	0.60
10	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	3,857,871	0.30	1-Apr-20	-	-	3,857,871	0.30
				05-Apr-2019	82,282	Purchase	3,940,153	0.31
				12-Apr-2019	82,025	Sale	3,858,128	0.30
				19-Apr-2019	29,405	Purchase	3,887,533	0.30
				26-Apr-2019	24,140		3,911,673	0.30
				03-May-2019	83	Sale	3,911,590	0.30
				10-May-2019	2,643,544	Purchase	6,555,134	0.51
				17-May-2019	1,171,311		7,726,445	0.60
				24-May-2019	212,876		7,939,321	0.61
				31-May-2019	923,363		8,862,684	0.69
				07-Jun-2019	325,269		9,187,953	0.71
				21-Jun-2019	123,761		9,311,714	0.72
				29-Jun-2019	126,585		9,438,299	0.73
				05-Jul-2019	17,892		9,456,191	0.73
				12-Jul-2019	956,060		10,412,251	0.81
				19-Jul-2019	13,374		10,425,625	0.81
				26-Jul-2019	111,075		10,536,700	0.82
				02-Aug-2019	12,125		10,548,825	0.82
				09-Aug-2019	3,026,732		13,575,557	1.05
				16-Aug-2019	214,424		13,789,981	1.07
				23-Aug-2019	123,140	Sale	13,666,841	1.06
				30-Aug-2019	99,615	Purchase	13,766,456	1.07
				06-Sep-2019	301		13,766,757	1.07
				27-Sep-2019	8,827		13,775,584	1.07
				04-Oct-2019	195,480	Sale	13,580,104	1.05
				11-Oct-2019	184,747	Purchase	13,764,851	1.07
				18-Oct-2019	1,398,677		15,163,528	1.17
				25-Oct-2019	3,664		15,167,192	1.17
				01-Nov-2019	2,209,473		17,376,665	1.35
				08-Nov-2019	474,448		17,851,113	1.38
				15-Nov-2019	74,514		17,925,627	1.39
				22-Nov-2019	94,647		18,020,274	1.40
				29-Nov-2019	25,306		18,045,580	1.40
				13-Dec-2019	68,066		18,113,646	1.40
				20-Dec-2019	14,648	Sale	18,098,998	1.40
				27-Dec-2019	207,598	Purchase	18,306,596	1.42
				31-Dec-2019	68,232		18,374,828	1.42
				03-Jan-2020	66,632		18,441,460	1.43
				17-Jan-2020	87,821		18,529,281	1.44
				24-Jan-2020	266,718		18,795,999	1.46
				31-Jan-2020	317,306		19,113,305	1.48
				07-Feb-2020	96,195		19,209,500	1.49
				21-Feb-2020	295,846		19,505,346	1.51
				28-Feb-2020	55,685		19,561,031	1.52

ANNEXURE ‘F’ TO THE BOARD’S REPORT (Contd.)

Sl. No	Name	Shareholding at the beginning(01.04.2019)/ end of the year (31.03.2020)		Date	No. of Shares (Increase/Decrease in shareholding)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares Held	% of total Shares of the Company				No. of Shares Held	% of total Shares of the Company
				06-Mar-2020	104,637	Sale	19,665,668	1.52
				13-Mar-2020	94,245	Purchase	19,759,913	1.53
				20-Mar-2020	49,951		19,809,864	1.53
				27-Mar-2020	160,916	Sale	19,648,948	1.52
				31-Mar-2020	95,898	Purchase	19,744,846	1.53
		19,744,846	1.53	31-Mar-20			19,744,846	1.53

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Name	Shareholding at the beginning (01.04.2019)/end of the year (31.03.2020)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		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)	32,102,900	2.49	1-Apr-19	-	-	32,102,900	2.49
		-	-	13-Sep-20	2,000,000	Gifts to Trusts	30,102,900	2.33
		-	-	27-Sep-20	2,000,000		28,102,900	2.18
		28,102,900	2.18	31-Mar-20	-	-	28,102,900	2.18
2	Mr. Rajendra Mariwala	5,532,900	0.43	1-Apr-19	-	-	5,532,900	0.43
	(Non-Executive Director)			20-Aug-19	250,000	Open Market Sale	5,282,900	0.41
				27-Aug-19	250,000		5,032,900	0.39
				13-Sep-19	500,000		4,532,900	0.35
				25-Sep-19	500,000		4,032,900	0.31
		4,032,900	0.31	31-Mar-20			4,032,900	0.31
3	Mr. Saugata Gupta	560,600	0.04	1-Apr-19	-	-	560,600	0.04
	(Managing Director & Chief Executive Officer)	-	-	20-Jun-19	80,000	Allotment of shares under Marico ESOP Scheme, 2016	640,600	0.05
				20-Aug-19	25,000	Open market Sale	615,600	0.05
				21-Aug-19	25,000		590,600	0.05
		590,600	0.05	31-Mar-20	-		590,600	0.05
4	Mr. B. S. Nagesh (Independent Director)	Nil	-	-	-	-	-	-
5	Ms. Hema Ravichandar (Independent Director)	Nil	-	-	-	-	-	-
6	Mr. Nikhil Khattau (Independent Director)	Nil	-	-	-	-	-	-
7	Mr. Rajeev Bakshi* (Independent Director)	Nil	-	-	-	-	-	-
8	Mr. Rishabh Mariwala	24,976,500	1.93	1-Apr-19	-	No Change during the year	24,976,500	1.93
	(Non-Executive Director)	24,976,500	1.93	31-Mar-20	-		24,976,500	1.93
9	Mr. Ananth S. (Independent Director)	Nil	-	-	-	-	-	-
10	Mr. Sanjay Dube $ (Independent Director)	Nil	-	-	-	-	-	-

Key Managerial Personnel								
1	Mr. Vivek Karve (Chief Financial Officer)	49,900	0.00	1-Apr-19	-	No Change during the year	49,900	0.00
		49,900	0.00	31-Mar-20	-		49,900	0.00
2	Ms. Hemangi Ghag (Company Secretary & Compliance Officer)	Nil	-	1-Apr-19	-	-	-	-
			-	31-Mar-20	-		-	-

$ Mr. Sanjay Dube has been appointed as an Additional Director (Independent) on January 30, 2020

* Mr. Rajeev Bakshi ceased to be an Independent Director of Marico Limited on March 31, 2020

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 01.04.2019)				
i) Principal Amount	131	-	-	131
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0	-	-	0
Total (i+ii+iii)	**131**	**-**	**-**	**131**
Change in Indebtedness during the financial year				
Additions (Principal)	-	198	-	198
Reduction (Principal)	-	219	-	219
Adjustment (Exchange Rate difference)	-	-21	-	-21
Net Change				
Indebtedness at the end of the financial year (As on 31.03.2019)				
i) Principal Amount	-	110	-	110
ii) Interest due but not paid	-	0	-	0
iii) Interest accrued but not due	-	110	-	110
Total (i+ii+iii)				

ANNEXURE 'F' TO THE BOARD'S REPORT (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Mr. Saugata Gupta* Managing Director & CEO
1	**Gross salary**	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961.	105,914,937
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	29,191,600
	(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	2,730,012
	Total (A)	**137,836,549**
	Ceiling as per the Act**	**-**

*The remuneration of Mr. Saugata Gupta, includes the perquisite value of stock options exercised during the financial year 2019- 20 amounting to ₹ 2,91,52,000, excluding that, the remuneration of Mr. Gupta is ₹ 10,86,84,549 for financial year 2019-20.

**Remuneration paid to Managing Director is within the ceiling provided under Section 197 of the Companies Act, 2013.

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of other Directors						Total
1	Independent Directors	**Mr. Ananth S.**	**Ms. Hema Ravichandar**	**Mr. Rajeev Bakshi**	**Mr. Nikhil Khattau**	**Mr. B. S. Nagesh**	**Mr. Sanjay Dube**	
	(a) Fee for attending Board / Committee Meetings	650,000	1,300,000	950,000	1,330,000	1,150,000	100,000	5,480,000
	(b) Commission	3,000,000	3,400,000	3,300,000	3,400,000	3,000,000	509,589	16,609,589
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	**3,650,000**	**4,700,000**	**4,250,000**	**4,730,000**	**4,150,000**	**609,589**	**22,089,589**
2	Other Non-Exetutive Directors	**Mr. Harsh Mariwala**	**Mr. Rajendra Mariwala**	**Mr. Rishabh Mariwala**				-
	(a) Fee for attending Board / Committee Meetings	750,000	1,080,000	500,000				2,330,000
	(b) Commission	36,025,000	3,000,000	3,000,000				42,025,000
	(c) Others, please specify	-	-	-				-
	Total (2)	**36,775,000**	**4,080,000**	**3,500,000**				**44,355,000**
	Total B(1+2)	**-**	**-**	**-**				**66,444,589**
	Total Managerial Remuneration (Total A+B)							**204,281,138**
	Overall Ceiling as per the Act	₹ 1,404,096,296.46/- (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.	17,119,213	5,402,854
	(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	648,648	211,464
	Total	**17,807,461**	**5,653,918**

* The remuneration of Mr. Vivek Karve for FY 2018-19, includes the perquisite value of stock appreciation rights vested in him amounting to ₹ 78,25,000. Excluding that, the remuneration of Mr. Karve was ₹ 1,78,04,161 and ₹ 1,65,11,912 for financial year 2019-20 and financial year 2018-19 respectively.

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 4, 2020

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	0.889	6th September, 1999	1st April, 2019	31st March, 2020	32	107	501	362	129	980	357	93	265	252	100%
		₹					28	95	445	322	115	871	318	82	235	224	
2	MBL Industries Limited	BDT	0.889	2nd August, 2003	1st April, 2019	31st March, 2020	0	0	1	0	-	-	(0)	-	(0)	-	100%
		₹					0	0	1	0	-	-	(0)	-	(0)	-	
3	Marico Consumer Care Limited	₹	1.000	20th April, 2012	1st April, 2019	31st March, 2020	21	4	25	0	23	-	6	2	5	4	100%
		₹					21	4	25	0	23	-	6	2	5	4	
4	Marico Middle East FZE	AED	20.525	8th November, 2005	1st April, 2019	31st March, 2020	2	(13)	7	18	3	15	(0)	-	(0)	-	100%
		₹					45	(259)	153	367	65	306	(7)	-	(7)	-	
5	MEL Consumer Care SAE	EGP	4.789	1st October, 2006	1st April, 2019	31st March, 2020	0	(13)	0	13	-	-	(0)	-	(0)	-	100%
		₹					0	(61)	1	62	-	-	(2)	-	(2)	-	
6	Egyptian American Company for Investment and Industrial Development SAE	EGP	4.789	19th December, 2006	1st April, 2019	31st March, 2020	1	(1)	0	0	-	-	(0)	-	(0)	-	100%
		₹					3	(5)	0	2	-	-	(0)	-	(0)	-	
7	Marico South Africa (Pty) Limited	ZAR	4.235	17th October, 2007	1st April, 2019	31st March, 2020	11	(2)	17	8	-	24	(2)	(0)	(2)	-	100%
		₹					46	(10)	71	35	-	102	(9)	(0)	(9)	-	
8	Marico South Africa Consumer Care (Pty) Limited	ZAR	4.235	1st November, 2007	1st April, 2019	31st March, 2020	9	(1)	8	-	-	-	(5)	0	(5)	-	100%
		₹					38	(4)	34	-	-	-	(21)	0	(21)	-	
9	Marico Egypt for industries SAE	EGP	4.789	1st January, 2008	1st April, 2019	31st March, 2020	1	(2)	0	0	-	-	(0)	0	(0)	-	100%
		₹					6	(8)	0	2	-	-	(2)	0	(2)	-	
10	Marico for Consumer Care Products SAE	EGP	4.789	19th December, 2017	1st April, 2019	31st March, 2020	1	(7)	8	13	2	13	(2)	(0)	(2)	-	100%
		₹					7	(33)	38	64	8	63	(8)	(1)	(8)	-	
11	Marico Malaysia Sdn.Bhd	MYR	17.498	4th December, 2009	1st April, 2019	31st March, 2020	2	(2)	0	0	-	-	(0)	-	(0)	-	100%
		₹					31	(31)	0	0	-	-	(0)	-	(0)	-	
12	Marico South East Asia Corporation	VND	0.00319	18th February, 2011	1st April, 2019	31st March, 2020	9,536	15,153	53,390	28,701	-	144,865	11,579	2,373	9,206	-	100%
		₹					30	48	170	92	-	462	37	8	29	-	
13	Marico Innovation Foundation	₹	1.000	15th March, 2013	1st April, 2019	31st March, 2020	-	(0)	0	0	-	-	0	-	0	-	100%
		₹					-	(0)	0	0	-	-	0	-	0	-	
14	Parachute Kalpvriksha Foundation	₹	1.000	27th December, 2018	1st April, 2019	31st March, 2020	-	0	0	0	-	-	(0)	-	(0)	-	100%
		₹					-	0	0	0	-	-	(0)	-	(0)	-	
15	Marico Lanka Pvt Ltd	₹	0.400	03rd March, 2019	1st April, 2019	31st March, 2020	3	(4)	6	7	-	3	(4)	-	(4)	-	100%
		₹					1	(2)	2	3	-	1	(2)	-	(2)	-	

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, 2020 as applicable.
4) 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 Pvt. Ltd.	Hello Green Pvt. Ltd.
1. Latest audited Balance Sheet	March 31, 2020	March 31, 2020	March 31, 2020
2. Shares of Joint Venture held by the Company on the year end			
- Number	0	0	0
- Amount of Investment In Associates/Joint Venture	24	5	0
- Extend of Holding	45.00%	29.44%	25.79%
3. Description of how there is significant influence	Shareholder's agreement	Shareholder's agreement	Shareholder's agreement
4. Reason why the joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable
5. Networth attributable to shareholding as per latest audited Balance Sheet	10	1	-
6. Profit/Loss for the year			
i. Considered in consolidation	1	(1)	-
ii. Not Considered in consolidation	1	(2)	-

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
[DIN: 06840707]

HEMANGI GHAG
[Membership No. F9329] Company Secretary

Place : Mumbai
Date : May 4, 2020

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 31st March 2020, 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 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 31st March 2020, 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 and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us 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 opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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. • 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 has 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 the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Evaluated the appropriateness of the Group's revenue recognition accounting policies, those relating to trade allowances and rebates by comparing with applicable accounting standards. • Tested design, implementation and operating effectiveness of the Group's general IT controls and key IT/manual application controls over the Group's systems which govern recording of revenue, revenue cut-off and calculation and monitoring of trade allowances and rebates in the general ledger accounting system. • Performed substantive year-end cut-off testing by selecting samples of revenue transactions recorded at year end, and verifying the underlying documents, which included sales invoices/contracts and shipping documents. • Inspected, on a sample basis, key customer contracts to identify terms and conditions relating to goods acceptance and rebates. • Tested a sample of trade spends to the supporting documentation. • Performed a retrospective review of trade spends accruals with prior period to understand deviation along with reasons for the same. • Tested manual journal posted to revenue to identify unusual items. • Evaluated the adequacy of disclosure in respect of revenue in the financial statements.

CONSOLIDATED 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 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.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • For uncertain tax positions, inspected select correspondences with tax authorities. • Evaluated management's judgment regarding the expected resolution of matters with various tax authorities, based on third-party opinions and the use of past experience, where available, with the tax authorities. • Involved our tax specialists' to evaluate the status of ongoing tax litigations and judgmental tax positions in tax returns and their most likely outcome, basis their expertise, industry outcomes and company's own past experience in respect of similar matters. • Evaluated the adequacy of financial statement disclosures in respect of the tax provision / adjustments and contingencies.

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 ₹ 538 Crore i.e. 10.74% of the total assets of the Group as at 31 March 2020. • 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).	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Evaluated the assumptions applied to key inputs such as sales value, operating costs, growth rates and discount rates. • Compared the inputs with the historical growth trends, evaluating the forecast used in prior year models to its actual performance of the business, agreeing current forecast to the board of directors / management approved plans as well as our own assessment based on our knowledge of the client. • Involved our internal valuation specialists, where appropriate, to evaluate the reasonability of the methodology and approach used in the valuation carried out for determining the carrying amount of investments. • Challenged management with our own sensitivity analysis and evaluated the effect of possible reductions in growth rates and forecasted cash flows on the estimated headroom. • Evaluated the adequacy of financial statement disclosures in respect of investment in subsidiaries and joint ventures, including disclosures of key assumptions, judgements and sensitivities related to impairment testing.

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.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in 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 Management and 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 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 Management and 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 the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its 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. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in 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 five subsidiaries, whose financial statements/financial information reflect total assets of ₹891.78 Crore as at 31st March 2020, total revenues of ₹ 1712.94 Crore and net cash inflows amounting to ₹ 29.48 Crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

(b) The financial statements/financial information of seven subsidiaries, whose financial statements/financial information reflect total assets of ₹ 58.91 Crore as at 31st March 2020, total revenues of ₹ 1.13 Crore and net cash outflows amounting to ₹ 1.52 Crore for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 0.20 Crore for the year ended 31st March 2020, as considered in the consolidated financial statements, in respect of three joint ventures, whose financial statements/ financial information have not been audited 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 joint ventures, 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 and joint ventures 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, this 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 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 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 financial statements comply with the Ind AS specified under section 133 of the Act.

  e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 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 and its subsidiary company 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:

  i. The consolidated financial statements disclose the impact of pending litigations as at 31st March 2020 on the consolidated financial position of the Group and joint ventures. Refer Note 33 to the consolidated financial statements.

  ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March 2020.

  iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31st March 2020.

  iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31st March 2020

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary company incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companyis 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 and Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648
UDIN: 20048648AAAAAN4736

Mumbai
4 May, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT - 31ST MARCH, 2020

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 31st March 2020, 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 company incorporated in India under the Companies Act, 2013 which are its subsidiary company, as of that date.

In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2020, 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.

For **B S R and Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sadashiv Shetty

Mumbai
Partner

4 May, 2020
Membership No: 048648
UDIN: 20048648AAAAAN4736

CONSOLIDATED BALANCE SHEET

as at 31 March 2020

(₹ in Crore)

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
ASSETS				
Non-current assets				
Property, plant and equipment	3(a)	654	572	534
Capital work-in-progress	3(a)	58	45	27
Right of use assets	3(b)	146	153	150
Investment properties	4	17	17	30
Goodwill	5	538	503	486
Other intangible assets	5	41	55	60
Investment accounted for using the equity method	6(a)	29	25	20
Financial assets				
(i) Investments	6(a)	76	34	37
(ii) Loans	6(c)	20	18	19
(iii) Other financial assets	6(f)	11	11	0
Deferred tax assets (net)	7	159	202	20
Non current tax assets (net)	17	45	39	33
Other non-current assets	8	26	35	32
Total non-current assets		**1,820**	**1,709**	**1,448**
Current assets				
Inventories	9	1,380	1,411	1,511
Financial assets				
(i) Investments	6(a)	628	391	486
(ii) Trade receivables	6(b)	539	517	340
(iii) Cash and cash equivalents	6(d)	93	48	51
(iv) Bank balances other than (iii) above	6(e)	186	504	150
(v) Loans	6(c)	5	5	4
(vi) Other financial assets	6(g)	3	4	2
Other current assets	10	340	308	250
Assets classified as held for sale	11	8	12	-
Total current assets		**3,182**	**3,200**	**2,794**
Total assets		**5,002**	**4,909**	**4,242**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12(a)	129	129	129
Other equity				
Reserves and surplus	12(b)	2,900	2,896	2,428
Other reserves	12(c)	(6)	(50)	(34)
Equity attributable to owners		**3,023**	**2,975**	**2,523**
Non-controlling interests	12(c)	13	12	12
Total equity		**3,036**	**2,987**	**2,535**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	13(a)	10	14	20
(ii) Other financial liabilities	13(b)	144	151	147
Employee benefit obligations	15	21	20	19
Deferred tax liabilities (net)	16	6	13	29
Total non current liabilities		**181**	**198**	**215**
Current liabilities				
Financial liabilities				
(i) Borrowings	13(a)	325	335	289
(ii) Trade payables	13(c)			
Due to micro and small enterprises		10	13	4
Due to others		968	931	818
(iii) Other financial liabilities	13(b)	79	63	55
Other current liabilities	18	217	196	161
Provisions	14	58	57	57
Employee benefit obligations	15	54	68	56
Current tax liabilities (net)	17	74	61	52
Total current liabilities		**1,785**	**1,724**	**1,492**
Total liabilities		**1,966**	**1,922**	**1,707**
Total equity and liabilities		**5,002**	**4,909**	**4,242**
Significant accounting policies				
Critical estimates and judgements				

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 and Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 4, 2020

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 4, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2020

(₹ in crore)

Particulars	Notes	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue:			
Revenue from operations	19	7,315	7,334
Other income	20	124	103
Total Income		7,439	7,437
Expenses:			
Cost of materials consumed	21(a)	3,428	3,995
Purchases of stock-in-trade		177	145
Changes in inventories of finished goods, stock-in-trade and work-in progress	21(b)	140	(123)
Employee benefit expense	22	478	466
Finance costs	25	50	40
Depreciation and amortization expense	23	140	131
Other expenses	24	1,623	1,525
Total expenses		**6,036**	**6,179**
Profit before share of net profits of investments accounted for using equity method and tax		**1,403**	**1,258**
Share of net gain/(loss) of joint ventures accounted for using the equity method	31	0	(1)
Profit before exceptional items and tax		**1,403**	**1,257**
Exceptional items	40	(29)	-
Profit before tax from continuing operations		**1,374**	**1,257**
Income tax expense			
Current tax	26	347	331
Deferred tax	26	(16)	(17)
Tax expense for the current year		**331**	**314**
Tax adjustment for earlier years	26	-	(188)
Total tax expense		**331**	**126**
Profit for the year (A)		**1,043**	**1,131**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15	(3)	(2)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	7	1	(0)
Total		**(2)**	**(2)**
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations	12 (c)	45	(16)
Change in fair value of hedging instruments	12 (c)	(2)	0
Income tax relating to items that will be reclassified to profit or loss			
Change in fair value of hedging instruments	12 (c)	1	(0)
Total	7	44	(16)
Other comprehensive income for the year (B)		**42**	**(18)**
Total comprehensive income for the year (A+B)		**1,085**	**1,113**
Net Profit attributable to:			
Owners		1,021	1,114
Non-controlling interests		22	17
		1,043	**1,131**
Other comprehensive income attributable to:			
Owners		42	(18)
Non-controlling interests		(0)	0
		42	**(18)**
Total comprehensive income attributable to:			
Owners		1,063	1,096
Non-controlling interests		22	17
		1,085	**1,113**
Earnings per equity share for profit attributable to owners:	36		
Basic earnings per share		7.91	8.64
Diluted earnings per share		7.91	8.63
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 and Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 4, 2020

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 4, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2020

A. Equity Share Capital

(₹ in Crore)

Particular	Note	Amount
As at 1st April 2018		**129**
Changes in equity share capital	12(a)	0
As at 31st March 2019		**129**
Changes in equity share capital	12(a)	0
As at 31st March 2020		**129**

B. Other Equity

(₹ in Crore)

Particulars	Note	Attributable to owners											
		Reserves and surplus							Other reserves		Total other equity	Non-controlling interests	Total 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			
As at 1st April 2018		**416**	**2,413**	**299**	**11**	**(42)**	**(724)**	55	0	**(34)**	**2,394**	**11**	**2,405**
Profit for the year		-	1,114	-	-	-	-	-	-	-	1,114	17	1,131
Other comprehensive income for the year		-	(2)	-	-	-	-	-	0	(16)	(18)	0	(18)
Total comprehensive income for the year		**-**	**1,112**	**-**	**-**	**-**	**-**	-	0	**(16)**	**1,096**	**17**	**1,113**
(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
Gain transferred to income statement	12(c)	-	-	-	-	-	-	-	(0)	-	(0)	-	(0)
Deferred hedging loss 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	0	8
Other adjustments	12(c)	-	-	-	-	-	-	-	-	-	-	-	-
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	2,843	299	19	(27)	(724)	70	0	(50)	2,846	10	2,846
Balance as at 31st March, 2019		416	2,843	299	19	(27)	(724)	70	0	(50)	2,846	10	2,846
Profit for the year		-	1,021	-	-	-	-	-	-	-	1,021	22	1,043
Other comprehensive income for the year		-	(2)	-	-	-	-	-	(2)	45	41	(0)	41
Total comprehensive income for the year	**-**	**-**	**1,019**	**-**	**-**	**-**	**-**	**-**	**(2)**	**45**	**1,062**	**22**	**1,084**
(Purchase)/sale of treasury shares by the trust during the year (net)	12(b)	-	-	-	-	(0)	-	-	-	-	(0)	-	(0)
Income of the trust for the year	12(b)	-	-	-	-	-	-	4	-	-	4	-	4
Loss transferred to income statement	12(c)	-	-	-	-	-	-	-	(1)	-	(1)	-	(1)
Deferred hedging gain on hedging instruments	12(c)	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on hedge reserve	12(c)	-	-	-	-	-	-	-	1	-	1	-	1
Exercise of employee stock options	12(b)	4	-	-	(4)	-	-	-	-	-	(0)	-	(0)
Share based payment expense	12(b)	-	-	-	10	-	-	-	-	-	10		10
Other adjustments	12(c)	-	-	-	-	-	-	-	-	-	-	(21)	(21)
Transactions with owners in their capacity as owners:													-
Dividends paid on equity shares (including dividend distribution tax of ₹130 crore)	12(b)	-	(1,026)	-	-	-	-	-	-	-	(1,026)	-	(1,026)
Balance as at 31st March, 2020		420	2,835	299	25	(27)	(724)	74	(2)	(5)	2,894	11	2,905

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 of post-employment benefit obligations (net of tax) attributable to owners earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c) General reserve

The general reserve is used from time to time to record transfer of profit from retained earnings for appropriation purposes. As general reserve is created by transfer from one component of equity to another and it is not an item of other comprehensive income, item included in the general reserve will not be reclassified subsequently to profit or loss.

d) Share based option outstanding account

The Company has establhlised 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 provided by the Company. The Company treats WEOMA as its extension and shares held by WEOMA are treated as treasury shares. Profit on sale of treasury shares (net of tax) and dividend earned on the same by WEOMA trust is recognised in WEOMA reserve.

f) Hedge reserve

The Company uses forward and options contracts to hedge its risks associated with foreign currency transactions relating to certain firm commitments and forecasted transactions. The Company also uses Interest 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.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 4, 2020

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 4, 2020

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March, 2020

(₹ in Crore)

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A	CASH FLOW FROM OPERATING ACTIVITIES		
	PROFIT BEFORE INCOME TAX	**1,374**	**1,257**
	Adjustments for:		
	Depreciation, amortisation and impairment	150	131
	Share of net loss /(gain) of joint ventures accounted for using the equity method	(0)	1
	Finance costs	50	40
	Interest income from financial assets	(72)	(54)
	(Gain)/ Loss on disposal of property, plant and equipment (NET)	(0)	(7)
	Net fair value changes (including net gain on sale of investments)	(29)	(72)
	Gain on fair value of financial asset and investment	(4)	38
	Employees stock option charge	10	9
	Stock appreciation rights expense charge	(1)	7
	Provision for doubtful debts, advances, deposits and others (written back) / written off	**(3)**	**11**
		1,475	1,361
	Cash generated from operations before working capital changes		
	(Increase) / Decrease in inventories	31	100
	(Increase) / Decrease in trade receivables	(22)	(177)
	(Increase) / Decrease in other financials assets	1	(3)
	(Increase) / Decrease in other non-current assets	(2)	(0)
	(Increase) / Decrease in other current assets	(33)	(60)
	(Increase) / Decrease in loans	(3)	(1)
	(Decrease) / Increase in provisions	1	(0)
	(Decrease) / Increase in employee benefit obligations	(14)	4
	(Decrease) / Increase in other current liabilities	22	35
	(Decrease) / Increase in trade payables	38	121
	(Decrease) / Increase in other financial liabilities	14	2
	Changes in Working Capital	**33**	**21**
	Cash generated from operations	**1,508**	**1,382**
	Income taxes paid (net of refunds)	(290)	(320)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**1,218**	**1,062**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment for property, plant and equipment and intangible assets	(194)	(162)
	Proceeds from sale of property, plant and equipment	8	19
	(Payment for) / Proceeds from purchase/sale of investments (NET) (refer note H below)	(189)	103
	Investment in joint venture	(3)	(6)
	(Purchase)/ Redemption of Inter-corporate deposits (NET) (refer note H below)	45	20
	Investment in bank deposits (having original maturity more than 3 months) (net) (refer note H below)	217	(357)
	Interest received	72	49

(₹ in Crore)

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
	Net cash utilised in investing activities (B)	**(44)**	**(334)**
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)	3	30
	Other borrowings (repaid) / taken (net) (refer note I below)	(15)	40
	Decrease in minority interest	(21)	(18)
	Interest paid	(34)	(23)
	Repayment of Prinicipal portion of lease liabilities	(38)	(29)
	Interest paid on lease liabilities	(16)	(16)
	Dividends paid to company's shareholders (including dividend distribution tax)	(1,025)	(682)
	Net cash utilised in financing activities (C)	**(1,146)**	**(698)**
D	**EFFECT OF EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS (D)**	**17**	**(33)**
E	**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)**	**45**	**(3)**
F	**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR**	**48**	**51**
G	**CASH AND CASH EQUIVALENTS AT END OF THE YEAR (REFER NOTE 6 (D))**	**93**	**48**

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.

H **Non Cash Transaction from Investing activities**

Particulars	As at 31st March 2019	Cash flow	Non-Cash changes/ Fair Value Adjustment	As at 31st March 2020
Non-Current Investments	34	41	1	76
Current Investments including Fixed deposit	892	(114)	33	811
	926	**(73)**	**34**	**887**

I **Changes in liabilities arising from Financing activities**

Particulars	As at 31st March 2019	Cash flow	Non-Cash changes/ Fair Value Adjustment	As at 31st March 2020
Non Current Borrowings	14	(4)	-	10
Current Borrowings	335	(11)	2	325
	349	(15)	2	335

The above consolidated statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date.

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 4, 2020

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 4, 2020

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 and 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 Group for the year ended 31st March, 2020 were approved for issue in accordance with the resolution of the Board of Directors on 4th May, 2020.

a) Basis of preparation:

i. Compliance with IND AS :

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

ii. Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Groups normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

iii. Historical cost convention :

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial instruments (including derivative instruments) and contingent consideration that are measured at fair value (Refer Note 27);
- assets held for sale measured at lower of cost or fair value less cost to sell;
- defined benefit plan assets / liabilities measured at fair value; and
- share-based payments liability measured at fair value

b) Principles of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are all entities over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

ii. Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iii) below), after initially being recognised at cost in the consolidated balance sheet.

iii. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in consolidated profit and loss, and the Group's share of other comprehensive income of the investee in consolidated other comprehensive income.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

iv. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

c) Segment Reporting:

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Managing Director and CEO is designated as the CODM.

d) Foreign currency transactions:

i) Functional and presentation currencies:

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in INR which is the functional and presentation currency for Marico Limited.

ii) Transactions and Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement of Profit and Loss account. 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 account on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

iii) Group Companies:

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate as on that balance sheet date.
- income and expenses are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

e) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and service taxes and amounts collected on behalf of third parties.

The Group recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

i. Sale of goods:

Timing of recognition: Sale of goods is recognized when 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 and subsidies. No element of financing is deemed present as the sales are made with credit terms, which is consistent with market practice.

ii. Sale of services:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

f) Income recognition

i. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

ii. Dividends are recognised in the Statement of Profit and Loss account only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

iii. Revenue from royalty income is recognized on accrual basis.

g) Government Grants:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss account over the period necessary to match them with the costs that they are intended to compensate and reduced from corresponding cost.

Income from incentives such as government budgetary support scheme, premium on sale of import licenses, duty drawback etc. are recognized under other operating income on accrual basis to the extent the ultimate realization is reasonably certain.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

h) Income Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income and any adjustments to taxes in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act,

1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

i) Property, plant and equipment:

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Property, plant and equipment is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Borrowing costs attributable to acquisition, construction of qualifying asset are capitalized until such time as the assets are substantially ready for their intended use. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of Property, Plant and Equipments that are not yet ready for their intended use at the year end.

Depreciation and amortization:

Depreciation is calculated using the straight-line method to allocate the cost of Property, Plant and Equipment, net of their residual values, over their estimated useful lives.

As per technical evaluation of the Group, the useful life considered for the following items is lower than the life stipulated in Schedule II to the Companies Act, 2013:

Assets	Useful life (years)
Motor vehicle – motor car, bus and lorries, motor cycle, scooter	5
Office equipment – mobile and communication tools	2
Computer – Server network	3
Plant and equipment - Moulds	3 – 5
Leasehold land	Lease period
Right to Use Asset	Lease period

Apart from the above, the useful lives of other class of assets are in line with that prescribed in the Schedule II to the Companies Act, 2013.

Extra shift depreciation is provided on "Plant" basis.

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 the Statement of Profit and Loss account within other income.

j) Intangible Assets:

i. Goodwill:

Goodwill on acquisitions of subsidiaries is included in intangible assets. It is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses arising on the disposal of an entity are calculated after netting of the carrying amount of Goodwill relating to the entity sold, from the proceeds of disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

ii. Intangible assets with finite useful life:

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under:

Assets	Useful life (years)
Computer Software	3

iii. Intangible assets with indefinite useful life:

Intangible assets with indefinite useful lives are measured at cost and are not amortised, but are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

iv. Research and Development:

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned in para i and 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 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.

Previously, under IND AS 17, 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.

On transition to IND AS 116 – Leases, the Group has taken full retrospective approach and implemented retrospectively as a result of which the numbers for FY 2018-19 are reinstated and are comparable with FY 2019-20. The Group is of the view that, full retrospective method is more appropriate as it provides full disclosure along with comparable numbers to the readers of financial statements.

The Group calculate lease liability in respect of all the leases by arriving at present value using incremental borrowing rate for the tenure of the lease on future lease rentals payable by the Group. In cases, where such incremental borrowing rate is not available, interest rate is derived using risk free rate with applicable risk premium, for remaining term of the lease. The risk premium is the usual spread charged by banks for lending.

Any probable cost in future, if applicable, as well towards dismantling or removal of any asset is been considered for arriving at the net outflow.

The Group considers leases with term up to 12 (Twelve) months as short term leases. Also leases where the present value of future lease payments is less than Rs 350,000 are considered as low value. Such short term and low value leases are excluded from the scope for the purpose of Ind As 116.

Right of Use Asset :

The Group derives right of use asset as per IND AS 116 from inception of the lease arrangement and is amortized on a straight line basis over the estimated useful lives of respective Right of use asset.

As on date of transition 1st April 2018, the difference between right-of-use asset and a lease liability is adjusted against Retained earnings as on 1st April 2018

(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 and 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 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 are included in finance income.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cashflows and for selling the financial assets, where the 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 Statement of Profit and Loss account. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive the dividend is established.

iii. Impairment of financial assets:

The Group assesses if there is any significant increase in credit risk pertaining to the assets and accordingly creates necessary provisions, wherever required.

iv. Derecognition of financial assets:

A financial asset is derecognised only when

- the Group has transferred the rights to receive cash flows from the financial asset or
- The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows so received to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

o) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 27. Movements in the hedging reserve in shareholders' equity are shown in Note 12(c). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge reserve

The effective part of the changes in fair value of hedge instruments is recognized in other comprehensive income, while any ineffective part is recognized immediately in the statement of profit and loss.

p) Inventories:

Raw materials, packing materials, stores and spares are valued at lower of cost and net realizable value.

Work-in-progress, finished goods and stock-in-trade (traded goods) are valued at lower of cost and net realizable value.

By-products and unserviceable / damaged finished goods are valued at estimated net realizable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost is assigned on the basis of weighted average method. In case of Marico Middle East FZE costs of inventories are ascertained on First In First Out basis instead of weighted average basis, the impact of which is not material. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

q) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at cost less provision made for doubtful trade receivable as per expected credit loss method over the life of the asset depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group.

r) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

s) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

t) Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

u) Employee Benefits:

i. Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Defined contribution plan:

a. Superannuation Fund:

The Group makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by insurance companies. The Group has no obligation to the scheme beyond its monthly contributions.

b. Provident fund:

Provident fund contributions are made to a trust administered by the Group in India. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the Group is additionally provided for in India. Actuarial losses and gains are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

iii. Defined benefit plan:

a. Gratuity:

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

b. Leave encashment / Compensated absences:

The Group provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation and classified as long term and short term. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

iv. Share based payments:

- **Employee Stock Option Plan:**

The fair value of options granted under the Group's employee stock option scheme (excess of the fair value over the exercise price of the option at the date of grant) is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price),

- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

- **Employee Stock Appreciation Rights Scheme:**

  Liability for the Group's Employee Stock Appreciation Rights (STAR), granted pursuant to the Group's Employee Stock Appreciation Rights Plan, is measured, initially and at the end of each reporting period until settled, at the fair value of the STARs, by applying an option pricing model, and is recognized as employee benefit expense over the relevant service period. The liability is presented as employee benefit obligation in the Balance Sheet.

v. Treasury Shares:

The Company has created a "Welfare of Mariconians Trust", (WEOMA) for providing share-based payment to its employees under the STAR scheme. In order to fund the STAR schemes, the Trust, upon intimation from the Company, carries out secondary market acquisition of the equity shares, of the Company. They are equivalent to STARs granted to its employees. The Company provides loan to the Trust for enabling such secondary acquisition. As and when the STARs vest in eligible employees, upon intimation of such details by the Company, the Trust sells the equivalent shares and hands over the net proceeds to the Company in accordance with the Trust Rules framed. The Company treats, WEOMA as its extension and shares held by WEOMA are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase or sale of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in WEOMA reserve.

v) Provisions and Contingent Liabilities:

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

w) Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(i) estimated amount of contracts remaining to be executed on capital account and not provided for;

(ii) uncalled liability on shares and other investments partly paid;

(iii) funding related commitment to subsidiary, associate and joint venture companies; and

(iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/ procurements made in the normal course of business are not disclosed to avoid excessive details.

x) Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdraft.

y) Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and disclosed as such in the financial statements.

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

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

ab) Contributed Equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ac) Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

ad) Business Combinations:

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

ae) Rounding off:

All amounts disclosed in the consolidated financial statement and notes have been rounded off to the nearest crores, unless otherwise stated.

Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as “0” in the relevant notes in these financial statements.

af) Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

2 Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Group may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

(a) Impairment of financial assets (including trade receivable) (Note 28)

(b) Estimation of defined benefit obligations (Note 15)

(c) Estimation of current tax expenses and payable (Note 26)

(d) Estimated impairment of goodwill and intangible assets with indefinite useful life (Note 5)

(e) Estimation of provisions and contingencies (Note 14 and 33)

(f) Recognition of deferred tax assets including MAT credit (Note 7)

(g) Lease Accounting (Note 3 (b))

(a) Impairment of financial assets (including trade receivable)

Impairment testing for financial assets (other than trade receivables) is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of the individual financial asset is determined based on value-in-use calculations which required use of assumptions.

Allowance for doubtful receivables represent the estimate of losses that could arise due to inability of the Customer to make payments when due. These estimates are based on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group as well as forward looking estimates at the end of each reporting period.

(b) Estimation of defined benefit obligations

The liabilities of the Group arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions. Refer Note 15 for significant 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 and final tax assessments will impact the income tax as well as the resulting assets and liabilities.

(d) Estimated impairment of goodwill and intangible assets with indefinite useful life

Impairment testing for Goodwill and 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.

Particulars	Vietnam	South Africa
Period of Cash flow projections	10 years	10 years
Avg Sales Growth (%)	8%	6%
Avg Gross Margins %	48%	30%
Terminal Sales Growth %	2%	2%
Pre- tax discount rate	12.8%	10.9%

The growth rates and margins used to make estimate future performance are based on past performance and our estimates of future growths and margins achievable in the CGUs. Pre-tax discount rates reflect specific risks relating to the relevant segments and geographies in which the CGUs operate.

(e) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Group. The Group exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(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.

(g) Lease Accounting

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for The Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group has considered leases with term up to 12 (Twelve) months as short term leases. Also leases where the current market value (for transition purpose determined basis the present value of future lease payments) is less than Rs 350,000 have been considered as low value. Such short term and low value leases are accordingly excluded from the scope for the purpose of Ind As 116 reporting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

3 (a) 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, 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)	
Exchange Differences	-	0	1	2	(2)	0	0	-	1	
Closing accumulated depreciation	**-**	**3**	**57**	**231**	**11**	**2**	**14**	**3**	**321**	
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**

Paritulars	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office Equipment	Leasehold im-provements	Total	CWIP
Year ended 31st March, 2020										
Gross carrying amount										
Opening gross carrying amount	17	54	298	469	21	4	18	15	896	45
Additions	-	-	44	120	6	2	3	4	179	
Disposals / transfers	-	-	(8)	(14)	(1)	(1)	(2)	-	(25)	
Exchange Differences	1	0	2	8	2	(0)	1	-	14	
Closing gross carrying amount	**18**	**55**	**336**	**583**	**28**	**5**	**20**	**19**	**1,064**	
Accumulated depreciation										
Opening accumulated depreciation	**-**	**3**	**57**	**231**	**11**	**2**	**14**	**3**	**321**	
Depreciation charge during the year	-	1	15	72	4	1	3	2	98	
Disposals / transfers	-	-	(5)	(11)	(0)	(1)	(1)	-	(19)	
Adjustments	-	-	-	-	-	-	-	-	-	
Exchange Differences	**-**	**0**	**1**	**4**	**2**	**0**	**0**	**-**	**7**	
Closing accumulated depreciation	-	4	68	296	16	2	16	5	407	
Impairment loss										
Opening Impairment Loss	-	-	0	2	1	-	0	-	3	
Impairment charge/reversal during the year	-	-	1	1	(0)	-	0	-	2	
Write off	-	-	-	(2)	-	-	-	-	(2)	
Exchange Differences	**-**	**-**	**0**	**0**	**0**	**-**	**0**	**-**	**0**	
Closing impairment loss	**-**	**-**	**1**	**1**	**1**	**-**	**0**	**-**	**3**	
Net carrying amount	**18**	**51**	**267**	**286**	**11**	**3**	**4**	**14**	**654**	**58**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

3 Property, Plant and Equipment

(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 for setting up new manufacturing unit at Sanand , 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, 2019: Nil) being the value of shares in co-operative housing societies.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2020

3(b) Right to use asset

(₹ in Crore)

Particulars	Buildings	Plant and equipment	Total
Year ended 31st March, 2019			
Gross carrying amount			
Opening gross carrying amount	**227**	**1**	**228**
Additions	36	-	36
Disposals / transfers	(18)	-	(18)
Exchange Differences	2	(0)	2
Closing gross carrying amount	**247**	**1**	**248**
Accumulated depreciation			
Opening accumulated depreciation	**77**	**0**	**78**
Depreciation charge during the year	35	0	35
Disposals / transfers	(18)	-	(18)
Exchange Differences	0	(0)	0
Closing accumulated depreciation	**94**	**1**	**95**
Impairment loss			
Opening Impairment Loss	**-**	**-**	**-**
Impairment charge/ (reversal) during the year	-	-	-
Write off	-	-	-
Exchange Differences	-	-	-
Closing impairment loss	**-**	**-**	**-**
Net carrying amount	**153**	**0**	**153**
Year ended 31st March, 2020			
Gross carrying amount			
Opening gross carrying amount	**247**	**1**	**248**
Additions	37	0	37
Disposals / transfers	(26)	(1)	(27)
Exchange Differences	4	(0)	4
Closing gross carrying amount	**262**	**0**	**262**
Accumulated depreciation			
Opening accumulated depreciation	**94**	**1**	**95**
Depreciation charge during the year	37	0	37
Disposals / transfers	(17)	(1)	(18)
Adjustments	-	-	-
Exchange Differences	2	(0)	2
Closing accumulated depreciation	**116**	**0**	**116**
Impairment loss			
Opening Impairment Loss	**-**	**-**	**-**

(₹ in Crore)

Particulars	Buildings	Plant and equipment	Total
Impairment charge/reversal during the year	-	-	-
Write off	-	-	-
Exchange Differences	-	-	-
Closing impairment loss	**-**	**-**	**-**
Net carrying amount	**146**	**0**	**146**

Impact of COVID-19

The Group does not foresee any large-scale contraction in demand which could result in significant down-sizing of its operation rendering the physical infrastructure redundant. The leases that the Group has entered with lessors towards properties used as delivery centers / depots / sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

4 Investment Properties

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gross carrying amount		
Opening gross carrying amount/Deemed cost	**18**	**31**
Additions	-	-
Reclassification as held for sale (refer note v below)	-	(13)
Closing gross carrying amount	**18**	**18**
Accumulated Depreciation	1	2
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**	**17**

* Includes exchange differences

(i) Amounts recognised in profit or loss for investment properties

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
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, 2020	As at 31st March, 2019
Within one year	1	0
Later than one year but not later than 5 years	1	-
Later than 5 years	-	-

(iii) Fair value

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment properties	45	39

Estimation of fair value

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in 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 include details obtained from "The Ready Reckoner", location factor and physical verification of the property.

(v) During the previous year ended 31st March, 2019 investment property at Andheri, Mumbai had 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 2019				
Opening gross carrying amount	**57**	**14**	**71**	**486**
Additions	-	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**

Particulars	Trademarks and copyrights (Refer note (i) below)	Computer software	Total	Goodwill
Year ended 31st March 2020				
Opening gross carrying amount	**51**	**18**	**69**	**503**
Additions	**-**	**5**	**5**	**-**
Disposals	-	(2)	(2)	-
Adjustments (refer note (ii) below)	(17)	-	(17)	17
Exchange differences	1	0	2	27
Closing gross carrying amount	**35**	**22**	**57**	**547**
Accumulated amortisation	0	14	14	-
Amortisation charge for the year	-	3	3	-
Disposals	-	(1)	(1)	-
Impairment charged (refer note (iii) below)	-	-	-	10
Exchange differences	0	0	0	(2)
Closing accumulated amortisation	**0**	**16**	**16**	**8**
Closing net carrying amount	**35**	**6**	**41**	**538**

(i) During the financial year ended 31st March, 2018, the Group acquired the business and 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 2.1 million (approx. ₹ 1 Crores) were recognised in the books and balance consideration was attributable towards other tangible assets.

(ii) During the year, valuation of 'ISOPLUS' brand in South Africa was finalised that required a material adjustment to the initial calculation of the fair value of the brand acquired. This resulted into recognition of goodwill on acquisition of ZAR 35.8 million (approx ₹ 17 Crores) and simultaneous derecognition of intangible by ZAR 35.8 million (approx. ₹ 17 Crores). Consequent to this adjustment, deferred tax liability of ZAR 0.94 million (Approx. Rs. 4 crore) has been recognised in the books.

(iii) Goodwill on acquisitions included in intangible assets was tested for impairment basis circumstances indicating the impairment of brand ISOPLUS in South Africa. Consequently, impairment loss of ₹ 10 Crore was recognized during the year (refer note 40).

(iv) Impact of COVID-19

Cash generating unit's (CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2020

6(a) Investments

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current Investments		
I. Investment in Joint venture		
Equity instruments		
Joint venture	29	25
II. Other Invesments		
(A) Quoted		
Debentures	50	9
Bonds	25	25
Mutual Funds	-	-
	75	**34**
(B) Unquoted		
Equity instruments		
In Others	1	0
Government securities	0	0
	1	0
Total Non - current other Investments (A + B)	**76**	**34**
Current Investments		
(C) Quoted		
Debentures	68	84
Bonds	47	-
Mutual funds	-	13
	115	**97**
(D) Unqoted		
Intercorporate deposits	31	77
Commercial papers	89	25
Certificate Deposits	96	-
Mutual Funds	297	192
	513	**294**
Total current other Investments (C+D)	**628**	**391**
Unquoted at cost		
In Joint Venture		
Zed Lifestyle Private Limited (refer note (i) below)	25	22
5,640 (31st March, 2019 : 5,176) equity shares of ₹ 10 each fully paid		
Revolutionary Fitness Private Limited (refer note (ii) below)	3	4

Particulars	As at 31st March, 2020	As at 31st March, 2019
5,791 (31st March, 2019 : 4,022) equity shares of ₹ 10 each fully paid		
Hello Green Pvt Ltd (refer note (iii) below)	0	-
8,568 (31st March, 2019 : Nil) equity shares of ₹ 10 each fully paid		
Total investment in Joint Venture	**29**	**26**
Aggregate carrying amount of quoted investments	190	131
Market value/ Net asset value of quoted investments	190	133
Aggregate carrying amount of unquoted investments	543	294

Notes:

(i) During the year ended 31st March, 2020, the Company acquired additional 2.12% stake in Zed Lifestyle Private Limited, a joint Venture. During the previous year ended 31st March, 2019, the Company acquired additional 2.28% stake in the joint venture. As at 31st March, 2020 Company holds 45% stake in this joint venture.

(ii) During the year ended 31st March, 2020, the Company acquired additional 6.98% stake in Revolutionary Fitness Private Limited, a joint venture. During the previous year ended 31st March, 2019, the Company acquired 22.46% stake in the joint venture. As at 31st March, 2020 company holds 29.44% stake in this joint venture.

(iii) During the year ended 31st March, 2020, the Company acquired 25.79% stake in Hello Green Private Limited, a joint venture.

6(b)Trade Receivables

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade receivables	544	522
Less: Allowance for doubtful debts	(5)	(5)
Total receivables	**539**	**517**
Current Portion	539	517
Non-Current Portion	-	-
Break up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	539	517
Trade receivables which have significant increase in credit risk	4	4
Add Less: Allowance for doubtful debts	(4)	(4)
Trade receivables - Credit impaired	1	1
Less: Allowance for doubtful debts	(1)	(1)
Total	**539**	**517**

For credit risk and provision for loss allowance refer note 28(a)

6(c) Loans

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non current		
Unsecured, considered good		
Loans to employees	3	4
Security deposits with public bodies and others		
Considered good	17	14
Considered doubtful	1	1
	18	15
Less: Provision for doubtful deposits	(1)	(1)
	17	**14**
Total non current loans	**20**	**18**
Current		
Unsecured, considered good		
Loan to employees	5	5
Total current loans	**5**	**5**

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, 2020	As at 31st March, 2019
Balances with banks		
Bank balances in current accounts	57	34
Deposits with original maturity of less than three months	36	14
Cash on hand	0	0
Total cash and cash equivalents	**93**	**48**

6(e) Bank Balances other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fixed deposits with maturity more than 3 month but less than 12 months	183	502
Balances with banks for unclaimed dividend (Refer note below)	3	2
Total bank balance other than cash and cash equivalents	**186**	**504**

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, 2020	As at 31st March, 2019
Unsecured considered good (unless otherwise stated)		
Fixed deposits-maturing after 12 months (refer note below)	11	11
Total other non current financial assets	**11**	**11**

Note : Fixed deposits with banks includes deposits with sales tax authorities, deposits held as lien by banks against guarantees and for other earmarked balances.

6(g) Other Current Financial Assets

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Derivatives		
Foreign exchange forward contracts, options and interest rate swaps	1	2
	1	**2**
(ii) Others		
Advances to related parties (Refer Note 32)	0	1
Security deposits	0	0
Other deposits	1	1
	1	**2**
Total other current financial assets	**3**	**4**

7 Deferred Tax Asset (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Liabilities / provisions that are deducted for tax purposes when paid	38	36
Defined benefit obligations	2	1
On intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme	2	3
MAT Credit entitlement	134	182
	176	**222**
Other items:		
On hedge reserve	-	-
Other timing differences	19	13
	19	**13**
Total deferred tax assets	**195**	**235**
Set off of deferred tax liabilities pursuant to set off provisions	(36)	(33)
Net deferred tax assets	**159**	**202**

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, 2018	**28**	**2**	**5**	**2**	**18**	**55**
(Charged)/credited :						
to Profit and Loss	8	(1)	(2)	(0)	(5)	(2)
Tax adjustment for earlier years	-	(0)	-	188	-	188
to other comprehensive income	-	-	-	(8)	-	(6)
As at 31st March 2019	**36**	**1**	**3**	**182**	**13**	**235**
(Charged)/credited :						
to Profit and loss	2	0	(0)	-	6	(7)
to other comprehensive income	-	0	-	-	-	0
Deferred tax on balance sheet adjustment	-	-	-	(48)	-	(49)
Exchange translation Difference	0	0	-	-	0	1
As at 31st March 2020	**38**	**2**	**2**	**134**	**19**	**195**

*On intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme.

8 Other Non Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital advances	10	21
Advances to vendors	2	1
Prepaid expenses	2	2
Fringe benefit tax payments	0	0
Deposits with statutory/government authorities	12	11
Total other non-current assets	**26**	**35**

9 Inventories

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw materials		
- In stock	504	398
- In transit	24	15
Packing materials		
- In stock	94	103
- In transit	2	1
Work-in-progress	341	304
Finished goods		
- In stock	354	534
- In transit	1	1
Stock in Trade	42	35
By-product	4	8
Stores and spares	14	12
Total inventories	**1,380**	**1,411**

Refer Note 1 (p) for basis for valuation

During the year, an amount of ₹ 68 Crore (31st March, 2019: ₹ 49 crores) was charged to the Statement of Profit and Loss on account of damaged and slow moving inventory. The reversal on account of above during the year amounted to Nil (31st March, 2019: Nil).

10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advances to vendors	100	88
Balances with government authorities	81	75
Input tax credit receivable	138	129
Prepaid expenses	15	16
Others	6	0
Total other current assets	**340**	**308**

11 Assets Classified as Held for Sale

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Land and Building	8	12
Total assets classified as held for sale	**8**	**12**

Non-recurring fair value measurements

(i) During the previous year ended 31st March, 2019 investment property at Andheri, Mumbai, having carrying value of ₹12 Crore was classified as asset held for sale, of which part property was sold during the year and remaining property is classified as Asset held for sale with carrying value of ₹ 5 Crore. Fair value of the same was ₹ 10 Crore as at 31st March, 2020. The fair value has 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.

(ii) During the year, office premises located at Uttara, Bangladesh having carrying value of ₹ 3 Crore (BDT 4 Crore) was classified as asset held for sale. Fair value of the same was ₹ 22 Crore (BDT 24 Crore) as at 31st March, 2020.

12(a) Equity Share Capital

Particulars	No. of shares (₹ in Crore)	Amount (₹ in Crore)
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**
As at 31st March, 2020		
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, 2019		
1,290,864,398 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, 2020		
1,291,018,088 equity shares of Re. 1/- each fully paid-up	129.10	129
Total	**129.10**	**129**

(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 31st March, 2018	129.09	129
Shares issued during the year - ESOP (refer note 35 (a))	-	-
As at 31st March, 2019	**129.09**	**129**
Shares issued during the year - ESOP (refer note 35 (a))	0.01	0.02
As at 31st March, 2020	**129.10**	**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 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 (a).

(iv) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	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)	69,377,833	5.37	78,346,023	6.07

(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, 2020	As at 31st March, 2019
No. of equity shares allotted as bonus	645,085,599	645,085,599
No. of equity shares alloted under employee stock option plans	950,490	905,800

12(b) Reserves and Surplus

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Securities premium	420	416
General reserve	299	299
Share based option outstanding account	25	19
Treasury shares	(27)	(27)
WEOMA reserve	73	70
Retained earnings	2,835	2,843
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	**2,900**	**2,896**

(i) Securities premium

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	416	416
Add: Exercise of employee stock options	3	-
Closing Balance after Minority Interest	**419**	**416**

(ii) General reserve

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
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, 2020	As at 31st March, 2019
Opening balance	19	11
Exercise of employee stock options	(4)	-
Share based payment expense	10	8
Closing Balance after Minority Interest (ESOP)	**25**	**19**

(iv) Treasury shares

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	(27)	(42)
Add :(Purchase)/sale of treasury shares by the trust during the year (net)	(0)	15
Closing Balance after Minority Interest	**(27)**	**(27)**

(v) WEOMA reserve

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	70	55
Add : Income of the trust for the year	3	15
Closing Balance after Minority Interest	**73**	**70**

(vi) Retained earnings

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	2,843	2,413
Net Profit for the year	1,021	1,114
Remeasurements of post-employment benefit obligation, net of tax	(2)	(2)
Less: Dividend	(896)	(589)
Less: Tax on dividend (net of tax on dividend received from subsidiaries of ₹49 Crore) (Previous year ₹37 Crore)	(131)	(93)
Closing Balance after Minority Interest	**2,835**	**2,843**

12(c) Other Reserves

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Hedge reserve	(1)	0
Foreign currency translation reserve	(5)	(50)
Total other reserves	**(6)**	**(50)**

Hedge Reserve

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	0	0
Deferred Hedging Gain / (Loss) on hedging instruments	(2)	1
Gain / (Loss) transferred to Income Statement	(1)	(0)
Deferred tax on hedge reserve	1	(0)
Closing Balance hedge reserve	**(1)**	**0**

Foreign currency translation reserve

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	(50)	(34)
Less: Transferred to retained earnings	-	-
Exchange gain/(loss) on translation during the year	45	(16)
Closing Balance Foreign currency translation reserve	**(5)**	**(50)**

Non controlling interest (NCI)

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	12	12
Total comprehensive income for the year	22	17
Less : Dividend distributed to minority shareholders	(21)	(18)
Other adjustments	0	1
Closing Balance Non controlling interest (NCI)	**13**	**12**

13(a) Non-current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2020	As at 31st March, 2019
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	13	17
Total non-current borrowings				**13**	**17**
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				**10**	**14**

The scheduled maturity of long term borrowings is summarized as under:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within one year (refer note 10 - Current maturities of long term debt)	3	3
After 1 year but within 2 years	10	14
Total	**13**	**17**

Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2020	As at 31st March, 2019
Loans repayable on demand					
Unsecured					
From banks					
- Cash credit (refer note (i) below)	Payable on demand	Payable on demand	9.5% to 12.25% per annum	-	3
- Export packing credit (refer note (i) below)	FY 20, Repayable with Interest on May, 2020 INR 17 Crores, July, 2020 INR 13 Crores (FY 19 - Repaid From April 19 to June 19, INR 24 Crores, August 19 to September 19 INR 18 Crores)	For a term of six months	FY 20 Bank Base rate/Relevant Benchmark rate plus applicable spread less Interest Subvention of 3.00% per annum; (FY 19 - Bank Base rate/Relevant Benchmark rate plus applicable spread less Interest Subvention of 3.00% per annum)	30	42
- Working capital demand loan	FY 20 : Repayable with interest on April 2020 - INR 10 Crores,June 2020 - INR 24 Crores, July 2020 - INR 6 Crores, February 2021 - INR 30 Crores, March 2021 - INR 10 Crores,(FY 19 Repaid April to June 2019 - INR 45 Crore July 19 to March 20- INR 41 Crores)	For a term of six months to twelve months	FY 20 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum (FY 19 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum;)	80	86
- Working Capital Demand Loan	FY 20 : Repayable with interest, June 2020 - INR 116.25 Crores December, 2020 - INR 45.23 Crore (FY19: Repayable with interest, May 2019 - INR 84.25 Crores June, 2019 - INR 24.28 Crores, May, 2019 - INR 16.54 Crores, December, 2019 - INR 41.62 Crores)	For terms upto twelve months	FY 20 LIBOR plus applicable spread ranging from 0.60% to 0.80% per annum (FY 19 : LIBOR plus applicable spread ranging from 0.70% to 0.90% per annum)	162	166
- Cash credit	Payable on demand	Payable on demand	FY 20 LIBOR plus applicable spread ranging from 0.50% to 0.75 % per annum (FY 19 : LIBOR plus applicable spread ranging from 0.50% to 1.00% per annum)	53	39
Total current borrowings				**326**	**336**
Less: Interest accrued (Refer Note 13(b))				1	1
Current borrowings as per balance sheet				**325**	**335**

Note:-

(i) Cash credit, working capital demand loan and export packing credit is unsecured. There is no charge against short term loan taken from banks.

13(b) Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current		
Lease Liabilities	144	151
Total other non-current financial liabilities	144	151
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	1
Creditors for capital goods	8	3
Salaries, bonus and other benefits payable to employees	22	14
Trade deposits from customers and others	1	2
Unclaimed dividend (refer note below)	3	2
Lease Liabilities	39	38
Others	0	0
Derivative designated as hedges	2	-
Total other current financial liabilities	**79**	**63**

Note : As at 31st March, 2020, 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, 2020	As at 31st March, 2019
Current		
Trade payables:		
Dues to Micro and small enterprises (refer note below)	10	13
Dues to others	968	931
Total trade payables	**978**	**944**

Note: The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
I. The principal amount remaining unpaid to any supplier as at the end of accounting year included in trade payable	10	12
II. Interest due thereon	1	1
Trade Payables due to micro and small enterprises	**11**	**13**
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	1
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	1	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, 2020	As at 31st March, 2019
Current		
Disputed indirect taxes (refer Note (a and b))*	58	57
Total current provisions	**58**	**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 states of Himachal Pradesh and West Bengal where company has filed writ petitions in both the states before the respective Honourable High Courts and the matter is sub judice. It is not practicable to state the timing of the judgement and final outcome. Management has assessed that unfavourable outcome of the matter is more than probable and therefore has created provisions for necessary amounts.

(b) Movement 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, 2020	As at 31st March, 2019
Balance as at the beginning of the year	57	57
Add: Additional provision recognised	1	-
Less: Amount used during the year	-	(0)
Balance as at the end of the year	**58**	**57**

15 Employee benefit obligation non current

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gratuity (refer note (i) and (a) below)	9	6
Leave encashment/compensated absences (refer note (iii) below)	9	9
Share-appreciation rights (refer note (iv) below)	1	2
Others	2	3
Total employee benefit obligations non current	**21**	**20**

Employee Benefit Obligation Current

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gratuity (refer note (i) below)	6	6
Leave encashment/compensated absences (refer note (iii) below)	3	3
Share-appreciation rights (refer note (iv) below)	0	3
Incentives / bonus	45	56
Total employee benefit obligations current	**54**	**68**

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 2020 and 31st March 2019.

(iii) Leave Encashment/Compensated absences.

The Group provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. The Current leave obligations expected to be settled within the next 12 months.

(iv) Share-appreciation rights

In respect of Employee Stock Appreciation Rights (STAR) granted pursuant to the Group's Employee Stock Appreciation Rights Plan, 2011, the liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the stock appreciation rights, by applying an option pricing model (excess of fair value as at the period end over the Grant price) and is recognized as Employee compensation cost over the vesting period (refer note 35(b)).

(a) Balance sheet amounts - Gratuity

(₹ in Crore)

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
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)
(Gain)/loss from change in financial assumptions	1	-	1
Experience (gains)/ losses	1	0	1
Total amount recognised in other comprehensive income	**2**	**0**	**2**
Employer contributions	-	4	(4)
Benefit Payments	(5)	(3)	(2)
Balance as on 31st March 2019	**38**	**26**	**12**
Balance as on 1st April 2019	**38**	**26**	**12**
Current service cost	5	0	5
Interest expense	3	0	3
Past service cost	0	0	0
Interest Income	0	(2)	(2)
Total amount recognised in profit or loss	**8**	**(2)**	**6**
Remeasurements			
(Gain)/loss from change in demographic assumptions	0	0	0
(Gain)/loss from change in financial assumptions	3	0	3
Experience (gains)/ losses	1	(1)	0
Total amount recognised in other comprehensive income	**4**	**(1)**	**3**
Employer contributions	0	5	(5)
Benefit Payments	(8)	(6)	(2)
Balance as on 31st March 2020	**42**	**27**	**15**

The Net liability disclosed above relates to funded and unfunded plans are as follows

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Present value of funded obligations	**34**	31
Fair value of plan assets	**(28)**	(26)
Deficit of funded plan	**6**	5
Unfunded plans	**9**	7
Deficit of gratuity plan	**15**	12

The following table shows a breakdown of the defined benefit obligation (Gratuity) and plan assets by country:

Plan type	31st March, 2020				31st March, 2019			
	India	Bangladesh	Dubai	Total	India	Bangladesh	Dubai	Total
Present value of obligations	34	6	3	43	31	5	2	38
Fair value of plan assets	(28)	-	-	(28)	(26)	0	0	(26)
Total liability	**6**	**6**	**3**	**15**	**5**	**5**	**2**	**12**

The significant actuarial assumptions were as follows

Plan type	31st March, 2020			31st March, 2019		
	India	Bangladesh	Dubai	India	Bangladesh	Dubai
Discount rate	6.37%	10.00%	2.40%	7.09%	10.00%	3.60%
Rate of return on Plan assets*	6.37%	NA	NA	7.09%	NA	NA
Future salary rise**	10.00%	12.00%	5.00%	10.00%	10.00%	5.00%
Attrition rate	15% and 16%	11.00%	5.25%	15&16%	17.00%	5.25%

* The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Sensitivity analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Projected benefit obligation on current assumptions	**43**	**38**
Delta effect of +1% change in rate of discounting	(2)	(2)
Delta effect of -1% change in rate of discounting	3	2
Delta effect of +1% change in rate of salary increase	2	2
Delta effect of -1% change in rate of salary increase	(2)	(2)
Delta effect of +1% change in rate of Employee turnover	(0)	(0)
Delta effect of -1% change in rate of Employee turnover	0	0

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The major categories of plans assets are as follows:

(₹ in Crore)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Amount	in %	Amount	in %
Special deposit scheme	-	0.00%	-	0.00%
Insurer Managed funds	28	100.00%	26	100.00%
Other	-	0.00%	-	0.00%
Total	**28**	**100.00%**	**26**	**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 2020 and 31st March 2019.

The expected maturity analysis of gratuity is as follows:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within the next 12 months	5	5
Between 2 and 5 years	20	19
Between 6 and 10 years	18	16
Beyond 10 years	3	5
Total	**46**	**45**

(b) Provident Fund

Amount recognised in the Balance sheet

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Liability at the end of the year	-	0
Fair value of plan assets at the end of the year	182	163
Present value of benefit obligation as at the end of the period	(173)	(157)
Difference	9	5
Unrecognized past service Cost	(9)	(5)
(Assets) / Liability recognized in the Balance Sheet	**0**	**0**

Changes in defined benefit obligations:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Liability at the beginning of the year	157	137
Opening balance adjustment	0	1
Interest cost	12	12
Current service cost	12	10
Employee contribution	15	13
Liability Transferred in	6	3
Liability Transferred out	-	(8)
Benefits paid	(29)	(11)
Liability at the end of the year	**173**	**157**

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fair value of plan assets at the beginning of the year	163	141
Opening balance adjustment	-	1
Expected return on plan assets	12	14
Contributions	26	23
Transfer from other Company	6	3
Transfer to other Company	-	(8)
Benefits paid	(29)	(11)
Actuarial gain/(loss) on plan assets	3	0
Fair value of plan assets at the end of the year	**182**	**163**

Expenses recognised in the Statement of Profit and Loss :

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current service cost	12	10
Interest cost	12	14
Expected return on plan assets	(12)	(14)
(Income) / Expense recognised in the Statement of Profit and Loss	**12**	**10**

The major categories of plan assets are as follows :

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Amount	in %	Amount	in %
Central Government securities	12	6.67%	14	8.67%
State loan/State government Guaranteed Securities	13	6.97%	13	7.94%
Government Securities debt instruments	111	61.14%	89	54.44%
Public Sector Units	20	10.74%	24	14.74%
Private Sector Units	5	2.97%	6	3.81%
Equity / Insurance Managed Funds	10	5.28%	9	5.32%
Special Deposit	1	0.61%	-	0.00%
Others	10	5.63%	8	5.08%
Total	**182**	**100.00%**	**163**	**100.00%**

The Significant actuarial assumptions were as follows :

Particulars	As at 31st March, 2020	As at 31st March, 2019
Discount rate	6.37%	7.07%
Rate of return on plan assets*	8.65%	8.65%
Future salary rise**	10.00%	10.00%
Attrition rate	16%-15%	16%-15%
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, 2020	As at 31st March, 2019
Opening balance of compensated absences	12	12
Present value of compensated absences (As per actuarial valuation) as at the year end	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 2019) towards employee state insurance plan in the Statement of Profit and Loss.

(e) Risk exposure (For Gratuity and Provident Fund)

Through its defined benefit plans, the Group is exposed to below risk:

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The Trust ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

16 Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liability:		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	34	35
Intangible assets	6	2
Financial assets at fair value through Profit and Loss	0	(1)
Outside basis tax	**2**	11
Other timing differences (hegde reserve)	(0)	0
Total deferred tax liabilities	**42**	**47**
Set off of deferred tax assets pursuant to set off provisions	(36)	(34)
Net deferred tax liabilities	**6**	**13**

Movement in deferred tax liabilities

Particulars	Property plant and equipment and Investment property	Intangible assets	Financial assets at fair value through Profit and Loss	Outside basis tax	Other items	Total deferred tax liabilities
As at 31st March, 2018	**41**	**-**	**14**	**11**	**0**	**66**
(Charged)/credited :						
to Profit and loss	(6)	-	(15)	(0)	0	(20)
to other comprehensive income	-	-	-	-	-	-
Deferred tax on basis adjustment	-	2	-	-	-	2
As at 31st March, 2019	**35**	**2**	**(1)**	**11**	**0**	**47**
(Charged)/credited :						
to Profit and loss	(1)	-	1	(9)	-	(8)
to other comprehensive income	-	-	-	-	(1)	(1)
Deferred tax on basis adjustment	-	5	-	-	-	5
Exchange translation Difference	(0)	(1)	-	-	-	(1)
As at 31st March, 2020	**34**	**6**	**0**	**2**	**(0)**	**42**

17 Tax assets and liabilities

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non current tax assets (net)	45	39
Current tax liabilities (net)	74	61

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, 2020	Year ended 31st March, 2019
Statutory dues (including provident fund, tax deducted at source and others)	19	20
Deferred income on government grants (refer note below)	5	6
Unpaid dividend	-	5
Book overdraft	25	12
Other current liabilities	**49**	**43**
Contractual and Constructive obligation	147	123
Advance from customer	20	30
Others	0	0
Total other payables	**168**	**152**
Total other current liabilities	**217**	**196**

The Group is eligible for government grants which are conditional upon construction of new factories in North East region of India. The Group 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, are being amortized over the useful life of the plant and machinery, and accounted as "Incentives (includes government grant, budgetary support, export incentives and others)" under the head "Other operating revenue" (Refer note 19), in proportion to depreciation expense.

19 Revenue From Operations

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of products	7,254	7,273
Other operating revenue:		
Incentives (includes government grant, export incentives, budgetary support and other)	54	50
Sale of scrap	7	11
Total Revenue from continuing operations	**7,315**	**7,334**

*Finished goods includes traded goods

Reconciliation of Revenue from sale of products with the contracted price

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Contracted Price	7,996	7,880
Less: Discounts	742	607
Sale of Products	**7,254**	**7,273**

20 Other Income

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(a) Other income		
Rental income	1	1
Interest income from financial assets at amortised cost	72	54
Others	12	3
Total of other income	**85**	**58**
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment / business	0	7
Net gain on financial assets mandatorily measured at fair value through profit or loss and net gain on sale of investments	33	33
Net foreign exchange gain/(loss)	**6**	**5**
Total of other gain/(losses)	39	45
Total other income	**124**	**103**

21(a)Cost of Materials Consumed

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Total raw materials consumed	2,899	3,482
Total packing materials consumed	529	513
Total cost of materials consumed	**3,428**	**3,995**

21(b)Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening inventories		
Finished goods	534	477
Work-in-progress	304	258
By-products	8	8
Stock-in-trade	35	15
Closing inventories		
Finished goods	354	534
Work-in-progress	341	304
By-products	4	8
Stock-in-trade	42	35
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**140**	**(123)**

22 Employee Benefit Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries, wages and bonus	415	402
Contribution to provident fund (refer note 15(b))	22	19
Share based payment expense (refer note 35)	9	15
Staff welfare expenses	32	30
Total employee benefit expense	**478**	**466**

23 Depreciation and Amortization Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation on property, plant and equipment (refer note 3 (a))	98	93
Depreciation on investment properties (refer note 4)	0	0
Amortisation of intangible assets (refer note 5)	3	3
Depreciation on Lease assets (refer note 3 (b))	37	35
Impairment loss / (reversal of loss) of capitalised assets (refer note 3 (a))	2	(0)
Total depreciation and amortization expense	**140**	**131**

24 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Advertisement and sales promotion	727	659
Freight, forwarding and distribution expenses	294	287
Processing and Other Manufacturing Charges	255	250
Rent and storage charges	16	11
Legal and Professional Charges	54	48
Outside Services	49	44
Repairs and Maintenance	43	39
Power, fuel and water	36	37
Travelling, conveyance and vehicle expenses	45	45
Consumption of stores, spare and consumables	23	23
Provision for doubtful debts, loans, advances and investments	(3)	11
Miscellaneous expenses (refer note (i) below)	84	71
Total	**1,623**	**1,525**

(i) Miscellaneous expense includes printing and stationery, communication, rates and taxes, insurance and other expenses.

(ii) Research and Development expenses aggregating to ₹ 8 Crore for food and edible items and ₹ 23 Crore for others have been included under the relevant heads in the Statement of Profit and Loss. (Previous year ended 31st March, 2019 aggregating ₹ 31 Crore). Further Capital expenditure of ₹ 1 Crore pertaining to food and edible items and ₹ 0 Crore towards others have been incurred during the year (Previous year ended 31st March, 2019 aggregating ₹ 0 Crore).

(iii) Corporate social responsibility expenditure

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Amount required to be spent as per the Section 135 of the Act	19	18
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	19	18

25 Finance Costs

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest and finance charges on financial liabilities not at fair value through profit or loss	17	17
Bank and other financial charges	15	5
Lease finance cost (refer note m - Lease)	16	16
Other borrowing costs	2	2
Finance costs expensed in profit or loss	**50**	**40**

26 Income Tax Expense

(₹ in Crore)

Particulars		Year ended 31st March, 2020	Year ended 31st March, 2019
a	**Income tax expense**		
	Current tax on profits for the year	347	331
	Deferred tax	(16)	(17)
	Tax expense for the current year	**331**	**314**
	Tax adjustment for earlier years*	-	(188)
	Total income tax expenses recognized during the year	**331**	**126**

*During the previous year ended 31st March 2019, the Company had 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, 2020	Year ended 31st March, 2019
Profit from operations before income tax expense (a)	1,374	1,257
Income tax rate as applicable (b)	34.944%	34.944%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	**480**	**439**
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Effect of income that is exempt from taxation	(3)	(6)
Effect of Income which is taxed at special rate	(34)	(34)
Effect of expenses that are not deductible in determining taxable profit	30	21
Effect of expenses that are deductible in determining taxable profit	(15)	(6)
Income tax Incentives	(149)	(143)
Difference in tax rates in foreign jurisdictions	37	38
Others	(15)	5
Income tax expense for the current year	**331**	**314**

27 Fair Value Measurements

(a) Financial Instruments by category

(₹ in Crore)

	Note	31st March, 2020			31st March, 2019		
		FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets							
Investments							
Equity Instruments	6(a)	1	-	-	0	-	-
Bonds, debentures and commercial papers	6(a)	78	-	200	-	-	143
Mutual funds	6(a)	297	-	-	205	-	-
Government securities	6(a)	-	-	0	-	-	0
Trade receivables	6(b)	-	-	539	-	-	517
Inter corporate deposits	6(a)	-	-	32	-	-	77
Certificate of Deposits		-	-	89	-	-	-
Loans	6(c)	-	-	-	-	-	9
Derivative financial assets	6(f)	-	1	-	-	2	-
Security deposits	6(f)	-	-	0	-	-	14
Cash and bank balances	6(d),6(e)	-	-	60	-	-	36
Fixed deposits	6(d),6(e)&6(f)	-	-	230	-	-	527
Other Deposits		-	-	0	-	-	0
Total financial assets		**376**	**1**	**1,151**	**205**	**2**	**1,324**
Financial Liabilities							
Borrowings (including interest accrued)	13(a)	-	-	338	-	-	353
Derivative financial liabilities	13(b)	-	2	-	-	-	-
Trade payables	13(c)	-	-	978	-	-	945
Capital creditors	13(b)	-	-	8	-	-	3
Lease Liabilities		-	-	183	-	-	-
Others	13(b)	-	-	26	-	-	18
Total financial liabilities		**-**	**2**	**1,534**	**-**	**-**	**1,319**

Impact of COVID-19

The fair value of Financial assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Financial assets carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of customers and the financial strength of the customers in respect of whom amounts are receivable.

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (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 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	1	1
Mutual funds - growth plan	6(a)	-	297	-	297
Debentures (Quoted)	6(a)	78	-	-	78
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	1	-	1
Total financial assets		**78**	**298**	**1**	**377**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	2	-	2
Total financial liabilities		**-**	**2**	**-**	**2**

(₹ in Crore)

Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 31st March, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Bond, debentures and commercial papers (including interest accrued)	6(a)	112	88	-	200
Government securities	6(a)	-	-	0	0
Inter - corporate deposits and Certificate of Deposits (including interest accrued)	6(a)	-	96	32	128
Total financial assets		**112**	**185**	**32**	**328**
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	338	338
Total financial liabilities		**-**	**-**	**338**	**338**

(₹ 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**

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. The mutual funds as valued using the closing NAV published by the mutual funds.

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 2020		31st March 2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets					
Investments					
Bonds and debentures	6(a)	200	205	143	145
Government securities	6(a)	0	-	0	0
Certificate Deposits	6(a)	89	89	-	-
Inter - corporate deposits	6(a)	32	32	77	77
Total financial assets		**321**	**326**	**219**	**222**
Financial liabilities					
Borrowings	13(a)	338	338	353	353
Total financial liabilities		**338**	**338**	**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.

Board 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.

Treasury Management Guidelines define, determine and classify risks, 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 and approval processes. Due to large geographical base and number of customers, the Group is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables as per expected credit loss using simplified approach, over the life of the assets depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group.

The gross carrying amount of trade receivables is ₹ 539 Crore as at 31st March, 2020 (₹ 517 Crore as at 31st March, 2019).

Reconciliation of loss allowance provision- Trade receivables

(₹ in Crore)

Particulars	31st March 2020	31st March 2019
Loss allowance at the beginning of the year	5	4
add : Changes in loss allowances	(0)	1
Loss allowance at the end of the year	5	5

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 ₹ 17 Crore as at 31st March, 2020 and ₹ 15 Crore as at 31st March, 2019.

Other financial asset includes investment, loans to employees and joint venture for various operational requirements and other receviables (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.

Reconciliation of loss allowance provision- Deposits/advances

(₹ in Crore)

Particulars	31st March 2020	31st March 2019
Loss allowance at the beginning of the year	11	1
add : Changes in loss allowances due to provision	(3)	10
Loss allowance at the end of the year	8	11

(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, 2020 is 1.79 (31st March, 2019 is 1.90) whereas the liquid ratio of the Group as at 31st March, 2020 is 1.03 (31st March, 2019 is 1.13).

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, 2020						
Non-derivatives						
Borrowings (including interest accrued)	13(a)	328	10	-	-	338
Trade Payables	13(c)	978	-	-	-	978
Lease Liabilities	13(b)	39	38	38	68	183
Other Financial Liabilities	13(b)	35	-	-	-	35
Total Non- derivative liabilities		**1,379**	**48**	**38**	**68**	**1,533**
Derivative (Net- Settled)						
Foreign exchange forward contracts	13(b)	2	-	-	-	2
Total derivative liabilities		**2**	**-**	**-**	**-**	**2**

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
Lease Liabilities	13(b)	39	25	33	94	191
Other financial liabilities	13(b)	21	-	-	-	21
Total Non- derivative liabilities		**1,358**	**25**	**33**	**94**	**1,510**
Derivative (Net- Settled)						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Total derivative liabilities		**-**	**-**	**-**	**-**	**-**

(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 as on 31st March, 2020

(₹ in Crore)

Particulars	AED	AUD	BDT	CAD	EGP	GBP	MYR	SGD	USD	VND	EUR	THB	ZAR	IDR
Financial assets														
Foreign currency debtors for export of goods	0	-	-	0	-	-	-	-	82	-	0	-	-	-
Foregin currency Creditors for Capital goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency Advances for Imports and Others	0	0	0	-	-	-	0	0	0	0	0	0	0	-
Bank balances	-	-	-	-	-	0	0	-	2	0	0	-	-	0
Cash on hand	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable / (payable) including advance for Export	-	-	-	-	-	-	-	-	5	-	-	-	-	-
Derivative asset														
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	-	-	(92)	-	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	-	-	(55)	-	-	-	-	-
Net Exposure to foreign currency risk (assets)	**0**	**0**	**0**	**0**	**-**	**0**	**0**	**0**	**(58)**	**0**	**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	-	0	0	-	0	16	1	36
Foreign Currency Loan	-	-	-	-	-	-	-	-	-
Derivative liabilities									
Foreign exchange forward contracts buy foreign currency	-	-	(7)	-	-	-	-	-	(76)
Foreign exchange option contracts buy option	-	-	(1)	-	-	-	-	-	(17)
Net Exposure to foreign currency risk (liabilities)	**0**	**-**	**(8)**	**0**	**-**	**0**	**16**	**1**	**(56)**

The Group's exposure to foreign currency risk at the end of the reporting 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)**

Particulars	Impact on profit after tax		Impact on other component of equity	
	31st March, 2020	31st March, 2019	**31st March, 2020**	31st March, 2019
USD Sensitivity				
INR/USD Increase by 6%	7	(5)	-	3
INR/USD Decrease by 6%	(7)	5	-	(3)
AUD Sensitivity				
INR/AUD Increase by 6%	0	0	-	0
INR/AUD Decrease by 6%	**(0)**	**(0)**	**-**	**(0)**
BDT Sensitivity				
INR/BDT Increase by 6%	**1**	**2**	**-**	**-**
INR/BDT Decrease by 6%	(1)	(2)	-	-

Impact of COVID-19 (Global pandemic):

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

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, 2020	As at 31st March, 2019
Variable rate borrowings	338	333
Fixed rate borrowings	-	19
Total borrowings (including interest accrued)	**338**	**352**

As at the end of the reporting period, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	31st March 2020			31st March 2019		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	3.44%	338	100.00%	5.00%	333	94.51%
Net Exposure to Cash Flow Interest rate Risk		**338**			**333**	

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, 2020	31st March, 2019	31st March, 2020	31st March, 2019
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 ₹3 Crore and ₹ 2 Crores, on the overall portfolio as at 31st March, 2020 and as at 31st March, 2019 respectively.

Impact of hedging activities

Derivate Asset and Liabilites through Hedge Accounting

Derivative financial instruments

The Group's derivatives mainly consist of currency forwards and options, interest rate swaps.

Derivatives are mainly used to manage exposures to foreign exchange, interest rate and commodity price risk as described in section Market risk.

Derivatives are initially recognised at fair value. They are subsequently remeasured at fair value on a regular basis and at each reporting date as a minimum, with all their gains and losses, realised and unrealised, recognised in the income statement unless they are in a qualifying hedging relationship.

Hedge Accounting

The Group designates and documents certain derivatives and other financial assets or financial liabilities as hedging instruments against changes in fair values of recognised assets and liabilities (fair value hedges), highly probable forecast transactions (cash flow hedges).The effectiveness of such hedges is assessed at inception and verified at regular intervals.

Fair value hedges

The Group uses fair value hedges to mitigate foreign currency and interest rate risks of its recognised assets and liabilities.

Changes in fair values of hedging instruments designated as fair value hedges and the adjustments for the risks being hedged in the carrying amounts of the underlying transactions are recognised in the Statement of Profit and Loss.

The Group uses cash flow hedges to mitigate a particular risk associated with a recognised asset or liability or highly probable forecast transactions, such as anticipated future export sales, purchases of equipment and raw materials.

The effective part of the changes in fair value of hedging instruments is recognised in other comprehensive income, while any ineffective part is recognised immediately in the Statement of Profit and Loss.

31st March, 2020

(₹ 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					
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	92	82	(3)	2	April 2020 -March 2021	1:1	1 USD-₹ 73.90, 1 EUR-₹ 81.62	(2)	2
Foreign Exchange Options Contracts	55	18	0	1	April 2020 -March 2021	1:1	1 USD-₹ 71.64, 1 EUR-₹ 77.80	0	(0)

31st March, 2019

(₹ 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					
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	59	58	2	(1)	April 2019 -March 2020	1:1	1 USD-₹ 71.79, 1 CAD-₹ 52.27, 1 EUR - ₹ 84.54	(0)	0
Foreign Exchange Options Contracts	54	10	1	0	April 2019-March 2020	1:1	1 USD-₹ 70.54	0	(0)

Disclosure of effects of Hedge Accounting on Financial Performance

As at 31st March, 2020

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, 2020	As at 31st March, 2019	**As at 31st March, 2020**	As at 31st March, 2019	**As at 31st March, 2020**	As at 31st March, 2019	
Cash Flow							
Foreign Exchange Risk	(2)	1	-	-	(1)	(0)	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. Refer below for net debt to euqity ration.

The Group complies with all statutory requirement as per the extant regulations.

(₹ in Crore)

Particulars	**As at 31st March, 2020**	As at 31st March, 2019
Net debt	338	352
Total equity	3,036	2,987
Net debt to equity ratio	**0.11**	**0.12**

(b) Dividend

(₹ in Crore)

Particulars	**As at 31st March, 2020**	As at 31st March, 2019
Interim dividend for the year (Excluding dividend distribution tax)	**896**	**589**

30 Segment Information

(i) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Group. The CODM examines the Group's performance from a geographic perspective and has identified two of its following business as identifiable segments :

a) India - this part of the business comprises domestic consumer goods

b) International

(ii) The amount of the Group's revenue is shown in the table below.

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Segment revenue (sales and other operating income)		
India	5,655	5,756
International	1,660	1,578
Total segment revenue	**7,315**	**7,334**
Less : Inter segment revenue	-	-
	7,315	**7,334**

Revenue from similar products from external customers

Particulars	As at 31st March, 2020	As at 31st March, 2019
Edible	4,267	4,284
Hair oils	1,694	1,690
Personal care	859	888
Others	495	472
	7,315	**7,334**

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, 2020	As at 31st March, 2019
India	5,655	5,756
Bangladesh	822	730
Vietnam	427	411
Others	411	437
	7,315	**7,334**
Segment results (Profit before tax and interest)		
India	1,170	1,068
International	336	289
Total segment results	**1,506**	**1,357**
Less : (i) Finance cost	50	24
(ii) Other un-allocable expenditure net of unallocable income	53	69
(iii) Exceptional items	29	-
Profit before tax	**1,374**	**1,264**
Share of profit/ (loss) of Joint Venture	0	(1)
Profit Before Tax after share of profit/ (loss) of Joint Venture	**1,374**	**1,263**

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Segment assets		
India	2,409	2,351
International	1,204	1,095
Unallocated	1,389	1,463
Total segment assets	**5,002**	**4,909**
Segment liabilities		
India	977	985
International	471	411
Unallocated	518	526
Total segment liabilities	**1,966**	**1,922**

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, 2020	As at 31st March, 2019
India	775	715
Bangladesh	78	58
Vietnam*	563	530
Others	64	78
	1,480	**1,381**

* Includes goodwill on consolidation amounting to Rs 538 Crore as at 31st March, 2020 and ₹ 501 Crore as at 31st March, 2019.

31 Interests in Other Entities

a) Subsidiaries

The Group's subsidiaries at 31st March, 2020 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, 2020	31st March, 2019	31st March, 2020	31st March, 2019
		%	%	%	%
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
Marico for Consumer Care Products SAE	Egypt	100	100	Nil	Nil
Marico South Africa Consumer Care (Pty) Limited (MSACC)	South Africa	100	100	Nil	Nil
Marico South Africa (Pty) Limited (MSA)	South Africa	100	100	Nil	Nil
Marico South East Asia Corporation (MSEA)	Vietnam	100	100	Nil	Nil
Marico Consumer Care Limited (MCCL)	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	NA	NA
Marico Lanka (Private) Limited**	Sri Lanka	100	100	Nil	Nil

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 incorporated as wholly owned subsidiary w.e.f. 3rd March, 2019.

b) Interest in joint ventures:

(₹ in Crore)

Name of entity	Carrying Amount as at 31st March, 2020	Carrying Amount as at 31st March, 2019	Accounting method	Share in Profit/(loss)	
				31st March, 2020	31st March, 2019
Revolutionary Fitness Private Limited	5	4	Equity Method	(1)	(1)
Zed Lifestyle Private Limited	24	22	Equity Method	1	0
Hello Green Private Limited	0	-	Equity Method	0	-
Total equity accounted investments	**29**	**26**		**-**	**(1)**

32 Related Party Transactions

I Name of related parties and nature of relationship:

a) Joint venture:

Zed Lifestyle Private Limited

Revolutionary Fitness Private Limited

Hello Green Private Limited

b) Key management personnel (KMP):

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Saugata Gupta, Managing Director and CEO

Mr. Ananth Sankaranarayanan, Independent Director

Mr. B.S. Nagesh, Independent Director

Ms. Hema Ravichandar, Independent Director

Mr. Nikhil Khattau, Independent Director

Mr. Rajen Mariwala, Non executive Director

Mr. Rajeev Bakshi, Independent Director

Mr. Sanjay Dube, Additional (Independent) Director, (with effect from 30th January 2020)

Mr. Rishabh Mariwala, Non executive Director

Mr. Vivek Karve, Chief Financial Officer

Ms. Hemangi Ghag, Company Secretary and Compliance Officer

c) Individual holding directly / indirectly an interest in voting power and their relatives (where transactions have taken place) - Significant Influence:

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Rajen Mariwala, Non executive Director

Mr. Rishabh Mariwala, son of Mr. Harsh Mariwala and Non executive Director

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

Kaya Limited

Mariwala Health Foundation

Aaidea Solutions Private Limited

Soap Opera

The Bombay Oil Private Limited

Indian School of Communications Private Limited

Feedback Business Consulting Services 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, 2020	As at 31st March, 2019
Employee share-based payment	3	3
Short-term employee benefits	13	9
Post-employment benefits	0	0
Total compensation	**16**	**12**
Professional charges paid to Chairman and Non Executive Director	**4**	**4**
Remuneration / sitting fees to Non-Executive Directors	**3**	**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. ESOP and STAR grant accrued annually are included in the KMP's remuneration in the year in which the same are exercised.

Contribution to post employment benefit controlled trust

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Marico Limited Employees Provident Fund	26	23
Marico Limited Employees Gratuity Fund	5	4
	31	**27**

(₹ in Crore)

Particulars	Joint Venture (Referred in I (a), (b) and (c) above)		Others (Referred in I (e) above)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Expenses paid on behalf of related parties	-	-	1	1
Kaya Limited	-	-	1	1
Others	-	-	0	0
Sale of goods	-	-	2	0
Kaya Limited	-	-	0	0
Aaidea Solutions Private Limited	-	-	2	-
Soap Opera	-	-	0	0
Lease Rental Income	-	-	1	1
Kaya Limited	-	-	1	1
Soap Opera	-	-	0	0
Others	-	-	0	0
Investments made during the year	3	4	-	-
Zed lifestyle Pvt Limited	2	2	-	-
Revolutionary Fitness Private Limited	1	2	-	-
Donation Given / CSR Activities	4	1	-	-
Marico Innovation Foundation	1	1	-	-
Parachute Kalpavriksha Foundation	3	0	-	-
Royalty expense	-	-	0	0
Kaya Limited	-	-	0	0
Business Consultancy Services	-	-	-	0
Feedback Business Consulting Services Private Limited	-	-	-	0
Lease rental expense				
The Bombay Oil Pvt Ltd	-	-	-	0
Security deposit repaid	-	-	-	0
Kaya Limited	-	-	-	0

III Outstanding balances

(₹ in Crore)

Particulars	Joint Venture (Referred in I (a), (b) and (c) above)		Others (Referred in I (e) above)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties				
Trade receivables	-	-	0	0
Kaya Limited	-	-	0	0
Aaidea Solutions Private Limited	-	-	0	
Others	-	-	0	0
Investments	29	26	-	-
Zed lifestyle Pvt Limited	24	22	-	-
Revolutionary Fitness Private Limited	5	4	-	-
Hello Green Private Limited	0	-	-	-
Rent Payable	-	-	-	0
The Bombay Oil Private Limited	-	-	-	0
Royalty Payable	-	-	0	0
Kaya Limited	-	-	0	0
Advances to related parties	-	-	0	0
Kaya Limited	-	-	0	0
Soap Opera	-	-	0	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.

33 Contingent liabilities:

The Company had contingent liabilities in respect of:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Disputed tax demands / claims:		
Sales tax / VAT	168	158
Income tax	181	117
Service tax	0	0
Employees state insurance corporation	0	0
Excise duty	33	33
Claims against the Group not acknowledged as debts	21	19
Corporate guarantees given to banks on behalf of Broadcast Audience Research Council (BARC)	1	1
Corporate guarantees given to banks against which credit and other facilities are availed at the year end	226	205

Note:

1. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

2. The Company and its subsidiaries have ongoing disputes with income tax authorities in India and in some of the jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives and allowances. The Company and its subsidiaries have contingent liability of 181 crore and 117 crore as at March 31, 2020 and 2019, respectively, in respect of tax demands which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

   The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions it operates in. The Group has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

34 Commitments

Capital commitments:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36	75
Total	**36**	**75**

35 Share-Based Payments

(a) Employee stock option plan

Marico ESOP 2016

During the year ended 31st March, 2017, the Group implemented Marico Employee Stock Option Plan, 2016 ("Marico ESOP 2016" or "the Plan"). The Marico ESOP 2016 was approved by the shareholders at the 28th Annual General Meeting held on 5th August, 2016, enabling grant of stock options to the eligible employees of the Group and its subsidiaries not exceeding in the aggregate 0.6% of the issued share equity share capital of the Group as on the commencement date of the Plan i.e. 5th August, 2016. Further, the stock options to any single employee under the Plan shall not exceed 0.15% of the issued equity share capital of the Group as on the commencement date (mentioned above). The Marico ESOP 2016 envisages to grant stock options to eligible employees of the Group 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 Group notified below schemes under the Plan:

						Number of options granted, exercised and forfeited					
Scheme	**Part**	**Options outstanding as at 31st March, 2020**	**Exercise price**	**Vesting date**	**Weighted average share price of options exercised**	**Balance as at beginning of the year**	**Granted during the year**	**Less : Exercised during the year**	**Less: Forfeited / lapsed during the year**	**Balance as at end of the year**	**Weighted average remaining contractual life of options outstanding at end of period (in years)**
Scheme I		-	1.00	31-Mar-19	-	80,000	-	80,000	-	-	-
Scheme II		939,700	280.22	31-Mar-19	-	939,700	-	-	-	939,700	1.00
Scheme III	Part I	28,140	1.00	30-Nov-19	-	49,100	-	20,960	-	28,140	1.67
	Part II	4,470	1.00	30-Nov-19	-	7,800	-	3,330	-	4,470	1.67
	Part III	1,910	1.00	30-Nov-19	-	4,950	-	2,050	990	1,910	1.67
Scheme IV	Part I	323,110	256.78	30-Nov-19	-	397,930	-	47,350	27,470	323,110	1.67
	Part II	43,480	302.34	30-Nov-19	-	62,330	-	-	18,850	43,480	1.67
	Part III	27,180	307.77	30-Nov-19	-	41,680	-	-	14,500	27,180	1.67
Scheme V		67,120	1.00	31-Mar-20	-	67,120	-	-	-	67,120	2.00
Scheme VI	Part I	64,720	1.00	30-Nov-20	-	68,220	-	-	3,500	64,720	1.67
	Part II	3,320	1.00	30-Nov-20	-	3,320	-	-	-	3,320	1.67
	Part III	740	1.00	30-Nov-20	-	740	-	-	-	740	1.67
Scheme VII	Part I	363,560	307.77	30-Nov-20	-	431,130	-	-	67,570	363,560	1.67
	Part II	55,500	316.53	30-Nov-20	-	67,430	-	-	11,930	55,500	1.67
	Part III	39,220	346.47	30-Nov-20	-	39,220	-	-	-	39,220	1.67
Scheme VIII		24,820	1.00	31-Mar-20	-	24,820	-	-	-	24,820	1.00
Scheme IX	Part I	78,240	1.00	30-Nov-21	-	81,800	-	-	3,560	78,240	3.67
	Part II	8,100	1.00	30-Nov-21	-	-	8,100	-	-	8,100	3.07
Scheme X	Part I	612,240	346.47	30-Nov-21	-	692,300	-	-	80,060	612,240	3.67
	Part II	55,880	357.51	30-Nov-21	-	-	61,730	-	5,850	55,880	3.07
	Part III	45,420	346.00	30-Nov-21	-	-	53,350	-	7,930	45,420	3.07
Scheme XI		222,700	357.65	31-Mar-22	-	-	222,700	-	-	222,700	3.36
Scheme XII		526,890	357.65	31-Mar-22	-	-	526,890	-	-	526,890	3.36
Scheme XIII		946,860	346.00	30-Nov-22	-	-	978,690	-	31,830	946,860	3.36

Particulars	As at 31st March, 2020	As at 31st March, 2019
Aggregate of all stock options outstanding as at the year end to current paid-up equity share capital (percentage)	0.44%	0.24%

The following assumptions were used for calculation of fair value of grants using Black-Scholes:

Scheme	Part	Risk-free interest rate (%)	Expected life of options (years)	Expected volatility (%)	Dividend yield (%)	Fair value of the option
Scheme I		7.25%	3 years 2 months	25.80%	0.96%	287.05
Scheme II		7.25%	3 years 2 months	25.80%	0.96%	85.53
Scheme III	Part I	6.75%	3 years 6 months	26.10%	0.96%	246.12
	Part II	6.25%	3 years 1 months	26.70%	1.07%	308.10
	Part III	6.50%	2 years 6 months	23.10%	1.07%	301.35
Scheme IV	Part I	6.75%	3 years 6 months	26.10%	0.96%	68.80
	Part II	6.25%	3 years 1 months	26.70%	1.07%	86.70
	Part III	6.50%	2 years 6 months	23.10%	1.07%	64.28
Scheme V		6.25%	3 years 4 months	26.30%	0.96%	299.70
Scheme VI	Part I	6.75%	3 years 6 months	25.50%	1.07%	298.18
	Part II	7.00%	3 years	23.84%	1.29%	308.80
	Part III	7.30%	2 years 6 months	22.50%	1.29%	346.10
Scheme VII	Part I	6.75%	3 years 6 months	25.50%	1.07%	83.77
	Part II	7.00%	3 years	23.84%	1.29%	77.50
	Part III	7.30%	2 years 6 months	22.50%	1.29%	79.70
Scheme VIII		7.29%	1 year 10 months	21.70%	1.29%	349.10
Scheme IX	Part I	7.39%	3 years 6 months	23.40%	1.29%	341.70
	Part II	7.39%	3 years 6 months	23.40%	1.29%	358.30
Scheme X	Part I	7.39%	3 years 6 months	23.40%	1.29%	98.20
	Part II	7.39%	3 years 6 months	23.40%	1.29%	69.20
	Part III	6.35%	3 years 6 months	22.14%	1.29%	74.50
Scheme XI		7.39%	3 years 6 months	23.40%	1.29%	89.50
Scheme XII		7.39%	3 years 6 months	23.40%	1.29%	89.50
Scheme XIII		6.42%	4 years 6 months	22.94%	1.29%	89.40

35 Share-Based Payments

(b) Share appreciation rights

The Nomination and Remuneration Committee has granted Stock Appreciation Rights ("STAR") to certain eligible employees pursuant to the Group's Employee Stock Appreciation Rights Plan, 2011 ("Plan"). The grant price is determined based on a formulae as defined in the Plan. There are schemes under each Plan with different vesting periods. Scheme I to 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 Nomination and Remuneration Committee comprising independent directors.

				As at March 31 2020							As at March 31 2019						
Scheme	Grant Date	Grant Price (Rs.)	Vesting Date	Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (Rs in Crore)		Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (Rs in Crore)	
				at the beginning of the year	Add : Granted during the year	Less : Forfeited during the year	Less : Exercised during the year	at the end of the year	Classified as long-term	Classified as short-term	at the beginning of the year	Add : Granted during the year	Less : Forfeited during the year	Less : Exercised during the year	at the end of the year	Classified as long-term	Classified as short-term
STAR VI	01-Dec-15	203.63	30-Nov-18	-	-	-	-	-	-	-	1,123,200	-	137,000	986,200	-	-	-
	05-Aug-16	280.22	30-Nov-18	-	-	-	-	-	-	-	105,300	-	9,400	95,900	-	-	-
	02-Dec-16	256.78	30-Nov-18	-	-	-	-	-	-	-	103,660	-	-	103,660	-	-	-
STAR VII	01-Dec-16	256.78	30-Nov-19	302,620	-	34,480	268,140	-	-	-	404,990	-	102,370	-	302,620	-	2
	02-May-17	302.34	30-Nov-19	85,090	-	28,850	56,240	-	-	-	108,020	-	22,930	-	85,090	-	0
	01-Dec-17	307.77	30-Nov-19	27,430	-	9,990	17,440	-	-	-	30,570	-	3,140	-	27,430	-	0
STAR VIII	01-Dec-17	307.77	30-Nov-20	313,740		66,350	-	247,390	-	0	410,710	-	96,970	-	313,740	1	-
	31-May-18	316.53	30-Nov-20	57,280	-	20,290	-	36,990	-	0	-	64,130	6,850	-	57,280	0	-
	02-Aug-18	352.42	30-Nov-20	48,000	-	8,000	-	40,000	-	0	-	56,000	8,000	-	48,000	0	-
	04-Dec-18	346.47	30-Nov-20	57,020	-	-	-	57,020	-	0	-	57,020	-	-	57,020	0	-
STAR IX	04-Dec-18	346.47	30-Nov-21	528,740	-	91,240	-	437,500	0	-	-	536,840	8,100	-	528,740	0	-
	06-May-19	357.51	30-Nov-21	-	26,170	5,850	-	20,320	0	-	-	-	-	-	-	-	-
	20-Dec-19	346.04	30-Nov-21	-	54,240	-	-	54,240	0	-	-	-	-	-	-	-	-
STAR X	20-Dec-19	346.04	30-Nov-22	-	460,770	21,570	-	439,200	0	-	-	-	-	-	-	-	-

The Group has formed "Welfare of Mariconians Trust" (The Trust) for the implementation of the schemes that are notified or may be notified from time to time by the Group under the Plan. The Group has advanced ₹ 21 Crore as at 31st March, 2020 (₹ 23 Crore as at 31st March, 2019) 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, 2020	As at 31st March, 2019
Share price at measurement date (₹ per share)	274.9	346.7
Expected volatility (%)	24.1% - 29%	22.8% - 25.8%
Dividend yield (%)	1.30%	1.29%
Risk-free interest rate (%)	4.9% - 5.4%	6.30% - 6.59%

(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	Year ended 31st March, 2020	Year ended 31st March, 2019
Employee stock option plan	10	9
Stock appreciation rights	(1)	7
Total employee share based payment expense	**9**	15

36 Earnings Per Share

Basic EPS amounts are calculated by dividing the profit after tax for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit after tax for the year attributable to equity shareholders by weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (in ₹)	7.91	8.64
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	7.91	8.63
(c) Earnings used in calculating earnings per share (₹ in Crores)	1,021	1,114
(d) Weighted average number of equity shares used as denominator		
Weighted average number of equity shares outstanding	1,290,931,494	1,290,864,398
Shares held in controlled trust	(1,039,579)	(1,608,164)
Weighted average number of equity shares in calculating basic earnings per share	1,289,891,915	1,289,256,234
Options	1,335,166	712,182
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	**1,291,227,082**	**1,289,968,416**

(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.

37 Additional information required by Schedule III

Name of the Entities	Net Assets i.e. total assets minus total liabilities				Share in profit or (loss)				Share in other comprehensive income				Share in total comprehensive income			
	As a % of consolidated net assets		Amount (₹ in Crore)		As a % of consolidated profit or loss		Amount (r in Crore)		As a % of other comprehensive income		Amount (rin Crore)		As a % of total comprehensive income		Amount (rin Crore)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Parent:																
Marico Limited	115.40%	116.83%	3,506	3,491	81.84%	85.88%	1,005	1,132	56.87%	49.74%	(2)	(1)	81.78%	85.78%	1,003	1,132
Subsidiaries:																
- Indian																
Marico Consumer Care Limited	0.80%	0.82%	24	24	0.39%	0.45%	5	6	0.00%	0.00%	-	-	0.39%	0.45%	5	6
- Foreign																
Marico Bangladesh Limited	4.06%	3.54%	123	106	18.05%	12.78%	222	169	32.42%	50.26%	(1)	(1)	17.97%	12.72%	220	168
Marico Bangaldesh Industries Limited	0.01%	0.01%	0	0	0.00%	0.00%	(0)	(0)	0.00%	0.00%	-	-	0.00%	0.00%	(0)	(0)
Marico Middle East FZE	-7.05%	-6.35%	(214)	(190)	-0.56%	-0.08%	(7)	(1)	10.71%	0.00%	(0)	-	-0.60%	-0.08%	(7)	(1)
MEL Consumer Care SAE	-2.00%	-1.64%	(61)	(49)	-0.14%	-0.68%	(2)	(9)	0.00%	0.00%	-	-	-0.14%	-0.68%	(2)	(9)
Marico Egypt Industries Company	-0.06%	0.01%	(2)	0	-0.16%	-0.07%	(2)	(1)	0.00%	0.00%	-	-	-0.16%	-0.07%	(2)	(1)
Egyptian American Company for Investment and Industrial Development SAE	-0.06%	-0.05%	(2)	(1)	0.00%	-0.05%	(0)	(1)	0.00%	0.00%	-	-	0.00%	-0.05%	(0)	(1)
Marico South Africa Consumer Care (Pty) Limited	1.82%	2.09%	55	62	0.00%	0.00%	0	(0)	0.00%	0.00%	-	-	0.00%	0.00%	0	(0)
Marico South Africa (Pty) Limited	1.18%	1.70%	36	51	-0.84%	0.04%	(10)	1	0.00%	0.00%	-	-	-0.84%	0.04%	(10)	1
Marico for Consumer Care Products SAE	-0.87%	-0.50%	(26)	(15)	-0.62%	-0.64%	(8)	(8)	0.00%	0.00%	-	-	-0.62%	-0.64%	(8)	(8)
Marico Malaysia Sdn Bhd	0.00%	0.01%	0	0	0.00%	0.00%	(0)	(0)	0.00%	0.00%	-	-	0.00%	0.00%	(0)	(0)
Marico South East Asia Corporation	2.47%	1.44%	75	43	2.24%	2.58%	28	34	0.00%	0.00%	-	-	2.24%	2.58%	28	34
Marico Lanka Private Limited	-0.02%	0.00%	(1)	-	-0.13%	0.00%	(2)	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Joint Ventures																
- Indian																
Zed Lifestyle Private Limited	0.00%	0.00%	-	-	0.07%	0.01%	1	0	0.00%	0.00%	-	-	0.07%	0.01%	1	0
Revolutionary Fitness Private Limited	0.00%	0.00%	-	-	-0.05%	-0.08%	(1)	(1)	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Hello Green Private Limited	-	-	-		0.00%	-0.08%	-	(1)	0.00%	0.00%	-	-	-	-	-	-
Subtotal	-	-	**3,515**	**3,522**	-	-	**1,229**	**1,320**	-	-	**(4)**	**(1)**	-	-	**1,227**	**1,320**
Intercompany Elimination and Consolidation Adjustments	-15.70%	-17.89%	(477)	(535)	-0.08%	-0.07%	(1)	(1)	0.00%	0.00%	-	-	-0.08%	-0.07%	(1)	(1)
Grand total:			**3,038**	**2,988**			**1,229**	**1,319**			**(4)**	**(1)**			**1,227**	**1,319**
Minority Interest in all subsidiaries	0.41%	0.39%	13	12	1.81%	1.27%	22	17	3.24%	-1.36%	(0)	0	1.80%	1.56%	22	17

38 The Group has a process whereby periodically all long term contracts (including derivative contracts if any) are assessed for material foreseeable losses. At the year end, basis the review performed, no provision was required for material foreseeable losses on long term contracts (including derivative contracts).

39 Previous year's figures have been regrouped/reclassified to make them comparable with those of current year.

40 Exceptional Items

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Voluntary retirement scheme offered to the employees on the close of operations at the Kanjikode factory of the Company	19	-
Goodwill on acquisitions included in intangible assets was tested for impairment, basis circumstances indicating the impairment of brand ISOPLUS in South Africa	10	-
	29	**-**

41 Restatement impact of Ind AS 116

Upon adoption of Ind AS 116, The Group has recognised leases on the balance sheet with a right-of-use asset and related lease liability. Refer to accounting policies for a summary of accounting for leases under the new standard. The Group has restated all prior periods for the impact of Ind AS 116 in line with the 'full retrospective approach'. The Group has chosen not to recognise short-term leases, which are those less than 12 months, and leases of low-value assets on the balance sheet.

Financial statement impact

The following tables summarise the impact of adopting Ind AS 116 on The Group's financial statements.

(A) Balance sheet

The Group recognised leased assets on the balance sheet representing the right to use of the underlying assets from the lease contracts. Current and non-current lease liabilities were also recognised for the present value of the lease payments due under the lease contracts. Deferred tax adjustments are due to temporary timing differences arising from the recognition of leased assets and lease liabilities. Shareholders' equity has been restated

Reconciliation between previous GAAP and Ind AS

Reconciliation of Balance sheet as at date of transition (1st April, 2018)

Particular	Previous GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	534	-	534
Capital work-in-progress	27	-	27
Right of use assets	-	150	150
Investment properties	30	-	30
Goodwill	486	-	486
Other Intangible assets	60	-	60
Investment in subsidiaries and joint venture	20	-	20
Financial assets			
(i) Investments	37	-	37
(ii) Loans	4	15	19
(iii) Other financial assets	15	(15)	0
Deferred tax assets (net)	9	11	20

Particular	Previous GAAP*	Adjustments	Ind AS
Non current tax assets (net)	33	-	33
Other non-current assets	32	-	32
Total non-current assets	**1,287**	**161**	**1,448**
Current assets			
Inventories	1,511	-	1,511
Financial assets			
(i) Investments	486	-	486
(ii) Trade receivables	340	-	340
(iii) Cash and cash equivalents	51	-	51
(iv) Bank balances other than (iii) above	150	-	150
(v) Loans	4	-	4
(vi) Other financial assets	2	-	2
Other current assets	250	-	250
Assets classified as held for sale	-	-	-
Total current assets	**2,794**	**-**	**2,794**
Total assets	**4,081**	**160**	**4,242**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	129	-	129
Other Equity			
Reserves and Surplus	2,448	(20)	2,428
Other reserves	(34)	-	(34)
Equity attributable to owners	2,543	-	2,523
Non-controlling interests	12	10	12
Total equity	**2,555**	**(20)**	**2,535**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	-	20
(ii) Other financial liabilities	-	147	147
Employee benefit obligations	19	-	19
Deferred tax liabilities (net)	29	-	29
Total non-current liabilities	**68**	**147**	**215**

Particular	Previous GAAP*	Adjustments	Ind AS
Current liabilities			
Financial liabilities			
(i) Borrowings	289	-	289
(ii) Trade payables			
Due to micro and small enterprises	4	-	4
Due to others	818	-	818
(iii) Other financial liabilities	21	34	55
Other current liabilities	161	-	161
Provisions	57	-	57
Employee benefit obligations	56	-	56
Current tax liabilities (Net)	52	-	52
Total current liabilities	**1,458**	**34**	**1,492**
Total liabilities	**1,526**	**181**	**1,707**
Total equity and liabilities	**4,081**	**161**	**4,242**

Reconciliation of Balance sheet (31st March, 2019)

Particular	**Previous GAAP***	**Adjustments**	**Ind AS**
ASSETS			
Non-current assets			
Property, plant and equipment	572	-	572
Capital work-in-progress	45	-	45
Right of use assets	-	153	153
Investment properties	17	-	17
Goodwill	503	-	503
Other intangible assets	55	-	55
Investment in subsidiaries and joint venture	25	-	25
Financial assets			
(i) Investments	34	-	34
(ii) Loans	4	14	18
(iii) Other financial assets	25	(14)	11
Deferred tax assets	188	14	202
Non current tax assets (net)	39	-	39
Other non-current assets	35	-	35
Total non-current assets	**1,542**	**167**	**1,709**
Current assets			
Inventories	1,411	-	1,411
Financial assets			
(i) Investments	391	-	391
(ii) Trade receivables	517	-	517
(iii) Cash and cash equivalents	48	-	48
(iv) Bank balances other than (iii) above	504	-	504

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2020

Particular	Previous GAAP*	Adjustments	Ind AS
(v) Loans	5	-	5
(vi) Other financial assets	4	-	4
Other current assets	308	-	308
Assets classified as held for sale	12	-	12
Total current assets	**3,200**	**-**	**3,200**
Total assets	**4,742**	**167**	**4,909**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	129	-	129
Other Equity			
Reserves and Surplus	2,920	(24)	2,896
Other reserves	(50)	-	(50)
Equity attributable to owners	2,999	(24)	2,975
Non-controlling interests	11	1	12
Total equity	**3,010**	**(23)**	**2,987**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	-	14
(ii) Other financial liabilities	-	152	152
Employee benefit obligations	20	-	20
Deferred tax liabilities (net)	12	1	13
Total non-current liabilities	**46**	**152**	**198**
Current liabilities			
Financial liabilities			
(i) Borrowings	335	-	335
(ii) Trade payables			
Due to micro and small enterprises	13	-	13
Due to others	931	-	931
(iii) Other financial liabilities	25	39	63
Other current liabilities	196	(1)	196
Provisions	57	-	57
Employee benefit obligations	68	-	68
Current tax liabilities (net)	61	-	61
Total current liabilities	**1,686**	**38**	**1,724**
Total liabilities	**1,732**	**191**	**1,923**
Total equity and liabilities	**4,742**	**167**	**4,909**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at 31st March, 2019 and 1st April, 2018

	31st March, 2019	1st April, 2018
Shareholder's equity under previous GAAP	3,010	2,555
Add/Less :		
Less : Increase in Lease Liability	(191)	(181)
Add : Increase in Right of Use of Asset	153	150
Add: Reduction in liability Ind AS 117	1	1
Tax impact of above Ind AS adjustments	13	10
Add: Non-Controlling interests	0	0
Foreign Currency translation Reserve	0	-
Shareholder's equity under Ind AS	2,987	2,535

Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2019

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	1,018	44	1,062
Net cash flow from investing activities	(351)	17	(334)
Net cash flow from financing activities	(653)	(45)	(698)
Net increase/(decrease) in cash and cash equivalents	**14**	**16**	**30**
Cash and cash equivalents as at 1st April, 2018	51	-	51
Effects of exchange rate changes on cash and cash equivalents	(16)	-	(16)
Cash and cash equivalents as at 31st March, 2019	**48**	**16**	**65**

42 The Ministry of Home Affairs vide order No.40-3/2020 dated 24.03.2020 notified first ever nation-wide lockdown in India to contain the outbreak of COVID 19. As a result, the operations were temporarily disrupted at manufacturing, warehouse and distribution locations of Marico. During this period, the Company could register sales largely in the Edible Oils and Foods portfolio, which fall under essential goods category.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. In developing the assumptions relating to the possible future uncertainties the Company has used internal and external information such as current contract terms, financial strength of partners, future volume estimates from the business etc. Based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 4, 2020

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 4, 2020

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 2020, 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 2020, 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 on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

[Refer to Note (d) of Significant Accounting Policies and Note 18 to the 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. • Recognition and measurement of trade allowances and rebates, including establishing an accrual at year end, involves significant judgement and estimates. This leads 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 has 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 the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Evaluated the appropriateness of the Company's revenue recognition accounting policies, those relating to trade allowances and rebates by comparing with applicable accounting standards. • Tested design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue, revenue cut-off and calculation and monitoring of trade allowances and rebates in the general ledger accounting system. • Performed substantive year-end cut-off testing by selecting samples of revenue transactions recorded at year-end, and verifying the underlying documents i.e. sales invoices/contracts and shipping documents. • Inspected, on a sample basis, key customer contracts to identify terms and conditions relating to goods acceptance and rebates. • Tested a sample of trade spends to the underlying documentation. • Performed a retrospective review of trade spend accruals with prior period to understand deviations along with reasons for the same. • Tested manual journals posted to revenue to identify unusual items. • Evaluated the adequacy of disclosures in respect of revenue in the financial statements.

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 jurisdiction 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.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • For uncertain tax positions, inspected select correspondences with tax authorities. • Evaluated management's judgment regarding the expected resolution of matters with various tax authorities, based on third-party opinions and the use of past experience, where available, with the tax authorities. • Involved our tax specialists' to evaluate the status of ongoing tax litigations and judgmental tax positions in tax returns and their most likely outcome, basis their expertise, industry outcomes and company's own past experience in respect of similar matters. • Evaluated the adequacy of financial statement disclosures in respect of the tax provision / adjustments and contingencies.

Carrying value of investment in subsidiaries and joint ventures:

[Refer to Note (y) 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 aggregates ₹ 1,030 Crores i.e. 22% of the total assets of the Company as at 31 March 2020. • The annual impairment testing of investments is considered to be a key audit matter due to the complexity of the accounting requirements and significant judgements required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the investments, which is based on the higher of 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: • In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Evaluated the assumptions applied to key inputs such as sales value, operating costs, growth rates and discount rates. • Compared the inputs with the historical growth trends, evaluating the forecast used in prior year models to its actual performance of the business, agreeing current forecast to the board of directors / management approved plans as well as our own assessment based on our knowledge of the client. • Involved our internal valuation specialists, where appropriate, to evaluate the reasonability of the methodology and approach used in the valuation carried out for determining the carrying amount of investments. • Challenged management with our own sensitivity analysis and evaluated the effect of possible reductions in growth rates and forecasted cash flows on the estimated headroom • Evaluated the adequacy of financial statement disclosures in respect of investment in subsidiaries and joint ventures, including disclosures of key assumptions, judgements and sensitivities related to impairment testing.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. The disclosures in the 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 2020.

   (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 and Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
4 May 2020

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2020

(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(a) 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 2020 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 2020, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Enclosure I to this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company does not have any loans or borrowings from financial institutions and Government, nor has it issued any debentures during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
4 May 2020

Enclosure I to Annexure A to the Independent Auditors' Report – 31st March, 2020

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	53	0
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	Additional Commissioner - Sales tax	Various years	10	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	2
The Central sales Tax Act and Local Sales Tax	Sales Tax (including interest and penalty if applicable)	Deputy Commissioner - Sales tax	Various years	1	1
The Central sales Tax Act and Local Sales Tax	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	7	1
The Central Excise Act	Excise Duty (including penalty if applicable)	Customs, Excise and Service Tax Appellate Tribunal	Various years	33	3
Service Tax (Finance Act, 1994)	Service Tax (including penalty if applicable)	Customs, Excise and Service Tax Appellate Tribunal	2006 – 2012	0	0
Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	AY 2010 – 11 to AY 2013 -14 and AY 2016-17	73.25	-

ANNEXURE - B TO THE INDEPENDENT AUDITORS'

Rreport on the standalone financial statements of Marico Limited for the year ended 31 March 2020

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 2020 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 2020, 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.

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 and Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648
UDIN: 20048648AAAAAM3667

Mumbai
4 May 2020

BALANCE SHEET

as at 31 March 2020

(₹ in Crore)

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
ASSETS				
Non-current assets				
Property, plant and equipment	3(a)	561	503	466
Capital work-in-progress	3(a)	55	42	25
Right of use assets	3(b)	108	107	102
Investment properties	4	11	11	23
Intangible assets	5	21	22	20
Investment in subsidiaries and joint venture	6(a)	1,030	1,026	1,020
Financial assets				
(i) Investments	6(a)	76	34	37
(ii) Loans	6(c)	16	15	16
(iii) Other financial assets	6(f)	28	30	22
Deferred tax assets (net)	7	148	188	-
Non current tax assets (net)	16	41	36	30
Other non-current assets	8	20	30	27
Total non-current assets		**2,115**	**2,044**	**1,788**
Current assets				
Inventories	9	1,165	1,234	1,313
Financial assets				
(i) Investments	6(a)	617	380	450
(ii) Trade receivables	6(b)	465	430	288
(iii) Cash and cash equivalents	6(d)	27	10	7
(iv) Bank balances other than (iii) above	6(e)	53	329	54
(v) Loans	6(c)	3	3	3
(vi) Other financial assets	6(g)	27	54	35
Current tax asset (net)		1	-	-
Other current assets	10	287	262	185
Assets classified as held for sale	11	5	12	-
Total current assets		**2,650**	**2,714**	**2,335**
Total assets		**4,765**	**4,758**	**4,123**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12(a)	129	129	129
Other equity				
Reserves and surplus	12(b)	3,376	3,360	2,896
Other reserves	12(c)	(1)	0	0
Total equity attributable to owners		**3,504**	**3,489**	**3,025**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	13(a)	-	-	-
(ii) Other financial liabilities	13(b)	109	107	103
Employee benefit obligations	15	8	9	10
Deferred tax liabilities (net)	7	-	-	10
Total non current liabilities		**117**	**116**	**123**
Current liabilities				
Financial liabilities				
(i) Borrowings	13(a)	110	131	122
(ii) Trade payables	13(c)			
Due to micro and small enterprises		10	13	4
Due to others		699	702	583
(iii) Other financial liabilities	13(b)	42	37	32
Other current liabilities	17	179	146	121
Provisions	14	58	57	57
Employee benefit obligations	15	32	51	39
Current tax liabilities (net)	16	14	16	17
Total current liabilities		**1,144**	**1,153**	**975**
Total liabilities		**1,261**	**1,269**	**1,098**
Total equity and liabilities		**4,765**	**4,758**	**4,123**
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 and Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 4, 2020

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 4, 2020

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2020

(₹ in Crore)

Particulars	Notes	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue:			
Revenue from operations	18	5,853	5,971
Other income	19	308	301
Total Income		**6,161**	**6,272**
Expenses:			
Cost of materials consumed	20(a)	2,930	3,463
Purchases of stock-in-trade		138	109
Changes in inventories of finished goods, stock-in-trade and work-in progress	20(b)	138	(101)
Employee benefit expense	21	308	307
Finance costs	24	33	24
Depreciation and amortization expense	22	113	104
Other expenses	23	1,224	1,183
Total expenses		**4,884**	**5,089**
Profit before exceptional items and tax		**1,277**	**1,183**
Exceptional items	37	19	-
Profit before tax		**1,258**	**1,183**
Income tax expense for current year			
Current tax	25	259	260
Deferred tax	7	(7)	(18)
Total tax expense for the current year		**252**	**242**
Tax adjustment for earlier years	25	-	(188)
Total tax expense		**252**	**54**
Profit for the year (A)		**1,006**	**1,129**
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	7	0	0
Total		**(1)**	**(1)**
Items that will be reclassified to profit or loss			
Change in fair value of hedging instruments	12 (c)	(2)	0
Income tax relating to items that will be reclassified to profit or loss			
Change in fair value of hedging instruments	7	1	(0)
Total		(1)	0
Other comprehensive income for the year, net of tax (B)		**(2)**	**(1)**
Total comprehensive income for the year (A+B)		**1,004**	**1,128**
Earnings per equity share for profit attributable to owners (in ₹)	34		
Basic earnings per share		7.80	8.76
Diluted earnings per share		7.79	8.76
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 and Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 4, 2020

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 4, 2020

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2020

A. Equity Share Capital

Particular	Note	₹ in Crore
As at 1st April 2018		129
Changes in equity share capital	12 (a)	-
As at 31st March 2019		**129**
Changes in equity share capital	12 (a)	0
As at 31st March 2020		**129**

B. Other Equity

(₹ in Crore)

Particular	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, 2018		**243**	2,331	298	11	(42)	55	0	2,896
Profit for the year		-	1,129	-	-	-	-	-	1,129
Other comprehensive income for the year		-	(1)	-	-	-	-	0	(1)
Total comprehensive income for the year		-	1,128	-	-	-	-	0	1,128
(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)
Exercise of employee stock options	12 (b)	-	-	-	-	-	-	-	-
Share based payment expense	12 (b)	-	-	-	8	-	-	-	8
Balance as at 31st March, 2019		243	2,757	298	19	(27)	70	(0)	3,360
Balance as at 1st April, 2019		243	2,757	298	19	(27)	70	(0)	3,360
Profit for the year		-	1,006	-	-	-	-	-	1,006
Other comprehensive income for the year		-	(1)	-	-	-	-	(1)	(2)
Total comprehensive income for the year		-	1,005	-	-	-	-	(1)	1,004
(Purchase)/sale of treasury shares by the trust during the year (net)	12 (b)	-	-	-	-	(0)	-	-	(0)
Dividend paid on equity shares (including dividend distribution tax of ₹ 1.30 Cr)	12 (b)	-	(1,002)	-	-	-	-	-	(1,002)
Income of the trust for the year	12 (b)	-	-	-	-	-	3	-	3
Gain/(loss) transferred to Income Statement	12 (c)	-	-	-	-	-	-	(1)	(1)
Deferred hedging gain / (loss) on hedging instruments	12 (c)	-	-	-	-	-	-	(0)	(0)
Deferred tax on hedge reserve	12 (c)	-	-	-	-	-	-	1	1
Exercise of employee stock options	12 (b)	4	-	-	(4)	-	-	-	-
Share based payment expense	12 (b)	-	-	-	10	-	-	-	10
Balance as at 31st March, 2020		**247**	**2,760**	**298**	**25**	**(27)**	**73**	**(1)**	**3,375**

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

The General Reserve is used from time to time to record transfer of profit from retained earnings, for appropriation purposes. As General Reserve is created by transfer from one component of equity to another and it is not an item of other comprehensive income, item included in the General Reserve will not be reclassified subsequently to Profit or Loss.

Share based option outstanding account

The Company has establhised various equity settled share based payment plans for certain category of employees of the Company. Refer note 33 for further details of this plans.

WEOMA reserve and Treasury shares

The Company has formed Welfare of Mariconions Trust (WEOMA trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. WEOMA purchases shares of the Company out of funds provided by the Company. The Company treats WEOMA as its extension and shares held by WEOMA are treated as treasury shares. Profit on sale of treasury shares (net of tax) and dividend earned on the same by WEOMA trust is recognised in WEOMA reserve.

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.

As per our report of even date

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 4, 2020

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 4, 2020

STATEMENT OF CASH FLOW

For the year ended 31st March, 2020

(₹ in Crore)

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A	CASH FLOW FROM OPERATING ACTIVITIES		
	PROFIT BEFORE INCOME TAX	**1,258**	**1,183**
	Adjustments for:		
	Depreciation, amortisation and impairment	113	104
	Finance costs	33	24
	Interest income from financial assets	(48)	(36)
	(Gain)/ Loss on disposal of property, plant and equipment (Net)	0	(3)
	Net fair value changes (including net gain on sale of investments)	(33)	(32)
	Dividend income from subsidiaries	(193)	(206)
	Employees stock option charge	9	8
	Stock appreciation rights expense charge / (reversal)	(1)	5
	Provision for doubtful debts, advances, deposits and others (written back) / written off	(3)	11
		1,135	**1,058**
	Change in operating assets and liabilities:		
	(Increase) / Decrease in inventories	69	79
	(Increase) / Decrease in trade receivables	(36)	(143)
	(Increase) / Decrease in other financials assets	28	(26)
	(Increase) / Decrease in other non-current assets	(2)	(1)
	(Increase) / Decrease in other current assets	(25)	(80)
	(Increase) / Decrease in loans	(1)	(0)
	(Decrease) / Increase in provisions	1	(0)
	(Decrease) / Increase in employee benefit obligations	(19)	5
	(Decrease) / Increase in other current liabilities	33	25
	(Decrease) / Increase in trade payables	(3)	128
	(Decrease) / Increase in other financial liabilities	8	(1)
	Changes in Working Capital	**53**	**(14)**
	Cash generated from operations	**1,188**	**1,044**
	Income taxes paid (net of refunds)	(219)	(259)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**969**	**785**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment for property, plant and equipment and intangible assets	(141)	(150)
	Proceeds from sale of property, plant and equipment	3	13
	(Payment for) / Proceeds from purchase/sale of investments (NET) (refer note G below)	(190)	79
	Investment in joint venture	(3)	(6)
	Investment in Subsidiaries	(1)	-
	(Purchase)/ Redemption of Inter-corporate deposits (NET) (refer note G below)	45	18
	Investment in Bank deposits (having original maturity more than 3 months) (net) (refer note G below)	173	(269)
	Dividend income from subsidiaries	193	206
	Interest received	49	31
	NET CASH GENERATED FROM / (UTILISED IN) INVESTING ACTIVITIES (B)	128	(79)

(₹ in Crore)

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
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)	4	30
	Other borrowings (repaid) / taken (net) (refer note H below)	(23)	9
	Interest paid	(21)	(12)
	Repayment of Prinicipal portion of lease liabilities	(26)	(17)
	Interest paid on lease liabilities	(12)	(12)
	Dividends paid to company's shareholders (including dividend distribution tax)	(1,002)	(702)
	Net cash used in financing activities (C)	**(1,080)**	**(704)**
D	**NET INCREASE / (DECREASE) IN CASH and CASH EQUIVALENTS (A+B+C)**	**17**	**2**
E	**Cash and cash equivalents at the beginning of the year**	**10**	**8**
F	**Cash and cash equivalents at end of the year (Refer note 6 (d))**	**27**	**10**

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.

G Non Cash Transaction from Investing Activities

Particulars	As at 31st March 2019	Cash flow	Non-Cash changes/ Fair Value Adjustment	As at 31st March 2020
Non-Current Investments	34	41	1	76
Current Investments including Fixed deposit	708	(70)	31	669
	742	(29)	32	745

H Changes in liabilities arising from financing activities

Particulars	As at 31st March 2019	Cash flow	Non-Cash changes/ Fair Value Adjustment	As at 31st March 2020
Non Current Borrowings	-	-	-	-
Current Borrowings	131	(23)	2	110
	131	(23)	2	110

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 and Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 4, 2020

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 4, 2020

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 and 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 and forwarding agents, redistribution centers and 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, 2020 were approved for issue in accordance with the resolution of the Board of Directors on 4th May, 2020.

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 noncurrent.

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 and CEO is designated as CODM.

c) Foreign currency transactions:

i. Functional and presentation currencies:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in INR which is the functional and presentation currency for Marico Limited.

ii. Transactions and Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement of Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

d) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and service 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. 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 and subsidies. No element of financing is deemed present as the sales are made with credit terms, which is consistent with market practice.

ii. Sale of services:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

e) Income recognition

i. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

ii. Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

iii. Revenue from royalty income is recognized on accrual basis.

f) Government Grants:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and reduced from corresponding cost.

Income from incentives such as government budgetary support scheme, premium on sale of import licenses, duty drawback etc. are recognized under other operating income on accrual basis to the extent the ultimate realization is reasonably certain.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

g) Income Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of Property Plant and Equipments that are not yet ready for their intended use at the year end.

Depreciation and amortization

Depreciation is calculated using the straight-line method to allocate the cost of Property, Plant and Equipment, net of residual values, over their estimated useful lives.

As per technical evaluation of the Company, the useful life considered for the following items is lower than the life stipulated in Schedule II to the Companies Act, 2013:

Assets	Useful life (years)
Motor vehicle – motor car, bus and lorries, motor cycle, scooter	5
Office equipment – mobile and communication tools	2
Computer – Server network	3
Plant and equipment - Moulds	3 – 5
Leasehold land	Lease period
Right to Use Asset	Lease period

Apart from the above, the useful lives of other class of assets are in line with that prescribed in the Schedule II to the Companies Act, 2013.

Extra shift depreciation is provided on "Plant" basis.

Assets individually costing ₹25,000 or less are depreciated fully in the year of acquisition.

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures whichever is lower.

Depreciation on additions / deletions during the year is provided from the month in which the asset is capitalized up to the month in which the asset is disposed off.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income.

i) Intangible Assets:

i. Intangible assets with finite useful life:

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under:

Assets	Useful life (years)
Computer Software	3

ii. Intangible assets with indefinite useful life:

Intangible assets with indefinite useful lives are measured at cost and are not amortised, but are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

iii. Research and Development:

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned in para h and i above. Revenue expenditure is charged off in the year in which it is incurred.

j) Investment property:

Property land or a building—or part of a building—or both that is held for long term rental yields or for capital appreciation or both, rather than for:

(i) use in the production or supply of goods or services or for administrative purposes; or

(ii) sale in the ordinary course of business; is recognized as Investment Property in the books.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation is provided on all Investment Property on straight line basis, based on useful life of the assets determined in accordance with para "h" above .

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

k) Non-Current Asset held for Sale:

Non-current assets are classified as Non-Current asset held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised is recognised at the date of sale of the asset.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

l) Lease:

As a lessee

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.

Previously, under IND AS 17, leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary increase.

On transition to IND AS 116 – Leases, the Company has taken full retrospective approach and implemented retrospectively as a result of which the numbers for FY 2018-19 are reinstated and are comparable with FY 2019-20. The Company is of the view that, full retrospective method is more appropriate as it provides full disclosure along with comparable numbers to the readers of financial statements.

The Company calculates lease liability in respect of all the leases by arriving at present value using incremental borrowing rate for the tenure of the lease on future lease rentals payable by the Company. In cases, where such incremental borrowing rate is not available, interest rate is derived using risk free rate with applicable risk premium, for remaining term of the lease. The risk premium is the usual spread charged by banks for lending.

Any probable cost in future, if applicable, as well towards dismantling or removal of any asset is been considered for arriving at the net outflow.

The Company considers leases with term up to 12 (Twelve) months as short term leases. Also leases where the present value of future lease payments is less than ₹ 350,000 are considered as low value. Such short term and low value leases are excluded from the scope for the purpose of Ind As 116.

Right of Use Asset:

The Company derives right of use asset as per IND AS 116 from inception of the lease arrangement and is amortized on a straight line basis over the estimated useful lives of respective Right of use asset.

As on date of transition 1st April 2018, the difference between right-of-use asset and a lease liability is adjusted against Retained earnings as on 1st April 2018.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

m) Investment and financial assets:

i. Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

Classification of debt assets will be driven by the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cashflows and for selling the financial assets, where the assets cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive the dividend is established.

iii. Impairment of financial assets:

The Company assesses if there is any significant increase in credit risk pertaining to the assets and accordingly creates necessary provisions, wherever required.

iv. Derecognition of financial assets:

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows so received to one or more recipients .

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

n) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 27. Movements in the hedging reserve in shareholders' equity are shown in Note 12(c). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge reserve

The effective part of the changes in fair value of hedge instruments is recognized in other comprehensive income, while any ineffective part is recognized immediately in the Statement of Profit and Loss.

o) Inventories:

Raw materials, packing materials, stores and spares are valued at lower of cost and net realizable value.

Work-in-progress, finished goods and stock-in-trade (traded goods) are valued at lower of cost and net realizable value.

By-products and unserviceable / damaged finished goods are valued at estimated net realizable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost is assigned on the basis of weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

p) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at cost less provision made for doubtful receivables as per expected credit loss method over the life of the asset depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

q) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

r) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

s) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

t) Employee Benefits:

i. Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Defined contribution plan

Provident fund:

Provident fund contributions are made to a trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the Company is additionally provided for. Actuarial losses and gains are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

iii. Defined benefit plan:

a) Gratuity:

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

b) Leave encashment / Compensated absences:

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation and classified as long term and short term. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

iv. Share based payments:

- **Employee Stock Option Plan:**

  The fair value of options granted under the Company's employee stock option scheme (excess of the fair value over the exercise price of the option at the date of grant) is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

- including any market performance conditions (e.g. the entity's share price).

- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

  The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

- **Employee Stock Appreciation Rights Scheme:**

  Liability for the Company's Employee Stock Appreciation Rights (STAR), granted pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011, shall be measured, initially and at the end of each reporting period until settled, at the fair value of the STARs, by applying an option pricing model, be and is recognized as employee benefit expense over the relevant service period. The liability is presented as employee benefit obligation in the balance sheet.

v. Treasury Shares:

The Company has created a "Welfare of Mariconians Trust", (WEOMA) for providing share-based payment to its employees under the STAR scheme. In order to fund the STAR schemes, the Trust, upon intimation from the Company, carries out secondary market acquisition of the equity shares, of the Company. They are equivalent to STARs granted to its employees. The Company provides loan to the Trust for enabling such secondary acquisition. As and when the STARs vest in eligible employees, upon intimation of such details by the Company, the Trust sells the equivalent shares and hands over the net proceeds to the Company in accordance with the Trust Rules framed. The Company treats, WEOMA as its extension and shares held by WEOMA are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase or sale of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in WEOMA reserve.

vi. Provisions and Contingent Liabilities:

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

u) Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(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.

v) Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdraft.

w) Impairment of assets:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

x) Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

y) Investment in subsidiaries and joint ventures:

Investments in subsidiaries and 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.

z) Earnings Per Share

i. Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii. Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

aa) Contributed Equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ab) Business Combinations:

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

ac) Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

ad) Rounding off:

All amounts disclosed in the financial statement and notes have been rounded off to the nearest crores, unless otherwise stated.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

ae) Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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)

(g) Lease Accounting (Note 3 b)

(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.

(g) Lease Accouunting

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The company has considered leases with term up to 12 (Twelve) months as short term leases. Also leases where the current market value (for transition purpose determined basis the present value of future lease payments) is less than ₹ 350,000 have been considered as low value. Such short term and low value leases are accordingly excluded from the scope for the purpose of Ind As 116 reporting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

3(a) Property, Plant and Equipment

(₹ in Crore)

Paritulars	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office Equipment	Leasehold improvements	Total	CWIP
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**
Year ended 31st March 2020										
Gross carrying amount										
Opening gross carrying amount	2	48	267	397	14	2	10	14	754	42
Additions	-	-	34	97	4	2	2	4	143	
Disposals / write off	-	-	(1)	(7)	(0)	-	(0)	-	(8)	
Closing gross carrying amount	**2**	**48**	**300**	**487**	**18**	**4**	**11**	**18**	**889**	
Accumulated depreciation										
Opening accumulated depreciation	-	2	37	191	8	0	9	3	250	
Depreciation charge during the year	-	1	13	63	2	1	1	2	83	
Disposals / write off	-	-	(0)	(6)	(0)	-	(0)	-	(7)	
Closing accumulated depreciation	**-**	**2**	**50**	**248**	**10**	**1**	**10**	**5**	**327**	
Impairment loss										
Opening accumulated impairment	-	-	0	1	0	-	0	-	1	
Impairment charge/(reversal) during the year	-	-	1	1	(0)	-	(0)	-	2	
Write off	-	-	-	(1)	-	-	-	-	(1)	
Closing balance	-	-	1	1	0	-	0	-	2	
Net carrying amount	**2**	**45**	**249**	**238**	**8**	**3**	**1**	**13**	**561**	**55**

(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 for setting up new manufacturing unit at Sanand , 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 option to purchase the property.

(v) **Buildings**

Buildings include Nil (31st March, 2019: Nil) being the value of shares in co-operative housing societies.

3(b) Right of use Assets

(₹ in Crore)

Particulars	Buildings	Plant and equipment	Total
Year ended 31st March 2019			
Gross carrying amount			
Opening gross carrying amount	**155**	**0**	**155**
Additions	27	-	27
Disposals / write off	(11)	-	(11)
Closing gross carrying amount	**171**	**0**	**171**
Accumulated depreciation			
Opening accumulated depreciation	**53**	**0**	**53**
Depreciation charge during the year	23	0	23
Disposals / write off	(12)	-	(12)
Closing accumulated depreciation	**64**	**0**	**64**
Impairment loss			
Opening accumulated impairment	**-**	**-**	**-**
Impairment charge/(reversal) during the year	-	-	-
Write off	-	-	-
Closing balance	**-**	**-**	**-**
Net carrying amount	**107**	**0**	**107**
Year ended 31st March 2020			
Gross carrying amount			
Opening gross carrying amount	**171**	**0**	**171**
Additions	34	-	34
Disposals / write off	(21)	(0)	(21)
Closing gross carrying amount	**184**	**0**	**184**
Accumulated depreciation			
Opening accumulated depreciation	**64**	**0**	**64**
Depreciation charge during the year	**26**	**0**	**26**
Disposals / write off	(14)	(0)	(15)
Adjustments			
Closing accumulated depreciation	**76**	**0**	**76**
Impairment loss			
Opening accumulated impairment	**-**	**-**	**-**
Impairment charge/(reversal) during the year	-	-	-
Write off	-	-	-
Closing balance	**-**	**-**	**-**
Net carrying amount	**108**	**-**	**108**

Impact of COVID-19

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of operations rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as plant / godowns / delivery centers / depots / sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

4 Investment Properties

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gross carrying amount		
Opening gross carrying amount/Deemed cost	**11**	**24**
Additions	-	-
Reclassification as held for sale (refer note v below)	-	(13)
Closing gross carrying amount	**11**	**11**
Accumulated Depreciation	0	1
Depreciation charge	0	0
Reclassification as held for sale (refer note v below)	-	(1)
Closing accumulated depreciation	**0**	**0**
Net carrying amount	**11**	**11**

(i) Amounts recognised in profit or loss for investment properties

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
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, 2020	As at 31st March, 2019
Within one year	1	0
Later than one year but not later than 5 years	1	-
Later than 5 years	-	-

(iii) Fair value

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment properties	16	17

Estimation of fair value

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in market for similar properties.

(iv) The fair values of investment properties have been determined by an independent valuer who holds recognised and relevant professional qualification. The main inputs include details obtained from "The Ready Reckoner", location factor and physical verification of the property.

(v) During the previous year ended 31 March, 2019 Investment property at Andheri, Mumbai had been classified as asset held for sale.

5 Intangible Assets

(₹ in Crore)

Particulars	Trademarks and copyrights	Computer software	Total
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**	**4**	**22**
Year ended 31st March, 2020			
Gross carrying amount			
Opening gross carrying amount	**19**	**14**	**33**
Additions	-	1	1
Closing gross carrying amount	**19**	**15**	**34**
Accumulated amortisation			
Opening accumulated amortisation	-	11	11
Amortisation charge for the year	-	2	2
Closing accumulated amortisation	**-**	**13**	**13**
Closing net carrying amount	**19**	**2**	**21**

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2020

6(a) Investments

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current Investments		
I. Investment in subsidiaries and joint ventures		
Quoted		
Equity instruments		
Subsidiaries	1,001	1,000
Joint venture	29	26
	1,030	**1,026**
II. Other Invesments		
(A) Quoted		
Debentures	50	9
Bonds	25	25
Mutual Funds	-	-
	75	**34**
(B) Unquoted		
Equity instruments		
Others	1	0
Government securities	0	0
	1	0
Total Non - current other Investments (A + B)	**76**	**34**
Current Investments		
(C) Quoted		
Debentures	68	84
Bonds	47	-
Mutual Funds	-	13
	115	**97**
(D) Unqoted		
Intercorporate deposits	21	66
Commercial papers	89	25
Certificate Deposits	96	-
Mutual Funds	296	192
	502	**283**
Total Current Investments (C+D)	**617**	**380**
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, 2019 : 28,350,000) equity shares of Bangladesh taka 10 each fully paid		
(Quoted on Dhaka Stock exchange and Chittagong Stock exchange).		

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unquoted at cost		
In Subsidiary Companies		
Marico Middle East FZE (wholly owned)	28	28
22 (31st March, 2019) equity share of UAE dirham 1,000,000 fully paid		
Marico South Africa Consumer Care (Pty) Limited (wholly owned)	74	74
1,569 (31st March, 2019 : 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, 2019 : 9,535,495) equity shares of VND 10,000 fully paid		
Marico Lanka Private Limited (wholly owned)	1	-
6,46,402 (31st March, 2019 : Nil) equity shares of LKR 10 fully paid		
Marico Consumer Care Limited (wholly owned)	746	746
20,660,830 (31st March, 2019 : 20,660,830) equity shares of ₹10 each fully paid		
Less: Provision for impairment in value of investment (refer note (iv) below)	(104)	(104)
	642	642
Total investment in subsidiaries	**1,001**	**1,000**
Unquoted at cost		
In Joint Venture		
Zed Lifestyle Private Limited (refer note (ii) below)	24	22
5,640 (31st March, 2019 : 5,176) equity shares of ₹10 each fully paid		
Revolutionary Fitness Private Limited (refer note (i) below)	5	4
5,791 (31st March, 2019 : 4,022) equity shares of ₹10 each fully paid		
Hello Green Pvt Ltd (refer note (iii) below)	0	-
8,568 (31st March, 2019 : Nil) equity shares of ₹10 each fully paid		
Total investment in Joint Venture	**29**	**26**
Aggregate carrying amount of quoted investments	191	132
Market value/ Net asset value of quoted investments	4,128	3,502
Aggregate carrying amount of unquoted investments	1,532	1,308
Aggregate amount of impairment in the value of investments	104	104

Notes:

(i) During the year ended 31st March, 2020, the Company acquired additional 6.98% stake in Revolutionary Fitness Private Limited, a joint venture. During the previous year ended 31st March, 2019, the Company had acquired 22.46% stake in the joint venture. As at 31st March, 2020 company holds 29.44% stake in this joint venture.

(ii) During the year ended 31st March, 2020, the Company acquired additional 2.12% stake in Zed Lifestyle Private Limited, a joint venture. During the previous year ended 31st March, 2019, the Company had acquired additional 2.28% stake in the joint venture. As at 31st March, 2020 company holds 45% stake in this joint venture.

(iii) During the year ended 31st March, 2020, the Company acquired 25.79% stake in Hello Green Private Limited, a joint venture.

(iv) 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 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.

6(b) Trade Receivables

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade receivables	444	411
Less: Allowance for doubtful debts	(5)	(5)
	439	**406**
Receivables from related parties (refer note 30)	26	24
Total receivables	**465**	**430**
Current Portion	465	430
Non-Current Portion	-	-
Break up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	465	430
Trade receivables which have significant increase in credit risk	4	4
Less: Allowance for doubtful debts	(4)	(4)
Trade receivables - Credit impaired	1	1
Less: Allowance for doubtful debts	(1)	(1)
Total	**465**	**430**

Note - For credit risk and provision for loss allowance refer note 27(A).

6(c) Loans

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non current		
Unsecured, considered good		
Loans to employees	3	4
Security deposits with public bodies and others		
Considered good	13	11
Considered doubtful	1	1
	14	**12**
Less: Provision for doubtful deposits	(1)	(1)
	13	**11**
Total non current loans	**16**	**15**
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.

6(d) Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Bank balances in current accounts	16	10
Deposits with original maturity of less than three months	11	-
Cash on hand	0	0
Total cash and cash equivalents	**27**	**10**

6(e) Bank Balances other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fixed deposits with maturity more than 3 month but less than 12 months	52	328
Balances with banks for unclaimed dividend (Refer note below)	1	1
Total bank balance other than cash and cash equivalents	**53**	**329**

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, 2020	As at 31st March, 2019
Unsecured considered good (unless otherwise stated)		
Receivables from to subsidiaries (refer note 30)		
Considered good	28	30
Considered doubtful	-	-
	28	**30**
Less: Provision for doubtful advances	-	-
	28	**30**
Fixed deposits-maturing after 12 months (refer note below)	0	0
Total other non-current financial assets	**28**	**30**

Note : Fixed deposits with banks includes deposits with sales tax authorities, deposits held as lien by banks against guarantees and for other earmarked balances.

6(g) Other Current Financial Assets

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Derivatives		
Foreign exchange forward contracts, options and interest rate swaps	1	2
	1	**2**
(ii) Others		
Receivables from subsidiaries (refer note 30)	26	9
Security deposits	0	1
Dividend from Subsidiary (refer note 30)	-	42
	26	**52**
Total other current financial assets	**27**	**54**

7 Deferred Tax Asset / (Liabilities)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax Asset :		
Liabilities / provisions that are deducted for tax purposes when paid	29	27
On Intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme (refer note (1) below)	2	3
MAT credit entitlement	134	182
	165	**212**
Other items:		
Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off	1	2
Other timing differences	17	11
	18	13
Total deferred tax assets	**183**	**225**
Deferred tax liability :		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	34	38
Financial assets at fair value through Profit and loss	1	(1)
Other timing differences	-	0
Total deferred tax liabilities	**(35)**	**(37)**
Net deferred tax assets/ (liabilities)	**148**	**188**

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 1st April, 2018	**-**	**27**	**5**	**2**	**11**	**45**
(Charged)/credited:						
to Profit and Loss	-	-	(2)	(0)	2	0
to other comprehensive income	-	-	-	-	-	-
Tax adjustment for earlier years	-	-	-	188	-	188
Deferred tax on balance sheet adjustment	-	-	-	(8)	(0)	(8)
As at 31st March 2019	**-**	**27**	**3**	**182**	**13**	**225**
(Charged)/credited :						
to Profit and Loss	-	2	(1)	-	5	6
to other comprehensive income	-	0	-	-	-	0
Tax adjustment for earlier years	-	-	-	-	-	-
Deferred tax on balance sheet adjustment	-	-	-	(48)	-	(48)
As at 31st March 2020	**-**	**29**	**2**	**134**	**18**	**183**

Particulars	Property plant and equipment and Investment property	Change in fair value of hedging instruments	Other items	Total deferred tax liabilities
As at 1st April, 2018	**41**	**14**	**0**	**55**
Charged/(credited) :				
to Profit and Loss	(3)	(15)	(0)	(18)
to other comprehensive income	-	-	-	-
Deferred tax on basis adjustment	-	-	-	-
As at 31 st March 2019	**38**	**(1)**	**(0)**	**37**
(Charged)/credited :				
to Profit and loss	(4)	2	0	(1)
to other comprehensive income	-	(1)	-	(1)
Deferred tax on basis adjustment	-	-	-	-
As at 31 st March 2020	**34**	**1**	**-**	**35**

Note 1: On intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme.

8 Other Non Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital advances	6	18
Fringe benefit tax payments	0	0
Deposits with statutory/government authorities	12	11
Prepaid expenses	2	1
Total other non-current assets	**20**	**30**

9 Inventories

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw materials		
- In stock	419	340
Packing materials	63	75
Work-in-progress	320	282
Finished goods		
- In stock	306	486
- In transit	0	1
Stock in Trade	41	34
By-product	4	7
Stores and spares	12	9
Total inventories	**1,165**	**1,234**

Refer note 1(o) for basis of valuation.

During the year, an amount of ₹ 53 Crores (31st March, 2019: ₹ 40 Crores) was charged to the Statement of Profit and Loss on account of damaged and slow moving inventory. The reversal on account of above during the year amounted to Nil (31st March, 2019: Nil).

10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advances to vendors	52	54
Prepaid expenses	11	12
Balances with government authorities	82	75
Input tax credit receivable	137	120
Others	5	1
Total other current assets	**287**	**262**

11 Assets Classified as Held for Sale

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Land and Building	5	12
Total assets classified as held for sale	**5**	**12**

Non-recurring fair value measurements

During the previous year ended 31 March, 2019 investment property at Andheri, Mumbai, having carrying value of ₹ 12 Crores were classified as asset held for sale, of which part property was sold during the year and remaining property is classified as Asset held for sale with carrying value of ₹5 Crores. Fair value of the same was ₹10 Crores as at 31st March, 2020. The fair values of these assets have been determined by an independent valuer who holds recognised and relevant professional qualification. The main inputs include details obtained from "The Ready Reckoner", location factor and physical verification of the property.

12(a) Equity Share Capital

(₹ in Crore)

Particulars	No. of shares (in Crore)	Amount
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**
As at 31st March, 2020		
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, 2019		
1,290,864,398 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, 2020		
1,291,018,088 equity shares of Re. 1/- each fully paid-up	**129.10**	**129**
Total	**129.10**	**129**

(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 1st April, 2018	129.09	129
Shares issued during the year - ESOP (refer note 33(a))	-	-
As at 31st March, 2019	**129 .09**	**129**
Increases during the year		
Shares issued during the year - ESOP (refer note 33(a))	0.01	0
As at 31st March, 2020	**129 .10**	**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 related to Marico ESOP 2016 including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 33 (a).

(iv) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	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)	69,377,833	5.37	78,346,023	6.07

(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, 2020	As at 31st March, 2019
No. of equity shares allotted as bonus	645,085,599	645,085,599
No. of equity shares alloted under employee stock option plans	950,490	905,800

12(b) Reserves and Surplus

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Securities premium	247	243
General reserve	298	298
Share based option outstanding account	25	19
Treasury shares	(27)	(27)
WEOMA reserve	73	70
Retained earnings	2,760	2,757
Total Reserve and surplus	**3,376**	**3,360**

(i) Securities premium

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	243	243
Add: Exercise of employee stock options	4	-
Closing balance	**247**	**243**

(ii) General reserve

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	298	298
Closing balance	**298**	**298**

(iii) Share based option outstanding account (refer note 33)

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	19	11
Exercise of employee stock options	(4)	-
Add : Share based payment expense	10	8
Closing balance	**25**	**19**

(iv) Treasury shares

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	(27)	(42)
Add: (Purchase)/sale of treasury shares by the trust during the year (net)	(0)	15
Closing balance	**(27)**	**(27)**

(v) WEOMA reserve

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	70	55
Add: Income of the trust for the year	3	15
Closing balance	**73**	**70**

(vi) Retained earnings

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	2,757	2,331
Net Profit for the year	1,006	1,129
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(1)	(1)
Less: Dividend	(872)	(613)
Less: Tax on dividend (net of tax on dividend received from subsidiaries of ₹49 Crore) (Previous year ₹ 37 Crore)	(130)	(89)
Closing balance	**2,760**	**2,757**

12(c) Other Reserves

Hedge reserve

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	0	0
Changes in fair value	(1)	0
Reclassified to statement of profit and loss	(1)	0
Deferred tax on above	1	(0)
Closing balance	**(1)**	**0**

13(a) Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2020	As at 31st March, 2019
Loans repayable on demand					
Unsecured					
From banks					
- Cash credit (refer note (i) below)	Payable on demand	Payable on demand	9.5% to 12.50% per annum	-	3
- Working capital demand loan (refer note (i) below)	31st March, 2020 : Repayable with interest on April 2020 - ₹ 10 Crores, June 2020 - ₹ 24 Crores, July 2020 - INR 6 Crores, February 2021 - ₹ 30 Crores, March 2021 - ₹10 Crores, (FY 19 Repaid April to June 2019 - ₹ 45 Crore July 19 to March 20- ₹ 41 Crores)	For a term of six months to twelve months	FY 20 Bank Base rate/ relevant Benchmark Rate plus applicable spread per annum (FY 19 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum)	80	86
- Export packing credit (refer note (i) below)	Repayable on May, 2020 ₹ 17 Crores, July, 2020 ₹ 13 Crores (FY 19 - Repaid From April 19 to June 19, ₹ 24 Crores, August 19 to September 19 ₹ 18 Crores)	For a term of six months	FY 20 Bank Base rate/ Relevant Benchmark rate plus applicable spread less Interest Subvention of 3.00% per annum; (FY 19 - Bank Base rate/ Relevant Benchmark rate plus applicable spread less Interest Subvention of 3.00% per annum)	30	42
Total current borrowings				**110**	**131**
Less: Interest accrued not due on borrowings (refer note 13(b))				0	0
Current borrowings as per balance sheet				**110**	**131**

Note:-

i) Cash credit, working capital demand loan and export packing credit is unsecured. There is no charge against short term loan taken from banks.

13(b) Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current		
Lease Liabilities	109	107
Total other non-current financial liabilities	**109**	**107**
Current		
Interest accrued but not due on borrowings (refer note 13(a))	0	0
Creditors for capital goods	8	3
Salaries, bonus and other benefits payable to employees	3	2
Derivatives designated as hedges	2	-
Trade Deposits from customers and other	1	2
Unclaimed Dividend (refer note below)	1	1
Lease Liabilities	26	28
Others	0	0
Total other current financial liabilities	**42**	**37**

Note : As at 31st March, 2020, 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, 2020	As at 31st March, 2019
Current		
Trade payables:		
Dues to Micro and small enterprises (refer note below)	10	13
Dues to related parties (refer note 30)	6	4
Dues to others	693	698
Total trade payables	**709**	**715**

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, 2020	As at 31st March, 2019
I. The principal amount remaining unpaid to any supplier as at the end of accounting year included in trade payable	10	13
II. Interest due thereon	1	1
Trade Payables due to micro and small enterprises	**11**	**14**
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	1
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	1	0

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

14 Provisions

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current		
Disputed indirect taxes (refer note (a) and (b) below)*	58	57
Total current provisions	**58**	**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 in the Company has filed a writ petition in both the states before both the respective Honourable High Courts and the matters are sub judice. It is not practicable to state the timing of the judgement and final outcome. The Company has assesed that unfavourable outcome of the matter is more than probable and therefore have provided 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, 2020	As at 31st March, 2019
Balance as at the beginning of the year	57	57
Add: Additional provision recognised	1	-
Less: Amount used during the year	-	(0)
Balance as at the end of the year	**58**	**57**

15 Employee benefit obligation non current

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Leave encashment/ compensated absences (refer note (iii) below)	8	8
Share-appreciation rights (refer note (iv) below)	0	1
Total employee benefit obligations non current	**8**	**9**

Employee Benefit Obligation Current

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gratuity (refer note (i) below)	5	5
Leave encashment/ compensated absences (refer note (iii) below)	2	2
Share-appreciation rights (refer note (iv) below)	0	2
Incentives / Bonus	25	41
Others	-	1
Total employee benefit obligations current	**32**	**51**

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.

(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, 2020 and 31st March.

(iii) Leave Encashment/Compensated absences.

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. Current Leave obligations expected to be settled within the next 12 months.

(iv) Share-appreciation rights

In respect of Employee Stock Appreciation Rights (STAR) granted pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011, the liability 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 1st April 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**
Balance as on 31st March 2019	**32**	**27**	**5**
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	-	-	-
(Gain)/loss from change in financial assumptions	2	-	2
Experience (gains)/ losses	0	(1)	(1)
Total amount recognised in other comprehensive income	**2**	**(1)**	**1**
Employer contributions	-	5	(5)
Benefit Payments	(6)	(7)	0
Balance as on 31st March 2020	**34**	**28**	**5**

The Net liability disclosed above relates to funded and unfunded plans are as follows

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Present value of funded obligations	**34**	32
Fair value of plan assets	**(28)**	(27)
Deficit of gratuity plan	**6**	5

The significant actuarial assumptions were as follows

Particulars	As at 31st March, 2020	As at 31st March, 2019
Discount rate	**6.37%**	7.09%
Rate of return on Plan assets*	**6.37%**	7.09%
Future salary rise**	**10.00%**	10.00%
Attrition rate	**15% and 16%**	15% and 16%

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, 2020	As at 31st March, 2019
Projected benefit obligation on current assumptions	**34**	**32**
Delta effect of +1% change in rate of discounting	(2)	(1)
Delta effect of -1% change in rate of discounting	2	2
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 performed based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The major categories of plans assets are as follows :

(₹ in Crore)

Particulars	31st March, 2020		31st March, 2019	
	Amount	in %	Amount	in %
Special deposit scheme	-	0.00%	-	0.00%
Insurer Managed funds	28	100.00%	26	100.00%
Other	-	0.00%	-	0.00%
Total	**28**	**100.00%**	**26**	**100.00%**

Defined benefit liability and employer contributions

The weighted average duration of the gratuity is 6 years as at 31st March, 2020 and 31st March, 2019.

The expected employers contribution towards gratuity for the next year is ₹ 9 Crores.

(b) Provident Fund

Amount recognised in the Balance sheet

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Liability at the end of the year	-	0
Fair value of plan assets at the end of the year	182	163
Present value of benefit obligation as at the end of the period	(173)	(157)
Difference	9	6
Unrecognized past service Cost	(9)	(6)
(Assets) / Liability recognized in the Balance Sheet	0	0

Changes in defined benefit obligations:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Liability at the beginning of the year	157	137
Opening balance adjustment	0	1
Interest cost	12	12
Current service cost	12	10
Employee contribution	15	13
Liability Transferred in	6	3
Liability Transferred out	-	(8)
Benefits paid	(29)	(11)
Liability at the end of the year	**173**	**157**

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fair value of plan assets at the beginning of the year	163	141
Opening balance adjustment	-	1
Expected return on plan assets	12	14
Contributions	26	23
Transfer from other Company	6	3
Transfer to other Company	-	(8)
Benefits paid	(28)	(11)
Actuarial gain/(loss) on plan assets	3	0
Fair value of plan assets at the end of the year	**182**	**163**

Expenses recognised in the Statement of Profit and Loss:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current service cost	12	10
Interest cost	12	12
Expected return on plan assets	(12)	(14)
(Income) / Expense recognised in the Statement of Profit and Loss	**12**	**8**

The major categories of plan assets are as follows :

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Amount	in %	Amount	in %
Central Government securities	12	6.67%	14	8.67%
State loan/State government Guaranteed Securities	13	6.97%	13	7.94%
Government Securities debt instruments	111	61.14%	89	54.44%
Public Sector Units	20	10.74%	24	14.74%
Private Sector Units	5	2.97%	6	3.81%
Equity / Insurance Managed Funds	10	5.28%	9	5.32%
Special Deposit	1	0.61%	-	0.00%
Others	10	5.63%	8	5.09%
Total	**182**	**100.00%**	**163**	**100.00%**

The Significant actuarial assumptions were as follows :

Particulars	As at 31st March, 2020	As at 31st March, 2019
Discount rate	6.37%	7.07%
Rate of return on plan assets*	8.65%	8.65%
Future salary rise**	10.00%	10.00%
Attrition rate	16%-15%	16%-15%
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, 2020	As at 31st March, 2019
Opening balance of compensated absences	9	10
Present value of compensated absences (As per actuarial valuation) as at the year end	9	9

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, 2019) towards employee state insurance plan in the Statement of Profit and Loss.

(e) Risk exposure (For Gratuity and Provident Fund)

Through its defined benefit plans, the company is exposed to below risk:

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets have investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The Trust ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the group's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

Defined benefit liability and employer contributions

The weighted average duration of the gratuity for the Company ranges from 5 to 10 years as at 31st March 2020 and 31st March 2019.

The expected maturity analysis of gratuity is as follows:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within the next 12 months	4	4
Between 2 and 5 years	16	16
Between 6 and 10 years	14	14
Beyond 10 years	-	-
Total	34	34

16 Tax Assets and Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non current tax assets (net)	41	36
Current tax liabilities (net)	14	16

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2020

17 Other Current Liabilities

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Statutory dues (including provident fund, tax deducted at source and others)	15	9
Deferred income on government grants (refer note below)	5	6
Book overdraft	23	11
Contractual and Constructive obligations	118	98
Advance from customer	18	22
Others	0	0
Total other current liabilities	**179**	**146**

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, are being amortized over the useful life of the plant and machinery, and accounted as "Incentives (includes government grant, budgetary support, export incentives and others)" under the head "Other operating revenue" (Refer note 18), in proportion to depreciation expense.

18 Revenue from Operations

The company derives the following types of revenue:

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of products	**5,793**	**5,912**
Other operating revenue:		
Incentives (includes government grant, budegetary support, export incentives and others)	54	50
Sale of scrap	6	9
Total revenue	**5,853**	**5,971**

Details of sales

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Edible oils	3,691	3,750
Hair oils	1,426	1,464
Personal care	345	372
Others	331	326
Sale of products	**5,793**	**5,912**

Reconciliation of Revenue from sale of Products with contracted price

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Contracted Price	6,271	6,390
Less: Discount	478	478
Sale of Products	**5,793**	**5,912**

19 Other Income

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(a) Other income		
Lease rental income	1	1
Dividend income from subsidaries	193	206
Interest income from financial assets at amortised cost	48	36
Royalty income	13	13
Others	13	5
Total	**268**	**261**
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment	(0)	3
Net gain on financial assets mandatorily measured at fair value through profit or loss and net gain on sale of investments	33	32
Net foreign exchange gain/(loss)	8	5
Total	**40**	**40**
Total other income	**308**	**301**

20 (a) Cost of Materials Consumed

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw materials consumed	2,497	3,033
Packing materials consumed	433	430
Total cost of materials consumed	**2,930**	**3,463**

20 (b) Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening inventories		
Finished goods	486	452
Work-in-progress	282	235
By-products	7	5
Stock-in-trade	34	15
	809	**707**
Closing inventories		
Finished goods	306	486
Work-in-progress	320	282
By-products	4	7
Stock-in-trade	41	34
	671	**809**
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**138**	**(101)**

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2020

21 Employee Benefit Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries, wages and bonus	266	264
Contribution to provident and other funds (refer note 15)	19	17
Share based payment expense (refer note 33)	8	13
Staff welfare expenses	15	13
Total employee benefit expense	**308**	**307**

22 Depreciation and Amortization Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation on property, plant and equipment (refer note 3 (a))	83	79
Depreciation on investment properties (refer note 4)	0	0
Amortisation of intangible assets (refer note 5)	2	2
Depreciation on Lease assets (refer note 3 (b))	26	23
Impairment loss / (reversal of loss) of capitalised assets (refer note 3 (a))	2	(0)
Total Depreciation and Amortization Expense	**113**	**104**

23 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Advertisement and sales promotion	502	482
Freight, forwarding and distribution expenses	223	215
Processing and Other Manufacturing Charges	209	208
Rent and storage charges	15	11
Legal and Professional Charges	45	42
Outside Services	44	39
Repairs and Maintenance	37	34
Power, fuel and water	33	33
Travelling, conveyance and vehicle expenses	29	30
Consumption of stores, spare and consumables	18	18
Provision for doubtful debts, loans, advances and investments	(3)	11
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)	71	59
Total	**1,224**	**1,183**

(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, 2020	Year ended 31st March, 2019
Amount required to be spent as per the section 135 of the Act	19	18
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	19	18

(iii) Above includes -

Contribution made to Marico Innovation Foundation (MIF) which is a Section 25 registered Company under Companies Act, 1956, with the main objectives of fuelling innovation in India. The focus of the foundation is to work with people who have scalable ideas and help them scale it to benefit India in a direct way. MIF has already done work in the areas of renewable energy, waste management, employability, livelihoods and healthcare.

Contribution made to Parachute Kalpavriksha Foundation (PKF) 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 ₹ 8 Crore for food and edible items and ₹ 23 Crore for others have been included under the relevant heads in the Statement of Profit and Loss (Previous year ended 31st March, 2019 aggregating ₹ 31 Crore). Further Capital expenditure of ₹ 1 Crore pertaining to food and edible items and ₹ 0 Crore towards others have been incurred during the year (Previous year ended 31st March, 2019 aggregating ₹ 0 Crore).

(d) Contribution to political parties during the year is ₹ Nil (Previous year ended 31st March, 2019 is ₹ Nil).

24 Finance Costs

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest expenses on financial liabilities at amortised cost	8	9
Other borrowing costs	0	0
Bank and other financial charges	13	3
Lease finance cost (refer note I - Lease)	12	12
Finance costs expensed in profit or loss	**33**	**24**

25 Income Tax Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Income tax expense		
Current tax on profit for the year	259	260
Deferred tax	(7)	(18)
Tax expense for the current year	252	242
Tax adjustment for the earlier years*	**-**	**(188)**
Total income tax expenses recongised during the year	**252**	**54**

*During the previous year ended 31st March, 2019, 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, 2020	Year ended 31st March, 2019
Profit from operations before exceptional items and income tax expense (a)	1,258	1,183
Income tax rate as applicable (b)	34.944%	34.944%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	**440**	**413**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
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	(2)	(6)
Effect of Income which is taxed at special rate	(33)	(34)
Effect of expenses that are not deductible in determining taxable profit	14	16
Effect of expenses that are deductible in determining taxable profit	(9)	(6)
Income tax Incentives	(149)	(143)
Others	(9)	2
Income tax expense for the current year	**252**	**242**

26 Fair Value Measurements

(a) Financial Instruments by category

(₹ in Crore)

	Note	31st March, 2020			31st March, 2019		
		FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets							
Investments							
Equity Instruments	6(a)	1	-	-	0	-	-
Bonds, debentures and Commercial Papers (including interest accrued)	6(a)	78	-	182	-	-	143
Mutual funds	6(a)	296	-	-	205	-	-
Government securities	6(a)	-	-	0	-	-	0
Trade receivables	6(b)	-	-	465	-	-	430
Inter corporate deposits (including interest accrued)	6(a)	-	-	-	-	-	66
Certificate Deposit	6(a)	-	-	89	-	-	-
Loans	6(c)	-	-	1	-	-	7
Derivative financial assets	6(g)	-	1	-	-	2	-
Security deposits	6(f),6(g)	-	-	0	-	-	12
Cash and cash equivalent	6(d)	-	-	16	-	-	10
Bank balances	6(e)	-	-	1	-	-	1
Fixed deposits	6(d),6(e)&6(f)	-	-	64	-	-	328
Advances to subsidaries	6(f),6(g)	-	-	54	-	-	81
Total financial assets		**375**	**1**	**873**	**205**	**2**	**1,078**
Financial Liabilities							
Borrowings (including interest accrued)	13(a)	-	-	110	-	-	131
Derivative financial liabilities	13(b)	-	2	-	-	-	-
Trade payables	13(c)	-	-	709	-	-	715
Capital creditors	13(b)	-	-	8	-	-	3
Lease Liabilities		-	-	136	-	-	136
Others	**13(b)**	**-**	**-**	**6**	**-**	**-**	**5**
Total financial liabilities		**-**	**2**	**969**	**-**	**-**	**990**

Impact of COVID-19

The fair value of Financial assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Financial assets carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of customers and the financial strength of the customers in respect of whom amounts are receivable.

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (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 at 31st March, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	1	1
Mutual funds	6(a)	-	296	-	296
Debentures (Quoted)	6(a)	78	-	-	78
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	1	-	1
Total financial assets		**78**	**297**	**1**	**376**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	2	-	2
Total financial liabilities		**-**	**2**	**-**	**2**

(₹ in Crore)

Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 31st March, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Bonds, Debentures and Commercial Papers (including interest accrued)	6(a)	94	88	-	182
Government securities	6(a)	-	-	-	-
Inter - corporate deposits and Certificate of Deposits (including interest accrued)	6(a)	-	96	21	117
Total financial assets		**94**	**185**	**21**	**299**
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	110	110
Total financial liabilities		**-**	**-**	**110**	**110**

(₹ 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 and debentures (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**

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. The mutual funds are valued using the closing NAV pubhlished by mutual fund.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the company carries such instruments at cost less impairment, if applicable.

The Company policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Crore)

	Note	31st March 2020		31st March 2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets					
Investments					
Bonds, Debentures and Commercial Papers	6(a)	182	205	143	145
Government securities	6(a)	0	0	0	0
Inter - corporate deposits	6(a)	-	-	66	66
Ceritificate Deposits	6(a)	89	89	-	-
Total financial assets		**271**	**294**	**209**	**211**
Financial liabilities					
Borrowings	13(a)	110	110	131	131
Total financial liabilities		**110**	**110**	**131**	**131**

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 and classify risk, by category of transaction, specific approval, execution and monitoring procedures.

In accordance with the aforementioned policies, the company only enters into plain vanilla derivative transactions relating to assets, liabilities or anticipated future transactions.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments the Company aims to minimize its financial credit risk through the application of risk management policies. Credit limits are set based on a counterparty value. The methodology used to set the list of counterparty limits includes, counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out. The company avoids the concentration of credit risk on its liquid assets by spreading them over several asset management companies and monitoring of underlying sector exposure.

Trade receivables are subject to credit limits, controls and approval processes. Due to large geographical base and number of customers, the Company is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables as per expected credit loss, using simplified approach over the life of the asset depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

The gross carrying amount of trade receivables is ₹ 465 Crores as at 31st March, 2020, (₹ 435 Crores as at 31st March, 2019).

Reconciliation of loss allowance provision- trade receivables

(₹ in Crore)

Particular	31st March 2020	31st March 2019
Loss allowance at the beginning of the year	5	4
Add : Changes in loss allowances	(0)	1
Loss allowance at the end of the year	5	5

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 ₹ 14 Crores as at 31st March, 2020, (₹ 12 Crores as at 31st March, 2019).

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), 6(f) and 6(g)). Provision is made where there is significant increase in credit risk of the asset.

Reconciliation of loss allowance provision- other financial assets

(₹ in Crore)

Particular	31st March 2020	31st March 2019
Loss allowance at the beginning of the year	11	1
Add : Changes in loss allowances due to provision/(reversal/write off)	(3)	10
Loss allowance at the end of the year	8	11

(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, 2020 is 2.34 (as at 31st March, 2019 is 2.41) whereas the liquid ratio of the company as at 31st March, 2020 is 1.35 (as at 31st March, 2019 is 1.39).

Contractual maturities of financial liabilities 31st March, 2020

(₹ in Crore)

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	13(a)	110	-	-	-	110
Trade Payables	13(c)	709	-	-	-	709
Lease Liabilities	13(b)	26	25	25	59	136
Other Financial Liabilities	13(b)	13	-	-	-	13
Total Non- derivative liabilities		**859**	**25**	**25**	**59**	**969**
Derivative						
Foreign exchange forward contracts	13(b)	2	-	-	-	2
Principal swap		-	-	-	-	-
Total derivative liabilities		**2**	**-**	**-**	**-**	**2**

Contractual maturities of financial liabilities 31st March, 2019

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	13(a)	131	-	-	-	131
Trade payables	13(c)	715	-	-	-	715
Lease Liabilities	13(b)	28	13	21	74	136
Other financial liabilities	13(b)	7	-	-	-	7
Total Non- derivative liabilities		**881**	**13**	**21**	**74**	**989**
Derivative						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Principal swap		-	-	-	-	-
Total derivative liabilities		**-**	**-**	**-**	**-**	**-**

Apart from the above, the company also has an exposure of corporate guarantees given to banks on behalf of subsidiaries for credit and other facilities granted by banks (refer note 31). It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above corporate guarantees.

(C) Market Risk

The Company is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and future transactions.

(i) Foreign currency risk

The Company is exposed to foreign currency risk from transactions and translation.

Transactional exposures arise from transactions in foreign currency. They are managed within a prudent and systematic hedging policy in accordance with the company's specific business needs through the use of currency forwards and options.

The company's exposure to foreign currency risk at the end of the reporting period INR as on 31st March, 2020

(₹ in Crore)

	AED	AUD	BDT	CAD	EGP	GBP	USD	VND	LKR	THB	MYR	SGD	ZAR	EUR
Financial assets														
Foreign currency debtors for export of goods	0	-	-	0	-	-	50	-	-	-	-	-	-	-
Foregin currency Creditors for Capital goods	-	-	-	-	-	0	0	-	-	-	-	-	-	-
Foreign currency Advances for Imports and Others	0	0	0	-	-	-	13	-	-	0	0	0	0	0
Bank balances	-	-	-	-	-	-	0	0	-	-	-	-	-	-
Other receivable / (payable) including advance for Export	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Receivables from subsidiaries	3	-	16	-	0	-	32	2	0	-	-	-	-	-
Derivative asset														
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	(92)	-	-	-	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	(55)	-	-	-	-	-	-	-
Net Exposure to foreign currency risk (assets)	**4**	**0**	**16**	**0**	**0**	**0**	**(52)**	**2**	**0**	**0**	**0**	**0**	**0**	**0**

	AED	BDT	EUR	GBP	VND	MYR	SGD	USD
Financial liabilities								
Foregin currency Creditors for Import of goods and services	-	-	0	0	-	-	1	-
Foreign Currency Loan	-	-	-	-	-	-	-	-
Derivative liabilities								
Foreign exchange forward contracts buy foreign currency	-	-	(7)	-	-	-	-	(45)
Foreign exchange Option contracts buy option	-	-	(1)	-	-	-	-	(17)
Net Exposure to foreign currency risk (liabilities)	**-**	**-**	**(8)**	**0**	**-**	**-**	**1**	**(62)**

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR as on 31st March 2019

(₹ in Crore)

	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**

	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)**

Particular	Impact on profit after tax		Impact on other component of equity	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
USD Sensitivity				
INR/USD Increase by 6%	4	3	(3)	3
INR/USD Decrease by 6%	(4)	(3)	3	(3)
AUD Sensitivity				
INR/AUD Increase by 6%	0	0	-	0
INR/AUD Decrease by 6%	(0)	(0)	-	(0)
BDT Sensitivity				
INR/BDT Increase by 6%	1	2	-	-
INR/BDT Decrease by 6%	(1)	(2)	-	-

Impact of COVID-19 (Global pandemic) :

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

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, 2020	As at 31st March, 2019
Variable rate borrowings	110	131
Fixed rate borrowings	-	-
Total borrowings (including interest accrued)	**110**	**131**

As at the end of the reporting period, the compamy had the following variable rate borrowings and interest rate swap contracts outstanding;

Particulars	31st March 2020			31st March 2019		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	4.78%	110	100%	5.36%	131	100.00%
Interest rate Swaps (Notional principal amount)	-	-	-	-	-	-
Net Exposure to Cash Flow Interest rate Risk	-	110	-	-	131	-

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, 2020	31st March, 2019	31st March, 2020	31st March, 2019
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 ₹ 3 Crores and ₹ 2 Crores, on the overall portfolio as at March, 2020 and as at 31st March, 2019 respectively.

Impact of hedging activities

Derivate Asset and Liabilites through Hedge Accounting

Derivative financial instruments

The Company's derivatives mainly consist of currency forwards and options; interest rate swaps. Derivatives are mainly used to manage exposures to foreign exchange, interest rate and commodity price risk as described in section Market risk.

Derivatives are initially recognised at fair value. They are subsequently remeasured at fair value on a regular basis and at each reporting date as a minimum, with all their gains and losses, realised and unrealised, recognised in the Profit and Loss statement unless they are in a qualifying hedging relationship.

Hedge Accounting

The Company designates and documents certain derivatives and other financial assets or financial liabilities as hedging instruments against changes in fair values of recognised assets and liabilities (fair value hedges) and highly probable forecast transactions (cash flow hedges). The effectiveness of such hedges is assessed at inception and verified at regular intervals.

Fair value hedges

The Company uses fair value hedges to mitigate foreign currency and interest rate risks of its recognised assets and liabilities.

Changes in fair values of hedging instruments designated as fair value hedges and the adjustments for the risks being hedged in the carrying amounts of the underlying transactions are recognised in the Statement of Profit and Loss.

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 2020 (₹ 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	92	52	(3)	2	April 2020 - March 2021	1:1	1 USD-₹ 73.90, 1 EUR-₹ 81.62	(2)	2
Foreign Exchange Options Contracts	55	18	0	1	April 2020 - March 2021	1:1	1 USD-₹ 71.64, 1 EUR-₹ 77.80	(0)	0
Net Investment Hedge									

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-₹71.09, 1 CAD-₹52.27, 1 EUR - ₹84.54	(0)	0
Foreign Exchange Options Contracts	54	10	1	0	April 2019 - March 2020	1:1	1 USD-₹70.54	0	(0)
Net Investment Hedge									

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, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	
Cash Flow							
Foreign Exchange Risk	(2)	1	-	-	(1)	(0)	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 net debt to euqity ratio.

The Company complies with all statutory requirement as per the extant regulations.

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Net debt	110	131
Total equity	3,504	3,489
Net debt to equity ratio	**0.03**	**0.04**

(b) Dividend

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interim dividend for the year (Excluding dividend distribution tax)	**872**	**613**

29 Segment Information

(i) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one business segment i.e. manufacturing and sale of consumer products within India, hence does not have any reportable segment as per Indian Accounting Standard 108 "operating segments" in Standalone. The company while presenting the consolidated financial statements has disclosed the segment information as required under Indian Accounting Standard 108 "operating segments".

(ii) The amount of the company's revenue from external customers broken down by each product and service is shown in the table below.

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Edible	3,691	3,750
Hair Oils	1,426	1,464
Personal care	345	372
Others	331	326
Total	**5,793**	**5,912**

(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	Ownership interest held by the group		Ownership interest held by the non controlling interest	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
	%	%	%	%
Subsidiary Companies:				
Marico Bangladesh Limited (MBL)	90	90	10	10
Marico Bangladesh Industries Limited (MBLIL)	100	100	0	0
Marico Middle East FZE (MME)	100	100	0	0
Marico Malaysia Sdn. Bhd. (MMSB)	100	100	0	0
Egyptian American Investment and Industrial Development Company S.A.E (EAIIDC)	100	100	0	0
MEL Consumer Care SAE (MELCC)	100	100	0	0
Marico Egypt Industries Company (MEIC)	100	100	0	0
Marico for Consumer Care Products SAE	100	100	0	0
Marico South Africa Consumer Care (Pty) Limited (MSACC)	100	100	0	0
Marico South Africa (Pty) Limited (MSA)	100	100	0	0
Marico South East Asia Corporation (MSEA)	100	100	0	0
Marico Consumer Care Limited (MCCL)	100	100	0	0
Halite Personal Care India Private Limited (A Company under Voluntary Liquidation)	100	100	0	0
Marico Innovation Foundation (MIF)	NA	NA	0	0
Parachute Kalpavriksha Foundation (PKF)	NA	NA	0	0
Marico Lanka (Private) Limited*	100	100	0	0

* 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.

b) Joint venture:

During the year ended 31st March, 2020, the Company acquired additional 2.12% stake in Zed Lifestyle Private Limited, a joint venture. During the previous year ended 31st March, 2019, the Company had acquired additional 2.28% stake in the joint venture. During the previous year ended 31st March 2018 the Company had acquired additional stake of 5.17% in the joint venture. As at 31st March, 2020 company holds 45% stake in this joint venture.

During the year ended 31st March, 2020, the Company had acquired additional 6.97% stake in Revolutionary Fitness Private Limited, a joint venture. During the previous year ended 31st March, 2019, the Company had acquired 22.46% stake in the joint venture. As at 31st March, 2020 company holds 29.44% stake in this joint venture.

During the year ended 31st March, 2020, the Company subscribed and holds 25.79% stake in Hello Green Private Limited, a company incorporated on November 11, 2019 and a Joint venture of Marico Limited.

c) **Key management personnel (KMP):**

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Saugata Gupta, Managing Director and CEO

Mr. Ananth Sankaranarayanan, Independent Director

Mr. B.S. Nagesh, Independent Director

Ms. Hema Ravichandar, Independent Director

Mr. Nikhil Khattau, Independent Director

Mr. Rajen Mariwala, Non executive Director

Mr. Rajeev Bakshi, Independent Director

Mr. Sanjay Dube, Additional (Independent) Director, (with effect from 30th January 2020)

Mr. Rishabh Mariwala, Non executive Director

Mr. Vivek Karve, Chief Financial Officer

Ms. Hemangi Ghag, Company Secretary and Compliance Officer

d) **Individual holding directly / indirectly an interest in voting power and their relatives (where transactions have taken place) - Significant Influence:**

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Rajen Mariwala, Non executive Director

Mr. Rishabh Mariwala, son of Mr. Harsh Mariwala and Non executive Director

e) **Post employment benefit controlled trust**

Marico Limited Employees Provident Fund

Marico Limited Employees Gratuity Fund

f) **Others - Entities in which above (c) and (d) has significant influence and transactions have taken place:**

Aqua Centric Private Limited

Ascent India Foundation

Kaya Limited

Mariwala Health Foundation

Aaidea Solutions Private Limited

Soap Opera

The Bombay Oil Private Limited

Indian School of Communications Private Limited

Feedback Business Consulting Services 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, 2020	As at 31st March, 2019
Employee share-based payment	3	3
Short-term employee benefits	13	9
Post-employment benefits	0	0
Total compensation	**16**	**12**
Professional charges paid to Chairman and Non Executive Director	**4**	**4**
Remuneration / sitting fees to Non-Executive and Independent Directors (Excluding the Chairman)	**3**	**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. ESOP and STAR grant accrued annually 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, 2020	As at 31st March, 2019
Marico Limited Employees Provident Fund	26	23
Marico Limited Employees Gratuity Fund	5	4
	31	**27**

(₹ 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, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Sale of goods	65	119	2	0
Marico Bangladesh Limited	7	10	-	-
Marico Middle East FZE	42	84	-	-
Marico South East Asia Corporation	15	24	-	-
Aaidea Solutions Pvt Ltd	-	-	2	-
Others	1	0	0	0
Sale of assets	0	0	-	-
Marico Bangladesh Limited	0	0	-	-
Purchases of goods	4	7	-	-
Marico South East Asia Corporation	4	6	-	-
Others	0	1	-	-

(₹ 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, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Other transactions				
Royalty income	13	13	-	-
Marico Bangladesh Limited	8	7	-	-
Marico Middle East FZE	3	4	-	-
Marico South East Asia Corporation	2	1	-	-
Others	0	0	-	-
Dividend income	193	206	-	-
Marico Bangladesh Limited	189	166	-	-
Marico South East Asia Corporation	-	25	-	-
Others	4	15	-	-
Marketing Fee	4	-	-	-
Marico Middle East FZE	4	-	-	-
Expenses paid on behalf of related parties	8	6	1	1
Marico Bangladesh Limited	2	2	-	-
Marico Middle East FZE	1	1	-	-
Kaya Limited	-	-	1	1
Marico South East Asia Corporation	2	2	-	-
Marico South Africa (Pty) Limited	-	0	-	-
Marico For Consumer Care Products S.A.E	-	1	-	-
Marico Lanka Private Limited	1	-	-	-
Others	1	-	0	0
Expenses paid by related parties on behalf of Marico Limited	9	4	-	-
Marico South East Asia Corporation	0	0	-	-
Marico Middle East FZE	9	4	-	-
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	5	6	0	0
Marico Consumer Care Limited	5	6	-	-
Others	-	-	0	0

(₹ 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, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Investments made during the year	4	4	-	-
Revolutionary Fitness private limited	1	2	-	-
Marico Lanka Private Limited	1	-	-	-
Zed Lifestyle Private Limited	2	2	-	-
Hello Green Private Limited	0	-	-	-
Donation given / CSR activities	4	1	-	-
Marico Innovation Foundations	1	1	-	-
Parachute Kalpavriksha Foundation	3	0	-	-
Agency commission for copra procurement	2	1	-	-
Marico Middle East FZE	2	1	-	-
Corporate guarantee commision	2	1	-	-
Marico Middle East FZE	1	1	-	-
Marico South Africa (Pty) Limited	0	0	-	-
Intra group service arrangement	7	6	-	-
Marico Bangladesh Limited	4	3	-	-
Marico South East Asia Corporation	1	1	-	-
Marico Middle East FZE	1	1	-	-
Marico For Consumer Care Products S.A.E	1	1	-	-
Others	0	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, 2020	31st March, 2019	31st March, 2020	31st March, 2019
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties				
Investments	1,030	1,026	-	-
Marico South East Asia Corporation	255	255	-	-
Marico Consumer Care Limited (net of provision for impairment - refer note 6a(v))	642	642	-	-
Others	134	129	-	-

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, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Trade payables (purchases of goods and services)	**5**	**1**	**-**	**-**
Marico South East Asia Corporation	0	1	-	-
Marico Middle East FZE	5	-	-	-
Others	0	0	-	-
Trade receivables (sale of goods and services)	**26**	**24**	**0**	**0**
Marico Middle East FZE	21	18	-	-
Marico Bangladesh Limited	0	0	-	-
Marico South East Asia Corporation	4	6	-	-
Others	1	0	0	0
Other Receivable	**0**	**-**	**-**	**-**
Marico Consumer Care Limited	0	-	-	-
Security deposit payable	**-**	**-**	**-**	**-**
Kaya Limited	-	-	-	-
Royalty payable	**1**	**3**	**0**	**0**
Marico Consumer Care Limited	1	3	-	-
Others	-	-	0	0
Rent Payable	**-**	**0**	**-**	**-**
The Bombay Oil private limited	-	0	-	-
Advance towards purchase	**-**	**0**	**-**	**-**
Marico Bangladesh Limited	-	0	-	-
Advances to related parties	**53**	**39**	**0**	**1**
Marico Bangladesh Limited	44	31	-	-
Marico Middle East FZE	5	4	-	-
Marico South East Asia Corporation	2	2	-	-
Others	2	2	0	1
Dividend Receivable	**-**	**42**	**-**	**-**
Marico Bangladesh Limited	-	42	-	-
Marico South East Asia Corporation	-	-	-	-
Corporate guarantee	**244**	**220**	**-**	**-**
Marico Middle East FZE	225	198	-	-
Marico South Africa (Pty) Limited	19	22	-	-

Terms and conditions of transaction with related parties

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31st March 2019. Management believes that the Company's international transactions with related parties post 31st March 2019 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, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2018-19: 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 and Exchange Board of India (Listing obligation and disclosure requirements) Regulations 2015.

Loans and advances in the nature of loans to subsidiaries/joint venture :

Particulars	31st March 2020	31st March 2019
Loans to subsidiaries/joint venture		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	-
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, 2020**	**As at 31st March, 2019**
Disputed tax demands / claims :		
Sales tax	90	86
Income tax	181	117
Employees state insurance corporation	0	0
Excise duty	33	33
Service Tax	0	0
Claims against the Company not acknowledged as debts	-	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	226	205

Note:

1. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

2. The Company have ongoing disputes with income tax authorities. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives and allowances. The Company have contingent liability of ₹181 Crore and ₹117 Crore as at March 31, 2020 and March 31, 2019 respectively, in respect of tax demands which are being contested by the Company based on the management evaluation and advice of tax consultants.

   The Company periodically receives notices and inquiries from income tax authorities. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

32 Commitments

Particulars		As at 31st March, 2020	As at 31st March, 2019
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	25	59
(b)	Corporate guarantees given to banks against which no credit facilities are availed at the year end	14	14

33 Share-Based Payments

(a) Employee stock option plan

Marico ESOP 2016

During the year ended 31st March, 2017, the Company implemented Marico Employee Stock Option Plan, 2016 ("Marico ESOP 2016" or "the Plan"). The Marico ESOP 2016 was approved by the shareholders at the 28th Annual General Meeting held on 5th August, 2016, enabling grant of stock options to the eligible employees of the Company and its subsidiaries not exceeding in the aggregate 0.6% of the issued share equity share capital of the Company as on the commencement date of the Plan i.e. 5th August, 2016. Further, the stock options to any single employee under 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:

						Number of options granted, exercised and forfeited					
Scheme	Part	Options outstanding as at 31st March, 2020	Exercise price	Vesting date	Weighted average share price of options exercised	Balance as at beginning of the year	Granted during the year	Less : Exercised during the year	Less: Forfeited / lapsed during the year	Balance as at end of the year	Weighted average remaining contractual life of options outstanding at end of period (in years)
Scheme I		-	1.00	31-Mar-19	-	80,000	-	80,000	-	-	-
Scheme II		939,700	280.22	31-Mar-19	-	939,700	-	-	-	939,700	1.00
Scheme III	Part I	28,140	1.00	30-Nov-19	-	49,100	-	20,960	-	28,140	1.67
	Part II	4,470	1.00	30-Nov-19	-	7,800	-	3,330	-	4,470	1.67
	Part III	1,910	1.00	30-Nov-19	-	4,950	-	2,050	990	1,910	1.67
Scheme IV	Part I	323,110	256.78	30-Nov-19	-	397,930	-	47,350	27,470	323,110	1.67
	Part II	43,480	302.34	30-Nov-19	-	62,330	-	-	18,850	43,480	1.67
	Part III	27,180	307.77	30-Nov-19	-	41,680	-	-	14,500	27,180	1.67
Scheme V		67,120	1.00	31-Mar-20	-	67,120	-	-	-	67,120	2.00
Scheme VI	Part I	64,720	1.00	30-Nov-20	-	68,220	-	-	3,500	64,720	1.67
	Part II	3,320	1.00	30-Nov-20	-	3,320	-	-	-	3,320	1.67
	Part III	740	1.00	30-Nov-20	-	740	-	-	-	740	1.67
Scheme VII	Part I	363,560	307.77	30-Nov-20	-	431,130	-	-	67,570	363,560	1.67
	Part II	55,500	316.53	30-Nov-20	-	67,430	-	-	11,930	55,500	1.67
	Part III	39,220	346.47	30-Nov-20	-	39,220	-	-	-	39,220	1.67
Scheme VIII		24,820	1.00	31-Mar-20	-	24,820	-	-	-	24,820	1.00
Scheme IX	Part I	78,240	1.00	30-Nov-21	-	81,800	-	-	3,560	78,240	3.67

						Number of options granted, exercised and forfeited					
Scheme	**Part**	**Options outstanding as at 31st March, 2020**	**Exercise price**	**Vesting date**	**Weighted average share price of options exercised**	**Balance as at beginning of the year**	**Granted during the year**	**Less : Exercised during the year**	**Less: Forfeited / lapsed during the year**	**Balance as at end of the year**	**Weighted average remaining contractual life of options outstanding at end of period (in years)**
	Part II	8,100	1.00	30-Nov-21	-	-	8,100	-	-	8,100	3.07
Scheme X	Part I	612,240	346.47	30-Nov-21	-	692,300	-	-	80,060	612,240	3.67
	Part II	55,880	357.51	30-Nov-21	-	-	61,730	-	5,850	55,880	3.07
	Part III	45,420	346.00	30-Nov-21	-	-	53,350	-	7,930	45,420	3.07
Scheme XI		222,700	357.65	31-Mar-22	-	-	222,700	-	-	222,700	3.36
Scheme XII		526,890	357.65	31-Mar-22	-	-	526,890	-	-	526,890	3.36
Scheme XIII		946,860	346.00	30-Nov-22	-	-	978,690	-	31,830	946,860	3.36

Particulars	31st March 2020	31st March 2019
Aggregate of all stock options outstanding as at the year end to current paid-up equity share capital (percentage)	0.44%	0.24%

The following assumptions were used for calculation of fair value of grants using Black-Scholes:

Scheme	Part	Risk-free interest rate (%)	Expected life of options (years)	Expected volatility (%)	Dividend yield (%)	Fair value of the option
Scheme I		7.25%	3 years 2 months	25.80%	0.96%	287.05
Scheme II		7.25%	3 years 2 months	25.80%	0.96%	85.53
Scheme III	Part I	6.75%	3 years 6 months	26.10%	0.96%	246.12
	Part II	6.25%	3 years 1 months	26.70%	1.07%	308.10
	Part III	6.50%	2 years 6 months	23.10%	1.07%	301.35
Scheme IV	Part I	6.75%	3 years 6 months	26.10%	0.96%	68.80
	Part II	6.25%	3 years 1 months	26.70%	1.07%	86.70
	Part III	6.50%	2 years 6 months	23.10%	1.07%	64.28
Scheme V		6.25%	3 years 4 months	26.30%	0.96%	299.70
Scheme VI	Part I	6.75%	3 years 6 months	25.50%	1.07%	298.18
	Part II	7.00%	3 years	23.84%	1.29%	308.80
	Part III	7.30%	2 years 6 months	22.50%	1.29%	346.10
Scheme VII	Part I	6.75%	3 years 6 months	25.50%	1.07%	83.77
	Part II	7.00%	3 years	23.84%	1.29%	77.50
	Part III	7.30%	2 years 6 months	22.50%	1.29%	79.70
Scheme VIII		7.29%	1 year 10 months	21.70%	1.29%	349.10
Scheme IX	Part I	7.39%	3 years 6 months	23.40%	1.29%	341.70
	Part II	7.39%	3 years 6 months	23.40%	1.29%	358.30
Scheme X	Part I	7.39%	3 years 6 months	23.40%	1.29%	98.20
	Part II	7.39%	3 years 6 months	23.40%	1.29%	69.20
	Part III	6.35%	3 years 6 months	22.14%	1.29%	74.50
Scheme XI		7.39%	3 years 6 months	23.40%	1.29%	89.50
Scheme XII		7.39%	3 years 6 months	23.40%	1.29%	89.50
Scheme XIII		6.42%	4 years 6 months	22.94%	1.29%	89.40

33 Share-Based Payments

(b) Share appreciation rights

The Nomination and Remuneration Committee has granted Stock Appreciation Rights ("STAR") to certain eligible employees pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011 ("Plan"). The grant price is determined based on a formulae as defined in the Plan. There are schemes under each Plan with different vesting periods. Scheme I to 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 Nomination and Remuneration Committee comprising independent directors.

				As at March 31 2020							As at March 31 2019						
Scheme	Grant Date	Grant Price (Rs.)	Vesting Date	Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (Rs in Crore)		Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (Rs in Crore)	
				at the beginning of the year	Add : Granted during the year	Less : Forfeited during the year	Less : Exercised during the year	at the end of the year	Classified as long-term	Classified as short-term	at the beginning of the year	Add : Granted during the year	Less : Forfeited during the year	Less : Exercised during the year	at the end of the year	Classified as long-term	Classified as short-term
STAR VI	01-Dec-15	203.63	30-Nov-18	-	-	-	-	-	-	-	957,400	-	118,200	839,200	-	-	-
	05-Aug-16	280.22	30-Nov-18	-	-	-	-	-	-	-	86,300	-	800	85,500	-	-	-
	02-Dec-16	256.78	30-Nov-18	-	-	-	-	-	-	-	86,300	-	800	85,500	-	-	-
STAR VII	01-Dec-16	256.78	30-Nov-19	206,200	-	16,500	1,89,700	-	-	-	285,200	-	79,000	-	206,200	-	2
	02-May-17	302.34	30-Nov-19	64,320	-	25,750	38,570	-	-	-	90,350	-	26,030	-	64,320	-	0
	01-Dec-17	307.77	30-Nov-19	12,840	-	3,610	9,230	-	-	-	15,980	-	3,140	-	12,840	-	0
STAR VIII	01-Dec-17	307.77	30-Nov-20	209,560	-	42,420	-	167,140	-	0	298,790	-	89,230	-	209,560	1	-
	31-May-18	316.53	30-Nov-20	40,920	-	14,550	-	26,370	-	0	-	47,770	6,850	-	40,920	0	-
	02-Aug-18	352.42	30-Nov-20	32,000	-	8,000	-	24,000	-	0	-	40,000	8,000	-	32,000	0	-
	04-Dec-18	346.47	30-Nov-20	35,580	-	-	-	35,580	-	0	-	35,580	-	-	35,580	0	-
STAR IX	04-Dec-18	346.47	30-Nov-21	379,520	-	62,990	-	316,530	0	-	-	412,760	33,240	-	379,520	0	-
	06-May-19	357.51	30-Nov-21	-	26,170	5,850	-	20,320	0	-	-	-	-	-	-	-	-
	20-Dec-19	346.04	30-Nov-21	-	33,820		-	33,820	0	-	-	-	-	-	-	-	-
STAR X	20-Dec-19	346.04	30-Nov-22	-	360,130	13,780	-	346,350	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 ₹ 21 Crore as at 31st March, 2020 (₹ 23 Crore as at 31st March, 2019) 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	31st March, 2020	31st March, 2019
Share price at measurement date (INR per share)	274.9	346.7
Expected volatility (%)	24.1% - 29%	22.8% - 25.8%
Dividend yield (%)	1.30%	1.29%
Risk-free interest rate (%)	4.9% - 5.4%	6.30% - 6.59%

(c) Expense arising from share-based payment transactions recognised in Profit or Loss as part of employee benefit expense were as follows:

Particulars	31st March, 2020	31st March, 2019
Employee stock option plan	9	8
Stock appreciation rights	(1)	5
Total employee share based payment expense	8	13

34 Earnings Per Share

Basic EPS amounts are calculated by dividing the profit after tax for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit after tax for the year attributable to equity shareholders by weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the company (in ₹)	7.80	8.76
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the company (in ₹)	7.79	8.76
(c) Earnings used in calculating earnings per share (₹ in Crores)	1,006	1,129
(d) Weighted average number of equity shares used as denominator		
Weighted average number of equity shares outstanding	1,290,931,494	1,290,864,398
Shares held in controlled trust	(1,039,579)	(1,608,164)
Weighted average number of equity shares in calculating basic earnings per share	1,289,891,915	1,289,256,234
Options	1,335,166	712,182
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	**1,291,227,081**	**1,289,968,415**

(e) Information concerning the classification of securities

(i) Options

Options granted to Employees under Marico ESOS 2014, MD CEO ESOP Plan 2014 and Marico Employee Stock Option Plan 2016 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 33.

(ii) Treasury shares

Treasury shares are excluded for the purpose of calculating basic and diluted earnings per share.

35 The Company has a process whereby periodically all long term contracts (including derivative contracts if any) are assessed for material foreseeable losses. At the year end, basis the review performed, no provision was required for material foreseeable losses on long term contracts (including derivative contracts).

36 Previous year's figures have been regrouped/reclassified to make them comparable with those of current year.

37 Exceptional Items

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Voluntary retirement scheme offered to the employees on the close of operations at the Kanjikode factory of the company	19	-

38 Restatement impact of Ind AS 116

Upon adoption of Ind AS 116, the Company has recognised leases on the balance sheet with a right-of-use asset and related lease liability. Refer to accounting policies for a summary of accounting for leases under the new standard. The Company has restated all prior periods for the impact of Ind AS 116 in line with the 'full retrospective approach'. The Company has chosen not to recognise short-term leases, which are those less than 12 months, and leases of low-value assets on the balance sheet.

Financial statement impact

The following tables summarise the impact of adopting Ind AS 116 on the Company's financial statements.

(A) Balance sheet

The Company recognised leased assets on the balance sheet representing the right to use of the underlying assets from the lease contracts. Current and non-current lease liabilities were also recognised for the present value of the lease payments due under the lease contracts. Deferred tax adjustments are due to temporary timing differences arising from the recognition of leased assets and lease liabilities. Shareholders' equity has been restated.

Reconciliation between previous GAAP and Ind AS

Reconciliation of Balance sheet as at date of transition (1st April, 2018)

Particular	Previous GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	466	-	466
Capital work-in-progress	25	-	25
Right of use assets	-	102	102
Investment properties	23	-	23
Intangible assets	20	-	20
Investment in subsidiaries and joint venture	1,020	-	1,020
Financial assets			
(i) Investments	37	-	37
(ii) Loans	4	12	16
(iii) Other financial assets	33	(11)	22
Deferred tax assets (net)	-	-	-
Non current tax assets (net)	30	-	30
Other non-current assets	27	-	27
Total non-current assets	**1,685**	**103**	**1,788**
Current assets			

Particular	Previous GAAP*	Adjustments	Ind AS
Inventories	1,313	-	1,313
Financial assets		-	
(i) Investments	450	-	450
(ii) Trade receivables	288	-	288
(iii) Cash and cash equivalents	7	-	7
(iv) Bank balances other than (iii) above	54	-	54
(v) Loans	3	-	3
(vi) Other financial assets	35	-	35
Current tax assets (net)	-	-	-
Other current assets	185	-	185
Assets classified as held for sale	-	-	-
Total current assets	**2,335**	**-**	**2,335**
Total assets	**4,020**	**103**	**4,123**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	129	-	129
Other Equity			
Reserves and Surplus	2,912	(16)	2,896
Other reserves	0	-	0
Total equity	3,041	(16)	3,025
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	-	-	-
(ii) Other financial liabilities	-	103	103
Employee benefit obligations	10	-	10
Deferred tax liabilities (net)	18	(8)	10
Total non-current liabilities	**28**	**95**	**123**
Current liabilities			
Financial liabilities			
(i) Borrowings	122	-	122
(ii) Trade payables			
Due to micro and small enterprises	4	-	4
Due to others	583	-	583
(iii) Other financial liabilities	8	24	32
Other current liabilities	121	-	121
Provisions	57	-	57

Particular	Previous GAAP*	Adjustments	Ind AS
Employee benefit obligations	39	-	39
Current tax liabilities (net)	17	-	17
Total current liabilities	**951**	**24**	**975**
Total liabilities	**979**	**119**	**1,098**
Total equity and liabilities	**4,020**	**103**	**4,123**

Reconciliation of Balance sheet (31st March, 2019)

Particular	**Previous GAAP***	**Adjustments**	**Ind AS**
ASSETS			
Non-current assets			
Property, plant and equipment	503	-	503
Capital work-in-progress	42	-	42
Right of use assets	-	107	107
Investment properties	11	-	11
Other intangible assets	22	-	22
Investment in subsidiaries and joint venture	1,026	-	1,026
Financial assets			
(i) Investments	34	-	34
(ii) Loans	4	11	15
(iii) Other financial assets	41	(11)	30
Deferred tax assets	178	10	188
Non current tax assets (net)	36	-	36
Other non-current assets	30	-	30
Total non-current assets	**1,927**	**117**	**2,044**
Current assets			
Inventories	1,234	-	1,234
Financial assets			
(i) Investments	380	-	380
(ii) Trade receivables	430	-	430
(iii) Cash and cash equivalents	10	-	10
(iv) Bank balances other than (iii) above	329	-	329
(v) Loans	3	-	3
(vi) Other financial assets	54	-	54
Current tax assets (net)	-	-	-
Other current assets	262	-	262
	2,702	**-**	**2,702**
Assets classified as held for sale	12	-	12
Total current assets	**2,714**	**-**	**2,714**
Total assets	**4,641**	**117**	**4,758**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	129	-	129

Particular	Previous GAAP*	Adjustments	Ind AS
Other Equity			
Reserves and Surplus	3,379	(19)	3,360
Other reserves	0	-	0
Total equity	**3,508**	**(19)**	**3,489**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	0	-	0
(ii) Other financial liabilities	-	-	107
Provisions	-	-	-
Employee benefit obligations	9	-	9
Deferred tax liabilities (net)	-	-	-
Total non-current liabilities	**9**	**107**	**116**
Current liabilities			
Financial liabilities			
(i) Borrowings	131	-	131
(ii) Trade payables			
Due to micro and small enterprises	13	-	13
Due to others	702	-	702
(iii) Other financial liabilities	8	29	37
Other current liabilities	146	-	146
Provisions	57	-	57
Employee benefit obligations	51	-	51
Current tax liabilities (net)	16	-	16
Total current liabilities	**1,124**	**29**	**1,152**
Total liabilities	**1,133**	**136**	**1,269**
Total equity and liabilities	**4,641**	**118**	**4,758**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at 31st March, 2019 and 1st April, 2018

Particular	31st March, 2019	1st April, 2018
Shareholder's equity under previous GAAP	3,508	3,041
Add/Less :		
Less : Increase in Lease Liability	(136)	(126)
Add : Increase in Right of Use of Asset	107	102
Tax impact of above Ind AS adjustments	10	8
Shareholder's equity under Ind AS	3,490	3,025

Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2019

Particular	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	755	30	785
Net cash flow from investing activities	(79)	-	(79)
Net cash flow from financing activities	(674)	(30)	(704)
Net increase/(decrease) in cash and cash equivalents	**2**	**-**	**2**
Cash and cash equivalents as at 1st April, 2018	8	-	8
Effects of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents as at 31st March, 2019	**10**	**(1)**	**10**

39. The Ministry of Home Affairs vide order No.40-3/2020 dated 24.03.2020 notified first ever nation-wide lockdown in India to contain the outbreak of COVID 19. As a result, the operations were temporarily disrupted at manufacturing, warehouse and distribution locations of Marico. During this period, the Company could register sales largely in the Edible Oils and Foods portfolio, which fall under essential goods category.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. In developing the assumptions relating to the possible future uncertainties the Company has used internal and external information such as current contract terms, financial strength of partners, future volume estimates from the business etc. Based on current estimates the company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 4, 2020

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 4, 2020

Performance Trends

Consolidated Quarterly Financials

(Amount in ₹ Crore)

2109-20	Three Months Ended				Annual
Particulars	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	FY20
Revenue from Operations	2,166	1,829	1,824	1,496	7,315
Total Expenditure	1,705	1,476	1,451	1,214	5,846
Profit before Finance Cost, Tax, Depreciation and Amortisation	**461**	**353**	**373**	**282**	**1,469**
Other Income	28	35	29	32	124
Finance Cost	12	13	12	13	50
Depreciation and Amortisation	35	35	32	38	140
Profit before Share of Profit/(Loss) of Joint Ventures, Exceptional Items and Tax	**442**	**340**	**358**	**263**	**1,403**
Share of Profit/(Loss) of Joint Ventures	-	1	(0)	(1)	-
Profit Before Tax	**442**	**341**	**358**	**262**	**1,403**
Tax Expense	115	88	82	53	338
Profit After Tax	**327**	**253**	**276**	**209**	**1,065**
Minority Interest	7	6	4	5	22
Net Profit attributable to Owners of the Company	**320**	**247**	**272**	**204**	**1,043**
Equity Share Capital	129	129	129	129	129
Earning per Share - (₹)	**2.5**	**1.9**	**2.1**	**1.6**	**8.1**

*Profit After Tax for the three months ended June 30, 2019 & three months and year ended March 31, 2020 excludes the impact of the exceptional items.

(Amount in ₹ Crore)

2018-19	Three Months Ended				Annual
Particulars	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19	FY19
Revenue from Operations	2,027	1,837	1,861	1,609	7,334
Total Expenditure	1,661	1,532	1,502	1,315	6,008
Profit before Finance Cost, Tax, Depreciation and Amortisation	**366**	**305**	**359**	**294**	**1,326**
Other Income	24	29	22	28	103
Finance Cost	9	10	9	12	40
Depreciation and Amortisation	31	31	31	39	131
Profit before Share of Profit/(Loss) of Joint Ventures, Exceptional Items and Tax	**350**	**293**	**341**	**271**	**1,258**
Share of Profit/(Loss) of Joint Ventures	-	1	-	(1)	(1)
Profit Before Tax	**350**	**294**	**341**	**270**	**1,257**
Tax Expense	91	78	90	55	314
Profit After Tax	**259**	**216**	**251**	**215**	**943**
Minority Interest	4	4	5	4	17
Net Profit attributable to Owners of the Company	**255**	**212**	**246**	**211**	**926**
Equity Share Capital	129	129	129	129	129
Earning per Share - (₹)	**2.0**	**1.6**	**1.9**	**1.6**	**7.2**

*Profit After Tax for the three months and year ended March 31, 2019 excludes the impact of the tax adjustment for earlier years.

Economic Value Added

(Amount in ₹ Crore)

	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Average Capital Employed	2,395	2,180	2,330	2,493	2,736	3,111	3,363
Average Debt / Total capital (%)	31	25	16	11	10	11	10
Profit After Current Tax (excluding extraordinary items)	515	583	778	856	833	926	1,056
Add: Interest Post Tax	25	16	15	12	12	18	18
Net Operating Profit After Tax	540	600	793	868	845	944	1,074
Less: Cost of Capital	208	181	235	259	294	355	370
Economic Value Added	332	419	558	610	551	589	704

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, 2020		**8,000**	**17,500**	**100**

Return	Through	Shares	Value (in ₹)	Indexed Value
March 31, 2020	Market value	8000	2,198,800	12,565
March 2004	Redemption proceeds of Bonus Preference shares	200	2,000	11
April 1996 - March 2020	Dividend Received*#		237,899	1,359
Gross Returns			**2,438,699**	**13,935**
Compound Annual Return since IPO			**23%**	**23%**

* Dividends are inclusive of those received on Bonus Preference Shares

Subject to taxes as applicable

Key Performance Indicators

Healthy progress across parameters

Sales & Services

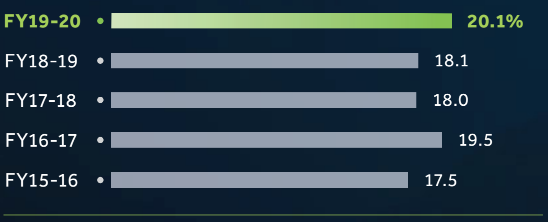
₹ in Crore

Share of International FMCG Business

%

EBIDTA Margins

%

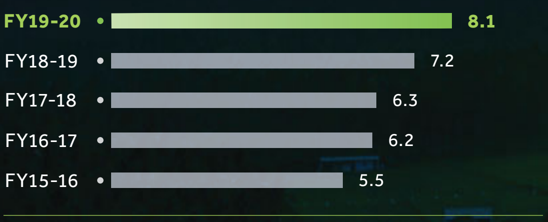


Net Profit

₹ in Crore

Earnings per Share

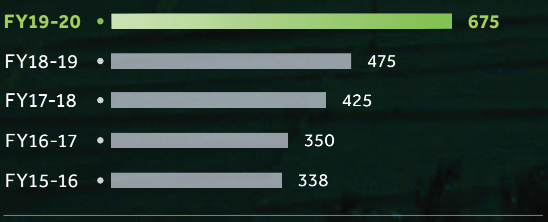
₹



Debt / Equity

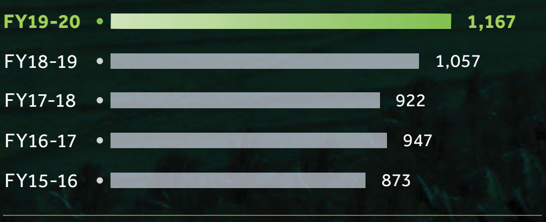
Dividend Declared

% of face value



Cash Profits

₹ in crores



Return on Capital Employed

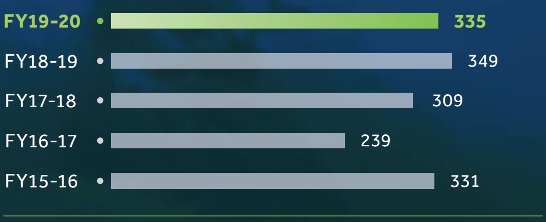
%

Return on Net Worth

%

Loan of Books

₹ in Crore



Surplus on Books

₹ in Crore

Economic Value Added (EVA)

₹ in Crore

*FY16, FY17 & FY18 numbers are as per IND-AS and hence not comparable with earlier years.
FY19 and FY20 Net Profit excludes the impact of one-offs and extraordinary items.
P&L for FY19 and FY20 and Balance Sheet for FY18, FY19 and FY20 are as per Ind-AS 116 and hence not comparable with earlier years.

GRI Index

SRS Indicator	Disclosure	Reference
SRS 102: General disclosures (2016)		
1. Organizational profile		
102-1	Name of the organization.	About Marico, p. 4
102-2	Activities, brands, products, and services	Key Products, p. 8 to 11
102-3	Location of the organization's headquarters	Back Cover Page
102-4	Number of countries operating	Geographical Presence, p. 6 to 7
102-5	Nature of ownership and legal form	Board's Report, p. 149
102-6	Markets served	Geographical Presence, p. 6 to 7 About Marico, p. 4 to 5
102-7	Scale of the reporting organization	Performance Highlights, p. 12 to 13
102-8	Information on employees and other workers	Employees, p. 52 to 57 Business Responsibility Report, p. 110
102-9	Supply chain	Value-chain Partners, p. 58 to 61
102-10	Significant changes to the organization and its supply chain	Environment, p. 75
102-11	Precautionary Principle or approach	Strategy, p. 26 to 29 Risk Management, p. 30 to 37
102-12	External initiatives	Community, p. 62 to 73
102-13	Memberships of associations	Business Responsibility Report, p. 113
2. Strategy		
102-14	Statement from senior decision-maker	Chairman's Message, p. 14 to 15 MD & CEO's Message, p. 16 to 17
102-15	Key impacts, risks, and opportunities	Risk Management, p. 30 to 37
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	About Marico, p. 5 Our Business Model, p 20 to 21
4. Governance		
102-18	Governance structure	Our Leadership, p. 82 to 83
5. Stakeholder Engagement		
102-40	List of stakeholder groups	Our Value Creation Paradigm, p. 18
102-41	Collective bargaining agreements	Business Responsibility Report, p. 113
102-42	Identifying and selecting stakeholders	Stakeholder Identification and Engagement, p 22 to 23
102-43	Approach to stakeholder engagement	Stakeholder Identification and Engagement, p 22 to 23
102-44	Key topics and concerns raised	Stakeholder Identification and Engagement, p 22 to 23
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	About this report (inside front cover page)
102-46	Defining report content and topic Boundaries	About this report (inside front cover page)
102-47	List of material topics	Materiality, p 24
102-48	Restatements of information	About this report (inside front cover page)
102-49	Changes in reporting	About this report (inside front cover page)
102-50	Reporting Period	About this report (inside front cover page)
102-51	Date of most recent report	FY2018-19
102-52	Reporting cycle	About this report (inside front cover page)
102-53	Contact point for questions regarding the report	About this report (inside front cover page)
102-54	Claims of reporting in accordance with the GRI Standards	About this report (inside front cover page)
102-55	GRI content index	GRI Content Index, p. 360 to 361
102-56	External assurance	External Assurance, p. 362 to 365

SRS Indicator	Disclosure	Reference
GRI Topic Specific Standards (2016)		
201 Economic performance		
201	Economic performance	Shareholders, p 38 to 39
201-1	Direct economic value generated or distributed	Performance Trends, p. 356 to 357
201-3	Coverage of the organization's defined benefit plan obligations	Notes to Consolidated Financial Statements, p. 236 to 241
201-4	Financial assistance received from government	Notes to Financial Statements, p. 206
204: Procurement Practices (linked to material topic of "Sustainable supply chain")		
204	Procurement practices	Value-chain Partners, p. 58 to 61
204-1	Proportion of spending on local suppliers	Value-chain Partners, p. 60
301: Materials (linked to material topic of "Circular Economy")		
301	Materials	Environment, p 80
301-1	Materials used by weight or volume	Environment, p 80
301-2	Recycled input material used	Environment, p 80
302: Energy (linked to material topic of "Responsible resource consumption")		
302	Energy	Environment, p 76 to 78
302-1	Energy consumption within the organization	Environment, p 76
302-3	Energy intensity	Environment, p 76
302-4	Reduction of energy consumption	Business Responsibility Report, p. 112
303: Water (linked to material topic of "Responsible resource consumption")		
303	Water	Environment, p. 78 to 79
303-3	Water withdrawal	Environment, p. 78 to 79
305: Emissions (linked to material topic of "Climate change")		
305	Emissions	Environment, p 77 to 78
305-1	Direct (Scope 1) GHG emissions	Environment, p 77 to 78
305-2	Energy indirect (Scope 2) GHG emissions	Environment, p 77 to 78
305-3	Other indirect (Scope 3) GHG emissions	Environment, p 77 to 78
305-4	GHG emissions intensity	Environment, p 77 to 78
305-5	Reduction of GHG emissions	Environment, p 77 to 78
308: Supplier Environmental Assessment (linked to material topic of "Sustainable supply chain")		
308	Supplier environmental assessment	Value-chain Partners, p 58 - 61
308-1	New suppliers that were screened using environmental criteria	Value-chain Partners, p. 59
SRS 401: Social		
413: Local Community (linked to material topic of "Community development")		
413	Local communities	Community, p. 62 to 73
413-1	Operations with local community engagement, impact assessments and development programs	Community, p. 62 to 73
414: Supplier social assessment (linked to material topic of "Sustainable supply chain")		
414	Supplier social assessment	Value-chain Partners, p 58 to 61
414-1	New suppliers that were screened using social criteria	Value-chain Partners, p. 59
416: Customer health and safety (linked to material topic of "Product responsibility")		
416	Customer health and safety	Consumers, p 40 to 51
416-1	Assessment of health and safety impacts of product and service categories	Consumers, p 50 to 51
417: Marketing and labelling (linked to material topic of "Product responsibility")		
417	Marketing and labelling	Consumers, p 40 to 51
417-1	Requirements of product and service information and labelling	Consumers, p 51

INDEPENDENT ENERGY AND GREEN HOUSE GAS EMISSION VERIFICATION STATEMENT

Introduction

DNV GL Business Assurance India Private Limited (‘DNV GL’) has been commissioned by the management of Marico Limited (‘Marico’ or ‘the Company’, Corporate Identity Number L85195TG1984PLC004507) to carry out a limited level of verification of its data related to its energy and greenhouse gas (GHG) disclosures that shall form part of its non-financial disclosures under natural capital section of its Integrated Report 2019-20.

This customised verification engagement has been carried out in accordance with DNV GL’s verification methodology VeriSustain™ [1], which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. This verification provides a limited level of verification and applies a ±5% materiality threshold for errors and omissions.

Marico is responsible for the collection, analysis, aggregation and presentation of data and information related to energy and GHG assertions with a consolidated approach of operational control which has been prepared by the Company based on World Resources Institute’s GHG Protocol, Intergovernmental Panel on Climate Change’s Emission Factors, GRI standards (GRI 302: Energy 2016#, GRI 305: Emissions 2016#)and ISO14064-1.

Our responsibility of performing this work is to the management of Marico only and in accordance with scope of work agreed with the Company. The verification engagement is based on the assumption that the data and information provided to us is complete, sufficient and true. We disclaim any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out during February 2020 - June 2020 by a team of qualified sustainability and GHG assessors.

Scope, Boundary and Limitations of Verification

The scope of work agreed upon with Marico includes the following:

- The verification of energy consumption, energy intensity and reduction in energy consumption, GHG (Scope 1, Scope 2 and Scope 3) emissions, GHG intensity and reduction in GHG emissions covering the period 1st April 2019 to 31st March 2020 ie. the energy and GHG assertions.
- Verification of emissions from Marico’s manufacturing locations in India, ie Perundurai in Tamil Nadu, Puducherry, Baddi in Himachal Pradesh, Jalgaon in Maharashtra, Guwahati NER 1 and NER 2 (North East Region) in Assam and Paonta Sahib in Himachal Pradesh comprising of:
    - Scope 1 emissions due to a) Fuels used in manufacturing processes; b) Fuels used in diesel generators and boilers; c) Fuel used in mobile sources like company owned vehicles and d) Refrigerants release in air conditioners and refrigerators, e) CO_2 release due to use of fire extinguishers;
    - Scope 2 emissions due to use of purchased electricity from the grid;

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[1] *The VeriSustain protocol is available on request from www.dnvgl.com*

* *Assurance Engagements other than Audits or Reviews of Historical Financial Information.*

GRI 302:1,3; GRI 305:1,2,3,4

    - Scope 3 emissions currently monitored and declared by Marico, comprising emissions due to a) Purchased goods and services; b) Fuel and energy related activities; c) Upstream transportation of products; d) Waste generated in operations; e) Business travel; f) Employee commute; g) Upstream leased assets; h) Downstream transportation & distribution; i) End of life treatment
- Sample site visits to manufacturing locations in India ie. Perundurai (coconut oil refining) and Guwahati NER 1 (VAHO), to verify the Company's internal protocols, processes, and controls related to the collection and collation of its energy and GHG emissions assertions.
- Remote verification was conducted for the manufacturing location at Jalgoan (edible oil refining) to review the systems for energy and GHG data management.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. Our verification was limited to the reported data on energy and GHG emissions presented in the Natural capital section of the Integrated report 2019-20.

Verification Methodology

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our limited verification opinion. As part of the verification process, we

- Obtained an understanding of the systems used to generate, aggregate and report energy and GHG data at the sites visited by us;
- Reviewed systems for energy and GHG management at sample manufacturing locations through site visits and remote verification;
- Obtained an understanding of energy and GHG data management systems and the Completeness, Accuracy and Reliability of the data;
- Examined and reviewed the following information on a sample basis:
    - Data related to sources of Scope 1 emissions in the process at various sites.
    - Data related to purchased electricity consumption at various sites.
    - Data related to estimation of reported Scope 3 emissions.
    - Data related to energy and emission reductions
    - Procedures and practices for GHG, energy and fuel consumption, measurement, monitoring and review.
- Evaluated the GHG emissions data using the reliability principle together with Marico's methodology on data analysis, aggregation, and measurement and reporting.

Conclusions

On the basis of the work undertaken, nothing has come to our attention to suggest that the GHG and energy performance indicator of Marico for the year 2019-20 brought out below are not materially correct. Some data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected.

Emissions:

Performance Indicator	Factors	Value for FY 2019-20
Scope 1 Emissions	a) Fuel used in manufacturing processes, b) diesel generators, c) furnace oil used in boilers d) company owned vehicles, e) CO_2 release due to use of fire extinguishers and f) Refrigerants release in air conditioners and refrigerators.	1,379.6 tCO_2e
Scope 2* Emissions	Purchased electricity from the grid	12,140.4 tCO_2e
	Total Scope 1 & Scope 2 Emissions	13,520 tCO_2e
Scope 3 Emissions**	a) Purchased goods and services; b) Fuel and energy related activities; c) Upstream transportation of products; d) Waste generated in operations; e) Business travel[#]; f) Employee commute; g) Upstream leased assets; h) Downstream transportation & distribution; i) End of life treatment	4,99,568 tCO_2e
	Total Scope 1, Scope 2 & Scope 3 Emissions	5,13,088 tCO_2e
Scope 1 Emissions	Biogenic emissions[@] released from use of Biomass (Rice Husk & Briquette) in boilers	31,493 tCO_2e
GHG Emission Intensity	**GHG Emission Intensity** (Total Scope 1 & 2 emissions/ Total revenue for the year (INR 5655 crore)	2.39

Energy:

Performance Indicator	Factors	Value for FY 2019-20
Energy Consumption within Marico	*Non-renewable sources:* fuel used in manufacturing processes, diesel generators, furnace oil used in boilers, purchased electricity from the grid	70,053 GJ
	Renewable sources: Biomass used in boilers, electricity from solar and wind energy	2,70,099 GJ
Energy Intensity	**Energy Intensity ratio** (Total Energy consumption in GJ/ Total revenue for the year (INR 5655 Crore)	60.2

**Scope 2 emissions of Purchased grid electricity are based on the weighted average margin emission factor of 0.82 tCO_2/MWh as per Central Electricity Authority's (CEA) CO_2 User Guide Version 14.0, December 2018. GJ conversion factors are based on KWH to GJ which is 0.0036*

***Scope 3 Emissions are sourced from GaBi database 2020 LCI documentation*

[#] *In the absence of formal monitoring and recording systems for estimating Scope 3 emissions related to Business travel, DNV GL verified and observed that the assumptions are conservative*

[@] *Biogenic Emission factors considered for Rice husk is 1.7 (kg CO2/kg of biomass) and Briquette 1.16 (kg CO2/kg of biomass)*

Note:

1. *Emission Factors used are sourced from IPCC 2006 National Greenhouse Gas.*
2. *Global Warming Potential (GWP) used in the emissions calculation are sourced from IPCC Assessment Report 5.*

DNV GL's Independence

DNV GL states its independence and impartiality with regard to this verification engagement. We were not involved in the preparation of any data related to energy and GHG assertions made by Marico except the Verification Statements issued to the Company for the period 2019-20. While we did conduct other certification and assessment work with Marico in 2019-20, in our judgment this does not compromise the independence or impartiality of our engagement or associated findings, conclusions and recommendations.

For DNV GL Business Assurance India Private Limited,

Bhargav Lankalapalli Lead Verifier DNV GL Business Assurance India Private Limited, India	Nandkumar Vadakepatth Nandkumar Technical Reviewer Head – Regional Sustainability Services DNV GL Business Assurance India Private Limited, India.

Mumbai, India, 15th June 2020.

DNV GL Business Assurance India Private Limited is part of DNV GL – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnvgl.com

Notes

Notes

Notes

10 Years' Financial Highlights

(₹ Crore)

Year ended March 31,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income from Operations	3,135	3,980	4,596	4,687	5,733	6,024	5,936	6,333	7,334	7,315
EBITDA	418	484	626	748	870	1,051	1,159	1,138	1,326	1,469
Profit before Interest & Tax (PBIT)	369	444	577	729	845	1,050	1,166	1,133	1,298	1,453
Profit before Tax (PBT)	376	400	552	695	822	1,029	1,149	1,117	1,257	1,374
Net Profit attributable to Owners of the Company	286	317	396	485	573	711	799	814	926	1,043
Cash Profits (Profit after Current Tax + Depreciation + Amortisation)	405	397	491	592	668	873	947	922	1,057	1,167
Economic Value Added	**180**	**204**	**227**	**332**	**419**	**558**	**610**	**550**	**589**	**704**
Goodwill on consolidation	398	395	396	254	489	497	479	486	503	538
Net Fixed Assets	458	502	1,422	638	590	620	616	801	842	916
Investments	89	296	152	311	284	513	608	543	450	733
Net Current Assets	607	532	674	671	749	655	846	1,105	1,420	1,094
Net Non Current Assets	130	205	251	213	163	35	41	(82)	(68)	(63)
Deferred Tax Asset (Net)	30	22	-	-	-	65	10	20	202	159
Total Capital Employed	**1,712**	**1,953**	**2,894**	**2,086**	**2,274**	**2,386**	**2,600**	**2,873**	**3,349**	**3,377**
Equity Share Capital	61	61	64	64	65	129	129	129	129	129
Reserves	854	1,082	1,917	1,296	1,760	1,888	2,197	2,394	2,846	2,894
Net Worth	**915**	**1,143**	**1,982**	**1,361**	**1,825**	**2,017**	**2,326**	**2,523**	**2,975**	**3,023**
Minority interest	22	25	35	36	14	14	13	12	12	13
Borrowed Funds	774	785	872	680	428	331	239	309	349	335
Deferred Tax Liability	-	-	6	10	8	23	22	29	13	6
Total Funds Employed	**1,712**	**1,953**	**2,894**	**2,086**	**2,274**	**2,386**	**2,600**	**2,873**	**3,349**	**3,377**
EBITDA Margin (%)	13.3	12.2	13.6	16.0	15.2	17.5	19.5	18.0	18.1	20.1
Profit before Tax to Turnover (%)	12.0	10.1	12.0	14.8	14.3	17.1	19.4	17.6	17.1	18.8
Profit after Tax to Turnover (%)	9.1	8.0	8.6	10.4	10.0	11.8	13.5	12.9	12.6	14.3
Return on Net Worth (%)	36.5	30.8	25.3	30.1	36.0	37.0	36.8	33.5	33.7	34.0
(PAT / Average Net Worth [$])										
Return on Capital Employed	**26.1**	**24.3**	**23.8**	**30.4**	**38.7**	**45.1**	**46.8**	**41.3**	**42.0**	**42.4**
(PBIT / Average Total Capital Employed [@])										
Net Cash Flow from Operations per share (₹) (Refer Cash Flow Statement)	4.0	6.5	6.7	10.2	10.3	6.5	5.0	4.0	8.2	9.4
Earning per Share (EPS) (₹)	**4.7**	**5.2**	**6.1**	**7.5**	**8.9**	**5.5**	**6.2**	**6.3**	**7.2**	**8.1**
(PAT / No. of Equity Shares)										
Economic Value Added per share (₹)	2.9	3.3	3.5	5.1	6.5	4.3	4.7	4.3	4.6	5.5
Dividend per share (₹)	0.7	0.7	1.0	3.5	2.5	3.4	3.5	4.3	4.8	6.8
Debt / Equity	**0.8**	**0.7**	**0.4**	**0.5**	**0.2**	**0.2**	**0.1**	**0.1**	**0.1**	**0.1**
Book Value per share (₹)	**14.9**	**18.6**	**30.7**	**21.1**	**28.3**	**15.6**	**18.0**	**19.5**	**23.0**	**23.4**
(Net Worth / No. of Equity Shares)										
Sales to Average Capital Employed [@]	2.2	2.2	1.9	2.0	2.6	2.6	2.4	2.3	2.4	2.2
Sales to Average Net Working Capital [#]	5.3	7.0	7.6	6.6	8.1	8.6	7.9	6.5	5.8	5.8

[@] Average Capital Employed = (Opening Capital Employed + Closing Capital Employed)/2

[$] Average Net Worth = (Opening Net Worth + Closing Net Worth)/2

[#] Average Net Working Capital = (Opening Net Current Assets + Closing Net Current Assets)/2

Note 1: FY14 onwards, financials will not include Kaya as it has been demerged from Marico Group effective April 1,2013.

Note 2: FY16 onwards, per share numbers are calculated on the post bonus number of shares

Note 3: FY16 onwards, financials are as per IND - AS and hence not comparable with earlier years.

Note 4: FY19 and FY20 Net Profit excludes the impact of one-offs and extraordinary items.

Note 5: P&L for FY19 and FY20 and Balance Sheet for FY18, FY19 and FY20 are as per Ind-AS 116 and hence not comparable with earlier years.

marico
make a difference

Purpose Statement

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

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