August 6, 2021

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,

Subject: Notice of 33rd Annual General Meeting ('AGM') and Integrated Annual Report for the financial year 2020-21

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening the 33rd AGM scheduled to be held on **Monday August 30, 2021 at 11:00 a.m. IST through Video Conference / Other Audio Visual Facility** and the Integrated Annual Report for the Financial Year 2020-21, which have been sent through e-mail to all the Members of the Company today, who have registered their e-mail address with the Company/Depository(ies). The same can also be accessed on the website of the Company using following links:

AGM Notice	Annual Report

This intimation is being made available on the website of the Company at https://marico.com/india/investors/documentation/shareholder-info

Kindly take the above information on record.

Thank you.

Yours faithfully,

For **Marico Limited**

HEMANGI YATEEN GHAG Digitally signed by HEMANGI YATEEN GHAG Date: 2021.08.06 18:23:15 +05'30'

Hemangi Ghag
Company Secretary & Compliance Officer

Encl.: As above

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 **33rd Annual General Meeting** of the members of Marico Limited will be held on **Monday, August 30, 2021 at 11.00 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 (Standalone & Consolidated) of the Company for the financial year ended March 31, 2021, together with the reports of the Board of Directors and Statutory Auditors thereon.

2. To appoint a Director in place of Mr. Rajendra Mariwala (DIN 00007246), 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, 2022 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 Rs.9,50,000/- (Rupees Nine Lacs Fifty Thousand 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, 2022."

4. To approve the appointment of Mr. Milind Barve (DIN: 00087839) 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. Milind Barve (DIN: 00087839), who was appointed as an Additional Director of the Company, with effect from August 2, 2021, who holds office up to the date of this Annual General Meeting, in respect of whom the Company has received a notice of candidature from a member under Section 160 of the Act and who has submitted a declaration that he meets the criteria of independence as prescribed under the Act and SEBI Listing Regulations and he being eligible for appointment as an Independent Director of the Company, not being liable to retire by rotation, be and is hereby appointed as the Independent Director of the Company to hold office for a tenure of 5 (five) consecutive years commencing from August 2, 2021 to August 1, 2026 (both days inclusive)."

5. 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 2021-22 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 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 2021-22:

   i. ₹ 400,00,000 only (Rupees Four Crores only);

   ii. Other benefits and entitlements like provision of office personnel 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 30, 2021

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 5 of the Notice is annexed hereto.

2. Information required pursuant to Regulation 36(3) of the SEBI Listing Regulations read with the applicable provisions of Secretarial Standards-2, in respect of the Directors seeking appointment / re-appointment, is provided at the end of this Notice.

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 No. 02/2021 dated January 13, 2021 and the Securities and Exchange Board of India ("SEBI") has vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with their other circulars issued in this regard (collectively referred to as "Circulars"), permitted companies to conduct their Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of 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 convene its 33rd Annual General Meeting ("AGM") through VC/OAVM.

4. The Company has availed the services of Central Depository Services (India) Limited ("CDSL") for conducting the AGM through VC/OAVM and enabling participation of members at the meeting thereto and for providing services of remote e-voting and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at note no. 25 below.

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 whose name appears higher in the order of names will be entitled to vote.

9. 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.

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

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 33rd 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 2020-21 is also available on the Company's website www.marico.com, website of the Stock exchanges i.e. BSE Limited: www.bseindia.com and National Stock Exchange of India Limited: 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	Click on the link 1. https://www.linkintime.co.in/EmailReg/Email_Register.html 2. Select the name of the Company – **Marico Limited** 3. Mention Folio No. 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. 4. The system will send an OTP on the given mobile number and email Id 5. Enter the OTP as received above, for verification
For shares held in Dematerialized form	Register/update email address, PAN and Bank Account details with the Depository Participant where the respective dematerialised accounts are maintained.

Please note that registration of email address and mobile number is now mandatory while voting electronically and joining virtual meetings.

14. 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, the Company cannot process any request for transfer of securities in physical mode. Only securities held in dematerialized form can be transferred. 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 weblink https://marico.com/india/investors/documentation/shareholderinfo. Further, in terms with SEBI Circular dated July 23, 2021, all existing shareholders holding shares in trading and demat accounts shall provide their choice of nomination on or before March 31, 2022, failing which such trading accounts shall be frozen for trading and demat accounts shall be frozen for debits. Accordingly, Members are urged to update their nomination details for their respective accounts before the aforementioned date by contacting their respective Depository Participant(s).

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 or send an email at investor@marico.com 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 weblink https://marico.com/india/investors/documentation/dividend.

18. Pursuant to the Rule 5(8) of the Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company on its website at https://marico.com/india/investors/documentation/dividend

19. 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. **Monday, August 23, 2021** 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 here below or by voting facility provided during the meeting.

Instructions for Members for Remote e-voting:

20. 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").

21. In order to increase the efficiency of the voting process and in terms with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, demat account holders are being provided a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would now be able to cast their vote without having to register again with the e-voting service providers, thereby facilitating seamless authentication and convenience of participating in the e-voting process.

22. 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.

23. 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. **Monday, August 23, 2021.** 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. Monday, August 23, 2021 only shall be entitled to avail the facility of remote e-voting**.

24. The remote e-voting period commences on **Thursday, August 26, 2021** from **9:00 a.m.** IST and ends on **Sunday, August 29, 2021** at **5:00 p.m.** 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.-

25. The procedure for remote e-voting period and joining the virtual AGM is as under:

A. <u>The details of the process and manner for remote e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode are explained herein below:</u>

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.
	2) After successful login; the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting their vote during the remote e-voting period or for joining virtual meeting & voting during the meeting. Additionally, there are links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
	4) Alternatively, the user can directly access the e-Voting page by providing your Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending an OTP to the registered Mobile no. & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and you will also able to access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see the e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, an option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for utilizing the e-Voting facility. After successful login, you will be able to see the e-Voting option. Once you click on this e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use "Forgot User ID" and "Forgot Password" option available at the abovementioned websites.

Helpdesk details for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free nos.: 1800 1020 990 and 1800 22 44 30

B. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

(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.

(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 - other than individual members
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 (iii).

(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) **Note for Non – Individual Members and Custodians - Remote e-voting:**

- 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 App Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

26. **Instructions for Members for participating in the AGM through VC/OAVM**

1. Members 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 procedure for attending meeting and e-voting on the day of the AGM is the same as the instructions mentioned above for Remote e-voting in note 25. The link for members to attend the meeting through VC/OAVM or view the webcast of the meeting will be available in the members login where the EVSN of Company will be displayed.
2. The Members can join 30 (thirty) minutes before the scheduled time of AGM and 15 (fifteen) minutes after the commencement of the AGM.
3. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis. This will not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters and Institutional Investors who are allowed to attend the AGM without any restriction on account of first come first served basis.
4. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.
5. Members are encouraged to join the Meeting through Laptops/IPads for a better experience.
6. Further Members will be required to use Camera and Internet with a good speed to avoid any disturbance during the meeting.
7. 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.
8. As per the provisions of the Circulars, Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

27. **The instructions for Members for e-voting on the day of the AGM are as under:**

(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. 25 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.

28. **Procedure to raise questions / seek clarifications with respect to Annual Report:**

- 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 Wednesday, August 25, 2021** 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 Friday, August 27, 2021,** 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.

29. **General Guidelines for Members:**

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

2. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact 022- 23058738 and 022-23058542/43.

3. All grievances connected with attending the AGM and facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

30. 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. **Monday, August 23, 2021** Any person becoming Member of the Company after the dispatch of the Notice convening 33rd 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.

31. **Voting Results**

- The Board of Directors of the Company has appointed Mr. Makarand M. Joshi and in his absence, Mrs. Kumudini Bhalerao, Partners 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. **Monday, August 30, 2021.**

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

Hemangi Ghag
Company Secretary & Compliance Officer
FCS No. 9329

Place: Mumbai
Date : July 30, 2021

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 July 30, 2021 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, 2022, at a remuneration of INR 9,50,000/- (Rupees Nine Lacs Fifty Thousand 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 No. 4:

The Board of Directors, based on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Milind Barve as an Additional Director (Independent), with effect from August 2, 2021 for a term up to 5 (Five) consecutive years each from the date of his appointment, subject to the approval of the Members at the Annual General Meeting.

Mr. Milind Barve is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has consented to act as Independent Director of the Company. The Company has also received a declaration from Mr. Barve to the effect that he meets 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 declaration that he is not debarred from holding office of director by virtue of any SEBI order or any other such authority.

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

Brief profile of the Director, nature of his expertise in specified functional areas and names of companies in which he holds directorships and memberships / chairmenship 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 Standards – 2 are provided at the end of this Notice.

Copies of the draft letter of appointment of the said Director 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 Director 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. Milind Barve, the appointee Director, 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 Resolution proposed in Item No. 4.

The Board believes that the association of Mr. Barve would be of immense benefit to the Company considering his expertise and experience and accordingly, recommends passing of the resolution set forth under Item No. 4 of the accompanying Notice as **Ordinary Resolution.**

Item No. 5:

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 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. 5.

The Board recommends the passing of Item No. 5 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 30, 2021

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

INFORMATION REQUIRED UNDER REGULATION 36(3) OF THE SEBI LISTING REGULATIONS WITH RESPECT TO DIRECTORS' RE-APPOINTMENT/APPOINTMENT

<table>
<tr><th>Particulars</th><th>Mr. Rajendra Mariwala</th><th>Mr. Milind Barve</th></tr>
<tr><td>Designation</td><td>Non-Executive Director</td><td>Non-Executive Director (Independent)</td></tr>
<tr><td>Director Identification Number</td><td>00007246</td><td>00087839</td></tr>
<tr><td>Age (in years)</td><td>58</td><td>63</td></tr>
<tr><td>Date of first appointment</td><td>July 26, 2005</td><td>August 2, 2021</td></tr>
<tr><td>Qualification</td><td>Master's in Chemical Engineering</td><td>Chartered Accountant and Bachelors' degree in Commerce</td></tr>
<tr><td>Experience</td><td>More than 31 years</td><td>More than 34 years</td></tr>
<tr><td>Terms & Condition</td><td>Non-Executive, Non-Independent Director of the Company, liable to retire by rotation</td><td>To be appointed as Independent Director, not liable to retire by rotation, for a tenure of five years from August 2, 2021 to August 1, 2026 (both days inclusive).</td></tr>
<tr><td>Details of remuneration last drawn (in Rs.)</td><td>₹ 41,80,000</td><td>N.A.</td></tr>
<tr><td>Details of remuneration proposed</td><td colspan="2">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, within the limit of 3% net profits of the Company approved by shareholders on August 5, 2015</td></tr>
<tr><td>Shareholding in the Company as on the date of this report</td><td>1,09,47,600 shares (including shares held jointly with immediate relatives)</td><td>Nil</td></tr>
<tr><td>Relationship with other directors, Manager & KMP</td><td>Mr. Rishabh Mariwala, Non-Executive Director of the Company and Member of the Promoter group is his Nephew.

Members of the Promoter and Promoter group: Mr. Harsh Mariwala.</td><td>None</td></tr>
<tr><td rowspan="7">Directorships</td><td>Kaya Limited</td><td rowspan="7">NSE Indices Limited</td></tr>
<tr><td>Eternis Fine Chemicals Limited</td></tr>
<tr><td>Scientific Precision Private Limited</td></tr>
<tr><td>Eternis (UK) Limited</td></tr>
<tr><td>Eternis Chemicals Private Limited</td></tr>
<tr><td>Eternis Fine Chemicals UK Limited (formerly Tennants Fine Chemicals Limited)</td></tr>
<tr><td>Mariwala Consultancy Private Limited</td></tr>
<tr><td>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.</td><td>1) Marico Limited - Member of Audit Committee and Stakeholder Relationship Committee
2) Eternis Fine Chemicals Limited - Member of Audit Committee
3) Kaya Limited - Member of Audit Committee</td><td>None</td></tr>
<tr><td>No. of Board Meetings attended during FY 2020-21</td><td>6 of 6</td><td>N.A.</td></tr>
</table>

Particulars	Mr. Rajendra Mariwala	Mr. Milind Barve
Brief Profile	Mr. Rajen Mariwala has done his Masters in Chemical Engineering from Cornell University, USA. He is currently the Managing Director of Eternis Fine Chemicals Limited, formerly known as Hindustan Polyamides & Fibers Limited, a leading exporter of specialty chemicals – specifically chemicals for fragrances and personal care products. He brings with him a rich experience of over 25 years in leading a competitive global business in specialty chemicals. He has been on the Board of Directors of Marico Limited since July 26, 2005.	Mr. Milind Barve is the former Managing Director of HDFC Asset Management Company (HDFC AMC), one of India's leading asset management company. He was responsible for setting up HDFC AMC and was appointed as its first Managing Director with effect from July 4, 2000 and after over a two-decade-long stint, he retired in February 2021. Almost his entire career, he has been associated with the Housing Development Finance Corporation (HDFC) group. Under his leadership, HDFC Mutual Fund pioneered India's only socially oriented Mutual Fund Scheme which finances, through the Indian Cancer Society, free treatment for Cancer patients in various hospitals in India. He also served as a member on the Governing Advisory Council of Indian Cancer Society. In the past, he has also served as the Chairman on the Board of Association of Mutual Fund in India (AMFI). He was awarded the "Maxell Award for Excellence in Business Leadership 2015". Mr. Barve is a chartered accountant from Institute of Chartered Accountants of India and holds a Bachelors' degree in commerce from University of Pune. He has been a keen badminton player and has represented the College, University of Pune and the Maharashtra State in various tournaments. Mr. Barve is also an Independent Director on the Board of NSE Indices Limited.
Nature of expertise in specific functional areas	Entrepreneurship, Corporate Strategy and General Management.	Fund raising, investing , Treasury Management and General Management. Please refer to the detailed profile provided above.

marico
make a difference

Integrated Report
2020-21

mariconfident
maricollaborative
mariconsistent
mariconscious
maricourageous
mariconnected
maricommitted
maricompassionate

Marico – Make a Difference

PEOPLE FIRST BUSINESS NEXT PROFIT LAST

At Marico, FY21 proved to be a validation of our beliefs, efforts, and commitment to be able to create value in the lives of those who matter. And together with everyone, we were able to not just transcend the challenges of operating in a new business environment, but also accelerate our stride in the agile transformation and impact creation journey.

Creating value for those who matter has been the cornerstone of Marico's success. The external environment notwithstanding, we continue to validate the trust of stakeholders led by the value drivers of people, planet and profit. Be it the way we nurture our people, contribute to society through 'Kalpavriksha' and other initiatives, or pursue target-led environmental priorities, we are propelled by our aim of holistic value-creation. The little steps we take enable us to transition towards stakeholder capitalism, focused on balancing the needs of everyone associated with us. Evidently, this has helped us transcend the challenges of operating in a new business environment.

We continue to foster ethics and integrity as the strongest pillars of our purpose, to create and safeguard value across the board, and contribute to creating a sustainable future in the process. Starting with our leaders, the principles of conscious capitalism trickles down across our areas of impact, creating a culture that nurtures and cares, augmenting our business success.

A stakeholder-centric business ready for the next normal

People

- Building a diverse and inclusive culture
- Fostering a support and empathy-based leadership culture. Leading with Trust, Ownership and Innovation.
- Developing capabilities to address the next normal of business through skill building, technical trainings and accelerated learning platforms
- Improving quality of life for Marico members through Member Assistance Program, flexi timings, WFH, and flexibility on leave sharing, among others

Responsibility

- Integrating sustainability across the value chain
- Transcending beyond compliance for product quality and safety
- Prioritising customer choices and aligning innovation outcomes
- Prioritising business ethics, anti-competitive behaviour, critical and systemic risk management practices

Profit

- Business resilience beyond the pandemic
- Core portfolio growth with market share consolidation
- Customer value enhancement through cost optimisation
- Digital transformation enabling overall business

FY21 value-creation highlights

INVESTORS

₹ 8,048 Crore
Revenue

83%
Dividend Pay-out Ratio

₹ 1,162 Crore
Recurring Net Profit After Tax

CONSUMERS

>126 Million
households reached

58,000
villages in India reached through stockist network

MEMBERS

40%
leadership hires in FY21 are women

93%
member engagement score throughout the year

56%
of campus hires are women

3000 workhours
devoted towards health & safety trainings across Marico facilities in India

VALUE CHAIN PARTNERS

5.3 Million
number of retail outlets reached

38%
critical value chain partners who have been awarded Marico's Responsible Sourcing certification (Level 1)

700+
value chain partners associated in India

COMMUNITIES

₹ 20.4 Crore
amount spent for CSR

39,040
farmers cumulatively enrolled under Parachute Kalpavriksha Foundation

2,40,000
students impacted through digital literacy programmes

20,00,000+
number of beneficiaries impacted from pandemic relief efforts

ENVIRONMENT

72%
renewable energy share of India operations

1,630,000 kg
quantity of post-consumer plastic waste collected under EPR* programme

80%
reduction in GHG emissions (Scope 1&2) as compared to base year FY13

2.15 Billion litres
cumulative volume of water capacity created in India

*Extended Producer Responsibility

About this Report

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

The sustainability impact sections of this report builds on the work completed since our last disclosure, and further reinforces our commitment to sustainability as an industry leader and global corporate citizen. The report is aimed at transparently communicating to our stakeholders, our business progress as well as reflecting our ongoing efforts to assess our most significant environmental, social and governance (ESG) impacts, risks and opportunities to further enhance our practices in the future.

Reporting frameworks

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

The non-financial section is guided by the International Integrated Reporting <IR> framework (including January 2021 amendments) published by the International Integrated Reporting Council (IIRC) (now the Value Reporting Foundation). The Key Performance Indicators (KPIs) have been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The Report also references the nine principles of the Ministry of Corporate Affairs' National Voluntary Guidelines (NVGs) on the social, environmental and economic responsibilities of business and aligns with the relevant United Nations Sustainable Development Goals (UN SDGs).

Reporting boundary

The financial metrics and information presented in the FY21 Integrated Report pertains to Marico Limited, including its domestic and international business, subsidiaries and joint ventures. The non-financial disclosures are limited to Marico's India operations, unless otherwise specified at relevant sections.

Reporting Period:

The FY21 Integrated Report covers financial and non-financial performance of the Company from April 01, 2020 to March 31, 2021.

Management responsibility statement

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

Assurance of report content

Reporting element	Assurance status
Financial information	The financial statements presented in the report have been audited by BRS &Co. LLP
Selected non-financial performance metrics	Verification of Energy & GHG disclosures and Carbon Neutrality of Perundurai for FY21 by DNV GL Business Assurance Pvt. Ltd.
All other non-financial performance information	Internally verified and assured by the Management

Restatements

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

Read the full report online at
www.marico.com/page/DigitalReport2020-21

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

Contents

At a Glance

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

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

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

Headquartered in Mumbai, we are present in over 25 countries across emerging markets of Asia and Africa. We operate eight factories in India, located at Puducherry, Perundurai, Jalgaon, Guwahati, Baddi, Paonta Sahib and Sanand.

₹8,048 Crores
Turnover

₹1,162 Crores
Recurring Net Profit After Tax

Our Values

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

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

Opportunity Seeking
Identifying early opportunity signals in the environment to generate growth options

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

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

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

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

Global Outlook
Sensitivity and adaptability to cultural diversity and learning from different cultures

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 East Asia, the Middle East, Egypt and South Africa.

23%

Share of International FMCG Business

National Markets

DEPOTS

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

REDISTRIBUTION CENTRES

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

REGIONAL OFFICES

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

PLANT LOCATIONS

- P1 Baddi, Himachal Pradesh
- P2 Paonta Sahib, Himachal Pradesh
- P3 NER 1, Guwahati, Assam
- P4 NER 2, Guwahati, Assam
- P5 Jalgaon, Maharashtra
- P6 Sanand, Gujarat
- P7 Perundurai, Tamil Nadu
- P8 Puducherry

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

Metrics of progress

Profit and loss metrics

A robust topline and margins similar to year-ago levels ensured that we continue to deliver on the business front, delivering enhanced net profit.

EBITDA MARGINS (%)

FY21	19.8
FY20	20.1
FY19	18.1
FY18	18.0
FY17	19.5

NET PROFIT (₹ Crores)

FY21	1,162
FY20	1,043
FY19	926
FY18	814
FY17	799

EARNINGS PER SHARE (₹)

FY21	9.0
FY20	8.1
FY19	7.2
FY18	6.3
FY17	6.2

CASH PROFITS (₹ Crores)

FY21	1,327
FY20	1,167
FY19	1,057
FY18	922
FY17	947

EVA (₹ Crores)

FY21	845
FY20	704
FY19	589
FY18	550
FY17	610

Operational metrics

With new product innovations and a strong base of established brands, we were able to increase our sales volume and value during the year, while maintaining the share of international business in our portfolio.

SALES & SERVICES (₹ Crores)

FY21	8,048
FY20	7,315
FY19	7,334
FY18	6,333
FY17	5,936

SHARE OF INTERNATIONAL FMCG BUSINESS (%)

FY21	23
FY20	23
FY19	22
FY18	22
FY17	23

Balance sheet metrics

We operate our business with minimal debt on our books, and fund our capital expenditure and operations through internal accruals and cash flows.

SURPLUS ON BOOKS (₹ Crores)

FY21	1,355
FY20	607
FY19	613
FY18	338
FY17	522

DEBT / EQUITY

FY21	0.1
FY20	0.1
FY19	0.1
FY18	0.1
FY17	0.1

LOAN ON BOOKS (₹ Crores)

FY21	348
FY20	335
FY19	349
FY18	309
FY17	239

Shareholder metrics

We continue to create increased shareholder value, led by wealth appreciation, dividend distribution and enhanced returns.

RETURN ON NET WORTH (%)

FY21	37.1
FY20	34.8
FY19	33.7
FY18	33.5
FY17	36.8

RETURN ON CAPITAL EMPLOYED (%)

FY21	44.6
FY20	42.4
FY19	42.0
FY18	41.3
FY17	46.8

DIVIDEND DECLARED (% of face value)

FY21	750
FY20	675
FY19	475
FY18	425
FY17	350

FY19, FY20 and FY21 Net Profit excludes the impact of one-offs and extraordinary items.

P&L for FY19, FY20 and FY21 and Balance Sheet for FY18, FY19, FY20 and FY21 are as per Ind-AS 116 and hence not comparable with earlier years.

Resilient portfolio of trusted brands

India

Coconut Oil

Parachute Coconut Oil

Nihar Naturals Uttam Coconut Oil

Nihar Naturals Coconut Oil

Super Premium Refined Edible Oils

Saffola Active

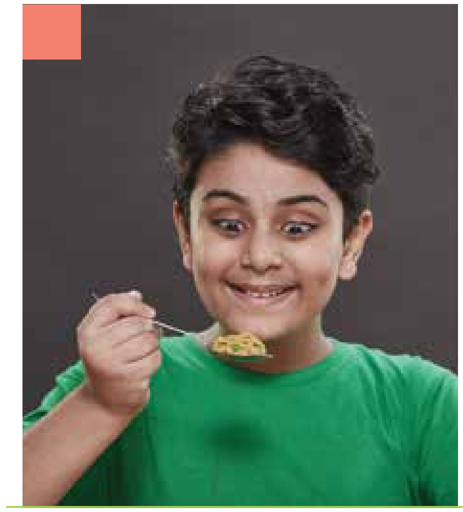
Saffola Tasty

Saffola Gold

Saffola Total

Saffola Aura Refined Olive Oil

Saffola Aura Extra Virgin Olive Oil



Healthy Foods

Saffola Oats

Saffola Masala Oats

Saffola Meal Maker Soya Chunks

Saffola Masala Oodles

Saffola Honey

Saffola Arogyam Chyawanamrut Awaleha

Saffola Immuniveda

Coco Soul Virgin Coconut Oil

Saffola FITTIFY Gourmet Range

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

Aloe Vera, Olive Oil & Green Tea

Dry Fruit Oil

Premium Personal Care

Hair Nourishment

Livon Serums Range

Hair & Care Silk n Shine Leave-In Hair Conditioner

Male Grooming & Styling

Set Wet Hair (Gels and Waxes, Deodorants and Studio X Range)

Beardo

Parachute Advansed Men Aftershower Hair Cream

Skin Care

Kaya Youth Range

Parachute Advansed Body care range

Hygiene

Veggie Clean

Mediker Hand Sanitizer

Protect Surface Disinfectant Spray

KeepSafe Range

Bangladesh

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

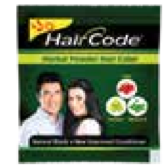
Parachute Coconut Oil / **Value-Added Hair Oils**

Parachute Advansed Beliphool | Parachute Advansed Extra Care | Parachute Advansed Aloe Vera | Nihar Naturals Shanti Badam Amla | Nihar Naturals Joba Amla

Hair Care

Nihar Naturals 5 Seeds | Nihar Lovely | Parachute Naturale Shampoo | Parachute Naturale Conditioner

Hair Dye



Hair Code Powder

Hair Serum

Livon

Male Grooming

Studio X No Gas Perfume Spray | Studio X Hair Gel | Studio X Face Wash | Studio X Styling Shampoo | Studio X Soap | Studio X Power Brightening cream

Skin Care

Parachute SkinPure Body Lotion | Parachute SkinPure Petroleum Jelly | Parachute SkinPure Aloe Vera Gel | Parachute SkinPure Beauty Olive Oil | Parachute SkinPure Coco Olive Soap

Baby Care

Parachute Just for Baby Oil | Parachute Just for Baby Lotion | Parachute Just for Baby Wash | Parachute Just for Baby Soap | Parachute Just for Baby Powder | Parachute Just for Baby Toothpaste

Hygiene

Parachute Just for Baby Rash Cream | Parachute Just for Baby Face Cream | Mediker SafeLife Hand Sanitizer | Mediker SafeLife Hand Wash | Mediker SafeLife Veggie Wash Vegetable Cleanser

Edible Oil & foods

Saffola Active | Saffola Honey

Vietnam

Male Grooming & Styling and Foods

X-Men | **X-Men for Boss** | **Thuan Phat**

Myanmar

Hair Care and Male Grooming

Parachute Advansed Coconut Hair Oil | **Silk n Shine Serum** | **Code 10**

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

Parachute SkinPure Baby Oil

HairCode

Fiancée

South Africa

Hair Care, Healthcare and Skincare

Caivil

Hair Colour, Mend n Grow Hair Foods, Oil Moisturiser and Fusion Oil

Black Chic

Coconut Hair Food, Oil Sheen Spray With Avocado Oil, Natural Kids Detangler and Hair Colour

Just For Baby

Petroleum Jelly, Aqueous Cream, Talc Powder and Baby Oil

Hercules

Coconut Oil, Calamine Lotion, Castor Oil, Eucalyptus Oil and Beauty Butter

Isoplus

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

Just For Kids

Relaxers, Hair Food, Detangler and Pink Oil Moisturiser

Ingwe

Stamina mixture, Tokoloshe Salts and Vusa Um Zimba

Our fortitude and values come to the fore

Dear Shareholders,

I am pleased to present to you the third Integrated Report of your Company. The pandemic created many unforeseen challenges on our path. I take this opportunity to send our thoughts and prayers to all stakeholders affected by the crisis, including the families, friends and relatives of the valued members of your Company. We have not suffered a global health crisis of this magnitude in generations, and are more than grateful to all those frontline workers who have worked tirelessly to help keep others safe and provide essential goods and services to all.

At Marico, our members come first and we are focusing on their well-being by taking all possible steps to provide the support required to cope with these difficult times. Despite the widespread disruption during the year under review, your Company demonstrated both resilience and agility and delivered impressive results. This has only reinforced our faith in the lasting strength of the strategic building blocks of your Company, namely brand, people and culture. It is the trusted equity of our brands that consumers seek solace in, especially during such uncertainty. The fortitude of our members and the values ingrained in our culture have truly come to the fore in these unprecedented times. I firmly believe that it is only when you're empowered with freedom and opportunity that you rise above the task at hand and take complete ownership to make a difference.

A visible silver lining

A year since the onset of the pandemic, the global economy remains under pressure, accompanied by sustained fatalities and widespread unemployment. However, despite the uncertainties, the way out of this health and economic crisis is increasingly visible. Vaccination is picking up pace and the workforce around the world is adapting to ways of working with reduced mobility. The International Monetary Fund (IMF), in its latest report, has projected a stronger recovery for the global economy compared to its earlier forecast, with growth projected at 6% in 2021, moderating to 4.4% in 2022, after a historic contraction of an estimated 3.3% in 2020.

The Indian economy contracted by 7.3% in FY21. In view of the severity and spread of the second COVID-19 wave in India, accompanied by the overwhelming pressure on the healthcare system, the IMF is likely to lower its most recent growth rate projection of 12.5% for FY22. With the human and economic toll on the rise, I hope that we overcome this crisis through a coordinated policy response to fight the virus, including acceleration of the vaccination campaign along with allocation of more fiscal resources to the health sector and social support for the vulnerable.

Sustainable value creation at Marico

Our commitment to responsible growth has always been the focal point of everything we do at Marico. It has been our long-standing belief that sustainable and purposeful businesses will stand the test of time and drive superior long-term performance stands more validated now than ever before. The severe human crisis that we are facing today has further necessitated a stakeholder approach to growth, which relies on compassion, collaboration and inclusivity.

Our commitment to responsible growth has always been the focal point of everything we do at Marico. It has been our long-standing belief that sustainable and purposeful businesses will stand the test of time and drive superior long-term performance stands more validated now than ever before.

Harsh Mariwala
Chairman

In FY21, your Company continued to make concerted efforts to reduce operational risks, enhance environmental stewardship, garner eco-consciousness amongst consumers, maintain best-in-class governance standards and most importantly, safeguard lives to thrive in the next normal of business.

As part of our climate action goals, our aim is to transition the operations of all facilities to carbon neutral status and mitigate our value chain climate impact. Over 72% of your Company's energy needs are met from renewable energy sources. Our Perundurai (Tamil Nadu) manufacturing facility has been certified as 'Carbon Neutral' and has received platinum-level certification from CII Green Company Rating System (GreenCo) and Indian Green Building Council (IGBC) - all three notable achievements.

Water conservation is a core thrust area of our sustainability agenda and your Company aims to become a water steward, thereby creating sufficient quantities for community usage and agricultural purposes. Under the 'Jalaashay' programme, your Company has continually replenished 100% of the water consumed in its operations and has built a cumulative conservation potential of approximately 2.15 Billion litres so far. We have also ensured that 100% of your Company's liquid waste is treated and reused within the plant boundaries.

Towards plastic waste management, the 'UpCycle' programme has resulted in 95% of your Company's product packaging (by weight) being recyclable. Additionally, in conformance with our Extended Producer Responsibility (EPR) commitment, we have completed collection, energy recovery and environmentally safe disposal of about 1,630 MT (equivalent in weight) of post-consumer multi-layer packaging used in our products. We have also completed a collaborative circular packaging initiative with Dow and Lucro Plastecycle towards the usage of post-consumer recycled (PCR) shrink films for the brand Parachute.

Through our Parachute Kalpavriksha programme, we are striving to empower coconut farmers in India to leverage scientific techniques, advanced agricultural trainings and a range of farm-support resources that improve the quality of yields as well as boost socio-economic livelihoods. The Company has enrolled 17,997 farmers this year (cumulative number stands at 39,040 farmers), covering 54,931 acres of coconut farms (cumulative number stands at 1.8 Lakh acres) and effecting an overall year-on-year improvement in productivity of 15%.

Enabling socially inclusive development

This year, your Company continued its efforts towards enabling responsible and socially-inclusive growth for the community through a variety of educational outreach initiatives, livelihood sustenance programmes and innovation-led value-creation campaigns.

During the ongoing pandemic, your Company has been able to distribute 1.4 Million masks, 6.7 Lakh PPE kits and 633 ventilators to help safeguard lives of primary healthcare workers, the police and emergency services staff, among others.

Since its inception in 2003, the Marico Innovation Foundation (MIF) has played a catalytic role in the innovation ecosystem to help start-ups scale-up. In collaboration with other organisations, the Foundation helped fund nine scale-up innovation challenges to recognise winning solutions. Of these, the most impactful has been the Innovate2Beat COVID Grand Challenge, which was launched to find affordable and scalable affordable and scalable healthcare solutions in India. The five winning solutions received a grant of ₹ 24 Million.

Looking ahead

In any crisis, it is important to move quickly to reset objectives in line with changing market realities. However, our strategic priorities, which have always been guided by our credo – 'Making a Difference' – remain unaltered and gain even more relevance in this evolving context. Your Company will continue to focus on nurturing and building responsible, safe, authentic and trusted products for our consumers and making them more accessible through agile and resilient execution. We will maintain a collaborative approach with all our partners in the value chain and stay true to our commitment to the community and the planet in a bid to create sustainable value for all.

I continue to act as the Non-Executive Chairman of the Board, while Saugata continues to lead your Company's strategic growth initiatives. While the Board remains the guide and mentor of the top management, keeping in mind the right balance in composition relative to Director tenure, your Company will undertake a Board rejuvenation exercise over the next few years. I also lead efforts to improve the collective functioning of the Board while remaining actively involved in our CSR initiatives.

I would once again like to express my gratitude to all our team members for valiantly fighting through the challenges posed by this unprecedented crisis and extend my sincere gratitude to the Board for its continued guidance and support. I also convey heartfelt appreciation for all our business partners, vendors and other business associates who have firmly stood by your Company amidst adversity. We deeply value the faith, guidance and support of all our shareholders and would continue to do so as we attempt to emerge stronger from the challenges and look ahead to brighter times.

Warm regards,

Harsh Mariwala
Chairman

Bouncing back with strong growth prospects

Dear Shareholders,

It is a pleasure to write to you and put forth your Company's Integrated Report for the year ended March 31, 2021.

We are in the midst of unusually difficult times as successive waves of the COVID-19 pandemic continue to impact countries across the globe. As vaccination drives are underway in most nations, we are certainly moving closer towards effectively tackling the crisis. Your Company has remained committed to the well-being, health and safety of all its members and taken all possible measures in line with the government directions and advisories. We believe vaccination is the only way to defeat the virus. We have been able to organise vaccination drives for our members and their families and have now extended the same to our business associates and third-party service providers as well. Unfortunately, the pandemic has directly affected some of our members and their families and I send my thoughts and prayers to all of them.

Coming to the year under review, the national lockdown in India at the start caused severe supply-chain led disruption for little over a month. As restrictions eased subsequently, there was a swift recovery in overall sentiment through the rest of the year. Your Company's performance followed a similar trajectory, with a progressive recovery in volume growth after the dip in the first quarter. We recorded double-digit growth in both revenues and profits, despite steep inflation in input costs in the second half of the year, as our portfolio of trusted brands continued to log market share gains over last year and exhibit tremendous pricing power in an uncertain environment. Notably, the results reflect the resilience, agility and never-say-die spirit of your Company's members and associates. I take this opportunity to convey my sincere gratitude to the entire team, especially the frontline and manufacturing personnel, for braving such challenging circumstances.

After a sharp drop in the first quarter, the domestic business quickly bounced back in the following quarters to exceed pre-COVID levels as more than 90% of our portfolio comprises daily-use items under the aegis of strong market leader brands. We witnessed robust growth across each of our core portfolios of Coconut Oil, Saffola Edible Oils, Value Added Hair Oils and Saffola Oats.

Saugata Gupta
Managing Director & Chief Executive Officer

FY21 Overview

While the Management Discussion and Analysis (MD&A) chapter in this Report provides a detailed account of our performance, I would like to cover the key facets of the year gone by. After a sharp drop in the first quarter, the domestic business quickly bounced back in the following quarters to exceed pre-COVID levels as more than 90% of our portfolio comprises daily-use items under the aegis of strong market leader brands. We witnessed robust growth across each of our core portfolios of Coconut Oil, Saffola Edible Oils, Value Added Hair Oils and Saffola Oats. Understandably, discretionary portfolios of Premium Personal Care were not much in favour with very limited occasions of use as mobility restrictions prevailed in varying degrees through the year. The pandemic, however, has driven structural shifts in consumption patterns towards hygiene, immunity and nutrition categories. While your Company made tactical plays into hygiene categories during the year, it also made some enduring forays into immunity and nutrition categories. Extending the strong health equity of its brand Saffola, your Company introduced Saffola Honey, Saffola Arogyam Chyawanamrut Awaleha, Saffola Oodles, Saffola Mealmaker Soya Chunks and traditional immunity boosters under Saffola Immuniveda. As a result, we have materially scaled up the total addressable market (TAM) of our Foods portfolio to ~₹5,000 Crores and are targeting a topline of ₹850-1,000 Crores in this franchise by FY24. While Modern Trade footfalls receded, traditional trade mounted a comeback led by strong growth in rural, more effective social distancing and retail stores delivering goods at home in urban. Growth in E-Commerce accelerated further with its share of domestic business rising from 5% in the previous year to 8% in this year. We witnessed sharp input cost pressure in the second half of the year as copra prices were up due to temporary supply constraints, while prices of edible oils and crude-related inputs rose in line with the surge in global commodity prices. However, the business delivered healthy earnings growth as we countered a part of the cost-push through pricing interventions, aggressive cost management and rationalisation of ad spends in discretionary categories. In view of the transient nature of the cost-push, your Company prioritised volume growth and market share gain momentum over short term margins.

The International business also recovered well to post high single digit constant currency growth after the initial impact of the pandemic. Bangladesh consistently delivered double-digit constant currency growth in each of the four quarters. Vietnam gradually recovered to end the year on a positive note. MENA had a flattish year and South Africa grew healthily on the back of buoyancy in the health care categories. The New Country Development & Exports business also came back well in the second half of the year after pandemic related disruptions in the first half. Profitability of the overall business improved due to higher share of business from Bangladesh.

Strategic Overview and Outlook

The second COVID surge has caused much more distress to the community and affected even the rural pockets of the country. As a result, the momentum in consumption slowed down in the first quarter of the new fiscal year but the impact was much lower as compared to the first lockdown as supply chains are far more stress-tested, lockdowns are staggered and localised, and retail stores are operating, albeit, for limited number of hours during the day. While the situation evolves, your Company will stay focused on delivering sustained profitable volume growth and market share gains by growing and premiumising the core portfolio, scaling new engines of growth in Foods and Premium Personal Care categories, while consistently moving along the path of creating shared value. Consumer centric innovation, adaptive business and GTM models, leveraging digital and technology, cost management, nurturing talent and culture and mainstreaming sustainability will remain key enablers in this journey.

Rural has continued its good run through the year driven by good harvests and government stimulus. We believe direct reach in rural serves as a competitive advantage and aim to expand our stockist network by another 25% over the next 2 years. In urban, we will maintain focus on augmenting our reach in chemist and cosmetic outlets. Given the challenges faced during the lockdown, your Company stepped up its efforts to ensure availability of its products through a number of innovative GTM models including tie-ups with food-service aggregators and other logistics partners, launch of a direct to consumer portal, tele-caller facility for direct reach to the top retail outlets and a retailer and consumer-ordering app, among others. We continue to invest in these initiatives to stay ahead of the curve in the event that any of these models present an opportunity to scale up over the medium term.

The pandemic also reinforced the importance of driving process simplification across our value chain and reducing the hidden cost of complexity to the extent possible. The rationalisation of more than 25% inefficient SKUs across our portfolio has been one of key steps in this direction.

Given the speedier rise in digital media consumption, your Company is ramping up its digital transformation journey to enhance consumer engagement, improve the digital quotient (DQ) of its brands and build capabilities in data analytics for faster and efficient decision-making across the value chain. We have carved a separate business unit within the Company to handle digital brands that operates independently in terms of processes and systems. Beardo, now fully integrated into our fold, should touch a run rate of about ₹100 Crores in FY22. We aim to replicate this success by adding two to three more digital brands, either organically or inorganically, over the next three years.

We have recently concluded a Net Revenue Management (NRM) exercise in consultation with a global management consulting firm. NRM is an approach for maximising the revenues and profits from a company's brand and product portfolio over time, with harmonious growth across channels. We believe it will enable the Company to reinvest these pricing gains towards accelerating innovation, building brand equity, and strengthening brand relevance to consumers. The Company has begun operationalising the recommendations stemming from this approach in FY22.

In the International business, having invested in requisite leadership and organisational capabilities, we aim to chart a predictable and sustained growth trajectory over the medium term. However, macroeconomic challenges stemming from the resurgence of COVID-19 or any geo-political instability in our key markets pose downside risks to our outlook for the near term. In Bangladesh, we will leverage our distributive strength to further consolidate market shares in the core portfolios and scale up the multiple new portfolios launched recently. In Vietnam, we will continue to leverage our market leadership position and invest in the male grooming category as well as drive excellence in sales and distribution systems. The Company has also been aggressive cost management programmes, which will enable resource generation for brand building. In the MENA region, the Company will focus on getting the basics right by judiciously investing behind brands and Go-to-Market initiatives. We will be aggressive on cost management in Egypt to enable the business to tide over the macro headwinds. We remain cautious on the near-term outlook of the South Africa business but expect to protect the core franchise of ethnic hair care and health care over the medium term. We will also continue to invest towards developing new export markets and scaling this business profitably.

Your Company holds its medium-term aspiration of delivering 13-15% revenue growth, backed by 8-10% volume growth in the India business and broad based double-digit constant currency growth in the International business. Your Company will continue to invest behind brand building to support market growth initiatives in core categories as well aggressively scale up new products. Having accrued ₹150 Crores in cost savings in this year, your Company will continue to drive ambitious cost savings targets each year. The Company would be comfortable maintaining operating margin at 19% plus over the medium term.

Responsible Marico

Sustainability is an inseparable part of our ethos, which we believe will empower us to lead with excellence, agility and innovation and in turn, create value for all stakeholders throughout our journey. To this effect, our sustainability agenda was framed along key focus areas namely, responsible resource consumption, climate change, circular economy, sustainable supply chain, product responsibility and community development. As part of Marico's continual focus towards shaping a safe and sustainable future, we are prioritising our Decade of Action goals towards climate action, restoration of natural assets, promoting eco-conscious consumerism and delivering socially inclusive growth.

While our Chairman has apprised you of our progress in other areas in his message, I would like to shed light on our initiatives in the areas of sustainable supply chain and product responsibility. We aim to integrate environmental conservation principles, ethical standards, and socially responsible practices throughout the value chain by capacitating suppliers to commit to sustainability goals. I am pleased to report that 38% of our critical value-chain partners have been certified with SAMYUT (Marico's Responsible Sourcing Framework) – Level 1 and 93% of our raw materials are indigenous and sourced locally.

We aim to reduce the overall environmental and social footprint of our products across its lifecycle, ensure 100% compliance on product quality, ingredient safety and disclosure on product formulations, and accelerate consumer-centric product innovation to improve its health and nutritional benefits. We have created a Product Sustainability Index (PSI) framework for estimating the environmental and social footprint of our products' across their lifecycle stages. Currently this study has been completed for our flagship brand, Parachute Coconut Oil.

Our brands continue to grow their franchise and stay firmly tied to their purpose. Nihar Naturals Shanti Badam Amla and Saffola, have been committed to their purpose of education of underprivileged children and spreading awareness about heart health, respectively. In response to our efforts, India CSR Awards recognised Nihar Shanti Pathshala Funwala's Teacher Empowerment Programme under the Best Education Project in Madhya Pradesh [Large Impact] category. The Safe and Nutritious Food (SNF) school contact programme supported by Saffola*life*, covered 16 schools across Maharashtra, Gujarat and Chandigarh and certified their canteens as 'eat right canteens' and spread awareness about the habit of safe and healthy eating among more than 60,000 students.

The Triple Bottom Line

People, Planet, Profit have never been more relevant. Businesses are expected to play a positive role in society and when it comes to driving positive change, brands bear a great deal of responsibility too. It is evidently clear that consumers want to adopt brands with a relevant purpose; millennials want to work in organisations that make sustainable choices and investors across the globe are increasingly allocating capital in businesses that deliver on all three fronts. By clearly outlining the responsibilities, rights, stakeholders' expectations and the ethos of the organisation, good governance provides a structural framework for your Company to stay focused on our purpose of shaping a sustainable future. It helps us to futureproof excellence, safeguard value creation and steer agile transformation within the organisational ecosystem.

For millennials, who represent the workforce of tomorrow, we believe value-based transformational goals will act as catalyst to improve productivity, enhance engagement and provide job satisfaction. There is greater representation of younger minds in driving sustainability initiatives at Marico and they continue to exceed the level of participation & commitment expected from them. Your Company is proposing to add ESG-linked performance goals in the remuneration structure of its senior management as we are moving towards defining our talent value proposition across all levels of the organisation such that each member is a brand ambassador of sustainability.

I am pleased to share that your Company ranked 6th among India's Most Sustainable Companies with an A+ rating, in the rankings released by Sustain Labs Paris in association with BW Businessworld. Marico was also amongst India's Top 30 Best Workplaces in Manufacturing 2021 and amongst India's 50 Best Workplaces for Women - 2020 by the Great Place to Work® Institute (India). Your Company was also conferred the 'Best D&I Award for Inclusion of Millennials' by The Women Leadership Forum of Asia.

Traversing in the VUCA world that we live in and making a difference in every life we touch is not possible without the vote of confidence of all our stakeholders. Therefore, I would like to take this opportunity to express my sincere gratitude to all of them - our shareholders, Board of Directors, management team, consumers, suppliers, bankers, investors and partners, for their unwavering faith in Marico.

Warm regards,

Saugata Gupta
Managing Director & Chief Executive Officer

Our Value-Creation Paradigm

Designed to deliver responsible growth

At Marico, we remain committed towards sustainable value creation through a consumer and community-centric strategy.

Our value creation framework is based on three strategic pillars, which outline our overall purpose, vision and goals towards responsible growth. These strategic pillars of growth are pivoted on a set of six value-based enablers that accelerate the pace of agile transformation for us.

Sustainability is an integral part of Marico's mainstream business approach to create shared value. With a comprehensive policy, management system and governance structure, our sustainability strategy is set to create value differentiation for the business as well as our multi-stakeholder ecosystem.

10%
Increase in revenues as compared to FY20

23%
PAT CAGR since inception

Our Strategic Goals

Consumer and **Community** centric, **Sustainable value creation**

Strategic Pillars

- GROW AND PREMIUMISE THE CORE
- NEW GROWTH ENGINES
- CREATE SHARED VALUE

Strategic Enablers

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

How we create Value

Transcending the boundaries of sustainable growth and profits, Marico's business DNA has been configured to deliver 'responsible growth'. The pandemic has introduced a business environment that needs organisations to reimagine their growth stories through the lens of resilience, agility and risk mitigation.

At Marico, we have considered this 'next normal' of business environment as an opportunity to strengthen our impact creation strategies and efforts while pursuing an agile growth journey.

Stakeholder Capitalism is a core driver of our business ethos and integrity. As a responsible business, we have prioritised our efforts to build greater trust and stronger relationships with each of our stakeholders, so that we are able to deliver continuous and incremental value to them.

Aligning capitals to the triple bottom line drifts

We view value creation through a holistic lens and have aligned our six capitals to the triple bottom line paradigm. We believe that the interdependencies and intersections of various capitals enable sustained value-creation across the people, planet and profit pillars.

HUMAN

The organisational culture at Marico encourages social inclusion, collaboration, and equal growth opportunities for all types of talent. Our talent value proposition rests on continually empowering, enriching and fulfilling the aspirations of our members so that they maximise and realise their true potential.

SOCIAL AND RELATIONSHIP

Marico's purpose is centred around making a difference in the lives of all stakeholders by creating value that matters. We remain committed towards driving socially-inclusive growth with our value-chain partners and well-being programmes for the community, the nation, and the world at large.

FINANCIAL

Marico aims to efficiently use its monetary resources to create, enhance and distribute value to all stakeholders. In the pandemic year, we leveraged our financial capital to support stakeholders in need - from ensuring affordability to granting financial aid for the community welfare and fostering social innovation.

MANUFACTURED

Manufacturing assets and infrastructural capacity are used to transform input resources into high quality products. At Marico, operational excellence through resource optimisation and efficiency is a critical parameter of sustained growth.

NATURAL

Natural resources are indispensable assets to Marico. We aspire to offer safe, and sustainable products for our consumers while promoting eco-conscious lifestyle preferences. Environmental stewardship at each stage of our products' value chain encompasses low-carbon technology, responsible sourcing, emissions reduction and circular economy principles.

INTELLECTUAL

Through research and development and sustainable product innovation initiatives, we remain focused on developing brands and new products that add tangible value to the lives of our consumers. We harness the power of technology to create smart, safe and sustainable product upgrades that ensure good health and nutrition.

Operating a stakeholder-focused business

INPUTS

Financial Capital
- Debt: ₹351 Crores
- Equity: ₹3,240 Crores
- Capex: ₹142 Crores
- Working capital: ₹1,323 Crores

Manufactured Capital
- 8 Domestic manufacturing facilities
- 7 International manufacturing facilities
- 4 Regional offices
- 21 Overseas offices
- 25 Depots and warehouses

Natural Capital
- 109,428 m³ Water consumed
- 155,594 GJ Energy consumed
- 301388 MT Raw material used
- 41,871 MT Packaging material used
- 1,100 species of trees planted in Miyawaki forest for carbon sequestration

Human Capital
- 1,629 Total number of members in India

Social & Relationship Capital
- ₹20 Crores Investment on CSR initiatives in FY21
- 700+ value-chain partners
- 5.3 Million strong retail outlets network
- 100+ On-field agronomists under 'Parachute Kalpavriksha' programme

Intellectual Capital
- ₹29 Crores Investment in R&D
- 8.7% Of sales in FY21 invested in brand building
- 2 new patents filed in FY21

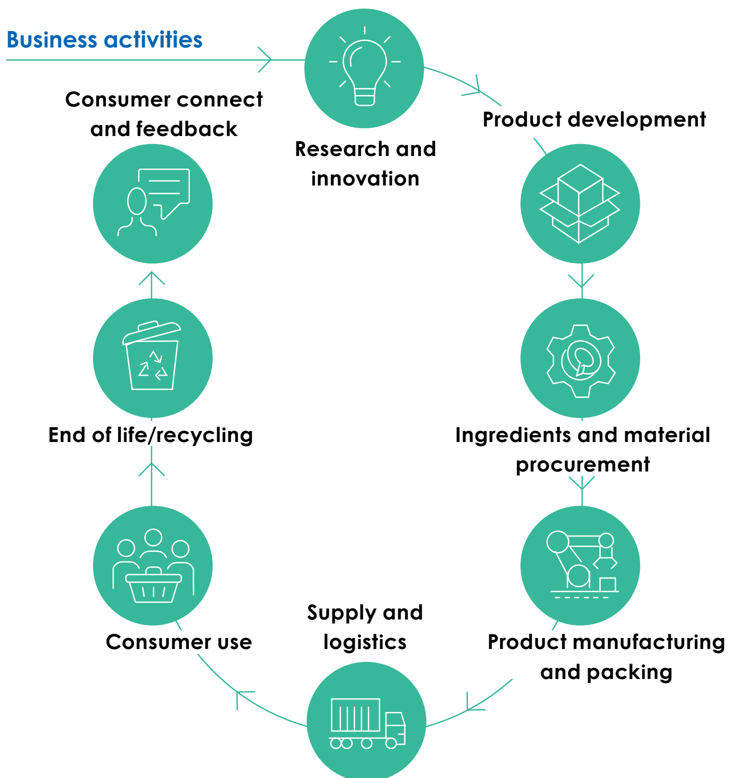
VALUE CREATION APPROACH

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 activities



Enablers
- Business and Go-to-Market Models
- Product Innovations
- Digital and Technology
- 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
- Members
- Value-chain Partners
- Community
- Environment
- Regulators

OUTPUTS

Portfolio: Beauty & Wellness

Coconut Oil
Nihar Naturals Uttam Coconut Oil, Parachute Coconut Oil, Nihar Naturals Coconut Oil

Super Premium Refined Edible Oil
Saffola Active, Saffola Tasty, Saffola Gold, Saffola Total, Saffola Aura Refined Olive Oil, Saffola Aura Extra Virgin Olive oil

Healthy Foods
Saffola Oats, Saffola Masala Oats, Saffola Meal Maker Soya Chunks, Saffola Masala Oodles, Saffola Honey, Saffola Immunity Booster Range, Coco Soul Virgin Coconut Oil, Saffola FITTIFY Gourmet Range

Premium Personal Care
Hair Nourishment – Livon Serums Range, Hair & Care Silk n Shine Leave-in Hair Conditioner

Male Grooming & Styling – Set Wet Hair (Gels and Waxes, Deodorants and Studio X Range), Beardo, Parachute Advansed Men Aftershower Hair Cream

Skin Care – Kaya Youth Range, Parachute Advanced Range

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 – Aloe Vera, Olive and Vitamin E, Dry Fruit Oil

Mediker Anti Lice Oil

Hygiene
Veggie Clean, Mediker Hand Sanitizer, Protect Surface Disinfectant Spray, KeepSafe Range

OUTCOMES

Financial Capital
- US$7.3 Billion Market Capitalisation
- 44.6% Return On Capital Employed
- 37.1% Return on Equity
- 83% Dividend Payout in FY21
- ₹8,048 Crores Turnover
- ₹1,591 Crores EBITDA
- 19.8% Operating Margin
- ₹1,162 Crores Profit After Tax (excl. one-offs)(CAGR since inception: 23%) ₹9.0 EPS

Manufactured Capital
- 1.5+ Billion packs sold every year

Natural Capital
- 1.5 tCO_2e/unit Crores Revenue GHG emission intensity (80% reduction from base year FY13)
- 781 Million litres Water harvest capacity created (Cumulative capacity creation till date: 2.15 Billion litres)
- 72% Of total energy from renewable energy sources
- 95% Of the packaging material used is recyclable by weight
- 5 tonnes of carbon sequestered annually by Miyawaki forest in Perundurai facility

Human Capital
- 75% of new hires in the Partner Grade in FY21 are women
- 58% Leadership talent in consumer facing functions of technology and marketing are women
- 80% Of overall leadership roles in India are filled by home-grown talent
- Gender diversity percentage grew from 20% to 24% over the year (Managers and above)
- 13% Members with tenure > 10 years with Marico
- 200+ leaders Enhanced leadership capability through our flagship leadership program LEAD in the last two (2) years.

Social & Relationship Capital
- 126 Million Indian households (urban+rural) reached during the year
- 22% Of domestic business revenue contributed by new age channels (modern trade and e-commerce)
- 1.83 Lakhs acreage covering 39,040 Coconut farmers enrolled under Parachute Kalpavriksha programme till date. Continual productivity enhancement of 15%
- 2.4 Lakhs Students reached under 'Nihar Shanti Pathshala Funwala' in FY21
- 38% of critical value-chain partners (which covers 88% of raw material and packaging material suppliers) certified with level 1 of responsible sourcing framework under SAMYUT
- 2.3 Lakhs+ Cooked meals, 12 Lakhs Mini meals and over 1.5 Lakhs dry ration distributed to COVID warriors, frontline workers and underprivileged community impacted by the pandemic in FY21
- 6.7 Lakhs PPE kits (masks, hand sanitizers, surgical caps and medical suits) distributed to COVID warriors

Intellectual Capital
- 15 brands owned by Marico in India

SDGs LINKAGE

Financial Capital
8 Decent work and economic growth

Manufactured Capital
1 No poverty; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production

Natural Capital
6 Clean water and sanitation; 7 Affordable and clean energy; 15 Life on land; 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; 8 Decent work and economic growth; 12 Responsible consumption and production; 17 Partnerships for the goals

Intellectual Capital
9 Industry, innovation and infrastructure

Mitigating new-age challenges

At Marico, we have a well-established mechanism for risk management that straddles both the external environment and internal processes. The unique circumstances of the times have made it imperative to revisit the mechanism.

We believe that by reimagining the risk mitigation strategy, we will be able to lead with greater agility, efficiency and be able to deliver materially improved outcomes.

The identification, assessment and mitigation of risks is a perpetual enterprise-wide process and an irreplaceable part of our long-term strategic thinking. Our risk management framework covers strategic, financial, operational and ESG risks, as we aim to consistently create value and build a sustainable future for all stakeholders. We believe that the importance of embedding this discipline in the business culture of the organisation cannot be overemphasised, especially in the VUCA world that we operate in today.

Pawan Agrawal
Chief Financial Officer

The COVID-19 pandemic has ushered in newer dimensions of risks, pushing organisations to recalibrate their risk mitigation strategy. As part of this transformed business focus, it has become imperative for us at Marico to embed strategic, financial and non-financial risk mitigation in all aspects of our business strategies and transformation agenda.

Marico's 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
- Compliance and Governance risk
- Financial risk
- Environmental risk
- Operational 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
Identify top risk for each function/ business unit level

Quantify
Rate the risks on 'impact' and 'vulnerability' factors

Prioritise top 10 risks at the Company level

Plan
Develop mitigation plan for each risk with relevant efforts and result metrics

Recommend the plan to the Board for approval

Implement
Implement the risk mitigation plan

Monitor
Examine whether the mitigation plans are on track. Periodically review the existing risks and related metrics

Strategic Risks	**MITIGATION STRATEGY**	**STAKEHOLDERS IMPACTED**	**CAPITALS IMPACTED**
Changing consumer preference Demand can be adversely affected due to shift in consumer preferences, especially those induced by the pandemic. Given the potential of social media, the speed of such a shift could be unparalleled.	Investment in consumer in-sighting to adapt to changing consumer preferences.		
	Actively monitor social intelligence signals to spot early consumer trends; quickly respond to these trends with innovative offerings that guarantee quality, safety and nutritional quotient.		
	Frequent consumer awareness campaigns and outreach initiatives to demonstrate the nutritional value of products and the use of safe ingredients to enhance product responsibility with innovative offerings that guarantee quality, safety and nutritional quotient.		
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 and nutritional foods, male grooming, skincare, premium haircare and hygiene).		
	Protect volumes in preference to short-term profitability.		
	Invest in brand building through responsible marketing campaigns.		
	Agile response mechanism to counter competitive moves.		
Underperformance of new product launches The success rate of 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 ideas.		
	Prototyping approach to new product introductions for accelerated learning and adjustment.		
	Identify and invest in big-ticket ideas in chosen categories for driving growth.		
	Resilient presence in marketplace with adequate investments in brand building.		
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 own brands in consumers' mind and partner with modern trade and e-commerce in category management.		

Stakeholders

1. Consumers
2. Investor
3. Value Chain Partners
4. Members
5. Community
6. Regulators

Capitals

1. Financial
2. Manufactured
3. Intellectual
4. Human
5. Social& Relationship
6. Natural

Financial Risks	**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 for the funding of 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 the 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.		
Foreign currency exposure Marico has significant local presence in Bangladesh, South East Asia, the 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.		
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 future growth.		
Cyber and data security Disruption in business operations due to non-availability of critical IT 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 standard.		
	Implementation of latest cyber-security technologies with preventive, detective and reactive controls.		

Operational Risks	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.	Commodity procurement is driven by comprehensive process manual for each category which governs norms related to price discovery, inventory policy, supplier management, governance mechanism.		
	Company policy defines purchase of commodity in line with business requirement in accordance with inventory policy and does not encourage speculative buying or trading of said commodity either in physical form or in exchanges.		
	Company has developed and deployed various programmes in order to ensure sustainable availability of agricultural commodities to support future business requirements. Few of these programmes are: a. Sponsoring research in agriculture breeding technology; b. Developing strategic sourcing alternatives from other geographies; c. Strategic presence in extended backward value chain.		
	The Company has well-defined norms for building strategic inventory positions as a hedge against price volatility.		
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.		
Underperformance 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 play book for selection of targets, due diligence, value finalisation and integration.		
	Well-defined performance tracking systems for monitoring progress periodically.		
	Cross-application of governance practices of the parent organisation soon after takeover to ensure controls.		

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Compliance and Governance Risks	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, result 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.		
Enforcement of business ethics and integrity across the value chain Marico considers business ethics and integrity to be an integral part of operating its value chain. The value-chain partners and business associates are expected to follow the Code of Conduct with the same rigour and responsibility as Marico members do. Hence spreading the awareness and behavioural discipline across the value chain is a critical business issue.	Code of Conduct (CoC) and Marico Code of Business Ethics (MCoBE) outline the Company's commitment to ethics and integrity.		
	Robust vigil mechanism which enables all stakeholders to report concerns about unethical behaviour, fraud or violation of Code and provides safeguards against victimisation of whistle blowers.		
	Detailed personal orientation and mandatory certification on CoC for all employees, suppliers and contractual workers.		
	Effective oversight by the Audit Committee, Nomination & Remuneration Committee and the Board of Directors.		

Environmental Risks

Environmental Risks	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. These may potentially 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, renewable and clean energy sources. Adoption of CDP disclosures and other industry-recognised standards and guidelines to minimise sustainability footprint of products, processes and facilities.		
Adverse impact of energy and water scarcity Energy and water are crucial to our business and day-to-day operations. Their non-availability will lead to operational disruptions and will impact production plans and product delivery.	Continuous focus on energy efficiency and conservation measures. Investment in energy-efficient systems that have lower carbon footprint. Integrating Zero Liquid Discharge principles for optimising water consumption in facilities. Comprehensive watershed management programmes leading to rainwater harvesting and ground water recharge that augment supply and water availability for community.		
Handling of plastic packaging and waste Consumers' and community response to the environmental impact of plastic wastes and new regulations by different state governments on the ban of certain plastics, require us to find sustainable packaging solutions.	Adoption of circular approach based on 4R – reduce, recycle, replace and recover. Investment in R&D measures to enable design innovations and reduce weight of plastic used under Marico's value enhancement approach. Strategic partnerships, collaborations and innovation-led programmes to drive penetration of recyclable and enhanced use of recycled plastics. Honour obligations under the Extended Producers' 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.		

Stakeholders

1. Consumers 2. Investor 3. Value Chain Partners
4. Members 5. Community 6. Regulators

Capitals

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4. Human 5. Social& Relationship 6. Natural

Social Risks

Social Risks	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 diversity, inclusion openness, transparency and meritocracy coupled with its growth orientation help 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. Equal, diverse and inclusive workforce in terms of skills, ethnicity, nationalities and gender.		
Social license to operate 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 responsible and inclusive growth in all social outreach programmes and initiatives with an aim to accelerate community sustenance. Constant engagement with local community stakeholders to understand their needs.		
Changing consumers' expectations due to product quality and safety related shifts The quality and safety of our products are of paramount importance for our brands and our reputation. Shifting consumer preferences and demands cause a surge in expectations on product quality, safety and R&D related efforts for the organisation.	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 them into the system. Ingredients' assessment in line with the requirements set for their 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.		
Critical incident risks related to workplace health and safety Safety and health at workplace are critical aspects of driving operational excellence. As per Marico's overall purpose and ethos, taking utmost care of safety, health and security of all Marico members and contractual employees is a non-negotiable attribute of our commitment to create shared value for all. We strive to reduce operational risks and mitigate workplace hazards to safeguard lives, improve efficiency and optimise production schedules.	Robust Safety, Health and Environmental (SHE) policy that equips facility personnel with measurable, easily implementable, and pragmatic knowledge to demonstrate safe behaviour at workplace.		

Corporate Governance Framework

At Marico, all our activities are led by a sense of responsibility, underpinned by our principles of good governance. Our corporate governance framework enables us to maintain highest standards of ethics and integrity across our operations.

Philosophy

Futureproofing Value Creation & Accelerating Excellence

Good corporate governance has been a cornerstone of the entire management process, the emphasis being on professional management, with a decision-making model based on decentralisation, empowerment and meritocracy. Together, the Management and Board ensure that Marico remains a company of uncompromised integrity and excellence.

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Drivers	Actions				
COMPLIANCE	Robust legal compliance systems to track compliances of all laws	Comprehensive Internal Audit systems	Leveraging tech-enabled solutions for governance & controls	Independent External Audits	
RISK & CRISIS MITIGATION	Periodic assessment & prioritisation of risks	Risk mitigation plans to reduce vulnerability	Top-down review & monitoring approach	Installation of internal controls based on risk appetite	Crisis Management Framework to deal with disruptive & unprecedented events
ACCOUNTABILITY	Constructive separation of ownership & management	Board effectiveness & evaluation	Constructive critique from Board on strategy	Regular collaborative engagements with Board outside Board meetings	
DISCIPLINE	Responsible Growth plan to build resilience, agility & long-term value creation for all stakeholders	Conservative debt & forex management	Dividend distribution policy in line with business growth		
TRANSPARENCY & OPENNESS	Frequent interface with investors	Quarterly business & operations' updates	Organisational communication & Facetime with employees	Regular interactions with Senior Leadership	Communication platforms with business partners
RESPONSIBILITY	Code of Conduct for directors, employees & business partners to ensure ethical conduct & compliance with laws of the land.	Meet sustainability goals & commitments			
FAIRNESS	Equal rights to shareholders	Timely information to shareholders	Enhanced governance on Related Party Transactions (RPT)	Board remuneration in commensuration with growth in company's profits	
SOCIAL INCLUSION	Equal, diverse & inclusive workforce in terms of skills, ethnicity, nationalities & gender	No tolerance to discrimination	Social Value Creation		

Calibrating to a dynamic environment

The last year has forced several changes in consumer behaviour, challenged traditional ways of working and reset many norms and structures. For Marico, even during these transitional times, consumer and community-centricity continues to be the guiding light for all actions.

As the market leader in more than 90% of our portfolio, we continue to drive value creation for our consumers by bringing offerings in line with their changing needs at the right price points. We are continuously expanding and leveraging our distribution reach to ramp up the availability of our products while also reaching our consumers through new-age channels. Our continual focus is to expand the total addressable market for our power brands through diversification in carefully selected categories.

As the world goes through unprecedented times, Marico remains deeply committed towards helping the community deal with the health crisis while also driving its long-term sustainability agenda.

Building upon our core strengths and our strategic pillars, we are focusing on targeted areas of transformation that enable us to deal with emerging realities and changing consumer needs.

Here's what is helping us confront new realities and respond to changing consumer needs:

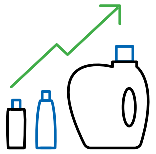
Strategic Pillars

- GROW AND PREMIUMISE THE CORE
- NEW GROWTH ENGINES
- CREATE SHARED VALUE

Strategic Enablers

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

Strategic Pillars



GROW AND PREMIUMISE THE CORE

Marico has witnessed strong momentum and continued to log market share gains in each of the core portfolios: coconut oil (CNO), value added hair oils (VAHO), and super premium refined edible oils.

Domestic Market

In CNO, we continue to drive penetration through unbranded to branded conversion, increase our distribution reach and maintain judicious pricing to enable sustained volume growth and market share gains.

In VAHO, we are aggressively participating at the bottom of the pyramid on the back of our leadership position, as consumers are increasingly becoming value conscious in their purchasing behaviour and are exhibiting a heightened preference for trusted brands. At the same time, we are continuing to drive higher value share expansion with premium offerings in select segments through format innovations, value-added offerings with higher order beauty benefits and ramping up in the problem solution space.

Saffola Oils continued its strong growth trajectory on back of increase in overall penetration and the in-home cooking tailwind. We will continue to invest in new markets and drive household penetration by leveraging the growing relevance of healthy living and Saffola's trusted health equity.

International Markets

Marico continues to systematically invest in the core international markets. We are confident that the key markets are well-poised to capitalise on the present opportunities.

In FY21, Bangladesh continued a strong growth trajectory with double-digit constant currency growth. We will leverage our distribution and brand strength to further consolidate our market share in the core portfolios and quickly scale up future growth engines.

A market leader in Vietnam, we will continue to invest in the male grooming category while also accelerating our presence in foods. Based on a series of turnaround measures taken in Vietnam, we expect the business to build a sustained growth trajectory going ahead. Myanmar and the rest of Southeast Asia are growth engines of the future.

In the Middle East and North Africa (MENA) region, we will focus on judiciously investing in brands and Go-to-Market initiatives. In the Middle East, we are strengthening the CNO and Hair Oils play. In Egypt, cost management initiatives will enable the business to weather the persistent macro headwinds.

The South Africa business will continue to focus on protecting the core franchise of ethnic hair care and healthcare over the medium term.

The New Country Development and exports segment has been growing healthily over the years. The Company will continue to invest in extending its footprint to new countries and scale the business profitably in the existing markets.

NEW GROWTH ENGINES

In FY21, we significantly strengthened our position in the Foods segment, crossing the ₹300 Crores revenue mark. The Oats portfolio continues to see speedy growth on the back of increasing penetration and heightened focus on healthy snacking. Recognising the strong consumer trend towards health and immunity, we launched several new products leveraging Saffola's strong equity – Saffola Honey, Saffola Chyawanamrut, Saffola Immuniveda, Saffola Mealmaker Soya Chunks and Saffola Oodles. We will continue to innovate and broaden our play in this category with the aim of reaching the ₹450-500 Crores mark in FY22.

Within Premium Personal Care, we observed a gradual revival in demand in the Livon Serums portfolio, while the male grooming and skin care portfolios continued a subdued run due to a pullback in discretionary spends. The Beardo franchise has been gradually regaining traction. We expect discretionary categories to remain muted in the current context, but intend to build these portfolios into growth engines once the macros stabilise. For now, we are indexing towards digital channels to reach consumers and drive brand engagement.

We continue to make investments towards enhancing our digital capabilities to stay ahead of the curve. We also aim to accelerate our digital transformation journey through building a portfolio of at least three ₹100 Crores-plus digital-first brands, either organically or inorganically, within the next three years.

₹300 Crores

Revenue mark crossed in the Foods segment in FY21

CREATE SHARED VALUE

As an organisation, Marico strives to create shared value for all stakeholders. We believe that this is not just our primary business driver but also a value differentiator and social responsibility, especially in these unprecedented times. At a time when businesses are being pushed to reimagine and recalibrate their value creation paradigms, Marico is pivoting to accelerate the impact within and beyond its stakeholder ecosystem. Fulfillment of our environment management goals, optimised consumption of natural resources and propelling our social value creation efforts while pursuing responsible growth will continue to be our key focus area.

As part of our business imperatives, we will retain keen focus on the Environmental, Social and Governance (ESG) material issues across the value chain, namely Climate Action, Water Stewardship, Circular Economy, Responsible Sourcing, Product Responsibility, Sustainable Coconut, Community Sustenance through digitalised knowledge enhancement programmes, healthcare initiatives and a structured corporate governance framework that leads with ethics, integrity and ownership.

Strategic Enablers

Business and Go-to-Market Models

Our Go-to-Market (GTM) strategy will focus on improving the width and depth of our distribution in line with the following ongoing measures:

- Upgrading our distribution infrastructure in urban general trade to ensure profitability of channel partners
- Focusing on expanding rural penetration by improving direct reach as well as driving in relevant pack and portfolio mix. In FY20, we expanded our rural stockist network by 25%. While we took a pause in FY21 due to COVID-19 disruptions, we have re-started with the target of expanding our rural network by another 25% over the next two years.
- Tapping the increased opportunity in pharma/chemist channels in the top 10 cities across the country by appointing specialist distributors. Consequent to this initiative, our reach in pharma/chemist channels has increased 5-6x so far, albeit on a low base.
- Focusing on specific price and SKU management measures to ensure sustainable, harmonious and incremental growth in General Trade, Modern Trade and E-Commerce

Product Innovations

We are continuously upgrading our innovation process and capabilities to enable agile innovations in a fast-changing and uncertain environment. We have significantly scaled up product development capabilities within Foods, with specific focus on creating appetising offerings using ingredients and processes that are good for health. We are also leveraging technology and digital in consumer research to minimise disruptions in the uncertain environment and improve speed-to-market.

Digital and Technology

We are focusing on digital in a big way to improve consumer engagement, drive sales through E-Commerce for internet-savvy consumers and build data analytics capabilities. During FY21, we saw a visible jump in the digital quotient of our brands and we will continue to work towards improving it. Technology will continue to play a huge role in our ways of working, as we strive to carry the learnings from the lockdown period into the future workplace. We are using technology to redefine our business model for enhanced reach and continued engagement with our partners, even in the absence of in-person access. We also continue to focus on building cutting-edge analytics and Artificial Intelligence (AI) capabilities to enable data-driven prioritisation, resource allocation and decision support.

Cost Management

The pervasive disruption in the business environment, consumption patterns and working lifestyles necessitated an aggressive and structural cost management exercise this year. The Marico Value Enhancement (MarVal) Program exceeded the cost savings target of ₹200 Crores in FY21. We will continue its focus on driving cost efficiencies and avoiding wastages in the coming year to enable management of inflationary cost pressures and passing on value to our customers and shareholders. In this direction, we have reduced our working capital requirements and write-off risks by lowering inventory norms across categories and optimised the number of SKUs we are operating with through a comprehensive SKU rationalisation exercise.

Talent and Culture

Our members are the backbone of our organisation and our businesses are built on their commitment and talent. In keeping with our 'People First' philosophy, our primary focus this year was to ensure safety and holistic well-being of our members, their families, and our extended workforce. We will continue to empower our members through agile people policies and simplification and digitalisation of HR processes. To enable our accelerated growth journey, we are continuously building critical organisation capabilities, future-ready leadership skills, and a high-performing sales force. Structured leadership development programs and the rigour in our talent processes have enabled a significant increase in the number of internally groomed leaders at Marico, who are anchoring critical leadership roles in the organisation. This, along with a fine balance of lateral leadership talent with diverse skill sets, is enabling us to create a future ready workplace inspired by the strong ethos and culture of the organisation. We are also committed to building a more socially represented and inclusive organisation and are working towards creating a workforce with enhanced 'Gender', 'Differently Abled' and 'Thought' diversity. We are making efforts towards fostering a culture of inclusion through focused interventions such as ensuring accessibility of infrastructure, policies, and processes for diverse groups, sensitisation and awareness on the right actions, behaviours and practices for an inclusive workplace and monitoring transparency of talent processes to create a sense of 'equality', 'openness' and 'belongingness' within the organisation.

Mainstreaming Sustainability

Growth and sustainability are intertwined in our corporate strategy, both linked to the creation of shared value. Sustainability is embedded in almost every business decision at Marico – right from the architecture of our offices to the choice of vendors. Mainstreaming sustainability ensures that it becomes a part of the ethos of every single member, thereby strengthening our goal of creating shared value.

As a value differentiator, Marico's sustainability efforts seek comprehensive, integrated solutions to complex problems and reprioritises material ESG issues that propel responsible growth and stakeholder capitalism.

Integration of sustainability-related outlook, values and strategies is a leadership-driven approach at Marico. We have instituted a robust and transparent sustainability governance structure to ensure achievement of goals and targets by effectively implementing action plans. Our Board of Directors has visibility on all sustainability initiatives and ESG risk mitigation strategies. The Chief Operating Officer – Supply Chain & IT, supported by a Sustainability/Business Responsibility Reporting (BRR) Committee, is responsible for the on-going sustainability activities.

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

KBS Anand

Independent Director
(ceased to be director w.e.f. 30th July, 2021)

Milind Barve

Additional Director (Independent)
(w.e.f. 2nd August, 2021)

Nikhil Khattau

Independent Director

Rajendra Mariwala

Non-Executive Director

Rishabh Mariwala

Non-Executive Director

Sanjay Dube

Independent Director
(ceased to be director w.e.f. 30th July, 2021)

Know our Management Team

Saugata Gupta

Managing Director & Chief Executive Officer

Amit Bhasin

Executive Vice-President & Head - Legal

Amit Prakash

Chief Human Resources Officer

Ashish Goupal

Chief Executive Officer, Marico Bangladesh

Jitendra Mahajan

Chief Operating Officer - Supply Chain, IT & MENA Business

Koshy George

Chief Marketing Officer

Pawan Agrawal

Chief Financial Officer

Sanjay Mishra

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

Sudhakar Mhaskar

Chief Technology Officer

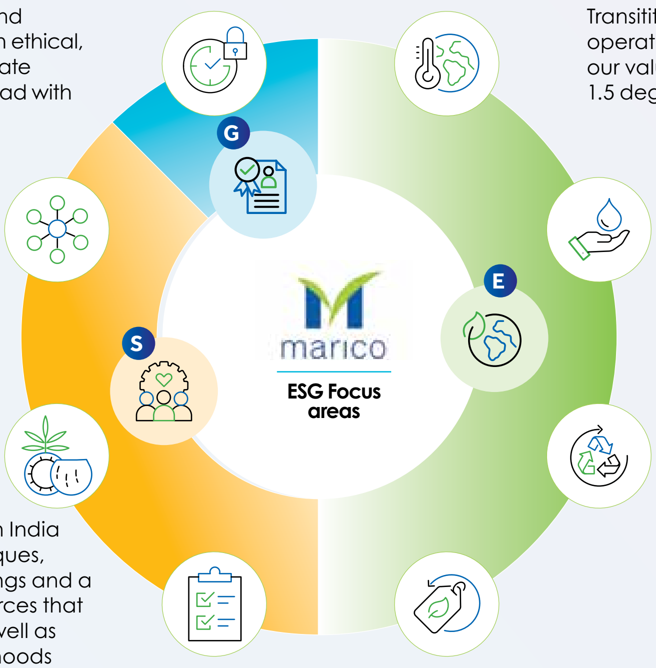
Our priorities and commitments

We regularly review the material issues that impact our ability to create value for the long-term. Our stakeholders' concern for the environment, emphasis on social inclusion and transparent governance have prompted us to apply the holistic ESG lens to assess our value drivers. Since FY18, our sustainability impact goals have driven responsible growth and boosted capability across our business, helping each of our operations to address business-critical issues related to environmental conservation and social empowerment. These impact areas and goals were created as outcomes of our first materiality assessment undertaken in 2018 and expanded thereafter, to prioritise risks, create shared imperatives and leverage on opportunities to drive a sustainable and socially inclusive future for all. In FY21, we amalgamated the core ESG principles with our sustainability impact goals to deepen value protection and creation of opportunities for all our stakeholders, with due cognisance of an uncertain external environment.

Impact Areas: Integrating Sustainability & ESG Material Issues to Create Shared Value

8. Corporate Governance & Behaviour
Futureproof value-creation and acclerate excellence through ethical, transparent and agile corporate governance practices that lead with ownership, trust and integrity

1. Climate Change
Transition to carbon neutral operations for all facilities and mitigate our value chain impact in line with the 1.5 degrees scenario



2. Water Stewardship
Become a water steward by replenishing 100% of water consumed in opeartions to ensure that sufficient quantities are available for community usage and agricultural purposes

7. Social Value Creation
To enable responsible and socially- inclusive growth for the community through a variety of educational outreach initiatives, livelihood sustenance programmes and innovation-led value-creation campaigns

3. Circular Economy
Reduce overall sustainability footprint by minimising the environmental impacts of plastics across the lifecycle, adopting a 100% recycled packaging portfolio, phasing out 100% PVC in packaging, implementing zero waste to landfill systems across all operating units

6. Sustainable Coconut
Empower coconut farmers in India to leverage scientific techniques, advanced agriculture trainings and a range of farm-support resources that improve quality of yields as well as boost socio-economic livelihoods

5. Product Responsibility
Reduce the overall environmental and social footprint of products across lifecycle, ensure 100% compliance of product quality, ingredient safety, transparent disclosure on product formulations and accelerate consumer-centric product innovation to improve nutritional value of products

4. Responsible Sourcing
Integrate environmental conservation principles, ethical standards and socially-responsible practices throughout the value-chain by capacitating suppliers to commit sustainability goals. By adopting this goal, we intend to stimulate demand for responsible production and consumption practices

OUR SUSTAINABILITY MANIFESTO

Material issue	Focus area	Goal	Target year	Achievement (As on March 31, 2021)
Responsible resource consumption	Energy	Reduce energy intensity (plant operations) by 50% from FY13	2022	72%
	Water	Offset 100% of water used in own operations through capacity creation and conservation measures	Continuous	100% offset (cumulative capacity creation till date: 2.15 Billion litres)
Climate change	GHG emissions	Reduce GHG emission intensity (Scope 1 and 2) by 75% from FY13	2022	80%
Circular economy	Sustainable packaging	Have 'Zero PVC' use in packaging	2022	0.36%
		Have 100% recyclable, reusable or compostable packaging portfolio	2025	95%
		Reduce packaging intensity by 10% from FY20	2030	Current intensity: 7.15 MT/Crore revenue
Sustainable supply chain	Responsible sourcing	Certify 20% of critical value-chain partners on level 1 of responsible sourcing	2022	38%
Community development	Farmers	Increase farmer beneficiaries by 5% y-o-y	Continuous	17,997 new farmers; cumulative 39,040 enrolled; 88% increase in no. of beneneficiaries from FY20 to FY21
Product responsibility	Consumer health and safety	Ensure 100% adherence to all product compliance	Continuous	We continue to adhere to all product related compliances

Our current 5-year Sustainability Manifesto is due for completion in 2022. We have already achieved all of our targets set for 2022 and are gearing up to declare the 2030 commitments by the end of FY22.

Voice of our stakeholders

mariconsistent

Regulators

Read More 54

"FSSAI conveys its deepest gratitude towards the commitment of Marico's leadership team and active participation of their employees for this important cause. Marico has been engaged in promoting right messaging around safe food and healthy diets through various interventions and has successfully demonstrated that it is a socially responsible business."

Ms. Inoshi Sharma
Director - Social & Behavioral Change Dept (SBCD), Food Safety and Standards Authority of India (FSSAI), Ministry of Health and Family Welfare (Government of India)

mariconscious

Consumers

Read More 58

I am writing this note with immense happiness..as I had so many problems with my hair. My sister told me to use parachute advanced ayurvedic coconut hair oil. In a month my hair was changed. It was visible so clearly...even the reduced hairfall. I am really grateful to you and your product.

Khadeeja Noushad

mariconnected

Members

Read More 72

After going through my interview process with Marico Limited I found out I was pregnant. And like most women I wondered what this would mean. Would a company hire someone they know would be going on maternity leave in 7 months. Imagine my surprise when HR calls up not only to congratulate me, but also to say take care of yourself and we will take care of you, when you join us. That call, showed me what it meant to be an employee or rather a member of Marico.

Pooja Shetty
Brand Manager, Saffola Oils

maricollaborative

Value-Chain partners

Read More 80

Having been associated with Marico for the past couple of decades, we have always respected the professional and synergistic approach of Marico towards its vendors. Over the past year, our business with Marico has grown multi-fold. The consistent, visible and deterministic policies of Marico allow us to better focus on delivering the best service and quality.

Ishant Goyal
Manager, AP Refinery

maricompassionate

Communities

Read More 86

I have been enrolled with Kalpavriksha for the past one year. Based on the advice from the Kalpavriksha team, I have done soil testing in my farm, sown sun hemp, and applied fertiliser based on the results. This has helped me increase the number of nuts from 10,000-12000 to 15000 nuts.

Raj Kumar
Coconut Farmer, Pollachi

maricommitted

Environment

Read More 104

We are proud to be associated with Marico as a preferred EPR partner. Through our joint efforts in 15 States and Union Territories, we have collected and channelled over 900 metric tons of multi-layered plastics (MLPs) to cement kilns, coprocessors and prevented plastic waste going to landfills and water bodies. We look forward to collectively working together in building a sustainable plastic waste ecosystem, protecting the environment and improving the social conditions of rag pickers.

Abhishek Deshpande
Cofounder, Recykal

Together, every step of the way

At Marico, safeguarding our stakeholders' interests and futureproofing the value delivered to each one of them have been our priorities as never before.

Stakeholder capitalism sits at the heart of our business vision, strategy and responsible growth story. It defines our purpose and accelerates our impact creation potential for our stakeholders who inspire us to survive and thrive. The unprecedented changes caused by the pandemic have brought irreversible transformation in our lives. As always, we have placed our stakeholders' interests ahead of us so that we can stride forward together in this journey of building resilience, agility and responsible growth.

STAKEHOLDER GROUP	KEY PROPOSITION	MATERIAL NEEDS	ENGAGEMENT OBJECTIVE	MODE OF ENGAGEMENT	FREQUENCY
Consumers 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.	Delight	• Affordability, accessibility, quality, reliability and safety • Product innovation and reconfiguration centered on consumers' preferences and evolving needs • Enhancing health and nutritional quotient of products without compromising on quality/ taste • Minimisation of products' environmental footprint at each stage of the lifecycle	• Develop relationships based on trust, loyalty and social commitments • Understand the shift in preferences to catalyse product innovation • Create shared vision on environmental and social commitments, transition to eco-conscious lifestyles and carve out a sustainable future for all	• One-on-one interaction • Consumer satisfaction survey • Call centre/Consumer Cell to track insights and feedback • Digital platforms, social media handles	Continuous CAPITAL LINKAGES
Investors Consistent shareholder value creation remains our topmost priority. This is achieved by strengthening our core segments and achieving growth in niche markets through our innovation and entrepreneurial approach. Our value creation potential with shareholders has led to a steady focus on maximising volumes, market share gains and cost optimisation, despite the pandemic-induced market slowdown, availability of resources and other macro headwinds.	Deliver	• Business resilience and agility • Responsible growth and profitability • Mainstreaming mitigation of environmental, social and governance (ESG) risks and maximising opportunities	• 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 CAPITAL LINKAGES
Value-Chain Partners As a responsible organisation, Marico believes that mutual and inclusive growth of our value-chain partners is critical to the overall purpose of creating shared value. We strive to maintain the right balance by meeting the needs of our partners through continuous capacity enhancement drives, proactive engagement and timely response strategies. As part of our mission to drive inclusive growth across our stakeholder ecosystem, we strive to play a significant role in the growth stories of our value-chain partners.	Include	• Cost-benefit terms, payment modalities • Quality expectations • Supplier Code of Conduct and Business Ethics • Safety and operational risk management • Harnessing the power of technology and data to provide traceability and accuracy • Commitments on responsible sourcing, circular economy, human rights, and resource efficiency	• Sharing of mutual expectations and needs, especially with regards to quality, cost and timely delivery • Capability building and growth plans • Sharing of best practices • Responsible Sourcing framework (Samyut) for integrating sustainability within our value chain in a phased manner	• Periodic interactions (physical, telephone, mailer) • Annual meets/events • Training programmes and workshops	Continuous CAPITAL LINKAGES

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

STAKEHOLDER GROUP	KEY PROPOSITION	MATERIAL NEEDS	ENGAGEMENT OBJECTIVE	MODE OF ENGAGEMENT	FREQUENCY
Members At Marico, we offer all our members a defined talent value proposition to challenge, enrich and fulfill their aspirations, so that they can maximise their true potential to make a difference. Further, our values are based on the principles of 'involvement builds commitment', and thus, are co-owned by all Mariconians. Our 'People first' strategy has pushed us at every step to take care of our members' health (both physical and mental), wellness, work-from-home infrastructure and any other support that they need to adapt to the new normal of work. The cultures of diversity, equity and inclusion are the forerunning guiding principles for any initiative that we take for our members.	Empower	• Career growth opportunities, compensation packages • Redefining value in the future of work • Technical and functional skill enhancement and competence building • Leadership and people management skills • Occupational health, safety and wellbeing • Diversity, equity and inclusion • Tech-based support for improving quality of outputs	• Communicating organisational vision, purpose, ethos and integrity. Clear understanding provided on the role of each member to help achieve the purpose and goals of the organisation • Technical, functional and need-based training and development • Support career growth plan • Workplace needs and expectations • One-to-one consultations and counselling on health, wellness and other daily challenges	• Personal development programme • Learning and development • Engagement survey • Organisation communication • Digital interactions • Health and wellness drives • Social inclusion based townhalls on themes like diversity, inclusion, human rights, sustainability, CSR etc	Continuous, Half-yearly, Annually **CAPITAL LINKAGES**
Communities Communities influence and inspire our existence and hence we strive to touch their lives in every possible way so as to make a difference. To safeguard our communities from the socio-economic and health-related disruptions caused by the pandemic, we try to maximise our efforts in helping our communities sustain and thrive in these changing times.	Nurture	• Health and Community Welfare • Enhancing socio-economic development and livelihood restoration • Fostering social innovation that creates incremental value for communities • Drive eco-conscious behaviour and lifestyles changes to improve sustainability footprint	• Maintain cordial relationship • Improve livelihood and create positive impact • Shared ecosystem	• One-on-one interactions • Field visits and trainings • Digital platforms • CSR and sustainability initiatives • Pandemic relief campaigns - Health facilities, provision of meals and rations, PPEs to frontline workers etc	Continuous **CAPITAL LINKAGES**
Regulators Marico is committed to be a leading consumer goods company that meets and exceeds compliance and regulatory mandates towards its products and processes	Adhere	• Compliance, governance and risk mitigation • Product safety assurance • Propelling social leadership and empowerment • Safeguarding natural assets • Adhering to all labour laws and ensuring implementation of human rights, safe and secure workplace and 100% adherence to ethical standards of work	• Understand compliance and applicable regulations • Collaborations on national agendas	• Business meetings • Policy advocacy based engagements in industry forums, trade associations, interest groups, sectoral associations and scientific/R&D based thought leadership initiatives • Stakeholder consultations	Need-based **CAPITAL LINKAGES**

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

Winning Combination of Enterprising Spirit and Agility

With the pandemic affecting every sphere of life, the year gone by has only reinforced the significance of maintaining financial discipline at all times and clearly outlining the strategic focus areas towards which we should channelise the resources available to us.

In these unprecedented times, we prioritised the well-being of our people and virtualising the organisation by providing resources and support that would allow us to operate effectively amid social distancing. Rigorous cost management initiatives helped navigate the uncertainty and strengthened our ability to innovate and tide over the supply chain disruption with enterprising spirit and agility.

With diverging consumption trends across categories, Marico has prudently invested behind its core brands in categories that are indispensable in daily life. Advertising and Promotion spends as a percentage of sales, was about 8.7% in FY21, down 130 bps than last year, as we drove spend efficiencies and rationalised investment in discretionary categories.

During the year, we have incurred capital expenditure of ₹142 Crores for capacity expansion and maintenance of existing manufacturing facilities. Cash generated from operations at ₹2,068 Crores in FY21, remained the primary source of liquidity. A comprehensive SKU rationalisation exercise and stricter credit control led to lower working capital requirements during the year. We have accrued about ₹200 Crores in savings from aggressive cost management initiatives across domestic and overseas operations, which also helped reduce the impact of sharp input cost inflation in the second half of the year.

Marico continued to integrate the possible risks and their mitigation in our business planning processes as a part of the organisation-wide risk management programme. We drove profitable operations and enjoyed a comfortable net cash surplus situation during the year. Net surplus at the end of the year was at ₹1,355 Crores, up from ₹607 Crores at the end of last year. While current 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.

₹1,355 Crores

Net cash surplus as on March 31, 2021 vs ₹607 Crores the previous year

We ensure adequate access to funding and leverage the surplus to meet our operating needs and strategic objectives while managing the cash flows in a cost-efficient manner. Moreover, in case any exigencies arise in future affecting the liquidity position, Marico would be in a comfortable position to borrow capital given that it enjoys AAA credit rating and maintain a strong balance sheet. As on March 31, 2021, its Debt/EBITDA was extremely comfortable at 0.22x.

Owing to the aforementioned approach, there was a further improvement in the capital efficiency ratios during the year. Return on Capital Employed (ROCE) improved from 42.4% to 44.6% and Return on Equity (ROE) was up from 34.8% to 37.1%.

Financial performance

In FY21, Marico achieved a consolidated turnover of ₹8,048 Crores, up 10% y-o-y, and consolidated PAT (excluding one-offs) of ₹1,162 Crores, up 11% y-o-y. The operating margin stood at 19.8%. Our dividend payout ratio for the year was at 83% as a result of the healthy operating performance and stable financial position.

83%

Dividend payout ratio for FY21

A detailed discussion on the financial and operational performance in FY21 is available in the Management Discussion and Analysis section of the Report.

Key financial capital metrics

Inputs

Debt/EBITDA (x)

FY21	0.22
FY20	0.23

Investment in Brand Building - ASP to Sales (%)

FY21	8.7
FY20	10.0

Capital expenditure (₹ Crores)

FY21	142
FY20	188

Outputs

Revenue from Operations (₹ Crores)

FY21	8,048
FY20	7,315

Change - 10%

EBITDA (₹ Crores)

FY21	1,591
FY20	1,469

Change - 8%

EBITDA (%)

FY21	19.8
FY20	20.1

Change - (30 bps)

Profit after Tax excluding one-offs (₹ Crores)

FY21	1,162
FY20	1,043

Change - 11%

Basic EPS (₹/share)

FY21	9.0
FY20	8.1

Change - 11%

Operating Cash Flow (₹ Crores)

FY21	2,068
FY20	1,214

Change - 70%

Return on Capital Employed (%)

FY21	44.6
FY20	42.4

Change - 220 bps

Return on Equity (%)

FY21	37.1
FY20	34.8

Change - 230 bps

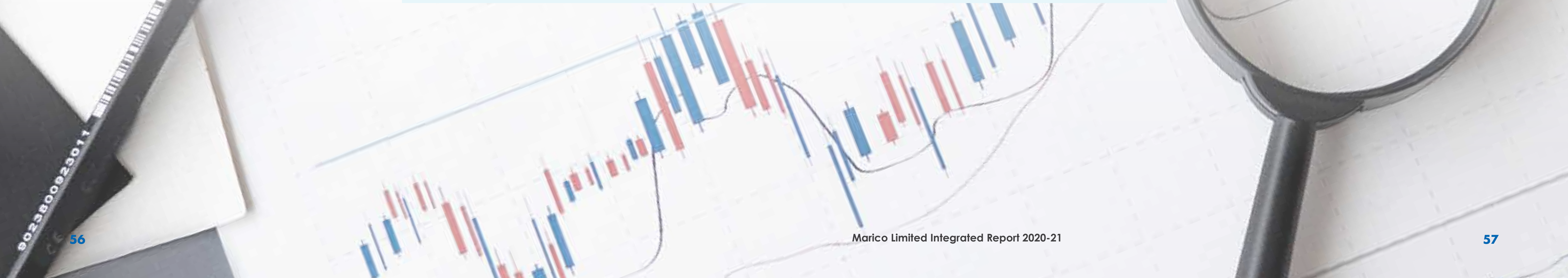
Outcomes

Dividend Payout Ratio (%)

FY21	83
FY20	96

Market Capitalisation at the end of FY (₹ Crores)

FY21	53,113
FY20	35,480



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 uncompromised quality, trusted brands and product innovations, our endeavour is to provide superior value to our consumers, thus making a difference in their lives.

126 Million
Indian households (urban+rural) reached during the year

Our approach is pivoted on the concept of consumer-driven excellence which embraces an end-to-end consumer focused culture. Together with a combination of products and services that meet our consumers' evolving needs, we strive to focus on customisations, innovations, multiple access mechanisms, rapid response and vigilance protocol and other forward-looking process excellence approaches that align with the changing market landscape.

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 Responsibility
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

How Marico provides a differentiated experience to consumers

Innovation

To deliver on our consumer value proposition of providing exceptional product experience at affordable price points, we are constantly innovating and creating unique and differentiated product offerings that address stated and unstated needs. Through our best-in-class research and development (R&D) facility at Mumbai, we ensure that every product we develop meets the highest standards of quality.

₹29 Crores

Invested in R&D activities in FY21

R&D Focus Areas

Marico R&D is focused on creating cutting edge technologies in the areas of personal care, health and wellness. The personal care categories that have seen significant innovations in FY21 are hair oils and serums. The focus areas for innovation included formulation development, hair biology, scalp health, fibre science and surfactant science.

Under healthy foods, our major focus has been Heart Health management, which we continue to deliver through a library of blended oils, that work on a principle of correcting prominent biomarker deviations. Two new focus areas in FY21 were in immunity foods and healthy snacking products' space. Choosing the right and safe ingredients coupled with the provision of balanced nutrition has been the specific goal adopted during this pandemic.

2 patents

filed during FY21 in edible oil and premium hair care space

Innovative products to support the fight against COVID-19

We continued to research and innovate into product categories, keeping the consumer need and value proposition as the topmost preference In FY21. Pandemic-related impacts led us to prioritise consumers' health and nutritional requirements as we observed a remarkable shift in the consumption habits, and growing preferences towards preventive solutions in health and immunity boosting space.

The R&D team at Marico ensured minimum or no-contact production to assure the consumers regarding COVID-19 related safety protocols. We ventured into contemporary format innovations of healthy foods like Saffola Honey and a new range of Saffola ImmuniVeda ayurvedic products, like - the Kadha Mix, the Golden Turmeric Milk Mix and Chyawanamrut. The Immunoveda products focus on traditional recipes with added natural herbs which brings in convenience, taste and at the same time have immunity boosting benefits.

Another megatrend which Marico followed was to innovate in the space of guilt free snacking. We recently launched Saffola Oodles – No-maida Noodles which brings the blend of convenience and healthy ingredients like oats, and also delivers indulgence through tasty snacking solutions in the form of fun filled ring shaped noodles.

Hygiene-based products like the Veggie Clean was launched to support consumers in ensuring good health of their loved ones through safety and cleanliness of fruits and vegetables that are consumed daily. Others innovative hygiene-related products introduced in FY21 were sanitizers, disinfectant sprays, foot sanitizers and laundry sanitizers to address the pandemic demands.

In-house product testing facilities

Marico's R&D is well equipped with analytical facilities that cover wet chemistry as well as high-end sophisticated analytical instruments (HPLC/GC/MS) based methods. The facility is used extensively to analyse levels (ppm to %) of key ingredients/actives/contaminants across entire Marico product portfolio. Inputs from analytical teams are critical for storage stability studies, quality checks, nutrition labelling, claims substantiation, process optimisation, competition benchmarking and new vendor clearance as per Marico standards.

We also have cell culture facility for efficacy testing and measurement science facility for evaluating benefits of products such as shine, strength of hair, compatibility of hair, hair breakage, skin moisturisation, skin lightening and so on. Collaborative partnerships and tie-ups with reputed analytical labs are also available to support testing on every commercial batch.

Inspiring consumers to lead with good health

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 bring a behavioural change towards making the right choice in eating and healthy living.

OFFERING SAFE, HEALTHY NUTRITIONAL CHOICES TO CONSUMERS

Nutrition has become a topmost priority amongst today's contemporary consumers. It is also recognised as a global goal under the United Nations Sustainable Developmental Goals (UN SDGs). Marico has always taken cognisance of consumer needs by keeping the right balance of nutrition and taste. This includes adding more fibre, vital proteins, vitamins, and minerals into the products, while combining them with healthy and tasty solutions.

ASSURING THE PURITY OF HONEY

Recognising the need for superior quality immunity-boosting products, Marico has forayed into the Ayurvedic segment under Saffola, a brand synonymous with healthy living. We strived to deliver efficacy at the same time, maintain the highest level of food safety. A major value proposition has been built by an in-depth research and implementation of NMR technology, as a comprehensive testing protocol for checking the purity of our Honey.

REDUCING FAT AND SODIUM CONTENT IN FOODS

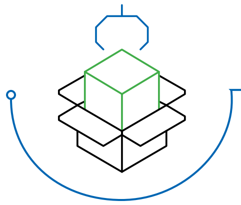
Marico has put in extra effort to meet its commitments towards the 'Eat right' programme for fat and sodium reduction in food products. For Saffola Masala Oats, we have been following the strategy of gradual reduction, with a long term objective to reduce sodium to a considerable level. We also ensure that the products are made without any artificial colour and flavours. Efforts are currently in progress towards building knowledge and technology in glucose management.

USE OF NATURAL INGREDIENTS

We use edible oils, whole grains, spices and condiments and natural herbs in our F&B products. Recently we have explored new medicinal herbs, which are rich in immunity boosting actives. Additionally, we are continuously working on increasing the amount of whole grains in our products, which will help us to further extrapolate our journey of providing healthy, tasty and convenience filled food products.

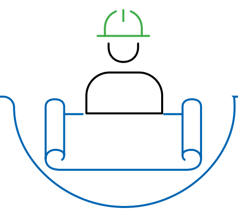
Product Quality and Compliance

Product quality takes the topmost priority at Marico. Not only do we have well-defined systems to ensure compliance with regulatory requirements but have also developed a clear assessment of quality and safety aspects of our products, at each stage of the lifecycle. 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).



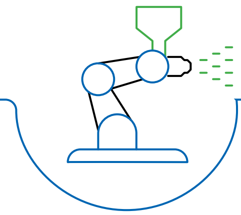
Raw materials

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



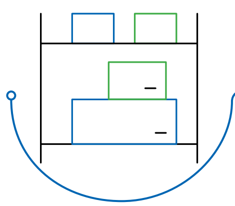
Suppliers

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.



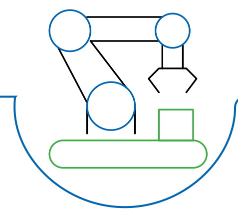
Manufacturing

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



Finished products

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



Packaging

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

On-job trainings and capacity enhancement towards quality, safety and operational excellence

As part of Marico's efforts to deliver uncompromised quality of products that lead with safety, good health and responsible manufacturing principles, a series of technical and functional trainings are conducted for the Marico members and business associates across facilities.

In FY21

500+ trainings
delivered across facilities for 8,500 man-hours

600+
Marico members and 100% business associates undertook these trainings

Training topics include:

COVID-19 protocols,Packaging and Product quality, IMEM, Legal compliance, Operations and Inspections SOP, Food Safety, HALAL, NABL, GMP, GHP, GLP, IMS training, FoSTac, HACCP and FSSC 22000, FOSCOS, USFDA, First Aid and Fire Safety, SWAM and others

100% COMPLIANCE WITH INGREDIENT SAFETY STANDARDS

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

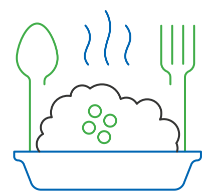
The product formulation is prepared on the basis of rigorous stability. Although, we primarily operate in the ASEAN, Middle East, and African markets, we are committed to meet the global recommendations and requirements for Substances of Very High Concern (SVHCS) and Substitute It Now (SIN) list. It is our continual commitment to minimise chemicals highlighted in the list and find suitable alternatives.

Key alliances to accelerate India's journey towards good health

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

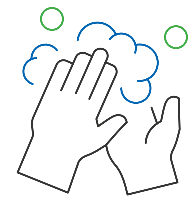
Heart Health

A plethora of initiatives under the Saffola*life* programme along with FSSAI



Safe and Nutritious Food

To educate school children on safe and healthy eating habits



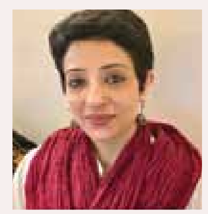
Eat Right India

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

Marico and the Eat Right Movement

Led by FSSAI, Eat Right Movement is a collective effort to promote nutrition through demand and supply-side intervention. Under Eat Right Movement, Marico initiated 2 programs – SNF@School and Eat Right Campus (ERC).

The purpose of this program is to create awareness about eating healthy and safe food by encouraging citizens to choose nutritious and fortified foods in right proportions, ensuring food safety to avoid food borne diseases and imparting knowledge about hygiene and sanitisation.



"Marico Limited has taken several initiatives to support various Eat Right India programs through their CSR budgets and voluntary commitments over the past four years. FSSAI is very happy to see the progress in several areas especially training and capacity building of unorganised sector. FSSAI conveys its deepest gratitude towards commitment of their leadership team and active participation of their employees for this important cause. Marico has been engaged in promoting right messaging around safe food and healthy diets through various interventions and has successfully demonstrated that it is a socially responsible business."

Ms. Inoshi Sharma

Director - Social & Behavioral Change Dept (SBCD), Food Safety and Standards Authority of India (FSSAI), Ministry of Health and Family Welfare (Government of India)

SNF@School

In FY21, Saffola*life* covered 16 schools in Maharashtra, Gujarat and Chandigarh for this activity. The programme engaged students, teachers and parents in various activities to emphasise the following:

- Healthy eating choices and benefits
- Awareness on the use of fortified components in diet
- Deployment of Health and Wellness coordinators to promulgate healthy eating habits within and beyond the school ecosystem
- In-house techniques and simple experiments to gauge adulteration of foods
- Eat right certification of canteens by FSSAI on the basis of hygiene, availability of healthy food options, fortified foods with higher nutrient value etc.

Magic box placed in
30 schools

18 Eat Right certificates
awarded to canteens

16 schools
covered and certified their canteens as Eat Right Canteens

60,000+ students
sensitised on safe and nutritious food choices

Clean Street Food Hub

Saffola*life* collaborated with FSSAI and local FDA authorities of states to target public eating places i.e., the street food hubs and improve their condition with respect to hygiene and sanitation. The three main important activities for a street food hub to be certified as Clean Street Food Hub are given in the adjacent representation.

Pre-audit | **Food safety training and certification (Fostac) training of the food handlers** | **Final audit**

Apart from these activities, water testing according to IS:10500 standards and testing of food for microbiological parameters were also performed.

Eat Right Campus

Saffola*life* believes that if the people of the country have to stay fit and healthy, it is necessary to encourage them to Eat Right. Going ahead with this, Marico Saffola*life* decided to certify various campuses of the country as Eat Right Campuses. For this program, few campuses from the state of Gujarat and Maharashtra were selected to be certified as Eat Right Campuses.

The programme included focus on water quality inside the campus, hygiene of the food served, medical records of the food handlers, food handling practices, serving of healthy food in the campus, availability of seasonal fruits and vegetables, etc.

The steps involved in implementation of Eat Right Campus (ERC) program are:

1. Identification of campus and registration of campus on ERC website
2. Pre –audit by third party on the checklist given by FSSAI
3. Training of food handlers under FOSTAC training program
4. Final audit by the third party after closure of pre-audit gaps to improve the rating.
5. Uploading of all three records i.e., Pre-audit, Training and Final-audit record on ERC portal.
6. Certification by FSSAI on the basis of percentage score of the final audit report, the star rating on the certificate is given on the basis of the percentage score.

Progress | Impact

Glimpses from Saffola*life* healthcare Initiatives

Enhancing consumer experience through responsible marketing campaigns

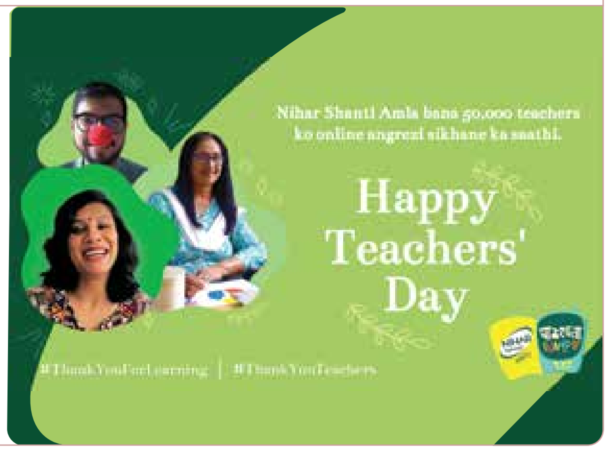
India

Parachute Advansed Gold 'Thank you Nurses'

On the occasion of Onam, Parachute Advansed Gold launched a heartening digital campaign that honoured the unparalleled spirit of nurses across the country. It is due to their commitment that countless COVID-19 patients had returned home to their families for Onam. The campaign called upon every individual to proudly dedicate their Pookalam (a popular floor decoration with flowers) to these heroes and their valiant efforts by designing it with a 'Thank you' motif.

Nihar Shanti Amla 'Thank you Teachers'

While it has been difficult for students to learn from home during the pandemic, it has been equally challenging for teachers to impart education online. To celebrate their relentless efforts and commitment, Nihar Shanti Pathshala Funwala launched an emotionally resonating campaign #ThankYouTeachers. Through this digital film, Marico, a brand that has always championed the cause of children's education, aimed to convey a heartfelt message – 'Thank you teachers for learning, so that the country's future can keep learning!' During the lockdown, Nihar Shanti Pathshala Funwala has successfully trained over 1 Lakh teachers to help improve English education with its digital first programme in partnership with the Government of Madhya Pradesh.

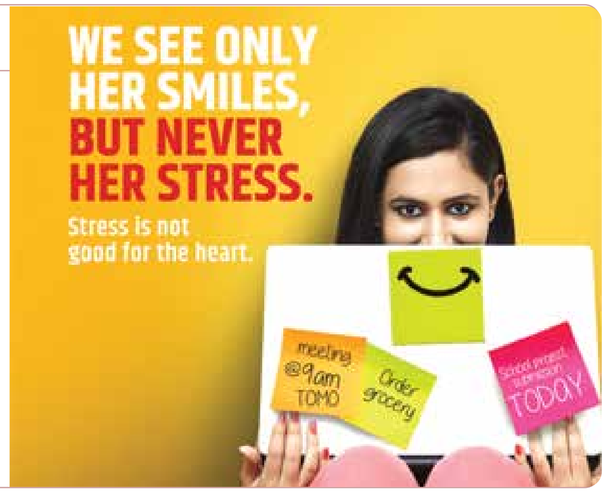


Nihar Naturals #ThirdEye

Nihar Naturals marked the 2020 Durga Puja with a first-of-its-kind campaign – #ThirdEye, aimed at making pujo pandals in Kolkata safer for everyone. As a part of this initiative, Nihar Naturals partnered with key pandals across Kolkata to set up a network of surveillance cameras disguised as Maa Durga's #ThirdEye, to watch over pandal hoppers and keep them safe. In addition to the on-ground campaign, Nihar Naturals also brought alive stories of some of the most remarkable women – heroines from real life – who have acted as one another's protective "third eye" and have strived to ensure the safety of other women.

Saffola*life* 'World Heart Day'

Saffola*life* has always championed the cause of heart health with a vision to create a 'Heart Healthy India'. To raise awareness and bring effective change, Saffola*life* launched an impactful campaign on World Heart Day – #CareForHerHeart that raises awareness for the cause of women's heart health. The campaign started with a digital film that highlighted the stress that women go through every day as they play multiple roles. The campaign urged her loved ones to put her and her heart first, as she continues to be our hero without a cape.



Saffola Honey: Certificate of Purity

Saffola encouraged consumers to receive their very own Saffola Honey Certificate of Purity for every bottle they buy to be completely assured of the quality. Saffola guaranteed that every batch of Saffola Honey is NMR tested (Nuclear Magnetic Resonance test, which is one of the most advanced tests in the world for detecting adulteration in honey). Consumers could receive the Saffola Honey Certificate of Purity by sending an image of the batch number of the bottle to csc@marico.com. This certificate assured them that from beehives to the pack, Saffola Honey goes through 60+ quality checks. Further, to create awareness among consumers on purity of honey, a note titled "Facts on Honey Crystallisation" was also published.

Saffola Oodles

The communication campaign for the newly launched Saffola Oodles revolved around the evening snack time. The TVC highlighted how Oodles enables the mom to play the role of fun mom at snack time. The yummy, ring-shaped, no-maida noodles made with oats, allows the mom to give her kid something he/she would love to eat, whilst at the same time being reassured that it's healthy.

Veggie Clean #TheRightWay to clean

Veggie Clean's #TheRightWay to clean campaign urged people to clean their fruits and vegetables using the right solution and in the right way. The integrated communication used the rising trend of new home chefs to educate consumers about the effectiveness of Veggie Clean through a fun relationship between a loving, new-age father and his millennial daughter. To further engage with consumers and drive home the message, Veggie Clean has collaborated with Chef Ranveer Brar and other celebrity influencers such as Karishma Kapoor, Shilpa Shetty and Soha Ali Khan to name a few.

BEARDO

DON Beardo

Beardo launched Hrithik in a never before seen avatar of a Don, giving him the character "Don Beardo".

The strong, authoritative alpha, yet suave and stylish persona hit the bull's eye with more than 10 Million impressions in the first week itself. Such strong was the resonance that Hrithik posted the creative on his own personal social media handles without any ask just because of the sheer love the character received.

It was topped with a Don Beardo mega event - The Return of the Beardo Mafia on www.beardo.in with special curated kits like Don's Signature, Don's Favourites and more.

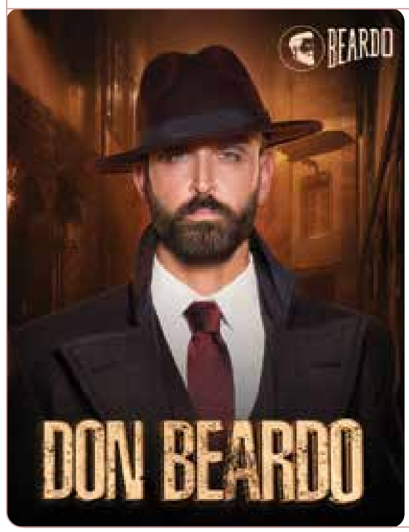
DON BEARDO' ft. Hritik Roshan which has already garnered over 20 Million impressions paving way for many new consumers to join the club.

Beardo Mooch Swag

If we own the beard, why not the stache too?

Since more men don the stache than Beards, Beardo decided to use the stache as a tool to celebrate what's good and great about manhood through India's first Mooch Anthem!

With participation of multiple A listers like Hritik, KL Rahul, Kunal Kapur, Beyounick we produced multiple social media content pieces around how to groom the mooch right and wear it with pride. A fun AR filter with the anthem playing in background asked the consumers to dance and flaunt their moustaches out of which the best ones were featured on official social media handles. Timed with the end of lockdown, Moochswag grabbed a lot of attention among the consumers and garnered over 5 Million impressions and helped raise more than just the moustache handles - the very spirits of millions of men who treat their moustaches as symbols of male pride.



Bangladesh

Parachute Naturale Shampoo

Parachute Naturale Shampoo comes in four exciting variants: Nourishing Care, Anti Hair-Fall, Damage Repair and Hijab Fresh. The variants are paraben-free, dermatologically tested and enriched with the benefits of natural ingredients such as coconut milk protein. The brand rolled out multiple thematic communications, highlighting its unique proposition through "Say Yes to Parachute Naturale Shampoo" in the launch year.

Parachute Just for Baby

Parachute Just for Baby is so safe that globally, lakhs of mothers recommend the brand. The new communication portrays how an experienced mother recommends safe baby care to a new mother which is in line with the brand's core proposition of "So safe, it's recommended by mothers."

Vietnam

Parachute Advansed 100% organic EVCNO #OrganicSkincare

The product was launched to address the growing consumer need for organic products for daily use. Keeping the authenticity of "100% Organic & Natural" at the core of our proposition, an extensive digital marketing campaign in the region was launched with a series of creatives.

Consumer connect and outreach

Marico Consumer Services Cell started its journey in March 2007 with the advent of the GSR 425 (E) w.e.f 13-1-2007 wherein every unit pack mandatorily needed to incorporate contact information of company for consumer feedback. Since 2014, the cell has been ISO 10002 certified, testifying Marico's focus on creating a consumer-driven quality approach at all levels. The cell is equipped to handle a response rate of 6,500+ calls against 1,200 monthly calls during inception, and with the advent of social media, the cell devised mechanisms to address such responses.

To address complaints/queries from end-consumers, we have a structured and well-defined system with the following attributes:

VISIBILITY
Consumer feedback contact on every pack, websites and e-mail connectivity to the consumer cell

SOCIAL CHANNELS
Dedicated Online Reputation Management (ORM) Desk to track social media response and standardised responses.

TEAMS
External contact centre and quality team members from Marico, handle the consumer responses

TRAINING
Robust documented procedures, standardised training material for refreshes and new joiners.

PROCESS
Presence of a comprehensive FAQ library that can be referred to by the team to address consumer responses independently ensuring first call resolution. There is a structured escalation matrix defined basis nature (technical, non-technical), severity, consumer profile etc. Escalated complaints and queries are immediately addressed by Corporate Quality Assurance team either through personal visit or telecon or virtual redressal of complaints through a video call or email responses.

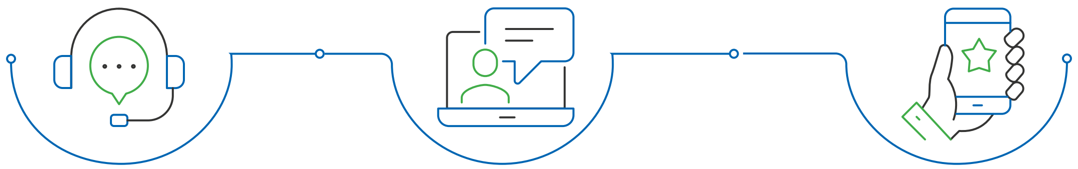
KNOWLEDGE MANAGEMENT SYSTEM (KMS)
Internal Knowledge portal consists of defined protocols, FAQs, SOPs etc. for contact centre. Technical dockets of consumer complaint responses are available for Quality team

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)
Online logging of consumer complaints and queries is carried out through a quality portal 'Darpan'. This system helps team to maintain a strong consumer database, improve product and packaging quality and also gather consumer insights.

MONITORING AND RISK PROCESS
Crisis management protocols/playbook and holding statements are readily available for reference. Measurable metric is in place like Abandonment Rate, AHT, Call Quality, FCR etc. so as to continuously quantify and improve the consumer response management process.

Consumer connect initiatives

In line with our core value of **'Consumer Centricity'**, our Quality team embarked on a journey to increase effective and efficient engagement with consumers. The purpose of this initiative is to capture the 'Voice of Consumers'.



CONSUMER CONNECT: DAWN TO DUSK
A 360-degree questionnaire based methodical approach has been formulated to proactively understand the stated and unstated needs of the consumer and augment the consumer insights.

FOSTERING EMOTIONAL BONDS
This initiative is aimed at sustaining our consumers' emotional bond with Marico brands and capture insights on new products through personalised messages and interactions that respect and appreciate the consumers' relationship with Marico. The feedback is looped back into the product configuration model and also used as a mechanism to connect personally with consumers.

E-COMMERCE/ SPRINKLR TRACKING
For all new products launched on e-commerce, the team captures social intelligence signals from platforms like Flipkart, Amazon, Big Basket etc. Mystery purchases are done from the channels to evaluate product, packaging quality, possibilities of any damages in transit and product parameters.

Ensuring continuity of operations during the pandemic

We had to manage a quick turnaround of setting up the remote working of the entire process i.e infrastructure, resources, conducive work environment, with no impact on business. Marico was one of the few companies to be fully operational from day one of the lockdown.

D2C – Customer Service Cell

Our consumer service team was instrumental in setting up the entire remote customer service operations for the 'Direct to Consumers' initiative. The set up included infrastructure, monitoring/reporting methods, metrics, building the knowledge and training material, equipping the agents through training on process, online interfaces like order booking, dispatch portals etc. Currently the team is fully functional handling over 1,500 queries/complaints per month.

Rewards and recognition

Marico Consumer Services Cell is **ISO 10002 certified**

Marico's Guwahati facility won the **Platinum award** in the 39th CII National Kaizen Competition in Restorative Category

The Puducherry facility won **Gold Award** in the 15th National Champion's trophy Kaizen Competition, **Platinum award** in 39th CII National Kaizen Competition under Renovative Category and Gold Award in the Restorative Category

The Perundurai facility won **first place in Global Performance Excellence Award** from Asia Pacific Quality Organisation (APQO) on Business Excellence

Consumers' testimonials

Dear Sir / Madam,

I am from Mumbai. Recently I tried, your 'Saffola' Masala ring Oodles. The shape and taste, were yummy. Thanks to your great innovation. After eating 'spiral' noodles for so many years, this is indeed a first great revolution in the noodles industry. Thank you 'Saffola', for the first time in India product. Hope you introduce more Indian masala flavours like Sambar, Chicken etc.

Regards, Yours truly,

Ajit Kumar Pillai

Dear Sir/Madam,

My self Jaspreet Kaur, age 34 years, I am Assistant Professor in a reputed college in Ludhiana (Punjab). Since childhood we had been using parachute oil, I still remember that steel or iron tin box with lid. I am writing this email to compliment company for such a long journey. Basically I want to share something with you. I have quite a long hair, but lately people started criticising me for my long hair. I used to tell all "mere baal meri jaan hai" and today suddenly I saw this ad on YouTube. I really appreciate it, you have displayed natural beauty, natural hair types nothing artificial or over glossy hair, as other hair product companies display.

Thank u i felt as if this advertisement is for us. Compliments to company.

Jaspreet Kaur

Members

mariconnected

'GROW' – Grow the business, Refresh the culture, Organise for future, Win with talent

Marico's business purpose, philosophy and vision are personified by its people. Our talent, culture and capability building approach is articulated under the umbrella of 'GROW' – Grow the business, Refresh the culture, Organise for future, Win with talent.

Our people roadmap is focused around developing future-ready capabilities, building a digital-first Marico, enabling critical and differentiated talent in the new categories and channels, strengthening capabilities in a high-performing sales team, winning talent through a compelling employee value proposition, and reconstructing our ways of working and people policies to stay ahead of the curve in the context of changing realities.

> *It is the power of our people, our unique culture and innovative approach, which helps us deliver enduring results.*
>
> Saugata Gupta
> Managing Director & Chief Executive Officer

Key Highlights in FY21

Engagement

Consistent high engagement score of **93%** across the year

Talent management

- **80%** of the current leadership team is home-grown talent
- **200+ leaders** enhanced leadership capability through our flagship leadership programme LEAD in the last two years.
- **3.97%** attrition

Recognition

- Over **25000 appreciation messages** were shared in our peer-to-peer recognition portal Maricognize. Our leaders recognised over **240 top initiatives** that propelled organisational success through the CXO and CEO Awards.
- The long service awards for completion of five, ten, fifteen and twenty-five years tenure were awarded to **271 members** this year.

Inclusion and diversity

- Gender diversity percentage grew from 20% to **24%** over the year (Managers and Above)
- **40%** of leadership hires and **56%** of campus hires are women
- **58%** of members in Marketing, R&D, HR are women
- **75%** of new hires in the Partner Grade in FY21 are women

Hiring

- **86%** new hires were taken through referrals from other members and social hiring portals
- Number of Management Trainees **increased by 100%** over previous year, with equal representation of Men and Women in the 2020 Batch of Management Trainees
- Marico's flagship campus challenge, Over the Wall - Season 8, witnessed **71% growth** in response **with 1700+ students participating**

People first, business next

We believe membership is superior to employee-ship and hence consciously, all Mariconians are called 'members'. In 2021, a critical aspect of our strategy was to create a work environment that is supportive of holistic well-being of our members and our extended workforce in sales and factories, along with providing them with infrastructure to enable ownership of their performance and growth.

We are committed to our Inclusion and Diversity vision of creating the Marico of tomorrow "together" with focus on building a more socially represented organisation with enhanced 'gender', 'differently abled' and 'thought' diversity. Towards this, we are adopting enhanced and inclusive policies and infrastructural support for our members and extended workforce.

Key priorities in FY21

- Commitment to protect jobs and compensation of our members
- Focused actions on people safety and holistic support on health and wellbeing
- Empower members through agile people policies and processes

The people priorities were brought alive through a focused set of actions crafted basis the virtual ways of working in the last year.

MEMBER LISTENING

- Regular member feedback and inputs through the monthly Marico Engagement and Culture dipstick survey
- Focused action to enhance member experience based on survey, leading to high engagement across the year

MEMBER HEALTH AND SAFETY

- Worked closely with the local authorities to pioneer safety standards in our offices and distributor depots on social distancing, safe working gear, thermal screening, sanitisation and member training on safety modules
- Enabled expert-led awareness sessions, on-call support through tie-up with certified doctors and COVID-19 Helpdesk to assist members on process related queries.

MEMBER WELLNESS

- Tied-up with one of India's leading healthcare apps for remote consultation by a physician and a nutritionist
- Organised yoga, fitness sessions and physical challenges through the year
- Ensured active reach-out, training and communication on the Member Assistance Program (MAP) counselling services for members and their immediate family
- Trained our line managers to become Wellness Coaches to identify signs of stress among team members and encourage them to reach out for professional help when needed
- Declared an additional holiday in July 2020 to enable members take a break for rest and self-care

MEMBER INVOLVEMENT IN ENABLING BUSINESS

- 2,000+ ideas from members through Marico Changemakers
- Focused involvement in re-inventing business operating model, optimising costs and innovative workplace practices

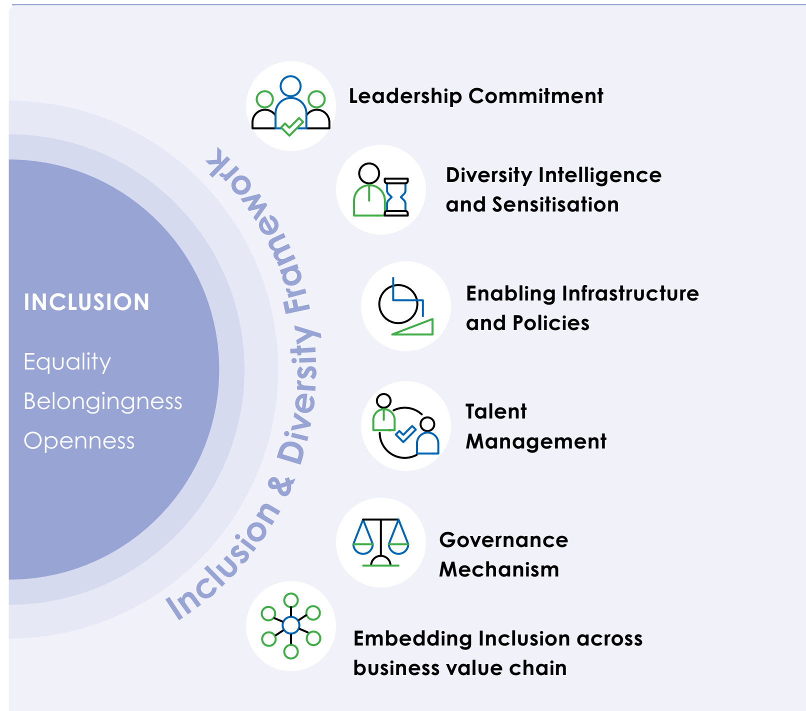
MEMBER-CENTRIC POLICIES

- Mandatory time-off for at least 10 days in a year
- No deduction of Sick Leave from Privilege Leave Balance
- 'Special' leaves for special occasions like birthdays/ anniversaries of members and family
- 'Community Impact' leaves to enable members to contribute towards social work
- 'Leave Sharing' to create an inclusive ecosystem for our members to support each other

BENEFITS TO EXTENDED WORKFORCE IN SALES AND FACTORIES

Providing our extended members certain wellness benefits such as health insurance coverage and emergency monetary assistance

Diversity and Inclusion at Marico



We welcome members from diverse backgrounds who enrich the organisation with their educational competencies, diverse abilities, cumulative experience and manifold perceptions.

To drive our Inclusion & Diversity agenda forward, we continue to align the larger ecosystem through enabling infrastructure and policies to ensure diverse talent funnelling across levels. We actively engage with our members to listen to them and identify their diverse needs through Culture & Engagement Survey, focused group discussions with the specific diversity 'cohorts', one-on-one interactions with representative groups and organisation-wide workshops to craft targeted interventions.

Diversity intelligence and sensitisation

We continuously enhance the Inclusion Quotient of our members through sensitisation by regularly engaging on diversity related topics to help them proactively prevent potential discrimination or harassment.

- Every year, we celebrate Marico Inclusion Month in December – this year, our theme was #inclusionstartswithI
- We launched a dedicated I&D webpage to position Marico as an Equal Opportunity organisation

Policy enablement

We launched a host of policy enablers to create a conducive work environment for all members at Marico. These include:

- Bouquet of reimbursement benefits for 'new parents' including offers around transport, physical, and mental wellness
- 'Same Sex' partner benefit for all policies of Marico
- Fully paid adoption leave similar to maternity/ paternity benefits
- Post maternity flexi work options
- Specific need-based mediclaim policy for differently abled members
- Audit of all policies and guidelines to continually enhance gender neutrality

Infrastructural enablement

We are making continuous efforts to provide the right infrastructure for specific needs of members of all backgrounds. We have created inclusive infrastructure in Corporate and R&D offices and we are scaling up similar facilities across factory/sales office locations.

- Gender neutral infrastructure including washrooms
- Infrastructural facilities for the differently-abled
- 'Nursing' rooms for feeding mothers

Inclusive talent practices

A vital piece of our inclusion strategy has been ensuring that our talent management processes enable the advancement and retention of members from all backgrounds.

FOCUSED HIRING PROGRAMMES

To ensure a diverse talent pipeline, we have launched multiple initiatives:

- Identify and hire second career women (women on career breaks) as consultants
- Identify and hire differently abled candidates through specialist recruitment partners
- Identify and hire from diverse profile backgrounds of education, industry, overall experience, nationality, employment models

ATTENTION TO CAREER PROGRESSION OF WOMEN MEMBERS

- Women leaders are coached and groomed as part of our flagship 'Lead with Impact' leadership development programme
- 'Women at Work' programme to educate participants on accelerating career journey

Governance mechanisms

- Inclusion metrics are laid out, tracked and quarterly reported to the CEO/Executive Committees
- Marico's POSH policy is gender neutral. Grievance reporting and redressal is facilitated through Code of Conduct and Internal Committee

Digitalisation and simplification of people processes

As we foray into an increasingly digital world, it is imperative to simplify and digitalise our touchpoints across member life cycle to enable a uniform and enhanced experience.

Created a standardised goal library where members can select their goals at the beginning of the year, providing clarity on how individual performance contributes to organisational goals.

Career management

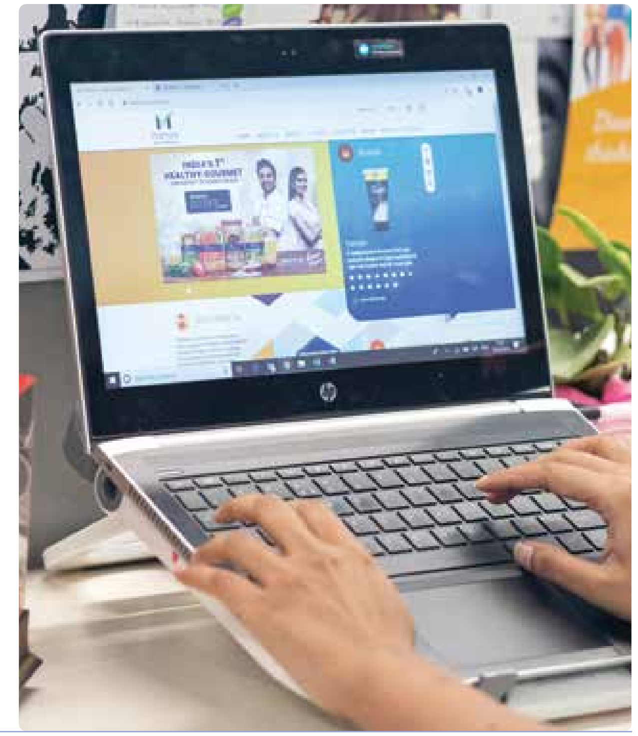
Introduced a virtual 360-degree stakeholder feedback programme to facilitate line managers' conversation with members on feedback and growth.

Digital learning

- All classroom learnings adapted to virtual and digital learning format
- Leveraged newer channels of learning with platforms like Edcast, Coursera, Simplilearn
- Artificial Intelligence enabled BLINK learning platform upgraded with a digital learning Bot named as Coach Eddy
- Focused on enhancing skills around Leading in Virtual Teams, Agile Working, Resilience and Crisis Management, Creating High Performance Teams, Inner Engineering in the context of the pandemic

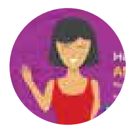
Digital hiring and onboarding

Completely digitalised hiring process and facilitated a seamless orientation thereafter; leveraging AI enabled technology to enhance sourcing and selection effectiveness.



Employee listening and engagement

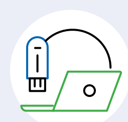
Promoted use of chatbots along with internal social-connect platform to create a digitally connected workplace



AMBER
CEO's personal digital assistant is a chatbot developed to engage talent within the organisation and communicate with the new members; Amber led to 6% increase in engagement of new members over the last year

CASPER
Provides 'anytime anywhere' access to policies, benefits and resolves queries

ACCELERATED OUR EFFORTS ON ENABLING VIRTUAL WORKING BY:



Providing laptops and dongles to the workforce

Adopting MS Teams to enable seamless audio-video communication

Virtual leadership connects via townhall and facetime

Virtual recognition and Marico awards

Internal social media platform (Yammer)

Building capabilities for the future

In building our capability for the future we are focused on four core pillars: Digital, Leadership, Functional, and Differentiated capabilities to enable growth in new portfolios.

Digital capability

To build and scale up digital first brands; we are investing significantly in our digital transformation programme – 'Chrysalis 2024'. Over 20 experiments are underway, mentored by the digital council comprising cross-functional team of leaders, SMEs from similar industries and academicians from leading universities.

Leadership capability

Our flagship 'Lead with Impact' series were adapted to leverage new innovative learning tools like gamified connects, self-placed gamified learning modules, virtual connects using accelerated learning techniques and live dashboards to drive engagement.

Functional capability

We are strengthening our frontline team capabilities through:

- Sales University focuses on upskilling sales talent to build agility
- Learning programmes for Sales team using online and gamification platforms
- Social learning through the Toastmasters club

Differentiated capability

To ensure success in new growth avenues, we are continuously identifying and building critical differentiated capabilities across R&D, Marketing,Sales and Supply Chain

Building future-ready talent pipeline

We are focused on leveraging diverse sources of talent to meet our business objectives in a highly competitive talent marketplace.

Diversifying our talent pool

To build a diverse thought leadership, we are casting our net wider and launching targeted programmes

- **Sales Lateral Leadership Program:** To leverage experience of candidates, we went for a lateral hire, recruiting a sales partner with rich experience in the Indian armed forces
- **Graduate Leadership Program:** To seed diversity of thought at an entry level, we commenced the Graduate Leadership Program in 2020, to hire graduate trainees from premier undergraduate institutes. The year saw seven recruitments, with a gender diversity of 71%

Diversifying talent sourcing

- **Alternate Hiring:** We partnered with Gig platforms to leverage the burgeoning Gig economy to hire for unique capabilities at speed
- **Talent Referred By Mariconians (TAREEF):** Vacancies at the mid and junior management levels have been actively filled through referrals; members are rewarded on successful referral
- **Homecoming:** We have a strong alumni network and a revamped re-hire policy with a focus on welcoming back our previous family members
- **Campus talent:** We are among the Most Desirable FMCG/ Beverage Company amongst the top premier B-Schools of India and have several programmes to hire talent straight from the campus.
  - **IGNITE:** One of the most prestigious and intensive training programmes in the industry for young talents from B-schools; 94% of IGNITE 2021 Batch secured Pre-Placement Offer (PPO)
  - **Summer Training at Marico's Pace (STAMP):** Interns work closely with the leadership team on high-impact live projects; we opened the programme to engineering students from Indian Institute of Technology Bombay.

Occupational Health and Safety

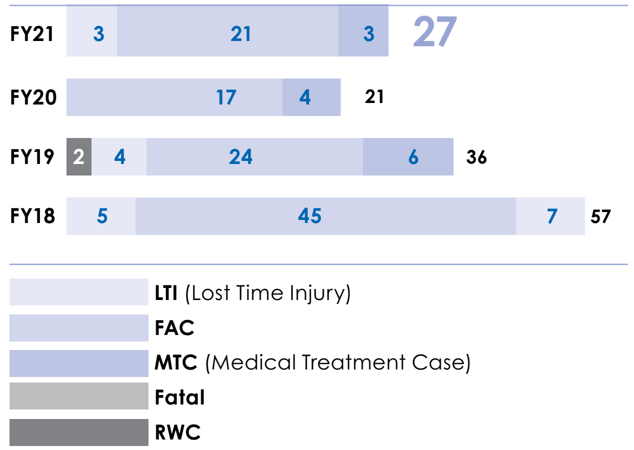
The core objective behind adopting a sound occupational health and safety practice is underpinned by the organisation's overall vision to create shared value for all stakeholders impacted by its existence.

By minimising health and safety risks, optimising operational efficiency and performance and most importantly capacitating the workforce to safeguard their lives from occupational hazards, Marico is progressing steadily on its roadmap of building resilience and leading with agility.

Accident performance

We scrupulously investigate every incident, learn from it and implement these learnings.

ACCIDENT TREND FOR INDIA OPERATIONS



Zero fatalities

For 4 years in a row

Emergency Control Centre (ECC) upgradation

In line with the latest directives of the Oil Industry Safety Directorate (OISD), the Emergency Control Centre at Perundurai facility was upgraded in FY21. The upgradation included the installation of a Public Address System (PAS), self-contained breathing apparatus (SCBA) and provision of advanced fire-protection suits. This has set a benchmark for the other facilities to follow the same procedure. Through the mock drills and trainings undertaken as part of the ECC upgradation, the effectiveness of the emergency management system has been significantly improved.

Safety trainings

Training plays an important role in building robust safety, health & environment management systems. The training competency matrix developed at Marico maps every role to the required training. We ensure 100% of the workforce, including business associates are adequately trained for the job intended.

~3,000

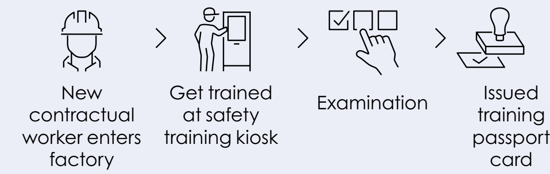
Manhours spent on safety trainings for 592 members and 1,083 extended workforce in India in FY21

Safety training kiosks

To ensure that no worker commences duties in the plant premises without a role-specific training, we installed Safety Training Kiosks with modules in English and vernacular languages, including Hindi. These have been installed in Perundurai facility in FY21 to capacitate contractual factory personnel on safety and workplace hazards. The contractual employees are allowed to pursue their functional responsibilities only after they receive a 'safety pass' from these kiosks.

As on March 31, 2021, 400 contractual members in the Perundurai facility have been trained using these kiosks. The overall accident rates have shown a sharp decline for the overall facility, indicating a positive impact in workers' abilities to demonstrate safe workplace behaviour.

Kiosks are loaded with job specific training modules.



Audits and inspections

We diligently focus on both internal and external audits of our manufacturing sites. All our sites are ISO 14001:2015 and OHSAS 18001:2007 certified. We have already upgraded our factory at Guwahati to ISO 45001 standard and the remaining facilities will be upgraded with this standard in the near future. A holistic and tech-enabled system has been developed for conducting cross functional internal audits. The audit findings are analysed during the monthly plant SHE management meetings and corporate review sessions, leading to measurable corrective and planning actions.

ISO 45001 certification

For Guwahati factory in FY21; others to follow soon

Value-Chain Partners

maricollaborative

Quality Assurance is a Shared Goal

While we are continuously working with all our partners across the value chain to drive excellence together, it is crucial for them to realise our objective of responsible growth, ethos and integrity of doing business as well as our efforts to boost the local economy.

700+ value chain partners

collaborate to evolve Marico's quality, responsible sourcing and operational excellence journey.

Our Key Value-Chain Partners

Suppliers/Vendors

Our value-chain partners form the backbone of our business. Trust, inclusive growth, quality excellence and social responsibility are the main anchors in our relationship with our partners.

Converters

Converters or third-party manufacturers are crucial in the value chain, transforming our products into packaged finished goods.

Depots and warehouses

The Depots and Warehouses play a critical role as they drive quality and efficiency within the downstream distribution chain.

Logistic partners

Our logistics team drives various initiatives at each node to ensure that our distribution network is constantly evolving across service, cost and sustainability.

Suppliers

The Supplier Relationship Management (SRM) strategy at Marico operates with the philosophy of creating synergistic business goals that inspire our partners to strive for excellence while advancing their growth stories.

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 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.

> *Having been associated with Marico for the past couple of decades, we have always respected the professional and synergistic approach of Marico towards its vendors. Over the past year, our business with Marico has grown multi-fold. The consistent, visible and deterministic policies of Marico allow us to better focus on delivering the best service and quality.*
>
> Ishant Goyal
> Manager, AP Refinery

Driving Supplier Quality Excellence (SQE)

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

In the financial year 18-19, we got the vision from Marico to set up our packing and filling section and soon we had started the operations in year 19-20.

Marico always looks to enhance the skills of our workforce to maintain the production line in a consistent manner and following all the Quality standards.

In the past years, Marico's top management officials discussed the future prospects for increasing the packing production. Also the Quality team provided regular trainings to our chemists and production managers to improve production by following all the quality excellence standards of Marico.

Following the above has helped us in increasing our production line from 300KL to 1100 KL in the financial year 2021.

Mahesh Periwal
Director, Tirumala Oilchem India Pvt. Ltd.

Accelerating Supplier Quality Excellence (SQE)

Based on, and in line with the recognised schemes of Global Food Safety Initiatives (GFSI), our SQE programme aims at enabling value-chain partners to ensure that supplied products are safe, legally compliant and conforms to agreed quality specifications.

The scope of our SQE programme includes:

- Delivering superior consumer experience by building confidence across supply chain. This is done by developing capability at suppliers' end to deliver zero defect products.
- Attaining excellence through benchmarking and continual improvement
- Monitoring and measuring system's effectiveness and efficiency
- Reducing Cost of Poor Quality (COPQ) and improving suppliers' margins from business

APPROACH

1. As-is study and benchmarking
2. Developing comprehensive SQE handbook and audit check sheet with periodic updates
3. Gap analysis and capability building – supplier self audits, Marico visits and training programs
4. Verification and corrections – Marico audits, audit closure reports and data analysis
5. Continuous improvement – CAPA (Corrective Action and Preventive Action). Insights' Document created and shared with all suppliers as a proactive measure to identify possible quality issues and their prevention methods

OUTCOMES

1 **70% reduction** of quality rejections in foods and **20%** in packing materials in FY21 despite multifold increase in volumes and the number of SKUs sourced

2 **26% reduction** in inventory and COPQ in selected category through these structural interventions

3 **85% of our suppliers** enrolled in the programme are placed under premium category of vendors basis performance evaluation

Encouraging local procurement

As part of Marico's Responsible Sourcing Framework, SAMYUT[1], we encourage and take efforts to source locally produced and indigenous materials. We have 700+ suppliers, and 93% of the procurement by spend during 2021, was from 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 boost socio-economic development.

SAMYUT
Together . We . Achieve

93%
Of the procurement was from local suppliers for the India business

[1]Marico's Responsible Sourcing Framework, SAMYUT, has been described in the Environment chapter of the Integrated Report.

The Coconut Loop: farm-to-bottle

Sustainable coconut conservation is a key part of India's agricultural history, culture, and economic prosperity. There are around 20 Lakh coconut farms across the country, covering close to 45 Lakh acres giving ~16 Billion coconuts per annum. Marico buys a majority of the coconuts produced in the country through different channels.

In order promulgate the local economy by enabling smaller converters to sell to Marico, collections centres have been set up across key areas in Kerala, Tamil Nadu and parts of Karnataka. These collection centres function as connecting links between small farmers and Marico's procurement team, ensuring quality, commercial viability, and access.

Significant efforts are undertaken to reduce the overall sustainability footprint of the coconut value chain based on principles of resource optimisation, circularity, ethical and responsible sourcing and social-economic empowerment to farmers.

Support to vendors during pandemic

The pandemic has transformed the economic canvas, pressurising businesses to rethink their growth stories in the next normal. In these unprecedented times, we are trying to stand with our partners and combat the pandemic-induced impacts together. In FY21, we addressed their immediate concerns. MSME vendors were paid in 30 days against the government mandate of 45 days to improve their working capital utilisation. We also extended payment terms to vendors wherever required. The rolling forecast was also shared with vendors to curtail disruptions due to unplanned business disruptions in the supply chain.

Converters

Converters or third-party manufacturers are crucial in the value chain, transforming our products into packaged finished goods. It is our vision to collaborate with our converters towards upgrading to best-in-class facilities so that we can continue to make products that consumers can trust. Towards this end, we work as a team with our converters on areas like technology, quality systems, process efficiency, operational excellence and safety, health, and environment (SHE) initiatives. Our endeavour is to establish synergistic and collaborative relationships that assure quality, foster innovation, and propel long-term sustenance.

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

In FY21, our coconut cluster converters were certified with COVID Safe Unit by SEA, HALAL by Halal India, FSSC 22000 version 5.1 by DNV. Additionally, external audits like NABL, IEM and Deloitte Food Safety Assessment were completed without any critical observations.

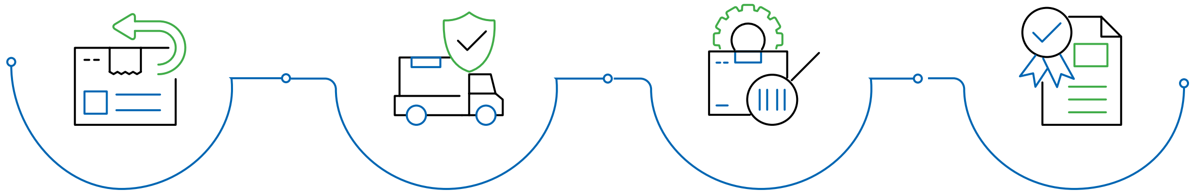
Depots and warehouses

Building capabilities of our business associates by consistently enabling performance excellence standards has always been a key area of focus at Marico.

Our quality journey

Kaun Banega Champion (KBC) programme: A depot certification programme by Marico that aims to pursue and instill world-class standards and is now recognised as an industry benchmark. The KBC model focuses on Quality, SHE, Food Safety, Engagement, Supply Chain and Commercial Viability. Each of these have defined guidelines/ SOPs that are measurable, thus helping the depot personnel gauge their effectiveness. Periodic trainings are conducted at regular intervals to evaluate the performance improvements against these standards.

KBC PROGRAMME OBJECTIVE



INTEGRATE
quality systems and processes in distribution chain

ENHANCE
focus on depot safety systems

REDUCE
cost by efficient operations

COMPLY
with all regulatory requirements

Improvements in FY21

- Constant feedback from depot on product quality has led to improvement of Data Quality Review (DQR) i.e. First-time-right product. Overall, the current DQR level across depots stood at **99.7%**
- **50%** Reduction in Leakage and Damage (L&D)
- **100%** Compliance with evolving regulatory landscape
- **LED lightings and installation of solar panels** for energy efficiency and improved sustainability footprint across depots

Virtual engagement during the pandemic: Depot audits are carried out annually by our Corporate Audit team across India and these have raised the excellence bar, in terms of compliance to KBC modules. In FY21, due to the pandemic, the KBC audits could not be undertaken due to travel restrictions across India. However, to avoid any business disruption caused by quality issues, the Marico's Product Quality Assurance team conducted **15-18 virtual trainings** across all key depots in India. These trainings focused on capacitating depot personnel to develop in-depth understanding on product storage requirements and criticalities related to quality defects.

Occupational health & safety systems at depots and warehouses

Our manufacturing partners and depot operators need to follow a set of critical Safety, Health & Environment (SHE) qualification criteria to continue their associations with Marico. During the year, we engaged with **19 third party manufacturers and 25 depots during the year to help them establish the correct management systems for SHE.** Monthly reviews were conducted for all warehouses to check preparedness as well as prevent any future incidents. At the end of the year, we engaged with an external auditing agency to ascertain the progress of each associate in their SHE journeys.

500+ man hours

spent in FY21 to train depot staff and contractual workforce on various safety and quality norms as well as crisis management. Training themes - fire safety, electrical safety, loading/unloading techniques along with storage/handling, crisis management, Leakage and Damage, Food Safety, DQR & QMS Goods in Transit and waste management.

ZERO

major incidents were reported in any of the depots and warehouses during the year, in continuation of the past five years' trend

Apart from Quality Assurance, Operational Excellence and Occupational Health & Safety trainings, **all value chain partners undergo mandatory certification on Marico's Code of Conduct (CoC) and Marico Code of Business Ethics (MCoBE) at the onset of their business relationship.**

COVID-19 COMPLIANCE AND SUPPORT

Periodic assessments in the form of virtual audits were conducted to ensure 100% compliance with the evolving COVID -19 regulatory norms at all the depots and warehouses. The key objective of these audits was to train the depots on COVID -19 Protocol and assess any gaps or compliance requirements related to products, processes and facilities. A mediclaim policy was also issued for all depot staff members in case of anyone requiring hospitalisation support. Vaccination drives have commenced from May 21 for all warehouse related staff members.

AUTOMATION IN WAREHOUSES

We have implemented Warehouse Management System (WMS), a software application to monitor and control warehouse operations and materials. WMS has been implemented in three major warehouses – Sonipat in North, Coimbatore in South and Bhiwandi in West covering almost 25% of the overall space. WMS has helped us automate the basic functions of warehousing: goods receipt, storage, warehouse control, picking, retrieval and goods issue, and thereby improve productivity and stocks accuracy.

Logistics and transportation

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

Process digitisation

For seamless indenting to payment process, digitisation of all logistics processes was carried out in a phased manner partnering with a startup, Pando. Our pain point was proof of delivery collection, which consumed significant time and resources of the partners. The implementation of the platform helped reduce vendor payment cycle times by 75%. The platform also helped in geofencing the facilities and thereby auto reporting of shipments through integrated SIM-based tracking. This implementation helped achieve compliance of 48% in shipment tracking for Q4FY21.

Mitigation of pandemic-induced disruption

Pandemic threw a wide range of challenges such as restricted movement/hauling of shipments due to announcement of lockdown, premium on freight and ability to bounce back to pre-COVID levels in terms of number of shipments. Our interventions were focused on direct billing from factories to our distributors and modern trade accounts, which resulted in retention of business. A bill to ship model was established in which depots supplied to stockists directly with steady flow of goods.

Both these interventions vastly improved supply chain distribution and we were able to achieve pre-COVID levels by May 20, when the countrywide e-way bill generation was at 45% of pre-COVID levels. This was required as a support during peak COVID times.

Communities

maricompassionate

Ensuring a Better Collective Future

Being a value-driven organisation and a brand with a purpose, we have been working relentlessly for the upliftment of various communities, including farmers. We believe that long-term economic value can be generated only through the creation of lasting social value in an interdependent and interlinked ecosystem of which we are a part.

39,040 farmers
In the Parachute Kalpavriksha programme till date

Over 2.4 Lakh students and 1 Lakh teachers
benefitted from the Digital Literacy Programs

215 Crore litres
water capacity created under Jalaashay program

5 med-tech innovations and over 20+ Lakh beneficiaries
supported through the United Against COVID program

Our CSR Focus Areas

- Community sustenance
- Healthcare
- Education
- National emergency and disaster relief
- Fostering social innovation

Parachute Kalpavriksha Foundation

8 DECENT WORK AND ECONOMIC GROWTH

The Parachute Kalpavriksha Foundation was launched on September 2, 2017 ('World Coconut Day) to create value in the lives of coconut farmers by helping them enhance their productivity, livelihood and overall quality of life. It is a separate non-profit entity (80G certified).

To transform India's coconut cultivation practices in a sustainable manner, the programme works on a three-pronged principle as illustrated here:

Enabling
higher and sustainable crop yield

Training
farmers to be self-capacitated in handling their farms

Transforming
beliefs and myth-based farming into scientific and research-based activities

FY21 Performance

1,83,000 acres
Cumulative acreage enrolment
1,28,818 acres in FY20

39,040 farmers
enroled in Parachute Kalpavriksha programme till date
21,043 till FY20

100
On-field agronomists engaged
60 in FY20

1000+
digitally-enabled trainings conducted for farmers to enhance productivity
150 in FY20

15%
enhancement in productivity rates
15% in FY20

Kalpavriksha Knowledge Centre (KKC)

PROMOTING KNOWLEDGE EXCELLENCE AND PRODUCTIVITY IMPROVEMENT

To provide continual scientific and outcome-based learning to farmers, the Kalpavriksha Knowledge Centre (KKC) was set up in FY21. The main aim of this Centre is to impart knowledge to farmers regarding best management practices for coconut farming with the help of SMEs. Farmers undergo training under the guidance of experts in areas such as pest, disease, water management and so on. Classroom learning is followed up by open house group discussions to clarify doubts. In the last part of the learning module, farmers get to visit our Kalpavriksha demo farm.

1,000 farmers
trained through webinars in the KKC programme in FY21

Tech-enabled media and social media platforms have been leveraged to increase our outreach and impact for this programme, especially during the pandemic times.

15,000+ farmers
reached through digital engagement initiatives in FY21

Kalpavriksha Agri-Business Centre

ACCELERATING MARKET DYNAMICS FOR SUSTAINABLE COCONUT CULTIVATION

Our Agri Business Centre (ABC) is an agri clinic where farmers can obtain farm care inputs along with a plethora of technical services. Additionally, to support those coconut farmers who cannot normally afford purchasing farm machineries, the ABC provides access to high-quality farm equipment on hire. ABC also provides them access to labourers to work on their farms on need basis, along with inputs. These agri-ventures are established with the help of local entrepreneurs who provide services like hiring of farm equipment like Rotavator, power tiller, sale of inputs along with labour services at affordable prices.
Currently, there are three ABCs, two of which are in Pollachi and one in Thanjavur. Given their success, more such centres are planned to be set up.

1,000 farmers
serviced by agri centres in the past two years

TESTIMONIALS

"After the intervention of the Kalpavriksha team, number of nuts have increased from 80-90 to 110-120 nuts/year. I have also attended a meeting in KKC, which helped me to know more about the coconut varieties and water management techniques."

Manikandan, Bodipalayam village

"I have been enrolled with Kalpavriksha for the past one year. Based on the advice from the Kalpavriksha team, I have done soil testing in my farm, sown sun hemp, and applied fertiliser based on the results. This has helped me increase the number of nuts from 10,000-12000 to 15,000 nuts. "

Raj Kumar, Pollachi

Promoting Sustainable Apiculture

In FY21, Marico partnered with the Federation of Indigenous Apiculturists (FIA) **to enhance employability and socio-economic livelihoods of bee-keepers in India. Financial aid of ₹5 Lakhs was provided for** developing common facility centre (processing plant, quality control lab etc.) for the proposed KVIC, SFURTI Beekeeping Cluster, Thiruvananthapuram, for housing a Natural Pure Honey Hub (NPHH).

Boosting productivity in Devanampalayam (Tamil Nadu)

Ravi, a coconut farmer from Devanampalayam in Pollachi taluk of Coimbatore district in Tamil Nadu, faced multiple challenges in his farm, including decreasing water table, shedding of coconuts and others that minimised the yield and hence his income. He came to know about Parachute Kalpavriksha Foundation through other farmers in his village and enrolled in the productivity improvement programme. After regular visits from the Kalpavriksha team, he started understanding the importance of various management activities in coconut farming. He also attended training sessions at KKC, Perundurai, where he was able to understand the root causes of the problems he faced in his farm. On the basis of the knowledge he had gained, he undertook measures that significantly improved his coconut yield. In order to deal with the unavailability of water, he enrolled with the Jalaashay programme, which supported him in the construction of his own farm pond to harvest rainwater. He has since observed good improvement in the water table levels, which have contributed to the productivity increase. With better water availability, he has also started cultivating pulses as an inter-crop in his farm and thus supplemented his income from coconuts.

Watch Ravi's story here

Jalaashay – Marico's flagship water stewardship initiative

6 CLEAN WATER AND SANITATION

Water is one of Marico's core sustainability impact areas by virtue of which we strive to ensure water security to people for domestic and agricultural use in less rain-fed areas.

Jalaashay, our flagship initiative, aims to promote effective conservation and management of water across the country. A parallel aim is also to replenish more water back to the community than that Marico uses for its operations by capacity creation.

The key activities under this initiative, include dam desiltation, farm ponds construction, community awareness programmes to promote water conservation, rainwater harvesting and optimise water usage.

We have created a cumulative water storage potential of around 215.05 Crore litres till FY21 through desilting of water bodies across Maharashtra, UP, MP Karnataka and Rajasthan and construction of farm ponds across Maharashtra, Karnataka, Tamil Nadu, and Puducherry.

215+ Crore litres
Cumulative water storage potential created through desilting water bodies and construction of water storage facilities in various states

Work done under Jalaashay

Farm Ponds (Crore Ltr)

FY21	29.9 TN	
FY20	10.5 TN	
FY19	5.9 TN	7.27 Karnataka
FY18	17.58 Karnataka	

Check Dam (Crore Ltr)

FY18	0.2 Maharashtra

Dam desilting (Crore Ltr)

FY21	18.2 MP	12 UP	18 Rajasthan
FY20	1.6 Puducherry	51.9 Maharashtra	
FY19	42 Maharashtra		

Increased Water Availability due to Tank Rejuvenation Programs in Bundelkhand, Madhya Pradesh

In collaboration with Society for Development Alternatives, Marico conducted a series of tank rejuvenation projects to strengthen the tank ecosystem and local livelihood across 15 villages of the Niwari district of Bundelkhand, Madhya Pradesh. As a drought-prone region with critical water scarcity concerns, low rainfall and gradually declining groundwater levels, the farmers in Bundelkhand were facing critical challenges in managing the quality and quantum of their yields. Under Marico's Jalaashay programme, substantial efforts were made to not just improve the availability of water for irrigation purposes but also safeguard the overall productivity of the region so as to sustain healthy livelihoods for the communities.

Benefits delivered to farmers

- Cleaning and deepening of water tanks increased storage potential by from 26-64%
- Improved crop yields and quality of produce
- Creation of bunds to prevent soil from the fields entering into the tanks
- Increase in water levels helped provide sufficient potable water for communities as well as livestock
- Increased water availability allowed farmers to take up aquaculture and generate additional profit
- Afforestation initiatives: bamboo, Neem, Sheesham and Teak trees planted in collaboration with farmers
- Training programmes were conducted for farmers focusing on organic farming with vermicomposting techniques
- Training on sustainable land use and response to shifting climate patterns

After this intervention of tank rejuvenation, farmers of the village could irrigate approximately 70 acres of land for their crops. This has never happened before due to the water crisis. This time production of mustard and gram was very high which gave larger profits to our farmers

Pradhan
Dhamna village, Niwari district

Farmers in the Dhamna village produced both kharif crops as well as wheat, gram, peas and mustard which was not practiced in past 4-5 years due to unavailability of water. The storage capacity was 67,163 cum of the tank before deepening and increased to 169,405 cum after the rejuvenation program. Currently the total water storage capacity of the tank reported is 236,573 cum

With the help and guidance of the team I could understand the importance of soil from the tanks as it is so beneficial for plant growth which not only gave high production but also gave high income. In addition to this, trees of guava and mango will give extra income to my family as I can sell such demanding fruits in the market now".

Savitri Kushwah
a 50-year old farmer from Kacchipura village in Niwari

Education

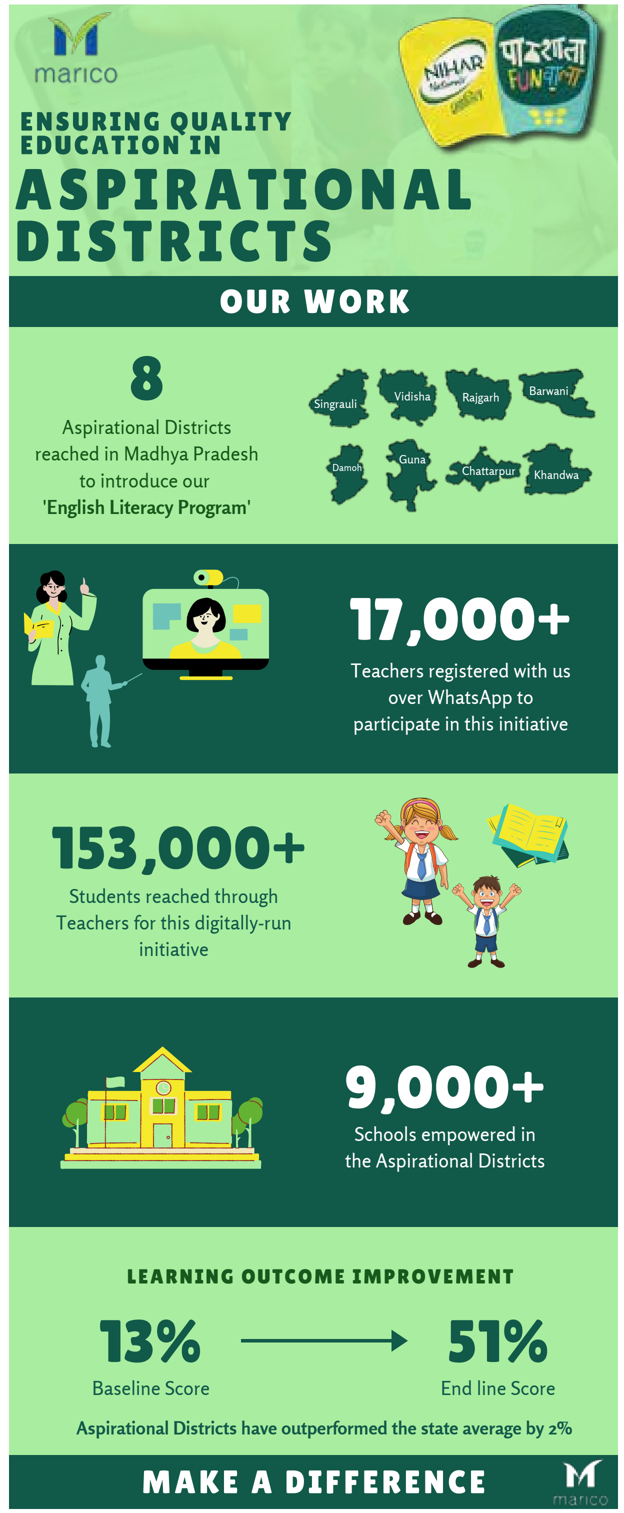
Empowering India 2.0 to lead with excellence.

The pandemic has affected our lives in multifarious ways, from detrimental health impacts to socio-economic downturns and radical shifts in the status quo of our daily lives. One of the areas that have undergone substantial impacts due to the pandemic is the overall functioning of educational systems worldwide. The scenario for India is no different; educational institutions and infrastructure, especially for underprivileged children have witnessed a massive haul in their overall functioning thus leading to long-term gaps in overall literacy and social empowerment quotient of the country.

The Nihar Shanti Pathshala Funwala (NSPF) Initiative, however, decided to use this emerging challenge as an opportunity to impart accelerated learning to its beneficiaries (students and teachers from all over country) by harnessing the power of technology. To address the educational lacunae that were being induced into the country, the NSPF decided to adopt a 3-pronged principle to deliver incremental impact to the communities.

Amongst a multitude of problem statements, the NSPF decided to concentrate its efforts on English learning solutions for government school teachers. Fluency and confidence in English communication has been a continuing area of concern for teachers in governmental schools. With the pandemic-induced hauls, this issue matured into critical problem that needed immediate solutions.

In collaboration with our NGO Partner, LeapforWord, NSPF designed a tech-enabled English Literacy programme that directly addressed the gaps in English communication. The programme was conceptualised on an algorithm that translated English to Sanskrit and vice versa, thus enabling accelerated English learning as a subject and not as a language. Vernacular-based classroom instructions made the learning process really simple and empowered the teachers to confidently impact the learning to their students.



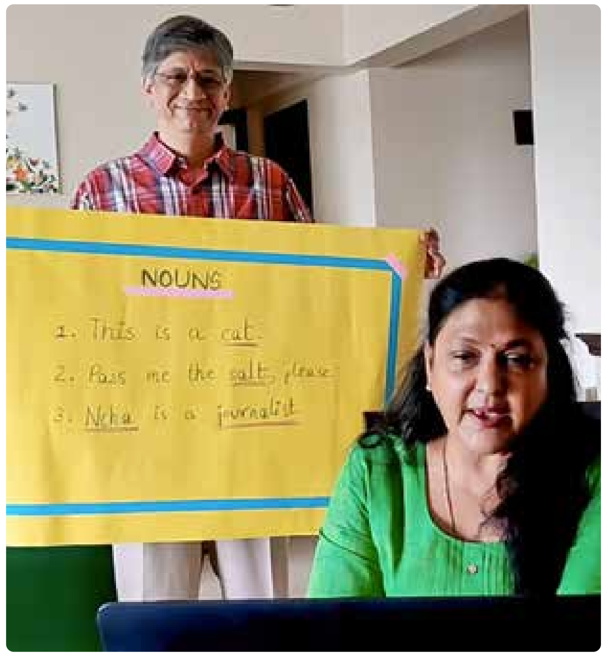
INITIATIVES IN FY21

A. WhatsApp based English Literacy Programs: Simplifying Teachers' Lives and Enabling better teaching

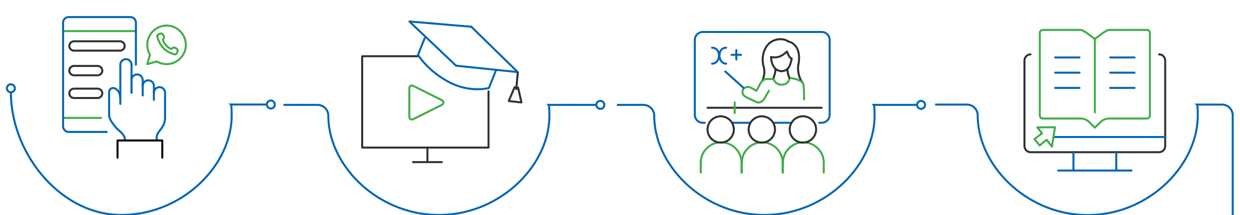
WhatsApp Enterprise model-based learning programs were designed to upgrade the teachers' capabilities on learning and imparting English literacy. Engaging formats that were innovative, practical and rural-ready in nature were deployed to create measurable and value-adding outcomes from the programme.

Some of the key features of this digital learning platform:

- A 24x7 virtual helpdesk to resolve any queries or technical glitches faced by the teachers while using the platform.
- Creative learning assets like conceptual videos, practice worksheets aligned to curriculum and engagement-based activities like quizzes, polls etc for learning evaluation were developed
- Freely accessible and downloadable report formats were developed for teachers and their respective students from the platform



We used systems to its full potential, sharing rich and meaningful content with our beneficiaries to make them English Literate



POSTS
Updates and announcements

CONCEPT VIDEOS
Explanation of techniques

ACTIVITY VIDEOS
Innovative classroom teaching ideas

PRACTICE SHEETS
Structured practice based on every topic

SUPPORT CALLS
To assist teachers

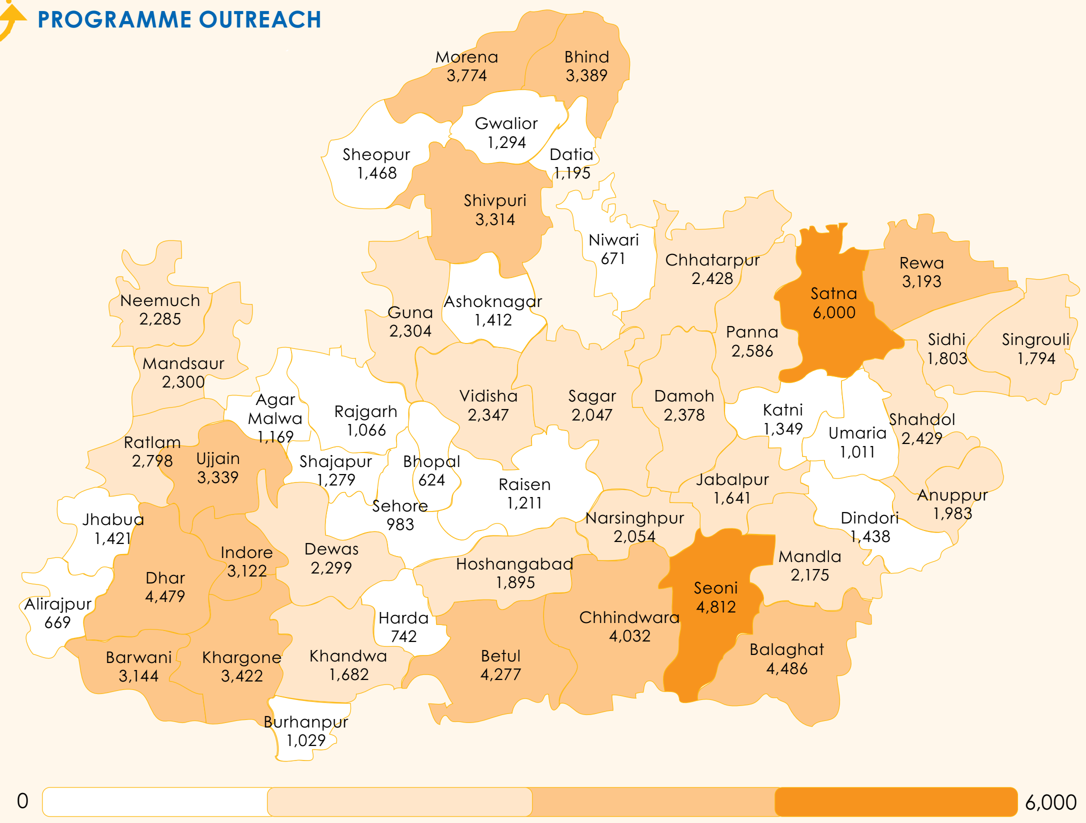
STUDENT TESTS
To track the progress of every student

QUIZZES
Short quizzes to revise concepts

NSPF's WhatsApp-based Teacher Empowerment Programme in collaboration with the State Education Department of Madhya Pradesh

One of the noteworthy examples from the NSPF English Literacy Programme was the WhatsApp-based Teacher Empowerment initiative titled, "Humara ghar humara vidyalaya" launched in collaboration with the State Education Department of Madhya Pradesh.

PROGRAMME OUTREACH



IMPACT

52 Districts	31k+ Villages	64k+ Schools	130k+ Teachers	700k+ Students

1.2m+ content files consumed	**600k+** quizzes solved	**8 hours** avg. time per concept	**9 min** avg. time per quiz

20k+ live chats with teachers	**18k+** teacher queries resolved	**40k+** teacher calls managed

	Grade 2-5	Grade 6-8
Baseline Assessment	27%	39%
Quiz on Quiz Score	72%	79%

Capabilities developed till now

- Can read any simple single syllable words. (Grip, Male, Pray)
- Can read multi syllable words with and without tail. (Caption, Fraction)
- Know common sight words and common action words. (Drink, Jump)

PROFILING BENEFICIARIES

Vijay Laxmi Chaurasia

Teachers who can teach history can create it as well.

Profession: Social Science Teacher who also teaches English for Stds.: 5th to 8th due to the absence of a dedicated teaching faculty in her school for the subject

Aspirations: Enabling her students to grow and excel in their lives

Value Addition: Registered for the English Literacy Programme and used online modules to learn the language herself as well as teach her students through digital platforms.

Vijaylaxmi was awarded the 'Teacher Hero' title for her contributions to push India's literacy journey forward

Vishruta Singh

Mohalla class in the lap of Mother Nature!

Profession: Government school teacher from Bhopal, MP.

Aspirations: Run community learning programs in open spaces

Value Addition: Registered for the English Literacy Programme and used the structured learning modules to develop customised content for her Mohalla classes.

In her words, ***"Our education system was not well prepared for this unwanted situation. But the content shared digitally with us helped us in this current situation we all are going through. Amidst all the chaos and disturbance, NSPFs 'English Literacy Program' made sure that the teachers receive the structured content. This allows me to prepare at my own convenience and deliver the same."***

Salma Qureshi

Leading with Determination!

Profession: Government school teacher from Seoni district, MP.

Aspirations: Make a difference in the lives of each of her students

Value Addition: Registered for the English Literacy Programme in the last year of her service and used the extensive study materials to offer customised lessons to her students. She distributed printouts of these materials to her students and also maintained a daily register on their individual learning growth curves.

Salma's efforts set an example of determination and doggedness in transforming the lives of her students

Ratna Gosavi

Enhancing the fun-factor ' in learning!

Profession: Government school teacher

Aspirations: Taking extra efforts to make learning 'fun' for her students so that they can grasp every concept in a complete manner.

Value Addition: Registered for the English Literacy Programme and used the quizzes and other content modules to design various 'fun-based engagement activities' for her students. This accelerated learning approach not just helped students understand the subject well but enhanced their interest levels to participate in the fun quizzes that challenged their learning abilities.

Aparna Yerkuntwar

A teacher who is never off duty!

Profession: Retired school teacher from the district of Ujjain

Aspirations: To do whatever it takes to make her students' learning journeys a continual one inspite of the pandemic-induced challenges!

Value Addition: Registered for the English Literacy Programme and used the same to engage with her students on a regular basis, monitoring the daily progress of their learning potential.

Ganga Prasad Sharma

Leading with Determination!

Profession: Social activist who lost his ability of movement due to an unfortunate road accident.

Aspirations: Although completely bed-ridden, Ganga Prasad wants to do his best in imparting education to as many students as possible.

Value Addition: Registered for the English Literacy Programme and leveraged the digital modules to scale up his efforts in touching more lives through quality education.

RECOGNITION

Jaishri Kiyawat

(IAS) Education Commissioner, MP

Appreciated Marico's effort to ensure continuous English Education through DD MP and Radio for **2.4 Million students**

Jaishri Kiyawat
I.A.S.

Directorate of Public Instruction
Govt. of Madhya Pradesh
Gautam Nagar, Bhopal-462023

Date 25/05/2020

To,
Mr. Udayraj Prabhu
Head - CSR
Mumbai

Dear Udayraj,

With Best Wishes,

Lokesh Jatav

(IAS), Commissioner – Rajya Siksha Kendra, MP

Appreciated our efforts on training **1 Lakh teachers** in such short time using technology

Dear Mr. Prabhu

To,
Mr. Udayraj Prabhu
Head – CSR
Marico Limited,
Mumbai

B. Workbook Led Teacher Training Initiatives

In Alwar, under a MoU with Government of Rajasthan Government School Teachers were trained based on a unique teaching pedagogy that enabled students to learn English from regional languages. Through this initiative, workbooks were provided to 12,000 students studying in 2nd – 8th in FY21. 150+ teachers were provided with concept books and chart sets to ensure quality in-class trainings.

C. Remedial Learning Program

This initiative was aimed at ensuring that teaching is geared to the learning levels of students, thus reducing the overall gaps in the overall learning maturity profiles. In collaboration with the Govt of Haryana, this initiative was based on enabling teachers and students to effectively build grade appropriate skills on subjects like English, Math, Science, and Hindi.

D. Economic Empowerment Programme in collaboration with UNDP:

This intervention with UNDP was ideated to bridge the gap between needs and aspirations of young women and youth. This economic empowerment programme was kickstarted in FY21 and is currently being deployed in Madhya Pradesh.

As part of this initiative, a local employment marketplace model is also being considered. This is aimed at drawing synergies between needs and aspirations of young women and requirements from potential employers through establishment of collaborative platforms and provisioning of bridging skill and professional aptitudes.

UNDP
Empowered lives.
Resilient nations.

Race against the pandemic

2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 17 PARTNERSHIPS FOR THE GOALS

Marico extended support to the government, citizens, support workers and medical fraternity, enabling united efforts at fighting the pandemic.

We pulled together our resources and efforts to make a difference through our #UnitedagainstCOVID19 efforts:

2.3+ Lakhs
cooked meals served

27+ litres
of edible oil distributed

12+ Lakhs
mini meals served

~1.5 Lakhs
dry ration delivered

11+ Lakhs
hair oil and grooming products distributed

2,176 bottles
of handwash delivered

40k+ masks
delivered

1.35+ Lakhs
bottle of hand sanitizer delivered

26k+
hand gloves delivered

3,900
surgical caps delivered

100
medical suits delivered

~₹2.1 Lakhs
donated to 83 Coconut Harvesters

Apart from these, Marico donated ₹1 Crore to various COVID funds of Center and State

...will continue to invest

Innovate2BeatCOVID Grand Challenge

The year saw India grappling with a high-density population and a fragile healthcare system that complicated its response to the COVID-19 pandemic. To help the country in this critical hour, Marico Innovation Foundation (MIF), A.T.E Chandra Foundation and Harsh Mariwala, in his personal capacity came together in 2020 to create a first-of-its kind platform to identify and support innovations that address the COVID-19 crisis.

The Innovate2BeatCOVID Grand Challenge was thus launched to destress healthcare system by identifying affordable, scalable and innovative solutions related to personal protective gear, ventilator and other respiratory solutions. The programme called out to MedTech entrepreneurs, corporates and innovators from across the nation to meaningfully contribute towards managing the crisis.

New ideas for innovation blossom in the minds of each generation as they face constantly evolving challenges like the current pandemic. Having an institutional mechanism and support structure that can help recognise these innovations and support them to scale, is critical for their success, more so in the context of saving lives and improving healthcare outcomes in our country. This is precisely what MIF has attempted with its Innovate2BeatCOVID challenge

Harsh Mariwala
Chairman

680 applications evaluated by knowledge partner, Praxis Global Alliance

90 evaluated by technical experts

12 presented to jury

6 went through due-diligence

5 winning innovations

WINNERS AT A GLANCE:

Solutions that lead with Innovation, Social Inclusion and Scale

Saral Designs
Promptly innovated their sanitary pad making machine to make single use 3-ply masks sold at single digit prices

CREA
Breathable coveralls that can be used up to 12 hours; for front end healthcare workers but also for dentists, general practioners, policeman, healthcare workers

Shreeyansh Electro Medicals
Top-of-the-line full spectrum device for ICU, offers specifications on APR with imported ventilators; priced 70% lower

Nocca Robotics
Lightweight device (works on ambient air and in low pressure conditions), offers long hours of batter back-up in case of electricity failure; priced at ~30% of competitors' market price

KPIT Technologies
Lightweight, compact portable basic device compatible for remote medical facilities, ambulances and home-care; priced at ~30% of competitors' market price

IMPACT

₹2.14 Crore grants
were awarded to 5 winning solutions

Supported distribution of
14.3L masks, 6.7L PPE kits and 633 ventilators
as of March 2021

With scaled-up production and distribution systems, the identified winners continue to help the nation battle the emerging challenges by ensuring high quality medical equipment at affordable rates.

WINNERS' VOICES

"We are extremely glad to be recognised by MIF's Innovate2BeatCOVID Program…The guidance received from MIF's pool of mentors on marketing strategy, quality processes and branding has helped us establish a scalable framework which will support us in handling our growth to the next level."

Suhani Mohan
Co-founder, Saral Designs

"We were guided on market segmentation, positioning, and messaging which opened up certain sales opportunities for us and the team also helped us make deep inroads into some institutional markets. Thanks to team MIF for their mentoring and prompt support."

Upkar Sharma
Founder, CREA

"As part of the Innovate2BeatCOVID program, we received mentorship from industry stalwarts to help us lay out the most suited growth avenue for scaling up ventilator sales..."

Dr. Sudhir Waghmare
Founder, Shreeyansh Electro Medicals

"The recognition from MIF's Innovate2BeatCOVID Program acted as a great validation for our medical technology innovation endeavours and pushed us to help the healthcare fraternity during the peak of the pandemic."

Nikhil Kurele
Co-founder, Nocca Robotics

Marico Innovation Foundation

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Since its inception in 2003, the Marico Innovation Foundation (MIF) has strived to fuel and nurture social innovation in India.

Scale-Up Program

This is a 360-degree philanthropic growth programme that provides deep-rooted mentorship to high potential innovations.

Key achievements till date

30+ innovations scaled up

15+ sectors

344 mentor hours per annum

100+ mentors

Select cohort organisations have shown over 10x revenue growth through their association with MIF. 8 challenges closed in FY21 with quantifiable impact on the growth of the cohort organisation.

niki.ai — VERNACULAR COMMERCE

Distribution

10x increase in monthly sales; launched 2 new product categories leading to 7% increase in sales

Y-COOK! — FOOD-TECH COMPANY

Procurement

Forecasting accuracy **improved from 91% to 96%** of raw material (harvest) procurement

S4S technologies — FARM-LEVEL SOLAR DRYER

Supply chain

New product offering added leading to **20% increase in monthly sales**

New product launch

New product offerings added leading to estimated **~10% increase in initial pilot qty. monthly sales**

Treasury

Increase in runway by 4 months; increase in **ROI by 2.5%**

Fundraise

Raised $1.5 Million a pre-series A round within the target timeline (6 months) and upper valuation cap

BOHECO — HEMP BASED FOOD

Online sales

Went live on 37 3P e-comm platforms; **3x increase in monthly sales; 8x ROI** on online ad campaigns

Performance mgmt. systems

Started tracking KPIs as below; measurement through the mgmt. systems show improvements as follows:

- Business-wise **revenue grew by 100%**
- Repeat purchases grew by 65%
- Burn rate reduced by 35% to reach target

New innovations on-boarded in FY21

Care mother — MED-TECH
World's first portable AI-powered foetal and labour remote monitoring device at <50% price

TrakitNow — IOT
Mosquito count and species detection technology that provides analysis to control diseases and reduce in control treatment cost

KHEYTI — AGRI-TECH
World's first low-cost greenhouse for smallholder farmers at 80% less price that increases their incomes by 10-15x

JEEVTRONICS — MED-TECH
World's first dual powered (grid power + hand cranked) defibrillator at 1/4th the price of exiting alternative defibrillators

Innovation for India Awards 2020

Hosted by MIF, this is India's first platform known to unearth 'next-big innovations' way before their time.

HIGHLIGHTS FY21

- **Identified 6 pathbreaking winners** across Business, Social, Start-Up and Global Game Changer categories.

Winners of 2020 Edition

AGATSA World's smallest medical-grade 12-lead ECG device that is pocket-size	OLYMPIC GOLD QUEST Identify and training of athletes to represent India	गूंज GOONJ.. a voice, an effort Empowering the communities in villages to solve their own problems
GENROBOTICS Robot that can eradicate manual scavenging	Innaumation Voice prosthesis device to help throat cancer patients speak at 1/10th price	ISDM INDIAN SCHOOL OF DEVELOPMENT MANAGEMENT First-of-its-kind pedagogy for development management

- Hosted the marquee event virtually for the first time in October 2020 amidst the pandemic; the learning curve has created **new opportunities for a supplementary digital stream to expand reach**

Watch here

1,00,000
individuals reached through aggressive outreach

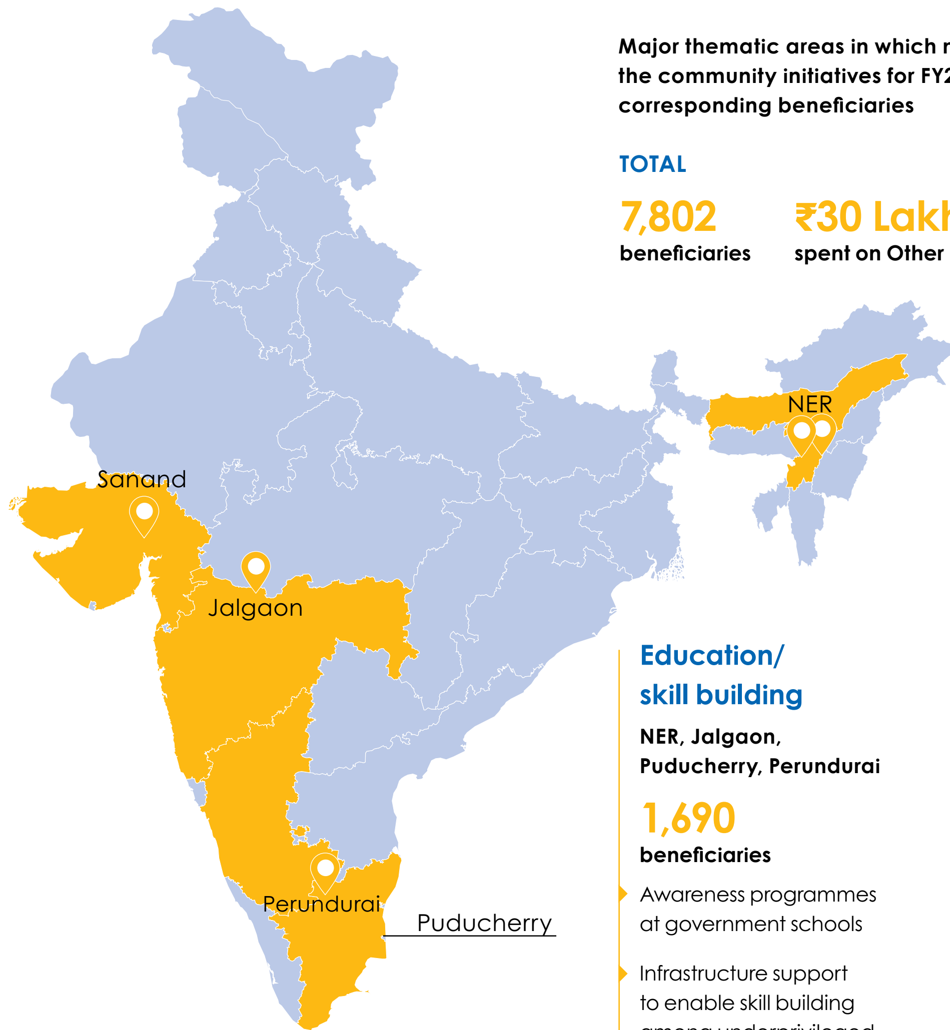
5,800
registrations globally to view the event

~3,200
unique viewers watched the event for 49min/90 min

13 connections
for investment and business offered to the winners

Overall viewer rating
3.79/4

Other community sustenance initiatives



Major thematic areas in which most of the community initiatives for FY21 fall and corresponding beneficiaries

TOTAL

7,802 beneficiaries

₹30 Lakhs spent on Other Initiatives in FY21

Education/ skill building

NER, Jalgaon, Puducherry, Perundurai

1,690 beneficiaries

- Awareness programmes at government schools
- Infrastructure support to enable skill building among underprivileged and differently abled
- Vocational training to youth from nearby villages
- School Infrastructure development

Health and hygiene

NER, Sanand, Jalgaon

1,970 beneficiaries

- Infrastructure support to old age home and girls' orphanage to improve health and hygiene
- Health and hygiene awareness programmes for nearby villages and schools

Water conservation and environment

NER

4,000 beneficiaries

- Awareness sessions and plantation drive around units to improve green cover

Others

NER, Jalgaon

205 beneficiaries

- Support to district administration, police, orphanage and others

International geographies – living our purpose

Marico Bangladesh

At Marico, our corporate philosophy is Making a Difference. We believe that the power of our business lies in our purpose of delivering inclusive growth, which would make a meaningful difference to the communities around us. During the COVID-19 period we devoted our efforts towards business continuity to sustain the livelihoods associated with the Marico system while also supporting the government and communities.

In FY21, Marico Bangladesh was recognised as Top CSR Contributor 2020 by Social Responsibility Asia.

Marico was honoured with this award following a 2019-2020 CSR Survey published by SR Asia in which CSR practices, commitments and strategy across industries were studied.

Supporting National Efforts: Contribution of BDT 5 Million to Prime Minister's Welfare Fund

In order to support the government's efforts in the fight against COVID-19, Marico Bangladesh contributed BDT 5 Million to Prime Minister's Relief and Welfare Fund.

Brands with a Purpose: Profit Pledge of Mediker Hand-Sanitizer and Hand-Wash

At a time when sales of personal hygiene products were at an all time high, Marico decided to launch its Mediker Hand-Sanitizer and Hand-washes with discounted prices and a profit pledge. All profits from the first 6 months (April to September) sales of Mediker hygiene products would be contributed to the Prime Minister's Welfare Fund to support pandemic recovery efforts.


Marico, FBCCI distributing food among 5,000 families in Gazipur

Community Sustenance: Food programme for 5000 families in Gazipur

During the initial period of the pandemic, Gazipur was of the most severely affected areas. Marico has both its manufacturing facilities in Gazipur and closely engages with surrounding communities. During the pandemic to ensure sustenance of low-income families, Marico with the operational support of FBCCI, conducted a month-long food relief programme to 5000 families in Gazipur.

Partnering with Peers: Contribution to MCCI

As an active and committed member of MCCI, Marico contributed BDT 0.5 Million to MCCI to partner with the Chamber initiative of aiding COVID recovery/relief programmes.

Frontline support: Media personnel, the forgotten heroes

Media personnel were risking their lives and were at the frontline during the pandemic to bring us updated news, critical awareness information. Marico provided hand sanitizers to media houses and also contributed to Dhaka Reporters Unity to provide support to media workers whose livelihoods or health have been impacted due to COVID-19.

Re-Skilling of Ultra-Poor Women

Marico partners with UNDP and the government in SWAPNO, a programme targeted at ultra-poor woman-led households across 22 districts in Bangladesh. During the cyclone Amphan and at the peak of the pandemic, these beneficiaries were severely impacted. Given this situation, UNDP worked quickly to re-skill women in making cloth masks and Marico supported the sale and supply of masks to ensure continuity of livelihoods.

EMPLOYEE AND VALUE CHAIN WELFARE

Employment Security

No reduction in direct or indirect workforce and livelihood security for all persons involved in the Marico business value chain

Livelihood Security

- Early payment of salaries to all direct and indirect workforce
- All festival bonuses ahead of time
- Increment in salaries as per regular (non-COVID) cycle

Safety allowance

Unconditional safety, humanitarian allowance to all distributor, depot and outsourced workforce to purchase essential safety and precautionary materials

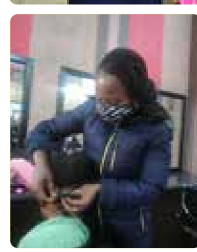
Health Security

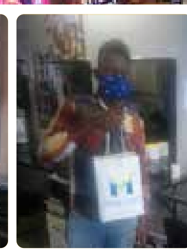
COVID-19 screening and testing, insurance coverage for COVID-19 related hospitalisation for all members

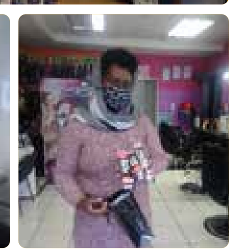
Marico South Africa

SCHOOL MASKS DROP-OFF PROGRAMME BY HERCULES

Educational institutes across the globe, were severely impacted by the pandemic-induced hauls. In July 2020, the schools in South Africa started to gradually resume operations. Hercules used this opportunity to embark on a campaign that reinforced strict protocols to ensure kids' safety and hygiene in school premises. Between July to October 2020, Hercules visited schools in selected provinces and handed out material such as face masks, hygiene posters and flyers to educate learners on personal hygiene during the COVID-19 pandemic. In this way, Hercules helped enable learners to become advocates for spreading awareness and assist in prevention. The educational material dropped off at schools informed learners about the best ways of ensuring a good hygiene regime, and this further can help spread the word within their communities.







SALON DROP-OFF PROGRAMME BY ISOPLUS AND BLACK CHIC

Salon businesses were critically hit by the pandemic related restrictions in South Africa. In June 2020, once salons were provided permission to resume business, Marico South Africa took on the socially responsible route to aid in protecting stylists at their place of work and also let them know that the business cared for them. Activation teams were mobilised to drop off COVID-19 care packages for stylists which included branded ISOPLUS and BLACK CHIC face masks, posters regarding hand washing and sanitising, signage boards for the reception area, brand posters and information leaflets, as well as product for trial and to get them back on their feet for the commencement of business. Hercules Hand Sanitizers, a recently launched MSA NPD, was also distributed to salons. This was received exceptionally well by stylists and salon owners as their feedback cites.

Environment

maricommitted

Committed to Sharing the Responsibility of Protecting the Planet

Minimising environmental footprint while delivering socially inclusive and responsible growth forms the core of Marico's business DNA. As part of our ongoing 5-year sustainability roadmap (2017-2022), we have made every possible effort to stay true to our commitments and promises of leading our stakeholders towards a sustainable future.

Being an FMCG company, our business continuity is intrinsically connected with the availability of natural resources and a harmonious interplay of forces balancing the ecosystem. Our environmental goals, targets and endeavours not only attempt to safeguard the natural assets that facilitate our business sustenance but also futureproof the value that we deliver to the communities by minimising the impacts caused by our operations.

Marico's commitments towards a cleaner and environmentally positive future revolves around the 'COMMIT' principles

C — Conserve energy and reduce emissions

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

O — Offsetting water consumption

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

M — Managing sustainability footprint of products

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

M — Mitigate environmental risks in operations

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

I — Integrate circularity into packaging

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

T — Transform value chain sustainability

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

C O M M I T

Conserve energy and reduce emissions

13 CLIMATE ACTION

Emissions reduction

As a responsible business that aspires to actively contribute to the climate action agenda, we have undertaken bold steps and commitments to go beyond compliance boundaries and proactively reduce our overall emissions' footprint across operations.

COMMITMENT

By 2022, reduce GHG emission intensity (Scope 1 and 2) tCO_2e per unit crore revenue by 75% with FY13 as base year

FY21 PERFORMANCE

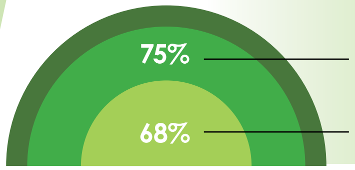
9245 tCO_2e

of GHG emission* in FY21 intensity stood at 1.5 tCO_2e/unit crore revenue

PROGRESS

80% reduction

in GHG emissions intensity (Scope 1 and 2) as compared to base year FY13 and **38% reduction** in intensity compared to FY20



Our 2022 targets of reducing GHG emission intensity by 75% has been achieved in FY21

A systematic GHG Emissions inventory (covering Scope 1, 2 and 3 emissions), risk-assessment and mitigation strategies, transition to renewables and a multitude of energy conservation initiatives have created a strong foundation for us to achieve our commitments towards our goals.

GHG EMISSIONS INTENSITY (tCO_2e/unit crore revenue)

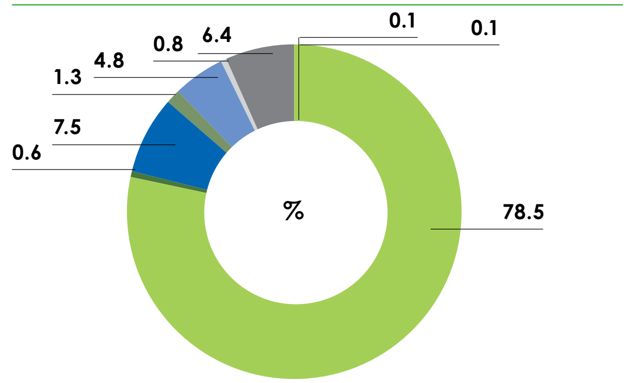
FY21	1.5
FY20	2.4
FY19	3.0
FY18	3.4
FY17	3.6
FY16	3.6
FY15	3.7
FY14	4.5
FY13	7.8

SCOPE 3 EMISSIONS

Our value chain[3] accounts for 95% of the overall Scope 3 emissions. In order to have complete transparency and accountability towards our value chain emissions, we completed inventory of Scope 3 emissions for all the categories applicable for Marico India.

In FY21, the Scope 3 GHG emissions for India operations stood at 516,146 tCO_2e resulting in a ~2% intensity reduction as compared to FY20. Change in manufacturing footprint landscape, operational shifts induced by the pandemic and enhancement of reporting boundaries as compared to the last two years resulted in the reduction.

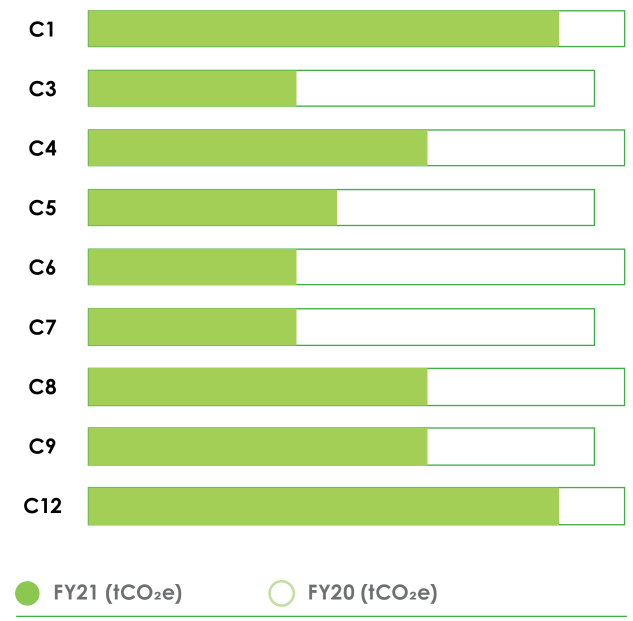
Distribution of Scope 3 emissions by category



1. Purchased Goods and services
3. Fuel and energy related activities
4. Upstream transportation of products
5. Waste generated in operations
6. Business travel (Air, Rail and Road)
7. Employee commuting
8. Upstream Leased Assets
9. Downstream transportation and distribution
12. End of life treatment

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

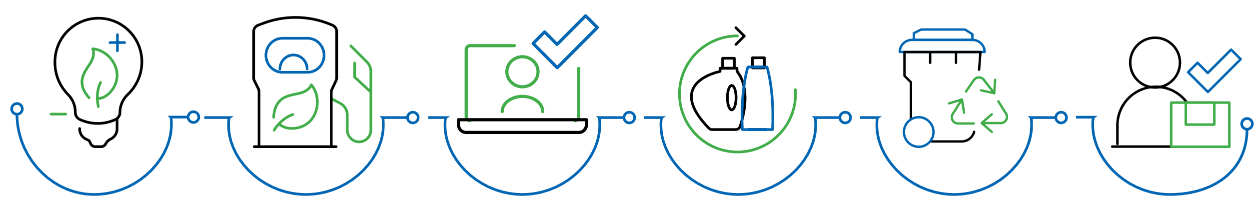
y-o-y comparison of Scope 3 emissions



NOTE: *For FY20, Cat. 1, 4, 8 and 12 have been revised based on the expansion of Scope 3 reporting boundaries. This was done to enable accurate y-o-y comparison with FY21 emissions.

FUTURE FOCUS AREAS

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 facilities
- Replace fossil fuel with clean fuel in operations
- Optimise business related travels and logistics
- Sustainable packaging solutions
- Recycling and reuse of waste
- Partnering with critical value chain partners to implement green projects

Reducing emissions by optimising logistics footprint

At Marico, we have a constant focus on optimising our transportation networks to increase our supply efficiency thereby improving our overall emissions footprint. With multiple initiatives running throughout the year, we were able to achieve **13% reduction in emissions intensity of our logistics' footprint (upstream + downstream) in FY21.** Some of the key projects that made this possible are:

Interbatch Transfers (IBT) reduction: During FY21, a massive exercise targeted at reducing unplanned inter-depot transfers was undertaken. The use of modern techniques like demand sensing, coupled with efficient inventory optimisation and stock rebalancing methods, led to a **reduction in inter-batch transfers by 59% across Marico supply chain network and also helped us in reducing our GHG emissions from road freight.**

Distributed manufacturing footprints: FY21 witnessed an increased focus on distributed manufacturing from projects that involved optimising manufacturing footprints for some key products. Distributed manufacturing of Saffola oils with plants fully operational in East and South India, alternative facility for Oats manufacturing in the North, Value-added hair oils (VAHO) South unit producing South region centric stock keeping units of Parachute Aloe and Ayurvedic oil and commencement of production of Nihar Shanti Amla Badam (NSAB) in Sanand not only helped us optimise manufacturing but also contributed in reducing our overall carbon emissions from logistics and transportation activities.

Direct dispatch from factory: In FY21, we successfully adopted and implemented direct dispatch model of distribution. Our factories in the West and South were capacitated to dispatch huge volumes directly to our distributor partners. The direct billing from factory model aimed at eliminating resources utilised at depots and in transit leg of secondary freight from depot to distributors. This enabled us to reduce overall footprint and gave us a new medium to reach critical distributor partners efficiently even during a pandemic.

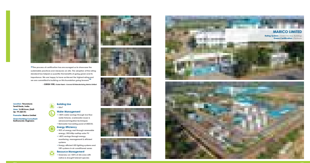
CARBON NEUTRALITY AND ECOSYSTEM RESTORATION

Marico's Perundurai facility was certified as 'Carbon Neutral' by external assurance agency DNV GL. The plant completely operates on renewable energy sources and has been upgraded with smart energy installations that enhance its overall operational efficiency. Further, this plant has a Miyawaki forest comprising of 1100 trees within the premises. The forest provides a natural sink for carbon sequestration and restores the ecosystem.

Marico's carbon neutral facility at Perundurai

Miyawaki forest within Perundurai plant acting as a natural carbon sink for sequestration purposes. Currently 1,100 trees sequestering 5000kg carbon annually

The facility has been awarded the prestigious GreenCo Platinum rating certification. This facility also received 'Platinum' level certification for achieving the Green Building Standards by CII - Indian Green Building Council (IGBC).



CII's Green Built Environment publication (Volume IV) recognises Marico's Perundurai unit as a Champion redefining India's Sustainability Landscape

CDP CLIMATE CHANGE DISCLOSURE

Marico responds to the CDP India Climate Change disclosure on an annual basis. In FY21, Marico was proud to receive A- rating, making its place among the top 16 Indian companies to receive the rating in 2020.

Climate Change

Energy conservation

Our energy conservation initiatives focus on optimising energy consumption, installing energy efficient systems and technologies as well as transitioning to renewable sources. This is in line with the Decade of Action (2030) commitments towards transitioning to carbon neutral operations for all facilities and mitigating value chain climate impact in line with the 1.5 degrees scenario.

COMMITMENT

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

FY21 PERFORMANCE

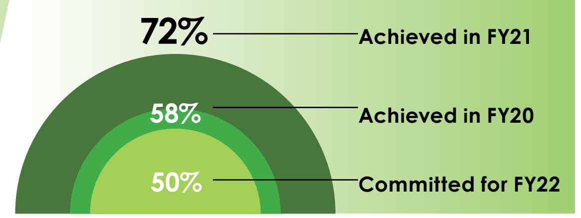
1,55,594 GJ

Total energy consumption of which 95,320 GJ is contributed by direct energy consumption and 60,274 GJ contributed by indirect energy consumption

PROGRESS

72% reduction

in intensity compared to base year 2013 and **58% reduction** in intensity compared to FY20



ENERGY INTENSITY (gigajoule/unit cr. Revenue)

FY21	25.1
FY20	60.2
FY19	63.8
FY18	72.1
FY17	72.2
FY16	70.8
FY15	71.4
FY14	86.9
FY13	88.6

Our 2022 targets of reducing energy intensity by 50% has been achieved in FY21.

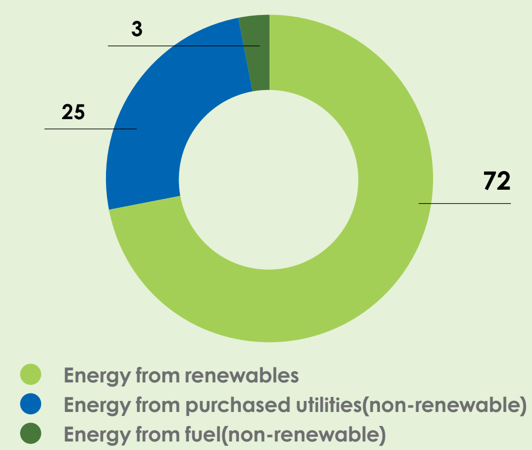
Tech-based interventions to improve energy efficiency

In FY21, a host of tech-enabled energy efficient measures were implemented across Marico's facilities that led to total energy savings of **3,79,123 kWh/annum.** Some of the key interventions deployed across facilities include improving operational efficiency of copra crushing process, installation of high-speed machinery that optimise consumption patterns, elimination of energy-intensive grinders and installation of automatic streetlight sensors, motion sensors for LED lights and photoconductivity principle-based Light Dependent Resistor (LDR) lighting units.

Low carbon energy transition

In FY21, three of our facilities – Jalgaon, Perundurai and Puducherry – transitioned to 100% renewable sources to meet their thermal energy requirements. Rooftop solar installations of 450 kWp at Jalgaon and 250kWp at Sanand facility were completed. At the Perundurai unit, 99% of the electricity was procured from renewable sources like wind, rooftop solar facility of 250 kWp and biomass. The expansion programme for the Perundurai facility has been centered around smart energy upgrades, including the installation of high-speed machinery to enhance overall productivity and operational efficiency. **These alternate energy installations at factory locations have helped us reduce carbon emissions from energy consumption in FY21 by 4,957 tonnes CO_2e.**

FY21 - Energy Mix across India operations



C O M M I T

Offsetting water consumption

Jalaashay

6 CLEAN WATER AND SANITATION

We are promoting effective conservation, optimised resource usage and continual capacity creation towards a water secure future.

We are constantly exploring and implementing state-of-the-art solutions to minimise the dependency on fresh water sources and maximise internal operational efficiencies by recycling in house water consumed. Our objective is to become a water steward by replenishing 100% of water consumed in operations to ensure that sufficient quantities are available for community usage and agricultural purposes.

MEASURING OUR WATER FOOTPRINT

Green Water

Jalaashay Initiative

This initiative focuses on capacity creation for community sustenance in water-stressed areas. This is done through a host of interventions including tank and pond rejuvenation, dam desiltation, construction of farm ponds etc. More than 100% water consumed in our operations is replenished through these interventions for domestic and agricultural usage.

Blue Water

Resource Efficiency and Process Optimisation across facilities

At Marico, our operational performance is pivoted on the principles of responsible production, circularity and resource optimisation. We have implemented measures to minimise operational water footprint, optimise processes and improve rainwater harvesting techniques, across all our units.

Grey Water

Zero discharge of treated water and effluents

Guided by the principles of Zero Liquid Discharge, all Marico operations have implemented systems and processes by which no industrial effluents leave the operational boundary of our facilities. 100% of the treated water is used within the fences for administrative and gardening purposes.

COMMITMENT

Green Water: 100% replenishment of water consumed in operations annually through rainwater harvesting methods (internal + external) for capacity creation.

Blue water: Optimise surface water usage in operations and promote

Grey Water: Zero discharge of domestic and industrial effluents beyond the fence*

FY21 PERFORMANCE

78.1 Crore litres

Total capacity creation in FY21

This includes:

Farm ponds in Tamil Nadu: 29.9 Crore litres and Dam-desiltation activities in MP, UP and Rajasthan: **48.2 Crore litres****

10.9 Crore litres of water consumed across operations.

The water intensity for India operations stood at **17.7 kilo litre/unit crore revenue**

PROGRESS

2.15 Billion litres

of water capacity created till date

100%

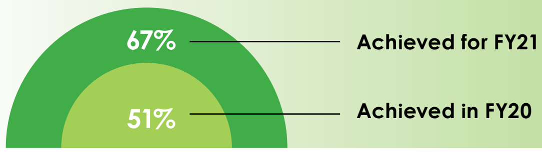
water consumption offset has been achieved for the past 4 years

67%

intensity reduction as compared to base year FY14

51%

intensity reduction compared to FY20



*The Grey Water related initiatives have been covered later under the 'Mitigate Operational Environmental Risks' section
** The water stewardship projects are elaborated in the Communities section of the report

WATER INTENSITY

(kilo litre/ Crore revenue)

FY21	17.7
FY20	35.9
FY19	38.8
FY18	45.4
FY17	44.7

WATER STEWARDSHIP

(Crore litres)

FY21	78.1
FY20	64.0
FY19	55.2
FY18	17.8

WATER NEUTRAL OPERATIONS

We have been harnessing the power of technology and scientifically advanced practices towards transitioning to water neutral operations. Marico's Perundurai plant is a water neutral operation. By adopting a host of operational excellence measures such as water efficient systems, recycling processes and infrastructure towards substantial rainwater harvesting, this plant has been able to reduce water intensity by 68% in FY21 as compared to base year FY14.

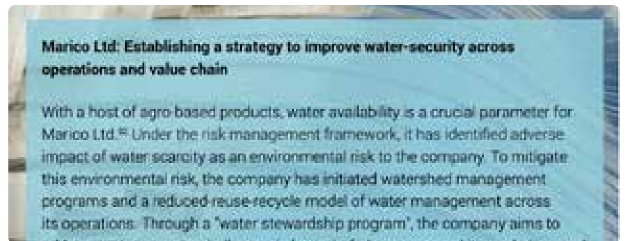
In FY21, 3,820 KL rainwater was harvested by Perundurai unit.

CDP WATER DISCLOSURE

In line with our commitment towards securing shared water resources for business and community sustenance, Marico has been responding to the CDP India Water Security disclosure. In 2020, our CDP water security scores improved to B+. **Our water stewardship program, Jalaashay was also recognised as an industry best practice towards addressing water security challenges in low rain-fed areas around workplace and factories.**

Water Security

FY20	B+
FY19	B-



Marico Ltd: Establishing a strategy to improve water-security across operations and value chain

With a host of agro based products, water availability is a crucial parameter for Marico Ltd.[8] Under the risk management framework, it has identified adverse impact of water scarcity as an environmental risk to the company. To mitigate this environmental risk, the company has initiated watershed management programs and a reduced-reuse-recycle model of water management across its operations. Through a 'water stewardship program', the company aims to

Click here to access the case study

Establishing a strategy to improve water-security across operations and value chain

OPTIMISING PROCESSES

A continual focus area is to optimise processes to reduce consumption intensity of water. We measure our consumption intensity using accurate metering facilities and maintenance of monthly logbooks at every facility. Based on our consumption patterns, we identify, formulate, and implement cost-efficient and innovative technologies that lead to an overall efficiency of using water as a resource.

C O M M I T

Managing sustainability footprint of products

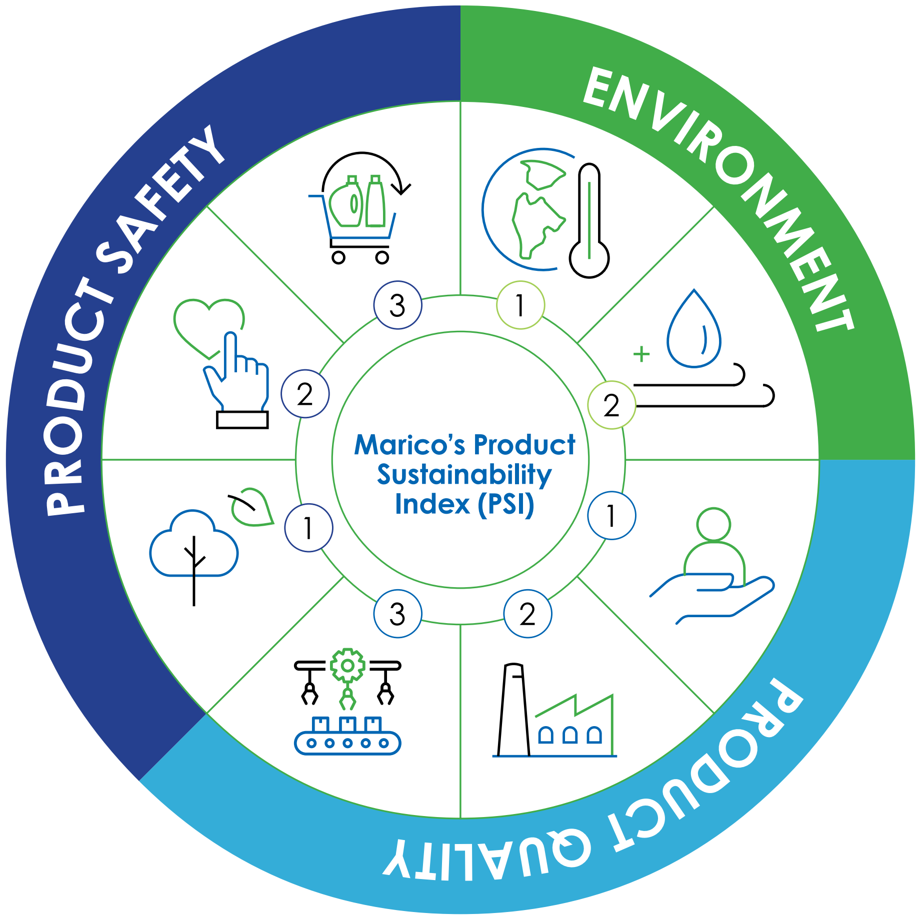
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

At Marico, integration of sustainability principles is considered with utmost significance at business and operational levels as well as at product levels. Our sustainable product strategy incorporates environmental and social considerations throughout the product life cycle by institutionalising innovation within organisation and stakeholders.

Marico's Product Sustainability Index (PSI)

PSI is calculated considering three important aspects related to product – quality, safety and environmental footprint across lifecycle.

Using the various attributes of product quality, safety and environmental footprint (as shown in the model), we aspire to create a standard for defining 'sustainable product' and eventually move towards sustainable product portfolio.



ENVIRONMENT	PRODUCT QUALITY	PRODUCT SAFETY
1. Climate Change	1. People	1. Ingredients
2. Water and Air	2. Facility	2. Health Benefits
	3. Process	3. Consumer awareness

COMMITMENT

Integrate sustainability considerations across products' lifecycle **(encompassing ingredient/material selection, sourcing, manufacturing, supply chain and end use)**

Ensure 100% compliance on product quality, ingredient safety, transparent disclosure on product formulations

Accelerate consumer-centric product innovation to improve nutritional value of products*

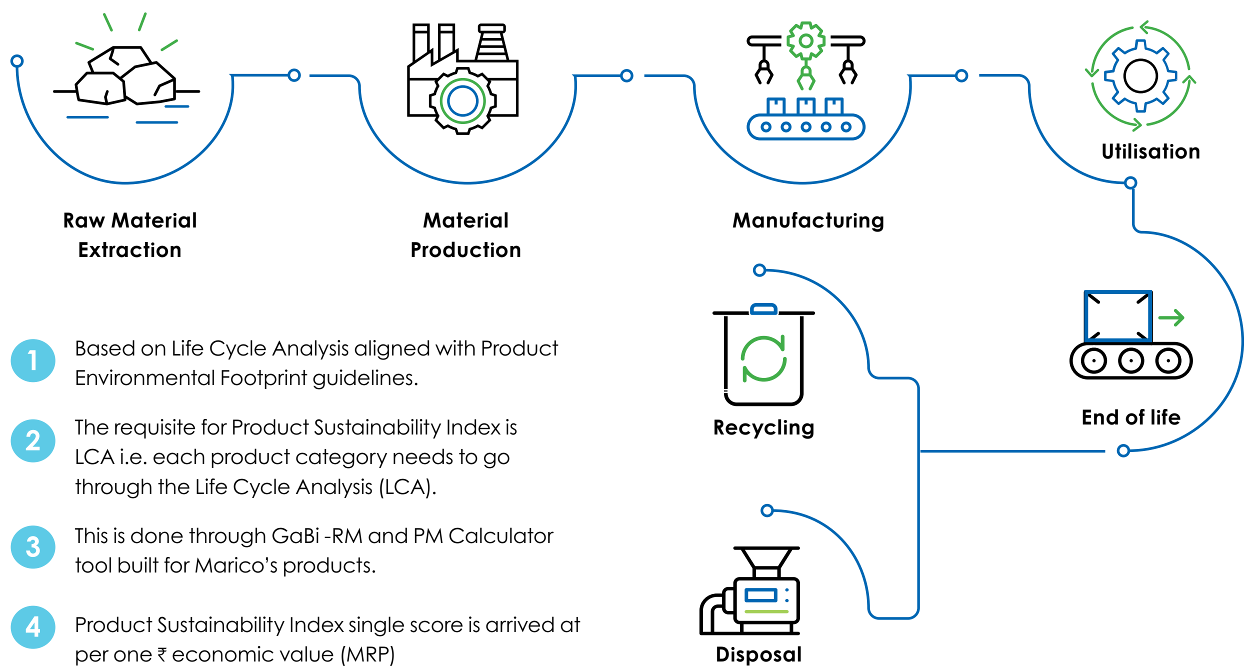
FY21 PERFORMANCE

Product Sustainability Index (PSI) studies, based on Environmental LCA concept, have been undertaken so far for Marico's key brands – **Parachute Coconut Oil, Saffola Oil (Total and Gold) and Saffola Oats**

PSI ASSESSMENTS

The PSI study for Parachute Coconut Oil, Saffola oil and Saffola Oats were aimed at quantification of environmental impacts across the life cycle (cradle to grave) aligned with Product Environmental Footprint (PEF) guidelines. The studies were undertaken in association with Sphera Solutions.

Estimation of environmental footprint using Life Cycle Approach



1. Based on Life Cycle Analysis aligned with Product Environmental Footprint guidelines.
2. The requisite for Product Sustainability Index is LCA i.e. each product category needs to go through the Life Cycle Analysis (LCA).
3. This is done through GaBi -RM and PM Calculator tool built for Marico's products.
4. Product Sustainability Index single score is arrived at per one ₹ economic value (MRP)

C O M M I T

Mitigate environmental risks in operations

Environmental and social risk management framework is an integral part of Marico's overall business resilience and continuity plans. We identify, measure, manage and mitigate these risks at strategic, organisational, operational and functional levels within our business ecosystem.

With respect to environmental and social risks emerging from our operational boundaries, the following fundamental aspects are considered:

Interventions to mitigate Operational, Environmental and Social Risks

AIR AND EMISSIONS

- Air quality monitoring
- Air emissions control

WATER

- Water intensity reduction
- Zero liquid discharge

Read More 91

WASTE

- Zero hazardous waste to landfill
- Self-waste consumption

COMMUNITY

- Community sustenance activities
- Social license to operate

Read More 88

WATER

Pursuing zero liquid discharge principles

A critical component of Marico's efforts towards safeguarding water resources is the adoption of smart water recycling technologies and systems across operations. Based on the principles of 'Zero Liquid Discharge', our operations ensure that 100% of effluents are treated within the plant boundaries thus preventing any discharge to the external environment.

The principles of Reduce, Reuse, Recycle and Replenish are used to implement the commitments towards Zero Liquid Discharge. The treated water is used within the facilities for various administrative and gardening purposes.

A 4-R APPROACH FOR ZERO LIQUID DISCHARGE

Reduce
Through operational efficiency measures

Reuse
For various purposes within the plant boundaries

Recycle
To meet process requirements

Replenish
By construction of rainwater harvesting ponds

WASTE MANAGEMENT

As part of our overall endeavour to mitigate environmental risks, Marico is committed to minimise waste generation across its operations.

Sustainable Waste Management

As on FY21, most Marico facilities in India have adopted the 'Zero Hazardous Waste to Landfill' policy and is striving to implement the same by 2025. Currently, the entire quantum of waste generated during production and administrative functioning of the facilities is handed over to Central Pollution Control Board authorised vendors for recycling or scientifically appropriate disposal methods.

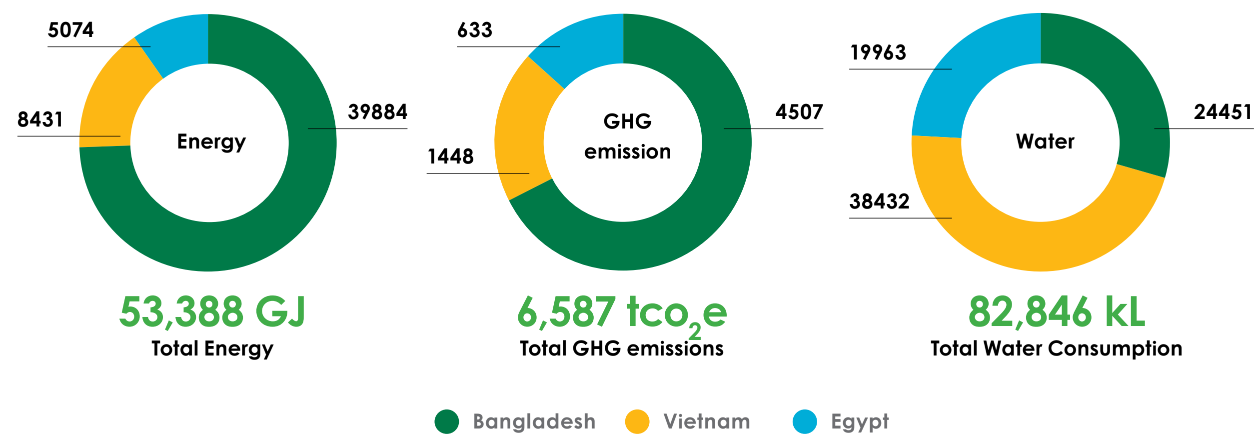
Self waste consumption

Driven by the principles of circularity, we are diligently pursuing the goals of making our operations waste neutral. This means that the waste generated within our operational boundaries (raw material handling and segregation, production, packaging etc) are either treated in-house for reuse or handed over to authorised recyclers for creating plastic pellets that can be added back into the material value chain. In line with our goal to make our operations 100% pellet loss free, we are working with our key partners towards ensuring that there is no leakage of micro-plastics or flakes.

Mapping environmental footprint of international operations

As part of Marico's sustainability framework, we are committed to transforming the environmental performance of our international operations. This process was commenced in FY20 with the collection, analysis and reporting of environmental performance data on the three critical parameters – Energy, GHG Emissions and Water. Going forward, we will be measuring all KPIs that attribute to Marico's group sustainability framework.

FY21 ENVIRONMENTAL FOOTPRINT ACROSS INTERNATIONAL OPERATIONS



C O M M I T

Integrate circularity into packaging

3 GOOD HEALTH AND WELL-BEING
13 CLIMATE ACTION

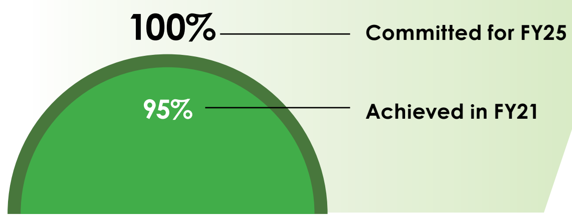
At Marico, the packaging portfolio is pivoted on fundamental aspects like design, material, manufacturability, and consumer preferences, keeping sustainability at the core.

Upcycle, Marico's flagship initiative, echoes the circularity principles towards minimisation of the environmental and social footprint of packaging at every stage of the value chain.

COMMITMENT

By 2025, transition to 100% recyclable packaging portfolio and introduce post-consumer recycled plastic in 30% non-edible product packaging

By 2022, phase out Polyvinyl chloride (PVC) usage in packaging



FY21 PERFORMANCE

95%
of packaging material recyclable by weight as on FY21

16,30,000 kg
of post-consumer plastic waste collected and disposed in environmentally safe manner.*

<1% (0.36%)
PVC content in packaging

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

Key pillars of the Upcycle initiative

UPCYCLE

EXTENDED PRODUCER RESPONSIBILITY
- Alignment with Plastic Waste Management Rules 2018 and the amendments thereunder
- Collection/Awareness
- Partnerships

USE OF RECYCLED PLASTICS
- Using own products
- Using Post-consumer recycled plastic

ELIMINATE RISK
- Recyclable packaging
- Phase out Poly Vinyl Chloride
- Self Waste consumption
- Pellet loss free

INNOVATION
- Design Improvement
- Weight/volume reduction

Enhance recyclability and recycled plastic use

Continuing our endeavour to use recycled plastic and improve the recyclability quotient of our packaging portfolio, we undertook a wide range of initiatives that enhance circularity. Some of the key ones include:

RECYCLED PET IN HAIR OIL BOTTLES

In our effort towards increasing the quantum of recycled materials in product primary packaging, we successfully ran a commercial trial of recycled PET (r-PET) for one of our value-added hair oil brands. To implement this pilot initiative, we tied up with a key strategic vendor and a converter partner, to provide us with a regular supply of r-PET bottles at our Sanand unit which primarily manufactures value-added hair oil brands. The success of this initiative has propelled us to strategise future interventions for other brands in this category.

Reducing use of packaging material

As a part of our efforts to reduce consumption of packaging materials, we leveraged the power of design innovation based on various concepts of dematerialisation. During the year, the projects under design change and innovative efforts coupled with modern techniques saved substantial quantity of packaging material. Some of the key interventions undertaken in FY21 include optimisation of carton dimensions, removal of partitions and leaflets and jar weight reductions. Our Parachute Coconut Oil HDPE bottle and Hair Oil PET bottle are industry benchmark for being the lowest in weight (bottle and cap included).

Extended producer responsibility

Marico, in-line with the Plastic Waste Management (PWM) rules 2018, and the subsequent amendments, has undertaken the Extended Producer Responsibility (EPR) towards collection and environmentally safe disposal of post-consumer plastic waste. The activity was carried out across several states in India along with approved agency partners. During FY21, we completed collection and environmentally safe disposal of 16,30,000 kg of plastic waste as compared to 7,55,000 kg in FY20.

Sustainability is a long-term commitment and a way of life at Marico. We are constantly working towards making a difference by adopting every possible measure that will propel us further along the road to secure a sustainable future.

Furthering our ongoing programmes towards integrating circularity principles in product packaging, this partnership with Dow is significant as it enables us to use PCR resin, which helps reduce our carbon footprint.

Jitendra Mahajan,
Chief Operating Officer
Supply Chain, IT & MENA Business, Marico Limited

POST-CONSUMER RECYCLED FILMS

In FY21, we formed a tripartite strategic partnership with Dow and Lucro Plastecycle, a homegrown Indian recycling company, to collect plastic waste in the form of films from the market, scientifically segregate and then reprocess into recycled polymers. **These recycled polymers were later converted to more than 23,000 kg of plastics material in only three months, achieving an emission reduction of 486 tCO_2e.**

Click here to know more about this Strategic tripartite initiative to enhance India Inc.'s journey towards circular plastics.

We are proud to be associated with Marico as a preferred EPR partner. Through our joint efforts in 15 States and Union Territories, we have collected and channelled over 900 metric tons of multi-layered plastics (MLPs) to cement kilns, coprocessors and prevented plastic waste going to landfills and water bodies. We look forward to collectively working together in building a sustainable plastic waste ecosystem, protecting the environment and improving the social conditions of rag pickers'

Abhishek Deshpande
Cofounder, Recykal
(A Producer Responsibility Organisation supporting Marico's EPR commitments)

C O M M I T

Transform value chain sustainability

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Integrating sustainability principles within the entire value chain is a critical area of focus in Marico's Sustainability Framework.

We believe that promotion and adoption of responsible practices throughout the value chain can stimulate demand for socially and environmentally preferable products.

Marico's Responsible Sourcing Framework' titled 'SAMYUT' was institutionalised in 2018, in alignment with the overall business purpose of creating shared value. 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.

The intent of Marico's Responsible Sourcing Policy is "Source material and services for Marico products through sustainable and responsible suppliers or business associates who share our sustainability vision".

SAMYUT
Together We Achieve

THE OPPORTUNITY

PRODUCT DEVELOPMENT
- Eliminate unsafe ingredients, chemicals

LEAN AND GREEN MANUFACTURE
- Conserve natural resources
- Improve renewable energy share
- Efficient manufacturing

SUSTAINABLE PROCUREMENT
- Agro and renewable material use
- Recyclable packaging material use
- Enhance recycled material content

SUPPLY CHAIN
- Logistics and network optimisation

SAFE DISPOSAL
- Circular economy
- Upcycle value of waste

KEY THRUST AREAS UNDER MARICO'S RESPONSIBLE SOURCING FRAMEWORK

ETHICAL STANDARDS

A business without ethics cannot win the trust of its stakeholders. Our philosophy is to conduct our business with high ethical standards in our dealings with all stakeholders.

ENVIRONMENTAL PROTECTION

A sustainability-focused organisation ensures that its processes are Green. We expect our suppliers and business associates to follow this and comply with all environment regulations.

SOCIAL COMMITMENTS

Local communities and society provide the social license to conduct our business. Hence, we believe it is vital to demonstrate social responsibility by promoting values.

COMMITMENT

By 2022, certify 20% critical value-chain partners on Level 1 (Educate)

By 2030, certify 100% critical partners on Level 1 (Educate) and 50% on Level 2 (Evaluate)

A maturity-based three phased engagement approach is adopted towards implementation of the framework:

1. EDUCATE
Communicate and create awareness amongst suppliers on the SAMYUT requirement. The suppliers are expected to give their consent to and sell declare their compliance and/or non-compliance to the level 1 questionnaire

2. EVALUATE
Marico intends to evaluate the performance of suppliers original set KPIs and goals. The suppliers are expected to retain attested documentation for review and adult as per the level 2 questionnaire

3. EVOLVE
Marico, in consensus with the supplier, will undertake joint projects and share technical know-how to improve processes and practices. The aim is to build a robust, strong and sustainable nexus towards a common objective

FY21 PERFORMANCE

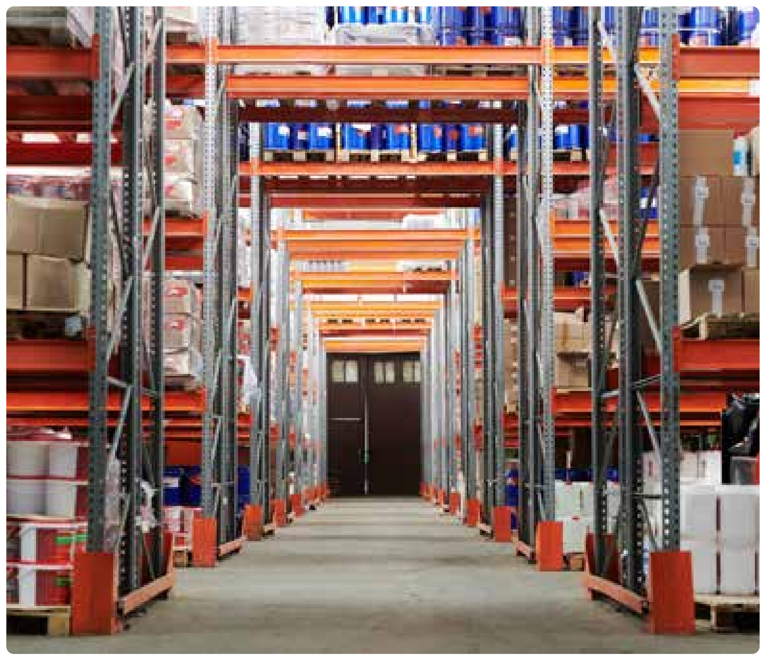
38%

of Marico's critical value chain partners have completed Level 1 (Educate) certification. This includes 88% critical raw-material and packaging material suppliers.

Types of Suppliers:

- RAW MATERIAL
- PACKAGING MATERIAL
- CONVERTERS
- LOGISTICS
- WAREHOUSING

Level 2 certification framework (Evaluate) has been developed for rollout in 2021. It includes a robust external auditing mechanism to monitor the value-chain partners' performance across the key thrust areas



Marico conducted its Responsible Sourcing exercise with us last year. We gladly informed them about the various initiatives undertaken by our company towards this. We have been using green fuels like biomass for a long time to meet our heating energy needs. Taking a step forward, now we have established a biomass-based power plant. As a result, all the energy requirement of the company, i.e., heating and power, is now being met through biomass. The plant has been commissioned and running for the last six months.

Ishant Goyal
Manager
AP Refinery

Our achievements

Corporate

Marico Limited recognised in the 'Leadership' category as assessed by IiAS on the IFC-BSE-IiAS Indian Corporate Governance Scorecard

Saugata Gupta, MD & CEO, featured in the top 100 Business Leaders List 2020 by Impact Digital Power 100

Pawan Agrawal won The Financial Express CFO Awards 2020 under the Large Enterprises Category in Manufacturing Sector

Koshy George, Chief Marketing Officer, featured in the Impact Digital Top 100 Marketing Leaders List 2020

Koshy George featured in BW Marketing World #BWTop50Marketers celebrating India's Most Influential Marketing Leaders 2021 for his excellence in marketing leadership

Marketing and Innovation

Parachute Advansed's Champi Beats campaign and Veggie Clean won two Silvers and a Bronze respectively, at the ET Brand Disruption Awards 2021

Parachute Advansed Gold awarded Silver under the Most Innovative Use of Digital Media category at #IPRCCA 2020 for the #ThankYouNurses campaign

Parachute Advansed Champi Beats won Gold at Fulcrum Awards

Saffola*life*'s 'Heart Ka Exam' campaign awarded for Best Print Campaign at Brand Equity Marketing Awards 2020

Saffola*life*, Hair & Care, Livon Serum and Livon Colour Protect recognised for best brand campaigns on digital platforms at Exchange4Media PLAY Awards

Bronze won by Livon at ET Brand Equity Shark Awards 2020 for Branded Content

Packaging Team received 8 'India Star Packaging Design Excellence' Awards 2020

Human Resources

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

Marico recognised amongst India's Top 30 Best Workplaces in Manufacturing 2021 by Great Place to Work® Institute (India)

Ranked amongst India's 50 Best Workplaces for Women - 2020 by the Great Place to Work Institute (India)

Felicitated as Pathbreaker Enterprise Company as part of 'Restore Your Health Awards by Rachna Restores'

Best Diversity & Inclusion Practices of Asia Awards recognised Women Leadership Forum of Asia

Sustainability

Nihar Shanti Pathshala Funwala's Teacher Empowerment Programme recognised for excellence in CSR under the Best Education Project in Madhya Pradesh [Large Impact] by India CSR Awards

Ranked 6th among India's most Sustainable Companies with A+ rating – BusinessWorld and Sustain Labs Paris

Perundurai facility received:

Platinum-level certification for achieving the Green Building Standards by CII - Indian Green Building Council (IGBC)

Carbon Neutral Certification by DNV GL

Platinum rating by GreenCo rating systems

IMC Ramakrishna National Quality Award

CDP
DISCLOSURE INSIGHT ACTION

Marico recognised by CDP Climate Change earning a spot of 'A-' rating

Strong Commitment Certificate in 'Sectoral Value Chain of Copra - Dry Coconut' for 2020 by CII Jubilant Bhartia Food and Agriculture Centre of Excellence (CII-FACE) as part of Food Future Foundation (FFF)

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 (From May 4, 2020 till July 30, 2021)
- **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. K. B. S. Anand**
  Member (From May 4, 2020 till July 30, 2021)
- **Mr. Amit Prakash**
  Secretary to the Committee

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
- **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
  (resigned from Committee w.e.f. September 10, 2020)
- **Mr. Pawan Agrawal**
  Member & Secretary to the Committee
  (w.e.f. September 10, 2020)

STAKEHOLDERS' 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 – 21**

WEBSITES
- https://marico.com/
- https://www.parachutekalpavriksha.org/
- https://niharshantipathshala.com/
- https://www.parachuteadvansed.com/complete-care/aloe-vera-hair-oil
- https://www.parachuteadvansed.com/complete-care/ayurvedic-hair-oil
- www.parachuteadvansed.com/complete-care/home
- https://www.parachuteadvansed.com/complete-care/hot-oil
- https://www.parachuteadvansed.com/complete-care/jasmine-hair-oil
- https://www.parachuteadvansed.com/complete-care/coconut-creme-oil
- mylivonmysalon.com
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- www.beardo.in
- mycocosoul.com
- www.cocosoul.in
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- www.saffolafitfify.com
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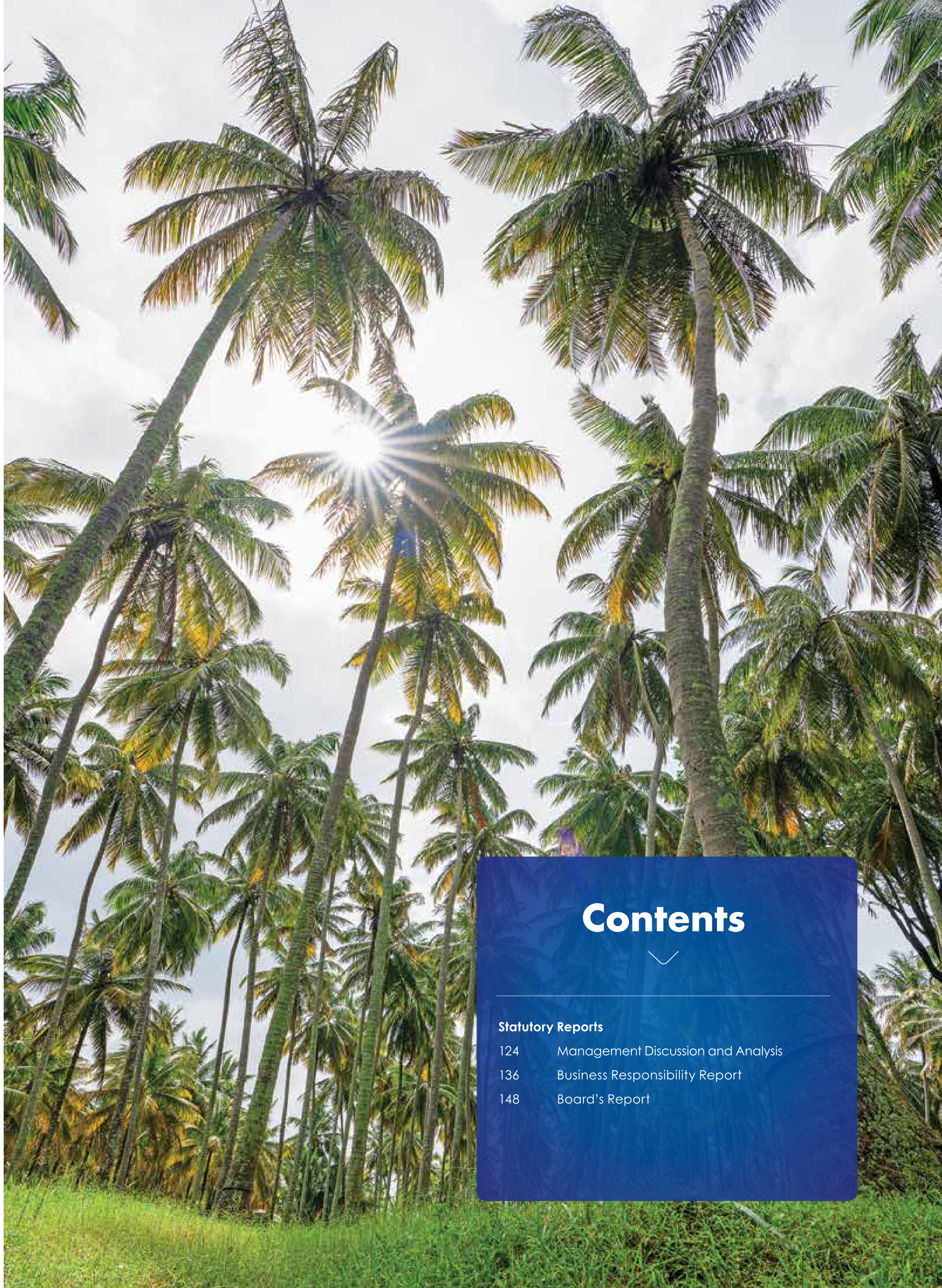
- https://saffola.marico.in/
- www.setwet.com
- https://www.studioxstyle.com/



Contents

MANAGEMENT DISCUSSION AND ANALYSIS

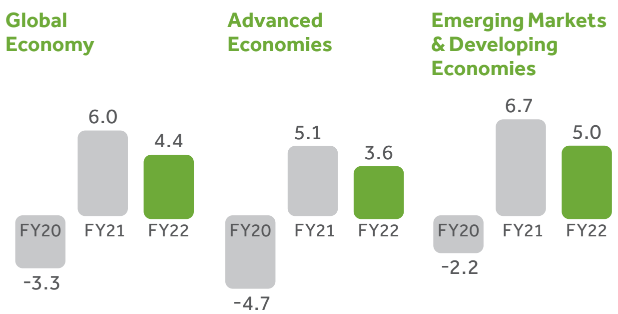
This discussion covers the financial results and other developments for the year ended March 31, 2021, with respect to our Consolidated business, comprising the domestic and international business. The Consolidated entity has been referred to as 'Marico' or 'Group' or 'Company' in this discussion.

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

ECONOMIC SCENARIO

Global

Growth Projections



Source: IMF World Economic Outlook, April 2021

As per IMF's World Economic Outlook (WEO) April 2021, global growth is projected at 6% in 2021, moderating to 4.4% in 2022. The projections for the two years were stronger than the WEO projections from October 2020. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility.

In advanced economies, occasional regional restrictions will likely be necessary at times to stem the progression of new strains of the virus. As the vulnerable population gets vaccinated, contact-intensive activities are expected to resume and drive a significant pickup in growth, owing to pent-up demand funded by accumulated savings in 2020.

In emerging market and developing economies, vaccine procurement data suggest that effective protection will remain unavailable for a large part of the population in 2021. Therefore, lockdowns and containment measures may be needed from time to time in 2021 and 2022 than in advanced economies, increasing the likelihood of medium-term scarring effects on the potential output of these countries.

India

India is the fastest-growing trillion-dollar economy in the world and the fifth-largest overall, with a nominal GDP close to 3 trillion. The ramifications of the pandemic have taken a heavy human toll, not just in terms of afflicting lives and human well-being, but also by impacting incomes and livelihoods. The latest World Economic Outlook of the International Monetary Fund (IMF) released in April 2021 estimated India's GDP to have slid by 8% in FY21. However, IMF's prediction of growth rebounding by 12.5% in FY22 is now facing significant downside risks due to the resurgent second wave. During the first wave, a stringent nation-wide lockdown for two months was followed by a calibrated opening. By the time cases peaked in September 2020, we were already in the fourth phase of unlock, and pent up demand had started reflecting in the faster rebound in economic activity. During the second surge, states have announced restrictions of varying degree and duration, as they face increasing caseloads at different periods. In terms of stringency, current restrictions are not as strict as those imposed during the first nationwide lockdown. While manufacturing, construction and transport have been allowed to function with caveats, many establishments have been forced to curtail operations owing to supply-side bottlenecks and employees being infected. Also, even as urban demand remains weak (in the absence of any urban-focused policy support and given that urban areas account for ~70% of the services economy – the most-affected segment), rural demand, which was buoyant last year, may have come under threat this time around.

Private final consumption expenditure (PFCE), the biggest demand-side driver of India's GDP, declined significantly in FY21. However, owing to some pent-up demand and optimism because of an improvement in the pandemic situation, PFCE growth is most likely to have turned mildly positive in the last quarter of FY21. The second wave has now put renewed pressure on it. The Reserve Bank of India's latest consumer confidence survey also reflects this: the Current Situation Index fell to 53.1 in March 2021 from 55.5 in January 2021 (a reading above 100 shows optimism). Respondents were also worried about the year-ahead prospects, with the Future Expectations Index dropping to 108.8 from 117.1. The gap between consumer and business confidence has never been as wide as it is today. The removal of mobility restrictions and reduced supply disruptions helped businesses to bounce back with greater confidence. However, a gradual job market revival and health and financial concerns prevented consumers from spending, weakening their confidence in the economic revival.

Given the healthcare challenges posed by the enormity of the second wave and expectation of an impending third wave, restrictions imposed by states could stay for longer in one form or the other – at least for as long as a larger proportion of the population is not vaccinated against Covid-19. A national vaccination program began on 16 January 2021, for which the government has budgeted ₹350 Billion to be spent in FY22. The rollout initially encountered delays and hesitancy, but with teething issues solved and private sector help, the pace picked up significantly. Ramping up vaccinations to cover a larger proportion of the population seems the only way to usher in speedier and broad-based recovery. The Indian government's target is to fully vaccinate the adult population by end-2021. That translates to covering 68% of the total population. However, the large population size and severe shortage of vaccine supplies do present a challenge. The supply issue is expected to be sorted out by August, as higher domestic production and imports start to kick in.

Therefore, five factors would be key to steering growth over the next two years. First is the rapid pace of vaccination and low fatality rates. Second, strong growth in private investment, and its rebound stimulated by reforms and schemes. Third, pent-up demand backed by savings made by high- and mid-income consumers who are waiting to spend. Fourth, fiscal spending on building assets and infrastructure (that have a high multiplier effect on income, jobs, and private investments) that will likely start gaining momentum on the ground; and lastly, a global economic rebound in late 2021, as forecasted by economists.

Bangladesh

Despite headwinds from the COVID-19 pandemic, Bangladesh's GDP continued to grow in fiscal year 2020 (FY20, ended 30 June 2020). GDP is estimated to have grown by 5.2% in fiscal year 2020, down from 8.2% growth in the previous year as the onset of the COVID-19 pandemic reduced economic activities in the fourth quarter (Q4). Industrial growth slowed, with a sharp decline in readymade garment (RMG) manufacturing output. Service sector growth also decelerated due to disruptions in transport, retail, hotels, and restaurants. Exports plummeted in Q4 as buyers canceled garment shipments and new orders evaporated, and domestic COVID-19 containment measures restricted many economic activities for 2 months.

The Government of Bangladesh (GoB) responded to the economic shock from the pandemic proactively. It announced a COVID-19 response program of US$14.6 Billion (4.5 percent of estimated FY20 GDP). However, implementation challenges remain, particularly in bringing resources to small businesses and poor households. To support the GoB's program, Bangladesh Bank eased monetary policy and introduced refinancing facilities. A national COVID19 vaccination campaign began in February 2021, and is expected to accelerate as Bangladesh receives doses under the COVAX Initiative. However, achieving mass vaccination and herd immunity will take time.

Asian Development Bank, in its annual outlook, estimates GDP growth to pick up to 6.8% in FY21 (FY21, ended 30 June 2021), with stimulus package implementation and recovery in global growth and world trade. Continued healthy remittance inflow will likely keep domestic demand buoyant and underpin solid growth in private consumption. Private investment should pick up as moderate growth in private sector credit improves confidence. Public investment is estimated to be higher as the government expands capital spending with the start of the Eighth Five-Year Plan, 2021–2025. In FY22 (FY22, ended 30 June 2022), GDP growth to edge up further to 7.2% as both exports and imports pick up under sustained global recovery. Continuing strong remittances will underpin growth in private consumption, and private investment will accelerate on favorable global economic conditions and efforts to improve the business climate. Higher public investment in large projects will also boost growth. On the supply side, agriculture is expected to accelerate if normal weather prevails. Double-digit growth in industry is expected on continued strong global demand for low-end garments produced in Bangladesh and government policy support. Growth in services is also expected to be slightly higher, following the trend in agriculture and industry.

Vietnam

Despite COVID-19, Vietnam's economy has remained resilient, expanding by 2.9 percent in calendar year 2020—one of the highest growth rates in the world. The pandemic hit the economy hard, but Vietnam has taken decisive steps to limit both the health and economic fallout. Swift introduction of containment measures, combined with aggressive contact tracing, targeted testing, and isolation of suspected COVID-19 cases, helped keep recorded infections and death rates notably low on a per capita basis. Successful containment, along with timely policy support, also helped limit the economic fallout and the size of the emergency response package. COVID-19 vaccinations commenced on 8 March 2021, and will continue throughout the year with the goal of vaccinating 80% of the population by June 2022.

According to the IMF's latest annual assessment, the economy is expected to grow by 6.7% in calendar year 2021 and 7.0% in calendar year 2022—strong and steady growth made possible by Vietnam's success in containing the COVID-19 pandemic. The drivers of this growth will be industry, especially export-oriented manufacturing, increased investment, and expanding trade. Private consumption is expected to recover in tandem with private investment and modest inflation. Retail sales rose 5.1% in first quarter of 2021, indicating a recovery in consumer confidence. Business sentiment is buoyant, as shown by a December 2020 survey in which 80% of respondents expected business conditions to either improve in 2021 or remain stable.

Middle East and North Africa (MENA)

The Middle East and North Africa (MENA) region, like the rest of the world, remains in a pandemic-spawned crisis. World Bank estimates that the Middle East and North Africa (MENA) region's economies contracted by 3.8% in 2020. The MENA region is expected to recover only partially in 2021, but that recovery is, in part, dependent on an equitable rollout of vaccines. In the short-term, fiscal spending is needed to mitigate the effects of the pandemic, including income

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

transfers to support consumption of hardest hit families and health spending on testing, treatment, and vaccination. Most of the countries in this region started vaccinations in December 2020 or January 2021 and are expected to inoculate a significant share of their population by the end of 2021.

The real GDP growth of the GCC countries is forecast to stand at 2.7% in calendar year 2021 and 3.8% in calendar year 2022, according to the IMF's report "Regional Economic Outlook for the Middle East and Central Asia" released in April 2021. Activity in oil-exporting countries is set to rebound, reflecting a carryover from the last quarter of 2020, and amplified by the expected pickup in activity in the second half of 2021. Higher oil prices and early vaccine rollouts support the outlook for many Gulf Cooperation Council economies. The recent increase in oil prices will boost confidence, supporting non-oil GDP. The recovery in oil importing countries is expected to be sluggish in the near term, with growth projected at 2.3 percent in calendar year 2021.

With the Covid-19 pandemic continuing to weigh on the Egyptian economy, both through the direct domestic channel and its wider global effects, World Bank projects real GDP growth at 2.3% in the fiscal year ending June 2021 from 3.6% in the preceding year. The outlook for Egypt's tourism sector remains uncertain in the near term given that some major economies are still seeing rapidly surging cases in recent weeks. In this environment, announcements by the Egyptian government with regards boosting spending are a positive for GDP growth. As has been the case for much of the five years since the economic reform programme began, public investment will be a key driver of economic expansion. If the vaccine is sufficiently deployed by early-2022, Egypt is expected to gradually regain its growth momentum during FY22 and FY23.

South Africa

The World Bank estimates that the economy contracted by 7% in 2020, as the pandemic weighed heavily on both external demand and domestic activity as the government implemented containment measures. South Africa entered the pandemic after several years of low growth. In 2019, the economy grew by 0.2% (in 2018 it was 0.8%). The spread of the virus has slowed significantly since the peak of the third wave in mid-January. In February, the first phase of the vaccination programme started, targeting over 1.5 Million healthcare workers. By mid-May, around 400 thousand people, less than one per cent of the population, had been vaccinated. The rollout of the vaccination programme has started slowly, affected by the abandonment of a key vaccine. However, the government has secured around 60 Million doses of alternative vaccines, which should allow vaccination of the targeted 14 Million adults between mid-May and October.

As per OECD's outlook, the economy is projected to rebound by 3.8% in 2021 and 2.5% in 2022.The strong rebound at the end of 2020 has slowed in the first half of 2021 due to a protracted second wave of the virus that has held back economic activity. However, growth should accelerate in the second half of the year, driven by domestic demand and commodity exports. Household consumption will contribute significantly to growth as the economy opens up and exceptional savings last year are spent at least partially. Private investment will progressively strengthen. Inflation is increasing, but is expected to remain below the central bank's target, allowing the monetary policy authorities to maintain current policy interest rates until the end of 2021. Fiscal policy will continue to be constrained to limit debt growth. However, implementing the government's infrastructure investment plan is essential to lift growth potential, requiring better prioritisation of spending. Unlocking electricity production will be key to lifting production bottlenecks and restoring confidence.

FAST MOVING CONSUMER GOODS (FMCG) SECTOR IN INDIA

The FMCG industry in India has witnessed positive momentum post the initial disruption at the onset of the pandemic, growing 9.4 per cent in the quarter ending March 2021 after growing by 7.3 per cent in the preceding quarter. This was supported by price growth in staples and increased retail offtake of in-home consumption categories such as staples, essential non-foods and indulgence categories.

Rural markets continued their good run - growing by 14.6 per cent in the March 2021 quarter after a 14.2 per cent growth in the December quarter. The current year is expected to have a good monsoon making it the third consecutive year of rural rejoice. This had a boost up effect on earnings of agrarian households and kept rural sentiments upbeat. Besides, increased focus on MGNREGA in terms of bigger outlay; rise in wages and increase in MSP of key crops have been instrumental in keeping FMCG consumption in rural markets buoyant.

FMCG companies are facing unprecedented flux in the market. As per BCG research, the current crisis is likely to result in **long-lasting, structural changes in FMCG** that will advantage early movers:

- Channel mix will shift dramatically in favour of ecommerce
- The economic slowdown will create flight to value through low price channels and private label offerings
- Temporary pressure on slow turning SKUs as retailers cut tail, but will be reignited and grow once supply chains stabilize
- This pressure may make small high growth brands attractive M&A targets and create organic growth opportunities through innovation
- Supply chains will be more localized and flexible, providing greater resilience for future shocks along with growth for smaller local suppliers
- Governments, businesses, and nonprofits will continue to promote hygienic behavior, which will lead to sustained increase in consumption
- Advanced analytics will be critical in enabling winning performance given the fast changing consumer and competitor landscape

As companies continue to adapt to prolonged and unplanned lockdowns, their ability to rapidly digitise the value chain, form alliances for manufacturing, distribution, marketing and product development, use data analytics to understand consumers and shoppers better to maintain and possibly improve customer experience, will be the big differentiator in the industry.

As the pandemic has impacted supply chain dynamics, there are two opposing trends around realigning assortment by retailers, as observed by Nielsen research. Retailers are now stocking more categories in their stores. The trend is more pronounced among rural retailers that are now, on an average, stocking as many categories as an average urban retailer does. Staples and Habit Forming categories (within Food basket) and Essentials (within Non-Food basket) entered more stores and increased depth of assortment. However, to make room for more categories, retailers are prioritizing on two levels - firstly, they are dealing with a lesser number of SKUs per category and secondly, they are stocking a lesser number of units for each SKU they are dealing in.

Since the pandemic has reshaped our lives from how we shop, travel and work, this reorganisation is going to have a significant long-lasting impact on the way businesses design products, services and operate as well as engage with customers in the future. Following are emerging behavioral shifts that are likely to sustain over the longer term:

Increased focus on health, immunity, hygiene and personal wellbeing: The heightened awareness of personal hygiene and health has led to a surge in sales of personal and home care products. Consumers are also paying more attention to their health, which is aiding the demand for immunity-positioned supplements.

Consumer shift in channel preferences will be evident: Consumers will continue to avoid crowded places and look for safer access to products and services. While traditional grocery retailers will see a short-term spike in demand due to ease of access, e-commerce will continue to benefit as more consumers start to shop online. A recent BCG COVID Consumer Sentiment Survey suggests that **50%** first time online shoppers are likely to continue buying online post the pandemic.

Seeking trust, safety and assurance: The reduced consumer confidence indicates that people are seeking transparency and assurance from brands on quality, delivery, hygiene so much so that they are spending more time learning about the quality of the product and what measures brands are taking to safeguard employees, vendors and customers. Safety being a top priority implies that consumers are willing to pay more for products that promise safety. The brands that will establish trust, safety, assurance in the minds of consumers, will stand to do well.

Phygital experiences: Consumers are spending time on multiple digital platforms, learning to engage with brands in new ways but they are also still heavily reliant on known friendly local kirana (mom and pop) stores for localised human connect and trust. It appears that a seamless navigation of physical and digital world may be preferable as opposed to just digital. This is further confirmed by an observed behaviour that there is heightened sense of awareness of physical environment, products, objects by way of paying attention to their features, make, usability, safety aspects, among others. This only reaffirms the need for physical or tactile experience that only stores can provide.

Contactless Interactions: With increased adoption of digital platforms, people are learning how to shift almost all daily activities such as working, shopping, banking, exercising, learning/studying, socialising to a digital platform. This is also slowly building confidence in our ability to survive and potentially thrive with our social and business transactions becoming contactless. However, the need for human touch across these interactions will still always be desired.

Sense of community: One of the positive outcomes coming out of this crisis, which has impacted visibly every human life on the planet, is the sense of social solidarity that has connected people across geographies, continents, political aisle and social strata. This has led to people taking interest in how brands and organisations are taking care of their employees, helping communities which is resulting in trust being fostered in the brand. There is a large momentum to also support local origin products especially ever since the 'AatmaNirbhar Bharat Abhiyan' was announced.

High value for money: The increased expectations of hygiene and safety coupled with product availability in the market is leading to willingness to pay more. There is also an increased spend across certain premium categories, perhaps due to children, pets, senior citizens/high vulnerable group at home. Also observed is a tendency to forego price comparisons at the moment. At the same time, there has been reduction in income due an economic downturn, significantly diminishing the purchasing power. Hence, the long term expected behaviour of the consumer is to give priority to routine expenditures and to a brand that promises safety, at the same time seeking high value out of products/services they spend on.

The industry goes omni-channel: The changing mindset of consumers and greater competition from e-tailers is driving brick and mortar retailers to launch their omni-channel strategies and websites. With the onset of lockdowns, multiple small and medium businesses are also ramping up their online presence, Adoption of the omni-channel strategy can help the organized retailers and online players to connect with customers seamlessly through their channel of preference.

Direct-to-consumer (D2C) selling has also been growing among retailers: Multiple Indian brands are focusing on the D2C strategy, selling and delivering merchandise directly to consumers without depending on intermediaries such

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

as third party sellers, wholesalers and distributors and leveraging digital or online channels. A D2C model offers multiple opportunities to businesses to increase profit margins, enhance personalization and improve digital payment capabilities.

Government initiatives have also supported FMCG growth from time to time. In April 2021, the Ministry of Food Processing Industries (MoFPI) released the Production Linked Incentive (PLI) scheme for the food processing industry. Considering the change in lifestyle, consumption patterns and the pandemic's impact, the future and opportunities in the Indian food processing ecosystem are higher in the tertiary and value-added processed goods in the form of Ready-to-Eat/Ready-to-Cook segments, processed fruits and vegetables, etc. which is also evident from selected target segment in the PLI schemes. Moreover, the scheme provides an opportunity for complete participation in all the target segments across the value chain –production, distribution, innovation and marketing. This further validates India's push towards enabling food processing businesses and its focus on becoming a global hub and champion of food processing in the future.

THE MARICO GROWTH STORY

In FY21, Marico posted revenue from operations of ₹8,048 Crore (USD 1.1 Billion), 10% higher than the previous year, with an underlying domestic volume growth of 7% and constant currency growth of 7% in the international business. The business delivered an operating margin of 19.8% and recurring net profit of ₹1,162 Crore, a growth of 11% over the last year on a like-to-like basis.

Domestic Business: Marico India

Marico India, the domestic FMCG business, achieved a turnover of ₹6,189 Crore in FY21, up 9% over the last year. The underlying volume growth was 7%. Despite significant supply chain disruptions owing to the lockdown during the first quarter, the business progressively scaled up with restrictions easing subsequently. The operating margin (before corporate allocations) for the India business was healthy at 21.3% in FY21 vs 22.4% in FY20. The profitability was impacted by severe input cost push during the second half of the fiscal, which is expected to ease over the next year.

Coconut Oil

Parachute Rigids (packs in blue bottles) grew 6% in FY21 in volume terms, despite the demand drop during lockdown affecting the first quarter. During the year, we also reinforced our hygienic processing and safety credentials in the minds of consumers with the launch of the 'Untouched by hand' campaign. We maintained resilience throughout the second half, despite a pullback of consumer offers and MRP increases taken in response to the sharp inflation in copra prices. During the second half of the fiscal, the cumulative increase in effective consumer prices was at ~9%. The brand maintained its stronghold in the branded coconut oil market with the rigid packs gaining market share of ~120 bps during the quarter and 20 bps on a MAT basis. The brand is well poised to sustain its good run as it enters FY22 with improving salience in both core and non-core markets. Nearly a third of the total coconut oil market is unorganized, which continues to provide headroom for growth of branded coconut oil on a sustainable basis. Given Parachute's volume market share in rural is much lower than in urban, a pickup in rural spending presents us with an opportunity to improve our rural market share over the medium term. The non-focused Coconut Oil portfolio also grew by 3%. Overall, the volume market share of the Coconut Oil franchise (includes Nihar Naturals and Oil of Malabar) was at 61% (March 2021 MAT).

Saffola: Super Premium Refined Edible Oils

The Saffola refined edible oils franchise grew 17% in volume terms during FY21. The brand has delivered double-digit volume growth for six consecutive quarters, owing to increased household penetration, growing inclination towards healthy cooking and topped up by the in-home consumption tailwind. Considering the marked inflation in the edible oils table, we took cumulative MRP increases amounting to ~30% during the second half of the year.

We have put renewed impetus on enhancing accessibility and driving a compelling value proposition. Media investments during the first half of the year continued with the 'Saffola wala khana' campaign building brand relevance and penetration by reaffirming its health credentials. Subsequently, a new thematic campaign 'Rakhe Heart ka Khayaal' was launched, with a message that reverses the stereotypical gender roles and emphasises the impact of stress on our heart to drive home the relevance of proactive heart care. Besides mainstream media, we leveraged digital media through targeted campaigns during the lockdown to engage with consumers and improve availability, such as:

- Tied up with food tech brands to introduce Saffola store on their delivery platforms
- Launched Saffola Healthy Snackathon with a series of healthy and tasty recipes curated by renowned Chef Kunal Kapoor.
- Leveraged digital media to drive realisation around the stress that women go through everyday via the #CareForHerHeart campaign launched under the not-for-profit banner Saffolalife on World Heart Day.

The brand gained 450 bps in volume market share to ~81% in the Super Premium Refined Edible Oils category (MAT Mar' 21).

Foods

The **Foods** franchise crossed the ₹ 300 Crore milestone in FY21, led by 41% growth in the Saffola Oats franchise. The **Oats franchise** continued to ride the health tailwind. In line with the growth strategy of driving penetration, the new thematic communication 'Shaam Waali Laalach' went on air. **The value market share of Saffola Masala Oats strengthened by over 800 bps to ~94% in the flavoured oats category (Mar'21 MAT).**

In response to the heightened immunity boosting needs of the consumer, we launched Saffola Honey, 100% pure honey with no added sugar. Every batch of **Saffola Honey** undergoes the strict Nuclear Magnetic Resonance (NMR) test, which is among the most advanced tests in the world to check for purity and origin of food items through spectroscopic fingerprinting. The brand gained salience across channels during the year, and exited just shy of double-digit market share in key Modern Trade chains and crossed 25% market share in e-commerce.

To extend the play in the immunity segment, **Kadha Mix** and **Golden Turmeric Milk Mix** were launched in select channels of Modern Trade and e-commerce under the umbrella brand, **Saffola ImmuniVeda**. Both the products are proprietary ayurvedic recipes inspired by the traditional recipe of '*Kadha*' and '*Haldi Doodh*'.

We also forayed into the chyawanprash category with the launch of **Saffola Arogyam Chyawan Amrut**, an enhanced variation of the traditional chyawanprash with a proprietary combination of added ingredients that consist of Ayush Kwath herbs, Ashwagandha, Turmeric, Giloy and 50% more Amla. The product had a moderate start but we will continue to invest behind brand building in this franchise.

In line with our aim to strengthen presence in the healthy foods segment, we entered the plant-based protein category with the launch of **Saffola Mealmaker Soya Chunks**, made using Super Soft Technology, which keeps the chunks juicy and tender. Made with carefully chosen ingredients and a balance of key nutritional factors, the chunks ensure optimum quality, providing 53 grams of protein for every 100 gram of product, 13% fibre and less than 1% fat. The product was launched digitally and in select markets. The initial response to the launch has been promising and ahead of internal estimates.

To further augment our healthy foods portfolio, we launched **Saffola Oodles**, a perfect combination of a delicious masala flavour and the goodness of wholegrain oats and real vegetables, which make for a mouth-watering snack. It brings a twist to the conventional noodles with its unique ring-shape, making it a novel offering in the category. Saffola Oodles does not contain maida or artificial preservatives and is a perfect snack time option for kids, teens and adults alike. The initial response to the launch has been very encouraging.

Value-Added Hair Oils

Value-Added Hair Oils had a flattish year. After a sharp decline in April 2020 due to lockdown restrictions not allowing billing for most of the month, the hair oils portfolio turned around with 11% volume growth in the 11 months ended March 2021. We gained ~200 bps in volume market share in overall hair oils category on a MAT basis (MAT March 2021).

Nihar Shanti Amla kept up its momentum across its stronghold and non-core markets. **Parachute Advanced Jasmine** and **Nihar Naturals Perfumed Coconut Hair Oil** also recovered well through the year. **Hair & Care** was re-staged with the new proposition of 'Damage Repair', supported by the addition of aloe vera to enhance its nourishment credentials. **Parachute Advansed Aloe Vera** continued to gained salience in its key South and West markets. **Nihar Naturals Almond**, a premium offering at an affordable price, was launched during the second quarter and received positive response.

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

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

Premium Personal Care

Premium Personal Care (contributing to less than 5% of revenues) recorded sharp declines given the significant fall in discretionary category sales during the year. Livon Serums regained significant traction as the year progressed. Male Grooming continued to face headwinds, although Set Wet Hair Gels performed better in rural India, owing to its strong distribution footprint and affordability. Skin Care remained below par. We expect these categories to regain fervour once discretionary spends pick up as the impact of the pandemic recedes over the next few quarters.

Beardo

The Beardo franchise has been gradually regaining traction after the initial COVID-induced headwinds. With the second COVID wave flaring up, we would remain cautious on the near term outlook for the franchise but will continue to invest behind the strengthening equity of the brand over the medium term.

Hygiene

We forayed into the Hygiene segment to serve the surge in demand in the wake of the COVID-19 pandemic. Responding to the subdued demand in this category following the initial surge, we consciously withdrew investments and defocused from this segment.

Sales and Distribution

We reach 5.3 Million retail outlets, which are serviced by our nationwide distribution network. This network covers 58,000 villages in India and almost every Indian town with population over 5,000. We have continued to expand direct distribution and now serve about 1 Million outlets directly.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Amid severe supply chain constraints during the quarter, we were able to generate bulk of our sales despite operating with a much lower number of SKUs across key portfolios. We will continue to systematically drive SKU rationalisation periodically to bring about incremental efficiencies in supply chain operations.

While there were multiple challenges that affected day-to-day operations – localised lockdowns in cities, unavailability of workforce, distribution difficulties due to lack of vehicles, among others, a multi-dimensional responsive GTM strategy was prototyped to tackle the same. We joined forces with food service aggregators to use their platforms for direct delivery to customers. Post enforcement of complete lockdown, we set up central tele-calling operations covering top urban outlets and rural stockists and a web application for retailers to directly place orders through SMS/WhatsApp Messenger. To ensure uninterrupted supplies to retailers, we introduced direct supply from our warehouses to retailers, from factories to the customer warehouse and also tied up with new-age logistics start-ups for delivery from distributors to retailers. We introduced a direct-to-home delivery portal for consumers in select metro cities. These measures have been critical in ensuring business continuity during the crisis.

With markets opening up by the second half of the year, direct distribution improved and is now ahead of pre-COVID levels in both urban and rural areas. To tap into the increased opportunity in pharmacy/chemist channels in the top 10 cities across the country, we appointed specialist distributors during the quarter. Operations have been scaled up in the top 5 metros as we expand into non-metro locations across North, East and South. Consequent to this initiative, our reach in pharma/chemist channels increased 5-6x so far, albeit on a low base. We expect the same to stand it in good stead during the ongoing second COVID-19 wave.

Over the last 2 years, we have identified rural as a growth engine, considering the increase in rural income driven by good harvests and government stimulus. In order to leverage this increase in rural consumption, we invested in improving the rural GTM network as well as drive relevant pack and portfolio mix. In FY20, we expanded our rural stockist network by 25%. While we took a pause in FY21 due to COVID-19 disruptions, in Q4FY21, we re-started the task of further expanding our rural network by another 25% over the next 2 years. We also made significant improvement in digitization of the rural network, thereby improving efficiency of rural spends.

Project SARAL – In order to ensure that we remain the partner of choice for channel partners across the country, several initiatives to improve engagement, collect feedback and ensure grievance resolution through a series of surveys, focussed group discussions and internal stakeholder meetings were undertaken. We are working to create tech-enabled and simplified processes/solutions for issue and grievance resolution of channel partners.

In FY21, traditional trade bounced back strongly after the decline in the first quarter to end the year at 9% growth in volume terms with rural and urban growing 15% and 5%, respectively. Rural contributed to 33% of domestic sales in FY21. While social distancing norms led to a 12% decline in Modern Trade, it spurred a stellar 60% growth in e-commerce. Modern Trade and e-commerce contributed to 14% and 8% of the India business respectively. CSD (6% of sales) was down 13%.

International FMCG Business: Marico International

Marico International, our International FMCG business, posted a turnover of ₹1,859 Crore, a growth of 12% over the last year. The business reported constant currency growth of 7%. The operating margin (before corporate allocations) for the International business expanded to 21.3% in FY21 from 20.1% in FY20.

Bangladesh

The business posted constant currency growth of 15% in FY21, maintaining the double-digit growth momentum for the fourth successive year. Parachute Coconut Oil grew 9% in constant currency terms, with the non-Coconut oil portfolio leading with 26% constant currency growth. Beliphool, ExtraCare and Aloe Vera continued to lead growth in Value-Added Hair Oils. Just for Baby (baby care) and Skinpure (skin care) ranges introduced last year also had a healthy year. To further strengthen footprint in the personal care category, we launched Parachute Naturale Shampoo in three variants - Nourishing Care, Damage Repair, and Anti Hair Fall. Just for Baby Skin Cream and Saffola Honey were also launched during the year. As a result, the revenue share of the non-Coconut Oil portfolio in Bangladesh moved closer to 40% in FY21 from sub 20% in FY17.

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

South East Asia

The South East Asia (SEA) business ended the year on a positive note clocking double-digit growth in the fourth quarter after missing the mark in the first three quarters of the year. The Home and Personal Care (HPC) category in Vietnam witnessed recovery as the year progressed, while the Foods business continued its positive momentum. Given the much slower start to the year, the SEA business was down 3% in FY21. Based on the series of turnaround measures taken in Vietnam, we expect the business to build a sustained growth trajectory ahead.

Middle East and North Africa (MENA)

The MENA business ended at 1% cc growth in FY21. Following the decline during the first quarter due to restrictions stemming from the pandemic, the pace of recovery in the Middle East was faster than in Egypt. While the growth outlook for this business remains muted, the Company will stay aggressive with cost management to enable it to tide over the challenging macros.

South Africa

The South Africa business grew 9% in cc terms in FY21, driven by the Health Care portfolio. This was after the business declined during the first quarter due to continued macro headwinds coupled with restrictions imposed to contain the outbreak of COVID-19 in the region.

New Country Development & Exports

The New Country Development & Exports business has posted 4% constant currency growth in FY21. It has been a reasonably stable performer over the years except during times of external disruption. The Company remain positive on the future prospects of this business, as it incubates new geographies to expand its franchise.

OVERVIEW OF CONSOLIDATED RESULTS OF OPERATIONS

TOTAL INCOME

Our total income consists of the following

1. Revenue from operations comprises sales from 'Consumer Products', including coconut oil, value-added hair oils, premium refined edible oils, anti-lice treatments, fabric care, functional and other processed foods, hair creams and gels, hair serums, shampoos, shower gels, hair relaxers and straighteners, deodorants and other similar consumer products, by-products, scrap sales and certain other operating income.

2. Other income primarily includes profits on sale of investments, dividends, interest, GST budgetary support and miscellaneous income.

The following table states the details of income from sales and services for FY20 and FY21:

Particulars (₹ in Crore)	FY21	FY20
Revenue from operations	8,048	7,315
Other income	94	124
Total income	**8,142**	**7,439**

There has been 10% growth in revenue from operations, owing to 9% growth in Marico India and 12% growth in Marico International.

EXPENSES

The following table sets the expenses and certain other profit and loss account line items for FY20 and FY21:

	FY21 (₹ in Crore)	% of Revenue	FY20 (₹ in Crore)	% of Revenue
Revenue from operations	8,048		7,315	
Expenditure				
Cost of materials	4,270	53.1%	3,741	51.1%
Employees cost	570	7.1%	478	6.5%
Advertisement and sales promotion	698	8.7%	733	10.0%
Other expenditure	919	11.4%	894	12.2%
PBIDT margins	1,591	19.8%	1,469	20.1%
Depreciation and amortisation	139	1.7%	140	1.9%
Finance charges	34	0.4%	50	0.7%
Tax	324	4.1%	331	4.5%
Profit after tax after MI (excl. one-offs)	1,162	14.4%	1,043	14.3%

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

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 FY21, average domestic copra prices were up by 17%, rice bran oil increased by 28%, LLP was up 4% and HDPE was up 8%.

Employee Cost
During the year under review, employee cost grew by 19% over FY20 due to i) higher incentive payout owing to better performance; ii) integration of Beardo; and iii) higher share-based payout (linked to Marico's share price performance on the bourses). Excluding the same, the increase in employee cost was in line with average salary increments.

Advertisement and Sales Promotion (ASP)
ASP spends during the year was 8.7% of sales, down by 5% over FY20, as the Company rationalized spends in discretionary categories, while sustaining its focus on the core categories.

Capital Expenditure and Depreciation
The capital expenditure in FY21 stood at ₹142 Crore. The capital expenditure in FY22 is likely to be in the range of ₹125-150 Crore. Depreciation was at ₹139 Crore in FY21 as compared to ₹140 Crore in FY20.

Other Expenses
The other expenses comprise fixed (~1/3rd) and variable in nature (~2/3rd) expenses. Other expenses are likely to remain in the range of 11-13% of turnover in the medium term.

Finance Charges
Finance charges comprise interest on loans and other financial charges. Finance charges was at ₹34 Crore in FY21 as compared to ₹40 Crore in FY20.

Direct Tax
The Effective Tax Rate (ETR), excluding exceptional items was 21.5% in FY21. Pursuant to a change in the dividend taxability regime, we are expecting to claim tax exemption on dividend income from subsidiaries, which is to be set off against dividend distributed by us, thereby leading to a decrease in ETR. This tax rate is basis the accounting charge in the P&L account. In view of the recent changes in the corporate tax rates, we will continue to recognise 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, we will utilise MAT credit accumulated over the years. The current MAT credit stands at ₹169 Crore as on March 31, 2021.

CAPITAL UTILISATION

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

Ratio	FY21	FY20
Return on Capital Employed (ROCE)	44.6	42.4
Return on Net Worth (RONW)	37.1	34.8
Working Capital Ratios (Group)		
• Debtors Turnover (Days)	21	26
• Inventory Turnover (Days)	57	70
• Net Working Capital (Days)	19	37
Debt: Equity (Group)	0.10	0.11
Finance Costs to Turnover (%) (Group)	0.4	0.7

Note: Turnover ratios calculated based on average balances

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

- We reduced inventory norms across categories and drove comprehensive SKU rationalisation leading to reduced inventory turnover days
- Reduced Modern Trade and CSD contribution and introduced stricter credit control in GT (because of reduced inventory levels), resulting in reduction in debtor turnover days.

SHAREHOLDER VALUE

Our dividend distribution policy is aimed at sharing prosperity with shareholders subject to maintaining an adequate chest for liquidity and growth.

Dividend Declared
Keeping in mind steady increase in operating cash flows and in an endeavor to maximise the returns to for our shareholders, we increased our dividend payout to 750% in FY21 as compared to 675% in FY20. The overall dividend payout ratio in FY21 stood at 83% of the consolidated profit after tax (excl. one-offs).

OUTLOOK

Over the medium term, we will continue to drive sustained, profitable, volume-led growth, through a focus on strengthening the franchise across core categories and driving the new engines of growth towards gaining critical mass. We aspire to be an admired emerging market MNC with leadership in the core categories of leave-in hair nourishment, foods and male styling in the following regions – South Asia, Southeast Asia, the Middle East, North Africa and South Africa. We plan to achieve this by winning with consumers, trade and talent. We identified the following key strategic drivers for achieving this goal:

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

We hold our aspiration to deliver 13-15% revenue growth over the medium term on the back of 8-10% domestic volume growth in the domestic business and double-digit constant currency growth in the international business. However, macroeconomic challenges stemming from the resurgence of COVID-19 or any geo-political instability in our key markets pose downside risks to our outlook for the near term. We will aim to maintain our operating margin above the threshold of 19% over the medium term.

In India, the calendar year 2021 started on a positive note with the overall sentiment and the COVID-19 curve moving in the right direction, but the recovery was interrupted by the severe second wave. We hope for caseloads to trend downwards with localized lockdowns coming into effect and vaccination gathering pace, while the Company is adequately prepared to tackle any disruptions in the business environment at this time. **Parachute Rigids** has clocked 6% volume growth in FY21. Given the market construct and strengthening brand equity, we expect to grow volumes in the range of 5-7% over the medium term. **Value-Added Hair Oils** has delivered 20%+ volume growth in the second half of the fiscal, after a slow start, with most brands performing well. We aim to capitalise on its leadership position in the market and sustain a double-digit growth trajectory over the medium term. **Saffola Edible Oils** exceeded medium-term aspirations on the back of improved penetration through a variety of channel/pricing/promotion measures taken over the last 18-24 months. As the base catches up, we expect to deliver high single-digit volume growth over the medium term in this franchise. Having crossed the ₹300 Crore mark in the **Foods** category in FY21, we will aim to reach the ₹450-500 Crore mark in FY22 while continuing to innovate and broaden our play. **Saffola Honey** has gained considerable salience since launch this year. The brand will continue to build consumer trust based on superior quality and nutritional value and should touch ₹100 Crore in revenues in FY22. We will aggressively invest behind **Saffola Arogyam Chyawan Amrut, Saffola Mealmaker Soya Chunks and Saffola Oodles** to gain scale and reach critical mass. We will build the **Premium Personal Care** portfolios into growth engines of the future and deliver double-digit value growth over the medium term in these portfolios. In the near term, expectations remain muted given the uncertainty in discretionary spending levels. With Beardo integrated into our fold and tracking healthily, the business should touch a run rate of close to ₹100 Crore in the next year unless the second COVID-19 wave materially affects the business.

Over the last few years, we have systematically invested in core international markets to strengthen both the brands and the organisational capability to handle growth. We are confident that the key markets are well poised to capitalise on the emerging opportunities. In **Bangladesh**, we will aim to maintain the double-digit growth trajectory, as the medium-term macro prospects look promising. Therefore, we will leverage our distribution and brand strength to further consolidate market shares in the core portfolios, scale up new launches and enter new categories. As a market leader, the **Vietnam** business will continue to invest in the male grooming category and drive excellence in sales and distribution systems. We initiated an aggressive cost management programme, which will enable resource generation for brand building. Myanmar and the rest of Southeast Asia are growth engines of the future. Overall, the consumer sentiments in Southeast Asia are reviving and we expect to chart a sustained growth trajectory ahead. In the **MENA region**, we will focus on getting the basics right by judiciously investing behind brands and go-to-market initiatives. In the Middle East, we will work towards strengthening the Coconut Oils and Hair Oils play. In Egypt, cost management initiatives will enable the business to weather the persistent macro headwinds. The **South Africa** business has ended the year on an encouraging note and is showing signs of revival. We are cautiously optimistic about 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 **NCD and exports segment** has been growing healthily over the years and we will continue to invest in developing presence across new countries and scale the business profitably.

HUMAN RESOURCES

Talent and culture are among the key building blocks in shaping us into a resilient and sustainable organization. Over the course of the last year, we took several initiatives in this direction, which are presented in the chapter titled **Employees**. We will continue to focus on the following strategic areas in order to leverage the potential of our human capital:

- People-first Culture
- Inclusion and Diversity
- Digitization and Simplification of People Processes
- Building Organization for Future

INFORMATION TECHNOLOGY AND DIGITAL

We continued to progress on our roadmap of using digital, analytics and automation opportunities to deliver a better and integrated experience to our consumers, associates and employees. We continued to increase the use of digital as a media platform, with more brands establishing their presence through online, social and mobile media as well as using programmatic buying. The share of digital in the total mix has been in double digits in percent terms in each of the last four years. In addition, analytics and automation led initiatives helped drive consumer and customer experience, boost sales growth and efficiency and improve employee engagement. We also aim to accelerate our digital transformation journey through building a portfolio of at least three ₹100 Crore-plus digital-first brands, either organically or inorganically, within the next three years. Further details of the latest initiatives and developments have been provided in the chapter titled **Consumers**.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

RISKS & OPPORTUNITIES

Risks are an integral part of any business environment and it is essential that we create structures and processes that are capable of identifying and effectively mitigating them. For us, the risks are multi-dimensional and therefore we look at it in a holistic manner, straddling both, the external environment and the internal processes. These risks can be broadly classified into following categories:

- Strategic Risk
- Compliance and Governance Risk
- Financial Risk
- Environmental Risk
- Operational Risk
- Social Risk

We integrate risk management with strategy formulation and business planning processes. Details of the risks envisaged along with our strategic response to the same is presented in the chapter titled **Risk and Opportunities**.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

- Establishment and periodic review of business plans
- Identification of key risks and opportunities and regular reviews by top management and the Board of Directors
- Policies on operational and strategic risk management
- Clear and well-defined organization structure and limits of financial authority
- Continuous identification of areas requiring strengthening of internal controls
- Standard Operating procedures to ensure effectiveness of business processes
- Systems of monitoring compliance with statutory regulations
- Well-defined principles and procedures for evaluation of new business proposals/capital expenditure
- Robust management information system
- Comprehensive Information Security Policies and guidelines
- Comprehensive internal audit and review system
- Well-defined Internal Financials Controls framework
- An effective whistle-blowing mechanism
- Training/awareness sessions on policies and code of conduct compliance
- Robust Crisis Management Framework

The internal control system is regularly tested and reviewed by Independent Internal Auditor. The internal auditor is appointed by the Audit Committee of the Board. All possible measures are taken by the Audit Committee to ensure the objectivity and independence of the Internal Auditor, including quarterly one on one discussions. The Company also has a management audit team which carries out internal control reviews and follow-up audits. The team is also responsible for monitoring implementation of action points arising out of internal audits.

The internal auditors and management audit team, as part of their audit process, carry out a systems and process audit to ensure that the ERP and other IT systems used for transaction processing have adequate internal controls embedded to ensure preventive and detective controls. The audit process includes validation of transactions on sample basis to check if the operations of the company are conducted in compliance to internal policies and ethical standards defined by the company. The audit report is reviewed by the management for corrective actions and the same is also presented to and reviewed by the Audit Committee of the Board.

Internal audits and management reviews are undertaken on a continuous basis, covering various areas across the value chain like procurement, manufacturing, information technology, supply chain, sales, marketing, compliance and finance with the intent to cover all material business processes and locations under internal audit at least once in every 3-4 years. The internal audit programme is reviewed by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Reports of the internal auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. Summaries of the reports and actions taken on audit findings are presented to the Audit Committee of the Board.

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

Deloitte Touche Tohmatsu India, LLP has carried out our internal audit in the year under review. The work of internal auditors is coordinated by an internal team at our end. This combination of our internal team and expertise of a professional firm ensure independence as well as effective value addition and protection.

Internal Financial Controls (IFC)

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

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

We have implemented a robust internal financial controls framework within the Company. The Internal Financial Controls have been documented and embedded in the business processes. Design and operating effectiveness of controls are tested by the management annually and later audited by statutory auditors. Statutory auditors have issued an unqualified report after checking the effectiveness of these controls.

The management believes that strengthening IFC is a continuous process and therefore it will continue its efforts to make the controls smarter with focus on preventive and automated controls as opposed to mitigating manual controls. The Company has robust ERP and other supplementary IT systems which are integral part of internal control framework. The Company continues to constantly leverage technology in enhancing the internal controls. On a voluntary basis, our material subsidiary, Marico Bangladesh Limited ("MBL") has also adopted this framework. Over time, we will extend this framework to our other overseas subsidiaries.

BUSINESS RESPONSIBILITY REPORT FOR 2020-21

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 - 400098, Maharashtra
4	Website	www.marico.com
5	E-mail ID	investor@marico.com
6	Financial year reported	Year ended on 31.03.2021 (FY21)
7	Sector(s) that the Company is engaged in (industrial activity code-wise)*	FMCG: Edible Oils – NIC Code 10402 Healthy Foods – NIC Code 10619 Hair Care – NIC Code 20236 * Represents the business activities contributing 10% or more of the total turnover of the Company
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Edible oils, hair care and personal care
9	Total number of locations where business activity is undertaken by the Company a) Number of International Locations (Provide details of major 5) b) Number of National Locations	a) International locations: Bangladesh, Egypt, Malaysia, Middle East, and South Africa b) National locations: Corporate Office: Mumbai R&D Center: 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 through domestic operations • Exports are done to other countries such as Singapore, Malaysia, Nepal, Canada and USA.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

No.	Particulars	Company Information
1	Paid up Capital as on March 31, 2021	1,29,13,49,998 Equity shares of ₹ 1 each aggregating to ₹ 1,29,13,49,998
2	Total Turnover	₹ 6,337 Crores
3	Profit after Tax	₹ 1,106 Crores PAT (excl. one-offs)
4	Total Spending on Corporate Social Responsibility (CSR) a) in ₹ b) As a percentage of Average Net Profit of the Company for the last 3 financial years:	a) ₹ 20 Crores b) 2%
5	List the activities, in which expenditure in 4 above, has been incurred	Major areas in which the expenditure has been incurred include the following: i. Community Sustenance ii. Healthcare iii. Education iv. Fostering innovation in country v. National Emergency & Disaster Relief (Pandemic resilience support)

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. Two 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	02602356
2	Name	Mr. Jitendra Mahajan
3	Designation	Chief Operating Officer (Supply Chain and IT)
4	Telephone Number	022 66480480
5	E-mail ID	jitendra.mahajan@marico.com

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

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Policies are prepared ensuring adherence to applicable laws and in line with international standards such as ISO, GRI, IIRC, CDP, ILO, UN-SDGs and OSHA.								
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Code of Conduct https://marico.com/aboutus_coc_pdf/Marico-Code-of-Conduct-2019.pdf Sustainability & SHE Policy https://marico.com/investorspdf/Sustainability_Policy.pdf CSR Policy https://marico.com/investorspdf/Corporate-Social-Responsibility-Policy.pdf 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
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

BUSINESS RESPONSIBILITY REPORT FOR 2020-21 (Contd.)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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 an annual basis. The Company voluntarily started publishing annual sustainability report from FY16 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 FY21 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, transparency, and business ethics. The Company follows high ethical standards in its dealings with all its stakeholders, including members (employees), customers, value chain partners, regulators, investors, and the community.

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

Members of Code of Conduct Committee (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
6	Head - Rewards and Talent Management
7	Head - Category Finance & MIS
8	Head Legal - Personal Care & Compliance

Information with reference to BRR framework:

No.	Questions	Information
1.1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	The Marico Code of Conduct (CoC) provides guidelines on ethics, anti-bribery, and anti-corruption to be abided by all the members. It is mandatory for all employees and contracted workforce to undergo the 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 and value-chain partners. The requirements under the policy are 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 organization. In the financial year 2020-21, the Company received 17 complaints as follows: • Quarter 1: 3 • Quarter 2: 4 • Quarter 3: 5 • Quarter 4: 5 The Company satisfactorily resolved 15 out of the 17 complaints and 2 complaints were under verification as on March 31, 2021.

BUSINESS RESPONSIBILITY REPORT FOR 2020-21 (Contd.)

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

As a responsible Company, providing safe, nutritious, and high-quality products to consumers in alignment with their preferences, is our utmost priority. Sustainability at Marico is not only emphasized on green and lean manufacturing practices, but also extended to our products, right from formulation and design stage. In this direction, we adopted life cycle assessment (LCA) approach couple of years ago to identify the environmental impact of our products at different stage of its life. The LCA study of few key products were carried through external agencies. In FY21, we implemented LCA tool and initiated in-house cradle to grave LCA study for our key brand, Parachute Coconut Oil. With the outcome from the study, projects/interventions have been designed to improve environmental performance of the product thus contributing to the overall reduction of sustainability footprint. Going ahead, we would like to conduct similar LCA-based assessment for our entire product portfolio so as to integrate sustainable innovation at each stage of the product lifecycle.

Information with reference to BRR framework:

No.	Questions	Information
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. (a) . (b) . (c) .	Marico, through its brands, contribute towards safeguarding environment, encouraging eco-conscious behaviour amongst consumers, and promoting socially inclusive growth. The efforts made in this direction are given below: **1. Product Sustainability assessment for Parachute Coconut Oil** This year, we completed Product Sustainability Index (PSI) assessments of our Parachute Coconut Oil product variants using a life cycle approach. 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, closer vendor selection and business partners have been evaluated for implementation to improve the sustainability profile of coconut oil brand. **2. Parachute Coconut Oil – Use of Post-Consumer Recycled (PCR) shrink films** In FY21, Marico collaborated with Dow and Lucro Plastecycle to introduce PCR-based coalition shrink films into Parachute Coconut Oil products. This alliance was in line with our circular packaging goals of using 100% recycled packaging across our product portfolio. Over 95% of our product packaging is recyclable by weight and we are committed to reach 100% using innovative, technology-driven solutions like the use of recycled plastic in our packaging. https://www.packaging-gateway.com/news/marico-sustainable-packaging-initiative/ **3. Saffolalife** Saffolalife, 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 2020-21 Saffolalife supported a plethora of initiatives by Food Safety and Standards Authority of India (FSSAI). A total of 16 schools were covered across Maharashtra, Gujarat and Chandigarh. Over 60000 students have been benefitted by the following nutrition-led campaigns carried out in FY21 - • Safe and Nutritious Food (SNF) at schools • Eat Right at Campus • Clean Street Food Hubs • Eat Right Mela
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	As part of Marico Sustainability 2022 Goals, we monitor and report the specific energy and water consumption in our operations (and not product wise). We follow a series of environmental performance indicators to monitor the efforts of responsible resource use. The Company is committed to conservation and optimal utilization of all resources. **Resource Consumption:** SL. No | Parameter | Unit | FY21 1 | Specific Energy Consumption | GJ/per Crores of revenue | 25.1 2 | Specific Water Consumption | m³/per Crores of revenue | 17.7 **a) Reduction achieved during production** The Company has aligned its sustainability efforts over the years and consequently the goals with measurable targets were set to be achieved by 2022: SL. No | Parameter | % change from last year | % change from baseline year 1 | Energy Intensity+ | (58%) | (72%) 2 | GHG Intensity+ | (38%) | (80%) 3 | Water Intensity++ | (51%) | (67%) + Baseline year FY13 ++ Baseline year FY14 **b) Reduction during usage by consumers** Not measured.
2.3	Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.?	SAMYUT – The responsible sourcing 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 FY21, we completed level 1 certification for over 38% of our critical value chain vendors (raw material, packaging material suppliers, convertors, logistics, depot and warehouse partners). The rollout of Level 2, 'Evaluate' programme is also scheduled for launch in FY22 where we would follow comprehensive auditing techniques to evaluate the overall sustainability performance of our value chain associates.
2.4	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Agro-materials contributes significantly to our procurement requirements. The input materials are procured from local farmers, small groups and collection centers through active engagement. Marico believes in driving the growth of local economy and continue to work with the local producers and communities. In FY21, 93% of material supplies by spend were procured from local producers and vendors (within India). We continue our efforts to work closely with the local farmer community and help them to improve productivity through trainings based on scientific farm practices and contribute to sustainable livelihood.

BUSINESS RESPONSIBILITY REPORT FOR 2020-21 (Contd.)

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 endeavor to tap every opportunity to reduce, reuse and recycle waste generated from our operations. Across all our manufacturing operations, we have established well defined waste management systems. All the wastes generated (hazardous and non-hazardous) are disposed through appropriate channels and approved vendors. Guided by the principle of zero liquid discharge, the entire volume of liquid waste (wastewater, effluents etc) generated from the production processes is reused/recycled within the respective operational boundaries. In addition to effective waste collection and reuse, we have also brought in design interventions pivoted on circularity principles. In one of our units, we have replaced the Extrusion Blow Moulding (EBM) with Injection Blow Moulding (IM) machine and completely eliminated the pinch-off generated. 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 FY21, we completed collection and safe disposal of 1630 metric tonnes of multi-layered packaging waste. Being a FMCG Company, we have a well-defined policy and system to take-back our products which have expired or found with packaging defects in order to recycle them to best possible extent.

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

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

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

Information with reference to BRR framework:

No.	Questions	Information : as on 31.3.2021		
3.1	Please indicate the Total number of employees	1629		
3.2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	231		
3.3	Please indicate the Number of permanent women employees.	251		
3.4	Please indicate the Number of permanent employees with disabilities	27		
3.5	Do you have an employee association that is recognized by management?	Yes		
3.6	What percentage of your permanent employees is members of this recognized employee association?	4%		
3.7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	**Complaints**	**Filed**	**Resolved**
		Child Labour / Forced labour	0	NA
		Involuntary Labour	0	NA
		Sexual Harassment	0	NA
		Discriminatory employment	0	NA
3.8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	**Employee Categories**	**% trained on Safety & Skill Upgradation(*)**	
		a) Permanent employees	100%	
		b) Permanent women employees	100%	
		c) Contract employees	100%	
		d) Employees with disabilities	100%	

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

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

Information with reference to BRR framework:

No.	Questions	Information
4.1	Has the Company mapped its internal and external stakeholders? Yes/No	Yes.
4.2	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes.
4.3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	In FY21, we have undertaken several need-based community programmes for disadvantaged, vulnerable and marginalized stakeholders residing in proximity of all our manufacturing operations. • Continuing education during COVID-19: Nihar Shanti Paathshala Funwala through its Teacher Empowerment Programme supported 1 Lakh+ teachers in Madhya Pradesh ensuring continuous English education for millions of students. Additionally, in partnership with DD MP English Literacy Programme was broadcasted for 3 months. • Initiated Skill development and economic empowerment programme in association with UNDP • 71.15 Crores litres of water storage potential created till date by construction of 445 farm ponds • Seedling plantation, young tree management, intercropping and standing tree rejuvenation support provided to farmers, esp those affected by natural disasters. • Desilting of dams in Madhya Pradesh, Uttar Pradesh, Rajasthan and Tamil Nadu for optimizing water storage capacity • Providing access to toilets and sanitation in rural households • COVID-19 support: MIF channelized ₹ 2.14 Crores grants towards 5 winning projects focusing on Personal Protective Gear, ventilators and other respiratory solutions. Also supported distribution of 14.3 Lakh masks, 6.7 Lakh PPE kits and 633 ventilators as of March 2021

Principle 5: Businesses should respect and promote human rights.

Information with reference to BRR framework:

No.	Questions	Information
5.1	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?	The Marico Code of Conduct (CoC) and Marico Code of Business Ethics (MCoBE) covers the guidelines on human rights and are applicable to all employees and business associates of Marico.
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company did not receive any complaints with regard to human rights violation in FY21.

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 address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	Yes, Marico has aligned the sustainability efforts to the global agenda of 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 focused approach within the parameters of our business operations. http://marico.com/india/make-a-difference/sustainability

BUSINESS RESPONSIBILITY REPORT FOR 2020-21 (Contd.)

No.	Questions	Information
6.3	Does the Company identify and assess potential environmental risks? Y/N	Yes. Marico has appropriate mechanisms in-place to identify and assess potential environmental risks. It is also part of Marico's overall value protection and 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. Marico 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, Marico has undertaken initiatives on clean technology, energy efficiency and renewable energy. Some of the initiatives are highlighted below: • Use of agro-based fuel (briquettes, bagasse) for thermal energy generation. • Use of wind electricity (renewable). 99% of our Perundurai operations meet their energy needs from Wind sources (through power purchase agreements) • Implementation of solar roof-top project • Energy efficiency initiatives include - Installation of LED lighting based on LDR principles, Motion Sensors installed in administrative work spaces, installation of Variable Frequency Drives (VFD), installation of high speed machinery to optimize energy consumption and elimination of water overflow through automation. • This year, our coconut oil manufacturing facility at Perundurai was externally certified as 'carbon neutral' and also achieved GreenCo Platinum rating for its sustainability efforts and IGBC Platinum Certification.
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 FY21.
6.7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	None

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

Information with reference to BRR framework:

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

BUSINESS RESPONSIBILITY REPORT FOR 2020-21 (Contd.)

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 and projects in pursuit of the policy related to Principle 8. Marico's flagship programme – 'Parachute Kalpavriksha' focus on making a difference in life of coconut farmers by supporting them to enhance their earning (enhanced productivity) and improve their livelihoods. As on FY21, we have cumulatively enrolled about 1.83 Lakh acres of coconut farms covering 39,040 farmers. In FY21 alone, 54,931 acres were enrolled covering 17,997 farmers. The farms that have completed more than a year with Kalpavriksha have delivered 15% improvement in productivity. Additionally, to further enhance the yields, 1000+ farmers were trained in on 'Best Farm care practices' on World Coconut day FY21 using digital learning techniques. Three Agribusiness centres (ABC) were also started to provide machinery rentals at affordable prices and provide skilled labour as service to the farmers. Other comprehensive learning programmes were designed and delivered exclusively for farmers via the Kalpavriksha Knowledge Centre. A collaborative initiative was also launched in association with the Federation of Indigenous Apiculturists (FIA) to enhance employability and boost income of over beekeepers. We continue to undertake water conservation initiatives as part of our flagship project 'Jalaashay'. Till date, we have created 215.05 Crores litres of water harvest capacity in vicinity of our operations and in water stress regions in the country. In FY21, initiatives like dam de-silting and construction of farm ponds in drought prone areas were executed resulting in creation of 78.1 Crores litres of water harvest capacity. Marico Innovation Foundation (MIF) has enabled innovators across sectors such as agriculture, clean energy, education, consumer goods and med-tech, 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. New innovations in agri-tech, med-tech and IoT have been onboarded into the scale-up programme of MIF based on the quantifiable social and environmental impact of their value propositions and business models. 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 FY21 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 organization?	The community development programmes/projects are implemented either directly or in partnership with non-profit organizations, government structure and external agencies. The initiatives undertaken in FY21 either directly or in partnership includes Farm pond development, Dam De-silting, Education programmes with partner NGOs and regulatory bodies, Economic Empowerment programme with UNDP. Through the MIF Scale Up programme, Marico works with 'For Profit' and 'Not For Profit' organizations and is sector agnostic. It focuses on the innovative ideas and the impact an organization wishes to achieve.
8.3	Have you done any impact assessment of your initiative?	Towards creating a noticeable positive impact, our internal teams frequently conduct impact studies of all flagship programmes. They evaluate the impact of community development initiatives on a periodic basis and suggest improvement measures to the CSR Committee as appropriate.
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 ₹ 20.4 Crores for community development activities. Brief particulars of the CSR initiatives undertaken by Marico in FY21 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.	CSR initiatives are rolled out directly or in partnership with NGOs, government agencies and other partners. This helps in widening outreach as well as ensuring the successful adoption by beneficiaries. The projects are constantly evaluated to ensure maximum impact and socially inclusive development. Project teams regularly monitor progress and implement measures to enhance performance.

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

It is our continuous endeavour at Marico to educate consumers on healthy lifestyle and nutritional intake. Marico works with Government and other industry bodies like FSSAI, CII, FICCI and other private agencies to create awareness about hygiene, nutrition, food safety and product regulations.

The Company believes that consumer opinion, preferences, concerns and inquiries communicated are important sources of information. The Corporate Quality team consciously makes efforts to cater to all consumer concerns. Marico's Corporate Quality Team has put in place Consumer Complaint Management system and cell which is ISO 10002 certified. 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 31 March 2021.
9.2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)	Yes, Marico adheres to all the applicable regulations regarding product labeling and displays relevant information on it. Additional information about the product is displayed over and above the mandated law wherever applicable.
9.3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No case was filed by stakeholders related to anti-competitive behavior and irresponsible advertising, and/or is pending as at the end of financial year ended on 31 March 2021
9.4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Consumer-centricity is the driver for innovation and new product launches at Marico. We connect with consumers through multiple touch points. Surveys are conducted with sample consumers to understand their satisfaction and product quality feedback by our consumer insights and corporate quality teams. We have established Consumer Complaint Management cell which is ISO 10002 certified. This helps in systematic resolution of all consumer concerns.

BOARD'S REPORT

To the Members,

Your Board of Directors ("Board") is pleased to present the Thirty Third Annual Report of Marico Limited ("Marico" or "the Company" or "your Company"), for the financial year ended March 31, 2021 ("the year under review" or "the year" or "FY21").

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 ("SEBI Listing Regulations"), this report covers the financial results and other developments during the financial year from April 1, 2020 to March 31, 2021, 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 Crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Consolidated Summary for the Group		
Revenue from Operations	8,048	7,315
Profit before Tax	1,523	1,374
Profit after tax before exceptional items	1,165	1,065
Profit after Tax	1,199	1,043
Marico Limited (Standalone) Revenue from Operations	**6,337**	**5,853**
Profit before Tax	1,311	1,261
Less: Provision for Tax for the current year	205	254
Profit after Tax for the current year	**1,106**	**1,007**
Other Comprehensive Income for the current year	2	(2)
Add: Surplus brought forward	2,906	2,759
Profit available for appropriation	3,351	3,332
Appropriations: Distribution to shareholders	**968**	**872**
Surplus carried forward	2,904	2,765

REVIEW OF OPERATIONS

In FY21, Marico Group posted revenue from operations of INR 8,048 Crores (USD 1.1 billion) which was 10% higher than the previous year. The underlying domestic volume growth for the year was 7% and the constant currency growth in the international business was 7%. The business delivered an operating margin of 19.8% and recurring net profit of INR 1,162 crores, a growth of 11% over the last year on a like-to-like basis.

Marico India, the domestic FMCG business, achieved a turnover of INR 6,189 Crores in FY21, up 9% over the last year. The underlying volume growth was 7%, despite headwinds in discretionary consumption through the year and significant supply chain disruptions from the lockdown in Q1FY21, as business progressively scaled up with restrictions easing subsequently. The operating margin for the India business was at 21.3% in FY21 vs 22.4% in previous year. The profitability was impacted by severe input cost push in second half of FY21.

During the year, Marico International, the International FMCG business, posted a turnover of INR 1,859 Crores, a growth of 12% over the last year. The business reported constant currency growth of 7%. The operating margin for the International business expanded to 23.5% in FY21 from 21.5% in previous year, due to favourable market mix and tight cost management across all geographies.

There are no material changes and commitments affecting the financial position of your company, which have occurred between the end of the FY21 and the date of this report.

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

RESERVES

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

DIVIDEND

Your Company's wealth distribution philosophy aims at sharing its prosperity with its shareholders, through a formal earmarking/ disbursement of profits to its shareholders. In accordance with Regulation 43A of the SEBI Listing Regulations, the Company has adopted the Dividend Distribution Policy, which is made available on the Company's website and can be accessed using the link - https://marico.com/investorspdf/Dividend_Distribution_Policy.pdf.

Based on the principles enunciated in the above Policy, your Company's dividend to equity shareholders during FY21 comprised the following:

- First Interim Dividend of 300% on the equity base of ₹129.12 Crores aggregating to ₹387.38 Crores declared by your Board of Directors on October 28, 2020; and
- Second Interim Dividend of 450% on the equity base of ₹129.13 Crores aggregating to ₹581.11 Crores declared by your Board of Directors on March 3, 2021.

The total equity dividend during FY21 aggregated to ₹ 7.5 per equity share of ₹ 1 each resulting in a total payout of ₹968.48 Crores. Thus, dividend pay-out ratio was 83% of the consolidated profit after tax as compared to 95% in the previous year.

CHANGES IN SHARE CAPITAL

During FY21, the paid-up share capital of the Company has been increased from ₹ 129.10 Crores to ₹ 129.13 Crores, consequent to allotment of 331,910 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. The following developments took place with regards to Subsidiaries and Associate Companies of Marico:

Subsidiaries and Associates:

- Marico Bangladesh Limited continues to be the material subsidiary of the Company, in terms of provisions of the SEBI Listing Regulations.
- Marico acquired balance 55% equity stake from the existing shareholders of Zed Lifestyle Private Limited ("ZED Lifestyle"), an associate company and consequently ZED Lifestyle became a wholly owned subsidiary of your Company, with effect from June 30, 2020.
- Marico Consumer Care Limited (MCCL), a wholly owned subsidiary of the Company, amalgamated with the Company with effect from January 20, 2021, pursuant to the Scheme of Amalgamation ("Scheme") approved by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated December 2, 2020. Accordingly, MCCL ceased to be a subsidiary of the Company with effect from January 20, 2021.
- On July 21, 2021, the Company acquired 52.4% equity stake in Apcos Naturals Private Limited ("Apcos") and consequently Apcos became the subsidiary of the company.
- Revolutionary Fitness Private Limited and Hello Green Private Limited ceased to be the associates of your Company, with effect from September 23, 2020.

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 audited financial statements of the subsidiary companies and related information are available on the Company's website on - https://marico.com/india/investors/documentation and the same are also available for inspection by the Members. Any Member desirous of inspecting the financial statements or obtaining copies of the same 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 available on the Company's website at:
https://marico.com/investorspdf/Policy_for_Determination_of_Material_Subsidiary.pdf.

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:

- Economic scenario
- Fast moving consumer goods sector in India
- 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

The details of the Board of Directors and the number of meetings held and attended by the Board of Directors, during the year under review, are detailed in the Corporate Governance Report. Appended below are the changes in the Board of Directors and Key Managerial Personnel:

I. 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. Rajendra Mariwala (DIN: 00007246) is liable to retire by rotation at the ensuing 33rd Annual

BOARD'S REPORT (Contd.)

General Meeting ("AGM") and being eligible, has offered himself for re-appointment. Accordingly, the re-appointment of Mr. Rajendra Mariwala is being placed for the approval of the Members at the 33rd AGM. The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee has recommended his re-appointment at 33rd AGM. A brief profile of Mr. Rajendra Mariwala and other related information is appended to the Notice of the AGM.

II. Appointment of Independent Director

The Board at its Meeting held on July 30, 2021, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Milind Barve (DIN: 00087839) as the Additional Director (Independent) of your Company with effect from August 2, 2021. Mr. Barve will hold office as Additional Director (Independent) upto the date of the 33rd AGM and subject to the approval of Members at the 33rd AGM shall be appointed as Independent Director to hold office for a period of 5 (five) consecutive years effective August 02, 2021. Notice in writing, proposing his candidature for appointment as Independent Director, under section 160 of the Act has been received by the Company from a Member.

Accordingly, the Board recommends to the Members, the appointment of aforesaid Independent Director and relevant details pertaining to his appointment are provided in the Notice convening 33rd AGM.

III. Key Managerial Personnel

During the year under review, Mr. Vivek Karve demitted his office as the Chief Financial Officer of the Company with effect from the close of business hours of September 10, 2020. The Board places on record its appreciation for the invaluable contribution made by Mr. Karve during the course of his service. In succession to Mr. Karve, Mr. Pawan Agrawal was appointed as the Chief Financial Officer of the Company with effect from close of business hours of September 10, 2020. Ms. Hemangi Ghag resigned as the Company Secretary and Compliance Officer of the Company to be effective from closure of Business hours on September 03, 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual financial statement for the financial year ended March 31, 2021, 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, 2021 and of the profit of your Company for the said period;

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

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

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

f. proper systems to ensure compliance with the provisions of all applicable laws were devised and that such systems were adequate and operating effectively.

PERFORMANCE EVALUATION

Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board Engagement and Effectiveness. The Policy and criteria for Board Evaluation is duly approved by the 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. Under the said evaluation mechanism, 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 discussed the findings of the evaluation with the Independent Directors and also evaluated the performance of the Individual Directors, the Board as a whole and all Committees of the Board.
- As an outcome of the above process, individual feedback will be shared with each Director subsequently during the year.

With respect to the focus areas identified by the Board last year, the following progress was made in the year under review:

Focus Areas	Progress made
Effectively overseeing the risk management strategies and practices amidst a highly volatile macro environment accentuated by the pandemic.	The top risks and challenges were tracked. The processes and systems were strengthened to future proof the organisation and execute the strategy better.
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 and Nomination and Remuneration Committee.
Mentoring the Senior Management to create an agile organisation that can adapt to the highly volatile VUCA (Volatile, Uncertain, Complex & Ambiguous) environment.	During the year, the Board heavily engaged with the top management team to successfully implement the transformation journey, particularly portfolio diversification and digital transformation.
<u>Focus Areas for the Committees:</u> Audit Committee: To strengthen the GRCC (governance, risk management, controls and compliance) policies, processes and systems in the Company with special focus on automation and exception analytics. Nomination and Remuneration Committee: - To help strengthen the culture codes for the Company and improving the talent management processes, with specific focus on strengthening the top talent pipeline - To ensure succession planning for MD & CEO and Senior Management Personnel. Corporate Social Responsibility Committee: To bring focus on improving the effectiveness of CSR spends.	The Committees continued to perform on their respective focus areas to augment governance and internal controls.

For the year under review, the performance evaluation exercise conducted has resulted in identification of the following focus areas, for it to work upon in the coming years:

1. Your Company already has an elaborate familiarization programme in place for effective induction of new directors. The Board acknowledged this and reiterated the importance of a rigorous execution of this induction process to ensure a smooth transfer and seamless integration of the new Board Members.
2. The Board laid specific emphasis on strategic risk management and building management capability in this area. It believes that the environment is very volatile. 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 is 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 environment.
3. The Board would continue to mentor the MD & CEO and the senior management team for defining and executing 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. The Board would focus on Board Rejuvenation and assimilation of new Board members.
5. For the Board Committees, the following focus areas will continue for the coming year:
   a. Audit Committee: Further strengthening the GRCC policies, processes and systems in the Company with special focus on automation and exception analytics;
   b. Nomination and Remuneration Committee:
      i. helping strengthen the culture codes for the Company and improving the talent management processes, with specific focus on strengthening the top talent pipeline
      ii. succession planning for MD & CEO and the Senior Management Personnel.
   c. Corporate Social Responsibility Committee: Bringing focus on improving the effectiveness of Marico's CSR spends.

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

BUSINESS RESPONSIBILITY REPORT (BRR)

At Marico, we believe that transparent, accurate and comprehensive disclosure practices not only aid in strategic decision-making but also help in demonstrating incremental value created for all groups of stakeholders. In line with the global megatrends and evolving normal of business environment, your Company has transitioned to Integrated Reporting which enables financial and non-financial factors

BOARD'S REPORT (Contd.)

to be viewed from the same lens. Marico has published its third Integrated Report emphasizing on the continual goal of focusing on the imperatives of how the Company creates value over the short, medium and long term for all its stakeholders.

The Integrated Report has been prepared as per the framework developed by International Integrated Reporting Council (IIRC). The financial sections of BRR are presented in line with the requirements of the Act read with the Rules made thereunder, the Indian Accounting Standards, the SEBI Listing Regulations and the requisite Secretarial Standards issued by the Institute of Company Secretaries of India. The non-financial section (Sustainability and Corporate Social Responsibility) is presented in conformance to the Global Reporting Initiative (GRI) Standard's Core Performance Indicators, the UN-Sustainable Development Goals (SDGs) and other sectorally relevant international sustainability disclosure guidelines. BRR has been published in adherence to the SEBI Listing Regulations and to the Ministry of Corporate Affairs' National Voluntary Guidelines (NVGs) that guides listed corporations to use a 9-principle framework for demonstrating their environmental, social and economic responsibilities, during the year under review.

Sustainability for your Company is the way of doing business. From vision, purpose, strategy, operations and communication perspective, your Company has integrated sustainability into its core business DNA. The value protection and value creation paradigms have been designed in a way that it propels socially inclusive growth that is impactful, innovative, and agile. Sincere efforts have been undertaken to enhance your Company's environmentally positive footprint, expand socio-economic empowerment and demonstrate transparency in business conduct. Consequently, your Company has taken ambitious targets in relation to increasing the number of farmer beneficiaries, mapping product sustainability footprint, reducing energy intensity by transitioning to low-carbon sources, reducing GHG emission intensity, achieving water stewardship, responsible sourcing and building resilience across business dimensions to futureproof value creation.

AUDITORS & AUDITORS' REPORT

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act, the Members at the 29th AGM 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 until 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 2021-22.

The Auditor's Report for the financial year ended March 31, 2021 on the financial statements of the Company forms part of the Annual Report. The said report was issued by the Statutory Auditor with an unmodified opinion and does not contain any qualification, reservation, adverse remark or disclaimer. 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. Accordingly, the Board at its meeting held on July 30, 2021, based on the recommendation of the Audit Committee, appointed 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, 2022. A remuneration of ₹ 9,50,000 (Rupees Nine Lacs Fifty Thousand 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 33rd AGM. Accordingly, the matter relating to ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022 is placed at the 33rd 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 April 30, 2021, based on the recommendation of the Audit Committee, approved the appointment of Dr. K. R. Chandratre, Practicing Company Secretary (Certificate of Practice No. 5144) as the Secretarial Auditor of the Company to conduct audit of the secretarial records of the Company for the financial year ending March 31, 2022. The Company has received consent from Dr. K. R. Chandratre to act as such.

The Secretarial Audit Report for FY21 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 vulnerability to prioritized risks;
- Focus on both the results and efforts required to mitigate the risks;
- Defined review and monitoring mechanism wherein the functional teams, the top management and the Board review the progress of the mitigation plans;
- Integration of Risk Management with strategic business plan, annual operating plans, performance management system and significant business decisions;
- Constant scanning of external environment for new and emerging risks;
- Wherever, applicable and feasible, defining the risk appetite and install adequate internal controls to ensure that the limits are adhered to.

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 management 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. Your company has also put in place a robust Crisis Management Framework monitored by internal crisis management committee which is responsible for laying out crisis response mechanism, communication protocols, and periodic training and competency building around crisis management.

Your Company has complied with the applicable laws pertaining to Risk Management and Risk Management Policy thereof. Further, your Company has strengthened its Risk Management framework by adopting a comprehensive Risk Management Policy.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Internal Financial Controls are an integrated part of the risk management process which in turn is a part of Corporate Governance addressing financial and financial reporting risks. The Internal Financial Controls have been documented and embedded in the business processes. Your Company's approach on Corporate Governance has been detailed out in the Corporate Governance Report. Your Company has deployed the principles enunciated therein to ensure adequacy of Internal Financial Controls with reference to

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Prevention and detection of frauds
- Safeguarding of assets

Your Company has defined policies and standard operating procedures for all key business processes to guide business operations in ethical and compliant manner. Compliance to these policies are ensured through periodic self-assessment as well as internal and statutory audits. The Company has robust ERP and other supplementary IT systems which are an integral part of internal control framework. The Company continues to constantly leverage technology in enhancing the internal controls. The Company also uses data analytics to identify trends and exceptions to proactively monitor any control deviations for corrective action.

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

On a voluntary basis, your Company's material subsidiary, Marico Bangladesh Limited ("MBL") has also adopted

BOARD'S REPORT (Contd.)

this framework and its progress is reviewed by MBL's Audit Committee and its Board of Directors, which exhibits Marico's commitment to good governance at a group level.

RELATED PARTY TRANSACTIONS

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

All transactions with related parties entered into during FY21 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. During the year under review, there were no transactions for which consent of the Board of Directors was required to be taken and accordingly, no disclosure is required 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 attention of the Members is drawn to the note no. 30 to the Standalone Financial Statement setting out the related party transaction disclosures, for FY21.

The Policy on Related Party Transactions is available 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

Your Company has in place the Nomination and Remuneration Committee of the Board (NRC), which performs the functions as mandated under the Act and the SEBI Listing Regulations. The composition of the NRC is detailed in the Corporate Governance Report forming part of the Annual Report.

In terms of the applicable provisions of the Act, read with the Rules framed thereunder and the SEBI Listing Regulations, your Board has adopted a Policy for appointment, removal and remuneration of Directors, Key Managerial Personnel ("KMP") and Senior Management Personnel ("SMP") and also on the 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 is made available on the Company's website, which can be accessed using the 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 AGM 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, both in India and 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 NRC is entrusted with the responsibility of administering the Plan and the Scheme(s) notified thereunder, from time to time.

  As on March 31, 2021, an aggregate of 5,334,530 Options were outstanding which constitute about 0.41% 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 are notified for conferring cash incentive benefit to the eligible employees through grant of stock appreciation rights (STARs). The NRC administers the Plan and the Scheme(s) notified thereunder, from time to time. The NRC notifies various Schemes for granting STARs to the eligible employees. Each STAR is represented by one equity share of the Company. The eligible employees are entitled to receive in cash the excess of the maturity price over the grant price in respect of such STARs subject to 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 such Trust for making secondary acquisition of equity shares, subject to the statutory ceilings.

  As at March 31, 2021 an aggregate of 1,197,180 STARs were outstanding which constitute about 0.09% of the paid up equity share capital of the Company as on that date.

STATUTORY INFORMATION ON MARICO EMPLOYEE BENEFIT SCHEME/PLAN AND TRUST

The disclosure requirements in terms of Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended and the SEBI Circular dated June 16, 2015, for Marico Employee Benefit Scheme/Plan and Trust, is made available on the Company's website 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 Marico Employee Benefit Schemes/Plans are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended 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, 2014, as amended is disclosed in **"Annexure B"** to this report.

The statement containing particulars of remuneration of employees as required under Section 197(12) of the Act, read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended is available on the Company's website https://marico.com/india/investors/documentation. 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 Dr. K.R. Chandratre, Practicing Company Secretary, on its compliance is annexed to this report as **"Annexure C"**.

VIGIL MECHANISM

Your Company has a robust vigil mechanism in the form of Code of Conduct ("CoC") which enables its stakeholders to report concerns about unethical or inappropriate behaviour, actual or suspected fraud, leak of unpublished price sensitive information, unfair or unethical actions or any other violation of the CoC. There are separate guidelines called Marico's Code of Business Ethics that are applicable to our associates who partner us in our organizational objectives and customers.

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 adopted a policy ("Anti-Sexual Harassment Policy") for the prevention of sexual harassment and constituted Internal Committees to deal with complaints relating to sexual harassment at workplace. During the FY2020-21, the Company has not received any complaint on sexual harassment.

The vigil mechanism of the Company provides for adequate safeguards against victimization of directors, employees and third parties who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The CoC guidelines are designed to ensure that Directors, employees and third parties may report genuine concerns on CoC adherence or violations thereof without fear of retaliation. To encourage such members to report any concerns and to maintain anonymity, the Company has engaged an independent agency for managing the whistleblowing system and has provided toll-free helpline numbers across the geographies where it is having a presence along with a website and email address, wherein the grievances/ concerns can reach

BOARD'S REPORT (Contd.)

the Company. For administration and governance of the Code, a committee called Code of Conduct Committee is constituted ("CoC Committee"). All cases reported under the whistleblower policy are reported to the CoC Committee and are subject to a review by the Audit Committee and the Nomination and Remuneration Committee of the Company. In addition to the independent Ethics Hotline system, your Company has also provided in its CoC direct access to the members of the CoC Committee and a drop box facility to report concerns or violations of the CoC.

All new employees go through a detailed personal orientation on CoC and anti-sexual harassment policy. Further, all employees have to mandatorily complete the online learning cum certification course on CoC on an annual basis. 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 & Marico Insider Trading Rules are conducted to educate the employees on the said Policy/Rules. The education and sensitization is further strengthened through periodic e-mail communications and focused group discussions with the employees to ensure the CoC is followed in spirit and failures are minimized. The Company also ensures capability building of and mandatory certifications by its business partners on Marico's Code of Conduct and Marico's Code of Business Ethics.

The Board and the Audit Committee thereof 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, as amended 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. During the year under review, the Company amended its CSR policy to align the same with the amendments to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

A brief outline of the CSR Philosophy, salient features of the CSR Policy of the Company, the CSR initiatives undertaken during the financial year 2020-21 together with progress thereon and the report on CSR activities in the prescribed format, 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 using the link https://marico.com/investorspdf/Corporate-Social-Responsibility-Policy.pdf

Further, the Chief Financial Officer of the Company has certified that CSR spends of the Company for FY21 have been utilized for the purpose and in the manner approved by the Board of Directors of the Company.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 issued by 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 with the Companies (Acceptance of Deposits) Rules, 2014, as amended, at the end of the financial year 2020-21 or the previous financial year. Your Company did not accept any deposits during FY21.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, there were no significant/material orders passed by the regulators or courts or tribunals impacting the going concern status of your Company and its operations in future, apart from the order dated December 2, 2020, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench, approving the Scheme of Amalgamation, between the Company, Marico Consumer Care Limited and their respective shareholders.

NO PENDING PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Your Board confirms that there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 and that there is no instance of onetime settlement with any Bank or Financial Institution, during the year under review.

ANNUAL RETURN

Pursuant to Section 134 (3) (a) of the Act, the draft annual return for FY21 prepared in accordance with Section 92(3) of the Act is made available 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: Dubai
Date: July 30, 2021

ANNEXURE ‘A’ SECRETARIAL AUDIT REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

[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, 2021 (‘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 2021 according to the provisions of:

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

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

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

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

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

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

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

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

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

(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:

ANNEXURE ‘A’ SECRETARIAL AUDIT REPORT (Contd.)

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 :

In accordance with the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company on 16 July 2020 approved the Scheme of Amalgamation of Marico Consumer Care Limited (“Transferor Company”) – a wholly owned subsidiary of Marico Limited, with Marico Limited (“Transferee Company”) and their respective Shareholders and Creditors (Scheme) subject to the receipt of requisite statutory / regulatory approvals including the approval of Hon’ble National Company Law Tribunal, Mumbai [NCLT, Mumbai].

The Scheme with the Appointed Date fixed as 1 April 2020, was approved by the Hon’ble NCLT, Mumbai vide its orders dated 2 December, 2020. The Scheme became effective from 20 January 2021, on filing of NCLT orders with the Registrar of Companies.

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144
UDIN: F001370C000216805 Place: Pune
Peer Review Certificate No. : 463/2016 Date : 30 April 2021

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
FCS No.: 1370, C. P. No.: 5144
UDIN: F001370C000216805
Peer Review Certificate No. : 463/2016

Place: Pune
Date : 30 April 2021

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 2020-21 is as follows:

Name of Director	Total Remuneration* (₹)	Ratio of remuneration of Director to the Median remuneration**
Mr. Harsh Mariwala	37,075,000	32.62
Mr. Saugata Gupta[1]	140,297,138	123.45
Mr. Nikhil Khattau	4,780,000	4.21
Mr. Rajendra Mariwala	4,180,000	3.68
Mr. B.S. Nagesh	4,500,000	3.96
Ms. Hema Ravichandar	4,750,000	4.18
Mr. Rishabh Mariwala	3,600,000	3.17
Mr. Ananth S.	3,800,000	3.34
Mr. Kanwar Bir Singh Anand	3,900,000	3.43
Mr. Sanjay Dube	3,950,000	3.48

B) Details of percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2020-21 are as follows:

Name	Designation	Remuneration (₹) 2020-21	Remuneration (₹) 2019-20	Increase/ (Decrease) (%)
Mr. Harsh Mariwala	Chairman & Non -Executive Director	37,075,000	36,775,000	1%
Mr. Saugata Gupta[1]	Managing Director & CEO	140,297,138	137,836,549	2%
Mr. Nikhil Khattau	Independent Director	4,780,000	4,730,000	1%
Mr. Rajendra Mariwala	Non- Executive Director	4,180,000	4,080,000	2%
Mr. B. S. Nagesh	Independent Director	4,500,000	4,150,000	8%
Ms. Hema Ravichandar	Independent Director	4,750,000	4,700,000	1%
Mr. Rishabh Mariwala	Non- Executive Director	3,600,000	3,500,000	3%
Mr. Ananth S.	Independent Director	3,800,000	3,650,000	4%
Mr. Kanwar Bir Singh Anand[2]	Independent Director	3,900,000	NA	NA
Mr. Sanjay Dube[3]	Independent Director	3,950,000	609,589	NA
Mr. Vivek Karve[4]	Chief Financial Officer	18,135,377	17,804,161	NA
Ms. Hemangi Ghag	Company Secretary & Compliance Officer	6,496,191	5,653,918	15%
Mr. Pawan Agrawal[5]	Chief Financial Officer	10,391,891	NA	NA

* The remuneration of all Non-Executive Directors includes sitting fees paid during the financial year 2020-21.

** The median remuneration of the Company for all its employees is ₹1,136,473 for the financial year 2020-21. For calculation of median remuneration, the employee count taken is 1,419, which comprises employees who have served for whole of the financial year 2020-21.

1 The remuneration of Mr. Saugata Gupta, includes the perquisite value of stock options exercised during the financial year 2020-21 amounting to ₹ 33,677,031 and during the Financial year 2019-20 amounting to ₹ 29,152,000. Excluding that, the remuneration of Mr. Saugata Gupta is ₹ 106,620,107 and ₹ 108,684,549 for financial years 2020-21 and 2019-20, respectively.

2 Mr. Kanwar Bir Singh Anand was appointed as the Independent Director of the Company with effect from April 1, 2020.

3 Mr. Sanjay Dube was appointed as the Independent Director of the Company on January 30, 2020 and hence, remuneration paid to him in the financial year 2020-21 is not comparable with remuneration paid to him in the financial year 2019-20.

4 The remuneration of Mr. Vivek Karve, is upto Spetmeber 10, 2020, as he resigned as the Chief Financial Officer of the Company from the close of business hours of September 10, 2020. Hence, the remuneration paid to him in the financial year 2020-21 is not comparable with the remuneration paid to him in the financial year 2019-20. The remuneration of Mr. Vivek Karve for the financial year 2020-21, includes Gratuity - Post Employment Benefit amounting to ₹ 2,000,000 and the perquisite value of stock options exercised by him, amounting to ₹6,208,886. Excluding that, the remuneration of Mr. Vivek Karve was ₹ 9,926,491 for the said period.

5 Mr. Pawan Agrawal was appointed as the Chief Financial Officer of the Company with effect from close of business hours of Spetmeber 10, 2020. Hence, his remuneration for the financial year 2020-21 is for the period from September 11, 2020 till March 31, 2021 and includes the perquiste value of stock options exercised by him during that period, amounting to ₹ 1,809,118. Excluding that, the remuneration of Mr. Pawan Agrawal was ₹ 8,582,773 for the financial year 2020-21 .

C) Percentage increase in the Median Remuneration of all employees in the financial year 2020-21

	2020-21 Median	2019-20 Median	Increase (%)
Median[$] remuneration of all employees per annum	1,136,473	1,015,901	12%

[$]For calculation of median remuneration, the employee count taken is 1,419 and 1,257 for the financial year 2020-21 and 2019-20, 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, 2021

1,695 (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 employees other than the Key Managerial Personnel and the percentage increase in the remuneration of Key Managerial Personnel

	2020-21	2019-20	Increase/ (Decrease) %
Average percentage increase in the Remuneration of all Employees* other than Key Managerial Personnel	2,651,190,634	2,235,472,449	19%
Average Percentage increase in the Remuneration of Key Managerial Personnel			
Mr. Saugata Gupta, Managing Director & CEO[1]	140,297,138	137,836,549	2%
Mr. Vivek Karve, Chief Financial Officer[4]	18,135,377	17,804,161	NA
Ms. Hemangi Ghag, Company Secretary & Compliance Officer	6,496,191	5,653,918	15%
Mr. Pawan Agrawal, Chief Financial Officer[5]	10,391,891	NA	NA

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

1,4,5 Please refer note given above.

F) Affirmation

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Company's Policy on Nomination, Remuneration & Evaluation.

For Marico Limited

Harsh Mariwala
Chairman
DIN: 00210342

Date: April 30, 2021

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

Your Company believes that Corporate Governance involves a set of rules and controls that promote transparency, integrity and accountability within which all stakeholders of the Company viz., its shareholders, directors and management, society and environment at large have aligned incentives. It provides the framework for attaining a company's objectives while balancing the interests of all its stakeholders and ensuring that the Company's businesses are being conducted in an accountable and fair manner. While the philosophy of your Company on governance has been set out since the early days, the framework is flexible enough to allow the Company to cater to various needs of the society in the current time.

The year showcased challenging times for humanity at large considering the disruptions caused by the COVID -19 pandemic. Your Company put in a number of humanitarian efforts to help the individual lives and businesses of those affected by the pandemic. The Company through its foundations has not only helped those affected by the pandemic, it has also initiated programmes that made a number of businesses self-sufficient and helped them to create expertise in manufacturing and supplying crucial products during the pandemic.

The Company believes that Corporate Governance is also about what the Board does and how it sets the values of the Company and drives the Company's business with these principles. The Board strongly agrees that good governance is not merely an objective, but only the means to achieve the objective of operating as a global citizen. It is distinguished from the day-to-day operational engagement of the Company by full-time executives. The responsibilities of your Board thus include implementing the principles of Corporate Governance in the Company, setting the Company's strategic aims, guiding the management with their leadership, and reporting to shareholders on their stewardship. Together, the Management, the Board and committees thereof ensure that Marico continues to remain a company of uncompromised integrity, excellence and is driven towards responsible growth. Your Board has adopted a vision to make your Company a 'best in class organization' surpassing stakeholder expectations.

At Marico, we believe effective leadership, robust corporate governance practices and a rich legacy of values form the hallmark of our best corporate governance practices. These values are reflected in our culture, business practices, disclosure policies and relationship with our stakeholders. These ethics and values are practised by Marico and its subsidiaries globally, which is at par with best international standards and good corporate conduct.

Marico confirms compliance to the prescribed corporate governance requirements under law. In addition, it also believes that corporate governance is more than a mere legal requirement. It strives to adopt and embrace the best practices and governance standards being followed across the world and continuously reviews them to benchmark with the highest industry practices. The various awards and recognitions received by your Company in the space of corporate governance are testament to the company's commitment towards driving best in class governance. Your Company is cognizant of the fact that effective corporate governance is about creating long-term sustainable value for its stakeholders. While it strives to achieve the highest standards of governance, it continues to refine its ongoing practices to ensure fulfilment of this goal.

Your Company was once again recognised amongst the top 10 'Best Governed Companies' of the S&P BSE Listed Companies for the fourth consecutive year on the "IFC-BSE-IiAS Indian Corporate Governance Scorecard", a study conducted by the Institutional Investor Advisory Services India Limited. Marico has

CORPORATE GOVERNANCE REPORT (Contd.)

also been listed in the 'LEADERSHIP' category in the above assessment.

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 covering both the external environment and the internal processes.

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

- Strategic Business Risks
- Financial and Governance Risks
- Operational Risks
- Information and Cyber Security Risks
- Regulatory and Compliance Risks
- Sustainability Risks
- Health and Safety Risks
- Reputation 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 each significant strategic and business risk is identified, assessed and mitigated for long term sustainable growth of business.

Since the outbreak of COVID-19 in early 2020, your Company has recognized health and safety of its members and extended business partners as a top priority risk area. Various mitigating measures were taken to manage or reduce its impact including arrangement for Work from Home for employees, provision of safety kits and medical insurance for workers and contract staff at factories and warehouses, redesigning the work processes to support social distancing, frequent health screening at each location, etc. Your Company believes that vaccination is the key to improving immunity and defence against the COVID-19 and is looking to take the necessary steps to ensure vaccination facilities for its members, their families, and members of key business partners.

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 control system commensurate to the size of the Company and the nature of its business. The internal control system is regularly tested and reviewed by Independent Internal Auditor. The Company also has a management audit team which carries out internal control reviews and follow-up audits. The Audit Committee of the Board has the authority and responsibility to select, evaluate and where appropriate, replace the Independent Internal Auditor in accordance with 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 the Management, holds periodic one to one discussion with the Internal Auditors to review the scope and findings of the audit and to ensure adequacy & independence of the internal audit in the Company. The Audit Committee reviews the internal audit plan for every year and approves the same in consultation with the Top Management and the Internal Auditor. The internal audit plan covers key manufacturing locations, warehouses, sales offices, and corporate functions for the Company as well as subsidiaries periodically based on risk assessment and existing control framework. Significant audit observations and follow up actions thereon are reviewed by the Audit Committee on a quarterly basis.

Further, to ensure effective oversight over the financial statements of the Group, the Audit Committee holds periodic one-on-one discussion with the Statutory Auditors of the Company. The Audit Committee also holds one-on-one discussions with Statutory Auditors of its material subsidiary. These practices ensure independence and oversight over the financial reporting process of the Company and its material subsidiary. We believe that this framework ensures a unified and comprehensive perspective.

Cornerstones of Corporate Governance at Marico

Your Company follows Corporate Governance practices around the following philosophical cornerstones:

Generative transparency and openness in flow of information

Marico believes in sharing and explaining all the relevant information about the Company's policies and actions to all those to whom it has responsibilities, with transparency and openness. Greater transparency not only helps develop accountability, but also generates an atmosphere which helps stakeholders to take informed decisions about the Company. The essence of Corporate Governance lies in maintaining transparency and ensuring equal access to all reasonable information about the Company. This reflects externally in making maximum appropriate disclosures without jeopardising the Company's strategic interests as also internally in the Company's relationship with its employees and in the conduct of its business.

Transparency and openness are organizational values and are practised across all levels. Every year at the Company's flagship annual conference titled 'Organization Communication-OC', the company's virtue of transparency is showcased. The Chairman as well as the MD & CEO share the strategic plans and direction the organization is moving towards and share insights on the Company's mission and vision. The Company broadcasts these sessions live at all its Indian and International locations. Eventually, the same message is shared with all the employee members across the globe at their respective OCs conducted at their locations. These sessions also incorporate leadership views on the local business context and way ahead designed for these business units.

The OC events also hosts a special segment called the 'Open House' session, where the leadership team addresses queries of Marico employee members while they are encouraged to share their views with everyone in the organization.

Mr. Saugata Gupta, MD & CEO conducts regular webinars throughout the year called 'Facetime with Saugata', which is broadcasted live globally. These sessions are designed to update Marico employee members on the various accomplishments achieved by the organization so far and the way ahead. Members post their questions during the session which are then addressed by Mr. Saugata Gupta live on air. This ensures every member has unrestricted access to the office of the MD & CEO, which helps maintain a seamless flow of necessary information within the organization.

The year under review posed various challenges for the Company, one being ensuring the safety and welfare of its employees. The restrictions imposed across the country due to the COVID-19 pandemic issued lockdown had most employees at Marico working remotely from their homes. Your Company recognised the need to preserve employee engagement and mental wellbeing in such challenging times. Monthly virtual townhall sessions led by senior management members operated as an update sharing platform, wherein brief details on the Company's financial performance and activities initiated by the Company during each month were provided. Employees were also encouraged to share their inputs and suggestions during every townhall. Your Company has ensured that suggestions provided by the employees at such sessions were addressed within a reasonable time.

Your Company also shares performance updates to the Stock Exchanges and Shareholders, within the first week from the close of every quarter, by releasing a brief update, which is a summary of the operating performance and demand trends witnessed during the preceding quarter. This update is first intimated to the Stock Exchanges and then posted on the Company's website.

The Company announces its financial results every quarter, usually within 40 days from the end of the quarter. Apart from disclosing these in a timely manner to the Stock Exchanges, the Company also hosts the results on its website together with a detailed information update and media release discussing the results. The financial results are published in leading newspapers. An email update is also sent to the Shareholders who have registered their email addresses with the Company. Once the quarterly results are announced, the Company organizes post-earning calls with the analyst community explaining to them the results and performance by the Company, while also responding to their queries. The transcripts of these calls are posted on the Company's website.

CORPORATE GOVERNANCE REPORT (Contd.)

Marico is a regular participant and organizer of analyst and investor conference calls, one-on-one meetings and investor conferences where analysts and fund managers get regular opportunities to understand medium and long term strategy through the Senior Management. A detailed investor presentation is additionally uploaded on the Company's website, which is periodically updated with the latest data and information. This presentation gives a consolidated glimpse in to the detailed history, current and future potential of the business and much more. Through these meetings, presentations and information updates, the Company shares its broad strategy and business outlook with the investor community. The Company promptly discloses details of the conference calls, Investor meetings and road shows being conducted within and outside the Country, to the Stock Exchanges and updates its website with the same simultaneously.

Your Company continues to use a digital platform for sharing the information with the Directors and maintains a seamless and safe flow of information between the Management and the Board through Nasdaq Boardvantage, an iOS-based platform. While being secure and user friendly, it is also a quick and efficient means for sharing updates with the Board, while also being environment friendly.

Constructive separation of Ownership and Management and Board independence

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. Board independence is ensured by having 6 (six) Independent Directors, 3 (three) Non-Executive Non-Independent Directors (including Chairman) and 1 (one) Managing Director & Chief Executive Officer as on the date of this Report. The Company's shareholders are responsible for appointing directors to the Board, who are in turn entrusted with the responsibility of governing the affairs of the Company. The Independent Directors ensure protection of interests of all the stakeholders of the Company. The Board does not consist of representatives of creditors or banks. The Board composition attempts at maximizing the effectiveness of both, Ownership and Management by sharpening their respective accountability whilst also serving in the best interests of its stakeholders.

Senior Management Personnel are regular attendees at Board and Committee meetings. This helps the Board/Committee members to directly liaise with and seek explanations from the core Management team during the proceedings of the meeting itself.

Defined Roles and Responsibilities

At Marico, the Board plays a supervisory role rather than an executive role. Their role is to guide the Management, provide constructive critique on the strategic business plans and operations of the Company and advice on matters requiring domain expertise. Mr. Saugata Gupta, Managing Director & Chief Executive Officer, continues to head the Company's business and is responsible for running the management and operations of the Company and reports to the Board.

The Committees of the Board function as extended arms of the Board and they play a pivotal role in ensuring good governance while also monitoring the affairs of the Company. The Board has constituted certain committees which meet for considering matters requiring urgent approvals. This ensures smooth and timely execution of strategic and non-strategic activities.

The Audit Committee, NRC and the Board meet at least once in every quarter to consider *inter-alia*, the business performance, board effectiveness, monitor statutory compliance and other matters of importance. The Audit Committee additionally meets once in every quarter, to have detailed deliberations *inter-alia,* on matters relating to Governance, Risk Management, Statutory Compliances, Internal Controls, Internal Audit, Related Party Transactions of the Company, and other matters. The Audit Committee and NRC jointly discuss the Vigil Mechanism, summary of cases (if any) and the status of compliance under Prevention of Sexual Harassment Policy, Marico Insider Trading Rules and the Code of Conduct.

The Corporate Social Responsibility ("CSR") Committee meets at least thrice in a financial year in order to approve the programs and action plan for CSR activities to be undertaken during the year, closely monitor the functioning of these programs, progress made thereon and impact of these activities on the end beneficiaries. The CSR Committee is also responsible for guiding and mentoring the CSR Team, which is a team formed of various Marico employees who look into the day to day operations and ground level execution of the CSR activities approved by the CSR Committee.

Further, the Risk Management Committee meets at least twice in a year to frame and monitor risk management plan, assess the risks associated with the Company and devise mitigation measures to combat such risks for the Company.

Discipline

Marico's Senior Management is always mindful of the need for good Corporate Governance practices. They are experts in their respective fields of work and are driven towards building an environment of Trust, Accountability and Ethics. Good Corporate Governance practices are the foundation of your Company's legacy and it is endeavoured to ensure that such robust practices are 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 approach with respect to debt and foreign exchange exposure management. Your Company has continued to revisit and review its investment policy in terms of aligning Company practice with ever-changing market situations. All actions having financial implications are well deliberated upon before execution. The Company raises funds, which are used for expansion of business either organically or inorganically. The Company has also consistently stayed away from entering into exotic derivative transactions, keeping in mind the security and stability of the financial health of the organisation.

The Dividend Distribution Policy adopted by the Company ensures the right balance between the quantum of dividend paid and amount of profits re-deployed to fund organic and inorganic growth of the Company. The Company has delivered a robust dividend pay-out ratio for the 6 consecutive years and endeavours to maintain a satisfactory pay-out ratio in the coming future. The Dividend Distribution Policy is attached as **Annexure C1** to this Report and the same is also available on the Company's website and can be accessed at:
https://marico.com/india/investors/documentation/corporate-governance

Responsibility & Accountability

The Company has put in place various mechanisms and policies to ensure orderly and smooth functioning of operations and also defined measures in case of transgressions by members.

The Company has integrated its internal regulations relating to these mechanisms, into a Code of Conduct. The Code of Conduct serves as a guidance book and reference module for ensuring ethical conduct of business practices and compliance of law in the Company. In order to ensure that such Code of Conduct reflects the changing environment, both social and regulatory, given the increasing size and complexity of the business and the human resources deployed in them, NRC reviews the Code of Conduct document periodically.

The Company's Code of Conduct is applicable to all members viz: the members of the Board and employees (permanent and temporary). The Code of Conduct prescribes the guiding principles of conduct of the members to promote and support ethical conduct in compliance with the inherent values of Marico and also to meet statutory requirements. The Whistle Blower Policy for all the stakeholders is embedded in the Code of Conduct. The Code also covers a separate section on guidelines expected to be followed by all external associates who partner us in our organizational endeavors and to all customers.

The Company seeks a quarterly affirmation from all its senior employee members, confirming compliance and adherence to the Company's Code of Conduct, which is over and above the requirement of law. 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 energies invested by the Company over the years on sustainability and stakeholder value creation are detailed in the Integrated Report which forms part of this Annual Report.

CORPORATE GOVERNANCE REPORT (Contd.)

Fairness

The Board approves all actions with conscious deliberation and after considering its impact on the interests of all its stakeholders, including the benefit of its minority shareholders. All shareholders have equal rights and can convene general meetings, as per their need, in accordance with the provisions of the Companies Act, 2013 ("the Act"). Investor Relations is given due priority and a separate department is in place which is dedicated for handling this function and ensuring necessary flow of information from the Company to external stakeholders. Comprehensive disclosures with detailed information are shared at general meeting for all matters proposed for the approval of the Shareholders. Notices of the general meetings are comprehensive, and the presentations made at these meetings are informative and conclusive of the intent behind the proposal being placed for approval.

Keeping in view the contributions to the growth and success of the organization, the Board is remunerated appropriately, which is commensurate with the growth in the Company's profits and in line with the general compensation trend followed in the industry.

Your Company is an equal opportunity employer and promotes diversity and inclusion in its workforce, in terms of skills, ethnicity, nationalities and gender. The Company does not tolerate any form of discrimination at the workplace. It routinely hosts awareness sessions for all its employees where employees are sensitized on the topics ranging from inclusion, self-care, health, challenges faced by certain sects of employees and means to address them and other issues as may be required from time to time, after factoring the suggestions and feedback received from employees.

Social Awareness

Your Company has an explicit policy emphasising ethical behaviour. It follows a strict rule of not employing any minors in its workforce. The Company is a firm believer of gender equality and does not practice any type of discrimination across the organization. All policies are free of bias and discrimination. Environmental responsibility and social consciousness are given equal importance. The Company ensures that sufficient measures are taken at all locations to warrant ethical and responsible discharge of duties by all members by educating and equipping them adequately.

Value-adding Checks & Balances

Marico relies on a robust structure with value adding checks and balances designed to:

- prevent misuse of authority;
- facilitate timely response to change and
- ensure effective management of risks, especially those relating to statutory compliance.

At the same time, the structure provides scope for adequate executive freedom, so that bureaucracies do not take value away from the Governance Objective.

Other Significant Practices

Other significant Corporate Governance Practices followed are listed below:

Checks & Balances

- All Directors are provided with complete information relating to the operations and Company finances to enable them to participate effectively in the Board discussions. The Directors are also apprised on a regular basis by uploading information 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 of work, etc.
  - NRC 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. NRC is also entrusted with the responsibility of framing the criteria for evaluation of the individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board. It also routinely evaluates the working and effectiveness of the Board and manages the succession planning for Board members and key personnel.
  - Vigil Mechanism and Code of Conduct cases are discussed and reviewed in detail by the Audit Committee jointly with NRC. The Audit Committee reviews the effectiveness of this process to ensure that there is an environment that is conducive to escalation of issues, if any, in the system.
  - Share Transfer Committee approves the formalities concerning transfer / transmission of shares 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.
  - CSR Committee recommends, reviews and monitors the impact of CSR initiatives taken by the Company.
  - Risk Management Committee assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management and mitigation framework of the Company.
  - 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 and their respective functional expertise.
- 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 Board at every quarterly meeting.
- All Directors endeavour to attend all the Board/ Committee meetings and also the General Meetings of the Company. The Chairpersons of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders' Relationship Committee attend the Annual General Meeting to address shareholders' queries. Further, Secretaries of most of the committees are subject matter experts for their respective committees. This enables committee members to directly communicate and liaise with related domain experts heading the respective function of the Company.
- The Chief Financial Officer, Secretary to the Nomination and Remuneration Committee 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.

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

CORPORATE GOVERNANCE REPORT (Contd.)

Board and its Committees as required in context of its business 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 and the Chief Human Resource Officer hold separate sessions with the Chairpersons of the Audit Committee and the Nomination & Remuneration Committee, respectively, to ensure planning on the agenda of the meetings of these committees.

v) 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 4, 2020, July 16, 2020, July 27, 2020, October 28, 2020, January 27, 2021, and March 3, 2021.

The composition of the Board, attendance of the Directors at the Board meetings and the Annual General Meeting held during the period April 1, 2020 to March 31, 2021 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 28, 2020	Board Position in other companies $	Committee Position	
					As Member	As Chairperson
Mr. Harsh Mariwala	Chairman & Non-Executive	6 of 6	Yes	12	1	NIL
Mr. Saugata Gupta	Managing Director & CEO	6 of 6	Yes	5	1	NIL
Mr. Rajendra Mariwala	Non-Executive	6 of 6	Yes	5	3	NIL
Mr. B. S. Nagesh	Independent	6 of 6	Yes	6	3	NIL
Ms. Hema Ravichandar	Independent	6 of 6	Yes	3	4	1
Mr. Nikhil Khattau	Independent	6 of 6	Yes	4	4	4
Mr. K.B.S. Anand	Independent	6 of 6	Yes	3	2	1
Mr. Rishabh Mariwala	Non-Executive	6 of 6	Yes	4	NIL	NIL
Mr. Ananth S.	Independent	6 of 6	Yes	NIL	NIL	NIL
Mr. Sanjay Dube	Independent	6 of 6	Yes	2	1	NIL

As on March 31, 2021.

$Includes directorship in companies as per Companies Act, 2013 and excludes directorship held in the Marico Limited.

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

Names of the listed entities where a Director of the Company is a Director and the category of Directorship as on March 31, 2021:

Names of the Directors		Name of the Listed entities in which he/she 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	Chairman & Non-Executive Director
	2.	Kaya Limited	Independent Director
Ms. Hema Ravichandar	1.	Bosch Limited	Independent Director
	2.	The Indian Hotels Company Limited	Independent Director
Mr. Nikhil Khattau	1.	Kaya Limited	Independent Director
Mr. K.B.S. Anand	1.	Lupin Limited	Independent Director
	2.	Tata Chemicals Limited	Independent Director
	3.	Borosil Limited	Independent Director
Mr. Rajendra Mariwala	1.	Kaya Limited	Non-Executive Director
Mr. Rishabh Mariwala		None	-
Mr. Sanjay Dube		None	-

During the year under review, the Independent Directors met once on March 3, 2021, 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 Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules 2014, Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management of the Company.

Except those mentioned below, none of the Directors of your Company are *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/ 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

CORPORATE GOVERNANCE REPORT (Contd.)

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 21, 2020, May 4, 2020, July 16, 2020, July 27, 2020, October 13, 2020, October 28, 2020, January 12, 2021 and January 27, 2021. 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	2	2
Ms. Hema Ravichandar	Independent	Member	8	8
Mr. Sanjay Dube*	Independent	Member	6	6
Mr. Rajendra Mariwala	Non-Executive	Member	8	8

*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 a 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, employees and third parties 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 6 (six) times during the year i.e. on May 4, 2020, June 23, 2020, July 16, 2020, July 27, 2020, October 27, 2020 and January 27, 2021. 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	6	6
Mr. B. S. Nagesh	Independent	Member	6	6
Mr. Nikhil Khattau	Independent	Member	6	6
Mr. K. B. S. Anand*	Independent	Member	5	5

* Appointed as the member of the Nomination and Remuneration Committee on May 4, 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 and Senior Management;
2. Identify the candidates who are qualified to be appointed as Director, Key Managerial Personnel

CORPORATE GOVERNANCE REPORT (Contd.)

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 and 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 notified thereunder) and such other employee benefit schemes / plans as the Board may approve from time to time.

POLICY ON NOMINATION, REMOVAL, REMUNERATION AND BOARD DIVERSITY

In terms of Section 178 of the Act and corresponding provisions contained in Regulation 17 of the SEBI Listing Regulations, the Board has adopted the policy on Nomination, Remuneration and Evaluation (hereinafter referred to as 'NRE Policy').

The NRE Policy covers the following aspects:

- Appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management;
- Remuneration to the Directors, Key Managerial Personnel and employees in Senior Management;
- Familiarization Programme for Independent Directors;
- Board Diversity;
- Succession plan for Directors, Key Managerial Personnel and employees in Senior Management and
- Formulation of criteria for evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board

The NRE Policy of the Company can be accessed using the link: https://marico.com/investorspdf/Policy_on_Nomination,_Remuneration_and_Evaluation.pdf

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 Shareholders of the Company which are then placed before the Board for its approval.

The annual remuneration to the MD & CEO comprises of 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 are 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. and other parameters viz. industry benchmarks, role of the Director and such other relevant factors. Non-Executive Directors are not entitled to any stock options or stock appreciation rights of the Company.

At the 27th Annual General Meeting held on August 5, 2015, the Shareholders 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 Shareholders.

Remuneration to the Chairman of the Board:

Mr. Harsh Mariwala as the Chairman of the Board and a Non-Executive Director continues to foster and promote the integrity of the Board while nurturing an environment so as to ensure harmony amongst the Directors for the long-term benefit of all its stakeholders. The Chairman is entrusted with the responsibility of ensuring effective governance in the Company and continues to play an important role in guiding the 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 is entitled to a remuneration which is commensurate with his engagement beyond the Board meetings. Such remuneration may exceed 50% of the total annual remuneration payable to all the Non-Executive Directors of the Company and hence the same is being placed before the Shareholders for 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, 2021 and their shareholding in the Company as on March 31, 2021, 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	-	-	9,68,75,531	4,05,82,401	28,39,206	14,02,97,138	6,82,540
Non-Executive Directors								
Mr. Harsh Mariwala	Chairman & Non-Executive	3,63,25,000	7,50,000	-	-	-	3,70,75,000	9,84,54,000
Mr. Ananth S.	Independent	30,00,000	8,00,000	-	-	-	38,00,000	NIL
Mr. B. S. Nagesh	Independent	33,00,000	12,00,000	-	-	-	45,00,000	NIL
Ms. Hema Ravichandar	Independent	34,00,000	13,50,000	-	-	-	47,50,000	NIL
Mr. Nikhil Khattau	Independent	34,00,000	13,80,000	-	-	-	47,80,000	NIL
Mr. K.B.S. Anand	Independent	30,00,000	9,00,000	-	-	-	39,00,000	NIL
Mr. Sanjay Dube	Independent	30,00,000	9,50,000				39,50,000	NIL
Mr. Rajendra Mariwala	Non-Executive	30,00,000	11,80,000	-	-	-	41,80,000	1,09,47,600
Mr. Rishabh Mariwala	Non-Executive	30,00,000	6,00,000	-	-	-	36,00,000	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 remuneration payable to them annually.

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 March 3, 2021. The composition of the Committee along with the details of attendance at its meeting 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	Managing Director & CEO	Member	1	1

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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, 2021

Nature of complaint	No. of complaints
Non- Receipt of Dividend	31
Others	5
Total complaints received	36
Total complaints resolved	35*

*The complaint outstanding as on March 31, 2021 was resolved before the date of this report.

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 and Head-CSR, acts as the Secretary to this Committee.

The CSR Committee met thrice during the year i.e. on May 4, 2020, October 28, 2020 and January 27, 2021. The composition of the CSR Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of the Director	Director Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. B. S. Nagesh*	Independent	Chairman	3	3
Mr. Ananth S.	Independent	Member	3	3
Mr. Harsh Mariwala	Chairman & Non-Executive	Member	3	3
Mr. Rajendra Mariwala	Non-Executive	Member	3	3
Mr. Saugata Gupta	Managing Director & CEO	Member	3	3

* Mr. B. S. Nagesh was appointed as the Chairman of the CSR Committee 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 formulate and recommend an Annual Action Plan (including any revisions thereto) to the Board for its approval.
3. Identify project(s) of the Company as 'Ongoing Project(s)'.
4. To recommend the annual CSR expenditure budget to the Board for its approval;
5. To approve unbudgeted CSR expenditure involving an annual outlay of more than ₹ 1 Crore but not exceeding 10% of the total CSR budget for the financial year;
6. Review implementation of CSR activities of the Company within the applicable framework;
7. To nominate Members of the CSR Team and advise the team for effective implementation of the CSR programs and approve any change thereto;
8. To undertake wherever appropriate benchmarking exercises with other corporates to reassure itself of the effectiveness of the Company's CSR spends;
9. To review:
    a. Report on feedback obtained, if any, from the beneficiaries on the CSR programmes; and
    b. Outcome of social audit, if any, conducted with regards to the CSR programmes.
10. To carry out an impact assessment of project(s) having an outlay of ₹ 1 Crore or more and a period of one year has elapsed since completion of such project, by an independent agency.
11. 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;
12. To approve the CSR disclosures that would form part of the Annual Report, website of the Company etc.
13. To carry out any other function as delegated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for the performance of its duties.

VII. RISK MANAGEMENT COMMITTEE

The Risk Management Committee 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 August 28, 2020 and October 20, 2020. The composition of the Committee and the details of attendance at its meetings is given below:

Name of the Member	Designation	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Harsh Mariwala	Chairman & Non-Executive Director	Chairman	2	2
Mr. Saugata Gupta	Managing Director & CEO	Member	2	2
Mr. Vivek Karve*	Chief Financial Officer	Member & Secretary	1	1
Mr. Pawan Agrawal*	Chief Financial Officer	Member & Secretary	1	1

* Mr. Vivek Karve ceased to be Member & Secretary of the Committee with effect from September 10, 2020 and Mr. Pawan Agrawal was appointed as a Member & Secretary to Committee with effect from the same date.

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:
    - The Committee may conduct a performance evaluation relative to its purpose, duties, responsibilities and effectiveness and recommend, any changes, it considers necessary for the approval of the Board.
    - The Board may critique such evaluation done by the Committee basis the performance and suggest suitable changes to improve effectiveness. The Board shall ensure that the Committee is functioning in accordance with its Charter.
    - The Committee may conduct such evaluation and reviews at such intervals and in such manner as it deems appropriate.

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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 9 (Nine) times during the year i.e. on August 21, 2020, October 13, 2020, October 28, 2020, November 13, 2020, December 18, 2020, January 12, 2021, January 27, 2021, February 26, 2021, and March 3, 2021.

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 Member	Designation	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Saugata Gupta	Managing Director & CEO	Member	9	8
Mr. Rajendra Mariwala	Non-Executive Director	Member	9	7
Mr. Vivek Karve*	Chief Financial Officer	Member	1	1
Mr. Pawan Agrawal	Chief Financial Officer	Member	9	8
Mr. Amit Aggarwal*	Head – Corporate Finance	Member	8	8

* Mr. Amit Aggarwal was appointed as a Member of the Committee with effect from September 10, 2020 in place of Mr. Vivek Karve who ceased to be a Member of the Committee on that date.

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. Ms. Hemangi Ghag, Company Secretary & Compliance Officer of the Company acts as the Secretary to the Committee.

The Committee met 5 (five) times during the year i.e. on August 21, 2020, October 28, 2020, November 13, 2020, February 3, 2021 and March 3, 2021. 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	5	5
Mr. Rajendra Mariwala	Non-Executive	Member	5	2
Mr. Saugata Gupta	Managing Director & CEO	Member	5	5

SECURITIES ISSUE COMMITTEE

The Securities Issue Committee constituted by the Board approves matters pertaining to issuance and allotment of securities and other matters incidental thereto. The composition of the Committee is as follows. Ms. Hemangi Ghag, 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 & 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 the same 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, issuance of duplicate share certificate and such other requests lodged by the shareholders of the Company. The Committee met once during the year i.e. on September 18, 2020. The composition of the Committee along with the details of the meeting held and attended during the aforesaid period is detailed below. Ms. Hemangi Ghag, Company Secretary & Compliance Officer of the Company acts as the Secretary to the Committee.

Name of the Director	Director Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Harsh Mariwala	Chairman & Non-Executive	Member	1	1
Mr. Nikhil Khattau*	Independent	Member	0	0
Mr. Rajendra Mariwala	Non-Executive	Member	1	1
Mr. Saugata Gupta	Managing Director & CEO	Member	1	1

*Mr. Nikhil Khattau resigned as the Member of the Committee with effect from September 10, 2020.

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 & MENA Business, is the Business Responsibility Head and Mr. Saugata Gupta, the Managing Director & CEO is responsible for implementation of Business Responsibility.

The composition of the Committee is as below :

Name of the Member	Designation	Nature of Membership
Mr. Jitendra Mahajan	Chief Operating Officer- Supply Chain, IT & MENA Business	Head of the Committee
Mr. Vivek Karve *	Chief Financial Officer	Member
Dr. Sudhakar Mhaskar	Chief Technology Officer	Member
Mr. Gaurav Mediratta	Chief Legal Officer	Member
Mr. Pawan Agrawal *	Chief Financial Officer	Member

* Mr. Pawan Agrawal, Chief Financial Officer was appointed as a Member of Committee with effect from September 10, 2020 in place of Mr. Vivek Karve who ceased to be Member of the Committee from that date, pursuant to his resignation as the Chief Financial Officer of the Company.

IX. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time	Nature of Special Resolutions Passed
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, for the financial year 2019-20. 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
2020	Video Conferencing / Other Audio-Visual Means (Deemed venue: Registered Office of the Company at 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra)	August 28, 2020	10.00 a.m.	1. Approval of 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

(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.

CORPORATE GOVERNANCE REPORT (Contd.)

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, of the SEBI Listing Regulations 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 is occupied by a Non-Executive Director of the Company; and
- The Internal auditors of the Company directly report to the Audit Committee of the Board of Directors.

VIGIL MECHANISM

The vigil mechanism has been explained in detail in the Board's Report.

FUND UTILISATION

The Company does not have any unutilised funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations.

DIRECTORS DISQUALIFICATION

A certificate from Dr. K. R. Chandratre, Practicing company Secretary has been obtained and annexed to this report as **Annexure C2** stating that as on March 31, 2021, 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(ies).

Non-acceptance of any recommendation of the Committees by the Board

During the 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 AND MATERIAL SUBSIDIARY

There were no material related party transactions entered into by the Company during the financial year 2020-21.

Further, as on March 31, 2021, Marico Bangladesh Limited continues to be the material subsidiary of the Company, in terms of provisions of the SEBI Listing Regulations.

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, 2021 are disclosed in Notes to the standalone financial statements.

The details of the exposure of the Company to material risk commodities is given below:

Commodity Name	Exposure in ₹ (Crores)	Exposure in quantity terms
Edible Oils	2,392	1,10,291
Crude Oil Derivatives	362	63,063
Total	**2,754**	**1,73,353**

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 and a vernacular newspaper. In view of the COVID-19 pandemic, SEBI had dispensed the requirement of publication of the financial results by companies in newspapers vide circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020. Consistent with the relaxation, the Company had not published the Audited Financial results for the quarter & financial year ended March 31, 2020. However, the Company continued publishing its Financial Results in the above newspapers for the remaining quarters. 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 / participated 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

Annual General Meeting through Video Conferencing / Other Audio-Visual Means Facility

Date	: August 30, 2021
Time	: 11:00 a.m.
Deemed Venue for Meeting	: Registered Office: Marico Limited, Grande Palladium, 7th floor, 175 CST Road, Kalina, Mumbai – 400 098

Financial calendar

Financial Year : April 1 - March 31

For the year ended March 31, 2021, results were announced on

- First quarter : July 27, 2020
- Half year : October 28, 2020
- Third quarter : January 27, 2021
- Annual : April 30, 2021

Tentative Schedule for declaration of financial results during the financial year 2021-22

- First quarter : July 30, 2021
- Half year : October 28, 2021
- Third quarter : January 28, 2022
- Annual : May 4, 2022

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 to BSE Limited and NSE.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Section 124 of the Act read with the IEPF (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 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 the Rules, the details of which are available on the website of the Company at: https://marico.com/india/investors/documentation/dividend

In view of the above, during FY21 the Company transferred the following dividend to IEPF:

Financial Year	Type of Dividend	Rate (%)	Date of Declaration	Date of transfer to IEPF	Amount transferred (Amt. in ₹)
2012-13	2nd Interim Dividend	50	30-04-2013	05-06-2020	1,94,805
2013-14	1st Interim Dividend	75	29-10-2013	04-12-2020	2,41,202
	2nd Interim Dividend	100	31-01-2014	08-03-2021	3,44,973

Further, dividend for the following years will be transferred to IEPF on respective due dates. Further, if the dividend remains unclaimed for seven consecutive years, the underlying shares will also be transferred to the demat account of the IEPF Authority.

CORPORATE GOVERNANCE REPORT (Contd.)

Financial Year	Type of Dividend	Rate (%)	Date of Declaration	Due Date for transfer to IEPF	Amount unclaimed as on March 31, 2021 (Amt. in ₹)
2013-14	3rd Interim Dividend	175	25-03-2014	30-04-2021	4,37,894
2014-15	1st Interim Dividend	100	07-11-2014	13-12-2021	2,93,594
	2nd Interim Dividend	150	03-02-2015	11-03-2022	3,45,171
2015-16	1st Interim Dividend	175	04-11-2015	10-12-2022	3,91,251
	2nd Interim Dividend	150	30-01-2016	08-03-2023	7,81,086
	3rd Interim Dividend	100	10-03-2016	17-04-2023	5,76,781
2016-17	1st Interim Dividend	150	04-11-2016	11-12-2023	7,59,034
	2nd Interim Dividend	200	02-02-2017	11-03-2024	10,02,744
2017-18	1st Interim Dividend	175	30-10-2017	06-12-2024	8,38,982
	2nd Interim Dividend	250	09-02-2018	18-03-2025	11,01,129
2018-19	1st Interim Dividend	200	01-11-2018	08-12-2025	9,38,752
	2nd Interim Dividend	275	05-02-2019	14-03-2026	12,54,488.25
2019-20	1st Interim Dividend	275	25-10-2019	28-11-2026	10,09,714
	2nd Interim Dividend	325	30-01-2020	26-02-2027	13,65,590
	3rd Interim Dividend	75	06-03-2020	10-04-2027	3,29,943
2020-21	1st Interim Dividend	300	28-10-2020	03-12-2027	14,32,410
	2nd Interim Dividend	450	03-03-2021	09-04-2028	61,08,81,157

Transfer of shares to IEPF

Pursuant to the provisions of the Act read with the Rules, the Company is required to transfer equity shares in respect of which dividends have not been claimed for a period of seven consecutive years to IEPF. Accordingly, the Company transferred 4,606 shares to IEPF during the year. Details of these shares are available on the Company's website at the following link: https://marico.com/india/investors/documentation/dividend

Further, shares in respect of which dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the IEPF as required by law. The Company will transfer the said shares, after sending an intimation of the proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be available on the Company's website at the link: https:// marico.com/india/investors/documentation/dividend

Reminder letters are periodically sent by the Company to the concerned shareholders advising them to claim their dividends. Shareholders may note that both the unclaimed dividend and underlying shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF Authority by following the procedure prescribed in the Rules.

Equity Shares in the Unclaimed Suspense Account

In terms of Regulation 39 of the SEBI Listing Regulations, details of the equity shares lying in the Unclaimed Suspense Account are as follows:

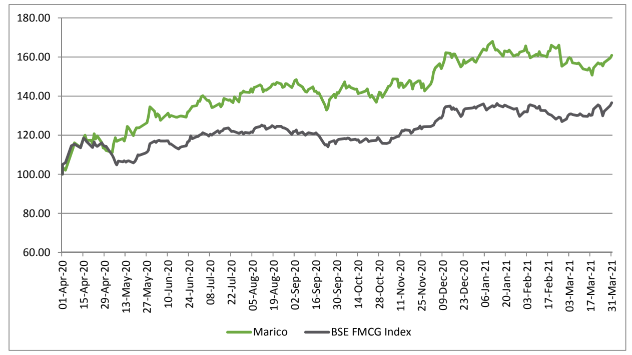
Particulars	No. of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (i.e. April 1, 2020)	14	57,020
Number of shareholders who approached the Company for transfer of shares from suspense account during the Financial Year 2020-21	1	-
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2020-21	0	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (i.e. March 31, 2021)	14	57,020

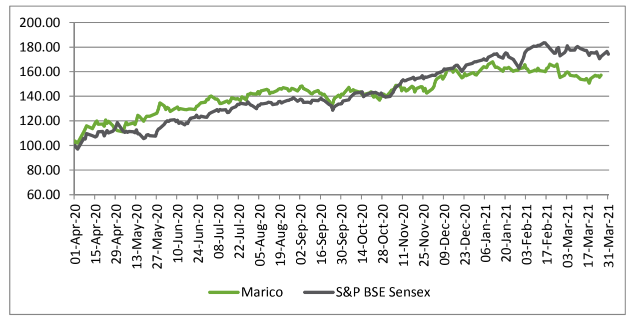
Your Company confirms that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

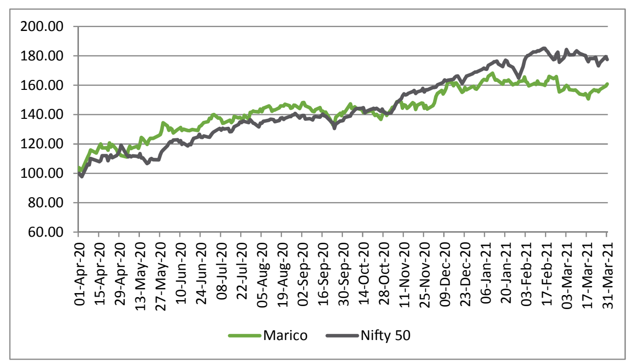
Market Price Data

Month	Bombay Stock Exchange Limited (BSE) (In ₹)		National Stock Exchange (NSE) (In ₹)	
	High	Low	High	Low
Apr-20	292.2	283.45	295	283.15
May-20	349.6	319.5	349.5	317
Jun-20	354.55	347	354.65	347
Jul-20	368.3	361.25	368.5	361.25
Aug-20	378.15	364.6	378.15	364.1
Sep-20	365	354.75	364.95	354.65
Oct-20	366.7	355.05	366.75	355
Nov-20	378	362.05	378	361.9
Dec-20	408	401.4	408.15	401.7
Jan-21	421.45	413.5	421.5	413.6
Feb-21	412.6	391.2	412.75	390.7
Mar-21	412.35	408	412.45	406.95

PERFORMANCE IN COMPARISON: BSE SENSEX, NIFTY 50 AND BSE FMCG (The values of S&P Sensex, Nifty 50, BSE FMCG Index and share price of the Company have been indexed to begin from '100' to show comparative movements)







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

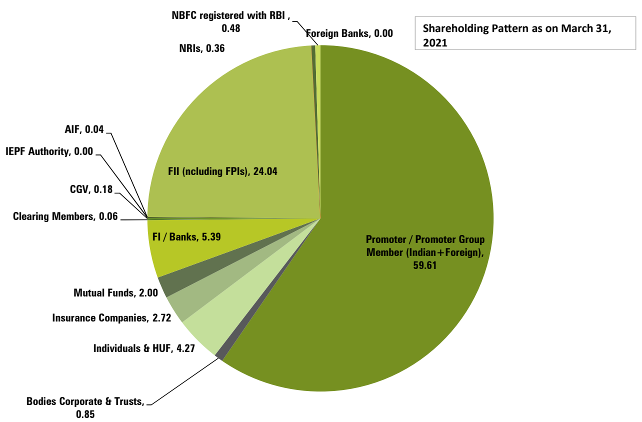
Distribution of Shareholding as on March 31, 2021:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	1,99,107	93.81	1,18,86,630	0.92
501-1000	5,723	2.70	44,48,962	0.34
1001 -2000	2,985	1.41	46,66,284	0.36
2001-3000	935	0.44	24,02,021	0.19
3001-4000	685	0.32	25,40,486	0.20
4001- 5000	378	0.18	17,59,548	0.14
5001-10000	987	0.47	73,70,187	0.57
10001 & above	1,454	0.69	1,25,62,75,880	97.28
Total	**2,12,254**	**100.00**	**1,29,13,49,998**	**100.00**

CORPORATE GOVERNANCE REPORT (Contd.)

Categories of Shareholding as on March 31, 2021:

Categories	31-March-21	% of total share capital
Indian		
Promoters / Members of promoter group	76,79,75,740	59.47
Bodies Corporate & Trusts	1,09,84,576	0.85
Individuals and HUF	5,50,81,149	4.27
Insurance Companies	3,51,54,335	2.72
Mutual Funds	2,58,71,782	2.00
Financial Institution & Bank	6,95,62,907	5.39
Clearing Members	7,43,476	0.06
Central / State Government	23,75,725	0.18
IEPF Authority	44,852	0.00
Alternative Investment Funds	5,34,076	0.04
NBFC registered with RBI	62,07,659	0.48
TOTAL A	**97,45,36,277**	**75.47**
Foreign		
Promoter group member	18,00,000	0.14
FIIs (Including Foreign Portfolio Investors)	31,04,16,626	24.04
Foreign Banks	6,000	0.00
NRIs	45,91,095	0.36
TOTAL B	**31,68,13,721**	**24.53**
GRAND TOTAL (A+B)	**1,29,13,49,998**	**100**
Total Demat Holding	**1,29,06,70,280**	**99.95**



Dematerialization of Shares and Liquidity	:	As on March 31, 2021, 99.95% of shareholding was held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.
Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity	:	The Company has not issued any GDR / ADR / Warrants or any convertible instruments.
Credit Ratings and revisions thereto for all debt instruments or any fixed deposit programme or any scheme or proposal of / the Company obtained during the year under review	:	The Company did not have any debt instruments or any fixed deposit programme or any scheme or proposal during the year under review.
Plant Locations	:	Perundurai, Sanand, Puducherry, Jalgaon, Baddi, Paonta Sahib and and Guwahati.
Disclosure of foreign exchange risks, commodity price risks and hedging activities	:	Please refer Chapter: Risks and Opportunities and Notes to the Financial Statements for the same.
Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	:	₹ 2,72,11,157
Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013	:	Please refer Board's Report for the same.

Shareholders/ Investors Complaints received and redressed :

The Company gives outmost 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

Harsh Mariwala
Chairman
(DIN: 00210342)

Date : April 30, 2021

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, 2019
Effective date of Modification:	:	May 6, 2019

Annexure C1 (Contd.)

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 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;

Annexure C1 (Contd.)

4.2.1.4 Words and expressions used and not defined in this Policy but defined in Companies Act, 2013 or rules made thereunder or Securities and Exchange Board of India Act, 1992 or regulations made thereunder or Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

5. Parameters for declaration of Dividend

5.1 In line with the philosophy stated above in Clause 2, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

5.1.1 **Financial Parameters / Internal Factors:**

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

5.1.1.1 Consolidated net operating profit after tax;

5.1.1.2 Working capital requirements;

5.1.1.3 Capital expenditure requirements;

5.1.1.4 Resources required to fund acquisitions and / or new businesses;

5.1.1.5 Cash flow required to meet contingencies;

5.1.1.6 Outstanding borrowings;

5.1.1.7 Past Dividend Trends

5.1.2 **External Factors:**

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

5.1.2.1 Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;

5.1.2.2 Dividend pay-out ratios of companies in the same industry.

5.2 Circumstances under which the shareholders may or may not expect Dividend:

5.2.1 The shareholders of the Company may not expect Dividend under the following circumstances:

5.2.1.1 Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;

5.2.1.2 Significantly higher working capital requirements adversely impacting free cash flow;

5.2.1.3 Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;

5.2.1.4 Whenever it proposes to utilise surplus cash for buy-back of securities; or

5.2.1.5 In the event of inadequacy of profits or whenever the Company has incurred losses.

5.3 Utilization of retained earnings:

5.3.1 The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

5.4 Parameters adopted with regard to various classes of shares:

5.4.1 Presently, the Authorised Share Capital of the Company is divided into equity share of Re. 1 each and Preference shares of ₹ 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 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: AUDITOR'S CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 BY MARICO LIMITED RELATING TO CORPORATE GOVERNANCE REQUIREMENTS

I have examined compliance by Marico Limited (the Company) with the requirements under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) relating to corporate governance requirements for the year ended on 31 March 2021.

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 one complaint relating to investor's grievance received by the Company, is pending unresolved as on March 31, 2021, and is under verification by the Company and its Registrar and Share Transfer Agent.

I further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Dr. K. R. Chandratre
Practising Company Secretary
FCS No.: 1370, C. P. No.: 5144
UDIN: F001370C000216961
Peer Review Certificate No.: 463/2016

Place: Pune
Date : April 30, 2021

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:

Keeping its commitment to sustainable business practices, your Company aims to protect the environment. 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 FY2020-21 are outlined below.

- Improving operational efficiency of copra crushing process at Perundurai facility.
- Energy savings of over 15000KWH/annum by installing high-speed machinery that optimizes consumption patterns at Perundurai facility. This also includes elimination of energy-intensive grinders (133200 KWH/annum savings), installation of energy saving kits for air conditioners (28800 KWH/annum savings) and elimination of dry run rainwater pumps (2243 KWH/annum savings).
- Installation of automatic street light sensors with a timer option at Perundurai facility.
- Installation of motion sensors for LED lights and Photoconductivity principle-based Light Dependent Resistor (LDR) lighting units at North-East Region (NER- I & II) and Puducherry facilities. At Puducherry facility, energy saving was achieved by replacing sodium lamp from farm tank area with smart-LED lighting units.
- Shifting of Compressor to the production building at the North East Region (NER-I) facility to optimize energy consumption.
- Installation of timer-based fans with automatic reset switch at the North East Region (NER-I) facility.
- Energy savings by elimination of water overflow from overhead tanks through automation, at North East Region (NER-I) facility. This has also helped in consistent circulation of drinking water across all the operational units in the facility.

2. Steps taken for utilising alternate sources of energy:

- Your Company utilizes 100% renewable source for thermal energy requirements for the processes at Jalgaon, Perundurai and Puducherry units.
- Constant efforts are taken to reduce the use of fossil fuels. At Sanand facility, roof top solar Installation of 225 KVA was done to provide energy savings of 83230 KWH/annum. At Perundurai unit, 99% of the electricity was procured from renewable sources like wind and biomass. Further, the expansion program for Perundurai facility has been centred around smart energy upgrades, including the installation of high-speed machinery to enhance overall productivity and operational efficiency.
- During the year under review, over 72% of the total energy requirement in operations were met through renewable sources.

3. Capital investment on energy conservation equipments:

For the year under review, the capital investment on energy conservation projects was ₹ 8.07 Crores. For some of the ongoing energy conservation projects at Perundurai and Puducherry facilities, an amount of ₹ 1.5 lacs were spent towards operational costs (R&M).

B. Technology absorption

1. Research and Development (R&D)

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

- Hygiene, Immunity and Nutrition categories– Consumer insight-led product development.
- Product Innovation for international markets.
- Introduction of design-thinking approach in the function.
- Adapting to the evolving new ways of working.

The year started on a challenging note for the R&D function with the onset of COVID-19 pandemic and subsequent enforcement of a lockdown. We resumed work at the R&D facility after requisite permissions from authorities and maintaining strict adherence

ANNEXURE 'D' (Contd.)

Conservation of Energy, Technological Absorption and Foreign Exchange Earnings and Outgo

to the safety protocols laid down by the medical fraternities. This ensured continuity in our innovation efforts especially amidst a drastic shift in consumer needs and behaviour. We focused on creating and delivering products/solutions to serve specific pandemic-induced as well as perceivably enduring needs of the consumer.

The pandemic brought tremendous focus on hygiene-related categories. As hygiene needs were ranging from personal to all surfaces/items, it led to a flurry of product innovations in a short span of time. Your Company also launched a portfolio of products, for personal hygiene (under the brand name 'Mediker'), fruits and vegetables (under the brand name 'Veggie Clean'), surface disinfectants (under the brands 'Travel Protect' and 'House Protect') and fabric conditioners (under the fabric care brand Revive). All products were tested for efficacy against all type of viruses. As these products were required for frequent use in the given context, we ensured that these are suitable for prolonged usage.

In response to the heightened need for immunity and nutrition, we launched multiple differentiated offerings under the aegis of the brand, Saffola. We introduced Saffola Honey, offering consumers pure and export-grade quality honey, amidst reports of increasing adulteration in the sector. **Saffola Honey** is tested using the latest NMR technology to ensure it is free from any adulteration and no added sugar. Further, as the demand for the immunity boosting products is likely to sustain, we also entered the chyawanprash category with the launch of **Saffola Arogyam Chyawan Amrut** (with higher actives than competing players in the market) and traditional recipes of Golden Turmeric Milk and Kadha under the brand, **Saffola ImmuniVeda**. These products have been formulated with Ayurveda actives, while ensuring the taste remains appealing to Indian consumers. With the launch of **Saffola Oodles**, we created a healthy oat-based noodle snack that is quick and convenient to prepare and delivers on taste. Lastly, we also entered plant protein category with launch of **Saffola Mealmaker Soya Nuggets**, made with Super Soft Technology that ensures the soya chunks remain soft, tender and juicy. In addition, we also launched **Saffola Mealmaker Masala Soya Mini Chunks** with added Indian flavours for an even better taste experience.

We continued to concentrate our efforts on building product superiority, while ensuring we create value at an efficient cost. With deeper and real consumer insights, we created a few haircare formats for the Indian market as well as international geographies with superior sensory and differentiated functional offerings. We also created a hair care portfolio of value-added hair oils and shampoos for the Bangladesh market. New products were developed through in-depth in-sighting with relevant consumers and designing value added formats at the optimum cost.

Advanced Research focused on supporting product development through creation of underlying science for hair and skin care benefits, strengthening basic understanding of hair & scalp biology & designing innovative diagnostics to communicate product benefits to consumers. In addition, we have worked on the immune boosting properties of Virgin coconut oil and published the findings for consumer knowledge.

The Consumer Technical Insights function followed a "Jobs to be done" approach to create deeper insights and differentiation in highly cluttered categories. We overcame challenge of not being in front of consumer for in-sighting by developing technique of virtual consumer engagement. The technique proved to be successful during the year.

We have further sharpened our focus on quality assurance of our products and offerings. 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 with respect to consumer-centric legislations in India. We have also collaborated with the Government in several consumer-focused and skill building initiatives.

2. **Benefits derived as the result of the above efforts**
   - Launch of new products – Nihar Naturals Almond Non-Sticky Hair Oil, Mediker Hand Sanitisers, Protect Disinfectants, Veggie Clean, Keep Safe range, Revive Fabric sanitisers, Saffola Oodles, Saffola Honey, Saffola Arogyam Chyawan Amrut, Saffola ImmuniVeda Kadha and Golden Turmeric Milk, Saffola Mealmaker Soya Nuggets and

ANNEXURE 'D' (Contd.)

Conservation of Energy, Technological Absorption and Foreign Exchange Earnings and Outgo

Parachute Naturale Shampoo for Bangladesh.
   - Creating the science based on the different properties of Virgin coconut oil.
   - Increased capability in clinical studies to strengthen the support of claims on new products launched.

3. **Technology absorption, adaptation and innovation**

   New technologies sourced from vendors, universities etc. were evaluated for implementation keeping in mind our business needs. Clinical research organizations, original equipment manufacturers & University experts were engaged to develop new products & deploy them at a faster rate. These efforts allowed higher idea generation & quicker conversion of ideas into products.

4. **Technology imported during the last three years reckoned from the beginning of the financial year:**
   Not Applicable.

5. **The expenditure incurred on Research and Development:**

Particulars	As at March 31, 2021 ₹ in Crore	As at March 31, 2020 ₹in Crore
(a) Capital	0.81	0.63
(b) Recurring	28.86	30.84
Total	29.67	31.47
As a % of revenues	0.47	0.54

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, 2021 ₹ in Crore	As at March 31, 2020 ₹in Crore
Foreign Exchange earned	461.61	382.97
Foreign Exchange used	223.89	153.43

For Marico Limited

Harsh Mariwala
Chairman
DIN : 00210342

Date : April 30, 2021

ANNEXURE 'E' TO THE BOARD'S REPORT

Disclosure on Corporate Social Responsibility ("CSR")

1. **A Brief Outline of the Company's CSR Policy.**

Marico's CSR Philosophy

Marico's stated purpose is to "Make a Difference". We believe that we exist to benefit the entire ecosystem of which we are an integral part. We have a commitment towards our interdependent ecosystem of shareholders, consumers, associates, employees, Government, environment and society. We believe that economic value and social value are interlinked. A firm creates economic value by creating social value – by playing a role in making a difference to the lives of its key stakeholders. Furthermore, a firm cannot do this in isolation; it needs the support and participation of other constituents of the ecosystem. Sustainability comes from win-win partnerships in the ecosystem.

Marico's CSR Policy is therefore anchored on this core purpose making a difference to the lives of all its stakeholders to help them achieve their full potential. Pursuant to the requirements of Section 135 of the Companies Act, 2013 read with the Rules made thereunder, the Board of Directors of the Company at its meeting held on November 7, 2014 had adopted the CSR Policy, which was last amended by the Board of Directors on March 29, 2021. The salient features of the CSR Policy are as under:

- CSR philosophy;
- Key thrust areas for CSR contributions;
- Implementation;
- Governance: At CSR Team, CSR Committee and at Board level;
- Annual Action Plan
- Mechanisms over CSR Expenditure & Budget and;
- Monitoring & Impact Assessment of the CSR Programs.

The Government has notified various initiatives that qualify to be CSR for the purpose of the mandatory spend applicable to the companies. The CSR 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 Projects approved by the Board can be accessed at https://marico.com/india/investors/documentation

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:

- Improve Scalability of social organisations
- Community Development
- Education
- Increasing reach of Health Care
- Livelihood enhancement

2. **Composition of the CSR Committee:**

The composition of the CSR Committee has been disclosed in the Corporate Governance Report and can also be accessed at: https://marico.com/page/Committees-of-the-Board.pdf

3. The CSR policy can be accessed on: https://marico.com/investorspdf/Corporate-Social-Responsibility-Policy.pdf

ANNEXURE 'E' TO THE BOARD'S REPORT (Contd.)

Disclosure on Corporate Social Responsibility ("CSR")

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. If applicable (attach the report).

Not Applicable for current year

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
NA			

(₹in Crores)

6.		Average net profit of the company as per section 135(5).	999.4
7.	(a)	Two percent of average net profit of the company as per section 135(5)	19.99
	(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	0
	(c)	Amount required to be set off for the financial year, (if any)	0
	(d)	Total CSR obligation for the financial year (7a+7b- 7c).	19.99

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
204,431,173	NA	NA	NA	NA	NA

ANNEXURE 'E' TO THE BOARD'S REPORT (Contd.)

Disclosure on Corporate Social Responsibility ("CSR")

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	MIF Scale-Up Program		Across India	Across India		Ongoing	21,153	19,013	-			
a	Atomberg	Ensuring environmental sustainability	Yes	Maharashtra	Mumbai	-	-	-	-	Yes	Through Implementation agency: Marico Innovation Foundation (MIF). MIF is a not for Profit institution established in 2003, registered as a Section 25 company under erstwhile Companies Act, 1956. MIF's Scale-up program aims to help young 'innovative' organisations in accelerating their growth through deep rooted and intensive mentoring from a domain expert at a nominal fee.	CSR Registration no.: CSR00002037
b	S4S Technologies	Ensuring environmental sustainability, promoting education and empowering women	Yes	Maharashtra	Mumbai and Aurangabad	-	-	-	-	Yes		
c	Niki.ai	Promoting education	Yes	Karnataka	Bangalore	-	-	-	-	Yes		
d	BOHECO	Promoting Healthcare	Yes	Maharashtra	Mumbai	-	-	-	-	Yes		
e	St. Jude	Promoting Healthcare	Yes	Maharashtra	Mumbai	-	-	-	-	Yes		
f	Innaumation	Promoting Healthcare	Yes	Karnataka	Bangalore	-	-	-	-	Yes	Through Implementation agency: MIF	
g	Kheyti	Promoting education	Yes	Hyderabad	Telangana	-	-	-	-	Yes		
h	Caremother	Promoting Healthcare	Yes	Maharashtra	Mumbai	-	-	-	-	Yes		
i	Jeevtronics	Promoting Healthcare	Yes	Maharashtra	Pune	-	-	-	-	Yes		
j	Trakitnow	Promoting Healthcare including preventive healthcare	Yes	Hyderabad	Telangana	-	-	-	-	Yes		
2.	Thought Leadership	Promoting education	Across India	Across India		Ongoing	5,235,537	1,027,487	-	Yes	Through Implementation agency: MIF. Dissemination of content through various platforms. Launched MIF Talkies which is a web series of short online videos that showcase impactful innovations that are truly transforming lives, communities, businesses and more.	
3.	Innovation for India Awards	Promoting education	Across India	Across India		Ongoing	1,957,766	1,957,742	-	Yes	Through Implementation agency: MIF An educational and inspiring webinar to celebrate Indian innovation, catapult the winning stories to generate a lasting impact thereby adding to India's growth story.	
4.	Mass Innovation	Promoting education	Across India	Across India		Ongoing	100,929	98,941	-	Yes	Through Implementation agency: MIF An experimental initiative to infuse innovation in India at a mass-level. The first step is an experiment in the state of Punjab to inculcate innovation as a skill among youth trapped in the vicious cycle of substance abuse, redirecting them into productive activities.	
A	Total MIF						7,315,385	3,103,183	-			
B	Education						40,000,000	38,900,000	-			
	Nihar Shanti Pathshala Funwala	Education	Yes	Madhya Pradesh, Haryana, Rajasthan	All Districts in MP and Haryana & in Alwar at Rajasthan	Ongoing	30,000,000	31,900,000	-	NGO Partners & Direct	LeapForWord - People For Action - Synergie	LeapForWord: CSR00001037 Synergie: CSR00000433 Other: Not registered as on date of reporting
	Economic Empowerment Program	Education and Skilling	Yes	Madhya Pradesh	Indore and Bhopal	Ongoing	10,000,000	7,000,000	-	NGO Partners	United Nations Development Programme (UNDP) - CSR Trusts for SDGs in India	UNDP- CSR Trusts for SDGs in India: CSR00001423
C	Community Sustenance						65,000,000	65,000,000	-			
	Farmer Development	Livelihood Enhancement	Yes	Tamil Nadu, Kerala, Andhra Pradesh, Karnataka	Several districts across 4 states	Ongoing	55,000,000	55,000,000	-	Yes	Parachute Kalpavriksha Foundation	CSR Registration no.: CSR00002001
	Sustainability	Water Steward Program: - Jalashay through Desilting water bodies & Farm pond creation	Yes	Tamil Nadu	Coimbatore, Theni	Ongoing	10,000,000	10,000,000	-	Yes	Parachute Kalpavriksha Foundation	
D	Community Initiatives	Covid-19 relief activities - health care, preventive healthcare, sanitation and disaster management	Across India	Across India		Ongoing	3,123,393	3,123,393		Yes	Direct	N.A.
	TOTAL (A+B+C+D)						115,438,778	110,126,576	-			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
E	Innovate2BeatCOVID (A nationwide hunt for innovative, cost effective and ready to deploy solutions for Personal Protective Gear, Ventilator and Other Respiratory Solutions in quick response to the growing seriousness of the pandemic.)	Promoting Healthcare	Across India	Across India	Across India	9,420,767	Yes	Through Implemention agency: MIF	CSR Registration no.: CSR00002037
F	Marico United Against Covid					73,471,012			
1.	Covid Rehabilitation	Covid-19 relief activities - health care, sanitation and disaster management	Yes	Across India	Across India	34,978,189	NGO Partners & Direct	Give Foundation, Mukul Madhav Foundation	Give Foundation: CSR00000389 Others: Not registered as on date of reporting
2.	Personal protective equipment (PPE) Supplies	Covid-19 relief activities - health care, preventive healthcare, sanitation and disaster management	Yes	Across India	Across India	2,937,048	NGO Partners & Direct	Habitat for Humanity India Trust	CSR00000402
3.	Donation for Covid - Disaster Relief to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) and disaster management authorities of various states	Covid-19 relief activities - health care, preventive healthcare, sanitation and disaster management	Yes	Across India	Across India	9,797,893	Yes	Direct	-
4.	Covid Meals Program	Covid-19 relief activities - health care and disaster management	Yes	Across India	Across India	25,757,882	NGO Partners & Direct	Give Foundation, NRAI, Akshaypatra Foundation, Youth for Unity and Voluntary Action (YUVA), Bochasanwasi Shri Akshar Purushottam Public Charitable Trust	Give Foundation: CSR00000389 YUVA: CSR00003042 Bochasanwasi Shri Akshar Purushottam Public Charitable Trust: CSR00004193 Others: Not registered as on date of reporting
G	Marico Consumer Care Limited - Water Steward	Environmental sustainability & conservation of natural resources	Yes	Rajasthan, Uttar Pradesh	Barmer, Newari	1,761,900	NGO Partner	Dhara Sansthan, Peoples Action for National Integration (PANI)	Dhara Sansthan: CSR00001421 PANI: CSR00000125
	TOTAL (E+F+G)					84,653,679			

ANNEXURE 'E' TO THE BOARD'S REPORT (Contd.)

Disclosure on Corporate Social Responsibility ("CSR")

(d) Amount spent in Administrative Overheads	₹ 9,650,918
(e). Amount spent on Impact Assessment, if applicable	0
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 204,431,173

Note: *The Amount at (f) above, is inclusive of ₹ 17,61,900 which has been spent by Marico Consumer Care Limited (MCCL) towrads its CSR obligations. During the year under review, MCCL was merged with the Company.*

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	199,873,320
(ii)	Total amount spent for the Financial Year	204,431,173
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,522,853
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	2,522,853

Note: *The excess amount spent above is exclusive of CSR spends made by Marico Consumer Care Limited and certain unidentified CSR related spends.*

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	NA	NA	NA	NA	NA	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project Completed/Ongoing
1.	NA	NA	NA	NA	NA	NA	NA	NA

10. Creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a) Date of creation or acquisition of the capital asset(s): Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Date : April 30, 2021

Saugata Gupta
Managing Director & CEO

B. S. Nagesh
Chairman of the CSR Committee

CHIEF EXECUTIVE OFFICER (CEO) DECLARATION

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel as well as all the employees of the Company. This Code of Conduct is available on the Company's website.

I hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company.

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Saugata Gupta
Managing Director & CEO
(DIN: 05251806)
Date: April 30, 2021

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, 2021 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)
Date: April 30, 2021

For **Marico Limited**

Pawan Agrawal
Chief Financial Officer
Date: April 30, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members
Marico Limited
7th Floor, Grande Palladium
175, CST Road, Kalina, Santacruz (East)
Mumbai - 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, Santacruz (East), Mumbai - 400098 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31st March 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority(ies).

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Harsh Mariwala	00210342	13/10/1988
2.	Mr. Rajendra Mariwala	00007246	26/07/2005
3.	Mr. Nikhil Khattau	00017880	18/07/2002
4.	Mr. Nagesh Satyanarayan Basavanhalli	00027595	16/07/2010
5.	Ms. Hema Ravichandar	00032929	26/07/2005
6.	Mr. Rishabh Mariwala	03072284	02/05/2017
7.	Mr. Saugata Gupta	05251806	01/04/2014
8.	Mr. Ananth Sankaranarayanan	07527676	26/06/2017
9.	Mr. Sanjay Dube	00327906	30/01/2020
10.	Mr. Kanwar Bir Singh Anand	03518282	01/04/2020

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
FCS No.: 1370, C. P. No.: 5144
UDIN: F001370C000216948
Peer Review Certificate No.: 463/2016

Place: Pune
Date : April 30, 2021

FORM AOC - 1

Statement containing salient features of the financials statements of subsidiaries, associate companies and joint ventures.
Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014

Part "A" : Subsidiaries

(All figures except exchange rates are in ₹ Crore)

Sr. No.	Name of the subsidiary	Reporting Currency	Exchange Rate	Date of acquiring subsidiary	Start date of the Reporting Period	End date of the Reporting Period	Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (Excluding Investment in Subsidiaries)	Turnover	Profit / (Loss) Before Tax	Provision for Tax	Profit / (Loss) After Tax	Proposed Dividend including Dividend declared during the year	% of Share holding
1	Marico Bangladesh Limited	BDT		6th September, 1999	1st April, 2020	31st March, 2021	32	132	579	416	174	1,131	419	109	311	284	90
		₹	0.864				27	114	501	359	150	977	362	94	269	245	
2	MBL Industries Limited	BDT		2nd August, 2003	1st April, 2020	31st March, 2021	0	0	1	0	-	-	(0)	-	(0)	-	100
		₹	0.864				0	0	1	0	-	-	(0)	-	(0)	-	
3	Marico Middle East FZE	AED		8th November, 2005	1st April, 2020	31st March, 2021	2	(12)	8	19	-	17	0	-	0	-	100
		₹	19.919				44	(247)	167	370	-	341	4	-	4	-	
4	MEL Consumer Care SAE	EGP		1st October, 2006	1st April, 2020	31st March, 2021	0	(13)	0	13	-	-	(0)	-	(0)	-	100
		₹	4.655				0	(60)	1	61	-	-	(1)	-	(1)	-	
5	Egyptian American Company for Investment and Industrial Development SAE	EGP		19th December, 2006	1st April, 2020	31st March, 2021	1	(1)	0	0	-	-	-	-	-	-	100
		₹	4.655				3	(5)	0	2	-	-	-	-	-	-	
6	Marico South Africa (Pty) Limited	ZAR		17th October, 2007	1st April, 2020	31st March, 2021	11	(2)	18	9	-	26	1	(0)	1	-	100
		₹	4.956				53	(8)	89	43	-	130	5	(1)	3	-	
7	Marico South Africa Consumer Care (Pty) Limited	ZAR		1st November, 2007	1st April, 2020	31st March, 2021	9	(1)	8	-	-	-	(0)	-	(0)	-	100
		₹	4.956				45	(5)	40	-	-	-	(0)	-	(0)	-	
8	Marico Egypt for industries SAE	EGP		1st January, 2008	1st April, 2020	31st March, 2021	1	(2)	0	0	-	-	(0)	(0)	(0)	-	100
		₹	4.655				6	(8)	0	2	-	-	(0)	(0)	(0)	-	
9	Marico for Consumer Care Products SAE	EGP		19th December, 2017	1st April, 2020	31st March, 2021	1	(8)	9	15	3	13	(1)	0	(1)	-	100
		₹	4.655				7	(35)	41	69	12	59	(3)	0	(3)	-	
10	Marico Malaysia Sdn.Bhd	MYR		4th December, 2009	1st April, 2020	31st March, 2021	2	(2)	0	0	-	-	(0)	-	(0)	-	100
		₹	17.635				31	(31)	0	0	-	-	(0)	-	(0)	-	
11	Marico South East Asia Corporation	VND		18th February, 2011	1st April, 2020	31st March, 2021	9,536	11,896	55,904	34,472	-	1,48,242	8,664	1,921	6,743	10,000	100
		₹	0.00317				30	38	177	109	-	470	27	6	21	32	
12	Marico Innovation Foundation	₹		15th March, 2013	1st April, 2020	31st March, 2021	-	0	0	0	-	-	0	-	0	-	100
		₹	1.000				-	0	0	0	-	-	0	-	0	-	
13	Parachute Kalpvriksha Foundation	₹		27th December, 2018	1st April, 2020	31st March, 2021	-	(0)	1	1	-	-	(0)	-	(0)	-	100
		₹	1.000				-	(0)	1	1	-	-	(0)	-	(0)	-	
14	Marico Lanka (Private) Limited	LKR		03rd March, 2019	1st April, 2020	31st March, 2021	2	(13)	4	14	-	7	(9)	-	(9)	-	100
		₹	0.368				1	(5)	2	5	-	3	(3)	-	(3)	-	
15	Zed Lifestyle Private Limited	₹		30th June, 2020	1st April, 2020	31st March, 2021	0	7	29	21	1	64	(5)	(0)	(5)	-	100
		₹	1.000				0	7	29	21	1	64	(5)	(0)	(5)	-	

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, 2021 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.

FORM AOC - 1 (Contd.)

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

Not Applicable

Notes:

1. Marico acquired balance 55% equity stake from the existing shareholders of Zed Lifestyle Private Limited ("ZED Lifestyle"), an associate company and consequently ZED Lifestyle became a wholly owned subsidiary of your Company, with effect from June 30, 2020
2. Revolutionary Fitness Private Limited and Hello Green Private Limited ceased to be the associates of your Company, with effect from September 23, 2020.

For and on behalf of the Board of Directors

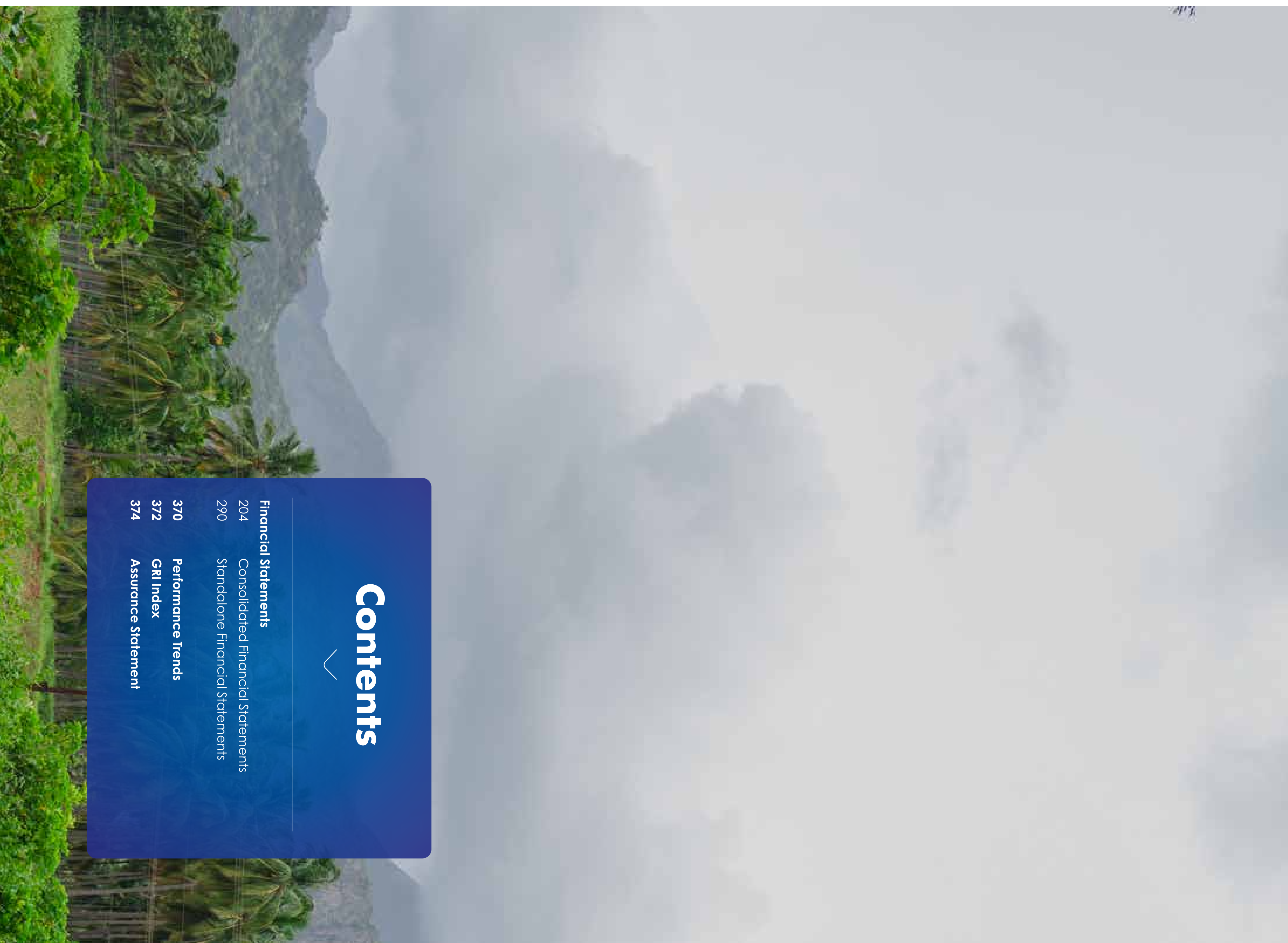
HARSH MARIWALA
Chairman
[DIN 00210342]
Place : Ooty

Date : April 30, 2021

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

PAWAN AGRAWAL
Chief Financial Officer
Place : Mumbai
Date : April 30, 2021



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CONSOLIDATED AUDITORS' REPORT

Independent Auditors' Report

To the Members of Marico Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Marico Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, 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 as at 31 March 2021, 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 Consolidated Financial Statements]

The Key Audit Matter	How the matter was addressed in our audit
• Revenue is recognised based on the arrangement with customers. • Revenue is recognised when control of the underlying products has been transferred to the customer. There is a risk of revenue being overstated at year-end 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 appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards. • Tested design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue, revenue cut-off 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. • Tested manual journals posted to revenue close to year-end to identify unusual items. • Scrutinised sales returns/reversals and bad debt write offs recorded in the general ledger subsequent to year-end to identify any significant unusual items. • Performed analytical procedures on sales such as trend analysis to identify any unusual fluctuations.

CONSOLIDATED AUDITORS' REPORT

Uncercain Tax Position

Refer note (h) of Significant Accounting Policies and Note 26 and 33 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
The Company operates in a complex tax jurisdiction with certain tax exemptions / deductions that may be subject to challenges and audits by tax authorities. There are significant open tax matters under litigation with tax authorities Judgement is required in assessing the level of provisions and disclosure of contingent liabilities required in respect of uncertain tax position that reflects management's best estimates of the most likely outcome based on the facts available.	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 external tax expert/counsel opinions and the use of past experience, where available, with the tax authorities. • Involved our tax specialists to evaluate the status of ongoing tax litigations and judgemental tax positions in tax returns and their most likely outcome, basis their expertise, industry outcomes and company's own past experience in respect of similar matters. • Evaluated the adequacy of financial statement disclosures in respect of the tax provision / adjustments and contingencies.

Impairment assessment of goodwill and intangible assets with indefinite useful lives

Refer to note (j) of Significant Accounting Policies, Note 2(d) and 5 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
• The carrying amount of goodwill aggregates 613 crores and intangible assets with indefinite lives aggregates 224 crores i.e. 11% and 4% of the total assets of the Group respectively as at 31 March 2021.	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.
• The annual impairment testing of goodwill and intangible assets with indefinite lives is considered to be a key audit matter due to complexity of the accounting requirements and significant judgements required in determining the assumptions to be used to estimate the recoverable amount.	• Compared the inputs with the historical growth trends, evaluating the forecast used in prior year models to its actual performance of the business, agreeing current forecast to the board of directors / management approved plans as well as our own assessment based on our knowledge of the entity.
The recoverable amount of the relevant cash generating units (CGUs), which has been determined based on value in use, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales value, operating costs, terminal value growth rates and the weighted average cost of capital (discount rate).	• Involved our internal valuation specialists, where appropriate, to evaluate the reasonability of the methodology and approach used in the valuation carried out for determining the carrying amount of the CGUs. • Challenged management with our own sensitivity analysis and evaluated the effect of possible reductions in growth rates and forecasted cash flows on the estimated headroom. • Evaluated the adequacy of financial statement disclosures in respect of the impairment assessment for goodwill and intangible assets with indefinite lives.

CONSOLIDATED AUDITORS' REPORT

Business combination

Refer to note (ad) of Significant Accounting Policies, Note 41 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
During the year ended 31 March 2021, the Group has acquired control of Zed Lifestyle Private Limited ('the acquiree'). This has resulted in conversion of the acquiree from a joint venture to a subsidiary. • The Group has accounted for this acquisition as a business combination as per Ind AS 103, 'Business Combinations' and Ind AS 110 'Consolidated Financial Statements' by recognizing identifiable assets and liabilities at fair value as well as fair value gain on remeasurement of the stake held prior to obtaining control. • The measurement of identifiable assets and liabilities acquired at fair value and the fair value of previously held stake is inherently judgemental.	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: • We have read the underlying contract for the business acquisition to understand the key terms and conditions. • We have assessed the appropriateness of the accounting treatment followed in terms of the requirements of Ind AS 103 and Ind AS 110. • We have assessed the competence and objectivity of the experts engaged by the Company.
• Fair value was determined with assistance of an external valuation expert using relevant valuation models. • Given the complexity and judgement involved in fair value measurements of the acquisition, this is considered a key audit matter	• We have evaluated the purchase price allocation adjustments and the identification and valuation of acquired intangible assets by involving our internal valuation specialists and based on our knowledge of the Company and industry • We have assessed the adequacy of the Company's disclosures in respect of the acquisition in accordance with Ind AS 103 and Ind AS 110.

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 terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group 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 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 is responsible for overseeing the financial reporting process of each company.

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 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 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 auditoFor 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 matteWe 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 ₹ 966 crore as at 31st March 2021, total revenues of ₹ 1,956 crore and net cash inflows amounting to ₹ 19 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 eight subsidiaries, whose financial statements/financial information reflect total assets of ₹ 70 crore as at 31st March 2021, total revenues of ₹ 60 crore and net cash outflow amounting to ₹ 0* 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 auditoThese 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, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

***The amount is below ₹ 0.50 crore**

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 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 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, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31st March 2021 on the consolidated financial position of the Group. Refer Note 14 and 33 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March 2021.

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 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31st March 2021.

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 and based on the reports of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company 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 company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sadashiv Shetty
Partner
Membership No: 048648
UDIN: 21048648AAAAAR9402

Mumbai
30 April, 2021

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT - 31ST MARCH, 2021

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 2021, 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 companies 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 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

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

Sadashiv Shetty
Partner
Membership No: 048648
UDIN: 21048648AAAAAR9402

Mumbai
30 April, 2021

CONSOLIDATED BALANCE SHEET

as at 31 March 2021

(₹ in Crore)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	572	602
Capital work-in-progress		24	58
Right of use assets	3(b)	180	198
Investment properties	4	17	17
Goodwill	5	613	538
Other intangible assets	5	230	41
Investment accounted for using the equity method	6(a)	-	29
Financial assets			
(i) Investments	6(a)	226	76
(ii) Loans	6(c)	18	20
(iii) Other financial assets	6(f)	27	11
Deferred tax assets (net)	7	186	159
Non current tax assets (net)	17	55	45
Other non-current assets	8	26	27
Total non-current assets		**2,174**	**1,821**
Current assets			
Inventories	9	1,126	1,380
Financial assets			
(i) Investments	6(a)	628	628
(ii) Trade receivables	6(b)	388	539
(iii) Cash and cash equivalents	6(d)	109	93
(iv) Bank balances other than (iii) above	6(e)	835	186
(v) Loans	6(c)	6	5
(vi) Other financial assets	6(g)	5	3
Current Tax Asset (Net)	17	1	-
Other current assets	10	224	307
Assets classified as held for sale	11	14	8
Total current assets		**3,336**	**3,149**
Total assets		**5,510**	**4,970**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	129	129
Other equity			
Reserves and surplus	12(b)	3,111	2,900
Other reserves	12(c)	(0)	(6)
Equity attributable to owners		**3,240**	**3,023**
Non-controlling interests	12(c)	18	13
Total equity		**3,258**	**3,036**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	8	10
(ii) Other financial liabilities	13(b)	122	144
Provisions		1	-
Employee benefit obligations	15	24	21
Deferred tax liabilities (net)	16	84	6
Total non current liabilities		**239**	**181**
Current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	340	325
(ii) Trade payables	13(c)		
Total outstanding dues of micro enterprises and small enterprises		18	10
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,116	940
(iii) Other financial liabilities	13(b)	82	79
Other current liabilities	18	287	210
Provisions	14	20	61
Employee benefit obligations	15	78	54
Current tax liabilities (net)	17	72	74
Total current liabilities		**2,013**	**1,753**
Total liabilities		**2,252**	**1,934**
Total equity and liabilities		**5,510**	**4,970**
Significant accounting policies	1		
Critical estimates and judgements	2		

The above consolidated Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date

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

For and on behalf of the Board of Directors

SADASHIV SHETTY
Partner
Membership No. 048648

HARSH MARIWALA
Chairman
[DIN 00210342]
Place : Ooty

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

Place : Mumbai
Date : April 30, 2021

Place : Mumbai
Date : April 30, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

(₹ in crore)

Particulars	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue:			
Revenue from operations	19	8,048	7,315
Other income	20	94	124
Total Income		8,142	7,439
Expenses:			
Cost of materials consumed	21(a)	3,884	3,424
Purchases of stock-in-trade		339	177
Changes in inventories of finished goods, stock-in-trade and work-in progress	21(b)	47	140
Employee benefit expense	22	570	478
Finance costs	25	34	50
Depreciation and amortization expense	23	139	140
Other expenses	24	1,617	1,626
Total expenses		**6,630**	**6,036**
Profit before share of net profits of investments accounted for using equity method and tax		**1,512**	**1,403**
Share of net gain/(loss) of joint ventures accounted for using the equity method	31	(2)	0
Profit before exceptional items and tax		**1,510**	**1,403**
Exceptional items	39	13	(29)
Profit before tax		**1,523**	**1,374**
Income tax expense			
Current tax	26	335	347
Deferred tax	26	(11)	(16)
Total tax expense		**324**	**331**
Profit for the year (A)		**1,199**	**1,043**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15	(1)	(3)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		(0)	1
Total		**(1)**	**(2)**
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations	12 (c)	5	45
Change in fair value of hedging instruments	12 (c)	1	(2)
Income tax relating to items that will be reclassified to profit or loss			
Change in fair value of hedging instruments	12 (c)	(0)	1
Total		6	44
Other comprehensive income for the year (B)		**5**	**42**
Total comprehensive income for the year (A+B)		**1,204**	**1,085**
Net Profit attributable to:			
Owners		1,172	1,021
Non-controlling interests		27	22
		1,199	**1,043**
Other comprehensive income attributable to:			
Owners		5	42
Non-controlling interests		-	0
		5	**42**
Total comprehensive income attributable to:			
Owners		1,177	1,063
Non-controlling interests		27	22
		1,204	**1,085**
Earnings per equity share for profit attributable to owners:	36		
Basic earnings per share		9.08	7.91
Diluted earnings per share		9.08	7.91
Significant accounting policies	1		
Critical estimates and judgements	2		

The above consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes..

As per our report of even date

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

For and on behalf of the Board of Directors

SADASHIV SHETTY
Partner
Membership No. 048648

HARSH MARIWALA
Chairman
[DIN 00210342]
Place : Ooty

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

Place : Mumbai
Date : April 30, 2021

Place : Mumbai
Date : April 30, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2021

A. Equity Share Capital

(₹ in Crore)

Particular	Note	Amount
As at 1st April 2019		**129**
Changes in equity share capital	12(a)	0
As at 31st March 2020		**129**
Changes in equity share capital	12(a)	0
As at 31st March 2021		**129**

B. Other Equity

(₹ in Crore)

Particulars	Note	Attributable to owners											
		Reserves and surplus						Other reserves					
		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	Total other equity	Non-controlling interests	Total equity
Balance as at 1st April 2019		**416**	**2,843**	**299**	**19**	**(27)**	**(724)**	70	0	**(50)**	**2,846**	**12**	**2,858**
Profit for the year		-	1,021	-	-	-	-	-	-	-	1,021	22	1,043
Other comprehensive income for the year		-	(2)	-	-	-	-	-	(1)	45	42	0	42
Total comprehensive income for the year		**-**	**1,019**	**-**	**-**	**-**	**-**	-	(1)	**45**	**1,063**	**22**	**1,085**
(Purchase)/sale of treasury shares by the trust during the year (net)	12(b)	-	-	-	-	-	-	-	-	-	-	-	-
Income of the trust for the year	12(b)	-	-	-	-	-	-	3	-	-	3	-	3
Exercise of employee stock options	12(b)	4	-	-	(4)	-	-	-	-	-	(0)	-	(0)
Share based payment expense	12(b)	-	-	-	10	-	-	-	-	-	10	-	10
Other adjustments	12(c)	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners:													
Dividends paid on equity shares (including dividend distribution tax of ₹103 crore)	12(b)	-	(1,027)	-	-	-	-	-	-	-	(1,027)	(21)	(1,048)
Balance as at 31st March, 2020		420	2,835	299	25	(27)	(724)	73	(1)	(5)	2,895	13	2,907
Balance as at 1st April, 2020		420	2,835	299	25	(27)	(724)	73	(1)	(5)	2,895	13	2,907
Profit for the year		-	1,172	-	-	-	-	-	-	-	1,172	27	1,199
Other comprehensive income for the year		-	(1)	-	-	-	-	-	1	5	5	-	5
Total comprehensive income for the year	**-**	**-**	**1,171**	**-**	**-**	**-**	**-**	**-**	**1**	**5**	**1,177**	**27**	**1,204**
(Purchase)/sale of treasury shares by the trust during the year (net)	12(b)	-	-	-	-	(13)	-	-	-	-	(13)	-	(13)
Income of the trust for the year	12(b)	-	-	-	-	-	-	5	-	-	5	-	5
Exercise of employee stock options	12(b)	11	-	-	(5)	-	-	-	-	-	6	-	6
Share based payment expense	12(b)	-	-	-	9	-	-	-	-	-	9	-	9
Other adjustments	12(c)	-	-	-	-	-	-	-	-	-	-	0	0
Transactions with owners in their capacity as owners:													
Dividends paid on equity shares	12(b)	-	(968)	-	-	-	-	-	-	-	(968)	(22)	(990)
Balance as at 31st March, 2021		431	3,038	299	29	(40)	(724)	78	(0)	-	3,111	18	3,129

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 borrowed from the Company. The Company treats WEOMA as its extension and shares held by WEOMA are treated as treasury shares. Profit on sale of treasury shares (net of tax) and dividend earned on the same by WEOMA trust is recognised in WEOMA reserve.

f) Hedge reserve

The Company uses forward and options contracts to hedge its risks associated with foreign currency transactions relating to certain firm commitments and forecasted transactions. The Company also uses Interest rates swap contracts to hedge its interest rate risk exposure. The Company designates these as cash flow hedges. These contracts are marked to market as at the year end and resultant exchange differences, to the extent they represent effective portion of the hedge, are recognized directly in hedge reserve. The ineffective portion of the same is recognized immediately in the Statement of Profit and Loss. Exchange differences taken to hedge reserve account are recognized in the Statement of Profit and Loss upon crystallization of firm commitments or occurrence of forecasted transactions or upon discontinuation of hedge accounting resulting from expiry / sale / termination of hedge instrument or upon hedge becoming ineffective.

g) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

h) Adjustment pursuant to the Scheme of Capital Reduction of MCCL

During the year ended 31st March, 2014, Hon'ble High Court of Bombay had approved the Scheme of Capital Reduction vide its order dated 21st June, 2013 in accordance with the provisions of Section 78 (read with Sections 100 to 103) of the Companies Act, 1956, pertaining in the Group's wholly owned subsidiary, Marico Consumer Care Limited (MCCL). Pursuant to the Capital Reduction Scheme, intangible assets aggregating ₹ 724 Crore, were adjusted against the Share capital to the extent of ₹ 54 Crore and securities premium to the extent of ₹ 670 Crore. Consequently, in the consolidated financial statements of Marico, intangible assets to the extent of ₹ 724 Crore were adjusted under Reserves and Surplus.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : April 30, 2021

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]
Place : Ooty

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

Place : Mumbai
Date : April 30, 2021

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March, 2021

(₹ in Crore)

	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES		
	PROFIT BEFORE INCOME TAX	**1,523**	**1,374**
	Adjustments for:		
	Depreciation, amortisation and impairment	139	140
	Share of net loss /(gain) of joint ventures accounted for using the equity method	2	(0)
	Finance costs	34	50
	Interest income from financial assets	(59)	(72)
	(Gain)/ Loss on disposal of property, plant and equipment (NET)	(0)	(0)
	Net fair value changes financial assets (including net gain on sale)	(21)	(33)
	Employees stock option charge	9	10
	Stock appreciation rights expense charge	6	(1)
	Impairment of Fixed assets, Intangibles and Inventory (refer note 39)	51	10
	Fair valuation of existing stake of Joint venture	(64)	-
	Provision for doubtful debts, advances, deposits and others (written back) / written off	3	(3)
		1,623	1,474
	Change in operating assets and liabilities:		
	(Increase) / Decrease in inventories	251	31
	(Increase) / Decrease in trade receivables	147	(22)
	(Increase) / Decrease in other financials assets	(4)	1
	(Increase) / Decrease in other non-current assets	2	(3)
	(Increase) / Decrease in other current assets	83	110
	(Increase) / Decrease in loans	1	(1)
	(Decrease) / Increase in provisions	(39)	1
	(Decrease) / Increase in employee benefit obligations	20	(14)
	(Decrease) / Increase in other current liabilities	77	(92)
	(Decrease) / Increase in trade payables	184	10
	(Decrease) / Increase in other financial liabilities	8	10
	Changes in Working Capital	**730**	**30**
	Cash generated from operations	**2,353**	**1,504**
	Income taxes paid (net of refunds)	(285)	(290)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**2,068**	**1,214**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment for property, plant and equipment and intangible assets	(142)	(188)
	Asset acquired under business combination	(132)	-
	Proceeds from sale of property, plant and equipment	5	8
	(Payment for) / Proceeds from purchase/sale of investments (NET)	164	(189)
	Proceeds from sale of investments in Joint venture	1	(3)
	(Purchase)/ Redemption of Inter-corporate deposits (NET)	(295)	45
	Investment in bank deposits (having original maturity more than 3 months) (net)	(591)	217
	Interest received	52	72
	Net cash utilised in investing activities (B)	**(938)**	**(39)**

CONSOLIDATED STATEMENT OF CASH FLOW (Contd)

For the year ended 31st March, 2021

(₹ in Crore)

	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issuance of share capital (net of share issue expenses)	6	0
	Sale of investments by WEOMA trust (net)	(9)	3
	Other borrowings (repaid) / taken (net)	13	(15)
	Decrease in minority interest	(22)	(21)
	Interest paid	(21)	(34)
	Repayment of Principal portion of lease liabilities	(44)	(38)
	Interest paid on lease liabilities	(13)	(16)
	Payment of unclaimed dividend	(61)	(1)
	Dividends paid to company's shareholders (including dividend distribution tax)	(968)	(1,025)
	Net cash utilised in financing activities (C)	**(1,119)**	**(1,147)**
D	EFFECT OF EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY (D)	**5**	**17**
E	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**16**	**45**
F	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	93	48
G	**CASH AND CASH EQUIVALENTS AT END OF THE YEAR (REFER NOTE 6 (D))**	**109**	**93**

Reconciliation of the movements of liabilities to cash flows arising from financing activities

Particulars	Year ended 31st March, 2021			Year ended 31st March, 2020		
	Lease Liabilities	Borrowings	Total	Lease Liabilities	Borrowings	Total
Balance at April 1,	183	335	518	189	349	538
Changes from financing cash flows						
Repayment of lease liabilities - principal portion	(44)	-	(44)	(38)	-	(38)
Payment of interest on lease liabilities	(13)	-	(13)	(16)	-	(16)
Other borrowings (repaid) / taken (net)	-	13	13	-	(15)	(15)
Payment of interest on borrowings from banks and financial institutions	-	(21)	(21)	-	(34)	(34)
Total changes from financing cash flows	**(57)**	**(7)**	**(65)**	**(54)**	**(49)**	**(103)**
Other changes						
New leases net off closures/disposals	20	-	20	31	-	31
Interest expense on lease liabilities	14	-	14	16	-	16
Interest expense on borrowings from banks and financial institutions	-	21	21	-	34	34
Other borrowing costs	-	-	-	-	1	1
Total changes	**34**	**21**	**55**	**47**	**35**	**82**
Balance at March 31,	**160**	**348**	**508**	**183**	**335**	**517**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The above consolidated statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date.

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : April 30, 2021

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]
Place : Ooty

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

Place : Mumbai
Date : April 30, 2021

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2021

Back ground and operations

Marico Limited (herein after referred to as 'the Company'), headquartered in Mumbai, Maharashtra, India, together with its subsidiaries is referred as 'Marico' or 'Group'. Marico carries on business in branded consumer products. In India, Marico manufactures and markets products under the brands such as Parachute, Parachute Advansed, Nihar, Nihar Naturals, Saffola, Hair & Care, Revive, Mediker, Livon, Set-wet, etc. Marico's international portfolio includes brands such as Parachute, Parachute Advansed, Fiancée, Hair Code, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-men, Thuan Phat etc.

Note 1: Significant accounting policies:

This note provides a list of the significant accounting policies adopted in preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

The consolidated financial statements of the Group for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 30th April, 2021.

a) Basis of preparation:

i. Compliance with IND AS :

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 & other relevant provisions of the Act.

ii. Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Groups normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and 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. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

iii) Group Companies:

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate as on that balance sheet date.
- income and expenses are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

e) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and service tax 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.

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ii. **Sale of services:**

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

f) Income recognition

i. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

ii. Dividends are recognised in Statement of Profit and Loss account only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

iii. Revenue from royalty income is recognized on accrual basis.

g) Government Grants:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and reduced from corresponding cost.

Income from incentives such as government budgetary support scheme, premium on sale of import licenses, duty drawback etc. are recognized under other operating income on accrual basis to the extent the ultimate realization is reasonably certain.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

h) Income Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income and any adjustments to taxes in respect of previous yeaManagement periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

i) Property, plant and equipment:

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Property, plant and equipment is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Borrowing costs attributable to acquisition, construction of qualifying asset are capitalized until such time as the assets are substantially ready for their intended use. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs & maintenance are charged to profit or loss during the reporting ¬period in which they are incurred.

Capital work-in-progress comprises cost of Property, Plant and Equipments that are not yet ready for their intended use at the year end.

Depreciation and amortization:

Depreciation is calculated using the straight-line method to allocate the cost of Property, Plant and Equipment, net of their residual values, over their estimated useful lives.

As per technical evaluation of the Group, the useful life considered for the following items is lower than the life stipulated in Schedule II to the Companies Act, 2013:

Assets	Useful life (years)
Motor vehicle – motor car, bus and lorries, motor cycle, scooter	5
Office equipment – mobile and communication tools	2
Computer – Server network	3
Plant 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 profit or loss within other income.

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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:

The Intangible assets with indefinite useful life comprises of Trademark and Copyrights.

Intangible assets with indefinite useful lives are measured at cost and are not amortised, but are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

iv. Research and Development:

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned in para i & j above. Revenue expenditure is charged off in the year in which it is incurred.

k) Investment property

Property (land or a building or part of a building or both) that is held (by the owner or by the lessee under a finance lease) for long term rental yields or for capital appreciation or both, rather than for:

(a) use in the production or supply of goods or services or for administrative purposes; or

(b) sale in the ordinary course of business; is recognized as investment property in the books.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred, when part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation is provided on all Investment Property on straight line basis, based on useful life of the assets determined in accordance with para "i" above.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

l) Non-Current Asset held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non¬current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

m) Lease

(i) As a lessee

The Group's lease asset classes primarily consist of leases for Land and Buildings and Plant & Equipment. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

i. the contract involves the use of an identified asset

ii. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(ii) As a lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

n) Investment 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.

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Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset.

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cashflows & for selling the financial assets, where the asset's cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income.

  Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

  Equity instruments

  The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive the dividend is established.

iii. Impairment of financial assets:

The Group assesses if there is any significant increase in credit risk pertaining to the assets and accordingly creates necessary provisions, wherever required.

iv. Derecognition of financial assets:

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows so received to one or more recipients.

  Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

  Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

o) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 27. Movements in the hedging reserve in shareholders' equity are shown in Note 12(c). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge reserve

The effective part of the changes in fair value of hedge instruments is recognized in other comprehensive income, while any ineffective part is recognized immediately in the statement of profit and loss.

p) Inventories:

Raw materials, packing materials, stores and spares are valued at lower of cost and net realizable value.

Work-in-progress, finished goods and stock-in-trade (traded goods) are valued at lower of cost and net realizable value.

By-products and unserviceable / damaged finished goods are valued at estimated net realizable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost is assigned on the basis of weighted average method. In case of Marico Middle East FZE costs of inventories are ascertained on First In First Out basis instead of weighted average basis, the impact of which is not material. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

q) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at cost less provision made for doubtful trade receivables as per expected credit loss method over the life of the asset depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group.

r) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

s) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occuTo 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

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for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

u) Employee Benefits:

i. Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Defined contribution plan:

a. Superannuation Fund:

The Group makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by insurance companies. The Group has no obligation to the scheme beyond its monthly contributions.

b. Provident fund:

Provident fund contributions are made to a trust administered by the Group in India. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the Group is additionally provided for in India. Actuarial losses and gains are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

iii. Defined benefit plan:

a. Gratuity:

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

b. Leave encashment / Compensated absences:

The Group provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation and classified as long term and short term. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

iv. Share based payments:

- **Employee Stock Option Plan:**

The fair value of options granted under the Group's employee stock option scheme (excess of the fair value over the exercise price of the option at the date of grant) is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price),
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

- **Employee Stock Appreciation Rights Scheme:**

Liability for the Group's Employee Stock Appreciation Rights (STAR), granted pursuant to the Group's Employee Stock Appreciation Rights Plan, is measured, initially and at the end of each reporting period until settled, at the fair value of the STARs, by applying an option pricing model, and is recognized as employee benefit expense over the relevant service period. The liability is presented as employee benefit obligation in the Balance Sheet.

v. Treasury Shares:

The Company has created a "Welfare of Mariconians Trust", (WEOMA) for providing share-based payment to its employees under the STAR scheme. In order to fund the STAR schemes, the Trust, upon intimation from the Company, carries out secondary market acquisition of the equity shares, of the Company. They are equivalent to STARs granted to its employees. The Company provides loan to the Trust for enabling such secondary acquisition. As and when the STARs vest in eligible employees, upon intimation of such details by the Company, the Trust sells the equivalent shares and hands over the net proceeds to the Company in accordance with the Trust Rules framed. The company treats, WEOMA as its extension and shares held by WEOMA are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase or sale of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in WEOMA reserve.

v) Provisions and Contingent Liabilities:

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

w) Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(i) estimated amount of contracts remaining to be executed on capital account and not provided for;

(ii) uncalled liability on shares and other investments partly paid;

(iii) funding related commitment to subsidiary, associate and joint venture companies; and

(iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/ procurements made in the normal course of business are not disclosed to avoid excessive details.

x) Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdraft.

y) Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and disclosed as such in the financial statements.

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z) Impairment of assets:

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

aa) Earnings Per Share:

(i) Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

ab) Contributed Equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ac) Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

ad) Business Combinations:

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

Business combinations arising from transfers of interests in entities that are under common control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to Other equity in a separate reserve account.

ae) Rounding off:

All amounts disclosed in the consolidated financial statement and notes have been rounded off to the nearest crores, unless otherwise stated.

Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes in these financial statements.

af) Recent Indian Accounting Standards (IND AS):

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

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To Consolidated Financial Statements for the year ended 31st March, 2021

2 Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates & associated assumptions are based on historical experience & management's best knowledge of current events & actions the Group may take in future.

Information about critical estimates & assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets & liabilities are included in the following notes:

(a) Impairment of financial assets (including trade receivable) (Note 28)

(b) Estimation of defined benefit obligations (Note 15)

(c) Estimation of current tax expenses and payable (Note 26)

(d) Estimated impairment of goodwill & intangible assets with indefinite useful life (Note 5)

(e) Estimation of provisions & contingencies (Note 14 and 33)

(f) Recognition of deferred tax assets including MAT credit (Note 7)

(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 trade receivables represent the estimate of losses that could arise due to inability of the Customer to make payments when due. These estimates are based on the customer ageing, customer category, specific credit circumstances & the historical experience of the Group as well as forward looking estimates at the end of each reporting period.

(b) Estimation of defined benefit obligations

The liabilities of the Group arising from employee benefit obligations & the related current service cost, are determined on an actuarial basis using various assumptions. Refer Note 15 for significant assumptions used.

(c) Estimation of current and deferred tax expenses and payable

The Group's tax charge is the sum of total current and deferred tax charges. Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the Group operates. Any difference between the estimates & final tax assessments will impact the income tax as well as the resulting assets & liabilities.

(d) Estimated impairment of goodwill and intangible assets with indefinite useful life

The Intangible assets with indefinite useful life comprises of Trademark and Copyrights.

Impairment testing for Goodwill & intangible assets with indefinite useful life is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions.

Goodwill and intangible assets with indefinite useful life held in Zed Lifestyle Private Limited ('Zed Life') Vietnam (Marico South East Asia Limited) and South Africa (Marico South Africa Consumer Care (Pty) Limited) business, are considered significant CGUs in terms of size & sensitivity to assumptions used. No other CGUs are considered significant in this respect.

(₹ in Crore)

CGU	Goodwill	Intangible assets with indefinite useful life
Vietnam	505	-
Zed Life	98	164
South Africa	10	30
Others	0	23
Total	613	215

Particulars	Vietnam	Zed Life	South Africa
Period of Cash flow projections	10 years	9 years	5 years
Avg Sales Growth (%)	8.7%	22.0%	7.2%
Avg Gross Margins %	50.3%	60.0%	29.6%
Terminal Sales Growth %	2.0%	5%	2.0%
Post- tax discount rate	12.8%	13.1%	20.9%

The growth rates & margins used to make estimate future performance are based on past performance & our estimates of future growths & margins achievable in the CGUs. Post-tax discount rates reflect specific risks relating to the relevant segments & geographies in which the CGUs operate.

Based on sensitivity analyses performed around the base assumptions, there were no reasonably possible changes in key assumptions that would cause the carrying amount to exceed the recoverable amount.

(e) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Group. The Group exercises judgement & estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim & to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(f) Recognition of deferred tax assets including MAT credit

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Company.

(g) Lease Accounting

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group has considered leases with term up to 12 (Twelve) months as short term leases. Also leases where the current market value (for transition purpose determined basis the present value of future lease payments) is less than ₹ 350,000 have been considered as low value. Such short term and low value leases are accordingly excluded from the scope for the purpose of Ind As 116 reporting.

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To Consolidated Financial Statements for the year ended 31st March, 2021

3 (a) Property, Plant and Equipment

(₹ in Crore)

Paritulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office Equip-ment	Leasehold im-provements	Total
Year ended 31st March, 2020								
Gross carrying amount								
Opening gross carrying amount	**17**	**298**	**469**	**21**	**4**	**18**	**15**	**842**
Additions	-	44	120	6	2	3	4	179
Disposals / transfers	-	(8)	(14)	(1)	(1)	(2)	-	(25)
Exchange Differences	1	2	8	2	(0)	1	-	14
Closing gross carrying amount	**18**	**336**	**583**	**28**	**5**	**20**	**19**	**1,009**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**57**	**231**	**11**	**2**	**14**	**3**	**318**
Depreciation charge during the year	-	15	72	4	1	3	2	97
Disposals / transfers	-	(5)	(11)	(0)	(1)	(1)	-	(19)
Exchange Differences	-	1	4	2	0	0	-	8
Closing accumulated depreciation	**-**	**68**	**296**	**16**	**2**	**16**	**5**	**404**
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**	**2**	**1**	**-**	**0**	**-**	**3**
Net carrying amount	18	267	286	11	3	4	14	602
Year ended 31st March, 2021								
Gross carrying amount								
Opening gross carrying amount	18	336	583	28	5	20	19	1,009
Acqusitions through business combinations (refer note no. 40)	-	0	0	0	0	0	-	1
Additions	-	14	82	4	1	3	1	105
Disposals / transfers	(0)	(2)	(18)	(0)	(0)	(0)	(0)	(21)
Adjustments (refer note iii)	-	(30)	(61)	-	-	-	-	(91)
Exchange Differences	(0)	(1)	(2)	(0)	0	(0)	-	(4)
Closing gross carrying amount	**17**	**317**	**584**	**32**	**6**	**23**	**19**	**999**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**68**	**296**	**16**	**2**	**16**	**5**	**404**
Depreciation charge during the year	-	15	68	5	1	3	2	94
Disposals / transfers	-	(1)	(15)	(0)	(0)	(0)	(0)	(17)
Adjustments (refer note iii)	-	(5)	(48)	-	-	-	-	(53)
Exchange Differences	-	(0)	(1)	(0)	0	(0)	-	(2)
Closing accumulated depreciation	**-**	**77**	**300**	**21**	**2**	**19**	**7**	**426**
Impairment loss								
Opening Impairment Loss	-	1	2	1	-	0	-	4
Impairment charge/reversal during the year	-	18	10	0	-	0	-	29
Adjustments (refer note iii)	-	(21)	(11)	-	-	-	-	(32)
Exchange Differences	-	(0)	(0)	(0)	-	(0)	-	(0)
Closing impairment loss	**-**	**(2)**	**1**	**1**	**-**	**0**	**-**	**1**
Net carrying amount	**17**	**242**	**282**	**10**	**3**	**4**	**12**	**572**

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 (refer note 39 (5a))

(ii) Contractual obligations

Refer to Note 34 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) During the year Amount classified to assets held for sale from Plant & Machinery and Buildings.

(iv) Buildings

Buildings include Nil (31st March, 2020: Nil) being the value of shares in co-operative housing societies.

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To Consolidated Financial Statements for the year ended 31st March, 2021

3(b) Right to use asset

(₹ in Crore)

Particulars	Leasehold land	Buildings	Plant and equipment	Total
Year ended 31st March, 2020				
Gross carrying amount				
Opening gross carrying amount	**55**	**247**	**1**	**303**
Additions	-	37	0	37
Disposals / transfers	-	(26)	(1)	(27)
Exchange Differences	0	4	(0)	4
Closing gross carrying amount	**56**	**262**	**0**	**318**
Accumulated depreciation				
Opening accumulated depreciation	**3**	**94**	**1**	**98**
Depreciation charge during the year	1	37	0	38
Disposals / transfers	-	(17)	(1)	(18)
Exchange Differences	0	2	(0)	2
Closing accumulated depreciation	**4**	**116**	**0**	**120**
Net carrying amount	**52**	**146**	**0**	**198**
Year ended 31st March, 2021				
Gross carrying amount				
Opening gross carrying amount	**56**	**262**	**0**	**318**
Additions	0	27	6	33
Disposals / transfers	-	(28)	(0)	(29)
Exchange Differences	(0)	0	0	0
Closing gross carrying amount	**56**	**261**	**6**	**322**
Accumulated depreciation				
Opening accumulated depreciation	**4**	**116**	**0**	**120**
Depreciation charge during the year	1	37	0	38
Disposals / transfers	-	(16)	(0)	(16)
Adjustments	0	0	0	0
Exchange Differences	(0)	1	0	1
Closing accumulated depreciation	**5**	**138**	**0**	**143**
Net carrying amount	**51**	**123**	**6**	**179**

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.

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, 2021	As at 31st March, 2020
Gross carrying amount		
Opening gross carrying amount/Deemed cost	**18**	**18**
Additions	-	-
Closing gross carrying amount	**18**	**18**
Accumulated Depreciation	1	1
Depreciation charge during the year*	0	(0)
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, 2021	As at 31st March, 2020
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, 2021	As at 31st March, 2020
Within one year	1	1
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, 2021	As at 31st March, 2020
Investment properties	51	45

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To Consolidated Financial Statements for the year ended 31st March, 2021

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 used are rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

5 Intangible Assets

(₹ in Crore)

Particulars	Trademarks and copyrights (Refer note (i) below)	Computer software	Non Compete fees	Customer Database	Total	Goodwill
Year ended 31st March 2020						
Opening gross carrying amount	**51**	**18**	**-**	**-**	**69**	**503**
Additions	-	5	-	-	5	-
Disposals	-	(2)	-	-	(2)	-
Adjustments (refer note (i) 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 (ii) below)	-	-	-	-	**-**	**10**
Exchange differences	0	0	-	-	**0**	**(2)**
Closing accumulated amortisation	**0**	**16**	**-**	**-**	**16**	**8**
Closing net carrying amount	**35**	**6**	**-**	**-**	**41**	**538**
Year ended 31st March 2021						
Opening gross carrying amount	**35**	**22**	**-**	**-**	**57**	**538**
Acqusitions through business combinations (refer note no. 40)	**165**	**0**	**2**	**7**	**174**	**-**
Additions	**0**	**4**	**-**	**-**	**4**	**98**
Disposals	-	(0)	-	-	(0)	-
Adjustments	7	-	-	-	7	(7)
Exchange differences	10	0	-	-	10	3
Closing gross carrying amount	**217**	**26**	**2**	**7**	**252**	**632**
Accumulated amortisation	0	16	-	-	16	-
Amortisation charge for the year	0	3	0	2	6	-
Disposals	-	(0)	-	-	(0)	-
Impairment charged (refer note (iii) below)	-	-	-	-	-	19
Exchange differences	0	(0)	-	-	0	-
Closing accumulated amortisation	**0**	**19**	**0**	**2**	**22**	**19**
Closing net carrying amount	**217**	**7**	**1**	**5**	**230**	**613**

(i) During the previous year ended 31st March, 2020, 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 recoginition of goodwill on acqusition ZAR 35.8 million (approx 17 Crores) and derecognising intangible by ZAR 35.8 milion (approx. 17 Crores), consequent to the this deferred tax liability of ZAR 0.94 million (Approx.4 crore) has been recognised in books.

(ii) During the previous year ended 31st March, 2020, 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 recogined during the previous year (refer note 39).

(iii) The Group has performed the annual goodwill impairment assessment in resepct of the the South Africa business (i.e. the subsidiary Marico South Africa Consumer Care (Pty) Limited). The value in use of the CGU was determined taking into account the past business performance, prevailing business conditions and revised expectations of the future performance. Based on above factors the Group has recognised an impairment loss in respect of goodwill of ₹ 19 crores. The same is disclosed under "Exceptional items" in the Consolidated Statement of Profit and Loss. The recoverable amount of the CGU is determined at ₹ 47 crores, which is based on its value in use considering a discount rate of 20.9% (Also, refer note 2(d) and 39 for further detail).

(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.

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To Consolidated Financial Statements for the year ended 31st March, 2021

6(a) Investments

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-current Investments		
I. Investment in Joint venture		
Investment in equity instruments of joint ventures	-	29
II. Other Invesments		
(A) Quoted		
Tax free Bonds (at amortizd cost)	17	25
	17	**25**
(B) Unquoted		
Equity instruments		
In Others	1	1
Debentures	152	50
Bonds (ETF)	56	-
Government securities	0	0
	209	51
Total Non - current other Investments (A + B)	**226**	**76**
Current Investments		
(C) Quoted		
Debentures	-	68
Bonds	-	47
Tax free Bonds (at amortizd cost)	8	-
	8	**115**
(D) Unqoted		
Intercorporate deposits	329	31
Commercial papers	-	89
Certificate Deposits	-	96
Mutual Funds	291	297
	620	**513**
Total current other Investments (C+D)	**628**	**628**
Unquoted at cost		
In Joint Venture		
Zed Lifestyle Private Limited (refer note (i) below)	-	25
(31st March, 2020 : 5,640) equity shares of ₹ 10 each fully paid		
Revolutionary Fitness Private Limited (refer note (ii) below)	-	3
(31st March, 2020 : 5,791) equity shares of ₹ 10 each fully paid		
Hello Green Pvt Ltd (refer note (iii) below)	-	0
(31st March, 2020 : 8,568) equity shares of ₹ 10 each fully paid		
Total investment in Joint Venture	**-**	**29**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Aggregate carrying amount of quoted investments	25	140
Market value/ Net asset value of quoted investments	25	190
Aggregate carrying amount of unquoted investments	829	593

Notes:

(i) During the year ended 31st March, 2021, the Company has acquired the remaining 55% stake in ZED Lifestyle Private Limited (which was earlier a Joint Venture) and converted it into a wholly owned subsidiary.

(ii) During the year ended 31st March, 2021, the Company has sold the stake in Revolutionary Fitness Private Limited, a joint venture.

(iii) During the year ended 31st March, 2021, the Company has sold the stake in Hello Green Private Limited, a joint venture.

6(b) Trade Receivables

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade receivables	396	544
Less: Allowance for doubtful debts	(8)	(5)
Total receivables	**388**	**539**
Current Portion	388	539
Non-Current Portion	-	-
Break up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	388	539
Trade receivables which have significant increase in credit risk	8	4
Less: Allowance for doubtful debts	(8)	(4)
Trade receivables - Credit impaired	-	1
Less: Allowance for doubtful debts	-	(1)
Total	**388**	**539**

For credit risk and provision for loss allowance refer note 28(A)

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2021

6(c) Loans

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non current		
Unsecured, considered good		
Loans to employees	4	3
Security deposits with public bodies and others		
Considered good	14	17
Considered doubtful	1	1
	15	18
Less: Provision for doubtful deposits	(1)	(1)
	14	**17**
Total non current loans	**18**	**20**
Current		
Unsecured, considered good		
Loan to employees	6	5
Loan others (specify)	0	0
Total current loans	**6**	**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, 2021	As at 31st March, 2020
Balances with banks		
Bank balances in current accounts	54	57
Deposits with original maturity of less than three months	54	36
Cash on hand	0	0
Total cash and cash equivalents	**109**	**93**

6(e) Bank Balances other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed deposits with maturity more than 3 month but less than 12 months	771	183
Balances with banks for unclaimed dividend (Refer note below)	64	3
Total bank balance other than cash and cash equivalents	**835**	**186**

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, 2021	As at 31st March, 2020
Unsecured considered good (unless otherwise stated)		
Fixed deposits-maturing after 12 months (refer note below)	25	11
Others	2	-
Total other non current financial assets	**27**	**11**

Note : Fixed deposits with banks includes deposits held as lien by banks against guarantees and for other earmarked balances.

6(g) Other Current Financial Assets

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Derivatives		
Foreign exchange forward contracts, options and interest rate swaps	3	1
	3	**1**
(ii) Others		
Advances to related parties (Refer Note 32)	0	0
Security deposits	0	0
Other deposits	2	1
Other	0	-
	2	**2**
Total other current financial assets	**5**	**3**

7 Deferred Tax Asset (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Liabilities / provisions that are deducted for tax purposes when paid	25	38
Defined benefit obligations	0	2
On intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme	2	2
MAT Credit entitlement	169	134
	196	**176**
Other items:		
Other timing differences	16	19
	16	**19**
Total deferred tax assets	**212**	**195**
Set off of deferred tax liabilities pursuant to set off provisions	(26)	(36)
Net deferred tax assets	**186**	**159**

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To Consolidated Financial Statements for the year ended 31st March, 2021

Movement in deferred tax assets

(₹ in Crore)

Particulars	Liabilities / provisions that are deducted for tax purposes when paid	Defined benefit obligations	On Intangible assets (refer note 1 below)	MAT Credit entitlement	Other items	Total deferred tax assets
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	-	1	-	-	-	1
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**
(Charged)/credited :						
to Profit and loss	(11)	(0)	(1)	36	(3)	21
to other comprehensive income	-	(1)	-	-	-	(1)
Reclassified to deferred tax liability	(2)	-	-	-	-	(2)
Exchange translation Difference	(0)	(0)	-	-	(0)	(0)
As at 31st March 2021	**25**	**0**	**2**	**169**	**16**	**213**

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, 2021	As at 31st March, 2020
Capital advances	11	10
Advances to vendors	1	2
Prepaid expenses	2	2
Fringe benefit tax payments	0	0
Deposits with statutory/government authorities	12	14
Total other non-current assets	**26**	**28**

9 Inventories

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw materials		
- In stock	287	504
- In transit	36	24
Packing materials		
- In stock	92	94
- In transit	2	2
Work-in-progress	159	341
Finished goods		
- In stock	498	354
- In transit	1	1
Stock in Trade	32	42
By-product	4	4
Stores and spares (refer note 39 5(b))	15	14
Total inventories	**1,126**	**1,380**

Refer Note 1 (p) for basis for valuation

During the year, an amount of ₹ 63 Crore (31st March, 2020: ₹ 68 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, 2020: Nil).

10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances to vendors	81	77
Balances with government authorities	47	77
Input tax credit receivable	82	138
Prepaid expenses	14	15
Total other current assets	**224**	**307**

11 Assets Classified as Held for Sale

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Land and Building	12	8
Plant and Machinery	2	-
Total assets classified as held for sale	**14**	**8**

Non-recurring fair value measurements

(i) During the previous year 31 March 2020 Investment property at Andheri, Mumbai, classified as Asset held for sale with carrying value of ₹ 5 Crores. Fair value of the same was ₹ 10 Crore as at 31st March, 2021.

(ii) During the previous year ended 31 March 2021, office premises located at Uttara, Bangladesh having carrying value of ₹ 3 Crores (BDT 4 Crores) was classified as asset held for sale. Fair value of the same was ₹ 17 Crore (BDT 20 Crore) as at 31st March, 2021.

(iii) During the year 31 March, 2021 assets lying at one of manufacturing location were reclassified from Property, plant and equipment to Assets held for sale of ₹ 6 Crore. Fair value of the same was ₹ 6 Crores as at 31st March, 2021

(iv) 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.

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To Consolidated Financial Statements for the year ended 31st March, 2021

12(a) Equity Share Capital

Particulars	No. of shares (₹ in Crore)	Amount (₹ in Crore)
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**
As at 31st March, 2021		
Equity shares of Re. 1/- each	150.00	150
Equity shares of 10/- each	8.00	80
Preference shares of ₹ 10/- each	6.50	65
Total	**164.50**	**295**
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**
Issued, subscribed and paid-up as at 31st March, 2021		
1,291,349,998 equity shares of Re. 1/- each fully paid-up	129.13	129
Total	**129.13**	**129**

(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 1st April, 2019	129.09	129
Shares issued during the year - ESOP (refer note 35)	0.01	0
As at 31st March, 2020	**129.10**	**129**
Shares issued during the year - ESOP (refer note 35)	0.03	0
As at 31st March, 2021	**129.13**	**129**

(ii) Rights, preferences and restrictions attached to equity shares

Equity Shares: The authorised share capital of the Company comprises of 150 Crores equity share of 1 each and 8 Crores equity shares of 10 each. During the year ended March 31, 2021, the authorised share capital of the Company increased by 80 crores, comprising of 8 Crores equity shares of 10 each, pursuant to the order of amalgamation sanctioned by the National Company Law Tribunal between Marico Limited and Marico Consumer Care Limited, wholly owned subsidiary.

Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Shares reserved for issue under options

Information relating to Marico ESOS 2014, MD CEO ESOP Plan 2014 and Marico ESOP 2016, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 35.

(iv) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	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)	92,056,288	7.13	69,377,833	5.37

(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, 2021	As at 31st March, 2020
No. of equity shares allotted as bonus	645,085,599	645,085,599
No. of equity shares granted under employee stock option plans	1,178,800	950,490

12(b) Reserves and Surplus

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Securities premium	431	420
General reserve	299	299
Share based option outstanding account	30	25
Treasury shares	(40)	(27)
WEOMA reserve	78	73
Retained earnings	3,038	2,835
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	**3,111**	**2,900**

(i) Securities premium

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	420	416
Add: Exercise of employee stock options	11	4
Closing Balance	**431**	**420**

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(ii) General reserve

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	299	299
Closing Balance	**299**	**299**

(iii) Share based option outstanding account (refer note 35)

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	25	19
Exercise of employee stock options	(5)	(4)
Share based payment expense	9	10
Closing Balance	**29**	**25**

(iv) Treasury shares

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	(27)	(27)
Add : (Purchase)/sale of treasury shares by the trust during the year (net)	(13)	(0)
Closing Balance	**(40)**	**(27)**

(v) WEOMA reserve

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	73	70
Add : Income of the trust for the year	5	3
Closing Balance	**78**	**73**

(vi) Retained earnings

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	2,835	2,843
Net Profit attributable to owners	1,172	1,021
Remeasurements of post-employment benefit obligation, net of tax	(1)	(2)
Less: Dividend	(968)	(896)
Less: Tax on dividend (net of tax on dividend received from subsidiaries) (Previous year ₹37 Crore)	-	(131)
Closing Balance	**3,038**	**2,835**

12(c) Other Reserves

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Hedge reserve	(0)	(1)
Foreign currency translation reserve	0	(5)
Total other reserves	**(0)**	**(6)**

Hedge Reserve

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	(1)	0
Changes in fair value of hedging instruments	(1)	(2)
Reclassified to statement of profit and loss	2	(1)
Deferred tax on above	0	1
Closing Balance	**(0)**	**(1)**

Foreign currency translation reserve

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	(5)	(50)
Less: Transferred to retained earnings	-	-
Exchange gain/(loss) on translation during the year	5	45
Closing Balance	**0**	**(5)**

Non controlling interest (NCI)

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	13	12
Total comprehensive income for the year attributable to non controlling interest	27	22
Less : Dividend distributed to minority shareholders	(22)	(21)
Other adjustments	0	0
Closing Balance	**18**	**13**

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To Consolidated Financial Statements for the year ended 31st March, 2021

13(a) Non-current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2021	As at 31st March, 2020
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	11	13
Total non-current borrowings				**11**	**13**
Less: Current maturities of long-term debt (refer note 13 (b))				3	3
Less: Interest accrued (refer note 13 (b))				-	0
Non-current borrowings				**8**	**10**

The scheduled maturity of long term borrowings is summarized as under:

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Within one year (refer note 10 - Current maturities of long term debt)	3	3
After 1 year but within 2 years	8	10
Total	**11**	**13**

Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2021	As at 31st March, 2020
Unsecured					
From banks					
- Export packing credit (refer note (i) below)	Repayable from April, 2021 to June 2021 INR 32 Crores, September, 2021 INR 15 Crores (FY 20 - Repaid From April 20 to June 20, INR 17 Crores, July 20 to September 20 INR 13 Crores)	For a term of six months	FY 21 Bank Base rate/Relevant Benchmark rate plus applicable spread less Interest Subvention of 3.00% per annum; (FY 20 - Bank Base rate/Relevant Benchmark rate plus applicable spread less Interest Subvention of 3.00% per annum)	47	30
- Working capital demand loan	31st March, 2021 : Repayable with interest from April 2021 to June 2021 - INR 12 Crores, Jan 2022 to March 2022 INR 83 Crores, (FY 20 Repaid April to June 2020 - INR 34 Crore July 20 to March 21- INR 46 Crores)	For a term of six months to twelve months	FY 21 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum (FY 20 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum)	95	80
- Working Capital Demand Loan	FY 21 : Repayable with interest, May 2021 - INR 157.28 Crores (FY 20: Repaid with interest, June 2020 - INR 116.25 Crores December, 2020 - INR 45.23 Crores)	For terms upto twelve months	FY 21 LIBOR plus applicable spread ranging from 0.8% to 1.0% per annum (FY 20 : LIBOR plus applicable spread ranging from 0.60% to 0.80% per annum)	157	162
- Cash credit	Payable on demand	Payable on demand	FY 21 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum (FY 20 : LIBOR plus applicable spread ranging from 0.50% to 0.75% per annum)	40	53
Total current borrowings				**339**	**326**
Less: Interest accrued (Refer Note 13(b))				0	1
Current borrowings as per balance sheet				**339**	**325**

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.

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13(b) Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-current		
Lease Liabilities	122	144
Total other non-current financial liabilities	122	144
Current		
Current maturities of long-term debt (refer note 13(a))	3	3
Interest accrued and not due on borrowings (refer note 13(a))	0	1
Creditors for capital goods	6	8
Salaries, bonus and other benefits payable to employees	25	22
Trade deposits from customers and others	1	1
Unclaimed dividend (refer note below)	3	3
Lease Liabilities	38	39
Others	4	0
Derivative designated as hedges	2	2
Total other current financial liabilities	**82**	**79**

Note : As at 31st March, 2021, 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, 2021	As at 31st March, 2020
Current		
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	18	10
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,116	940
Total trade payables	**1,134**	**950**

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, 2021	As at 31st March, 2020
I. The principal amount remaining unpaid to any supplier as at the end of accounting year included in trade payable	18	10
II. Interest due thereon	2	1
Trade Payables due to micro and small enterprises	**20**	**11**
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	2	1
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	3	1

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, 2021	As at 31st March, 2020
Non Current		
Others	1	-
Total non-current provisions	**1**	**-**
Current		
Disputed indirect taxes (refer Note (a) and (b))*	16	58
Others	4	3
Total current provisions	**20**	**61**

*These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilization and cash outflows, if any, pending resolution.

(a) Provision for disputed indirect taxes mainly pertains to Entry tax dispute in the state of West Bengal, where the Govt of West Bengal has preferred an appeal before Division Bench, Hon'ble Court-Kolkata, which is pending before the Court. The matter is sub judice, it is not practicable to state the timing of the judgement & final outcome. Therefore, The company has retained the provision pending final adjudication of the matter.

(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, 2021	As at 31st March, 2020
Balance as at the beginning of the year	58	57
Add: Additional provision recognised	0	1
Less: Amount used during the year	(42)	-
Balance as at the end of the year	**16**	**58**

15 Employee benefit obligation non current

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Gratuity (refer note (i) and (a) below)	4	9
Leave encashment/compensated absences (refer note (iii) below)	14	9
Share-appreciation rights (refer note (iv) below)	3	1
Others	3	2
Total employee benefit obligations non current	**24**	**21**

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To Consolidated Financial Statements for the year ended 31st March, 2021

Employee Benefit Obligation Current

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Gratuity (refer note (i) below)	6	6
Leave encashment/compensated absences (refer note (iii) below)	2	3
Share-appreciation rights (refer note (iv) below)	2	0
Incentives / bonus	68	45
Total employee benefit obligations current	**78**	**54**

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 2021 and 31st March 2020.

(iii) Leave Encashment/Compensated absences.

The Group provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. The Current leave obligations are expected to be settled within the next 12 months

(iv) Share-appreciation rights

In respect of Employee Stock Appreciation Rights (STAR) granted pursuant to the Group's Employee Stock Appreciation Rights Plan, 2011, the liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the stock appreciation rights, by applying an option pricing model (excess of fair value as at the period end over the Grant price) and is recognized as Employee compensation cost over the vesting period (refer note 35 (b)).

(a) Balance sheet amounts - Gratuity

(₹ in Crore)

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
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
(Gain)/loss from change in financial assumptions	3	-	3
Experience (gains)/ losses	1	(1)	0
Total amount recognised in other comprehensive income	**4**	**(1)**	**3**
Employer contributions	-	5	(5)
Benefit Payments	(8)	(6)	(2)
Balance as on 31st March 2020	**42**	**27**	**15**
Balance as on 1st April 2020	**42**	**27**	**15**
Opening adjustment on business combinations	0	-	0
Current service cost	7	-	7
Interest expense	3	2	1
Total amount recognised in profit or loss	**10**	**2**	**8**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	0	0
(Gain)/loss from change in demographic assumptions	1	-	1
(Gain)/loss from change in financial assumptions	1	-	1
Experience (gains)/ losses	0	(2)	(2)
Total amount recognised in other comprehensive income	**2**	**(2)**	**0**
Employer contributions	-	13	(13)
Benefit Payments	(4)	(3)	(1)
Benefit Paid from the fund	(1)	(1)	-
Balance as on 31st March 2021	**49**	**39**	**10**

The Net liability disclosed above relates to funded and unfunded plans are as follows

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Present value of funded obligations	**46**	34
Fair value of plan assets	**(39)**	(28)
Deficit of funded plan	**7**	6
Unfunded plans	**3**	9
Deficit of gratuity plan	**10**	15

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To Consolidated Financial Statements for the year ended 31st March, 2021

The following table shows a breakdown of the defined benefit obligation (Gratuity) and plan assets by country:

Plan type	31st March, 2021				31st March, 2020			
	India	Bangladesh	Dubai	Total	India	Bangladesh	Dubai	Total
Present value of obligations	37	9	3	49	34	6	3	43
Fair value of plan assets	(33)	(7)	-	(39)	(28)	0	0	(28)
Total liability	**4**	**2**	**3**	**10**	**6**	**6**	**3**	**15**

The significant actuarial assumptions were as follows

Plan type	31st March, 2021			31st March, 2020		
	India	Bangladesh	Dubai	India	Bangladesh	Dubai
Discount rate	6.67%	7.50%	2.60%	6.37%	10.00%	2.40%
Rate of return on Plan assets*	6.67%	7.50%	NA	6.37%	NA	NA
Future salary rise**	10.00%	12.00%	5.00%	10.00%	12.00%	5.00%
Attrition rate	12% & 6%	11.00%	5.25%	15% & 16%	11.00%	5.25%

* The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Sensitivity analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Projected benefit obligation on current assumptions	**49**	**43**
Delta effect of +1% change in rate of discounting	(4)	(2)
Delta effect of -1% change in rate of discounting	4	3
Delta effect of +1% change in rate of salary increase	3	2
Delta effect of -1% change in rate of salary increase	(3)	(2)
Delta effect of +1% change in rate of Employee turnover	(1)	(0)
Delta effect of -1% change in rate of Employee turnover	1	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, 2021		As at 31st March, 2020	
	Amount	in %	Amount	in %
Special deposit scheme	1	2.46%	1	1.91%
Insurer Managed funds	32	78.64%	27	97.80%
Cash and Cash Equivalents	7	16.44%	-	0.00%
Other	1	2.46%	0	0.29%
Total	**41**	**100.00%**	**28**	**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 2021 and 31st March 2020.

The expected maturity analysis of gratuity is as follows:

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Within the next 12 months	4	5
Between 2 and 5 years	17	20
Between 6 and 10 years	21	18
Beyond 10 years	3	3
Total	**45**	**46**

(b) Provident Fund

Amount recognised in the Balance sheet

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Liability at the end of the year	-	0
Fair value of plan assets at the end of the year	211	182
Present value of benefit obligation as at the end of the period	(205)	(173)
Difference	6	9
Unrecognized past service Cost	(6)	(9)
(Assets) / Liability recognized in the Balance Sheet	**0**	**0**

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Changes in defined benefit obligations:

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Liability at the beginning of the year	173	157
Opening balance adjustment	(0)	0
Interest cost	14	12
Current service cost	12	12
Employee contribution	17	15
Liability Transferred in	7	6
Liability Transferred out	(11)	-
Benefits paid	(8)	(29)
Liability at the end of the year	**205**	**173**

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fair value of plan assets at the beginning of the year	182	163
Opening balance adjustment	-	0
Expected return on plan assets	14	12
Contributions	29	26
Transfer from other Company	7	6
Transfer to other Company	(11)	-
Benefits paid	(8)	(28)
Actuarial gain/(loss) on plan assets	(2)	3
Fair value of plan assets at the end of the year	**211**	**182**

Expenses recognised in the Statement of Profit and Loss :

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current service cost	12	12
Interest cost	14	12
Expected return on plan assets	(14)	(12)
(Income) / Expense recognised in the Statement of Profit and Loss	**12**	**12**

The major categories of plan assets are as follows :

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Amount	in %	Amount	in %
Central Government securities	11	5.34%	12	6.67%
State loan/State government Guaranteed Securities	12	5.77%	13	6.97%
Government Securities debt instruments	140	66.48%	111	61.14%
Public Sector Units	17	7.83%	20	10.74%
Private Sector Units	5	2.26%	5	2.97%
Equity / Insurance Managed Funds	15	7.28%	10	5.28%
Special Deposit	1	0.52%	1	0.61%
Others	10	4.52%	10	5.63%
Total	**211**	**100.00%**	**182**	**100.00%**

The Significant actuarial assumptions were as follows :

Particulars	As at 31st March, 2021	As at 31st March, 2020
Discount rate	6.67%	6.37%
Rate of return on plan assets*	8.65%	8.65%
Future salary rise**	10%	10%
Attrition rate	12%-6%	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, 2021	As at 31st March, 2020
Opening balance of compensated absences	12	12
Present value of compensated absences (As per actuarial valuation) as at the year end	16	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 2020) towards employee state insurance plan in the Statement of Profit and Loss.

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(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, 2021	As at 31st March, 2020
Deferred tax liability:		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	25	34
Intangible assets	67	6
Financial assets at fair value through Profit and Loss	17	0
Outside basis tax	4	2
Other timing differences (hegde reserve)	(2)	(0)
Total deferred tax liabilities	**111**	**42**
Set off of deferred tax assets pursuant to set off provisions	(26)	(36)
Net deferred tax liabilities	**84**	**6**

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, 2019	**35**	**2**	**(1)**	**11**	**0**	**47**
(Charged)/credited :						
to Profit and loss	(1)	-	1	(9)	-	(8)
to other comprehensive income	-	0	-	-	(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**
(Charged)/credited :						
to Profit and loss	(10)	0	17	2	1	9
to other comprehensive income	-	-	-	-	-	-
Pursuant to business combination - refer note 40	-	61	-	-	-	61
Reclassified from deferred tax assets	1	-	-	-	(3)	(2)
Exchange translation Difference	(0)	1	-	-	(0)	1
As at 31st March, 2021	**25**	**67**	**17**	**4**	**(2)**	**111**

17 Tax assets and liabilities

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non current tax assets (net)	55	45
Current tax assets	1	-
Current tax liabilities (net)	72	74

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, 2021	Year ended 31st March, 2020
Statutory dues (including provident fund, tax deducted at source and others)	84	15
Deferred income on government grants (refer note below)	5	5
Other Liabilities	(0)	-
Book overdraft	5	25
Other current liabilities	**93**	**45**
Contractual and Constructive obligation	152	144
Advance from customer	41	20
Others	1	0
Total other payables	**194**	**165**
Total other current liabilities	**287**	**210**

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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, 2021	Year ended 31st March, 2020
Sale of products	7,991	7,254
Other operating revenue:		
Incentives (includes government grant, export incentives, budgetary support and other)	48	54
Sale of scrap	9	7
Total Revenue from continuing operations	**8,048**	**7,315**

Reconciliation of Revenue from sale of products with the contracted price

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Contracted Price	8,792	7,996
Less: Discounts	801	742
Sale of Products	**7,991**	**7,254**

20 Other Income

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(a) Other income		
Rental income	1	1
Interest income from financial assets at amortised cost	59	72
Royalty Income	0	-
Others	12	12
Total of other income	**73**	**85**
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment / business	0	0
Net gain on financial assets mandatorily measured at fair value through profit or loss and net gain on sale of investments	24	33
Net foreign exchange gain/(loss)	(3)	6
Total of other gain/(losses)	21	39
Total other income	**94**	**124**

21(a) Cost of Materials Consumed

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Total raw materials consumed	3,417	2,896
Total packing materials consumed	467	529
Total cost of materials consumed	**3,884**	**3,424**

21(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening inventories		
Finished goods	354	534
Work-in-progress	341	304
By-products	4	8
Stock-in-trade	42	35
Closing inventories		
Finished goods	499	354
Work-in-progress	159	341
By-products	4	4
Stock-in-trade	32	42
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**47**	**140**

22 Employee Benefit Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries, wages and bonus	497	415
Contribution to provident fund (refer note 15(b))	24	22
Share based payment expense (refer note 35(c))	15	9
Staff welfare expenses	34	32
Total employee benefit expense	**570**	**478**

23 Depreciation, Amortization and Impairment Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation on property, plant and equipment (refer note 3 (a))	94	98
Depreciation on investment properties (refer note 4)	0	0
Amortisation of intangible assets (refer note 5)	6	3
Depreciation on Lease assets (refer note 3 (b))	38	37
Impairment loss / (reversal of loss) of capitalised assets (refer note 3 (a))*	1	2
Total depreciation and amortization expense	**139**	**140**

* Excluding exceptional items

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24 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Advertisement and sales promotion	698	731
Freight, forwarding and distribution expenses	305	294
Processing and Other Manufacturing Charges	240	255
Rent and storage charges	20	16
Legal and Professional Charges	61	54
Outside Services	50	49
Repairs and Maintenance	47	43
Power, fuel and water	27	36
Travelling, conveyance and vehicle expenses	25	45
Consumption of stores, spare and consumables	18	23
Provision for doubtful debts, loans, advances and investments	3	(3)
Miscellaneous expenses (refer note (i) below)	123	84
Total	**1,617**	**1,627**

(i) Miscellaneous expense includes printing and stationery, communication, rates and taxes, insurance and other expenses.

(ii) Research and Development expenses aggregating to ₹ 29 Crore have been included under the relevant heads in the Statement of Profit and Loss. (Previous year ended 31st March, 2020 aggregating ₹ 31 Crore). Further Capital expenditure pertaining to this of ₹ 1 Crore have been incurred during the year (Previous year ended 31st March, 2020 aggregating ₹ 1 Crore).

(iii) Corporate social responsibility expenditure

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Amount required to be spent as per the Section 135 of the Act	20	19
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	20	19

25 Finance Costs

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest and finance charges on financial liabilities not at fair value through profit or loss	10	17
Bank and other financial charges	8	15
Lease finance cost (refer note (i) m - Lease)	14	16
Other borrowing costs	2	2
Finance costs expensed in profit or loss	**34**	**50**

26 Income Tax Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
a **Income tax expense**		
Current tax on profits for the year	335	347
Deferred tax	(11)	(16)
Total income tax expenses recognized during the year	**324**	**331**

b Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit from operations before income tax expense (a)	1,523	1,374
Income tax rate as applicable (b)	34.944%	34.944%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	**532**	**480**
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Effect of income that is exempt from taxation	(1)	(3)
Effect of Income which is taxed at special rate	(89)	(34)
Effect of expenses that are not deductible in determining taxable profit	33	30
Effect of expenses that are deductible in determining taxable profit	(2)	(15)
Income tax Incentives	(179)	(148)
Difference in tax rates in foreign jurisdictions	16	37
Others	14	(16)
Income tax expense for the current year	**324**	**331**

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27 Fair Value Measurements

(a) Financial Instruments by category

(₹ in Crore)

	Note	31st March, 2021			31st March, 2020		
		FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets							
Investments							
Equity Instruments	6(a)	1	-	-	1	-	-
Bonds, debentures and commercial papers	6(a)	208	-	25	78	-	200
Mutual funds	6(a)	291	-	-	297	-	-
Government securities	6(a)	-	-	0	-	-	0
Trade receivables	6(b)	-	-	388	-	-	539
Inter corporate deposits	6(a)	-	-	329	-	-	32
Certificate of Deposits		-	-	-	-	-	96
Loans to employees	6(c)	-	-	10	-	-	8
Derivative financial assets	6(f)	3	-	-	-	1	-
Security deposits	6(f)	-	-	14	-	-	17
Cash and bank balances	6(d)	-	-	54	-	-	57
Bank balance for unclaimed dividend	6(e)	-	-	64	-	-	3
Fixed deposits	6(d),6(e)&6(f)	-	-	850	-	-	230
Other Deposits		-	-	3	-	-	1
Advances to related parties	6(g)	-	-	0	-	-	0
Total financial assets		**503**	**-**	**1,739**	**376**	**1**	**1,183**
Financial Liabilities							
Borrowings (including interest accrued)	13(a)	-	-	351	-	-	338
Derivative financial liabilities	13(b)	2	-	-	-	2	-
Trade payables	13(c)	-	-	1,134	-	-	950
Capital creditors	13(b)	-	-	6	-	-	8
Lease Liabilities		-	-	160	-	-	183
Others	13(b)	-	-	34	-	-	26
Total financial liabilities		**2**	**-**	**1,684**	**-**	**2**	**1,506**

Impact of COVID-19

The fair value of Financial assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Financial assets carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables forms a significant part of the financial assets carried at amortised cost. Appropriate provisions/allowances using expected credit loss method are determined and recorded. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of customers and the financial strength of the customers in respect of whom amounts are receivable.

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crore)

Financial assets and liabilities measured at fair value - recurring fair value measurements as 31st March 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	1	1
Mutual funds - growth plan	6(a)	-	291	-	291
Debentures (Quoted)	6(a)	-	208	-	208
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	3	-	3
Total financial assets		**-**	**502**	**1**	**503**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	2	-	2
Total financial liabilities		**-**	**2**	**-**	**2**

(₹ 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	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**

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The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the forward contracts is valued based on Mark to Market statements from banks, the mutual funds are valued using the closing NAV publisheld by mutual fund etc.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

The carrying amounts of trade receivables, trade payables, capital creditors, loans and advances, security deposit, fixed deposit, insurance claim receivable, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

28 Financial Risk Management

Financial Risks

In the course of its business, the Group is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk and interest rate risk, commodity price risk and other price risk). This note presents the Group's objectives, policies and processes for managing its financial risk and capital.

Boards of Directors of Marico Limited and some of its subsidiaries have approved Risk Management Framework through policies regarding Investment, Borrowing and 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 & classify risk, by category of transaction, specific approval, execution and monitoring procedures.

In accordance with the aforementioned policies, the group only enters into plain vanilla derivative transactions relating to assets, liabilities or anticipated future transactions.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments, the Group aims to minimize its financial credit risk through the application of risk management policies. Credit limits are set based on a counterparty value . The methodology used to set the list of counterparty limits includes , counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out. The Group avoids the concentration of credit risk on its liquid assets by spreading them over several asset management companies and monitoring of underlying sector exposure.

Trade receivables are subject to credit limits, controls & approval processes. Due to large geographical base & number of customers, the group is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables as per expected credit loss using simplified approach, over the life of the assets depending on the customer ageing, customer category, specific credit circumstances & the historical experience of the Group.

The gross carrying amount of trade receivables is ₹ 396 Crore as at 31st March, 2021 (₹ 545 Crore as at 31st March, 2020).

Reconciliation of loss allowance provision- Trade receivables

(₹ in Crore)

Particulars	31st March 2021	31st March 2020
Loss allowance at the beginning of the year	5	5
add : Changes in loss allowances	3	(0)
Loss allowance at the end of the year	8	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 ₹ 14 Crore as at 31st March, 2021 and ₹ 17 Crore as at 31st March, 2020.

Other financial asset includes investment, loans to employees and advances given to joint venture for various operational requirements and other receivables (refer note 6(a), 6(c), 6(f) and 6(g)). Provision is made were there is singificant increase in credit risk of the asset.

Reconciliation of loss allowance provision- Deposits/advances

(₹ in Crore)

Particulars	31st March 2021	31st March 2020
Loss allowance at the beginning of the year	1	4
add : Changes in loss allowances due to provision	-	(3)
Loss allowance at the end of the year	1	1

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The current ratio of the Group as at 31st March, 2021 is 1.66 (31st March, 2020 is 1.979) whereas the liquid ratio of the group as at 31st March, 2021 is 1.07 (31st March, 2020 is 1.03).

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Maturities of financial liabilities

(₹ in Crore)

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Contractual maturities of financial liabilities 31st March, 2021						
Non-derivatives						
Borrowings (including interest accrued)	13(a)	343	8	-	-	351
Trade Payables	13(c)	1,134	-	-	-	1,134
Lease Liabilities	13(b)	38	38	37	47	160
Other Financial Liabilities	13(b)	39	-	-	-	39
Total Non- derivative liabilities		**1,553**	**47**	**37**	**47**	**1,684**
Derivative (Net- Settled)						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Total derivative liabilities		**-**	**-**	**-**	**-**	**-**

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Contractual maturities of financial liabilities 31st March,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		**1,380**	**48**	**38**	**68**	**1,533**
Derivative (Net- Settled)						
Foreign exchange forward contracts	13(b)	2	-	-	-	2
Total derivative liabilities		**2**	**-**	**-**	**-**	**2**

(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, 2021

(₹ 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	-	-	-
Bank balances	-	-	-	-	-	0	0	-	2	0	0	-	-	0
Other receivable	-	-	-	-	-	-	-	-	5	-	-	-	-	-
Derivative asset														
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	-	-	(92)	-	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	-	-	(55)	-	-	-	-	-
Net Exposure to foreign currency risk (assets)	**0**	**-**	**-**	**0**	**-**	**0**	**0**	**-**	**(58)**	**0**	**0**	**-**	**-**	**0**

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
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, 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	-	-	-
Bank balances	-	-	-	-	-	0	0	-	2	0	0	-	-	0
Other receivable	-	-	-	-	-	-	-	-	5	-	-	-	-	-
Derivative asset														
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	-	-	(92)	-	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	-	-	(55)	-	-	-	-	-
Net Exposure to foreign currency risk (assets)	**0**	**-**	**-**	**0**	**-**	**0**	**0**	**-**	**(58)**	**0**	**0**	**-**	**-**	**0**

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
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)**

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Particulars	Impact on profit after tax		Impact on other component of equity	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
USD Sensitivity				
INR/USD Increase by 6%	6	7	-	-
INR/USD Decrease by 6%	(6)	(7)	-	-
AUD Sensitivity				
INR/AUD Increase by 6%	0	0	-	-
INR/AUD Decrease by 6%	(0)	(0)	-	-

Impact of COVID-19 (Global pandemic):

The Group basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Group 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 Group 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.

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, 2021	As at 31st March, 2020
Variable rate borrowings	351	338
Fixed rate borrowings	-	-
Total borrowings (including interest accrued)	**351**	**338**

As at the end of the reporting period, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	31st March 2021			31st March 2020		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	2.42%	351	100.00%	3.44%	338	100.00%
Net Exposure to Cash Flow Interest rate Risk		**351**			**338**	

Interest bearing Financial assets classified at amortized cost , such as Fixed Deposit balances with Banks , inter Corporate Deposits, Commercial Papers . Bonds debentures etc have fixed interest rate. Hence, the Company is not subject to interest rate risk on such financial assets.

Sensitivity

(₹ in Crore)

	Impact on profit after tax	
	31st March, 2021	31st March, 2020
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 factoA movement of 1% in NAV on either side can lead to a gain/loss of ₹ 3 Crores on the overall portfolio as at 31st March, 2021 and ₹ 3 Crores as at 31st March, 2020.

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.

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.

Cash Flow hedges

The group uses cash flow hedges to mitigate a particular risk associated with a recognised asset or liability or highly probable forecast transactions, such as anticipated future export sales, purchases of equipment and raw materials.

The effective part of the changes in fair value of hedging instruments is recognised in other comprehensive income, while any ineffective part is recognised immediately in the Statement of Profit and Loss.

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31st March, 2021

(₹ 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 2021 -March 2022	1:1	1 USD-₹ 73.90, 1 EUR-₹ 81.62	(2)	2
Foreign Exchange Options Contracts	55	18	0	1	April 2021 -March 2022	1:1	1 USD-₹ 71.64, 1 EUR-₹ 77.80	0	(0)

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-Rs.73.90, 1 EUR-Rs.81.62	(2)	2
Foreign Exchange Options Contracts	55	18	0	1	April 2020-March 2021	1:1	1 USD-Rs.71.64, 1 EUR-Rs.77.80	0	(0)

Disclosure of effects of Hedge Accounting on Financial Performance

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income		Hedge ineffectiveness recognised in profit or loss		Amount reclassified from cash flow hedging reserve to profit or loss		Line item affected in Statement of Profit and Loss because of the reclassification
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	
Cash Flow							
Foreign Exchange Risk	(1)	(2)	-	-	-	(1)	Other expenses

29 Capital Management

(a) Risk Management

The Group's capital management is driven by Group's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Group's capital. The Management monitors the capital structure and the net financial debt by currency. Net financial debt is defined as current and non-current borrowing.

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, 2021	As at 31st March, 2020
Net debt	351	338
Total equity	3,258	3,036
Net debt to equity ratio	**0.11**	**0.11**

(b) Dividend

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interim dividend for the year (Excluding dividend distribution tax)	990	917

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, 2021	As at 31st March, 2020
Segment revenue (sales and other operating income)		
India	6,189	5,655
International	1,859	1,660
Total segment revenue	**8,048**	**7,315**
Less : Inter segment revenue	-	-
	8,048	7,315

Revenue from similar products from external customers

Particulars	As at 31st March, 2021	As at 31st March, 2020
Edible	5,082	4,267
Hair oils	1,789	1,694
Personal care	773	859
Others	404	495
	8,048	**7,315**

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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, 2021	As at 31st March, 2020
India	6,189	5,655
Bangladesh	990	822
Vietnam	440	427
Others	429	411
	8,048	**7,315**
Segment results (Profit before tax and interest)		
India	1,229	1,170
International	408	336
Total segment results	**1,637**	**1,506**
Less : (i) Finance cost	34	50
(ii) Other un-allocable expenditure net of unallocable income	91	53
(iii) Exceptional items	(13)	29
Profit before tax	**1,525**	**1,374**
Share of profit/ (loss) of Joint Venture	(2)	0
Profit Before Tax after share of profit/ (loss) of Joint Venture	**1,523**	**1,374**

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Segment assets		
India	2,118	2,441
International	1,276	1,205
Unallocated	2,116	1,324
Total segment assets	**5,510**	**4,970**
Segment liabilities		
India	1,223	1,098
International	515	450
Unallocated	514	386
Total segment liabilities	**2,252**	**1,934**

Geographical non-current assets (Property, plant and equipment, Right to use asset, 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, 2021	As at 31st March, 2020
India	704	775
Bangladesh	86	78
Vietnam*	549	563
Others	323	64
	1,662	**1,480**

* Includes goodwill on consolidation amounting to ₹ 505 Crore as at 31st March, 2021 and ₹ 508 Crore as at 31st March, 2020.

31 Interests in Other Entities

a) Subsidiaries

The Group's subsidiaries at 31st March, 2021 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, 2021	31st March, 2020	31st March, 2021	31st March, 2020
		%	%	%	%
Subsidiary companies:					
Marico Bangladesh Limited (MBL)	Bangladesh	90	90	10	10
Marico Middle East FZE (MME)	UAE	100	100	Nil	Nil
Marico Bangladesh Industries Limited (MBLIL)	Bangladesh	100	100	Nil	Nil
Egyptian American Investment and Industrial Development Company S.A.E (EAIIDC)	Egypt	100	100	Nil	Nil
Marico Malaysia Sdn. Bhd. (MMSB)	Malaysia	100	100	Nil	Nil
MEL Consumer Care SAE (MELCC)	Egypt	100	100	Nil	Nil
Marico Egypt Industries Company (MEIC)	Egypt	100	100	Nil	Nil
Marico for Consumer Care Products SAE	Egypt	100	100	Nil	Nil
Marico South Africa Consumer Care (Pty) Limited (MSACC)	South Africa	100	100	Nil	Nil
Marico South Africa (Pty) Limited (MSA)	South Africa	100	100	Nil	Nil
Marico South East Asia Corporation (MSEA)	Vietnam	100	100	Nil	Nil
Marico Consumer Care Limited (MCCL) (refer note (i) below)	India	0	100	Nil	Nil
Halite Personal Care India Private Limited (A Company under Voluntary Liquidation)	India	100	100	Nil	Nil
Zed Lifesyle Private Limited (refer note (ii) below)	India	100	0	Nil	Nil
Marico Innovation Foundation (MIF) (refer note (iii) below)	India	NA	NA	NA	NA
Parachute Kalpavriksha Foundation (PKF) (refer note (iv) below)	India	NA	NA	NA	NA
Marico Lanka (Private) Limited	Sri Lanka	100	100	Nil	Nil

The principle activity of the Group is consumer goods business.

(i) The National Company Law Tribunal at Mumbai Bench has, vide order dated December 2, 2020 sanctioned Scheme of Arrangement ('the Scheme') of Marico Consumer Care Ltd (MCCL) (Subsidiary of Marico Ltd) with effective date as April 1, 2020 with the holding company.

(ii) Zed Lifestyle Private Limited w.e.f 30th June, 2020, the Company has acquired the remaining 55% stake in ZED Lifestyle Private Limited (which was earlier a Joint Venture) and converted it into a wholly owned subsidiary.

(iii) 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.

(iv) Parachute Kalpavriksha Foundation ("PKF"), a company incorporated under Section 8 of the Companies Act, 2013 (being a private company limited by guarantee not having share capital) primarily with an objective of undertaking/channelizing the CSR activities of the Company towards community and ecological sustenance, is a subsidiary of the Company with effect from 27 December, 2018. Based on the Control assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.

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b) Interest in joint ventures:

(₹ in Crore)

Name of entity	Carrying Amount as at 31st March, 2021	Carrying Amount as at 31st March, 2020	Accounting method	Share in Profit/(loss)	
				31st March, 2021	31st March, 2020
Zed Lifestyle Private Limited (refer note (i) below)	-	24	Equity Method	(1)	1
Revolutionary Fitness Private Limited (refer note (ii) below)	-	5	Equity Method	-	(1)
Hello Green Private Limited (refer note (iii) below)	-	0	Equity Method	-	-
Total equity accounted investments	**-**	**29**		**-**	**(0)**

(i) During the year ended 31st March, 2021 the Group has acquired the remaining 55% stake in Zed Lifestyle Private Limited (which was earlier a Joint Venture) and converted it into a wholly owned subsidiary. During the previous year ended 31st March, 2020 the Group was holding 45% stake in this joint venture.

(ii) During the year ended 31st March, 2021 the Group sold the entire stake in Revolutionary Fitness Private Limited. During the previous year ended 31st March, 2020, the Group was holding 29.44% stake in this Joint venture.

(iii) During the year ended 31st March, 2021 the Group sold the entire stake in Hello Green Private Limited. During the previous year ended 31st March, 2020, the Group was holding 25.79% stake in this Joint venture.

32 Related Party Transactions

I Name of related parties and nature of relationship:

a) Joint venture (JV)

Zed Lifestyle Private Limited (JV)

During the year ended 31st March, 2021 the Group has acquired the remaining 55% stake in Zed Lifestyle Private Limited (which was earlier a Joint Venture) and converted it into a wholly owned subsidiary. During the previous year ended 31st March, 2020 the Group was holding 45% stake in this joint venture.

Revolutionary Fitness Private Limited (JV)

During the year ended 31st March, 2021 the Group sold the entire stake in Revolutionary Fitness Fitness Private Limited. During the previous year ended 31st March, 2020, the Group was holding 29.44% stake in this Joint venture.

Hello Green Private Limited (JV)

During the year ended 31st March, 2021 the Group sold the entire stake in Hello Green Private Limited. During the previous year ended 31st March, 2020, the Group was holding 25.79% stake in this Joint venture.

b) Subsidiaries - Not consolidated

Marico Innovation Foundation (MIF)

Parachute Kalpavriksha Foundation (PKF)

c) Key management personnel (KMP):

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Saugata Gupta, Managing Director and CEO

Mr. Ananth Sankaranarayanan, Independent Director

Mr. B.S. Nagesh, Independent Director

Ms. Hema Ravichandar, Independent Director

Mr. Nikhil Khattau, Independent Director

Mr. Rajen Mariwala, Non executive Director

Mr. Rajeev Bakshi, Independent Director, (Ceased to be Director with effect from close of business hours on March 31, 2020)

Mr. Kanwar Bir Singh Anand, Independent Director, (Appointed with effect from April 1, 2020)

Mr. Sanjay Dube, Independent Director

Mr. Rishabh Mariwala, Non executive Director

Mr. Vivek Karve, Chief Financial Officer (Resigned with effect from close of business hours on September 10, 2020)

Mr. Pawan Agrawal, Chief Financial Officer (Appointed with effect from close of business hours on September 10, 2020)

Ms. Hemangi Ghag, Company Secretary & Compliance Officer

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

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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

Marico Limited Pension Scheme

f) Others - Entities in which above (c) and (d) has significant influence and transactions have taken place:

Aqua Centric Private Limited

Ascent India Foundation

Aaidea Solutions Private Limited

Kaya Limited

Mariwala Health Foundation

Soap Opera

Bright Lifecare Private Limited

The Bombay Oil Private Limited

Sharrp Consumer Wellbeing Solutions Private Limited (formerly known as Indian School of Communications Private Limited)

Harsh Mariwala Enterprises LLP

II Transactions with related parties

The following transactions occurred with related parties:

Key management personnel compensation.

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Employee share-based payment	4	3
Short-term employee benefits	13	13
Post-employment benefits	1	0
Total compensation	**18**	**16**
Professional charges paid to Chairman and Non Executive Director	4	4
Remuneration / sitting fees to Non-Executive Directors	3	3

i. Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

ii. ESOP and STAR grant accrued annually are included in the KMP's remuneration in the year in which the same are exercised.

Contribution to post employment benefit controlled trust

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Marico Limited Employees Provident Fund	28	26
Marico Limited Employees Gratuity Fund	5	5
	33	**31**

(₹ in Crore)

Particulars	Joint Venture (Referred in I (a) above)		Others (Referred in I (f) above)	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Expenses paid on behalf of related parties	-	-	0	1
Kaya Limited	-	-	0	1
Others	-	-	0	0
Sale of goods	-	-	3	2
Kaya Limited	-	-	-	0
Aaidea Solutions Private Limited	-	-	3	2
Soap Opera	-	-	-	0
Lease Rental Income	-	-	1	1
Kaya Limited	-	-	1	1
Soap Opera	-	-	0	0
Others	-	-	0	0
Investments made during the year	-	3	-	-
Zed lifestyle Pvt Limited	-	2	-	-
Revolutionary Fitness Private Limited	-	1	-	-
Donation Given / CSR Activities	7	4	-	-
Marico Innovation Foundation	1	1	-	-
Parachute Kalpavriksha Foundation	6	3	-	-
Royalty expense	-	-	0	0
Kaya Limited	-	-	0	0
Sale of Investment	5	-	-	-
Revolutionary Fitness Private Limited	5	-	-	-
Hello Green Private Limited	0	-	-	-
Purchase of goods	-	-	1	-
Kaya Limited	-	-	0	-
Soap Opera	-	-	1	-
Brand Purchase	-	-	4	-
Bombay Oil Private Limited	-	-	4	-
Reimbursement of Expense	-	-	0	-
Soap Opera	-	-	0	-
Advertising Expense	-	-	0	-
Bright Lifecare Private Limited	-	-	0	-

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III Outstanding balances

(₹ in Crore)

Particulars	Joint Venture (Referred in I (a) above)		Others (Referred in I (f) above)	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
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	0
Others	-	-	-	0
Investments	-	29	-	-
Zed lifestyle Pvt Limited	-	24	-	-
Revolutionary Fitness Private Limited	-	5	-	-
Hello Green Private Limited	-	0	-	-
Trade payable	-	-	0	-
Kaya Limited	-	-	0	-
Royalty Payable	-	-	0	0
Kaya Limited	-	-	0	0
Advances to related parties	-	-	0	0
Kaya Limited	-	-	0	0
Soap Opera	-	-	-	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:

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Disputed tax demands / claims:		
Sales tax / VAT	169	168
Income tax	181	181
Service tax	0	0
Employees state insurance corporation	0	0
Excise duty	33	33
Claims against the Group not acknowledged as debts	20	21
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	188	226

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 Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.
2. The Group 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 Group have contingent liability of 181 crore and 181 crore as at March 31, 2021 and 2020, respectively, in respect of tax demands which are being contested by the Group based on the management evaluation and advice of tax consultants.

   The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions it operates in. The Group has 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, 2021	As at 31st March, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	40	36
Total	40	36

35 Share-Based Payments

(a) Employee stock option plan

Marico ESOP 2016

During the year ended 31st March, 2017, the Group implemented Marico Employee Stock Option Plan, 2016 ("Marico ESOP 2016" or "the Plan"). The Marico ESOP 2016 was approved by the shareholders at the 28th Annual General Meeting held on 5th August, 2016, enabling grant of stock options to the eligible employees of the Group not exceeding in the aggregate 0.6% of the issued equity share capital of the Group as on the commencement date of the Plan i.e. 5th August, 2016. Further, the stock options to any single employee under the Plan shall not exceed 0.15% of the issued equity share capital of the Group as on the commencement date (mentioned above). The Marico ESOP 2016 envisages to grant stock options to eligible employees of the Group on an annual basis through one or more Scheme(s) notified under the Plan. Each option represents 1 equity share in the Group. The vesting period under the Plan is not be less than one year and not more than five yea Pursuant to the said approval, the Group notified below schemes under the Plan:

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Scheme	Part	Options outstanding as at 31st March, 2021	Exercise price	Vesting date	Weighted average share price of options exercised	Number of options granted, exercised and forfeited					Weighted average remaining contractual life of options outstanding at end of period (in years)
						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	
Scheme II		939,700	280.22	31-Mar-19	-	939,700	-	-	-	939,700	0.50
Scheme III	Part I	-	1.00	30-Nov-19	-	28,140	-	28,140	-	-	-
	Part II	-	1.00	30-Nov-19	-	4,470	-	4,470	-	-	-
	Part III	1,910	1.00	30-Nov-19	-	1,910	-	-	-	1,910	0.83
Scheme IV	Part I	222,770	256.78	30-Nov-19	-	323,110	-	97,240	3,100	222,770	0.83
	Part II	16,930	302.34	30-Nov-19	-	43,480	-	18,100	8,450	16,930	0.83
	Part III	19,500	307.77	30-Nov-19	-	27,180	-	7,680	-	19,500	0.83
Scheme V		-	1.00	31-Mar-20	-	67,120	-	67,120	-	-	-
Scheme VI	Part I	21,320	1.00	30-Nov-20	-	64,720	-	24,060	19,340	21,320	1.33
	Part II	-	1.00	30-Nov-20	-	3,320	-	3,320	-	-	-
	Part III	740	1.00	30-Nov-20	-	740	-	-	-	740	1.33
Scheme VII	Part I	263,980	307.77	30-Nov-20	-	363,560	-	34,540	65,040	263,980	1.33
	Part II	32,770	316.53	30-Nov-20	-	55,500	-	20,860	1,870	32,770	1.33
	Part III	29,390	346.47	30-Nov-20	-	39,220	-	1,560	8,270	29,390	1.33
Scheme VIII		-	1.00	31-Mar-20	-	24,820	-	24,820	-	-	-
Scheme IX	Part I	59,310	1.00	30-Nov-21	-	78,240	-	-	18,930	59,310	2.17
	Part II	8,100	1.00	30-Nov-21	-	8,100	-	-	-	8,100	2.17
Scheme X	Part I	513,760	346.47	30-Nov-21	-	612,240	-	-	98,480	513,760	2.17
	Part II	52,180	357.51	30-Nov-21	-	55,880	-	-	3,700	52,180	2.17
	Part III	45,420	346.00	30-Nov-21	-	45,420	-	-	-	45,420	2.17
Scheme XI		222,700	357.65	31-Mar-22	-	222,700	-	-	-	222,700	2.50
Scheme XII		526,890	357.65	31-Mar-22	-	526,890	-	-	-	526,890	2.50
Scheme XIII	Part I	855,800	346.00	30-Nov-22	-	946,860	-	-	91,060	855,800	3.17
	Part II	45,230	330.38	30-Nov-22	-	-	45,230	-	-	45,230	3.17
	Part III	109,550	372.10	30-Nov-22	-	-	115,460	-	5,910	109,550	3.17
Scheme XIV		425,100	330.38	31-Mar-23	-	-	425,100	-	-	425,100	3.50
Scheme XV		82,970	1.00	30-Nov-23	-	-	82,970	-	-	82,970	4.17
Scheme XVI		838,510	372.10	30-Nov-23	-	-	874,820	-	36,310	838,510	4.17

Particulars	As at 31st March, 2021	As at 31st March, 2020
Aggregate of all stock options outstanding as at the year end to current paid-up equity share capital (percentage)	0.41%	0.44%

The following assumptions were used for calculation of fair value of grants using Black-Scholes:

Scheme	Part	Risk-free interest rate (%)	Expected life of options (years)	Expected volatility (%)	Dividend yield (%)	Fair value of the option
Scheme II		7.25%	3 years 2 months	25.80%	0.96%	85.53
Scheme III	Part I	6.75%	3 years 6 months	26.10%	0.96%	246.12
	Part II	6.25%	3 years 1 months	26.70%	1.07%	308.10
	Part III	6.50%	2 years 6 months	23.10%	1.07%	301.35
Scheme IV	Part I	6.75%	3 years 6 months	26.10%	0.96%	68.80
	Part II	6.25%	3 years 1 months	26.70%	1.07%	86.70
	Part III	6.50%	2 years 6 months	23.10%	1.07%	64.28
Scheme 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	Part I	6.42%	4 years 6 months	22.94%	1.29%	89.40
	Part II	4.90%	3 years 11 months	24.68%	1.71%	80.79
	Part III	4.65%	3 years 6 months	24.83%	1.71%	80.90
Scheme XIV		4.90%	4 years 3 months	24.47%	1.71%	83.53
Scheme XV		4.98%	4 years 6 months	24.51%	1.71%	345.30
Scheme XVI		4.98%	4 years 6 months	24.51%	1.71%	93.00

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2021

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 2021							As at March 31 2020						
Scheme	Grant Date	Grant Price (₹)	Vesting Date	Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (₹ in Crore)		Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (₹ in Crore)	
				at the beginning of the year	Add : Granted during the year	Less : Forfeited during the year	Less : Exercised during the year	at the end of the year	Classified as long-term	Classified as short-term	at the beginning of the year	Add : Granted during the year	Less : Forfeited during the year	Less : Exercised during the year	at the end of the year	Classified as long-term	Classified as short-term
STAR VII	01-Dec-16	256.78	30-Nov-19	-	-	-	-	-	-	-	302,620	-	34,480	268,140	-	-	-
	02-May-17	302.34	30-Nov-19	-	-	-	-	-	-	-	85,090	-	28,850	56,240	-	-	-
	01-Dec-17	307.77	30-Nov-19	-	-	-	-	-	-	-	27,430	-	9,990	17,440	-	-	-
STAR VIII	01-Dec-17	307.77	30-Nov-20	247,390	-	11,110	236,280	-	-	-	313,740	-	66,350	-	247,390	-	0
	31-May-18	316.53	30-Nov-20	36,990	-	-	36,990	-	-	-	57,280	-	20,290	-	36,990	-	0
	02-Aug-18	352.42	30-Nov-20	40,000	-	-	40,000	-	-	-	48,000	-	8,000	-	40,000	-	0
	04-Dec-18	346.47	30-Nov-20	57,020	-	19,330	37,690	-	-	-	57,020	-	-	-	57,020	-	0
STAR IX	04-Dec-18	346.47	30-Nov-21	437,500	-	72,590	-	364,910	-	2	528,740	-	91,240	-	437,500	0	-
	06-May-19	357.51	30-Nov-21	20,320	-	3,700	-	16,620	-	0	-	26,170	5,850	-	20,320	0	-
	20-Dec-19	346.04	30-Nov-21	54,240	-	-	-	54,240	-	0	-	54,240	-	-	54,240	0	-
STAR X	20-Dec-19	346.04	30-Nov-22	439,200	-	63,700	-	375,500	2	-	-	460,770	21,570	-	439,200	0	-
	23-Jun-20	330.38	30-Nov-22	-	45,230	-	-	45,230	0	-	-	-	-	-	-	-	-
	01-Dec-20	372.1	30-Nov-22	-	31,820	-	-	31,820	0	-	-	-	-	-	-	-	-
STAR XI	01-Dec-20	372.1	30-Nov-22	-	684,300	11,780	-	672,520	1	-	-	-	-	-	-	-	-
									3	2						0	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 ₹ 33 Crore as at 31st March, 2021 (₹ 21 Crore as at 31st March, 2020) to the Trust for purchase of the Company's shares under the Plan. As per the Trust Deed and Trust Rules, upon maturity, the Trust shall sell the Company's shares and hand over the proceeds to the Group. The Group, after adjusting the loan advanced and interest thereon (on loan advanced 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, 2021	As at 31st March, 2020
Share price at measurement date (₹ per share)	411.3	274.9
Expected volatility (%)	21.75%-26.9%	24.1% - 29%
Dividend yield (%)	1.71%	1.30%
Risk-free interest rate (%)	3.93%-4.93%	4.90% - 5.40%

(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, 2021	Year ended 31st March, 2020
Employee stock option plan	9	10
Stock appreciation rights	6	(1)
Total employee share based payment expense	**15**	9

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, 2021	As at 31st March, 2020
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (in ₹)	9.08	7.91
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	9.08	7.91
(c) Earnings used in calculating earnings per share (₹ in Crores)	1,172	1,021
(d) Weighted average number of equity shares used as denominator		
Weighted average number of equity shares outstanding	1,291,184,537	1,290,931,494
Shares held in controlled trust	(1,058,840)	(1,039,579)
Weighted average number of equity shares in calculating basic earnings per share	1,290,125,697	1,289,891,915
Options	914,044	1,335,166
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	1,291,039,741	1,291,227,082

(e) Information concerning the classification of securities

(i) Options

Options granted to employees under Marico ESOS 2014, MD ESOP Plan 2014 and Marico Employee Option Plan 2016 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 35.

(ii) Treasury shares

Treasury shares are excluded for the purpose of calculating basic and diluted earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021

37 Additional information required by Schedule III

(₹ in Crore)

Name of the Entities	Net Assets i.e. total assets minus total liabilities				Share in profit or (loss)				Share in other comprehensive income				Share in total comprehensive income			
	As a % of consolidated net assets		Amount (₹ in Crore)		As a % of consolidated profit or loss		Amount (₹ in Crore)		As a % of other comprehensive income		Amount (rin Crore)		As a % of total comprehensive income		Amount (rin Crore)	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Parent:																
Marico Limited*	93.17%	95.13%	3,035	2,888	64.16%	96.54%	769	1,007	37.80%	-5.69%	2	(2)	64.06%	92.56%	771	1,005
Subsidiaries:																
- Indian																
Zed Lifestyle Private Limited	0.24%	0.00%	8	-	0.13%	0.00%	2	-	0.00%	0.00%	-	-	0.13%	0.00%	2	-
- Foreign																
Marico Bangladesh Limited	4.34%	4.06%	141	123	41.40%	21.26%	497	222	-47.45%	-3.24%	(2)	(1)	41.07%	20.31%	494	220
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	-6.24%	-7.05%	(203)	(214)	-12.31%	-0.66%	(148)	(7)	1.56%	-1.07%	0	(0)	-12.26%	-0.68%	(148)	(7)
MEL Consumer Care SAE	-1.84%	-2.00%	(60)	(61)	-0.03%	-0.17%	(0)	(2)	0.00%	0.00%	-	-	-0.03%	-0.16%	(0)	(2)
Marico Egypt Industries Company	-0.06%	-0.06%	(2)	(2)	-0.02%	-0.19%	(0)	(2)	0.00%	0.00%	-	-	-0.02%	-0.19%	(0)	(2)
Egyptian American Company for Investment and Industrial Development SAE	-0.05%	-0.06%	(2)	(2)	0.00%	0.00%	-	(0)	0.00%	0.00%	-	-	0.00%	0.00%	-	(0)
Marico South Africa Consumer Care (Pty) Limited	1.22%	1.82%	40	55	-1.56%	0.00%	(19)	0	0.00%	0.00%	-	-	-1.55%	0.00%	(19)	0
Marico South Africa (Pty) Limited	1.39%	1.18%	45	36	0.30%	-0.99%	4	(10)	0.00%	0.00%	-	-	0.30%	-0.95%	4	(10)
Marico for Consumer Care Products SAE	-0.87%	-0.87%	(28)	(26)	-0.02%	-0.73%	(0)	(8)	0.00%	0.00%	-	-	-0.02%	-0.70%	(0)	(8)
Marico Malaysia Sdn Bhd	0.00%	0.00%	0	0	0.00%	0.00%	(0)	(0)	0.00%	0.00%	-	-	0.00%	0.00%	(0)	(0)
Marico South East Asia Corporation	2.00%	2.47%	65	75	4.21%	2.64%	50	28	0.00%	0.00%	-	-	4.19%	2.54%	50	28
Marico Lanka Private Limited	-0.11%	-0.02%	(4)	(1)	-0.15%	-0.15%	(2)	(2)	0.00%	0.00%	-	-	0.00%	0.00%	(2)	(2)
Joint Ventures																
- Indian															-	
Zed Lifestyle Private Limited	0.00%	0.00%	-	-	-0.12%	0.10%	(1)	1	0.00%	0.00%	-	-	-0.12%	0.09%	(1)	1
Revolutionary Fitness Private Limited	0.00%	0.00%	-	-	0.00%	-0.11%	-	(1)	0.00%	0.00%	-	-	0.00%	-0.10%	-	(1)
Hello Green Private Limited	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Subtotal			**3,036**	**2,897**			**1,151**	**1,231**			**(0)**	**(3)**			**1,151**	**1,227**
Intercompany Elimination and Consolidation Adjustments	6.81%	4.58%	222	139	4.02%	-17.99%	48	(188)	108.09%	108.10%	5	45	4.42%	-13.11%	53	(142)
Grand total:			**3,258**	**3,036**			**1,199**	**1,043**			**5**	**42**			**1,204**	**1,085**
Minority Interest in all subsidiaries	0.55%	0.41%	18	13	2.27%	2.13%	27	22	0.00%	0.02%	-	0	2.26%	1.84%	27	22

* Marico Consumer Care Limited (MCCL) merged with Marico Ltd. The appointed date of amalgamation is 1st April, 2020.

38 The Group has a process whereby periodically all long term contracts (including derivative contracts if any) are assessed for material foreseeable losses. At the year end, basis the review performed, no provision was required for material foreseeable losses on long term contracts (including derivative contracts).

39 Exceptional Items

	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
1	Voluntary retirement scheme offered to the employees on the close of operations at the Kanjikode factory of the company	-	19
2	Goodwill on acquisitions included in intangible assets was tested for impairment, basis circumstances indicating the impairment of brand ISOPLUS in South Africa	-	10
3	Fair value of previously held equity Interest in Zed Lifestyle Private Limited as on date of conversion from joint venture to subsidiary (gain) [refer note 41]	(64)	-
4	Provision for impairment in value of investment of MSACC in MSA [refer note 2(d), 5]	19	-
5	Provision towards impairment identified by the Company pursuant to a restructuring at one of the manufacturing units located at Baddi, India:		
	a. Certain unusable fixed assets	30	-
	b. Inventories of consumable stores	2	-
		(13)	**29**

40 Acquisition of Subsidiary

On 30 June 2020, the Company has acquired the remaining 55% stake in ZED Lifestyle Private Limited (which was earlier a Joint Venture) and converted it into a wholly owned subsidiary. On obtaining control, the Company has re-measured the existing stake at fair value and has recognised the re-measurement gain in the consolidated statement of profit and loss in accordance with Ind AS.

At June 30, 2020, the fair value of assets and liabilities acquired have been determined by the Company and accounted for in accordance with IND AS 103 – "Business Combination".

Taking control of Zed Life style (which owns Beardo) will enable the Group to enhance the capability in E-commerce and salon space and steadily creating a portfolio suited to this channel.

a. Details of purchase consideration, net assets acquired and goodwill

Acquisition related cost

The Group incurred acquisition related cost of ₹ 0.54 crore on legal fees. These costs have been included in "other expenses".

Identifiable assets acquired and liabilities assumed.

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition .

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To Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Particular	Amount
Intangible assets	174
Balances with banks	5
Deposits with maturity of less than three months	3
Cash on hand	0
Security deposits	0
Loans	2
Others	0
Trade Receivable	7
Inventories	4
Deferred tax assets (net)	0
Deposits with statutory/government authorities	0
Prepaid Expenses	0
Property, Plant and Equipment	1
Other Intangible assets	0
Fair value of assets acquired	**196**
Trade payables	7
Security Deposits received	0
Gratuity (CEBO)	0
Statutory dues / Dues to Government (incl.provident fund, TDS and others)	1
Loan from Bank	0
Provision for Expenses	5
Fair value of liabilities acquired	**13**
Deferred Tax on acquisition	61
Total Identifiable net assets / (liabilities) acquired	**122**
Note : The fair value of Trade receivable and other receivables is the same as mentioned in above table.	

b. Goodwill

Particulars	
Consideration transferred	156
Fair value of previously held equity Interest	64
Less: Net Identifiable assets acquired	122
Goodwill	98

c. Disclosure of the revenue and profit for current reporting period.

	Revenue	Profit / (Loss)
i. Since the acquisition date	58	(2)
ii. Had it been at the beginning of the reporting period	64	(5)

41 In light of the COVID-19 pandemic, the Group has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. In developing the assumptions relating to the possible future uncertainties the Group 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 Group 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 Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

As per our attached report of even date.

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : April 30, 2021

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]
Place : Ooty

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

Place : Mumbai
Date : April 30, 2021

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 2021, 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 2021, 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 Standalone Financial Statements]

The Key Audit Matter	How the matter was addressed in our audit
Revenue is recognised based on the arrangement with customers. Revenue is recognised when control of the underlying products has been transferred to the customer. There is a risk of revenue being overstated at year-end 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 appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards. • Tested design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue, revenue cut-off 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. • Tested manual journals posted to revenue close to year-end to identify unusual items. • Scrutinised sales returns/reversals and bad debt write offs recorded in the general ledger subsequent to year-end to identify any significant unusual items. • Performed analytical procedures on sales such as trend analysis to identify any unusual fluctuations.

Uncertain Tax Position

Refer note (g) of Significant Accounting Policies and Note 25 and 31 to the standalone financial statements

The Key Audit Matter	How the matter was addressed in our audit
The Company operates in a complex tax jurisdiction with certain tax exemptions / deductions that may be subject to challenges and audits by tax authorities. There are significant open tax matters under litigation with tax authorities Judgement is required in assessing the level of provisions and disclosure of contingent liabilities required in respect of uncertain tax position that reflects management's best estimates of the most likely outcome based on the facts available.	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 external tax expert/counsel opinions and the use of past experience, where available, with the tax authorities. • Involved our tax specialists to evaluate the status of ongoing tax litigations and judgemental tax positions in tax returns and their most likely outcome, basis their expertise, industry outcomes and company's own past experience in respect of similar matters. • Evaluated the adequacy of financial statement disclosures in respect of the tax provision / adjustments and contingencies.

Impairment assessment of investment in subsidiaries

Refer note (w), (y) of Significant Accounting Policies and Note 2(h) and 6(a) to the standalone financial statements

The Key Audit Matter	How the matter was addressed in our audit
The carrying amount of investment in subsidiaries aggregates ₹ 489 crores i.e. 11% of the total assets of the Company as at 31 March 2021. The annual impairment testing of investments is considered to be a key audit matter due to complexity of the accounting requirements and significant judgements required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of 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).	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 entity. • Involved our internal valuation specialists, where appropriate, to evaluate the reasonability of the methodology and approach used in the valuation carried out for determining the carrying amount of 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 and impairment adjustment. • Evaluated the adequacy of financial statement disclosures in respect of the impairment assessment for investment in subsidiaries.

INDEPENDENT AUDITORS' REPORT (Contd.)

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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 2021 on its financial position in its standalone financial statements - Refer Note 14 and 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 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sadashiv Shetty
Partner
Membership No: 048648
UDIN: 21048648AAAAAQ9704

Mumbai
30 April, 2021

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2021

(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 all 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 property and the agreements for lease hold premises as disclosed in Note 3(a) to the standalone financial statements are held in the name of the Company.

(ii) The inventory, except goods in transit have 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 suitably dealt with in the books of account.

(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 Companies Act, 2013 ('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 of 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 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 thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the 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 Services 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 Services tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2021 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 services tax and Value Added Tax as at 31 March 2021 which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Enclosure 1 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 any financial institutions and Government nor has it issued any debentures during this 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, paragraphs 3 (ix) of the Order is not applicable to the Company.

(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 per 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 provision of Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Sadashiv Shetty
Partner
Membership No: 048648
UDIN: 21048648AAAAAQ9704

Mumbai
30 April, 2021

Enclosure I to Annexure A to the Independent Auditors' Report – 31 March, 2021

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the Amount relates	Amount under dispute (R in Crores)	Amount paid under protest (R in Crores)
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	High Court	Various years	54	0*
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Additional Commissioner-Sales tax	Various years	11	1
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Joint Commissioner-Sales tax	Various years	20	2
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Deputy Commissioner-Sales tax	Various years	2	1
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Assistant Commissioner – Sales tax	Various years	0*	0*
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Tribunal	Various years	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	74	-

* Less than ₹ 0.50 crore

ANNEXURE - B TO THE INDEPENDENT AUDITORS'

Report on the Standalone Financial Statements of Marico Limited for the year ended 31 March 2021

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 2021 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 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Sadashiv Shetty
Partner
Membership No: 048648
UDIN: 21048648AAAAAQ9704

Mumbai
April 30, 2021

BALANCE SHEET

as at 31 March 2021

(₹ in Crore)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020 (Recast)
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	485	515
Capital work-in-progress		14	55
Right of use assets	3(b)	147	154
Investment properties	4	11	11
Intangible assets	5	26	21
Investment in subsidiaries and joint venture	6(a)	489	389
Financial assets			
(i) Investments	6(a)	226	76
(ii) Loans	6(c)	16	16
(iii) Other financial assets	6(f)	9	39
Deferred tax assets (net)	7	176	148
Non current tax assets (net)	16	52	42
Other non-current assets	8	22	22
Total non-current assets		**1,673**	**1,488**
Current assets			
Inventories	9	873	1,165
Financial assets			
(i) Investments	6(a)	628	628
(ii) Trade receivables	6(b)	310	465
(iii) Cash and cash equivalents	6(d)	16	27
(iv) Bank balances other than (iii) above	6(e)	695	53
(v) Loans	6(c)	62	3
(vi) Other financial assets	6(g)	21	27
Current tax asset (net)		1	1
Other current assets	10	192	274
Assets classified as held for sale	11	11	5
Total current assets		**2,809**	**2,648**
Total assets		**4,482**	**4,136**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	129	129
Other equity			
Reserves and surplus	12(b)	2,906	2,760
Other reserves	12(c)	(0)	(1)
Total equity attributable to owners		**3,035**	**2,888**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	-	-
(ii) Other financial liabilities	13(b)	101	109
Employee benefit obligations	15	14	8
Total non current liabilities		**115**	**117**
Current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	142	110
(ii) Trade payables	13(c)		
Total outstanding dues of micro enterprises and small enterprises		18	10
Total outstanding dues of creditors other than micro enterprises and small enterprises		823	692
(iii) Other financial liabilities	13(b)	40	42
Other current liabilities	17	227	173
Provisions	14	16	58
Employee benefit obligations	15	52	32
Current tax liabilities (net)	16	14	14
Total current liabilities		**1,332**	**1,131**
Total liabilities		**1,447**	**1,248**
Total equity and liabilities		**4,482**	**4,136**
Significant accounting policies	1		
Critical estimates and judgements	2		

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : April 30, 2021

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]
Place : Ooty

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

Place : Mumbai
Date : April 30, 2021

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

(₹ in Crore)

Particulars	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
Revenue:			
Revenue from operations	18	6,337	5,853
Other income	19	346	306
Total Income		**6,683**	**6,159**
Expenses:			
Cost of materials consumed	20(a)	3,353	2,930
Purchases of stock-in-trade		267	138
Changes in inventories of finished goods, stock-in-trade and work-in progress	20(b)	56	138
Employee benefit expense	21	374	308
Finance costs	24	22	33
Depreciation and amortization expense	22	107	113
Other expenses	23	1,133	1,219
Total expenses		**5,312**	**4,879**
Profit before exceptional items and tax		**1,371**	**1,280**
Exceptional items	36	60	19
Profit before tax		**1,311**	**1,261**
Income tax expense for current year			
Current tax	25	233	261
Deferred tax	7	(28)	(7)
Total tax expense		**205**	**254**
Profit for the year (A)		**1,106**	**1,007**
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)	1	(2)
Income tax relating to items that will be reclassified to profit or loss			
Change in fair value of hedging instruments	7	(0)	1
Total		1	(1)
Other comprehensive income for the year, net of tax (B)		2	(2)
Total comprehensive income for the year (A+B)		**1,108**	**1,005**
Earnings per equity share (in ₹)	34		
Basic earnings per share		8.57	7.79
Diluted earnings per share		8.56	7.79
Significant accounting policies	1		
Critical estimates and judgements	2		

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : April 30, 2021

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]
Place : Ooty

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

Place : Mumbai
Date : April 30, 2021

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2021

A. Equity Share Capital

Particular	Note	₹ in Crore
As at 1st April 2019		129
Changes in equity share capital	12 (a)	0
As at 31st March 2020		**129**
Changes in equity share capital	12 (a)	0
As at 31st March 2021		**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	Amalgamation Adjustment Deficit Account	WEOMA reserve	Effective portion of cash flow hedge	
Balance as at 1st April, 2019		**243**	2,758	298	19	(27)	-	70	(0)	3,361
Net Assets/(Reserves) acquired on account of merger of Marico Consumer Care Ltd	37	-	4	-	-	-	(621)	-	-	(617)
Recast Balance as at 1st April, 2019		**243**	**2,762**	**298**	**19**	**(27)**	**(621)**	**70**	**(0)**	**2,744**
Profit for the year		-	1,007	-	-	-	-	-	-	1,007
Other comprehensive income for the year		-	(1)	-	-	-	-	-	(1)	(2)
Total comprehensive income for the year		**-**	**1,006**	**-**	**-**	**-**	**-**	**-**	**(1)**	**1,005**
(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 ₹ 130 Crore)	12 (b)	-	(1,003)	-	-	-	-	-	-	(1,003)
Income of the trust for the year	12 (b)	-	-	-	-	-	-	3	-	3
Exercise of employee stock options	12 (b)	4	-	-	(4)	-	-	-	-	-
Share based payment expense	12 (b)	-	-	-	10	-	-	-	-	10
Balance as at 31st March, 2020		**247**	**2,765**	**298**	**25**	**(27)**	**(621)**	**73**	**(1)**	**2,759**
Balance as at 1st April, 2020		247	2,765	298	25	(27)	(621)	73	(1)	2,759
Profit for the year		-	1,106	-	-	-	-	-	-	1,106
Other comprehensive income for the year	12 (c)	-	1	-	-	-	-	-	1	2
Total comprehensive income for the year		-	1,107	-	-	-	-	-	1	1,108
(Purchase)/sale of treasury shares by the trust during the year (net)	12 (b)	-	-	-	-	(13)	-	-	-	(13)
Dividend paid on equity shares	12 (b)	-	(968)	-	-	-	-	-	-	(968)
Income of the trust for the year	12 (b)	-	-	-	-	-	-	5	-	5
Exercise of employee stock options	12 (b)	11	-	-	(5)	-	-	-	-	6
Share based payment expense	12 (b)	-	-	-	9	-	-	-	-	9
Balance as at 31st March, 2021		**258**	**2,904**	**298**	**29**	**(40)**	**(621)**	**78**	**0**	**2,906**

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 established various equity settled share based payment plans for certain category of employees of the company. Refer note 33 for further details of this plans.

WEOMA reserve and Treasury shares

The company has formed Welfare of Mariconions Trust (WEOMA trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. WEOMA purchases shares of the Company out of funds 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.

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : April 30, 2021

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]
Place : Ooty

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

Place : Mumbai
Date : April 30, 2021

STATEMENT OF CASH FLOW

For the year ended 31st March, 2021

(₹ in Crore)

	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE INCOME TAX	**1,311**	**1,261**
	Adjustments for:		
	Depreciation, amortisation and impairment	107	113
	Finance costs	22	33
	Interest income from financial assets	(42)	(49)
	(Gain)/ Loss on disposal of property, plant and equipment (Net)	0	0
	Net fair value changes (including net (gain)/loss on sale of investments)	(19)	(33)
	Dividend income from subsidiaries	(255)	(189)
	Employees stock option charge	9	9
	Stock appreciation rights expense charge / (reversal)	4	(1)
	Impairment of Fixed Assets and Investment in subsidiary (refer note 36)	60	-
	Provision for doubtful debts, advances, deposits and others (written back) / written off	3	(3)
		1,200	**1,141**
	Change in operating assets and liabilities:		
	(Increase) / Decrease in inventories	289	69
	(Increase) / Decrease in trade receivables	153	(36)
	(Increase) / Decrease in other financials assets	26	28
	(Increase) / Decrease in other non-current assets	2	(3)
	(Increase) / Decrease in other current assets	82	(19)
	(Increase) / Decrease in loans	(2)	(1)
	(Decrease) / Increase in provisions	(42)	1
	(Decrease) / Increase in employee benefit obligations	24	(19)
	(Decrease) / Increase in other current liabilities	54	33
	(Decrease) / Increase in trade payables	139	(6)
	(Decrease) / Increase in other financial liabilities	0	3
	Changes in Working Capital	**725**	**50**
	Cash generated from operations	**1,925**	**1,191**
	Income taxes paid (net of refunds)	(243)	(221)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**1,682**	**970**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment for property, plant and equipment and intangible assets	(57)	(136)
	Proceeds from sale of property, plant and equipment	4	3
	(Payment for) / Proceeds from purchase/sale of investments (NET)	164	(189)
	Proceeds from sale of investments in Joint venture	1	(3)
	Investment in Subsidiaries	(132)	(1)
	Loan to Subsidiary	(58)	-
	(Purchase)/ Redemption of Inter-corporate deposits (NET)	(295)	44
	Investment in Bank deposits (having original maturity more than 3 months) (NET)	(558)	172
	Dividend income from subsidiaries	255	188
	Interest received	35	50
	NET CASH GENERATED FROM / (UTILISED IN) INVESTING ACTIVITIES (B)	**(641)**	**128**

STATEMENT OF CASH FLOW (Contd.)

For the year ended 31st March, 2021

(₹ in Crore)

	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of share capital (net of share issue expenses)	6	0
	Sale of investments by WEOMA trust (NET)	(9)	4
	Other borrowings (repaid) / taken (NET) (refer note 1 below)	32	(23)
	Interest paid (refer note 1 below)	(12)	(21)
	Repayment of Principal portion of lease liabilities (refer note 1 below)	(29)	(26)
	Interest paid on lease liabilities (refer note 1 below)	(11)	(12)
	Payment of unclaimed dividend	(61)	(0)
	Dividends paid to company's shareholders (including dividend distribution tax)	(968)	(1,003)
	Net cash used in financing activities (C)	**(1,052)**	**(1,081)**
D	**NET INCREASE / (DECREASE) IN CASH and CASH EQUIVALENTS (A+B+C)**	**(11)**	**17**
E	**Cash and cash equivalents at the beginning of the year**	**27**	**10**
	Cash and cash equivalents acquired during the year (refer note 38)	**-**	**0**
F	**Cash and cash equivalents at end of the year (Refer note 6 (d))**	**16**	**27**

Note 1 : Reconcliation of the movements liabilities to cash flow arising from financing activities

(₹ in Crore)

Particulars	Year ended 31st March, 2021			Year ended 31st March, 2020		
	Lease Liabilities	Borrowings	Total	Lease Liabilities	Borrowings	Total
Balance at April 1,	136	110	246	136	131	267
Changes from financing cash flows						
Repayment of lease liabilities - principal portion	(29)	-	(29)	(26)	-	(26)
Payment of interest on lease liabilities	(11)	-	(11)	(12)	-	(12)
Other borrowings (repaid) / taken (net)	-	32	32	-	(23)	(23)
Payment of interest on borrowings from banks and financial institutions	-	(12)	(12)	-	(21)	(21)
Total changes from financing cash flows	**(40)**	**20**	**(20)**	**(38)**	**(44)**	**(82)**
Other changes						
New leases net off closures/disposals	21	-	21	26	-	26
Interest expense on lease liabilities	11	-	11	12	-	12
Interest expense on borrowings from banks and financial institutions	-	12	12	-	21	21
Other borrowing costs	-	-	-	-	2	2
Total changes	**32**	**12**	**44**	**38**	**23**	**61**
Balance at March 31,	**128**	**142**	**270**	**136**	**110**	**246**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : April 30, 2021

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]
Place : Ooty

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

Place : Mumbai
Date : April 30, 2021

NOTES

To Financial Statements for the year ended 31st March, 2021

Back ground and operations

Marico Limited ("Marico" or 'the Company'), headquartered in Mumbai, Maharashtra, India, carries on business in branded consumer products. Marico manufactures and markets products under the brands such as Parachute, Parachute Advansed, Nihar, Nihar Naturals, Saffola, Hair & Care, Revive, Mediker, Livon, Set-wet, etc. Marico's products reach its consumers through retail outlets serviced by Marico's distribution network comprising regional offices, carrying & forwarding agents, redistribution centers & distributors spread all over India.

Note 1: Significant accounting policies:

This note provides a list of the significant accounting policies adopted in preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

The financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 30th April, 2021.

a) Basis of preparation:

i. Compliance with IND AS :

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

ii. Historical cost convention :

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial instruments (including derivative instruments) and contingent consideration that are measured at fair value (Refer Note 26);
- assets held for sale measured at lower of cost or fair value less cost to sell;
- defined benefit plan assets / liabilities measured at fair value; and
- share-based payments liability measured at fair value

iii. Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

b) Segment Reporting:

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Managing Director 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 & 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

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

h) Property, plant and equipment :

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Property, plant and equipment is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs & maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of 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 communi-cation tools	2
Computer – Server network	3
Plant and equipment - Moulds	3 – 5
Leasehold land	Lease period
Right to Use Asset	Lease period

Apart from the above, the useful lives of other class of assets are in line with that prescribed in the Schedule II to the Companies Act, 2013.

Extra shift depreciation is provided on "Plant" basis.

Assets individually costing ₹ 25,000 or less are depreciated fully in the year of acquisition.

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures whichever is lower.

Depreciation on additions / deletions during the year is provided from the month in which the asset is capitalized up to the month in which the asset is disposed off.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income.

i) Intangible Assets:

i. Intangible assets with finite useful life:

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under:

Assets	Useful life (years)
Computer Software	3

ii. Intangible assets with indefinite useful life:

The Intangible assets with indefinite useful life comprises of Trademark and Copyrights.

Intangible assets with indefinite useful lives are measured at cost and are not amortised, but are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired

iii. Research 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

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Equipment. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. The contract involves the use of an identified asset

ii The Company has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

m) Investment 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

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

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

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

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.

Business combinations arising from transfers of interests in entities that are under common control of the shareholder that controls the Company and the acquired entity are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to Other equity in a separate reserve account.

ac) Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

ad) Rounding off:

All amounts disclosed in the financial statement and notes have been rounded off to the nearest crores, unless otherwise stated.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

ae) Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

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To Financial Statements for the year ended 31st March, 2021

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 financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Company may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

(a) Impairment of financial assets (including trade receivable) (Note 27)

(b) Estimation of defined benefit obligations (Note 15)

(c) Estimation of current tax expenses and payable (Note 25)

(d) Estimated impairment of intangible assets with indefinite useful life (Note 5)

(e) Estimation of provisions and contingencies (Note 14 and 31)

(f) Recognition of deferred tax assets including MAT credit (Note 7)

(g) Lease Accounting (Note 3 b)

(h) Impairment of investment in subsidiaries and joint venture (Note 6 a)

(a) Impairment of financial assets (including trade receivable)

Impairment testing for financial assets (other than trade receivables) is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of the individual financial asset is determined based on value-in-use calculations which requires use of assumptions.

Allowance for doubtful trade receivables represent the estimate of losses that could arise due to inability of the Customer to make payments when due. These estimates are based on the customer ageing, customer category, specific credit circumstances and the historical experience of the company as well as forward looking estimates at the end of each reporting period.

(b) Estimation of defined benefit obligations

The liabilities of the company arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions. Refer note 15 for significant assumptions used.

(c) Estimation of current and deferred tax expenses and payable

The Company's tax charge is the sum of total current and deferred tax charges. Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the company operates. Any difference between the estimates and final tax assessments will impact the income tax as well as the resulting assets and liabilities.

(d) Estimated impairment of intangible assets with indefinite useful life

The Intangible assets with indefinite useful life comprises of Trademark and Copyrights.

Impairment testing for intangible assets with indefinite useful life is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount 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 Accounting

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.

(h) Impairment of investment in subsidiaries and joint venture

Impairment testing of investment in subsidiaries and joint ventures is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of the individual investment is determined based on value-in-use calculations which requires use of assumptions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

3(a) Property, Plant and Equipment

(₹ in Crore)

Paritulars	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office Equipment	Leasehold improvements	Total
Year ended 31st March 2020								
Gross carrying amount								
Opening gross carrying amount	**2**	**267**	**397**	**14**	**2**	**10**	**14**	**706**
Additions	-	34	97	4	2	2	4	143
Disposals / write off	-	(1)	(7)	(0)	-	(0)	-	(8)
Closing gross carrying amount	**2**	**300**	**487**	**18**	**4**	**12**	**18**	**841**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**37**	**191**	**8**	**0**	**9**	**3**	**249**
Depreciation charge during the year	-	13	63	2	1	1	2	82
Disposals / write off	-	(0)	(6)	(0)	-	(0)	-	(7)
Closing accumulated depreciation	**-**	**50**	**248**	**10**	**1**	**10**	**5**	**324**
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**	**249**	**238**	**8**	**3**	**2**	**13**	**515**
Year ended 31st March 2021								
Gross carrying amount								
Opening gross carrying amount	**2**	**300**	**487**	**18**	**4**	**12**	**18**	**841**
Additions	-	10	69	3	1	1	1	86
Disposals / write off	(0)	(2)	(17)	(0)	-	(0)	(0)	(20)
Adjustments (refer note iii)	-	(30)	(61)	-	-	-	-	(91)
Closing gross carrying amount	**2**	**278**	**478**	**21**	**5**	**13**	**19**	**816**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**50**	**248**	**10**	**1**	**10**	**5**	**324**
Depreciation charge during the year	-	13	56	3	1	1	2	76
Disposals / write off	-	(1)	(15)	(0)	-	(0)	(0)	(16)
Adjustments (refer note iii)		(5)	(48)	-	-	-	-	(53)
Closing accumulated depreciation	**-**	**57**	**241**	**13**	**2**	**11**	**7**	**331**
Impairment loss								
Opening accumulated impairment	**-**	**1**	**1**	**0**	**-**	**0**	**-**	**2**
Impairment charge/(reversal) during the year	-	19	10	-	-	0	-	29
Adjustment (refer note iii)	-	(20)	(11)	-	-	-	-	(31)
Closing balance	**-**	**(0)**	**0**	**0**	**-**	**0**	**-**	**0**
Net carrying amount	**2**	**220**	**236**	**9**	**3**	**2**	**12**	**485**

(i) Impairment loss
Impairment loss pertains to Plant and equipment which are in damaged condition or are lying idle and have no future use (refer note 36 (2a)).

(ii) Contractual obligations
Refer to Note 32 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) During the year Amount classified to assets held for sale from Plant & Machinery and Buildings.

(iv) Buildings
Buildings include Nil (31st March, 2020: Nil) being the value of shares in co-operative housing societies.

3(b) Right of use Assets

(₹ in Crore)

Particulars	Leasehold land	Buildings	Plant and equipment	Total
Year ended 31st March 2020				
Gross carrying amount				
Opening gross carrying amount	**48**	**171**	**0**	**219**
Additions	-	34	-	34
Disposals / write off	-	(21)	(0)	(21)
Closing gross carrying amount	**48**	**184**	**0**	**232**
Accumulated depreciation				
Opening accumulated depreciation	**2**	**64**	**0**	**66**
Depreciation charge during the year	1	26	0	27
Disposals / write off	-	(15)	(0)	(15)
Closing accumulated depreciation	**3**	**75**	**-**	**78**
Closing balance	**-**	**-**	**-**	**-**
Net carrying amount	**45**	**109**	**0**	**154**
Year ended 31st March 2021				
Gross carrying amount				
Opening gross carrying amount	**48**	**184**	**0**	**232**
Additions	0	21	5	26
Disposals / write off	-	(17)	(0)	(17)
Closing gross carrying amount	**48**	**188**	**5**	**241**
Accumulated depreciation				
Opening accumulated depreciation	**3**	**75**	**-**	**78**
Depreciation charge during the year	**1**	**27**	**0**	**28**
Disposals / write off	-	(12)	-	(12)
Closing accumulated depreciation	**4**	**90**	**0**	**94**
Closing balance	**-**	**-**	**-**	**-**
Net carrying amount	**44**	**98**	**5**	**147**

i) Leased assets

Gross carrying amount of leasehold land represents amounts paid under lease agreements which are due for renewal in the years ranging from 2070 to 2117. In one case where the lease is expiring in 2070, the company has an option to purchase the property.

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.

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

4 Investment Properties

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Gross carrying amount		
Opening gross carrying amount/Deemed cost	**11**	**11**
Additions	-	-
Disposals	-	-
Closing gross carrying amount	**11**	**11**
Accumulated Depreciation		
Opening accumulated Depreciation	**0**	**0**
Depreciation charge	0	0
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, 2021	As at 31st March, 2020 (Recast)
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, 2021	As at 31st March, 2020 (Recast)
Within one year	1	1
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, 2021	As at 31st March, 2020 (Recast)
Investment properties	17	16

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.

5 Intangible Assets

(₹ in Crore)

Particulars	Trademarks and copyrights	Computer software	Total
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**
Year ended 31st March, 2021			
Gross carrying amount			
Opening gross carrying amount	**19**	**15**	**34**
Additions	4	3	7
Deletions	-	(0)	(0)
Adjustments	-	(0)	(0)
Closing gross carrying amount	**23**	**18**	**41**
Accumulated amortisation			
Opening accumulated amortisation	-	13	13
Amortisation charge for the year	-	2	2
Deletions	-	(0)	(0)
Adjustments	-	(0)	(0)
Closing accumulated amortisation	**-**	**15**	**15**
Closing net carrying amount	**23**	**3**	**26**

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

6(a) Investments

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Non-current Investments		
I. Investment in subsidiaries and joint ventures Equity Instrument		
Equity instruments		
(A) Quoted		
Subsidiaries	1	1
(B) Unquoted		
Subsidiaries	488	359
Joint venture	-	29
	489	**389**
II. Other Invesments		
(A) Quoted		
Tax free Bonds (at amortised cost)	17	25
	17	**25**
(B) Unquoted		
Equity instruments		
Others	1	1
Debentures	152	50
Bonds (ETF)	56	-
Government securities	0	0
	209	51
Total Non - current other Investments (A + B)	**226**	**76**
Current Investments		
(C) Quoted		
Debentures	-	68
Bonds	-	47
Tax free bonds (at amortised cost)	8	-
	8	**115**
(D) Unqoted		
Intercorporate deposits	329	32
Commercial papers	-	89
Certificate Deposits	-	96
Mutual Funds	291	296
	620	**513**
Total Current Investments (C+D)	**628**	**628**
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, 2020 : 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, 2021	As at 31st March, 2020 (Recast)
Unquoted at cost		
In Subsidiary Companies		
Marico Middle East FZE (wholly owned)	28	28
22 (31st March, 2020 : 22) equity share of UAE dirham 1,000,000 fully paid		
Marico South Africa Consumer Care (Pty) Limited (wholly owned)	74	74
1,569 (31st March, 2020 : 1,569) equity shares of SA Rand 1.00 fully paid		
Less: Provision for impairment in value of investment (refer note (iv) below)	(27)	-
	47	74
Marico South East Asia Corporation (wholly owned)	255	255
9,535,495 (31st March, 2020 : 9,535,495) equity shares of VND 10,000 fully paid		
Marico Lanka Private Limited (wholly owned)	1	1
6,46,402 (31st March, 2020 : 6,46,402) equity shares of LKR 10 fully paid		
Zed Lifestyle Private Limited (refer note (ii) below)	157	-
12,534 equity shares of ₹ 10 each fully paid		
Total investment in subsidiaries	**489**	**360**
Unquoted at cost		
In Joint Venture		
Zed Lifestyle Private Limited (refer note (ii) below)	-	24
(31st March, 2020 : 5,640) equity shares of ₹10 each fully paid		
Revolutionary Fitness Private Limited (refer note (i) below)	-	5
(31st March, 2020 : 5,791) equity shares of ₹ 10 each fully paid		
Hello Green Pvt Ltd (refer note (iii) below)	-	0
(31st March, 2020 : 8,568) equity shares of ₹ 10 each fully paid		
Total investment in Joint Venture	**-**	**29**
Aggregate carrying amount of quoted investments	26	142
Market value/ Net asset value of quoted investments	5,112	4,128
Aggregate carrying amount of unquoted investments	1,317	1,532
Aggregate amount of impairment in the value of investments	27	-

Notes:

(i) During the year ended 31st March, 2021, the Company has sold the stake in Revolutionary Fitness Private Limited, a joint venture.

(ii) During the year ended 31st March, 2021, the Company has acquired the remaining 55% stake for a consideration of ₹ 132 crores in ZED Lifestyle Private Limited (which was earlier a Joint Venture) and converted it into a wholly owned subsidiary.

(iii) During the year ended 31st March, 2021, the Company has sold the stake in Hello Green Private Limited, a joint venture.

(iv) During the year ended 31st March, 2021, the Company has made an assessment of the fair value of investment made in its subsidiary Marico South Africa Consumer Care (Pty) Limited, taking into account the past business performance, prevailing business conditions and revised expectations of the future performance. Based on above factors the Company has recognised an impairment loss in the value of investment made of ₹ 27 crores. The same is disclosed under "Exceptional items" in the Statement of Profit and Loss. The recoverable amount of the investment is determined at ₹ 47 crores, which is based on its value in use considering a discount rate of 21% (refer note 36 (3)).

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

6(b) Trade Receivables

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Trade receivables	292	444
Less: Allowance for doubtful debts	(8)	(5)
	284	**439**
Receivables from related parties (refer note 30)	26	26
Total receivables	**310**	**465**
Current Portion	310	465
Non-Current Portion	-	-
Break up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	310	465
Trade receivables which have significant increase in credit risk	8	4
Less: Allowance for doubtful debts	(8)	(4)
Trade receivables - Credit impaired	-	1
Less: Allowance for doubtful debts	-	(1)
Total	**310**	**465**

Note - For credit risk and provision for loss allowance refer note 27(A).

6(c) Loans

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Non current		
Unsecured, considered good		
Loans to employees (refer note (ii) below)	3	3
Security deposits with public bodies and others		
Considered good	13	13
Considered doubtful	1	1
	14	**14**
Less: Provision for doubtful deposits	(1)	(1)
	13	**13**
Total non current loans	**16**	**16**
Current		
Secured, considered good		
Loan to related parties (refer note (i) below and note 30)	58	-
Loan to employees (refer note (ii) below)	4	3
Total current loans	**62**	**3**

Note:

(i) The above loan was given to a subsidiary for various operational requirements carrying an interest rate of daily average LIBOR plus 1.8% per annum.

(ii) Loans to employees are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

6(d) Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Bank balances in current accounts	8	16
Deposits with original maturity of less than three months	8	11
Cash on hand	0	0
Total cash and cash equivalents	**16**	**27**

6(e) Bank Balances other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Fixed deposits with maturity more than 3 month but less than 12 months	633	52
Balances with banks for unclaimed dividend (Refer note below)	62	1
Total bank balance other than cash and cash equivalents	**695**	**53**

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, 2021	As at 31st March, 2020 (Recast)
Unsecured considered good (unless otherwise stated)		
Receivables from to subsidiaries (refer note 30)		
Considered good	8	28
Considered doubtful	-	-
	8	**28**
Less: Provision for doubtful advances	-	-
	8	**28**
Fixed deposits-maturing after 12 months (refer note below)	1	11
Total other non-current financial assets	**9**	**39**

Note : Fixed deposits with banks includes deposits held as lien by banks against guarantees and for other earmarked balances.

6(g) Other Current Financial Assets

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
(i) Derivatives		
Foreign exchange forward contracts, options and interest rate swaps	3	1
	3	**1**
(ii) Others		
Receivables from subsidiaries (refer note 30)	18	26
Security deposits	0	0
	18	**26**
Total other current financial assets	**21**	**27**

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

7 Deferred Tax Asset / (Liabilities)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Deferred tax Asset :		
Liabilities / provisions that are deducted for tax purposes when paid	16	29
On Intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme (refer note (i) below)	2	2
MAT credit entitlement	169	134
	187	**165**
Other items:		
Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off	1	1
Other temporary differences	14	17
	15	18
Total deferred tax assets	**202**	**183**
Deferred tax liability :		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	24	34
Financial assets at fair value through Profit and loss	2	1
Other temporary differences	-	-
Total deferred tax liabilities	**(26)**	**(35)**
Net deferred tax assets/ (liabilities)	**176**	**148**

Movement in deferred tax assets

(₹ in Crore)

Particulars	Liabilities / provisions that are deducted for tax purposes when paid	On Intangible assets (Note i)	MAT Credit entitlement	Other items	Total deferred tax assets
As at 1st April, 2019	**27**	**3**	**182**	**13**	**225**
(Charged)/credited:					
to Profit and Loss	2	(1)	0	5	6
to other comprehensive income	0	-	-	-	0
Deferred tax on balance sheet adjustment	-	-	(48)	-	(48)
As at 31st March 2020	**29**	**2**	**134**	**18**	**183**
(Charged)/credited :					
to Profit and Loss	(13)	(0)	-	(3)	(16)
MAT Credit generated	-	-	35	-	35
As at 31st March 2021	**16**	**2**	**169**	**15**	**202**

Movement in deferred tax liabilities

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, 2019	**38**	**(1)**	**(0)**	**37**
Charged/(credited) :				
to Profit and Loss	(4)	2	0	(1)
to other comprehensive income	-	(1)	-	(1)
As at 31 st March 2020	**34**	**1**	**-**	**35**
(Charged)/credited :				
to Profit and loss	(10)	1	-	(9)
As at 31 st March 2021	**24**	**2**	**-**	**26**

Note (i): 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, 2021	As at 31st March, 2020 (Recast)
Capital advances	8	6
Fringe benefit tax payments	0	0
Deposits with statutory/government authorities	12	14
Prepaid expenses	1	2
Total other non-current assets	**22**	**22**

9 Inventories

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Raw materials		
- In stock	187	419
Packing materials	59	63
Work-in-progress	144	320
Finished goods		
- In stock	436	306
- In transit	0	0
Stock in Trade	32	41
By-product	2	4
Stores and spares (refer note 36 (2b))	13	12
Total inventories	**873**	**1,165**

Refer note 1(o) for basis of valuation.

Amounts recognised in profit or loss

During the year, an amount of ₹ 50 Crores (31st March, 2020: ₹ 53 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, 2020: Nil).

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Advances to vendors	57	52
Prepaid expenses	11	11
Balances with government authorities	43	74
Input tax credit receivable	81	137
Others	-	0
Total other current assets	**192**	**274**

11 Assets Classified as Held for Sale

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Land and Building	9	5
Plant and Machinery	2	-
Total assets classified as held for sale	**11**	**5**

Non-recurring fair value measurements

During the year 31 March, 2021 assets lying at one of manufacturing location were reclassified from Property, plant and equipment to Assets held for sale of ₹ 6 Crore. Fair value of the same was ₹ 6 Crores as at 31st March, 2021

During the previous year 31 March 2020 Investment property at Andheri, Mumbai, classified as Asset held for sale with carrying value of ₹ 5 Crores. Fair value of the same was ₹ 10 Crore as at 31st March, 2021.

The fair values of these assets have been determined by an independent valuer who holds recognised and relevant professional qualification. The main inputs include details obtained from "The Ready Reckoner", location factor and physical verification of the property.

12(a) Equity Share Capital

(₹ in Crore)

Particulars	No. of shares (in Crore)	Amount
Authorised share capital		
As at 31st March, 2020		
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, 2021		
Equity shares of Re. 1/- each	150.00	150
Equity shares of ₹10/- each	8.00	80
Preference shares of ₹10/- each	6.50	65
Total	**164.50**	**295**
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**
Issued, subscribed and paid-up as at 31st March, 2021		
1,291,349,998 equity shares of Re. 1/- each fully paid-up	129.13	129
Total	**129.13**	**129**

(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 1st April, 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**
Increases during the year		
Shares issued during the year - ESOP (refer note 33(a))	0.03	0
As at 31st March, 2021	**129.13**	**129**

(ii) Rights, preferences and restrictions attached to equity shares

Equity Shares: The authorised share capital of the Company comprises of 150 Crores equity share of ₹ 1 each and 8 Crores equity shares of ₹ 10 each. During the year under review, the authorised share capital of the Company increased by ₹ 80 crores, comprising of 8 Crores equity shares of ₹ 10 each, pursuant to the order of amalgamation sanctioned by the National Company Law Tribunal between Marico Limited and Marico Consumer Care Limited, wholly owned subsidiary.

Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

(iii) Shares reserved for issue under options

Information relating to Marico ESOP 2016 including details of options issued, exercised, forfeited and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 33 (a).

(iv) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March, 2021		As at 31st March, 2020 (Recast)	
	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)	92,056,288	7.13	69,377,833	5.37

(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, 2021	As at 31st March, 2020 (Recast)
No. of equity shares allotted as bonus	645,085,599	645,085,599
No. of equity shares alloted under employee stock option plans	1,178,800	950,490

12(b) Reserves and Surplus

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Securities premium	258	247
General reserve	298	298
Share based option outstanding account	29	25
Treasury shares	(40)	(27)
WEOMA reserve	78	73
Retained earnings	2,904	2,765
Amalgamation Adjustment Deficit Account (Refer note 37)	(621)	(621)
Total Reserve and surplus	**2,906**	**2,760**

(i) Securities premium

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Opening balance	247	243
Add: Exercise of employee stock options	11	4
Closing balance	**258**	**247**

(ii) General reserve

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Opening balance	298	298
Closing balance	**298**	**298**

(iii) Share based option outstanding account (refer note 33)

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Opening balance	25	19
Exercise of employee stock options	(5)	(4)
Add : Share based payment expense	9	10
Closing balance	**29**	**25**

(iv) Treasury shares

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Opening balance	(27)	(27)
Add: (Purchase)/sale of treasury shares by the trust during the year (net)	(13)	(0)
Closing balance	**(40)**	**(27)**

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

(v) WEOMA reserve

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Opening balance	73	70
Add: Income of the trust for the year	5	3
Closing balance	**78**	**73**

(vi) Retained earnings

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Opening balance	2,765	2,762
Net Profit for the year	1,106	1,007
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	1	(1)
Less: Dividend	(968)	(872)
Less: Tax on dividend* (Previous year net of tax on dividend received from subsidiaries ₹ 49 Crore)	-	(130)
Less: Tax on dividend on erstwhile Marico Consumer Care Limited	-	(1)
Closing balance	**2,904**	**2,765**

* "With effect from FY 2020-21, the Govt has abolished Dividend Distribution Tax ('DDT') and reintroduced classical system of dividend taxation wherein the Company is not required to pay DDT and dividend income is taxable in the hands of respective shareholders at the applicable income tax rates."

12(c) Other Reserves

Hedge reserve

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Opening balance	(1)	0
Changes in fair value of hedging instruments	(1)	(1)
Reclassified to statement of profit and loss	2	(1)
Deferred tax on above	(0)	1
Closing balance	**(0)**	**(1)**

13(a) Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Unsecured					
From banks					
- Working capital demand loan (refer note (i) below)	31st March, 2021 : Repayable with interest from April 2021 to June 2021 - INR 12 Crores, Jan 2022 to March 2022 INR 83 Crores, (FY 20 Repaid April to June 2020 - INR 34 Crore July 20 to March 21- INR 46 Crores)	For a term of six months to twelve months	FY 21 Bank Base rate/ relevant Benchmark Rate plus applicable spread per annum (FY 20 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum)	95	80
- Export packing credit (refer note (i) below)	Repayable from April, 2021 to June 2021 INR 32 Crores, September, 2021 INR 15 Crores (FY 20 - Repaid From April 20 to June 20, INR 17 Crores, July 20 to September 20 INR 13 Crores)	For a term of six months	FY 21 Bank Base rate/ Relevant Benchmark rate plus applicable spread less Interest Subvention of 3.00% per annum; (FY 20 - Bank Base rate/Relevant Benchmark rate plus applicable spread less Interest Subvention of 3.00% per annum)	47	30
Total current borrowings				**142**	**110**
Less: Interest accrued not due on borrowings (refer note 13(b))				0	0
Current borrowings as per balance sheet				**142**	**110**

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, 2021	As at 31st March, 2020 (Recast)
Non-current		
Lease Liabilities	101	109
Total other non-current financial liabilities	**101**	**109**
Current		
Interest accrued but not due on borrowings (refer note 13(a))	0	0
Creditors for capital goods	6	8
Salaries, bonus and other benefits payable to employees	3	3
Derivatives designated as hedges	2	2
Trade Deposits from customers and other	1	1
Unclaimed Dividend (refer note below)	1	1
Lease Liabilities	26	26
Others	0	0
Total other current financial liabilities	**40**	**42**

Note : As at 31st March, 2021, 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.

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

13(c) Trade Payables

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Current		
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	18	10
Total outstanding dues of creditors other than micro enterprises and small enterprises	819	687
Dues to related parties (refer note 30)	4	5
Total trade payables	**841**	**702**

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, 2021	As at 31st March, 2020 (Recast)
I. The principal amount remaining unpaid to any supplier as at the end of accounting year included in trade payable	18	10
II. Interest due thereon	2	1
Trade Payables due to micro and small enterprises	**20**	**11**
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	2	1
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	3	1

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, 2021	As at 31st March, 2020 (Recast)
Current		
Disputed indirect taxes (refer note (a) and (b) below)	16	58
Total current provisions	**16**	**58**

These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilization and cash outflows, if any, pending resolution.

(a) Provision for disputed indirect taxes mainly pertains to Entry tax dispute in the state of West Bengal, where the Govt of West Bengal has preferred an appeal before Division Bench, Hon'ble Court-Kolkata, which is pending before the Court. The matter is sub judice, it is not practicable to state the timing of the judgement & final outcome. Therefore, The company has retained the provision pending final adjudication of the matter.

(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, 2021	As at 31st March, 2020 (Recast)
Balance as at the beginning of the year	58	57
Add: Additional provision recognised	0	1
Less: Amount used during the year	(42)	-
Balance as at the end of the year	**16**	**58**

During the year ended March 31,2021, the Company has settled various open indirect tax litigations under the "Vivad Se Vishwas" scheme, which has resulted in the utilizations of provision and consequent reduction in outstanding balance.

15 Employee benefit obligation non current

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Leave encashment/ compensated absences (refer note (iii) below)	12	8
Share-appreciation rights (refer note (iv) below)	2	0
Total employee benefit obligations non current	**14**	**8**

Employee Benefit Obligation Current

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Gratuity (refer note (i) below)	4	5
Leave encashment/ compensated absences (refer note (ii) below)	1	2
Share-appreciation rights (refer note (iv) below)	2	0
Incentives / Bonus	45	25
Total employee benefit obligations current	**52**	**32**

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, 2021 and 31st March 2020.

(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).

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

(a) Balance sheet amounts - Gratuity

(₹ in Crore)

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
Balance as on 1st April 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**
Balance as on 31st March 2020	**34**	**28**	**5**
Current service cost	4	-	4
Interest expense	2	2	0
Interest Income	-	-	-
Total amount recognised in profit or loss	**6**	**2**	**5**
Remeasurements			
(Gain)/loss from change in demographic assumptions	1	-	1
(Gain)/loss from change in financial assumptions	(1)	-	(1)
Experience (gains)/ losses	1	(2)	(1)
Total amount recognised in other comprehensive income	**1**	**(2)**	**(1)**
Employer contributions	-	5	(5)
Benefit Payments	(3)	(3)	-
Balance as on 31st March 2021	**38**	**34**	**4**

The Net liability disclosed above relates to funded and unfunded plans are as follows

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Present value of funded obligations	**38**	34
Fair value of plan assets	**(34)**	(28)
Deficit of gratuity plan	**4**	6

The significant actuarial assumptions were as follows

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Discount rate	**6.67%**	6.37%
Rate of return on Plan assets*	**6.67%**	6.37%
Future salary rise**	**10.00%**	10.00%
Attrition rate	**12% & 6%**	15% & 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, 2021	As at 31st March, 2020 (Recast)
Projected benefit obligation on current assumptions	**38**	**34**
Delta effect of +1% change in rate of discounting	(2)	(2)
Delta effect of -1% change in rate of discounting	3	2
Delta effect of +1% change in rate of salary increase	2	1
Delta effect of -1% change in rate of salary increase	(2)	(1)
Delta effect of +1% change in rate of Employee turnover	(0)	(0)
Delta effect of -1% change in rate of Employee turnover	0	0

The sensitivity analysis have been 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, 2021		31st March, 2020 (Recast)	
	Amount	in %	Amount	in %
Special deposit scheme	1	1.56%	1	1.91%
Insurer Managed funds	32	94.07%	27	97.80%
Other	0	4.37%	0	0.29%
Total	**33**	**100.00%**	**28**	**100.00%**

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

Defined benefit liability and employer contributions

The weighted average duration of the gratuity is 6 years as at 31st March, 2021 and 31st March, 2020

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, 2021	As at 31st March, 2020 (Recast)
Liability at the end of the year		
Fair value of plan assets at the end of the year	211	182
Present value of benefit obligation as at the end of the period	(205)	(173)
Difference	6	9
Unrecognized past service Cost	(6)	(9)
(Assets) / Liability recognized in the Balance Sheet	-	-

Changes in defined benefit obligations:

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Liability at the beginning of the year	173	157
Opening balance adjustment	(0)	0
Interest cost	14	12
Current service cost	12	12
Employee contribution	17	15
Liability Transferred in	7	6
Liability Transferred out	(11)	-
Benefits paid	(8)	(29)
Liability at the end of the year	**205**	**173**

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Fair value of plan assets at the beginning of the year	182	163
Opening balance adjustment	-	-
Expected return on plan assets	14	12
Contributions	29	26
Transfer from other Company	7	6
Transfer to other Company	(11)	-
Benefits paid	(8)	(28)
Actuarial gain/(loss) on plan assets	(2)	3
Fair value of plan assets at the end of the year	**211**	**182**

Expenses recognised in the Statement of Profit and Loss:

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Current service cost	12	12
Interest cost	14	12
Expected return on plan assets	(14)	(12)
(Income) / Expense recognised in the Statement of Profit and Loss	**12**	**12**

The major categories of plan assets are as follows :

Particulars	As at 31st March, 2021		As at 31st March, 2020 (Recast)	
	Amount	in %	Amount	in %
Central Government securities	11	5.34%	12	6.67%
State loan/State government Guaranteed Securities	12	5.77%	13	6.97%
Government Securities debt instruments	140	66.48%	111	61.14%
Public Sector Units	17	7.83%	20	10.74%
Private Sector Units	5	2.26%	5	2.97%
Equity / Insurance Managed Funds	15	7.28%	10	5.28%
Special Deposit	1	0.52%	1	0.61%
Others	10	4.52%	10	5.63%
Total	**211**	**100.00%**	**182**	**100.00%**

The Significant actuarial assumptions were as follows :

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Discount rate	6.67%	7.07%
Rate of return on plan assets*	8.65%	8.65%
Future salary rise**	10.00%	10.00%
Attrition rate	12%-6%	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, 2021	As at 31st March, 2020 (Recast)
Opening balance of compensated absences (a)	9	9
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	13	9

The privileged leave liability is not funded.

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

(d) Employee State Insurance Corporation

The Company has recognised ₹ 0 Crore (₹ 0 Crore for the year ended 31st March, 2020) 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 2021 and 31st March 2020.

The expected maturity analysis of gratuity is as follows:

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Within the next 12 months	3	4
Between 2 and 5 years	14	16
Between 6 and 10 years	16	14
Total	**33**	**34**

16 Tax Assets and Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Non current tax assets (net)	52	42
Current tax liabilities (net)	14	14

17 Other Current Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Statutory dues (including provident fund, tax deducted at source and others)	74	9
Deferred income on government grants (refer note below)	5	5
Book overdraft	4	23
Contractual and Constructive obligations	113	118
Advance from customer	30	18
Others	0	0
Total other current liabilities	**227**	**173**

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, 2021	Year ended 31st March, 2020 (Recast)
Sale of products	**6,282**	**5,793**
Other operating revenue:		
Incentives (includes government grant, budegetary support, export incentives and others)	47	54
Sale of scrap	8	6
Total revenue	**6,337**	**5,853**

Details of sales

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
Edible oils	4,153	3,691
Hair oils	1,393	1,426
Personal care	214	345
Others	522	331
Sale of products	**6,282**	**5,793**

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

Reconciliation of Revenue from sale of Products with contracted price

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
Contracted Price	6,909	6,397
Less: Discount	627	604
Sale of Products	**6,282**	**5,793**

19 Other Income

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
(a) Other income		
Lease rental income	1	1
Dividend income from subsidaries	255	189
Interest income from financial assets at amortised cost	42	49
Royalty income	14	13
Others	13	13
Total	**325**	**265**
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment	(0)	(0)
Net gain on financial assets mandatorily measured at fair value through profit or loss and net gain on sale of investments	24	33
Net foreign exchange gain/(loss)	(3)	8
Total	**21**	**41**
Total other income	**346**	**306**

20 (a) Cost of Materials Consumed

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
Raw materials consumed	2,974	2,497
Packing materials consumed	379	433
Total cost of materials consumed	**3,353**	**2,930**

20 (b) Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
Opening inventories		
Finished goods	306	486
Work-in-progress	320	282
By-products	4	7
Stock-in-trade	41	34
	671	**809**
Closing inventories		
Finished goods	437	306
Work-in-progress	144	320
By-products	2	4
Stock-in-trade	32	41
	615	**671**
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**56**	**138**

21 Employee Benefit Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
Salaries, wages and bonus	328	266
Contribution to provident and other funds (refer note 15)	20	19
Share based payment expense (refer note 33)	13	8
Staff welfare expenses	13	15
Total employee benefit expense	**374**	**308**

22 Depreciation, Amortization and Impairment Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
Depreciation on property, plant and equipment (refer note 3)	76	82
Depreciation on investment properties (refer note 4)	0	0
Amortisation of intangible assets (refer note 5)	2	2
Depreciation on Lease assets	28	27
Impairment loss / (reversal of loss) of capitalised assets (refer note 3)*	1	2
Total Depreciation and Amortization Expense	**107**	**113**

* excluding Exceptional items

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

23 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
Advertisement and sales promotion	416	502
Freight, forwarding and distribution expenses	219	223
Processing and Other Manufacturing Charges	195	209
Rent and storage charges	14	15
Legal and Professional Charges	67	45
Outside Services	42	44
Repairs and Maintenance	38	37
Power, fuel and water	22	33
Travelling, conveyance and vehicle expenses	14	29
Consumption of stores, spare and consumables	12	18
Provision for doubtful debts, loans, advances and investments	3	(3)
Payments to the auditor as :		
- Statutory audit fees (including Limited Review)	1	1
- for other services as statutory auditors	0	0
- for reimbursement of expenses	0	0
Miscellaneous expenses (refer note (a) below)	89	66
Total	**1,133**	**1,219**

(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, 2021	Year ended 31st March, 2020 (Recast)
Amount required to be spent as per the section 135 of the Act	20	19
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	20	19

(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 ₹ 29 Crore have been included under the relevant heads in the Statement of Profit and Loss. (Previous year ended 31st March, 2020 aggregating ₹ 31 Crore). Further Capital expenditure pertaining to this of ₹ 1 Crore have been incurred during the year (Previous year ended 31st March, 2020 aggregating ₹ 1 Crore).

(d) Contribution to political parties during the year is ₹ Nil (Previous year ended 31st March, 2020 is ₹ Nil).

24 Finance Costs

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
Interest expenses on financial liabilities at amortised cost	4	8
Other borrowing costs	0	0
Bank and other financial charges	7	13
Lease finance cost	11	12
Finance costs expensed in profit or loss	**22**	**33**

25 Income Tax Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
Income tax expense		
Current tax on profit for the year	233	261
Deferred tax	(28)	(7)
Total income tax expenses recongised during the year	**205**	**254**

Reconciliation of tax expense and accounting profit multiplied by India tax rate

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
Profit before tax (a)	1,311	1,261
Income tax rate as applicable (b)	34.944%	34.944%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	**458**	**441**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Permanent tax differences due to:		
Effect of Income that is exempt from taxation	(1)	(2)
Effect of Income which is taxed at special rate	(89)	(33)
Effect of expenses that are not deductible in determining taxable profit	22	14
Effect of expenses that are deductible in determining taxable profit	(2)	(9)
Income tax Incentives	(179)	(149)
Others	(4)	(9)
Income tax expense for the current year	**205**	**254**

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

26 Fair Value Measurements

(a) Financial Instruments by category

(₹ in Crore)

	Note	31st March, 2021 FVTPL	31st March, 2021 FVOCI	31st March, 2021 Amortized Cost	31st March, 2020 FVTPL	31st March, 2020 FVOCI	31st March, 2020 Amortized Cost
Financial Assets							
Investments							
Equity Instruments	6(a)	1	-	-	1	-	-
Bonds, debentures and Commercial Papers (including interest accrued)	6(a)	208	-	25	78		200
Mutual funds	6(a)	291	-	-	297	-	-
Government securities	6(a)	-	-	0	-	-	0
Trade receivables	6(b)	-	-	310	-	-	465
Inter corporate deposits (including interest accrued)	6(a)	-	-	329	-	-	32
Certificate Deposit	6(a)	-	-	-	-	-	96
Loans to empolyees	6(c)	-	-	7	-	-	6
Derivative financial assets	6(g)	3	-	-	-	1	-
Security deposits	6(f),6(g)	-	-	13	-	-	13
Cash and cash equivalent	6(d)	-	-	8	-	-	16
Bank balances for unclaimed dividend	6(e)	-	-	62	-	-	1
Fixed deposits	6(d),6(e)&6(f)	-	-	641	-	-	74
Receivable from Subsidiaries	6(f),6(g)	-	-	26	-	-	54
Loan to subsidaries	6(g)	-	-	58	-	-	-
Total financial assets		**503**	**-**	**1,479**	**376**	**1**	**957**
Financial Liabilities							
Borrowings (including interest accrued)	13(a)	-	-	142	-	-	110
Derivative financial liabilities	13(b)	2	-	-	-	2	-
Trade payables	13(c)	-	-	841	-	-	702
Capital creditors	13(b)	-	-	5	-	-	8
Lease Liabilities	13(b)	-	-	128	-	-	136
Others	13(b)	-	-	6	-	-	5
Total financial liabilities		**2**	**-**	**1,122**	**-**	**2**	**961**

Impact of COVID-19

The fair value of Financial assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Financial assets carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables forms a significant part of the financial assets carried at amortised cost. Appropriate provisions/allowances using expected credit loss method are determined and recorded. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of customers and the financial strength of the customers in respect of whom amounts are receivable.

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Accounting Standard. An explanation of each level follows underneath the table.

(₹ in Crore)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31st March, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	1	1
Mutual funds	6(a)	-	291	-	291
Debentures (Quoted)	6(a)	-	208	-	208
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	3	-	3
Total financial assets		**-**	**502**	**1**	**503**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	2	-	2
Total financial liabilities		**-**	**2**	**-**	**2**

(₹ 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	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**

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

Notes to financial statement for the year ended 31st March, 2021

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here .For example,the forward contracts is valued based on Mark to Market statements from banks, the mutual funds are valued using the closing NAV pubhlished by mutual fund etc

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

The carrying amounts of trade receivables, trade payables, capital creditors, loans and advances, security deposit, fixed deposit, insurance claim receivable, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

27 Financial Risk Management

Financial Risks

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk and interest rate risk, commodity price risk and equity price risk). This note presents the Company's objectives, policies and processes for managing its financial risk and capital.

Board of Directors of the Company has approved Risk Management Framework through policies regarding Investment, Borrowing and Foregin Exchange Management policy. Management ensures the implementation of strategies and achievement of objectives as laid down by the Board through central Treasury function.

Treasury Management Guidelines define, determine & classify risk, by category of transaction, specific approval, execution and monitoring procedures.

In accordance with the aforementioned policies, the company only enters into plain vanilla derivative transactions relating to assets, liabilities or anticipated future transactions.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments the company aims to minimize its financial credit risk through the application of risk management policies. Credit limits are set based on a counterparty value. The methodology used to set the list of counterparty limits includes, counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out. The company avoids the concentration of credit risk on its liquid assets by spreading them over several asset management companies and monitoring of underlying sector exposure.

Trade receivables are subject to credit limits, controls & approval processes. Due to large geographical base & number of customers, the Company is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables as per expected credit loss, 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 ₹ 318 Crores as at 31st March, 2021 and ₹ 470 Crores as at 31st March, 2020.

Reconciliation of loss allowance provision- trade receivables (₹ in Crore)

Particular	31st March 2021	31st March 2020 (Recast)
Loss allowance at the beginning of the year	5	5
Add : Changes in loss allowances	3	(0)
Loss allowance at the end of the year	8	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 ₹ 13 Crores as at 31st March, 2021 and ₹ 14 Crores as at 31st March, 2020.

Other financial asset includes investment, loans to employees and advances given to subsidiaries and joint venture for various operational requirements and other receivables (refer note 6(a), 6(c) and 6(g)). Provision is made where there is singificant increase in credit risk of the asset.

Reconciliation of loss allowance provision- other financial assets (₹ in Crore)

Particular	31st March 2021	31st March 2020 (Recast)
Loss allowance at the beginning of the year	1	4
Add : Changes in loss allowances due to provision/(reversal/write off)	-	(3)
Loss allowance at the end of the year	1	1

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of committed credit lines.

The current ratio of the company as at 31st March, 2021 is 2.11 (as at 31st March, 2020 is 2.34) whereas the liquid ratio of the company as at 31st March, 2021 is 1.39 (as at 31st March, 2020 is 1.35).

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

Maturities of financial liabilities

Contractual maturities of financial liabilities 31st March 2021

(₹ 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)	142	-	-	-	142
Trade Payables	13(c)	841	-	-	-	841
Lease Liabilities	13(b)	26	28	29	44	128
Other Financial Liabilities	13(b)	12	-	-	-	12
Total Non- derivative liabilities		**1,021**	**28**	**29**	**44**	**1,122**
Derivative						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Principal swap		-	-	-	-	-
Total derivative liabilities		**-**	**-**	**-**	**-**	**-**

Contractual maturities of fi nancial liabilities 31st March, 2020

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)	702	-	-	-	702
Lease Liabilities	13(b)	26	25	25	59	135
Other financial liabilities	13(b)	13	-	-	-	13
Total Non- derivative liabilities		**852**	**25**	**25**	**59**	**962**
Derivative						
Foreign exchange forward contracts	13(b)	2	-	-	-	2
Principal swap		-	-	-	-	-
Total derivative liabilities		**2**	**-**	**-**	**-**	**2**

Apart from the above, the company also has an exposure of corporate guarantees given to banks on behalf of subsidiaries for credit and other facilities granted by banks (refer note 31). It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above corporate guarantees.

(C) Market Risk

The 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, 2021

(₹ in Crore)

	AED	AUD	BDT	CAD	EGP	GBP	USD	VND	LKR	THB	MYR	SGD	ZAR	EUR
Financial assets														
Foreign currency debtors for export of goods	-	-	-	-	-	-	35	-	-	-	-	-	-	-
Bank balances	-	-	-	-	-	-	0	0	-	-	-	-	-	-
Receivables from subsidiaries	4	-	9	-	0	-	11	1	0	-	-	-	-	-
Loan to Subsidiar	-	-	-	-	-	-	58	-	-	-	-	-	-	-
Derivative asset														
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	(103)	-	-	-	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	**(55)**	-	-	-	-	-	-	-
Net Exposure to foreign currency risk (assets)	**4**	**-**	**9**	**-**	**0**	**-**	**(54)**	**1**	**0**	**-**	**-**	**-**	**-**	**0**

	AED	BDT	EUR	GBP	VND	MYR	SGD	USD
Financial liabilities								
Foregin currency Creditors for Import of goods and services	-	0	-	-	-	-	0	-
Derivative liabilities								
Foreign exchange forward contracts buy foreign currency	-	-	(5)	-	-	-	-	(59)
Foreign exchange Option contracts buy option	-	-	(2)	-	-	-	-	(29)
Net Exposure to foreign currency risk (liabilities)	**-**	**0**	**(7)**	**-**	**-**	**-**	**0**	**(89)**

The company's exposure to foreign currency risk at the end of the reporting period expressed in 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	-	-	-	-	-	-	-
Bank balances	-	-	-	-	-	-	0	0	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	(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)	**3**	**-**	**16**	**0**	**0**	**-**	**(65)**	**2**	**0**	**-**	**-**	**-**	**-**	**(0)**

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

	AED	BDT	EUR	GBP	VND	MYR	SGD	USD
Financial liabilities								
Foregin currency Creditors for Import of goods and services	-	-	0	0	-	-	1	-
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)**

Particular	Impact on profit after tax		Impact on other component of equity	
	31st March, 2021	31st March, 2020 (Recast)	31st March, 2021	31st March, 2020 (Recast)
USD Sensitivity				
INR/USD Increase by 6%	5	4	(3)	(3)
INR/USD Decrease by 6%	(5)	(4)	3	3
AUD Sensitivity				
INR/AUD Increase by 6%	0	0	-	-
INR/AUD Decrease by 6%	(0)	(0)	-	-
BDT Sensitivity				
INR/BDT Increase by 6%	0	1	-	-
INR/BDT Decrease by 6%	(0)	(1)	-	-

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, 2021	As at 31st March, 2020
Variable rate borrowings	142	110
Fixed rate borrowings	-	-
Total borrowings (including interest accrued)	**142**	**110**

As at the end of the reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding;

Particulars	31st March 2021			31st March 2020		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	2.82%	142	100%	4.78%	110	100.00%
Interest rate Swaps (Notional principal amount)	-	-	-	-	-	-
Net Exposure to Cash Flow Interest rate Risk	**-**	**142**	**-**	**-**	**110**	**-**

Interest bearing Financial assets classified at amortized cost, such as Fixed Deposit balances with Banks , Inter Corporate Deposits, Commercial Papers, Bonds, debentures etc (except Loan given to subsidiary) have fixed interest rate. Hence, the Company is not subject to interest rate risk on such financial assets.

The exposure of the company's to variable interest rate changes in respect of Loan given to subsidiary at the end of the reporting period are as follows:

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Variable rate	54	-

Sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

(₹ in Crore)

Sensitivity impact on interest rate changes on borrowings	Impact on profit after tax		Impact on other component of equity	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Interest rates - Increase by 50 basis point (50 bps)	(0)	0	-	-
Interest rates - decrease by 50 basis point (50 bps)	0	(0)	-	-

Sensitivity impact on interest rate changes on loan given to subsidiary	Impact on profit after tax		Impact on other component of equity	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Libor rates - Increase by 50 basis point (50 bps)	0	-	-	-
Libor rates - decrease by 50 basis point (50 bps)	(0)	-	-	-

iii) Price risk

Mutual fund 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 on the overall portfolio as at 31st March, 2021 and ₹ 3 Crores as at 31st March, 2020.

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

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.

Derivatives are mainly used to manage exposures to foreign exchange, interest rate and commodity price risk as described in section Market risk.

Derivatives are initially recognised at fair value. They are subsequently remeasured at fair value on a regular basis and at each reporting date as a minimum, with all their gains and losses, realised and unrealised, recognised in the Profit and Loss statement unless they are in a qualifying hedging relationship.

Hedge Accounting

The Company designates and documents certain derivatives and other financial assets or financial liabilities as hedging instruments against changes in fair values of recognised assets and liabilities (fair value hedges) and highly probable forecast transactions (cash flow hedges).The effectiveness of such hedges is assessed at inception and verified at regular intervals.

Cash flow Hedges

The Company uses cash flow hedges to mitigate a particular risk associated with a recognised asset or liability or highly probable forecast transactions, such as anticipated future export sales, purchases of equipment and raw materials.

The effective part of the changes in fair value of hedging instruments is recognised in other comprehensive income, while any ineffective part is recognised immediately in the Statement of Profit and Loss.

31st March 2021 (₹ in Crore)

Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	103	64	1	(1)	April 2021-March 2022	1:1	USD=75.18 EUR=90.39	2	(2)
Foreign Exchange Options Contracts	55	32	0	1	April 2021-March 2022	1:1	USD=73.66 EUR=89.45	0	(0)

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

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, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	
Cash Flow							
Foreign Exchange Risk	(1)	(2)	-	-	2	(1)	Other expenses

28 Capital Management

(a) Risk Management

Capital management is driven by company's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Management monitors the capital structure and the net financial debt at individual level currency. Net financial debt is defined as current and non current borrowings.

The debt equity ratio highlights the ability of a business to repay its debts. Refer below for net Debt equity ratio.

The Company complies with all statutory requirement as per the extant regulations.

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Net debt	142	110
Total equity	3,035	2,888
Net debt to equity ratio	**0.05**	**0.04**

(b) Dividend

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
(i) Equity shares		
Interim dividend for the year	**968**	**872**

29 Segment Information

(i) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one business segment i.e. manufacturing and sale of consumer products within India, hence does not have any reportable segment as per Indian Accounting Standard 108 "operating segments" in Standalone. The company while presenting the consolidated financial statements has disclosed the segment information as required under Indian Accounting Standard 108 "operating segments".

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

(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, 2021	As at 31st March, 2020 (Recast)
Edible	4,153	3,691
Hair Oils	1,393	1,426
Personal care	214	345
Others	522	331
Total	**6,282**	**5,793**

(iii) The Company's assets located outside India are not material. Further, the Company does not have revenue more than 10% of total revenue from single customer.

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, 2021	31st March, 2020 (Recast)	31st March, 2021	31st March, 2020 (Recast)
	%	%	%	%
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)*	0	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
Zed Lifestyle Private Limited** (ZED)	100	0	0	0

* The National Company Law Tribunal at Mumbai Bench has, vide order dated December 2, 2020 sanctioned Scheme of Arrangement ('the Scheme') of Marico Consumer Care Ltd (MCCL) (Subsidiary of Marico Ltd) with effective date as April 1, 2020 with the holding company.

** Zed Lifestyle Private Limited has became wholly owned subsidiary of Marico Ltd. w.e.f. 30th June, 2020.

The Marico Innovation Foundation ("MIF"), a company incorporated under Section 25 of the Companies Act, 1956 (being a private company limited by guarantee not having share capital) primarily with an objective of fuelling and promoting innovation in India, is a subsidiary of the Company with effect from 15 March, 2013.

Parachute Kalpavriksha Foundation ("PKF"), a company incorporated under Section 8 of the Companies Act, 2013 (being a private company limited by guarantee not having share capital) primarily with an objective of undertaking/channelizing the CSR activities of the Company towards community and ecological sustenance, is a subsidiary of the Company with effect from 27 December, 2018.

b) Joint venture:

Zed Lifestyle Private Limited

During the year ended 31st March, 2021, with acquisition of additional 55% stake in Zed Lifestyle Pvt Ltd, a joint venture, the said joint venture became wholly owned subsidiary of Marico Limited with effect from 30th June, 2020. During the previous year ended 31st March, 2020, the Company had acquired additional 2.12% stake in the said joint venture.

Revolutionary Fitness Private Limited

During the year ended 31st March, 2021, the Company divested its entire stake of 29.44% held in Revolutionary Fitness Private Limited, a joint venture. Accordingly, the said joint venture ceased to the joint venture of Marico Ltd effective 23rd September, 2020. During the previous year ended 31st March, 2020, the Company had acquired additional 6.97% stake in the said joint venture.

Hello Green Private Limited

During the year ended 31st March, 2021, the Company divested its entire stake of 25.79% held in Hello Green Private Limited, a joint venture. Accordingly, the said joint venture ceased to the joint venture of Marico Ltd effective 23rd September, 2020. During the previous year ended 31st March, 2020, the Company had subscribed to 25.79% stake in the said joint venture.

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, (Ceased to be Director with effect from close of business hours on March 31, 2020)

Mr. Kanwar Bir Singh Anand, Independent Director, (Appointed with effect from April 1, 2020)

Mr. Sanjay Dube, Independent Director

Mr. Rishabh Mariwala, Non executive Director

Mr. Vivek Karve, Chief Financial Officer (Resigned with effect from close of business hours on September 10, 2020)

Mr. Pawan Agrawal, Chief Financial Officer (Appointed with effect from close of business hours on September 10, 2020)

Ms. Hemangi Ghag, Company Secretary & Compliance Officer

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

d) Individual holding directly / indirectly an interest in voting power and their relatives (where transactions have taken place) - Significant Influence:

Mr. Harsh Mariwala, Chairman and Non Executive Director

Mr. Rajen Mariwala, Non executive Director

Mr. Rishabh Mariwala, 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

Marico Limited Pension Scheme

f) Others - Entities in which above (c) and (d) has significant influence and transactions have taken place:

Aqua Centric Private Limited

Ascent India Foundation

Kaya Limited

Mariwala Health Foundation

Aaidea Solutions Private Limited

Bright Lifecare Private Limited

Soap Opera

The Bombay Oil Private Limited

Sharrp Consumer Wellbeing Solutions Private Limited (formerly known as Indian School of Communications Private Limited)

Feedback Business Consultancy Services Private Limited

Harsh Mariwala Enterprises LLP

II Transactions with related parties

The following transactions occurred with related parties:

Key management personnel compensation.

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Employee share-based payment	4	3
Short-term employee benefits	13	13
Post-employment benefits	1	0
Total compensation	**18**	**16**
Professional charges paid to Chairman and Non Executive Director	**4**	**4**
Remuneration / sitting fees to Non-Executive and Independent Directors (Excluding the Chairman)	**3**	**3**

i. Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

ii. ESOP and STAR grant accrued annually are included in the KMP's remuneration in the year in which the same are excercised.

Contribution to post employment benefit controlled trust

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Marico Limited Employees Provident Fund	29	26
Marico Limited Employees Gratuity Fund	5	5
	34	**31**

(₹ in Crore)

Particular	Subsidiaries and Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (f) above) For the year ended	
	31st March, 2021	31st March, 2020 (Recast)	31st March, 2021	31st March, 2020 (Recast)
Sale of goods	**86**	**65**	**3**	**2**
Marico Bangladesh Limited	6	7	-	-
Marico Middle East FZE	54	42	-	-
Marico South East Asia Corporation	24	15	-	-
Aaidea Solutions Pvt Ltd	-	-	3	2
Others	2	1	-	0
Sale of assets	**1**	**0**	**-**	**-**
Marico Bangladesh Limited	1	0	-	-
Sales returns	**0**	**-**	**-**	**-**
Marico For Consumer Care Products S.A.E (Erstwhile WIND)	0	-	-	-
Purchases of goods	**0**	**4**	**1**	**-**
Marico South East Asia Corporation	0	4	-	-
Soap Opera	-	-	1	-
Others	0	0	0	-
Other transactions				
Royalty income	**14**	**13**	**-**	**-**
Marico Bangladesh Limited	9	8	-	-
Marico Middle East FZE	4	3	-	-
Marico South East Asia Corporation	1	2	-	-
Others	0	0	-	-
Dividend income	**255**	**189**	**-**	**-**
Marico Bangladesh Limited	223	189	-	-
Marico South East Asia Corporation	32	-	-	-
Interest income	**0**	**-**	**-**	**-**
Marico Middle East FZE	0	-	-	-

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Particular	Subsidiaries and Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (f) above) For the year ended	
	31st March, 2021	31st March, 2020 (Recast)	31st March, 2021	31st March, 2020 (Recast)
Marketing Fee	**12**	**4**	**-**	**-**
Marico Middle East FZE	12	4	-	-
Expenses paid on behalf of related parties	**6**	**7**	**0**	**1**
Marico Bangladesh Limited	3	2	-	-
Marico Middle East FZE	1	1	-	-
Kaya Limited	-	-	0	1
Marico South East Asia Corporation	2	2	-	-
Marico Lanka Private Limited	0	1	-	-
Others	0	1	0	0
Expenses paid by related parties on behalf of Marico Limited	**3**	**9**	**-**	**-**
Marico South East Asia Corporation	0	0	-	-
Marico Middle East FZE	3	9	-	-
Others	0	0	-	-
Lease rental income	**-**	**-**	**1**	**1**
Kaya Limited	-	-	1	1
Others	-	-	0	0
Royalty expense	-	-	0	0
Kaya Limited	-	-	0	0
Investments made during the year	**132**	**4**	**-**	**-**
Revolutionary Fitness private limited	-	1	-	-
Marico Lanka Private Limited	-	1	-	-
Zed Lifestyle Private Limited	132	2	-	-
Donation given / CSR activities	**7**	**4**	**-**	**-**
Marico Innovation Foundations	*1*	*1*	-	-
Parachute Kalpavriksha Foundation	*6*	*3*	-	-
Agency commission for copra procurement	**2**	**2**	**-**	**-**
Marico Middle East FZE	2	2	-	-
Corporate guarantee commision	**2**	**2**	**-**	**-**
Marico Middle East FZE	2	1	-	-
Marico South Africa (Pty) Limited	0	0	-	-
Others	0	-	-	-

(₹ in Crore)

Particular	Subsidiaries and Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (f) above) For the year ended	
	31st March, 2021	31st March, 2020 (Recast)	31st March, 2021	31st March, 2020 (Recast)
Provision for impairment of investment	**27**	**-**	**-**	**-**
Marico South Africa Consumer Care (Pty) Limited (MSACC)	27	-	-	-
Sale of Investment	**5**	**-**	**-**	**-**
Revolutionary Fitness Private Limited	5	-	-	-
Hello Green Private Limited	0	-	-	-
Advertising Expense	**-**	**-**	**0**	**-**
Bright Lifecare Private Limited	-	-	0	-
Brand Purchase	**-**	**-**	**4**	**-**
Bombay Oil Private Limited	-	-	4	
Expense reimbursement	**-**	**-**	**0**	**-**
Soap Opera	-	-	0	-
Intra group service arrangement	**11**	**7**	**-**	**-**
Marico Bangladesh Limited	5	4	-	-
Marico South East Asia Corporation	1	1	-	-
Marico Middle East FZE	1	1	-	-
Marico For Consumer Care Products S.A.E	1	1	-	-
Zed Lifestyle Private Limited	3	-	-	-
Others	0	0	-	-

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

III Outstanding balances

(₹ in Crore)

Particulars	Subsidiaries and Joint Venture (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (f) above) For the year ended	
	As at 31st March, 2021	As at 31st March, 2020 (Recast)	As at 31st March, 2021	As at 31st March, 2020 (Recast)
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties				
Investments	**489**	**389**	**-**	**-**
Marico South East Asia Corporation	255	255	-	-
Zed Lifestyle Private Limited	157	-	-	-
Others	77	134	-	-
Trade payables (purchases of goods and services)	**0**	**5**	**-**	**-**
Marico for Consumer Care Products SAE	0	-	-	-
Marico South East Asia Corporation	0	0	-	-
Marico Middle East FZE	-	5	-	-
Marico Bangladesh Limited	0	-	-	-
Others	0	0	-	-
Trade receivables (sale of goods and services)	26	26	**-**	**0**
Marico Middle East FZE	15	21	-	-
Marico Bangladesh Limited	3	0	-	-
Marico South East Asia Corporation	7	4	-	-
Others	1	1	-	**0**
Other Receivable	**4**	**-**	**-**	**-**
Zed Lifestyle Private Limited	4	-	-	-
Royalty payable	**0**	**-**	**-**	**0**
Kaya Ltd.	0	-	-	0
Receivables from related parties	**25**	**53**	**0**	**0**
Marico Bangladesh Limited	17	44	-	-
Marico Middle East FZE	6	5	-	-
Marico South East Asia Corporation	2	2	-	-
Others	1	2	**0**	**0**
Loan to related party	**58**	**-**	**-**	**-**
Marico Middle East FZE	58	-	-	-
Marketing Fees Payable	**4**	**-**	**-**	**-**
Marico Middle East FZE	4	-	-	-
Corporate guarantee	**274**	**244**	**-**	**-**
Marico Middle East FZE	238	225	-	-
Marico South Africa (Pty) Limited	32	19	-	-
Marico Lanka (Private) Limited	4	-	-	-

Terms and conditions of transaction with related parties for Transfer Pricing regulations

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2020. Management believes that the Company's international transactions with related parties post 31 March 2020 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, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2019-20: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

31 Contingent liabilities

The company had contingent liabilities in respect of :

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
Disputed tax demands / claims :		
Sales tax	93	90
Income tax	181	181
Employees state insurance corporation	0	0
Excise duty	33	33
Service Tax	0	0
Guarantees excluding financial guarantees:		
Corporate guarantees given to banks on behalf of Broadcast Audience Research Council (BARC)	1	1
Corporate guarantees given to subsidiaries against which credit and other facilities are availed at the year end	188	226

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 ₹181 Crore as at March 31, 2021 and March 31, 2020 respectively, in respect of tax demands which are being contested by the Company based on the management evaluation and advice of tax consultants.

   The Company periodically receives notices and inquiries from income tax authorities. The Company has assessed these notices and inquiries and has estimated that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

32 Commitments

	Particulars	As at 31st March, 2021	As at 31st March, 2020 (Recast)
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	16	25
(b)	Corporate guarantees given to banks against which no credit facilities are availed at the year end	87	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 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:

Scheme	Part	Options outstanding as at 31st March, 2021	Exercise price	Vesting date	Weighted average share price of options exercised	Number of options granted, exercised and forfeited: Balance as at beginning of the year	Granted during the year	Less : Exercised during the year	Less: Forfeited / lapsed during the year	Balance as at end of the year	Weighted average remaining contractual life of options outstanding at end of period (in years)
Scheme II		939,700	280.22	31-Mar-19	-	939,700	-	-	-	939,700	0.50
Scheme III	Part I	-	1.00	30-Nov-19	-	28,140	-	28,140	-	-	-
	Part II	-	1.00	30-Nov-19	-	4,470	-	4,470	-	-	-
	Part III	1,910	1.00	30-Nov-19	-	1,910	-	-	-	1,910	0.83
Scheme IV	Part I	222,770	256.78	30-Nov-19	-	323,110	-	97,240	3,100	222,770	0.83
	Part II	16,930	302.34	30-Nov-19	-	43,480	-	18,100	8,450	16,930	0.83
	Part III	19,500	307.77	30-Nov-19	-	27,180	-	7,680	-	19,500	0.83
Scheme V		-	1.00	31-Mar-20	-	67,120	-	67,120	-	-	-
Scheme VI	Part I	21,320	1.00	30-Nov-20	-	64,720	-	24,060	19,340	21,320	1.33
	Part II	-	1.00	30-Nov-20	-	3,320	-	3,320	-	-	-
	Part III	740	1.00	30-Nov-20	-	740	-	-	-	740	1.33
Scheme VII	Part I	263,980	307.77	30-Nov-20	-	363,560	-	34,540	65,040	263,980	1.33
	Part II	32,770	316.53	30-Nov-20	-	55,500	-	20,860	1,870	32,770	1.33
	Part III	29,390	346.47	30-Nov-20	-	39,220	-	1,560	8,270	29,390	1.33
Scheme VIII		-	1.00	31-Mar-20	-	24,820	-	24,820	-	-	-
Scheme IX	Part I	59,310	1.00	30-Nov-21	-	78,240	-	-	18,930	59,310	2.17
	Part II	8,100	1.00	30-Nov-21	-	8,100	-	-	-	8,100	2.17
Scheme X	Part I	513,760	346.47	30-Nov-21	-	612,240	-	-	98,480	513,760	2.17
	Part II	52,180	357.51	30-Nov-21	-	55,880	-	-	3,700	52,180	2.17
	Part III	45,420	346.00	30-Nov-21	-	45,420	-	-	-	45,420	2.17
Scheme XI		222,700	357.65	31-Mar-22	-	222,700	-	-	-	222,700	2.50
Scheme XII		526,890	357.65	31-Mar-22	-	526,890	-	-	-	526,890	2.50
Scheme XIII	Part I	855,800	346.00	30-Nov-22	-	946,860	-	-	91,060	855,800	3.17
	Part II	45,230	330.38	30-Nov-22	-	-	45,230	-	-	45,230	3.17
	Part III	109,550	372.10	30-Nov-22	-	-	115,460	-	5,910	109,550	3.17
Scheme XIV		425,100	330.38	31-Mar-23	-	-	425,100	-	-	425,100	3.50
Scheme XV		82,970	1.00	30-Nov-23	-	-	82,970	-	-	82,970	4.17
Scheme XVI		838,510	372.10	30-Nov-23	-	-	874,820	-	36,310	838,510	4.17

Particulars	31st March 2021	31st March 2020
Aggregate of all stock options outstanding as at the year end to current paid-up equity share capital (percentage)	0.41%	0.44%

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

The following assumptions were used for calculation of fair value of grants using Black-Scholes:

Scheme	Part	Risk-free interest rate (%)	Expected life of options (years)	Expected volatility (%)	Dividend yield (%)	Fair value of the option
Scheme II		7.25%	3 years 2 months	25.80%	0.96%	85.53
Scheme III	Part I	6.75%	3 years 6 months	26.10%	0.96%	246.12
	Part II	6.25%	3 years 1 months	26.70%	1.07%	308.10
	Part III	6.50%	2 years 6 months	23.10%	1.07%	301.35
Scheme IV	Part I	6.75%	3 years 6 months	26.10%	0.96%	68.80
	Part II	6.25%	3 years 1 months	26.70%	1.07%	86.70
	Part III	6.50%	2 years 6 months	23.10%	1.07%	64.28
Scheme 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	Part I	6.42%	4 years 6 months	22.94%	1.29%	89.40
	Part II	4.90%	3 years 11 months	24.68%	1.71%	80.79
	Part III	4.65%	3 years 6 months	24.83%	1.71%	80.90
Scheme XIV		4.90%	4 years 3 months	24.47%	1.71%	83.53
Scheme XV		4.98%	4 years 6 months	24.51%	1.71%	345.30
Scheme XVI		4.98%	4 years 6 months	24.51%	1.71%	93.00

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 2021							As at March 31 2020						
Scheme	Grant Date	Grant Price (₹)	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 VII	01-Dec-16	256.78	30-Nov-19	-	-	-	-	-	-	-	206,200	-	16,500	189,700	-	-	-
	02-May-17	302.34	30-Nov-19	-	-	-	-	-	-	-	64,320	-	25,750	38,570	-	-	-
	01-Dec-17	307.77	30-Nov-19	-	-	-	-	-	-	-	12,840	-	3,610	9,230	-	-	-
STAR VIII	01-Dec-17	307.77	30-Nov-20	167,140	-	8,630	158,510	-	-	0	209,560	-	42,420	-	167,140	-	0
	31-May-18	316.53	30-Nov-20	26,370	-	-	26,370	-	-	0	40,920	-	14,550	-	26,370	-	0
	02-Aug-18	352.42	30-Nov-20	24,000	-	-	24,000	-	-	0	32,000	-	8,000	-	24,000	-	0
	04-Dec-18	346.47	30-Nov-20	35,580	-	6,720	28,860	-	-	0	35,580	-	-	-	35,580	-	0
STAR IX	04-Dec-18	346.47	30-Nov-21	316,530	-	43,070	-	273,460	-	2	379,520	-	62,990	-	316,530	0	-
	06-May-19	357.51	30-Nov-21	20,320	-	3,700	-	16,620	-	0	-	26,170	5,850	-	20,320	0	-
	20-Dec-19	346.04	30-Nov-21	33,820	-	-	-	33,820	-	0	-	33,820	-	-	33,820	0	-
STAR X	20-Dec-19	346.04	30-Nov-22	346,350	-	48,340	-	298,010	1	-	-	360,130	13,780	-	346,350	0	-
	23-Jun-20	330.38	30-Nov-22	-	39,740	-	-	39,740	0	-	-	-	-	-	-	-	-
	01-Dec-20	372.1	30-Nov-22	-	6,130	-	-	6,130	0	-	-	-	-	-	-	-	-
STAR XI	01-Dec-20	372.1	30-Nov-22	-	541,180	11,780	-	529,400	1	-	-	-	-	-	-	-	-
									2	2						0	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 ₹ 33 Crore as at 31st March, 2021 (₹ 21 Crore as at 31st March, 2020) 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, 2021	31st March, 2020 (Recast)
Share price at measurement date (INR per share)	411.3	274.9
Expected volatility (%)	21.75%-26.9%	24.1% - 29%
Dividend yield (%)	1.71%	1.30%
Risk-free interest rate (%)	3.93% - 4.93%	4.9% - 5.4%

(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, 2021	31st March, 2020 (Recast)
Employee stock option plan	9	9
Stock appreciation rights	4	(1)
Total employee share based payment expense	**13**	**8**

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

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, 2021	As at 31st March, 2020 (Recast)
(a) Basic earnings per share		
Basic earnings per share (in ₹)	8.57	7.79
(b) Diluted earnings per share		
Diluted earnings per share (in ₹)	8.56	7.79
(c) Earnings used in calculating earnings per share (₹ in Crores)	1,106	1,007
(d) Weighted average number of equity shares used as denominator		
Weighted average number of equity shares outstanding	1,291,184,537	1,290,931,494
Shares held in controlled trust	(1,058,840)	(1,039,579)
Weighted average number of equity shares in calculating basic earnings per share	1,290,125,697	1,289,891,915
Dilutive impact of Share Options	914,044	1,335,166
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	**1,291,039,741**	**1,291,227,081**

(e) Information concerning the classification of securities

(i) Share Options

Options granted to Employees under Marico ESOS 2014, MD CEO ESOP Plan 2014 and Marico Employee Stock Option Plan 2016 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 33.

(ii) Treasury shares

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 Exceptional Items

	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020 (Recast)
1	Voluntary retirement scheme offered to the employees on the close of operations at the Kanjikode factory of the company	-	19
2	Provision towards impairment identified by the Company pursuant to a restructuring at one of the manufacturing units located at Baddi, India:		
	a. Certain unusable fixed assets	31	-
	b. Inventories of consumable stores	2	-
3	Impairment of Investment of Marico South Africa Consumer Care (Pty) Limited [refer note 6(a)(iv)]	27	-
		60	**19**

37 Scheme of Arrangement ('The Scheme')

1. The National Company Law Tribunal at Mumbai Bench has, vide order dated December 2, 2020 sanctioned Scheme of Arrangement ('the Scheme') of Marico Consumer Care Ltd (MCCL) (Subsidiary of Marico Ltd) with effective date as April 1, 2020 with the holding company. In accordance with the requirements of para 9(iii) of appendix C of Ind AS 103, the financial results of the Company in respect of prior periods have been restated for all periods starting April 1, 2019. Increase / (Decrease) in previous period published numbers are as below.
2. MCCL owns Intellectual Property Rights (IPR), which are licensed to the Company, and earned royalty income thereon.

   The amalgamation of the MCCL with the Company would have, inter alia, the following benefits:

   (a) Consolidation of business;

   (b) Elimination of a multi layered structure; and

   (c) Reduction in administrative, compliance and other operational costs.
3. **Accounting treatment of the arrangement**

   Business combination is accounted for using the 'pooling of interests' method as per Appendix C of Ind AS 103 - Business Combinations as notified under Section 230 to 232 of the Companies Act, 2013 which involves the following:

   a) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, business combinations is accounted with effect from April 1 2019.

   b) The Company has recorded the asset and liabilities of the Merged Undertaking vested in it pursuant to this Scheme at the respective book values appearing in the books of the Merged Undertaking.

   c) The value of investment in the Merged Undertaking in the books of the Company shall be cancelled.

   d) No adjustments are made to reflect fair values, or recognise any new assets or liabilities

   e) The difference between the net assets of the Merged Undertaking transferred to Company, after making adjustment specified in (c) and (d) shall be adjusted in 'Other Equity' / 'Capital Reserve' of the Company.

NOTES (Contd.)

To Financial Statements for the year ended 31st March, 2021

(A) Identifiable assets acquired and liabilities assumed as on April 1, 2020

Particular	Amount (₹ in crore)
Other Non Current Financial assets	11
Deferred tax assets (net)	0
Non current tax assets (net)	0
Current Investments	12
Cash and cash equivalents	0
Other Current financial assets	0
Other current assets	0
Total assets	**24**
Other Current Financials liabilities	0
Total Net assets acquired	**23**
(B) Amalgamation Adjustment Deficit Account	
Cost of Investment	642
Less: Total Net assets identifiable assets acquired	23
Less : Elimination of Inter Company Balances	1
Net transferred to other equity (Debit Balance)	618
Less : Balance in retained earnings (Credit Balance)	(4)
Amalgamation Adjustment Deficit Account (Debit Balance)	**621**

(C) Reconciliation of Cash flow

Particular	Before Amalgamation	After Amalgamation	Impact due to Amalgamation
Net cash generated from operating activities	969	970	2
Net cash generated from / (utilised in) investing activities	128	128	0
Net cash used in financing activities	(1,080)	(1,081)	(1)
Net Increase in Cash and Cash Equivalents	17	17	1
Cash and cash equivalents at the beginning of the financial year	10	10	(0)
Cash and cash equivalents at end of the year	**27**	**27**	**0**

(D) Reconciliation of total equity as at 31st March, 2020 and 1st April, 2019

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 1st April, 2019
Shareholder's equity before Amalgamation	3,505	3,489
Add/Less : MCCL Amalgamation adjustments		
Add : Retained earnings	4	4
Less: Amalgamation Adjustment Deficit Account	(621)	(621)
Shareholder's equity after Amalgamation	**2,888**	**2,872**

38. In light of the COVID-19 pandemic, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial 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 attached

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : April 30, 2021

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]
Place : Ooty

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

HEMANGI GHAG
Company Secretary
[Membership No. F9329]

Place : Mumbai
Date : April 30, 2021

PERFORMANCE TRENDS

CONSOLIDATED QUARTERLY FINANCIALS

(Amount in ₹ Crore)

2020-21	Three Months Ended				Annual
Particulars	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21	FY21
Revenue from Operations	1,925	1,989	2,122	2,012	8,048
Total Expenditure	1,458	1,600	1,709	1,693	6,457
Profit before Finance Cost, Tax, Depreciation and Amortisation	**467**	**389**	**413**	**319**	**1,591**
Other Income	19	27	24	29	94
Finance Cost	9	8	7	10	34
Depreciation and Amortisation	34	33	36	36	139
Profit before Share of Profit/(Loss) of Joint Ventures, Exceptional Items and Tax	**443**	**375**	**394**	**302**	**1,512**
Share of Profit/(Loss) of Joint Ventures	(2)	-	-	-	(2)
Profit before Tax	**441**	**375**	**394**	**302**	**1,510**
Tax Expense	103	81	82	56	324
Profit after Tax	**338**	**294**	**312**	**246**	**1,186**
Minority Interest	7	9	5	8	27
Net Profit attributable to Owners of the Company	**331**	**285**	**307**	**238**	**1,162**
Equity Share Capital	129	129	129	129	129
Earning per Share - (INR)	**2.6**	**2.2**	**2.4**	**1.8**	**9.0**

*Profit after Tax for the three months ended 30-June-20, three months ended 30-Sep-2020 & three months and year ended 31-Mar-21 excludes the impact of the exceptional items.

(Amount in ₹ Crore)

2019-20	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 - (INR)	**2.5**	**1.9**	**2.1**	**1.6**	**8.1**

*Profit after Tax for the three months ended 30-June-19 & three months and year ended 31-Mar-20 excludes the impact of the exceptional items.

Economic Value Added

(Amount in ₹ Crore)

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Average Capital Employed	2,180	2,330	2,493	2,736	3,111	3,363	3,534
Average Debt / Total capital (%)	25	16	11	10	11	10	10
Profit After Current Tax (excluding extraordinary items)	583	778	856	833	926	1,056	1,175
Add: Interest Post Tax	16	15	12	12	18	18	27
Net Operating Profit After Tax	600	793	868	845	944	1,074	1,202
Less: Cost of Capital	181	235	259	294	355	370	357
Economic Value Added	419	558	610	551	589	704	845

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, 2021	Market value	8000	32,92,000	18,811
March 2004	Redemption proceeds of Bonus Preference shares	200	2,000	11
April 1996 - March 2021	Dividend Received*#		2,97,899	1,702
Gross Returns			**35,91,899**	**20,525**
Compound Annual Return since IPO			**24%**	**24%**

* Dividends are inclusive of those received on Bonus Preference Shares

Subject to taxes as applicable

GRI INDEX

SRS Indicator	Disclosure	Reference
SRS 102: General disclosures (2016)		
1. Organizational profile		
102-1	Name of the organization.	At a Glance, Page 4
102-2	Activities, brands, products, and services	Resilient portfolio of trusted brands, page 10 - 17
102-3	Location of the organization's headquarters	Corporate Information - page 122
102-4	Number of countries operating	Geographical Presence, page 6-7
102-5	Nature of ownership and legal form	Board's report, page 148 onwards
102-6	Markets served	Geographical Presence, page 6 to 7 About Marico, page 4 to 5
102-7	Scale of the reporting organization	Metrics of Progress, page 8 - 9
102-8	Information on employees and other workers	Employees (#mariconnected), page 72 - 79 Business Responsibility Report, page 136 - 147
102-9	Supply chain	Value-chain Partners (#maricollaborative), page 80 - 85
102-10	Significant changes to the organization and its supply chain	Value-chain Partners (#maricollaborative), page 80 - 85
102-11	Precautionary Principle or approach	Risks and Opportunities, page 30 - 37 Corporate Governance Framework, page 38 - 39 Strategic pillars and enablers, page 40 - 43
102-12	External initiatives	Communities, page 86 - 103
102-13	Memberships of associations	Business Responsibility Report, page 145
2. Strategy		
102-14	Statement from senior decision-maker	Chairman's message, page 18-19 MD and CEO's message, page 20-23
102-15	Key impacts, risks, and opportunities	Risks and Opportunities, page 30 - 37
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Our Value-Creation Paradigm, page 24-27 Corporate Governance Framework, page 38-39
4. Governance		
102-18	Governance structure	Our Leadership, page 44-45
5. Stakeholder Engagement		
102-40	List of stakeholder groups	Our Value-Creation Paradigm, page 24-27
102-41	Collective bargaining agreements	Business Responsibility Report, page 136-147
102-42	Identifying and selecting stakeholders	Stakeholder Engagement, page 48 - 53
102-43	Approach to stakeholder engagement	Stakeholder Engagement, page 50 - 53
102-44	Key topics and concerns raised	Stakeholder Engagement, page 50 - 53
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	About this report, page 2
102-46	Defining report content and topic Boundaries	About this report, page 2
102-47	List of material topics	Materiality, page 46-47
102-48	Restatements of information	About this report, page 2
102-49	Changes in reporting	About this report, page 2
102-50	Reporting Period	About this report, page 2
102-51	Date of most recent report	FY2019-20
102-52	Reporting cycle	About this report, page 2
102-53	Contact point for questions regarding the report	About this report, page 2
102-54	Claims of reporting in accordance with the GRI Standards	About this report, page 2
102-55	GRI content index	GRI Index, page 372-373
102-56	External assurance	External Energy & GHG Assurance Statement 374-376

SRS Indicator	Disclosure	Reference
GRI Topic Specific Standards (2016)		
201 Economic performance		
201	Economic performance	Investors, page 54-57
201-1	Direct economic value generated or distributed	Performance Trends, page 370-371
201-3	Coverage of the organization's defined benefit plan obligations	Notes to Consolidated Financial Statements page 216-229
201-4	Financial assistance received from government	Notes to Consolidated Financial Statements page 216-229
204: Procurement Practices (linked to material topic of "Sustainable supply chain")		
204	Procurement practices	Environment (#maricommitted), page 118-119
204-1	Proportion of spending on local suppliers	Value-Chain Partners (#maricollaborative), page 83
301: Materials (linked to material topic of "Circular Economy")		
301	Materials	Environment (#maricommitted), page 116-117
301-1	Materials used by weight or volume	Environment (#maricommitted), page 116-117
301-2	Recycled input material used	Environment (#maricommitted), page 116-117
302: Energy (linked to material topic of "Responsible resource consumption")		
302	Energy	Environment (#maricommitted), page 106 - 109
302-1	Energy consumption within the organization	Environment (#maricommitted), page 109
302-3	Energy intensity	Environment (#maricommitted), page 109
302-4	Reduction of energy consumption	Environment (#maricommitted), page 109 Business Responsibility Report, page 141
303: Water (linked to material topic of "Responsible resource consumption")		
303	Water	Environment (#maricommitted), page 110-111, Communities (#maricompassionate), page 89-90
303-3	Water withdrawal	Environment (#maricommitted), page 110-111
305: Emissions (linked to material topic of "Climate change")		
305	Emissions	Environment (#maricommitted), page 106-108
305-1	Direct (Scope 1) GHG emissions	Environment (#maricommitted), page 106-108
305-2	Energy indirect (Scope 2) GHG emissions	Environment (#maricommitted), page 106-108
305-3	Other indirect (Scope 3) GHG emissions	Environment (#maricommitted), page 106-108
305-4	GHG emissions intensity	Environment (#maricommitted), page 106-108
305-5	Reduction of GHG emissions	Environment (#maricommitted), page 106-108
308: Supplier Environmental Assessment (linked to material topic of "Sustainable supply chain")		
308	Supplier environmental assessment	Environment (#maricommitted), page 118-119
308-1	New suppliers that were screened using environmental criteria	Environment (#maricommitted), page 118-119
SRS 401: Social		
413: Local Community (linked to material topic of "Community development")		
413	Local communities	Communities (#maricompassionate), page 86 - 103
413-1	Operations with local community engagement, impact assessments and development programs	Communities (#maricompassionate), page 86 - 103
414: Supplier social assessment (linked to material topic of "Sustainable supply chain")		
414	Supplier social assessment	Environment (#maricommitted), page 118-119
414-1	New suppliers that were screened using social criteria	Environment (#maricommitted), page 118-119
416: Customer health and safety (linked to material topic of "Product responsibility")		
416	Customer health and safety	Consumers (#mariconscious), page 58 - 71
416-1	Assessment of health and safety impacts of product and service categories	Consumers (#mariconscious), page 61 - 63 Environment (#maricommitted), page 112-113
417: Marketing and labelling (linked to material topic of "Product responsibility")		
417	Marketing and labelling	Consumers (#mariconscious), page 63-69 Environment (#maricommitted), page 112-113
417-1	Requirements of product and service information and labelling	Consumers (#mariconscious), page 58-71 Environment (#maricommitted), page 112-113

ASSURANCE STATEMENT

DNV

INDEPENDENT ENERGY AND GREENHOUSE GAS EMISSION VERIFICATION STATEMENT

Introduction

DNV GL Business Assurance India Private Limited ('DNV') has been commissioned by the management of Marico Limited ('Marico' or 'the Company', Corporate Identity Number L85195TG1984PLC004507) to carry out a limited level of verification of its 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 2020-21 prepared by Marico based on the <IR> framework.

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 consolidated approach of operational control which has been prepared by the Company based on a)The Marico's GHG emission inventorisation SOP (Standard operational procedure) (SOP/Marico/GHGInventory/FY21/001; dated: April 2021), b)World Resources Institute's/ World Business Council on Sustainable Development's (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) and c)The Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2006) d)GRI standards (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 May 2021 - June 2021 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 2020 to 31st March 2021 ie. the energy and GHG assertions.
- Verification of consolidated GHG 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.
    - Scope 3 emissions currently monitored and declared by Marico, comprising emissions due to a) Purchased goods and services; b) Fuel and energy related activities; c) Upstream transportation of products; d) Waste generated in operations; e) Business travel; f) Employee commute; g) Upstream leased assets; h) Downstream transportation & distribution; i) End of life treatment.
    - Biogenic emissions due to consumption of biomass briquets and rice husk for running the boiler operations.

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 2020-21.

[1]*The VeriSustain protocol is available on request from www.dnv.com*

** Assurance Engagements other than Audits or Reviews of Historical Financial Information.*

[#] GRI 302:1,3; GRI 305:1,2,3,4

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DNV

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;
- Remote verification performed to sample manufacturing locations in India ie. Perundurai (coconut oil refining) and Guwahati NER 2 (VAHO), Jalgoan (edible oil refining) to verify the Company's internal protocols, processes, and controls related to the collection and collation of its energy and GHG emissions assertions.
- Desk review was conducted for all the manufacturing locations to review the systems for energy and GHG data management.
- Obtained an understanding of energy and GHG data management systems and the Completeness, Accuracy and Reliability of the data;
- Examined and reviewed the following information on a sample basis:
    - Data related to sources of Scope 1 emissions in the process at various sites.
    - Data related to biomass consumption for the reported biogenic emissions
    - 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 2020-21 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 2020-21
Scope 1 Emissions	a) Fossil Fuel used in Stationary equipment's - manufacturing processes and standby diesel generators, furnace oil used in boilers b) Fossil Fuel used in Mobile equipment's - company owned vehicles, c) Fugitive emissions - CO_2 release due to use of fire extinguishers and Refrigerants release in air conditioners and refrigerators.	472.5 tCO_2e
Scope 2* Emissions	Purchased electricity from the grid (Location Based)	8,772 tCO_2e
	Total Scope 1 & Scope 2 Emissions	9,244.8 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	5,16,146 tCO_2e
	Total Scope 1, Scope 2 & Scope 3 Emissions	5,25,390.8 tCO_2e
Other Scope 1 Emissions	Biogenic emissions[@] released from use of Biomass (Rice Husk & Briquette) in boilers	38 tCO_2e
GHG Emission Intensity ^	**GHG Emission Intensity** (Total Scope 1 & 2 emissions/ Total revenue for the year)	1.5

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DNV

Energy:

Performance Indicator	Factors	Value for FY 2020-21
Energy Consumption within Marico	*Non-renewable sources:* fuel used in manufacturing processes, diesel generators, furnace oil used in boilers, purchased electricity from the grid	43,133 GJ
	Renewable sources: Biomass used in boilers, electricity from solar and wind energy	1,12,461 GJ
Energy Intensity^	**Energy Intensity ratio** (Total Energy consumption in GJ/ Total revenue for the year)	25.1

**Scope 2 emissions of Purchased grid electricity emission factor is sourced from Central Electricity Authority (CEA) CO2 Baseline Database for the Indian Power Sector (Version 15 dated December 2019) and considers the weighted average factor. 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 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)

^ The denominator of energy and emission intensity, company has considered total revenue for the year as INR 6189 crore as per the unaudited financials

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's Independence

DNV 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 2020-21. While we did conduct other certification and assessment work with Marico in 2020-21, 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,

Lankalapalli, Bhargav Digitally signed by Lankalapalli, Bhargav Date: 2021.06.30 17:42:43 +05'30' Bhargav Lankalapalli Lead Verifier DNV GL Business Assurance India Private Limited, India	Vadakepatth, Nandkumar Digitally signed by Vadakepatth, Nandkumar Date: 2021.06.30 19:43:07 +05'30' Vadakepatth Nandkumar Technical Reviewer DNV GL Business Assurance India Private Limited, India.

Mumbai, India, 30th June 2020.

DNV GL Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

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10 YEARS' FINANCIAL HIGHLIGHTS

₹ Crore

Year ended March 31,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Income from Operations	3,135	3,980	4,596	4,687	5,733	6,024	5,936	6,333	7,334	7,315	8,048
EBITDA	418	484	626	748	870	1,051	1,159	1,138	1,326	1,469	1,591
Profit before Interest & Tax (PBIT)	369	444	577	729	845	1,050	1,166	1,133	1,298	1,453	1,546
Profit before Tax (PBT)	376	400	552	695	822	1,029	1,149	1,117	1,257	1,374	1,523
Net Profit attributable to Owners of the Company	286	317	396	485	573	711	799	814	926	1,043	1,162
Cash Profits (Profit after Current Tax + Depreciation + Amortisation)	405	397	491	592	668	873	947	922	1,057	1,167	1,327
Economic Value Added	**180**	**204**	**227**	**332**	**419**	**558**	**610**	**550**	**589**	**704**	**845**
Goodwill on consolidation	398	395	396	254	489	497	479	486	503	538	613
Net Fixed Assets	458	502	1,422	638	590	620	616	801	842	916	1,023
Investments	89	296	152	311	284	513	608	543	450	733	854
Net Current Assets	607	532	674	671	749	655	846	1,105	1,420	1,094	1,034
Net Non Current Assets	130	205	251	213	163	35	41	(82)	(68)	(63)	(20)
Deferred Tax Asset (Net)	30	22	-	-	-	65	10	20	202	159	186
Total Capital Employed	**1,712**	**1,953**	**2,894**	**2,086**	**2,274**	**2,386**	**2,600**	**2,873**	**3,349**	**3,377**	**3,690**
Equity Share Capital	61	61	64	64	65	129	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	3,111
Net Worth	915	1,143	1,982	1,361	1,825	2,017	2,326	2,523	2,975	3,023	3,240
Minority interest	22	25	35	36	14	14	13	12	12	13	18
Borrowed Funds	774	785	872	680	428	331	239	309	349	335	348
Deferred Tax Liability	-	-	6	10	8	23	22	29	13	6	84
Total Funds Employed	**1,712**	**1,953**	**2,894**	**2,086**	**2,274**	**2,386**	**2,600**	**2,873**	**3,349**	**3,377**	**3,690**
EBITDA Margin (%)	13.3	12.2	13.6	16.0	15.2	17.5	19.5	18.0	18.1	20.1	19.8
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	18.9
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	14.4
Return on Net Worth (%)	**36.5**	**30.8**	**25.3**	**30.1**	**36.0**	**37.0**	**36.8**	**33.5**	**33.7**	**34.8**	**37.1**
(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**	**44.6**
(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	16.0
Earning per Share (EPS) (₹)	**4.7**	**5.2**	**6.1**	**7.5**	**8.9**	**5.5**	**6.2**	**6.3**	**7.2**	**8.1**	**9.0**
(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	6.5
Dividend per share (₹)	0.7	0.7	1.0	3.5	2.5	3.4	3.5	4.3	4.8	6.8	6.8
Debt / Equity	**0.8**	**0.7**	**0.4**	**0.5**	**0.2**	**0.2**	**0.1**	**0.1**	**0.1**	**0.1**	**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**	**25.1**
(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	2.3
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	7.6

@ Average Capital Employed = (Opening Capital Employed + Closing Capital Employed)/2

$ Average Net Worth = (Opening Net Worth + Closing Net Worth)/2

Average Net Working Capital = (Opening Net Current Assets + Closing Net Current Assets)/2

Note 1: FY14 onwards, financials will not include Kaya as it has been demerged from Marico Group effective April 1,2013.

Note 2: FY16 onwards, per share numbers are calculated on the post bonus number of shares

Note 3: FY16 onwards, financials are as per IND - AS and hence not comparable with earlier years.

Note 4: FY19, FY20 and FY21 Net Profit excludes the impact of one-offs and extraordinary items.

Note 5: P&L for FY19, FY20 and FY21 and Balance Sheet for FY19, FY20 and FY21 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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