

# Board's Report

## To the Members,

Your Board of Directors ('Board') is pleased to present the Twenty Eighth Annual Report of your Company, Marico Limited, for the year ended March 31, 2016 ('the year under review', 'the year' or 'FY16').

In line with the requirements of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations'), this report covers the financial results and other developments during the financial year April 1, 2015 to March 31, 2016 in respect of Marico Limited ('Marico' or 'the Company' or 'your Company') and Marico Consolidated comprising Marico, its subsidiaries and associate in India and overseas. The consolidated entity has been referred to as 'Marico Group' or 'Your Group' in this report.

## FINANCIAL RESULTS - AN OVERVIEW

Particulars	₹ in Crore)	
	Year ended March 31, 2016	Year ended March 31, 2015
<b>Consolidated Summary Financials for the Group</b>		
Revenue from Operations	6,132.04	5,732.98
Profit before Tax	1,033.75	821.65
Profit after Tax	724.78	573.45
<b>Marico Limited – financials</b>	<b>4,947.37</b>	4,681.20
<b>Revenue from Operations</b>		
Profit before Tax	944.10	731.04
Less: Provision for Tax for the current year	242.24	185.87
Profit after Tax for the current year	701.86	545.17
Add: Surplus brought forward	1,753.12	1,393.63
<b>Profit available for Appropriation</b>	<b>2,454.98</b>	1,938.80
<b>Appropriations: Distribution to shareholders</b>		
Tax on dividend	65.43	13.27
	500.86	174.51
<b>Transfer to Debenture Redemption Reserve</b>	-	11.17
<b>Surplus carried forward</b>	<b>1,954.12</b>	1,753.12
<b>Total</b>	<b>2,454.98</b>	<b>1,938.80</b>

## RESERVES

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

## BONUS ISSUE AND RECLASSIFICATION OF AUTHORIZED SHARE CAPITAL OF THE COMPANY

In order to increase the overall liquidity to enable broad-based investor participation, the Company, during the year under review issued bonus equity shares in the ratio of 1:1 to the shareholders which were allotted in December, 2015.

To facilitate the aforesaid bonus issue, your Company re-classified its Authorized Share Capital to Rs. 215 Crores divided into 150 Crores Equity Shares of Re. 1 each and 6.5 Crores Preference Shares of Rs. 10 each, which led to consequential alteration of Clause V of the Memorandum of Association of your Company.

## DIVIDEND

Your Company's wealth distribution philosophy has aimed at sharing its prosperity with its shareholders, through a formal earmarking/disbursement of profits to the shareholders.

Your Company's distribution to equity shareholders during FY16 comprised the following:

First Interim Dividend of 175% on the equity base of Rs. 64.51 Crores.

Second Interim Dividend of 150% on the post bonus equity base of Rs. 129.02 Crores.

One time Special Third Interim Dividend of 100% on the post bonus equity base of Rs. 129.02 Crores.

The total equity dividend for FY16 (including dividend distribution tax) aggregated to Rs. 500.86 Crores. The overall dividend payout ratio hence is 69% of the consolidated profit after tax as compared to 30% during FY15.

## REVIEW OF OPERATIONS

During FY16 Marico posted revenue from operations of Rs. 6,132 Crores, a growth of 7% over the previous year. The business delivered a volume growth of 7% with an operating margin of 17.3%. The business reported bottom line of Rs. 725 Crores, growth of 26% over last year.

Marico India, the domestic FMCG business, achieved a turnover of Rs. 4,755 Crores in FY16, a growth of 7% over last year. Volume growth for the year was also at 7%. The overall sales growth was backed by continued growth momentum in categories of Parachute Coconut Oil, Edible Oils and Value Added Hair Oils (VAHO). The operating margin for the India business was healthy at 21.6% before corporate allocations. Higher operating margins can be attributed mainly to gross margin expansion led by softer input costs.

During the year, Marico International, the International FMCG business, posted a turnover of Rs. 1,376 Crores, a growth of 7% over FY15 in constant currency terms. The operating margin for the year was at 17.7% (before corporate allocations) reflecting a sustained structural shift over the last few years.

Your Company has demonstrated steady growth on both, the top line and the bottom line. Over the last 5 years, the top line has grown by 16% and bottom line by 19% at a Compounded Annual Growth Rate.

## MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis, which inter-alia, covers the following, forms part of the Annual Report.

- Update on Macro Economic Indicators & FMCG Industry
- Opportunities and Threats
- Risks and Concerns
- Internal control systems and their adequacy
- Discussion on financial and operational performance
- Segment-wise performance
- Outlook
- Material development in Human Resource /Industrial Relations including number of people employed

## CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

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

A brief outline of the CSR Policy of the Company, the CSR initiatives undertaken during the financial year 2015-16 together with progress thereon and the report on CSR activities as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in 'Annexure A' to this Report.

## SUBSIDIARIES AND ASSOCIATE

A list of companies which are subsidiaries/associate to your Company is provided as part of the notes to Consolidated Financial Statements. During the period under review, there were no companies which have become subsidiaries of your Company. Beauté Cosmétique Société Par Actions, a company in Vietnam, ceased to be a subsidiary of your Company w.e.f. May 14, 2015 consequent to divestment. During the year under review, Bellezimo Professionale Products Private Limited became an associate of your Company w.e.f. October 21, 2015 as per Section 2(6) of the Companies Act, 2013, consequent to acquisition of 45% equity stake by your Company.

A separate statement containing salient features of the financial statements of all subsidiaries of your Company forms part of the Consolidated Financial Statement in compliance with Section 129 and other applicable provisions of the Act. The statement reflects the performance and financial position of each of the subsidiaries.

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

Your Company has approved a policy for determining material subsidiaries and the same is uploaded on the Company's website which can be accessed using the link [http://marico.com/investorspdf/Policy for determining Material Subsidiaries.pdf](http://marico.com/investorspdf/Policy%20for%20determining%20Material%20Subsidiaries.pdf).

## RELATED PARTY TRANSACTIONS

All transactions with related parties entered into during the financial year 2015-16 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. There were no transactions which were material (considering the materiality thresholds prescribed under the Act or clause 49 of the erstwhile Listing Agreement/Regulation 23 of the SEBI Regulations). Accordingly, no disclosure is made in respect of the Related Party Transactions in the prescribed Form AOC-2 in terms of Section 134 of the Act and Rules made thereunder.

All transactions with related parties are placed before the Audit Committee for approval. An omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature. In case of transactions which are unforeseen and in respect of which complete details are not available, the Audit Committee grants an omnibus approval to enter into such unforeseen transactions provided the transaction value does not exceed Rs. 1 Crore (per transaction in a financial year). The Audit Committee reviews all transactions entered into pursuant to the omnibus approvals so granted on a quarterly basis. During the year under review, in accordance with the amendment brought to the Companies (Meetings of Board and its Powers) Rules, 2014, on December 14, 2015, the Audit Committee, as authorized by the Board, has framed Criteria for granting an omnibus approval to the related party transactions to be entered into by the Company.

During the year under review, your Board updated the policy on Related Party Transactions as required under the SEBI Regulations. The policy is uploaded on the Company's website and can be accessed using the link [http://marico.com/investorspdf/Policy on Related Party Transactions.pdf](http://marico.com/investorspdf/Policy%20on%20Related%20Party%20Transactions.pdf).

## DEPOSITS

There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014, at the end of the financial year 2015-16 or the previous financial year. Your Company did not accept any deposit during the financial year 2015-16.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act, are given in the notes to the Standalone Financial Statements of the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and information and based on the information and explanations provided to them by the Company, your Directors make the following statement in terms of Section 134(3)(c) of the Act:

- that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed and there are no material departures from the same;

- that 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, 2016 and of the profit and loss of your Company for the said period;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a 'going concern' basis;
- that proper internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and were operating effectively;
- that proper systems to ensure compliance with the provisions of all applicable laws were devised and that such systems were adequate and operating effectively.

## DIRECTORS

There is no change in the composition of the Board.

During the year under review, declarations were received from all Independent Directors of the Company that they satisfy the 'criteria of Independence' as defined under Regulation 16(1)(b) of the SEBI Regulations and Section 149(6) of the Act, read with Schedule IV and the relevant Rules made thereunder.

## DIRECTORS RETIRING BY ROTATION

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Rajen Mariwala (DIN: 00007246) is liable to retire by rotation at the 28th Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. His re-appointment is being placed for your approval at the AGM. Your Directors recommend his re-appointment as the Non-Executive Director of your Company.

## KEY MANAGERIAL PERSONNEL

During the year under review, there is no change in the Key Managerial Personnel of the Company. Subsequent to the close of the year, Mr. Surender Sharma, Head Legal – International Business has been appointed as the Company

Secretary & Compliance Officer w.e.f. April 29, 2016 in place of Ms. Hemangi Ghag, who resigned from the post of Company Secretary & Compliance Officer on April 28, 2016. Ms. Ghag continues as an employee of your Company.

The Key Managerial Personnel of the Company as on date are:

1. Mr. Saugata Gupta is the Managing Director (MD) & Chief Executive Officer (CEO).
2. Mr. Vivek Karve is the Chief Financial Officer (CFO).
3. Mr. Surender Sharma is the Company Secretary (CS).

## MEETINGS

The details of the meetings of the Board of Directors and its Committees held during the year under review are stated in the Corporate Governance Report.

The details of attendance of the Directors in the Board Meetings and its Committees during the year under review are stated in the Corporate Governance Report.

## AUDIT COMMITTEE

The composition of the Audit Committee of the Board of Directors along with the composition of other Committees is stated in the Corporate Governance Report.

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

In terms of the applicable provisions of the Act, read with the Rules made thereunder and the SEBI Regulations, your Board has formulated a Policy on appointment, removal and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel and also on Board Diversity, Succession Planning and Evaluation of Directors. Salient features of the said Policy are stated in the Corporate Governance Report.

## BOARD EVALUATION

Your Board is committed to assessing its own performance as also performance of individual director in order to identify its strengths and areas in which it may improve its functioning. Towards this end, the Corporate Governance Committee of the Board ('CGC') (which functions as the Nomination and Remuneration Committee of the Company for the purpose of the Companies Act, 2013), established the criteria and processes for evaluation of performance of individual Directors, Chairman of the Board, the Board as a whole and

its individual statutory Committees. The appointment/re-appointment/ continuation of Directors is subject to positive outcome of the annual evaluation process. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. In terms of the Act, the Independent Directors on your Board also meet separately once in a year to discuss the matters as prescribed under Schedule IV to the Act and to assess the performance of the Non – Independent Directors of your Board.

The board evaluation exercise during the year under review has resulted in the Board identifying three focus areas for it to work upon in the coming years:

1. Intensifying its efforts in guiding the organization to get future ready, especially in identifying new growth drivers;
2. Renewed focus and time commitment for mentoring the senior management, setting them up for success in the ever changing macro environment; and
3. Revisiting the Board composition with an eye on future trends especially in the digital era.

The Board is also committed to review progress on these priorities during the annual Board Retreats held once a year.

## DISCLOSURE RELATING TO REMUNERATION

The information required pursuant to Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is disclosed in '**Annexure B**' to this report.

The Managing Director & CEO of your Company does not receive remuneration from any of the subsidiaries of your Company.

The statement containing particulars of remuneration of employees as required under Section 197(12) of the Act, read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in an annexure to the Annual Report. In terms of Section 136(1) of the Act, the Annual Report is being sent to the Members excluding the aforesaid annexure. However, this annexure shall be made available on the website of the Company 21 days prior to the date of Annual General Meeting ('AGM'). The information is also available for inspection by the Members at the Registered Office of the Company during business hours on all working days except Saturdays and Sundays up to the date of the AGM. Any Member desirous of obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office Address.

## **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Your Company's approach on Corporate Governance has been detailed out in the Corporate Governance Report. Your Company has deployed the principles enunciated therein to ensure adequacy of Internal Financial Controls with reference to the financial statements. Your Board has also reviewed the internal processes, systems and the internal financial controls and the Directors' Responsibility Statement contains a confirmation as regards adequacy of the internal financial controls.

## **VIGIL MECHANISM**

Your Company has a robust vigil mechanism in the form of Unified Code of Conduct which enables employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Code. The Company's Unified Code of Conduct can be accessed on its website using the link [http://marico.com/investorspdf/CoC\\_book\\_09-04-14.pdf](http://marico.com/investorspdf/CoC_book_09-04-14.pdf).

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

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

- HR Committee – with an objective to appoint investigation team for investigation of HR related concerns / complaints.
  - IT Committee – with an objective of implementing the IT policy and resolution of IT related concerns / complaints under the Code.
  - Whistle Blower Committee – with an objective to appoint an investigation team for investigation for whistle blower complaints.
- Prevention of Sexual Harassment Committee (PoSH Committee) — with an objective to ensure a harassment free work environment including but not limited to appointment of investigation team for investigation of sexual harassment concerns/complaints.

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

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

## **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

Your Company has a policy for the prevention of sexual harassment which is embedded in the CCC. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Complaints Committees (ICC). During the financial year 2015-16, the ICC received 1 complaint on sexual harassment and the same was disposed of in accordance with applicable laws and the policy of your Company.

## **RISK MANAGEMENT**

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

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

1. Periodic assessment and prioritization of risks that affect the business of your Company;
2. Development and deployment of risk mitigation plans to reduce the vulnerability to the prioritized risks;
3. Focus on both the results and efforts required to mitigate the risks;
4. Defined review and monitoring mechanism wherein the functional teams, the top management and the Board review the progress of the mitigation plans;
5. Embedding of the Risk Management processes in significant decisions such as large capital expenditures, mergers, acquisitions and corporate restructuring;

6. Wherever, applicable and feasible, defining the risk appetite and install adequate internal controls to ensure that the limits are adhered to.

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

#### **Details of significant and material orders passed by the regulators**

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

#### **ESOP/Stock Appreciation Rights Schemes**

##### **Marico Employee Stock Option Scheme 2007**

Your Company had formulated and implemented an Employee Stock Option Scheme ('the Scheme') in 2007 for grant of Employee Stock Options ('the Options') to certain employees of the Company and its subsidiaries. Accordingly, during the year under review, in view of exercise of the Options by the eligible employees of the Company, an aggregate of 1,03,600 equity shares were issued to them by the Company.

Subsequent to exercise of all the Options under the Scheme, the Scheme was concluded.

None of the Non-Executive Directors (including Independent Directors) have received Options in pursuance of the above Scheme. Likewise, no employee has been granted stock options, during the year equal to or exceeding 0.5% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

##### **Marico Employee Stock Option Scheme 2014**

The Members of the Company at its Extra Ordinary General Meeting held on March 25, 2014 approved the Marico Employee Stock Option Scheme 2014 ('the Scheme') for the benefit of the Managing Director & Chief Executive Officer (MD & CEO). The objective of this Scheme was to give a wealth building dimension to the remuneration structure of the MD & CEO. Further, it also aimed at promoting desired behaviour for meeting organization's long term objectives and to enable retention through a customized approach.

The CGC is responsible for administrating the Scheme. The stock options (3,00,000) granted to the MD & CEO by the CGC on April 1, 2014, stand increased to 6,00,000 as at March 31, 2016 due to bonus equity shares issued by the Company during the year under review (in the ratio of 1:1) and are vested in the MD & CEO. The stock options vested in the MD & CEO constitute 0.05% of the current paid up equity capital of the Company as on the date of this Report.

##### **Marico MD CEO Employee Stock Option Plan 2014**

At the 26th Annual General Meeting of the Company held on July 30, 2014, the Members had approved the Marico MD CEO Employee Stock Option Plan 2014 ('MD CEO ESOP Plan 2014' or 'the Plan') for the benefit of Managing Director & Chief Executive Officer ('MD & CEO') of the Company. The objective of this Plan is to enable grant of stock options on an annual basis to the MD & CEO as a part of his remuneration through one or more Scheme(s) notified under the Plan. The number of equity shares that may arise on a cumulative basis upon exercise of stock options under this Plan shall not exceed in aggregate 0.5% of the total paid up equity share capital of the Company.

The CGC is entrusted with the responsibility of administering the Plan and the Scheme(s) notified thereunder. Accordingly, no stock options were granted to the MD & CEO under the said Scheme for the year under review. However, the options granted (46,600) to the MD & CEO on January 5, 2015 by the CGC stand increased to 93,200 as at March 31, 2016 due to bonus equity shares issued by the Company during the year under review (in the ratio of 1:1). These stock options constitute 0.007% of the paid up equity share capital of the Company as on the date of this Report.

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

At the 27th Annual General Meeting of the Company held on August 5, 2015, the Members had approved the Marico Stock Appreciation Rights Plan, 2011 ('STAR Plan'), for the welfare of its employees and those of its subsidiaries. Under the STAR Plan, the Corporate Governance Committee notifies various Schemes for granting Stock Appreciation Rights (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 tax. The STAR Plan involves secondary market acquisition of the

equity shares of your Company by an independent Trust set up by your Company for the implementation of the STAR Plan. Your Company lends monies to the Trust for making secondary acquisition of shares.

As at March 31, 2016 an aggregate of 50, 67,800 STARs were outstanding which constitute about 0.39% of the current paid up equity share capital of the Company.

### Statutory information on ESOS, STAR and Trust

Disclosure on ESOS, STAR and Trust in terms of Section 62(1)(b) of the Act, read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, Regulation 14 of the SEBI (Share Based Employee Regulations) and SEBI Circular dated June 16, 2015 is enclosed as **'Annexure C'** and forms part of this report. Further, the Company has complied with the applicable accounting standards in this regard.

The statutory auditors of the Company i.e. M/s. Price Waterhouse, have certified that implementation of all the above ESOP Schemes/Plans is in accordance with the erstwhile Securities and Exchange board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the SEBI (Share Based Employees Benefits) Regulations, 2014, as applicable, and the resolutions passed by the Members at the respective General Meetings approving the ESOP Schemes/Plans.

## AUDITORS

### Statutory Auditors

The Members, pursuant to the appointment of M/s. Price Waterhouse, Chartered Accountants as the statutory auditors of your Company at the 26th Annual General Meeting of your Company ('AGM'), had ratified their appointment at the 27th AGM, to hold office from the conclusion thereof till the conclusion of the 28th AGM of the Company. Further, as required under Regulation 33(1)(d) of the SEBI Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The appointment of statutory auditors is approved by the Members up to the conclusion of 29th AGM of the Company.

Accordingly, your Directors seek ratification of the appointment of the statutory auditors for the financial year 2016-17.

### Cost Auditors

M/s. Ashwin Solanki & Associates, Cost Accountants, were appointed as the Cost Auditor for the financial year 2015-16 to conduct the audit of the cost records of your Company. Your Directors have re-appointed M/s. Ashwin Solanki & Associates, Cost Accountants, as the Cost Auditor for the financial year 2016-17. In terms of the provisions of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the Board seeks ratification of the remuneration payable to the Cost Auditors for the financial year 2016-17 at the 28th AGM.

## SECRETARIAL AUDIT

Pursuant to Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed Dr. K. R. Chandratre, Practising Company Secretary, to conduct the secretarial audit of your Company. The Secretarial Audit Report is enclosed as **'Annexure D'** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## STATUTORY AUDITOR'S REPORT

The Auditor's Report for the year ended March 31, 2016 does not contain any qualification, reservation or adverse remark.

## CORPORATE GOVERNANCE

As per the SEBI Regulations, a separate section on Corporate Governance practices followed by the Company together with a certificate from the Company's statutory auditors, confirming compliance thereto is attached to this Report.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

## EXTRACT OF ANNUAL RETURN

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

## ACKNOWLEDGEMENT

Your Board takes this opportunity to thank all its 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, 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**

**Place: Mumbai**  
**Date: April 29, 2016**

**Harsh Mariwala**  
**Chairman**  
**(00210342)**

# Annexure 'A' to the Board's Report

DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY ("CSR")

## I. A Brief Outline of the Company's CSR Philosophy, including overview of projects or program proposed to be undertaken and the web-link to the CSR Policy and projects or programs.

### Marico's CSR Philosophy

Marico's stated purpose is to "Make a Difference". This purpose has defined our reason to exist; we have always believed that we exist to benefit the entire ecosystem of which we are an integral part. We firmly believe that we belong to an interdependent ecosystem comprising Shareholders, Consumers, Associates, Employees, Government, Environment & Society and that we have a commitment to all these stakeholders.

We believe that economic value and social value are interlinked. A firm creates economic value by creating social value – by playing a role in Making a Difference to the lives of its key stakeholders. Furthermore, a firm cannot do this in isolation; it needs the support and participation of other constituents of the ecosystem. Sustainability comes from win-win partnerships in the ecosystem.

Marico's CSR Policy is therefore anchored on the core purpose of "Make a Difference" to the lives of all its stakeholders to help them achieve their full potential. The policy can be accessed on <http://marico.com/india/investors/documentation/corporate-governance>

### 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:

### Scalability of social organisations

Maricos believes in unlocking the potential of social enterprises in India through its intervention to aid them scale faster and thus create a sustainable and equitable impact on the social ecosystem. Marico will strive to foster this value through innovation and other means to deliver scale and direct impact thereby benefiting the underserved communities.

### Community Development

Community Development is integral for building a harmonious relationship with the community dwelling in the periphery where Marico operates which will go long in supporting one another for a sustainable growth. Marico will therefore work towards the upliftment of communities and villages that border Marico's workplaces/units.

### Education

Marico also believes that one of the most significant indicators of social progress is education, which also plays a decisive role for a society to achieve self – sustainable and equitable development. Further, infusing innovation in Education will enable further impact. With an increasing global realization of how business community can and should contribute to social objectives, education deserves a higher level of corporate involvement.

### Health Care

Marico is a keen proponent of Healthcare and hopes to innovatively create impact in this sector. We aim towards preventative as well as facilitative health care of India's populace.

### Livelihood enhancement

Providing livelihood opportunities is critical for economic empowerment of the nation. Creating sustainable livelihood and enhanced earning potential to the farmer community through knowledge, innovation and transformative actions is therefore another thrust of our CSR.

### Implementation Strategy for CSR initiatives:

Your Company aims to achieve its CSR objectives through

1. Its wholly owned subsidiary, Marico Innovation Foundation (details given below);
2. Its brands – your Company believes that brands too have a purpose and they can contribute meaningfully in the Company's CSR efforts;
3. Functional initiatives by its manufacturing locations and procurement operations.

### Marico Innovation Foundation (MIF)

Marico Innovation Foundation, a Company incorporated under section 25 of the Companies Act, 1956, is a wholly

owned subsidiary of your Company. MIF is a not-for-profit organisation working towards the cause of innovation since 2003. The Foundation creates impact through its below mentioned programs:

#### **A. Social Innovation Acceleration Program (SIAP):**

SIAP works with 'For Profit' and 'Not For Profit' organisations and is sector agnostic. It focuses on the innovative idea and the impact an organization wishes to achieve. The Program also focuses on the shift in the mindset of an organization from a view point of pure 'impact' on the BoP to 'scalable and sustainable impact'. The program follows a 3-5 years hands-on engagement process.

#### **The SIAP process is also aided through multiple interventions:**

- a) The Foundation leverages Marico members as Mentors to utilize their knowledge and skills. This is done through measured and structured interventions which have been designed by the Foundation to leverage their knowledge capital;
- b) Student teams from leading B-Schools in India are brought in annually to help social organization with research (primary and secondary) and with critical inputs on their businesses; and
- c) The Foundations' ecosystem connects also enables SIAP to draw synergies with like-minded partners who assist the Foundation on specific interventions.

The Foundation is presently working closely with various organizations to scale up their impact. These organizations are:

#### **(i) Tara Livelihood Academy:**

TARA Livelihood Academy (TLA) was established in 2007 by the Development Alternatives Group (DAG) as yet another vehicle to fulfill its mandate of disseminating Sustainable Development, by providing skills to the youth, women and community groups.

#### **MIF is helping TLA through:**

1. Creation of an asset light model of operations;
2. Streamlining of the process and reducing the cost of recruitment of potential candidates;

3. Right GTM Strategy - Identification of right markets for TLA to offer their training services;
4. Pivot from training to livelihood – Ensuring trained youth are connected to appropriate livelihood opportunities.

#### **(ii) Fractal Microspin:**

Microspin Machine Work was established by Fractal Foundation in 2011 to ensure that farmers didn't have to settle with the raw end of the cotton value chain. A machine that can easily be installed in a farmer's backyard, Microspin mechanically converts raw cotton into yards of fabric. Mr. Pramod Gothi, Ex MD, Morarjee Mills is mentoring Fractal Microspin.

#### **MIF is helping Microspin through:**

1. Leveraging the established networks and ecosystems with leading apparel manufacturers for the acceptance and adoption of Crafted Yarn; and
2. Creation of communication tools that help Microspin sell its concept with garment corporates.

#### **(iii) Yuva Parivartan (YP):**

The primary objective of YP is to provide Livelihoods to deprived, out of school youth through Vocational Training and provide access to wage or self-employment.

#### **The current interventions of MIF include:**

1. Helping YP improve its field staff's operation effectiveness;
2. Assisting YP in the creation of a mobile app for overall monitoring and tracking; and
3. Getting YP to benchmark best practices in sales by getting their ASMs shadow Marico Sales team.

#### **(iv) Saral Designs:**

It is a 'For-Profit' social enterprise that designs and manufactures affordable and quality sanitary napkins. Saral Designs has developed advanced machines that manufacture sanitary pads at a low cost so that it can be sold to a majority. Its products provide 100% absorption compared to cloth/ordinary pads.

**MIF is helping Saral Designs through:**

1. Business development, starting with understanding the consumer then launching the product in test markets and developing a scalable go-to-market strategy; and
2. The program is also helping Saral put a financial model in place and set relevant pricing/packaging for the products.

**(v) Swasth Healthcare:**

Swasth runs primary healthcare units in the bottom-of-pyramid areas of Mumbai. They have 15 clinics as on date with plans to scale to 52 units in the next 3 years.

**MIF is working with Swasth on 3 aspects:**

1. There is a steering committee to guide Swasth in their growth journey. MIF sits on this committee as the marketing / strategy expert; and
2. MIF is helping them in creating a comprehensive communication package to help them create a better and a more dependable brand image with their patients.

**(vi) Zaya Labs:**

Zaya is an education-technology startup based in Mumbai. Since Zaya also uses hardware, as they scale the business; their supply chain has to be geared to support the increase in volumes.

**MIF is helping Zaya build their supply chain processes.**

**(vii) Gram Tarang:**

Gram Tarang conducts vocational courses for rural communities and helps them attain a livelihood through placements in Orissa.

MIF is helping Gram Tarang consolidate all their efforts and create a scale-up plan. Mr. Ravi Venkatesan (Ex-Chairman Microsoft India) is the MIF mentor for Gram Tarang.

**(viii) Eco-cooker:**

EcoSense Appliances, a part of the Sanjay Group of Companies, manufactures energy-efficient appliances for cooking. It was born out of the fact that there is immense potential for products

that will help consumers save the cost of cooking through innovation.

MIF is helping them understand the right market and right customer for EcoCooker as well as create a well-defined go-to-market strategy. Mr. Sanjeev Aga, Ex MD Idea Cellular is mentoring the Eco-cooker team.

**B. Hackathon:**

Hackathons are 2-3 day events where participants work together to develop innovative solutions for real-world problem statements.

1. MIF has sponsored a Hackathon on Diabetes and Cardio-vascular health issues organized by CAMTech, an arm of Massachusetts General Hospital; and
2. MIF has partnered with Villgro to incubate high potential innovative ideas.

**Impact:** One idea will potentially get incubated in 2016-17.

**C. India Innovates - Video Series:**

India Innovates is a web series by the MIF in collaboration with the Better India. As part of this on-going series, it is sharing some of the most amazing innovations of India that are truly transforming lives, communities, business and more.

Edible Cutlery is part of Marico Innovation Foundation's series "India Innovates" that attempts to bring out the stories of some of the most brilliant minds in our Country. This edible cutlery is a perfect alternative to harmful disposable cutlery which is not only environmentally safe but also enriched with nutritious ingredients. These videos have been created exclusively for creation of awareness about innovation in the eco-system.

**Impact :** 4 out of the 6 videos that were created for the India Innovates web series have received an incredible response which has been mentioned below:

Total Reach -	5,34,96,892
Total Video Views -	61,60,346
Total engaged users -	14,61,907

## Brand CSR

### Nihar Shanti Amla (NSA): promoting child education

In 2012, your Company, under its hair oil brand name Nihar Shanti Amla, launched a programme called “Chotte Kadam Pragati ke Aur” to support the education of underprivileged children. Retention, learning outcomes and training in soft & life skills within the age group of 4-14 years were identified as three priority education interventions. Under this program NSA partnered with three firms:

1. Educate Girls: Udaipur and Jalore district of Rajasthan.
2. Going to School: Muzaffarpur district of Bihar.
3. Sesame India Workshop : Farrukabad, Shahjahanpur and Kannauj districts of Uttar Pradesh.

#### 1. Educate Girls:

**Objective:** Provide quality education for all underserved and marginalized girls by mobilizing public, private and community resources thus improving access to education and school quality and achieving behavioural, social and economic transformation for all girls in India's gender gap districts thereby creating an India where all children have equal opportunities to access quality education.

**Impact:** Total number of children benefitted from the Educate Girls Program in FY 2015-16 is 1,25,311.

#### 2. Going to School:

**Objective:** Promoting entrepreneurship among children through their “Be an Entrepreneur program”. This aims at providing entrepreneurial skill development training to children in class 9 in 50 Government schools in Muzaffarpur in order to prepare them for the lack of employment opportunities and be able to create jobs for themselves and others.

**Impact:** 16,500 children were benefitted from Going to School Program in FY 2015-16.

#### Social Impact Audit through IMRB International:

To measure the impact of the Go to School, one year program in bringing about changes in knowledge, attitude and practice of the students, IMRB International was commissioned to conduct the fieldwork and report the findings and the way forward.

**Feedback on the program and impact:** About two in three are of the opinion that they have found the training useful and about half claim that it has increased their confidence and helped them for future – but only 39% would recommend this training to others (recommendation has been proved to be the strongest indicator of satisfaction).

No improvement in the perceptions or attitudes towards being socially responsible or on self-efficacy parameters but some positive change can be seen on the self-initiation aspects over the last three months of the program. In addition, 89% students (as opposed to 69% during baseline) mentioned that they now have ideas for saving the environment from pollution and degradation.

As seen during baseline, there is a tremendous scope of improvement on the interpersonal and time & people management aspects as most of the students have claimed not to be good at these – the same continues to be a need post the end line as well.

#### 3. Sesame Workshop India:

**Objective:** Using media to engage children and aid their basic academic and life skills to help them reach their maximum potential. Galli Galli Sim Sim is India's only educational program for children that harnesses the power of television to provide a strong early childhood educational foundation to pre-schoolers and promotes children's overall cognitive, socio-emotional and physical development while celebrating India's cultural diversity.

**Impact:** Total children benefitted from Sesame Workshop India in FY 2015-16 is 70,000 children.

#### Mobile Pathshala:

Nihar Shanti Amla had launched the “Angrezi Mobile Pathshala”, which is a first of its kind property that provides its callers an opportunity to learn simple English words through stories & characters, completely free of cost to the caller. The intention is to take learning as close to the consumer with this property.

**Impact:** From the launch of the initiative in September 2013 till date, “Angrezi Mobile Pathshala” has got 16.20 lacs unique users, calling in.

## Other Initiatives

### Expenses incurred towards improving agricultural productivity:

#### Oats Local Variety Development:

Your Company has understood the need to improve production of Oats in India which pales in comparison to other cash crops and hence stepped in by funding the research for developing an Oats variety in India in association with Tamil Nadu Agricultural University (TNAU) & Indian Agricultural Research Institute (IARI) fit for processing for human consumption. These efforts have shown positive results.

The new variety of Oats seeds would be available for Indian farmers for sowing in the FY2019.

**Impact:** The Internal Varietal Trial (AVT) stage was successfully completed with production of 9 MT of Oats across 2 selected varieties. The Local Oats development project will move into the advanced Varietal Trail-II. In this, the Oats will be cultivated in different locations in different soil types & cultivation conditions.

#### Coconut Productivity Improvement:

Coconut is an important crop in India cultivated in the Southern States by close to 1 million farmers. Most of the farmers based there do not have the knowledge on making the most from their coconut farm. They depend on traditional practices which they have learned by experience & observing others. But they struggle to get the best productivity from their farm.

Marico team collected all such practices from various Universities & Agri-experts, published a booklet & distributed it to farmers for their understanding.

In addition, Marico conducted training programs in over 45 villages which was attended by more than 1000 farmers whereby the farmers were educated about the package of practices & disease management techniques to improve the productivity of Coconut.

In order to further improve productivity, your Company also believes in researching cutting edge methods of productivity improvements by doing on field trails of new practices.

Impact: Your Company has made extensive study on the above and estimates that if an average farmer follows the correct package of practices for cultivation & disease control, the farmers can improve the productivity by about 25%.

#### Perendurai Model Farm:

The objective of the program is to evaluate the performance of different varieties & hybrids available in India under different package of practices & demonstrate the differences to enable the farmers to select the right hybrids or varieties. 18 saplings each of 6 different hybrids have been planted. There are 3 different levels of cultivation practices which are followed for each variety. The plants are currently in the second year. The morphological characteristics of the plants are being tracked.

In addition to the Perendurai model farm, 20 more trail farms have been taken up for hybrid cultivation demo to showcase the benefits of hybrid (which can double productivity) to the farmers.

**Impact:** Once the plants enter into 4th year, the farmers would be invited to see the performance of different varieties & cultivation conditions so that they can adopt the best variety & best cultivation conditions.

#### Mechanisation Solutions

The project focuses on developing mechanisation solutions to improve the productivity of the small converter-farmer so that quality, cost & yields can be improved. Marico is enabling research in Copra production so that some machines can be built which can lead to better quality or cost reduction or yield improvement.

#### Contribution towards Chennai Flood Relief:

Your Company made a contribution worth Rs. 23 lacs towards Chennai Floods Relief during the financial year 2015-16 through distribution of Saffola Masala Oats under the campaign "Goonj".

## II. Composition of the Corporate Social Responsibility Committee:

The composition of the Corporate Social Responsibility Committee has been disclosed in the Corporate Governance Report of the Annual Report.

- III. Average net profit of the Company for last three financial years: Rs 558.72 crores  
 IV. Prescribed CSR expenditure (2% of the amount as in item III above): Rs 11.17 crores  
 V. Details of CSR spent during the financial year: Rs. 10.02 Crores

- a Total amount to be spent for the financial year: Rs 11.17 Crores  
 b Amount unspent, if any - Rs. 1.15 Crores (The CSR Budget approved by the CSR Committee had a shortfall of Rs. 28 lacs as initiatives were not planned)

c Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or Program wise (Amount in ₹)	Amount Spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads (Amount in ₹)	Cumulative expenditure upto the reporting period (Amount in ₹)	Amount spent: Direct or through implementing agency*
<b>(A) Marico Innovation Foundation</b>							
<b>1</b>	<b>Social Innovation Acceleration Project (SIAP)</b>						
Current Projects:							
a	Tara Livelihood Academy	Livelihood Enhancement Project	Madhya Pradesh & Uttar Pradesh	613,776	351,262	3,628,943	Through Implementation agency: Marico Innovations Foundation (MIF).
b	Yuva Parivartan	Livelihood Enhancement Project	PAN India				MIF is a not for Profit institution established in 2003, registered as a section 8 company. It helps business and social organizations enhance economic and social value using breakthrough innovation. There is no implementing agency since this project is being managed in-house by the Marico Innovation Foundation.
c	Fractal Microspin	Livelihood Enhancement Project	Vidarbha, Maharashtra				
d	Saral Design	Healthcare	Maharashtra				
e	Swasth Healthcare	Preventive Healthcare	Mumbai, Maharashtra				
f	Eco Cooker	Conservation of natural resource	PAN India				
g	Zaya Labs	Education	Mumbai, Maharashtra				
<b>Ex - Projects:</b>							
h	Rang De	Eradicating poverty	Bangalore, Karnataka				
i	Under the Mango Tree	Livelihood enhancement	Maharashtra, Gujarat and Madhya Pradesh				
j	Sankara Eye Care Institution	Promoting healthcare including preventive healthcare	Mumbai, Maharashtra				
k	Gram Tarang	Livelihood enhancement	PAN India				
l	Boheco	Agriculture	Mumbai, Maharashtra				
m	I say organic	Organic food	Delhi	1,387,647	909,147	909,147	Partnership with the Better India - social organisation.
<b>2</b>	<b>Thought Leadership</b>	Infusing innovation through thought leadership	PAN India				

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs: (1) Local area or other district where projects or Programs was undertaken	Amount outlay (budget) or Program wise (Amount in ₹)	Amount Spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads (Amount in ₹)	Cumulative expenditure upto the reporting period (Amount in ₹)	Amount spent: Direct or through implementing agency*
3	Hackathon	Healthcare	PAN India (INR 66,54,180 was towards donation to CAMTech)	7,331,878	7,006,821	7,006,821	Partnership with CAMTech
<b>TOTAL (A)</b>				<b>9,333,301</b>	<b>8,267,231</b>	<b>11,544,912</b>	
<b>(B) Brand Led CSR Initiatives</b>							
1	Nihar Shanti Amla : Education initiative(s)						
a	Educate Girls (EG) Udaipur project	Promoting Education	Udaipur district, Rajasthan	4,892,537	3,598,038	3,598,038	Educate Girls is a non-governmental organization that holistically tackles issues at the root of gender inequality in India's educational system. With a focus on enrollment, retention and learning, Educate Girls aims to provide quality education for all under-served and marginalized girls by mobilizing and leveraging public, private, and community resources to improve access to education and school quality.
b	Educate Girls (EG) Jalore project	Promoting Education	Jalore/district, Rajasthan	9,016,660	9,592,619	9,592,619	
c	Going to School (GTS)	Promoting Education	Muzzafarpur district, Bihar	4,206,493	4,206,493	4,206,493	Going to School is a creative non-profit education trust with a 12-year track record of creating design driven, inspiring stories with heroes, children can identify themselves with GTS motivates children, especially girls, to stay in schools, learn entrepreneurial skills and use their education to transform their lives and create opportunities for themselves. GTS's current focus is to teach entrepreneurial skills predominantly in government secondary schools through a one year program to children in grade nine through the Be! Schools program. The ultimate goal is to equip children with the skills that they need to eventually become entrepreneurs and secure gainful employment.

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs: (1) Local area or other district where projects or Programs was undertaken	Amount outlay (budget) project or Program wise (Amount in ₹)	Amount Spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads (Amount in ₹)	Cumulative expenditure upto the reporting period (Amount in ₹)	Amount spent: Direct or through implementing agency*
d	Sesame Workshop India Trust (SWIT)	Promoting Education	Farukhhabad Shahjahanpur Kannauj districts of Uttar Pradesh	19,776,144	11,615,996	11,615,996	Sesame Workshop India Trust is leading the movement to change the educational equation through its innovative projects that puts children at the center of development. Under its flagship initiative Galli Galli Sim Sim (GGSS), SWI works in low resourced classrooms and communities to bring to children and their caregivers, language and strategies that has a proven impact on their literacy, numeracy, physical wellbeing and social emotional skills
e	IMRB	Impact assessment	Impact assessment of the three projects: 1. Educate Girls (Udaipur) 2. Sesame Workshop India Trust 3. Going to School  (Impact assessment is excluding Educate Girls Jalore project)	3,279,584	3,279,584	3,279,584	IMRB is the impact evaluation partner who will be conducting the baseline, midline (in case of Educate Girls) and endline to help us understand the impact.
f	Mobile Pathshala Initiative	Promoting Education	To promote education through mobile pathshala	11,463,452.28	11,463,452	11,463,452	Nihar Shanti Amla had launched the Angrezi mobile pathshala, which is a first of its kind property, that provides its callers an opportunity to learn simple English words through stories & characters, completely free of cost to the caller. The intention is to take learning, as close to the consumer with this property.
2	Saffola World Heart Day CSR - Saffolalife Free Cholesterol tests	Preventive Healthcare	All India	35,000,000	34,413,949	72,813,949	Direct
<b>TOTAL (B)</b>				<b>87,500,000</b>	<b>7,81,70,132</b>	<b>116,570,132</b>	
(C) Other Initiatives							
1	Expenses incurred towards improving agricultural productivity	Livelihood enhancement	Money paid to TNAU for doing the development.	4,500,000	6,659,682	7,269,681	Direct
2	Goonj	Disaster Relief	Chennai, Tamil Nadu	2,300,000	2,300,000	2,300,000	Direct
TOTAL (C)				6,800,000	8,959,682	9,569,682	
TOTAL CSR SPEND (A)+(B)+(C)				103,633,302	95,397,045	137,684,726	

1 Sr. No.	2 CSR project or activity identified	3 Sector in which the project is covered	4 Projects or programs: (1) Local area or other district where projects or Programs was undertaken	5 Amount outlay (budget) or Program wise (Amount in ₹)	6 Amount Spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads (Amount in ₹)	7 Cumulative upto the reporting period (Amount in ₹)	8 Amount spent: Direct or through implementing agency*
	(D) Capacity Building and Administrative Expenditure (Limited to the cap of 5% of total spent)						
	TOTAL CSR SPEND (A)+(B)+(C)+(D)				108,814,967	147,782,688	

\*Give details of implementing agency: The details are captured above.

**VI. Reasons for not spending/underspending the amount as mentioned in clause c hereinabove:**

- SIAP: The fees to be paid to the Consultants was budgeted but was not taken. During the year under review, the SIAP model underwent a change from an outsourced model to an in-house intervention with the pro-bono efforts of Marico Mentors and Ex-CEOs as Senior Mentors. Due to the cost optimization as aforesaid, the budget was under-utilized.
- Thought Leadership:
  - The Thought Leadership was a new project that was started during the year.
  - A series of 6 videos was showcased and due to the better commercials availed, the amount to be initially paid to the service provider was brought down thereby resulting into under utilization of the budgeted amount.
- Hackathon: A better deal was availed from the budgeted amounts due to change in exchange rate as the disbursal was slated to be made in USD.
- Educate Girls: Underspend towards the Educate Girls project were mainly due to the shift to the concept of enrolling more number of “out of school children.” Due to the change in the concept as aforesaid, the expenditure on the administrative cost had a deficit as compared to the budgeted amount..
- Sesame Workshop India:
  - There was a delay in initiating the program. In June 2015, a Sesame Workshop India team visited the location for intervention (i.e. Kanpur, Dehat and Unnao District) and found that most of the Anganwadi centres were dysfunctional and were open intermittently due to various reasons.
  - It was then recommended to focus in western Uttar Pradesh specifically districts in Shahjahnapur, Farukhabad, and Kannauj which caused a quarters delay in starting the project, which in turn led to the underspend under the project.

6 The underspend in the CSR activities of the Company for the financial year 2015-16 was mainly due to extraneous factors and due to better negotiation by the Company with the service providers/external agencies which resulted into savings and ultimately could not be spent as budgeted. The Company has been however extremely committed towards exercising its social responsibilities and is dedicated to spend, to achieve better results. The Company is confident about its work in the social space and has been always in the forefront and is sensitive to the requirements of the Companies Act, 2013. In view of the same, your Company is confident of a turnaround as far as the CSR numbers are concerned in the next financial year.

**VII. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.**

Place: Mumbai

Date : April 29, 2016

Saugata Gupta

Managing Director & CEO

Harsh Mariwala

Chairman of the Board and CSR Committee

# Annexure 'B' to the Board's Report

Information required under section 197 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 2015-16 is as follows :

Name of Director	Total Remuneration (₹)	Ratio of remuneration of director to the Median remuneration
Mr. Harsh Mariwala	55,284,000	66.32
Mr. Saugata Gupta	80,630,477	96.73
Mr. Anand Kripalu	1,780,000	2.14
Mr. Atul Choksey	1,780,000	2.14
Mr. B. S. Nagesh	1,960,000	2.35
Ms.Hema Ravichandar	2,100,000	2.52
Mr. Nikhil Khattau	2,000,000	2.40
Mr. Rajeev Bakshi	1,860,000	2.23
Mr. Rajen Mariwala	1,980,000	2.38

### Notes:

- The information provided above is on a standalone basis.
- Remuneration of Mr. Harsh Mariwala, Chairman & Non-Executive Director, Mr. Harsh Mariwala, includes incentive for the financial year 2015-16 considered on accrued basis.
- The remuneration to Non-Executive Directors includes sitting fees paid during the financial year 2015-16.
- The median remuneration of the Company for all its employees is Rs. 8,33,557 for the financial year 2015-16. For calculation of median remuneration, the employee count taken is 981 which comprises employees who have served for whole of the financial year 2015-16.

## B) Details of percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2015-16 are as follows :

Name	Designation	Remuneration (₹)		Increase/ (Decrease) (%)
		2015-16	2014-15	
Harsh Mariwala	Chairman & Non- Executive Director	55,284,000	78,683,016	-30%
Mr. Saugata Gupta	Managing Director & CEO	80,630,477	60,679,292	33%
Mr. Anand Kripalu	Independent Director	1,780,000	1,800,000	-1%
Mr. Atul Choksey	Independent Director	1,780,000	1,700,000	5%
Mr. B. S. Nagesh	Independent Director	1,960,000	1,960,000	0%
Ms.Hema Ravichandar	Independent Director	2,100,000	2,020,000	4%
Mr. Nikhil Khattau	Independent Director	2,000,000	1,940,000	3%
Mr. Rajeev Bakshi	Independent Director	1,860,000	1,800,000	3%
Mr. Rajen Mariwala	Non- Executive Promoter Director	1,980,000	1,800,000	10%
Mr. Vivek Karve	Chief Financial Officer	19,641,043	35,731,143	-45%
Ms.Hemangi Ghag	Company Secretary & Compliance Officer	3,501,025	2,532,046	38%

- Mr. Harsh Mariwala ceased to be the Managing Director of the Company with effect from April 1, 2014. Thus, the remuneration of Mr. Harsh Mariwala for the financial year 2014-15 included amount paid towards performance incentive for the financial year 2013-14 and towards settlement, consequent to the cessation of his office as Managing Director. Hence the remuneration paid to him in the financial years 2015-16 and 2014-15 is not comparable.
- The remuneration of Mr. Vivek Karve includes the perquisite value of the stock options exercised by him during the financial year 2014-15 amounting to Rs. 18,628,275. Hence the remuneration paid to him in the financial years 2015-16 and 2014-15 is not comparable.

**C) Percentage increase in the Median Remuneration of all employees in the financial year 2015-16**

	2015-2016	2014-2015	Increase (%)
Median* remuneration of all employees per annum	833,557	757,042	10.11%

\* For calculation of median remuneration, the employee count taken is 981 and 989 for the financial year 2015-16 and 2014-15, 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, 2016**

1,463 (inclusive of workmen)

**E) Relationship between average increase in remuneration of all employees and the performance of you Company:**

The increase in the remuneration of all employees is based on the following remuneration philosophy of the Company:

- (i) the intrinsic worth and future potential of the Member which ensures value of meritocracy;
- (ii) the extrinsic worth of the role and desired market competitiveness determined through market benchmarking studies; and
- (iii) value added by the role which should be in line with the Company's employee cost.

In the financial year 2015-16, a similar approach was followed to determine the increase in the remuneration of all the employees. The said increase in the remuneration was in line with Company's performance and its market competitiveness.

The average increase in the remuneration of all employees\* in the financial year 2015-16 as compared to the financial year 2014-15 was 15%.

\* Employees who have served for whole of the financial year 2015-16 have been considered.

**The key indicators of the Company's performance (on a standalone basis) are:**

	(₹ in Crores)		
	2015-16	2014-15	% Increase
Net Income from Operations	4,947.37	4,681.20	5.7%
Operating Profit Before Tax (PBT) (i.e. PBT excluding dividend income from overseas subsidiary)	830.05	636.17	30.5%
Profit Before Tax	944.10	731.04	29.1%
Profit After Tax (PAT)	701.86	545.16	28.7%

**F) Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company:**

The remuneration of Key Managerial Personnel during the financial year 2015-16 increased by around 5% compared to the financial year 2014-15. Kindly refer the explanations given under note 2 of point No.B of this disclosure for better comprehension of the details given hereinabove.

The Profit Before Tax (PBT) increased by 29% in the financial year 2015-16 compared to the the financial year 2014-15. The PBT for both the financial years includes dividend receipt from an overseas subsidiary. The PBT growth excluding such dividend income for the financial year 2015-16 compared to the financial year 2014-15 was 30.5%.

**G) Details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years and the share price details:**

Particulars	As on March 31, 2016	As on March 31, 2015
Price Earnings Ratio*	45	46.4
Market Capitalization (Rs. in Cr.)	31,610	25,297

\* Taken on a standalone basis

Comparison of share price at the time of last public offer and market price of the share of 31<sup>st</sup> March, 2016:

<b>Market Price* as on March 31, 2016 (₹)</b>	<b>245</b>
Price at the time of Initial Public Offer cum Offer for Sale in 1996 [adjusted for various bonus issues and stock split but excluding dividend payouts, subsequent to the Public Offer]	2.19
% increase of Market price over the price at the time of Initial Public Offer cum Offer for Sale	11,087%

\*Last Traded Price on National Stock Exchange of India Limited.

**H) Comparison of average percentage increase in remuneration of all employee other than the Key Managerial Personnel and the percentage increase in the remuneration of Key Managerial Personnel**

	<b>% Increase (Decrease)</b>
Average percentage increase in the Remuneration of all Employees** other than Key Managerial Personnel	15.7%
Average Percentage increase in the Remuneration of Key Managerial Personnel*	
Mr. Saugata Gupta, Managing Director & CEO	32.9%
Mr. Vivek Karve, Chief Financial Officer	-45.0%
Ms. Hemangi Ghag, Company Secretary & Compliance Officer	38.3%
	<b>4.9%</b>

\*Kindly refer the explanations given under note 2 of point No.B of this disclosure for better comprehension of the details given hereinabove.

\*\* Employees who have served for whole of the respective financial years have been considered.

**I) Key parameters for any variable component of remuneration availed by the Directors:**

The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Corporate Governance Committee (which acts as the Nomination and Remuneration Committee) as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. This is based on certain financial parameters like performance of the Company, its market capitalization, industry benchmarks, role of the Directors and other such relevant factors.

Independent Directors are not eligible for any variable component as per the Remuneration Policy of the Company.

In case of the Non-Executive Chairman of the Board and the Managing Director & CEO, the variable component of remuneration is approved by the Board based on the Remuneration Policy of the Company.

**J) There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company.**

**K) 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 Remuneration Policy of your Company

# Annexure 'C' to the Board's Report

Disclosures under section 62(1)(b) of the Companies Act, 2013 read with rule no. 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and Regulation 14 of The SEBI (Share Based Employee Benefits) Regulations, 2014

A Details related to ESOS	Marico Employee Stock Option Scheme 2007 (Marico ESOS 2007)	Marico Employee Stock Option Scheme 2014 (Marico ESOS 2014)	Marico MD CEO Employee Stock Option Plan 2014 (Marico MD CEO ESOP Plan 2014)
<b>1 Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including :</b>			
a Date of shareholders' approval	At the Extra Ordinary General Meeting held on November 24, 2006.	At the Extra Ordinary General Meeting held on March 25, 2014.	At the Annual General Meeting held on July 30, 2014.
b Total number of options approved under ESOS	Equity shares to arise out of exercise of stock options not to exceed 5% of the aggregate number of issued equity capital of the Company as on the date of the grant.	Not more than 3,00,000 Stock Options.	Equity shares to arise out of exercise of stock options not to exceed 0.5% of the aggregate number of issued equity share capital of the Company as on the date of the grant of options.
c Vesting requirements	Options granted under the Scheme to vest after one year from the Grant Date.	Options granted under the Scheme to vest after two years from the Grant Date.	Options granted under the Scheme to vest after one year from the Grant Date.
d Exercise price or pricing formula	<b>Exercise Price &amp; formula:</b> <b>Lower of the following:</b> i) Average of the closing price for last 21 trading sessions on NSE prior to the date on which specific number of the options are granted to the employees by the Corporate Governance Committee of the Board of Directors, or ii) The closing price for the last session on NSE prior to the date on which specific number of the options are granted to the employees by the Corporate Governance Committee of the Board of Directors.	<b>Exercise Price:</b> 1.00 per share, i.e. at face value. Exercise Price Formula: NA.	<b>Exercise Price:</b> ₹ 1.00 per share, i.e. at face value. Exercise Price Formula: NA.
e Maximum term of options granted	The Options granted to be exercised not later than 5 years from the date of vesting of the respective Options.	To be exercised within a period of 12 months from the date of vesting	To be exercised within a period of 12 months from the date of vesting
f Source of shares (primary, secondary or combination)	The source of Shares is Primary.		
g Variation in terms of options	There was no variation in terms of Options.		
<b>2 Method used to account for ESOS - Intrinsic or fair value.</b>	Intrinsic Value.		
<b>3 Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.</b>	Profit would have been higher by ₹ 0.33 Crore. Impact on EPS of the Company is negligible.		
<b>4 Option movement during the year (For each ESOS):</b>			
Number of options outstanding at the beginning of the period	103,600	300,000	46,600
Adjustment on account of bonus issue in the ratio of 1:1	-	300,000	46,600
Number of options granted during the year	-	-	-
Number of options forfeited / lapsed during the year	-	-	-
Number of options vested during the year	-	-	-

A Details related to ESOS	Marico Employee Stock Option Scheme 2007 (Marico ESOS 2007)	Marico Employee Stock Option Scheme 2014 (Marico ESOS 2014)	Marico MD CEO Employee Stock Option Plan 2014 (Marico MD CEO ESOP Plan 2014)
Number of options exercised during the year	103,600	-	-
Number of shares arising as a result of exercise of options	103,600	-	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company	5,952,490	-	-
Loan repaid by the Trust during the year from exercise price received	NA	NA	NA
Number of options outstanding at the end of the year	-	600,000	93,200
Number of options exercisable at the end of the year	-	-	-
<b>5 Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.</b>	57.46	-	-
<b>6 Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to - (a) senior managerial personnel; (b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and (c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.</b>	NA	The details pertaining to the status of the options granted to the Managing Director & CEO are given in Board's Report under "ESOP/Stock Appreciation Rights Schemes"	
<b>7 A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</b>	Marico Employee Stock Option Scheme 2007 (Marico ESOS 2007)	Marico Employee Stock Option Scheme 2014 (Marico ESOS 2014)	Marico MD CEO Employee Stock Option Plan 2014 (Marico MD CEO ESOP Plan 2014)
a i) the weighted-average values of share price	NA	₹ 209.15	₹ 329.95
ii) the weighted-average values of exercise price		₹ 1.00 per share	₹ 1.00 per share
iii) the weighted-average values of expected volatility		26.62%	23.66%
iv) the weighted-average values of expected option life		3 years	3 years and 3 months
v) the weighted-average values of expected dividends		3.50%	3.50%
vi) the weighted-average values of the risk-free interest rate		8.00%	8.00%
b The method used and the assumptions made to incorporate the effects of expected early exercise;	Intrinsic value		
c How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	NA	Historical volatility of the share of the Company over the previous 3 years ended March 31, 2014, based on the life of options	Historical volatility of the share of the Company over the previous 3 years and 3 months ended January 04, 2015, based on the life of options
d Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	NA		
<b>8 Disclosures in respect of grants made in three years prior to IPO under each ESOS until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.</b>	NA	NA	

B	Details related to SAR	STAR Scheme III	STAR Scheme IV	STAR Scheme V	STAR Scheme VI				
1	<b>Description of each SAR scheme that existed at any time during the year, including the general terms and conditions of each SAR scheme, including -</b> Date of shareholders' approval:	STAR Scheme III	STAR Scheme IV	STAR Scheme V	STAR Scheme VI				
a	Date of shareholders' approval:	Approved by the Corporate Governance Committee of the Board of Directors on December 7, 2012* on October 29, 2013*	Approved by the Corporate Governance Committee of the Board of Directors on August 5, 2015*	Approved by the Corporate Governance Committee of the Board of Directors on December 2, 2015*	Approved by the Corporate Governance Committee of the Board of Directors on December 2, 2015*				
b	Total number of shares approved under the SAR scheme	*(The Marico Employee Stock Appreciation Rights Plan 2011 (STAR Plan) was initially approved by the Board of Directors of the Company at its meeting held on January 27, 2011, and subsequently the modified STAR Plan was approved by the Board of Directors at its meeting held on June 22, 2015 and the same was recommended to the shareholders. The same was then approved by the Shareholders at their meeting held on August 5, 2015, in order to align the STAR Plan with the requirements of the SEBI (Share Based Employee Benefits) Regulations, 2014. The Corporate Governance Committee of the Board has, from time to time, notified STAR schemes under the STAR Plan as authorized under the aforementioned resolutions).							
c	Vesting requirements	The secondary acquisition by the Trust shall: i. not be more than 5% of the paid up equity share capital of the Company as at the end of the financial year, immediately preceding the year in which approval of the shareholder was obtained for such secondary acquisition; ii. not be more than 2% in a financial year of the paid up equity share capital as at the end of the preceding financial year; and iii. not be more than 0.5% of the paid up equity share capital of the Company during a financial year.							
d	SAR price or pricing formula	As determined by the Corporate Governance Committee in the respective Schemes notified under the Plan.							
e	Maximum term of SAR granted	Average of Closing Market Price for a period of 22 Working Days (of the Stock Exchange) immediately preceding the Grant Date.							
f	Method of settlement (whether in cash or equity)	The Vested STAR shall be matured as on the Vesting Date according to the terms and conditions as determined and set forth under the STAR Plan and relevant notified Schemes.							
g	Choice of settlement (with the company or the employee or combination)	Method of settlement is Cash settlement. Choice vests with the Company.							
h	Source of shares (primary, secondary or combination)	Source of acquisition is Secondary.							
i	Variation in terms of scheme	STAR Scheme I, II and III were modified by the Corporate Governance Committee of the Board, vide circular resolution dated December 12, 2012 to redefine the term Grant Date and consequent changes in other clauses of the respective schemes.							
2	<b>Method used to account for SAR - Intrinsic or fair value.</b>	Intrinsic Value.							
3	<b>Where the company opts for expensing of SAR using the intrinsic value of SAR, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of SAR, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.</b>	Employee Compensation cost would have increased by ₹ 14.60 Crore & profit would have been lower to that extent. Consequently Basic EPS would have been lower by ₹ 0.11 (From 5.44 to 5.33).							
4	<b>SAR movement during the year (For each SAR scheme):</b>								
	<b>Particulars</b>	STAR III		STAR IV		STAR V		STAR VI	Total
	Number of SARs outstanding at the beginning of the year	Tranche I	Tranche II	Tranche I	Tranche II	Tranche I	Tranche II	Tranche I	Total
	Number of SARs granted during the year	771,600	121,100	754,700	-	-	-	-	1,647,400
	Adjustment on account of bonus issue in the ratio of 1:1	-	-	-	272,700	618,100	45,800	2,700	1,616,800
	Number of SARs forfeited / lapsed during the year	170,800	21,000	754,700	272,700	618,100	45,800	2,700	2,371,500
	Number of SARs vested during the year	600,800	100,100	334,400	126,000	145,000	-	-	818,800
	Number of SARs exercised/settled during the year	-	-	-	-	-	-	-	700,900
	Number of options outstanding at the end of the year	-	-	1,175,000	419,400	1,091,200	91,600	5,400	1,333,400
	Number of options exercisable at the end of the year	-	-	-	-	-	-	-	-

<b>5</b>	<b>Employee-wise details (name of employee, designation, number of SAR granted during the year, exercise price) of SAR granted to -</b>				
a	Senior Managerial Personnel:	Nil	334,200*	608,800*	580,600*
		*Due to sensitivity of the information, only summary is provided. The above numbers include adjustment on account of issuance of bonus equity shares by the Company during the previous financial year in the ratio of 1:1			
b	any other employee who receives a grant in any one year of amounting to 5% or more of SAR granted during that year; and	Nil			
c	identified employees who were granted SAR, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil			
<b>6</b>	<b>Disclosures in respect of grants made in three years prior to IPO under each SAR scheme until all SARs granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such SARs shall also be made.</b>	Nil			
<b>B</b>	<b>Details related to Trust</b>				
<b>1</b>	<b>The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:</b>				
	<b>Particulars</b>				<b>Details</b>
	Name of the Trust				Welfare of Maricomian Trust
	Details of the Trustee(s)				IDBI Trusteeship Services Limited
	Amount of loan disbursed by company / any company in the group, during the year				545,000,000
	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year				665,580,410
	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee				Nil
<b>2</b>	<b>Any other contribution made to the Trust during the year</b>				
	(a) Number of shares held at the beginning of the year;				1,431,741
	(b) Number of shares acquired during the year :				-
	(i) through primary issuance				
	(ii) through secondary acquisition				
	Before Bonus Issue				1,011,411
	After Bonus Issue				656,278
	Acquisition as a percentage of paid up equity capital as at the end of the previous financial year.				0.21%
	Weighted average cost of acquisition per share				
	(a) Shares bought before Bonus Issue				409.68
	(b) Shares bought after Bonus Issue				223.98
	(c) Number of shares sold				727,400
	(d) Number of shares vested to the employees				700,900
	(e) Purpose of shares sold				Vesting of STAR Scheme III
	(f) Number of shares held at the end of the year.				4,087,782
<b>3</b>	<b>In case of secondary acquisition of shares by the Trust</b>				
	Number of shares				
	Held at the beginning of the year				1,431,741
	Acquired during the year (Before Bonus issue)				1,011,411
	Sold during the year (Before Bonus issue)				727,400
	Transferred to the employees during the year (No of shares vested)				700,900
	<b>Subtotal</b>				<b>1,715,752</b>
	Adjustment on account of bonus issue in the ratio of 1:1				3,431,504
	Acquired during the year (After Bonus issue)				656,278
	Sold during the year (After Bonus Issue)				-
	<b>Held at the end of the year</b>				<b>4,087,782</b>

# Annexure 'D' to the Board's Report

FORM NO. MR.3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2016 ('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<sup>st</sup> March 2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 notified with effect from 15 May 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(Not Applicable to the Company during the Audit Period);**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not Applicable to the Company during the Audit Period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not Applicable to the Company during the Audit Period);** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not Applicable to the Company during the Audit Period).**
- (vi) During the period under review, no law was specifically applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India notified with effect from 1 July 2015;
- (ii) The erstwhile Listing Agreements entered into by the Company with stock exchanges and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from 1 December 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. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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 are carried out unanimously as recorded in the minutes of the

meetings of the Board of Directors or Committee 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 the Company had no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc.

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

**Place: Pune**  
**Date: 29 April 2016**

# Annexure 'E' to the Board's Report

## A. Conservation of Energy

1. Steps taken/impact on conservation of energy and the steps taken for utilising alternate sources of energy;

### Baddi

The Company undertook several initiatives in power and fuel consumption reduction at its Baddi plant. These initiatives resulted in savings of **2,92,966 units & 332 MT** of fuel corresponding to reduction in carbon footprint by **670 MT of CO<sub>2</sub>** last year.

Details of Initiatives are as below:

- Installation of 125 KW Steam Turbine.
- Installation of copper tubes in replacement of PU tubes.
- VFD installation in cooling tower pump.
- LED lighting in the factory.
- Condensate and Flash steam recovery improvement, resulted in lesser fuel reduction.

In addition, to the above various water conservation of usage was undertaken which resulted in reduction of more than 1900 MT of water per month.

Details of Initiatives are as below:

- Capacity improvement of DM Plant.
- Condensate recovery in the plant.
- Closure of de-aerator tank vent.
- Anion back wash in wet-scrubber.
- Treated water usage for gardening.
- Leakage plugging from DM tank.
- Line modification in Separator for smooth flow of gums.

### Jalgaon

The Company undertook the following the initiatives at its Jalgaon plant to reduce carbon footprint. These initiatives enabled a saving of **84,008 units and 699 MT of fuel** last year equivalent to **910 MT of CO<sub>2</sub>** emissions.

For Power Consumption reduction:

- High Speed mechanical pouch filling machines instead of pneumatically operated

- Replacement of CFL bulbs by LED lights from 85 watt to 20 watt.
- Productivity improvement in refinery.

For Fuel Consumption reduction:

- Replacement of steam traps.
- Improvement in heat exchanger efficiency - replacement of plates.
- Improvement in cleaning SOPs for boilers.

### Pondicherry

Pondicherry Power Task Force Energy Conservation Initiatives have resulted in a reduction of **79,509 Units/Year** equivalent to **75 MT of CO<sub>2</sub>** emissions through following initiatives:

- Final Oil tank pump and Expeller 329-B motor capacity optimized.
- Replacement of Lower Efficiency Motor with Higher Efficiency (IE3) Motors in Expeller 318-B, Prebreaker.
- Reduction of Operating hours of Admin pump.
- Transparent Sheets replaced for Manufacturing Buildings to improve day time lighting.

### Water Conservation

- Sewage Treatment Plant recycled 498 KL of Water and used for functional garden.
- Reused 533KL from Water Treatment Plant to gardening.

### Perundurai

Perundurai plant has achieved consistent improvement in power consumption by **4.0U/MT** of copra crushed in FY15-16. This amounted to overall saving of **1,22,632 Electricity units & 257 MT Fuel** equivalent to **912 MT of CO<sub>2</sub>** emissions

Following are the power saving initiatives carried out last year:

- Change of Boiler fuel from Diesel to Briquette (Agro Waste) resulted in savings of 257 MT of Diesel
- Elimination of 2nd stage Expeller kettle yielded 1.47 KW/MT.

- 100% Usage of SFB resulted into carbon footprint reduction.
- Third Party Power Purchase to reduce the DG usage.
- Power savings of 5.18 GJ/month by optimization of Cooker Motor Frequency.
- Power savings of 6.48 GJ/month by optimization of Expeller second stage Vertical Feeder motor.
- Power savings by water line modification and reduction of Admin motor pump load.
- Power savings by optimization of Steam Pressure setting for process usage.

### Kanjikode

Kanjikode Plant has achieved consistent improvement in specific fuel consumption by **0.21 Ltrs/MT in FY 15-16**. This led to overall savings of **5.1 KL of fuel**. In specific power consumption reduction through Power Task Force has resulted in overall savings of **61,629 Units in FY 15-16**.

Initiatives taken in Kanjikode have led to reduction in overall **CO<sub>2</sub> emissions by 73.71 MT**.

- Aluminium insulation has been fixed in all steam lines to reduce Specific fuel consumption by 0.21 Lt / MT.
- Implementation of auto control cake overflow conveyor and copra overflow conveyor operation has resulted in SPC Reduction of 4,680 Units / Annum.
- Provided online cap heater with hot air recirculation system in Line 5 reduces the power consumption by 2,995 Units per Annum resulting in reduction of 2.5 t CO<sub>2</sub>/Annum.
- Replacement of Fluorescent Lamp with LED in filling has resulted in reduction of power consumption by 1,538 units per Annum.
- Provided VFD in Expeller drive reduces the power consumption by 44,928 Units / Annum.
- Installed capacitor in second crushing has resulted in power reduction of 7,488 Units / Annum.
- Identification of spillage points and elimination of spillage in the process to reduce the mass loss from 0.72% to 0.54%.

### Paonta Sahib

The Company undertook following initiatives to reduce carbon footprint. These initiatives **at its plant at Paonta Sahib enabled a saving of 43,330 units and 17 MT of fuel** last year equivalent to **93.43 MT of CO<sub>2</sub>** emissions. Some of these initiatives include:

- Batch Transfer time reduction in hair oil.
  - Interlocking of cooling tower with chiller.
  - Replace constant wattage heat tracer with self-regulating one.
  - Replacement of reciprocating pump with lobe pump.
  - Water overflow restrictive system from storage tanks.
  - Installation of solar light instead of normal electrical street light.
  - DG 380 KVA automation (Saving in Diesel consumption).
  - DG interconnect (Saving in Diesel consumption).
2. Capital investment on energy conservation equipment during the year was Rs.204 Lacs.

## A. Technology Absorption

### 1. Science inspired by purpose has always created wonders!

Understanding this fact made Marico realise that cutting edge science is the best route for delivering on unmet consumer needs. Our scientists have the ability to develop rich insights about the local consumers and leverage these to provide efficacious solutions. Marico R & D team discovered the underlying science of hair oiling, the great Indian tradition, through original research and employed novel technologies to create products targeted at specific hair care needs. Realizing the need to develop food solutions to lifestyle epidemics being faced by India, we used a nutrition-based approach coupled with biochemical understanding to create authentic, nutritious food solutions to effectively prevent the onset of lifestyle diseases. The proof of delivery of these science based designs is validated through rigorous clinical trials in

consumers. Our Design Thinking approach has resulted in products which maintain not only product quality throughout shelf life, but minimise the waste and environmental impact.

We measure our success in the market through the unflinching loyalty of consumers to our products and to enable this we have a capable team comprising of 92 members :

PhD – 8

Masters – 29

Scientists – Total 37

## 2. Research and Development (R&D)

Specific areas in which R & D was carried out by your Company:

R&D efforts were directed towards core areas of hair oils, leave in formats, non-oil nourishing products, styling formats, deodorants, oats & packaging innovations across the global markets. Efforts to understand consumers in international geographies and align systems and processes across the business continued.

In hair care, research efforts were directed to understand different hair types in relevant geographies and creation of tailor-made hair care formats. Research on improving benefits in anti-hair fall category continued. In deodorants, research on understanding of body odour and approach of perfume engineering helped create distinct perfumes with higher longevity. Efforts of the Consumer Technical insights group were targeted towards generating insights of product usage and attitudes across geographies and tailoring the product sensories accordingly. In packaging, major efforts were directed towards creating novel options for prevention of lookalikes and counterfeits. In foods, considerable efforts were directed towards creating new flavours through a deeper understanding of regional taste and occasion preferences. New technologies for applications of edible oils for lifestyle diseases are being worked upon. In Quality Assurance, efforts were directed towards reevaluating and benchmarking product quality for its robustness.

## 3. Benefits derived as the result of the above efforts

- o Launch of new products – Parachute Gold Ayurvedic Hair Oil, Livon serum, Parachute Gold range of hair oils and creams in Middle East, two new flavours in saffola oats.
- o In depth understanding of hair structure and function leading to development of efficacious products.
- o Strong claim support for new products based on robust clinicals.
- o 7 patents filed across the departments. One international patent granted in Bangladesh and Kingdom of Saudi Arabia.
- o Best in class packaging.

## 4. Future Plan of Action

R&D will continue to focus on generating in-depth consumer insights, develop strong technology platforms in the area of hair & skin nourishment and grooming. Efforts will also be made to harmonize products across geographies, design new products for specific lead geographies and re-apply the same to similar target segments in different regions, Special efforts will be targeted in improving measurement science, process engineering and innovation capability development.

## 5. Technology absorption, adaptation and innovation

Efforts, in brief, made towards technology absorption, adaptation and innovation and benefits derived as a result of the same:

New technologies sourced from vendors, partners, universities were worked upon to adapt them to Marico business needs. Several connect and develop projects were undertaken in the areas of new measurement techniques and novel actives for hair and skin benefits. These helped in developing in depth basic knowledge and stronger claims. Special efforts were undertaken to leverage digital technology for proving the efficacy of products to consumers at point of sale and also during usage.

6. The Company has not imported any technology during last three years reckoned from the beginning of the financial year.

## 7. The expenditure incurred on Research and Development:

Particulars	As at March 31,	
	2016 Rs. in Crore	2015 Rs. in Crore
(a) Capital	2.44	0.55
(b) Recurring	25.05	19.19
<b>Total</b>	<b>27.48</b>	<b>19.74</b>
<b>As a % of revenues</b>	<b>0.56</b>	<b>0.42</b>

The expenditure above includes a capital expenditure of Rs. 0.05 Crore (LY: 0.11) and a revenue expenditure of Rs. 6.93 Crore (LY: Rs. 4.05 Crore) towards the edible oils and foods business of Your Company.

## B. 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,	
	2016 Rs. in Crore	2015 Rs. in Crore
Foreign Exchange earned	293.28	310.50
Foreign Exchange used	246.31	192.81

On behalf of the Board of Directors

Place : Mumbai  
Date : April 29, 2016

Harsh Mariwala  
Chairman

# Annexure 'F' to the Board's Report

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016.

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.

#### I. REGISTRATION AND OTHER DETAILS:

i	CIN	L15140MH1988PLC049208
ii	Registration Date	October 13, 1988
iii	Name of the Company	Marico Limited
iv	Category/Sub-category of the Company	Public Company/Limited by Shares
v	Address of the Registered office & contact details	7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra.  Tel: (91-22) 6648 0480 Fax: (91-22) 2650 0159  Website: www.marico.com E-mail Address: investor@maricoindia.net
vi	Whether listed company: Yes/No	Yes
vii	Details of the Stock Exchanges where shares are listed	BSE Limited (BSE) : 531642 The National Stock Exchange of India Limited (NSE): MARICO
viii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Road, Bhandup (West), Mumbai- 400 078 Maharashtra.  Tel: (91-22) 25963838 Fax: (91-22) 25946969  Website: www.linkintime.co.in E-mail Address: rnt.helpdesk@linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Edible Oils	10402	61%
2	Value Added Hair Oils	20236	21%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate Company	% of Shares Held	Applicable Section
1	<b>Marico Bangladesh Limited (MBL)</b> House-1, Road-1, Sector-1, Uttara, Dhaka-1230, Bangladesh	NA	Subsidiary	90%	2(87)(ii)
2	<b>Marico Middle East FZE (MME)</b> Office No. LOB 15326, Jebel Ali, Dubai, UAE	NA	Subsidiary	100%	2(87)(ii)
3	<b>Marico South Africa Consumer Care (Pty) Limited (MSACC)</b> 1474 South Coast Road, Mobeni 4051	NA	Subsidiary	100%	2(87)(ii)
4	<b>Marico South Africa (Pty) Limited (MSA)</b> 1474 South Coast Road, Mobeni 4051	NA	Subsidiary	100% through MSACC	2(87)(ii)(a)
5	<b>International Consumer Products Corporation (ICP)</b> 28th floor, Pearl Plaza, 561 Dien Bien Phu, Binh Thanh District, HO CHI MINH City, Vietnam	NA	Subsidiary	100%	2(87)(ii)
6	<b>Marico Consumer Care Limited (MCCL)</b> 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098	U24233MH2012PLC229972	Subsidiary	100%	2(87)(ii)
7	<b>Halite Personal Care India Private Limited</b> (A Company under Voluntary Liquidation) 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098	U24240MH2011PTC239427	Subsidiary	-	-
8	<b>Marico Innovation Foundation (MIF)</b> 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098	U93090MH2009NPL193455	Subsidiary	Section 8 Guarantee Company without Share Capital	2(87)(i)
9	<b>MBL Industries Limited (MBL)</b> Add: House-1, Road-1, Sector-1, Uttara, Dhaka-1230, Bangladesh	NA	Subsidiary	100% through MME	2(87)(ii)(a)
10	<b>MEL Consumer Care SAE (MEL)</b> Building 3, Section 1141, 34, IBAD Elrahman Street, Masaken Sheraton, Nozha District-Cairo-Egypt	NA	Subsidiary	100% through MME	2(87)(ii)(a)
11	<b>Marico Egypt For Industries S.A.E. (MEI)</b> Building 3, Section 1141, 34, IBAD Elrahman Street, Masaken Sheraton, Nozha District-Cairo-Egypt	NA	Subsidiary	100% through MELCC	2(87)(ii)(a)
12	<b>Egyptian American Investment and Industrial development Company S.A.E (EAIIDC)</b> Building 3, Section 1141, 34, IBAD Elrahman Street, Masaken Sheraton, Nozha District-Cairo-Egypt	NA	Subsidiary	100% through MME	2(87)(ii)(a)
13	<b>Marico Malaysia Sdn. Bhd. (MMSB)</b> Ground Floor, Lot 7, Block F, Saguking Commercial Building, Jalan Patau 87000, Labuan F.T. Malaysia	NA	Subsidiary	100% through MME	2(87)(ii)(a)
14	<b>Thuan Phat Foodstuff Joint Stock Company (TPF)</b> 28th floor, Pearl Plaza, 561 Dien Bien Phu, Binh Thanh District, HO CHI MINH City, Vietnam	NA	Subsidiary	99.99% through ICP	2(87)(ii)(a)
15	<b>Bellezimo Professionale Products Private Limited</b> Eucharistic Congress Building No. 2, 3rd floor, 5 Convent Street, Near Electric house, Colaba, Mumbai -400 001, Maharashtra, India	U24110MH2015PTC265935	Associate	45%	2(6)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital break up as % to total Equity)

##### (i) Categorywise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	375,205,520	-	375,205,520	58.17	750,411,040	-	750,411,040	58.16	100.0
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	8,822,000	-	8,822,000	1.37	17,644,000	-	17,644,000	1.37	100.0
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>384,027,520</b>	<b>0.00</b>	<b>384,027,520</b>	<b>59.54</b>	<b>768,055,040</b>	<b>0.00</b>	<b>768,055,040</b>	<b>59.53</b>	<b>100.0</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	900,000	0.00	900,000	0.14	1,800,000	0.00	1,800,000	0.14	100.0
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>900,000</b>	<b>0.00</b>	<b>900,000</b>	<b>0.14</b>	<b>1,800,000</b>	<b>0.00</b>	<b>1,800,000</b>	<b>0.14</b>	<b>100.0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>384,927,520</b>	<b>0.00</b>	<b>384,927,520</b>	<b>59.68</b>	<b>769,855,040</b>	<b>0.00</b>	<b>769,855,040</b>	<b>59.67</b>	<b>100.0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	20,551,709	-	20,551,709	3.19	12,443,222	-	12,443,222	0.96	-39.5
b) Banks/FI	283,800	-	283,800	0.04	1,204,137	-	1,204,137	0.09	324.3
c) Central Govt/State Govt.	672,864	-	672,864	0.10	1,607,516	-	1,607,516	0.12	138.9
d) Venture Capital Fund	-	-	-	-	-	-	-	-	0.0
e) Insurance Companies	8,932,647	-	8,932,647	1.38	27,013,742	-	27,013,742	2.09	202.4
f) FIs	156,947,263	5,000	156,952,263	24.33	199,902,103	10,000	199,912,103	15.50	27.4
g) Foreign Venture Capital Funds	9,541,299	-	9,541,299	1.48	-	-	-	-	-
h) Foreign Portfolio Investor (Corporate)	12,394,907	-	12,394,907	1.92	173,884,977	-	173,884,977	13.48	1302.9
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>209,324,489</b>	<b>5,000</b>	<b>209,329,489</b>	<b>32.46</b>	<b>416,055,697</b>	<b>10,000</b>	<b>416,065,697</b>	<b>32.25</b>	<b>98.8</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	25,372,022	42,000	25,414,022	3.94	39,823,660	76,000	39,899,660	3.09	57.0
ii) Foreign	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	19,134,639	689,840	19,824,479	3.07	38,116,186	1,282,204	39,398,390	3.05	98.7
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	3,560,452	-	3,560,452	0.55	18,115,223	-	18,115,223	1.40	408.8
c) Others (specify)									
1. NRI	1,476,780	-	1,476,780	0.23	3,505,680	-	3,505,680	0.27	137.4
2. Clearing member	367,450	-	367,450	0.06	1,154,716	-	1,154,716	0.09	214.3
3. Trusts	81,807	-	81,807	0.01	295,554	-	295,554	0.02	261.3
4. HUF	-	-	-	-	1,881,238	-	1,881,238	0.15	0.0
<b>SUB TOTAL (B)(2):</b>	<b>49,993,150</b>	<b>731,840</b>	<b>50,724,990</b>	<b>7.86</b>	<b>102,892,257</b>	<b>1,358,204</b>	<b>104,250,461</b>	<b>8.08</b>	<b>105.5</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>259,317,639</b>	<b>736,840</b>	<b>260,054,479</b>	<b>40.32</b>	<b>518,947,954</b>	<b>1,368,204</b>	<b>520,316,158</b>	<b>40.33</b>	<b>100.1</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>644,245,159</b>	<b>736,840</b>	<b>644,981,999</b>	<b>100.00</b>	<b>1,288,802,994</b>	<b>1,368,204</b>	<b>1,290,171,198</b>	<b>100.00</b>	<b>100.03</b>

**(ii) & (iii) Shareholding of Promoters & Changes in Promoters' shareholding**

Sl. No	Name	Shareholding at the beginning (01.04.2015)/ end of the year(31.03.2016)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
1	Harsh Mariwala with Kishore Mariwala (For Valentine Family Trust)	73,376,000	11.38	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		146,752,000	11.37	31-Mar-16	0		146,752,000	11.37
2	Harsh Mariwala with Kishore Mariwala (For Aquarius Family Trust)	73,376,000	11.38	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		146,752,000	11.37	31-Mar-16	0		146,752,000	11.37
3	Harsh Mariwala with Kishore Mariwala (For Taurus Family Trust)	73,376,000	11.38	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		146,752,000	11.37	31-Mar-16	0		146,752,000	11.37
4	Harsh Mariwala with Kishore Mariwala (For Gemini Family Trust)	73,376,000	11.38	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		146,752,000	11.37	31-Mar-16	0		146,752,000	11.37
5	Arctic Investment & Trading Company Private Limited	8,785,000	1.36	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		17,570,000	1.36	31-Mar-16	0		17,570,000	1.36
6	The Bombay Oil Private Limited	37,000	0.01	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		74,000	0.01	31-Mar-16	0		74,000	0.01
7	Mr. Harsh Mariwala	11,454,600	1.78	01-Apr-15	0	Gift to Ms. Rajvi Mariwala		
		1,500,000	0.23	05-May-15	Decrease		9,954,600	1.54
				08-Jan-16	Increase			
		19,909,200	1.54	31-Mar-16	0		19,909,200	1.54
8	Harshraj C Mariwala (HUF)	6,120,000	0.95	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		12,240,000	0.95	31-Mar-16	0		12,240,000	0.95
9	Mrs. Archana Mariwala	12,300,000	1.91	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		24,600,000	1.91	31-Mar-16	0		24,600,000	1.91
10	Ms. Rajvi Mariwala	13,100,000	2.03	01-Apr-15	0	Gift from Mr. Harsh Mariwala		
		1,500,000	0.23	05-May-15	Increase		14,600,000	1.13
				08-Jan-16	Increase			
		29,200,000	2.26	31-Mar-16	0		29,200,000	2.26
11	Mr. Rishabh Mariwala	13,100,000	2.03	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		26,200,000	2.03	31-Mar-16	0		26,200,000	2.03
12	Mrs. Preeti Gautam Shah	900,000	0.14	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		1,800,000	0.14	31-Mar-16	0		1,800,000	0.14
13	Mrs. Pallavi Jaikishen	916,000	0.14	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		1,832,000	0.14	31-Mar-16	0		1,832,000	0.14

Sl. No	Name	Shareholding at the beginning (01.04.2015)/ end of the year(31.03.2016)		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
14	Mrs. Malika Chirayu Amin	900,000	0.14	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		1,800,000	0.14	31-Mar-16	0		1,800,000	0.14
15	Mr. Kishore Mariwala	1,491,060	0.23	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		2,982,120	0.23	31-Mar-16	0		2,982,120	0.23
16	Mrs. Hema Mariwala	3,916,140	0.61	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		7,832,280	0.61	31-Mar-16	0		7,832,280	0.61
17	Mr. Rajen Mariwala	3,443,200	0.53	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		6,886,400	0.53	31-Mar-16	0		6,886,400	0.53
18	Mrs. Anjali Mariwala	3,709,100	0.58	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		7,418,200	0.57	31-Mar-16	0		7,418,200	0.57
19	Dr. Ravindra Mariwala	7,542,320	1.17	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		15,084,640	1.17	31-Mar-16	0		15,084,640	1.17
20	Mrs. Paula Mariwala	3,709,100	0.58	01-Apr-15	0	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		7,418,200	0.57	31-Mar-16	0		7,418,200	0.57

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs &amp; ADRs)

Sl. No	Name	Shareholding at the beginning (01.04.2015)/ end of the year(31.03.2016)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
1	Arisaig Partners (Asia) Pte Ltd. A/C Arisaig India Fund Limited	33,278,269	5.16	During the financial year	-	-	33,278,269	5.16
					33,278,269	Purchase	66,556,538	5.16
					31,386,588	Sale	35,169,950	2.73
2	National Westminster Bank Plc As Depository Of M And G Global Basics Fund A Sub Fund Of M And G Investment Funds 1*	10,000,000	1.55	During the financial year	-	-	10,000,000	1.55
					10,000,000	Sale	-	-
3	Franklin Templeton Investment Funds*	9,914,406	1.54	During the financial year	-	-	9,914,406	1.54
					9,914,406	Sale	-	-
4	Indivest Pte Ltd*	9,541,299	1.48	During the financial year	-	-	9,541,299	1.48
					9,541,299	Sale	-	-
5	Baring India Private Equity Fund Iii Listed Investments Limited*	7,352,941	1.14	During the financial year	-	-	7,352,941	1.14
					7,352,941	Sale	-	-
6	Life Insurance Corporation Of India	6,889,052	1.07	During the financial year	-	-	6,889,052	1.07
					20,222,070	Purchase	27,111,122	2.10
					4,420,444	sale	22,690,678	1.76
7	Franklin Templeton Mutual Fund A/C Franklin India Bluechip Fund	6,771,741	1.05	During the financial year	-	-	6,771,741	1.05
					4,627,580	Purchase	11,399,321	0.88
					2,643,961	Sale	8,755,360	0.68
8	Kuwait Investment Authority - Fund No. 208	6,682,892	1.04	During the financial year	-	-	6,682,892	1.04
					6,825,192	Purchase	13,508,084	1.05
					3,643,995	Sale	9,864,089	0.76
9	Birla Sun Life Trustee Company Private Limited (A/C Birla Sun Life India Gennext Fund)	5,631,054	0.87	During the financial year	-	-	5,631,054	0.87
					891,000	Purchase	6,522,054	0.51
					6,272,054	Sale	250,000	0.02
10	Arisaig Partners (Asia) Pte Ltd. A/C Arisaig Global Emerging Markets Consumer Fund (Singapore) Pte. Ltd.	5,530,180	0.86	During the financial year	-	-	5,530,180	0.86
					6,781,880	Purchase	12,312,060	0.95
					2,326,000	Sale	9,986,060	0.77
11	National Westminster Bank Plc As Depository Of First State Asia Pacific Leaders Fund A Sub Fund Of First State Investments Icv#	-	-	During the financial year	-	-	-	-
					49,132,001	Purchase	49,132,001	3.81
12	Hasham Investment And Trading Company Private Limited#	-	-	During the financial year	-	-	-	-
					17,643,638	Purchase	17,643,638	1.37
				1,471,243	Sale	16,172,395	1.25	
13	Barclays Merchant Bank Singapore Ltd#	-	-	During the financial year	-	-	-	0.00
					9,849,000	Purchase	9,849,000	0.76
14	Mattews India Fund#	2,995,223	0.46	During the financial year	-	-	2,995,223	0.46
					5,067,105	Purchase	8,062,328	0.62
					160,000	Sale	7,902,328	0.61

\* Ceased to be a top ten shareholder as on March 31, 2016.

\*\* Purchase also includes the effect of Bonus equity shares issued by the Company during the financial year in the ratio of 1:1

# Top ten Shareholder as on March 31, 2016

Note: The above information is based on the weekly beneficiary positions received from Depositories. The date wise increase/decrease in shareholding of the top ten shareholders is available on the website of the Company

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Name	Shareholding at the beginning (01.04.2015)/ end of the year(31.03.2016)		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No.of Shares	% of total shares of the company				No.of Shares	% of total shares of the Company
<b>Directors</b>								
1	Mr. Harsh Mariwala (Non Executive Director & Chairman)	11,454,600	1.78	01-Apr-15	-	-	11,454,600	1.78
				05-May-15	1,500,000	Decrease	9,954,600	1.54
				08-Jan-16	9,954,600	Bonus (1:1)	19,909,200	1.54
		19,909,200	1.54	31-Mar-16				
2	Mr. Rajen Mariwala (Non-Executive Director)	3,443,200	0.53	01-Apr-15	-	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		6,886,400	0.53	31-Mar-16	-		6,886,400	0.53
3	Mr. Anand Kripalu (Independent Director)	-	-	-	-	Nil Holding	-	-
4	Mr. Atul Choksey (Independent Director)	18,168	-	01-Apr-15	-	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		36,336	-	31-Mar-16	-		36,336	0.00
5	Mr. B. S. Nagesh (Independent Director)	-	-	-	-	Nil Holding	-	-
6	Ms. Hema Ravichandar (Independent Director)	-	-	-	-	Nil Holding	-	-
7	Mr. Nikhil Khattau (Independent Director)	-	-	-	-	Nil Holding	-	-
8	Mr. Rajeev Bakshi (Independent Director)	-	-	-	-	Nil Holding	-	-
<b>Key Managerial Personnel</b>								
1	Mr. Saugata Gupta (Managing Director & Chief Executive Officer)	8,700	-	01-Apr-15	-	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		17,400	-	31-Mar-16	-		17,400	0.00
2	Mr. Surender Sharma # (Company Secretary & Compliance Officer)	1	-	01-Apr-15	-	Bonus issue in the ratio of 1:1	-	-
				08-Jan-16	Increase		-	-
				31-Mar-16	-		2	0.00
3	Mr. Vivek Karve (Chief Financial Officer)	69,950	0.01	01-Apr-15	-	Bonus issue in the ratio of 1:1		
				08-Jan-16	Increase			
		139,900	0.01	31-Mar-16	-		139,900	0.01

#Mr. Surender Sharma, Head Legal – International Business has been appointed as the Company Secretary & Compliance Officer w.e.f. April 29, 2016 in place of Ms. Hemangi Ghag who resigned on April 28, 2016.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year (As on 01.04.2015)				
i) Principal Amount	27,113.46	-	-	27,113.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	84.26	-	-	84.26
Total (i+ii+iii)	27,197.72	-	-	27,197.72
Change in Indebtedness during the financial year				
Additions (Principal)	2,583.48			2,583.48
Reduction (Principal)	10,746.28			10,746.28
Adjustment (Exchange Rate difference)	1,519.77			1,519.77
Net Change	-6,643.03	-	-	-6,643.03
Indebtedness at the end of the financial year (As on 31.03.2016)				
i) Principal Amount	20,470.44			20,470.44
ii) Interest due but not paid				-
iii) Interest accrued but not due	67.59			67.59
<b>Total (i+ii+iii)</b>	<b>20,538.02</b>	<b>-</b>	<b>-</b>	<b>20,538.02</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No	Particulars of Remuneration	Name of the Managing Director - Mr. Saugata Gupta (Rs. in Lacs)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	790.91
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	15.40
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
5	Others, Please specify**	-
	Total (A)	806.30
	Ceiling as per the Act*	

\* Remuneration paid to the Managing Director & CEO is within the ceiling provided under Section 197 of the Companies Act, 2013.

\*\*Company's contribution to Provident Fund amounting to Rs. 15,58,344 has not been included in the remuneration stated above.

B. Remuneration to other Directors:

(Amount Rs. in Lacs)

Sl.No	Particulars of Remuneration	Name of other Directors					
<b>1</b>	<b>Independent Directors</b>	<b>Mr. Atul Choksey</b>	<b>Mr. Anand Kripalu</b>	<b>Ms. Hema Ravichandar</b>	<b>Mr. Rajeev Bakshi</b>	<b>Mr. Nikhil Khattau</b>	<b>Mr. B. S. Nagesh</b>
	(a) Fee for attending Board / Committee Meetings	1.80	1.80	4.00	2.60	3.00	3.60
	(b) Commission	16.00	16.00	17.00	16.00	17.00	16.00
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	114.80					
<b>2</b>	<b>Other Non Executive Directors</b>	<b>Mr. Harsh Mariwala</b>	<b>Mr. Rajen Mariwala</b>				
	(a) Fee for attending Board / Committee Meetings	2.00	3.80				
	(b) Commission	551.00	16.00				
	(c) Others, please specify*	-	-				
	Total (2)	572.80					
	Total B = (1+2)	687.60					
	Managerial Remuneration (Total A+B)	1,493.90					
	Overall Ceiling as per the Act	Rs. 10455.48 lacs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Vivek Karve - Chief Financial Officer	Ms. Hemangi Ghag - Company Secretary & Compliance Officer
		(Rs. in Lacs)	(Rs. in Lacs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	196.09	35.01
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.32	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option*	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
5	Others, Please specify	-	-
	<b>Total</b>	<b>196.41</b>	<b>35.01</b>

\* Perquisite value of the equity stock options exercise during the year.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

There were no penalties/punishment/compounding of offences for violation of the provisions of the Companies Act, 2013 against the Company or its Directors or other officers in default during the year.