

# Corporate Governance Report

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

- I. Philosophy on Code of Corporate Governance
- II. Board of Directors
- III. Audit Committee
- IV. Corporate Governance Committee (acting as Nomination & Remuneration Committee)
- V. Stakeholders' Relationship Committee
- VI. Corporate Social Responsibility Committee
- VII. Risk Management Committee
- VIII. Other Committees
- IX. Remuneration of Directors
- X. General Body Meetings
- XI. Means of Communication
- XII. General Shareholder Information
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## I. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

### Basic Philosophy

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine the Management's ability to make sound decisions vis-à-vis all its stakeholders – in particular, its shareholders, creditors, the State and employees. There is a global consensus on the objective of Good Corporate Governance: Maximising long-term shareholder value.

Since shareholders are residual claimants, this objective follows from a premise that in well-performing capital and financial markets, whatever maximises shareholder value must necessarily maximise corporate value and best satisfy the claims of the creditors, the employees and the State.

A company which is proactively compliant with the law and which adds value to itself through the Corporate Governance initiatives would also command a higher value in the eyes of present and prospective shareholders.

Marico therefore believes that Corporate Governance is not an end in itself but is a catalyst in the process

towards maximization of shareholder value. Therefore, shareholder value, as an objective, is woven into all aspects of Corporate Governance – the underlying philosophy, the development of roles and the creation of structures and continuous compliance with standard practices.

Corporate Governance, as a concept, has gained considerable importance of late, primarily because of the proposal to enshrine many of the accepted good governance principles into corporate law. The Companies Act, 2013 ('the Act') and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations') have strengthened the framework of Corporate Governance for India Inc. For Marico, however, Corporate Governance has always been a cornerstone of the entire management process, the emphasis being on professional management, with a decision making model based on decentralization, empowerment and meritocracy. Marico's Board believes that a robust framework and flawless implementation of highest standards of Corporate Governance provides a sustainable competitive advantage to a firm. Together, the Management and the Board ensure that Marico remains a Company of uncompromised integrity and excellence. The Board of the Company has adopted a vision to be the '*best in class organization*' surpassing the expectations of all stakeholders.

### Risk assessment and risk mitigation framework

Marico believes that:

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

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

- ✦ Business Risks
- ✦ Controls Risks
- ✦ Governance Risks

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

Your Company has constituted a Risk Management Committee on November 7, 2014 pursuant to the provisions of the erstwhile clause 49 of the Listing Agreement (now regulated by the SEBI Regulations) which shall assist the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company. The terms of reference of the Committee are captured in the latter part of this report.

At defined periodicity, your Board also reviews progress on the plans for mitigation of the top risks that your Company is exposed to.

Your Company has an internal audit system commensurate with the size of the Company and the nature of its business. The Audit Committee of the Board has the authority and responsibility to select, evaluate and where appropriate, replace the Independent Internal Auditor in accordance with the law. All possible measures are taken by the Committee to ensure the objectivity and independence of the Independent Internal Auditor. The Committee, independent of the Executive Director and Promoter Directors of the Company, holds periodic one to one discussions with the Internal Auditors to review the scope and findings of the audit and to ensure adequacy of the internal audit system in the Company. The Audit Committee reviews the internal audit plan for every year and approves the same in consultation with the Top Management and the Internal Auditor.

We believe that this framework ensures a unified and comprehensive perspective.

### **Cornerstones**

Marico thus follows Corporate Governance practices around the following philosophical cornerstones:

#### **Generative transparency and openness in information sharing**

Marico believes that sharing and explaining all the relevant information on the Company's policies and actions to all those to whom it has responsibilities, with transparency and openness, generates an ambience

which helps all the stakeholders to take informed decisions about the Company. This reflects externally in making maximum appropriate disclosures without jeopardising the Company's strategic interests as also internally in the Company's relationship with its employees and in the conduct of its business.

The Company has adapted to the new provisions of the SEBI Regulations that were made effective on December 1, 2015 and has framed and adopted robust and comprehensive policies as required by the SEBI Regulations so as to ensure maximum compliance. The Company announces its financial results each quarter, usually within a month of the end of the quarter. Apart from disclosing these in a timely manner to the Stock Exchanges, the Company also hosts the results on its website together with a detailed information update and media release discussing the results. The financial results are published in leading newspapers. The Company also sends an email update to the Members who have registered their email addresses with the Company. Generally, once the quarterly results are announced, the Company conducts a call with analyst community explaining to them the results and responding to their queries. The transcripts of such calls are posted on the Company's website. Marico participates in analyst and investor conference calls, one-on-one meetings and investor conferences where analysts and fund managers get frequent access to the Company's Senior Management. A detailed investor presentation is uploaded on the website and is reviewed periodically which gives details about the history, current and future potential of the business. Through these meetings, presentations and information updates the Company shares its broad strategy and business outlook. The Company also discloses in advance, the details of the conference calls, Investor meetings and roadshows being conducted within the quarters in and outside the Country to the Stock Exchanges and updates its website with the same simultaneously.

The Board has, during the period under review, adopted a comprehensive Policy for Determination of Materiality of Event or Information in accordance with Regulation 30 of the SEBI Regulations and the Company makes prompt disclosures to the Stock Exchanges where the shares of the Company are listed regarding material events/information so as to keep the Stakeholders apprised and enable them to make informed decisions.

Your Company has also taken the information sharing with the Directors to another level by going 'Digital'. The dissemination of information to your Company's Board has largely been paper driven as the background material for the Board & Committee meetings and other related information for their continuous appraisal was shared in print form. In order to facilitate seamless and secured flow of information between the Management and the Board, the Company availed services of an iOS based platform called MeetX. The platform has not only contributed to the Company's go-green approach and environmental sustainability but also aided effective Board collaboration.

### **Constructive separation of Ownership and Management**

Marico's philosophy to have constructive separation of the Management of the Company from its Owners manifests itself in the composition of the Board of Directors which comprises 6 Independent Directors, 2 Non-Executive Promoter Directors and 1 professional being the Managing Director and Chief Executive Officer. The Independent Directors ensure protection of interests of all shareholders of the Company. The Board also has a Woman Director in line with the provisions of the Act and Rules made thereunder. The Board does not consist of representatives of creditors or banks. This has thus continued to result in maximization of the effectiveness of both, Ownership and Management by sharpening their respective accountability.

The participation of the Senior Management Personnel is ensured at Board and/or Committee meetings so that the Board/Committees can seek and get explanations as required from them.

All Directors, Promoters and employees are required to comply with Marico Insider Trading Rules, 2015 of the Company, which form part of Marico's Unified Code of Conduct, for trading in the securities of the Company.

The Company's Internal, Statutory, Cost and Secretarial Auditors are not related to any of your Company's Directors.

### **Accountability**

The Board plays a supervisory role rather than an executive role. Members of the Board provide constructive critique on the strategic business plans and operations of the Company. Mr. Saugata Gupta, Managing

Director and Chief Executive Officer, continues to head the Company's business and is responsible for its day to day management and operations and reports to the Board.

The Audit Committee and the Board of Directors meet at least once in every quarter to consider inter-alia, the business performance and other matters of importance. The Audit Committee also meets once in a quarter, in addition to the above to have detailed deliberations on matters relating to Risks, Internal Financial Controls, Internal Audit, Systems & Processes relating to Information Technology, Governance, Related Party Transactions of the Company etc.

### **Discipline**

Marico's Senior Management is always sensitive to the need for good Corporate Governance practices. Your Company places significant emphasis on good Corporate Governance practices and endeavours to ensure that the same is followed at all levels across the organisation.

Your Company continues to focus on its core business of beauty and wellness in the categories of Hair and Skin Nourishment and male grooming. In its international business too, it is focussed on growing in the emerging economies of Asian and African continents. This would result in the Company building depth in its selected segments and geographies rather than spreading itself thin.

Your Company has always adopted a conservative policy with respect to debt and foreign exchange exposure management. All actions having financial implications are well thought through. The Company raises funds which are used for expansion of business either organically or inorganically. The Company has also stayed away from entering into exotic derivative products.

The Company has a dividend philosophy, formulated considering organic and inorganic growth of the Company's business and has been declaring cash dividend on a regular basis thereby providing a regular return on investment to shareholders. The Company has improved the dividend pay-out ratio over the last 5 years consistently and would endeavour to maintain a satisfactory pay-out ratio in future.

### **Responsibility**

The Company has put in place various mechanisms and policies to ensure orderly and smooth functioning

of operations and also defined measures in case of transgressions by members.

The Company has integrated its internal regulations relating to these mechanisms, into a Unified Code of Conduct. In order to ensure that such Code of Conduct reflects the changing environment, both social and regulatory, given the increasing size and complexity of the business and the human resources deployed in them, the Corporate Governance Committee reviews the Unified Code of Conduct periodically.

The Company's Unified Code of Conduct is applicable to all members viz: the employees (whether permanent or not), Members of the Board and Associates (in some cases). The Unified Code of Conduct prescribes the guiding principles of conduct of the members to promote ethical conduct in accordance with the stated values of Marico and also to meet statutory requirements. The Whistle Blower Policy is embedded in the Unified Code of Conduct.

The CEO declaration in accordance with Para D of Schedule V to the SEBI Regulations, to certify the above has been given hereinafter in the MD & CEO Certificate.

### **Fairness**

All actions taken are arrived at after considering the impact on the interests of all shareholders including minority shareholders. All shareholders have equal rights and can convene general meetings if they feel the need to do so. Investor Relations is given due priority. There exists a separate department for handling this function. Full disclosures are made in the general meeting for all matters. Notice of the general meetings is comprehensive and the presentations made at the meetings are informative. Also, the Board is remunerated commensurately with the growth in the Company's profits.

Your Company is an equal opportunity employer and promotes diversity in its workforce, in terms of skills, ethnicity, nationalities and gender.

### **Social Awareness**

The Company has an explicit policy emphasising ethical behaviour. It follows a strict policy of not employing any minor. The Company believes in gender equality and does not practise any type of discrimination. All policies are free of bias and discrimination. Environmental

responsibility is given high importance and measures have been taken at all locations to ensure that members are educated and equipped to discharge their responsibilities in ensuring the proper maintenance of the environment.

### **Awards and Recognitions**

Your Company has always strived for excellence in the field of Corporate Governance. The continuous efforts of the Company have reaped fruits during the year under review as the Company has been awarded 'Best Domestic Company on Corporate Governance in India as per Asiamoney's Corporate Governance Poll 2015'. The Company has also been recognized by the Institute of Company Secretaries of India as 'one of the top five Companies' in India for exemplary Corporate Governance practices. Mr. Saugata Gupta, Managing Director & CEO of the Company was recognized as one of the best CEOs of India in the large category by *BusinessWorld*. Mr. Vivek Karve, the Chief Financial Officer, was also recognized as one of the best CFOs of India in the category of liquidity management by the *Yes Bank - BusinessWorld Best CFO Awards 2015-16*. Besides the aforementioned awards on Corporate Governance, the Company has bagged awards for excellence in other areas such as Information Technology, Marketing, Sales etc. and the detailed list thereof is given at the end of the Annual Report.

### **Value-adding Checks & Balances**

Marico relies on a robust structure with value adding checks and balances designed to:

- ✦ prevent misuse of authority;
- ✦ facilitate timely response to change and;
- ✦ ensure effective management of risks, especially those relating to statutory compliance.

At the same time, the structure provides scope for adequate executive freedom, so that bureaucracies do not take value away from the Governance Objective.

### **Board / Committee Proceedings**

The process of the conduct of the Board and Committee proceedings is explained in detail later in this Report.

### **Other Significant Practices**

Other significant Corporate Governance Practices followed by Marico are listed below:

## Checks & Balances

- ✦ All Directors are provided with complete information relating to the operations and Company finances to enable them to participate effectively in the Board discussions. The Directors are also appraised on a regular basis by uploading information in the Directors' Corner in the 'MeetX' application, which they can view in their personalized devices provided by the Company.
- ✦ Proceedings of Board are logically segregated and matters are delegated to Committees as under:
  - Administrative Committee supervises routine transactional matters.
  - Investment and Borrowing Committee supervises management of funds.
  - Audit Committee covers approval to related party transactions, review of internal controls and audit systems, oversight on risk management systems, financial reporting, compliance issues and vigil mechanism, appointment and remuneration to various auditors of the Company and their scope, Shareholders' grievances etc.
  - Corporate Governance Committee supervises remuneration of Directors, Key Managerial Personnel and their relatives and Senior Management Personnel. Corporate Governance Committee also acts as the Compensation Committee for the purpose of administration and superintendence of the Marico Employees Stock Option Scheme 2014, the Marico MD CEO ESOP Plan 2014 and the Marico Stock Appreciation Rights Plan 2011. The Committee is also entrusted with the responsibility of evaluating the performance of each Director of the Board and ensuring Board effectiveness.
  - Vigil Mechanism and Code of Conduct cases are discussed and reviewed in detail by the Audit Committee jointly with the Corporate Governance Committee. The Audit Committee reviews the effectiveness of this process to ensure that there is an environment that is conducive to escalate issues, if any, in the system.
  - Share Transfer Committee supervises transfer formalities and other share-related procedures.
- Stakeholders' Relationship Committee supervises redressal of stakeholders' grievances.
- Securities Issue Committee supervises the issue and allotment of securities and allied matters.
- Corporate Social Responsibility Committee reviews and monitors the CSR initiatives taken by the Company.
- Risk Management Committee assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company.
- ✦ Each Non-Executive Director brings value through his or her specialisation.
- ✦ Other Directorships held by Directors are within the ceiling limits specified.
- ✦ Committee Memberships and Chairmanship of Directors are also within the permissible limits.
- ✦ Statutory compliance report along with the Compliance Certificate is placed before the Audit Committee and Board at every quarterly meeting.
- ✦ All Directors endeavour to attend all the Board/Committee meetings as also the General Meetings of the Company. The Chairpersons of the Audit Committee and the Corporate Governance Committee attend the Annual General Meeting to address shareholders' queries, if any.
- ✦ The Chief Financial Officer, the Chief Human Resources Officer and the Company Secretary & Compliance Officer in consultation with the Chairman of the Board/Committee and the Managing Director & CEO, formalise the agenda for each of the Board /Committee Meetings.
- ✦ The Board/Committees, at their discretion, invite Senior Management Personnel of the Company and/or external Advisors to any of the meetings of the Board/Committee.
- ✦ The Company ensures compliance with Secretarial Standards issued by the Institute of Company Secretaries of India in respect of the meetings of the Board/Committee and Shareholders.
- ✦ The Company has complied with the provisions of the SEBI Regulations including the circulars issued thereunder from time to time.

## II. BOARD OF DIRECTORS

### A. Composition and categories of Directors :-

Sr. No.	Name	Category
1.	Mr. Harsh Mariwala	Non-Executive Director & Chairman (Promoter)
2.	Mr. Saugata Gupta	Managing Director & CEO
3.	Mr. Anand Kripalu	Independent Director
4.	Mr. Atul Choksey	Independent Director
5.	Mr. B. S. Nagesh	Independent Director
6.	Ms. Hema Ravichandar	Independent Director
7.	Mr. Nikhil Khattau	Independent Director
8.	Mr. Rajeev Bakshi	Independent Director
9.	Mr. Rajen Mariwala	Non-Executive Director (Promoter)

No Director is related to any other Director on the Board in terms of the definition of 'Relative' given under the Companies Act, 2013 read with the Rules made thereunder.

### B. Attendance of each Director at the Board meetings and the last Annual General Meeting:

8 (Eight) meetings of the Board of Directors were held during the period from April 1, 2015 to March 31, 2016 viz: on April 30, 2015, June 22, 2015, August 5, 2015, November 4, 2015, January 7, 2016, January 30, 2016, March 10, 2016 and March 30, 2016. The attendance record of all Directors is as under: -

Name of the Directors	No. of Board Meetings		Attendance at Last AGM held on August 5, 2015
	Held	Attended	
Mr. Harsh Mariwala (Chairman & Non – Executive Director)	8	8	Yes
Mr. Saugata Gupta (Managing Director & CEO)	8	7	Yes
Mr. Anand Kripalu (Independent Director)	8	4	No
Mr. Atul Choksey (Independent Director)	8	6	No
Mr. B. S. Nagesh (Independent Director)	8	6	Yes
Ms. Hema Ravichandar (Independent Director)	8	6	Yes

Name of the Directors	No. of Board Meetings		Attendance at Last AGM held on August 5, 2015
	Held	Attended	
Mr. Nikhil Khattau (Independent Director)	8	5	Yes
Mr. Rajeev Bakshi (Independent Director)	8	7	Yes
Mr. Rajen Mariwala (Non-Executive Director)	8	8	Yes

### C. Number of Board or Board Committees of which a Director is a member or chairperson (#)

Name of the Directors	Number of Outside Directorships (\$) held	Number of Committee Memberships (*) in other Companies(*)	Number of Committees (*) in which in other Chairperson
Mr. Harsh Mariwala (Promoter & Non – Executive Director)	6	1	Nil
Mr. Saugata Gupta (Managing Director & CEO)	3	1	Nil
Mr. Anand Kripalu (Independent Director)	1	Nil	Nil
Mr. Atul Choksey (Independent Director)	9	1	1
Mr. B. S. Nagesh (Independent Director)	6	3	Nil
Ms. Hema Ravichandar (Independent Director)	2	1	Nil
Mr. Nikhil Khattau (Independent Director)	2	4	3
Mr. Rajeev Bakshi (Independent Director)	1	1	Nil
Mr. Rajen Mariwala (Non – Executive Director)	3	0	Nil

(#) As on March 31, 2016.

(\$) Excludes directorship in private limited companies, foreign companies and Section 8 companies.

(\*) Only two committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the SEBI Regulations.

### III. AUDIT COMMITTEE

#### Constitution:

The Audit Committee was constituted by the Board of Directors at its meeting held on January 23, 2001, in accordance with Section 292A of the erstwhile Companies Act, 1956. The Audit Committee was last re-constituted by the Board of Directors on April 30, 2014.

The Audit Committee now comprises the following Members:

Name of the Members	Designation
Mr. Nikhil Khattau	Chairman (Independent Director)
Mr. B. S. Nagesh	Member (Independent Director)
Ms. Hema Ravichandar	Member (Independent Director)
Mr. Rajen Mariwala	Member (Non-Executive Director)
Mr. Surender Sharma*	Secretary to the Committee (Head Legal – International Business & Company Secretary)
Mr. Harsh Mariwala	Permanent Invitee (Chairman & Non – Executive Director)
Mr. Saugata Gupta	Permanent Invitee (Managing Director & CEO)

\* Ms. Hemangi Ghag until April 28, 2016.

In accordance with Regulation 18(3) and Part C of Schedule II to the SEBI Regulations and Section 177 of the Act, the terms of reference of the Audit Committee, inter-alia, include:

1. Oversight of the Company's financial reporting processes and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of section 134(3)(c) of the Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by Management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions, if any;
  - g. Modified opinion(s) in the draft audit report;
5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
8. Evaluation of internal financial controls and risk management systems.
9. Reviewing with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.
10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
11. Discussion with the internal auditors on any significant findings and follow up thereon.
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there

is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

13. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
14. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
15. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
16. Approval of all transactions with related parties and any subsequent modification of such transactions.
17. Scrutiny of inter-corporate loans and investments.
18. Valuation of undertakings or assets of the Company, wherever it is necessary.
19. Reviewing mandatorily the following information:
  - a. Management discussion and analysis of financial condition and results of operations.
  - b. Statement of significant related party transactions, submitted by Management.
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors.
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the internal auditor.
20. Vigil Mechanism:
  - a. To ensure establishment of vigil mechanism for its Directors and employees to report genuine concerns.
  - b. To provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.
  - c. To ensure that the existence of vigil mechanism is appropriately communicated within the Company and also made available on Company's website.
  - d. To oversee the functioning of vigil mechanism and decide on the matters reported thereunder.
  - e. To ensure that the interests of a person who uses such a mechanism are not prejudicially affected on account of such use.

The Committee met 8 (Eight) times during the period from April 1, 2015 to March 31, 2016 viz. on April 13, 2015, April 30, 2015, July 10, 2015, August 5, 2015, October 7, 2015, November 4, 2015, January 7, 2016 and January 30, 2016. The attendance record of Members at the meetings of the Committee is as under:

Names of the Members	No. of Audit Committee Meetings	
	Held	Attended
Mr. Nikhil Khattau (Independent Director)	8	8
Mr. B. S. Nagesh (Independent Director)	8	7
Ms. Hema Ravichandar (Independent Director)	8	8
Mr. Rajen Mariwala (Non – Executive Director)	8	8

#### IV. CORPORATE GOVERNANCE COMMITTEE (NOMINATION & REMUNERATION COMMITTEE)

##### Constitution:

The Board of Directors at its meeting held on October 25, 2005, renamed the Remuneration Committee as the Corporate Governance Committee. In terms of the applicable provisions of the Act and provisions of the erstwhile Listing Agreement, the Board of Directors revised the terms of reference of the Corporate Governance Committee on November 7, 2014. The Committee acts as the Nomination and Remuneration Committee of the Board.

The Corporate Governance Committee was last re-constituted by the Board of Directors on April 30, 2014 and now comprises the following Members:



Name of the Members	Designation
Ms. Hema Ravichandar	Chairperson (Independent Director)
Mr. Anand Kripalu	Member (Independent Director)
Mr. B. S. Nagesh	Member (Independent Director)
Mr. Rajeev Bakshi	Member (Independent Director)
Mr. Ashutosh Telang	Secretary to the Committee (Chief Human Resources' Officer)
Mr. Harsh Mariwala	Permanent Invitee (Chairman & Non – Executive Director)
Mr. Saugata Gupta	Permanent Invitee (Managing Director & CEO)

The terms of reference of the Committee, inter-alia, includes the following:

- To formulate criteria for qualifications, positive attributes and independence of Directors, Key Managerial Personnel & Senior Management (i.e. top Management team one level below the Executive Director including Functional Heads i.e. presently the Executive Committee Members);
- To identify the candidates who are qualified to be appointed as Director, Key Managerial Personnel and Senior Management and recommend to the Board their appointment and removal;
- To decide whether to continue or extend the term of appointment of Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- To recommend to the Board a policy relating to the remuneration of the Director, Key Managerial Personnel and Senior Management;
- To approve the remuneration (including revisions thereto) of the Director, Key Managerial Personnel and Senior Management;
- To formulate criteria for evaluation of Directors, Board and its Committees and Chairpersons;
- To devise a policy on Board Diversity;
- To devise a succession plan for the Board, Key Managerial Personnel & Senior Management;
- To carry out the evaluation of every Director's performance;
- To participate in the review of vigilance mechanism conducted by the Audit Committee of the Board;

- To design for Board Retreat and Board Effectiveness;
- To administer Long Term Incentive Schemes such as Employee Stock Option Plan(s) (including Schemes notified thereunder) and Stock Appreciation Rights Plan(s) (including Schemes notified thereunder) and such other employee benefit schemes/ plans as the Board may approve from time to time.

The Corporate Governance Committee met 5 (Five) times during the period from April 1, 2015 to March 31, 2016 viz: on April 30, 2015, August 5, 2015, November 4, 2015, January 29, 2016 and March 30, 2016. The attendance record of the Members at the meetings of the Committee is as under:

Name of the Members	No. of Corporate Governance Committee Meetings	
	Held	Attended
Ms. Hema Ravichandar (Independent Director)	5	5
Mr. Anand Kripalu (Independent Director)	5	4
Mr. B. S. Nagesh (Independent Director)	5	4
Mr. Rajeev Bakshi (Independent Director)	5	5

#### Details of Remuneration of Non-Executive Directors for the Financial Year ended March 31, 2016

The Remuneration of Non-Executive Directors (excluding Non-Executive Chairman) for the Financial Year 2015-16 is as under:

Name	Remuneration*	Sitting Fees
	(₹ per annum)	(₹)
Mr. Anand Kripalu (Independent Director)	16,00,000	1,80,000
Mr. Atul Choksey (Independent Director)	16,00,000	1,80,000
Mr. B. S. Nagesh (Independent Director)	16,00,000	3,60,000
Ms. Hema Ravichandar (Independent Director)	17,00,000	4,00,000
Mr. Nikhil Khattau (Independent Director)	17,00,000	3,00,000

Name	Remuneration*	Sitting Fees
	(₹ per annum)	(₹)
Mr. Rajeev Bakshi (Independent Director)	16,00,000	2,60,000
Mr. Rajen Mariwala (Non – Executive Director)	16,00,000	3,80,000

\* The amount taken is on payable basis.

The remuneration of Mr. Harsh Mariwala, Non-Executive Director & Chairman, for the financial year 2015 -16 is as under:

Remuneration for FY 2015-16		As Chairman of CSR Committee* (₹ per annum)	Total Remuneration (₹ per annum)	Sitting Fees (₹)
Fixed\$ (₹ per annum)	Variable* (₹ per annum)			
3,30,00,000	2,20,00,000	1,00,000	5,51,00,000	2,00,000

\$ Paid on a monthly basis

\* The amount taken is on payable basis.

The remuneration\* paid to Mr. Saugata Gupta, Managing Director and CEO, for the financial year 2015-16 is as under:

Salary & Annual Performance Perquisite	Contribution to Provident Incentive*	& Pension Funds
(₹)	(₹)	(₹)
68,625,976	12,004,501	1,558,344

\* The amount taken is on payable basis.

#### Shareholding of Non-Executive Directors:

Name of the Non-Executive Directors	No. of Shares held (As on March 31, 2016)
Mr. Harsh Mariwala	1,99,09,200
Mr. Anand Kripalu	0
Mr. Atul Choksey	36,336
Mr. B.S. Nagesh	0
Ms. Hema Ravichandar	0
Mr. Nikhil Khattau	0
Mr. Rajeev Bakshi	0
Mr. Rajen Mariwala	68,86,400
Total	2,68,31,936

#### POLICY ON NOMINATION, REMOVAL, REMUNERATION AND BOARD DIVERSITY

Pursuant to the requirements of Section 178 of the Act and corresponding provisions contained in Regulation 17 of the SEBI Regulations, the Corporate Governance Committee at its meeting held on February 21, 2015, approved the policy on Nomination, Removal, Remuneration and Board Diversity ('NR Policy'). The NR Policy covers the following aspects:

- ✦ Appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management;
- ✦ Remuneration payable to the Directors, Key Managerial Personnel and employees in Senior Management;
- ✦ Board Diversity;
- ✦ Succession plan for Directors, Key Managerial Personnel and employees in Senior Management and;
- ✦ Evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

The Corporate Governance Committee shall review the NR Policy once in every two years (unless required earlier) for making suitable amendments for better implementation of the Policy.

#### Remuneration Philosophy:

##### Remuneration to Executive Director

The Company's Board presently consists of only one Executive Director viz: Mr. Saugata Gupta, Managing Director & Chief Executive Officer (MD & CEO). The Corporate Governance Committee comprising of Non-Executive Independent Directors recommends to the Board the remuneration payable to the MD & CEO within the overall limit approved by the Members of the Company.

The remuneration to the MD & CEO comprises two broad terms – Fixed Remuneration and Variable Remuneration in the form of performance incentive. The performance incentive is based on the NR Policy of the Company. Additionally, the MD & CEO is entitled to employee stock

options granted under Employee Stock Option Scheme(s) and stock appreciation rights granted under Stock Appreciation Rights Plan of the Company ('STAR Plan') & Schemes notified thereunder. The MD & CEO is not paid sitting fees for any of the meetings attended by him

Annual revisions in the remuneration are within the limits approved by the Members and are based on the recommendations by the Corporate Governance Committee.

### Remuneration to Non-Executive Directors

The Non-Executive Directors add substantial value to the Company through their contribution to the Management of the Company and thereby they safeguard the interests of the investors at large by playing an appropriate control role. Non-Executive Directors bring in their vast experience and expertise to bear on the deliberations of the Marico Board and its Committees. Although the Non-Executive Directors would contribute to Marico in several ways, including off-line deliberations with the Managing Director, the bulk of their measurable inputs comes in the form of their contribution at Board/Committee meetings.

Marico therefore has a structure for remuneration to Non-Executive Directors, based on certain financial parameters like the performance of the Company, its market capitalization, etc., industry benchmarks, role of the Director and such other relevant factors. Non-Executive Directors shall not be entitled to any stock option or stock appreciation rights of the Company.

The Members of the Company at their last Annual General Meeting held on August 5, 2015 granted an approval for payment of remuneration to Non-Executive Directors for a period of five years up to a limit not exceeding 3% of the net profits of the Company calculated in accordance with the provisions of the Act, with a liberty to the Board of Directors to decide the mode, the quantum, the recipients and the frequency of payment of such remuneration within the said limit.

The Board of Directors had fixed the following remuneration payable to the Non-Executive Directors of the Company (except for the Non-Executive Chairman) based on the recommendation of the Corporate Governance Committee on November 7, 2014:

Particulars	Remuneration*
1. Fixed Remuneration	₹ 16,00,000 per annum per Director for the whole year's directorship
2. Additional Remuneration to Chairpersons of Audit Committee, Corporate Governance Committee and Corporate Social Responsibility Committee	₹ 1,00,000 per annum to Chairperson of each Committee stated herein
3. Sitting Fees:	
a) For Board Meetings	₹ 20,000 per meeting attended (either physically or through video conferencing)
b) For meetings of following Committees of the Board: -Audit Committee -Corporate Governance Committee -Shareholders Committee - Corporate Social Responsibility Committee - Separate Meeting of Independent Directors**	₹ 20,000 per meeting attended (either physically or through video conferencing)

\* Applicable for financial years 2014-15 and 2015-16.

\*\* Approved on April 30, 2015.

### Remuneration to Chairman & Non - Executive Director:

Mr. Harsh Mariwala had stepped down as the Managing Director on March 25, 2014 and made way for Mr. Saugata Gupta who had succeeded him in the previous financial year, i.e. 2014-15. Mr. Mariwala however, has continued to be the Non-Executive Chairman of the Company since then. The Chairman of the Board continues to foster and promote the integrity of the Board while nurturing an environment so as to ensure harmony amongst the Directors for the long term benefit of all its stakeholders. The Chairman is entrusted with the responsibility of ensuring effective governance in the Company and continues to play an important role in guiding the Managing Director & CEO and the Top Management team for strategic business planning, leadership development,

corporate social responsibility, image building, Board effectiveness and sustainable profitable growth of the Company. The Chairman presides over the meetings of the Board and of the shareholders of the Company. The Chairman is also a Member of various Committees such as Investment and Borrowing Committee, Securities Issue Committee, Share Transfer Committee and chairs the Risk Management Committee. The Chairman of the Board is entitled to a remuneration which is commensurate with his engagement beyond the Board meetings and based on industry benchmarks.

The remuneration payable to all Non-Executive Directors including the Chairman does not exceed the overall limit of 3% of the net profits of the Company calculated in accordance with the provisions of the Act, as approved by the Members.

### PERFORMANCE EVALUATION

Your Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. Towards this end, the Corporate Governance Committee in the NR Policy had laid down criteria and processes for performance evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Member's strengths and contribution, execution and performance of specific duties, obligations and governance.

The annual performance evaluation was organised by the Chairperson of the Corporate Governance Committee along with the Chairman of the Company in the following manner based on the feedback received from all the Directors:

- ✦ A meeting of the Corporate Governance Committee was first held to conduct evaluation of all Directors.
- ✦ Such meeting was followed by a meeting of the Independent Directors wherein performance of Non Independent Directors, Chairman of the Board and of the entire Board was evaluated.
- ✦ The entire Board met to discuss the findings of the evaluation with the Independent Directors.

The Board then evaluated the performance of the Chairman of the Board, the Board as a whole and its individual Committees.

- ✦ On completion of the above process, feedback was shared with each Director at the Board Meeting held subsequently on April 29, 2016.
- ✦ The Directors were satisfied with the evaluation process and have expressed their satisfaction with the evaluation process.

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 the progress on these priorities during the annual Board Retreats held once a year.

### DIRECTOR FAMILIARISATION PROGRAM

The Company had designed a Director Familiarisation Program which is imparted at the time of appointment of the Director on Board as well as annually. The Program aims to provide insights into the Company to enable the Directors to understand its business in depth, to acclimatise them with the processes, business and functionalities of the Company and to assist them in performing their role as Directors of the Company. Apart from review of matters as required by the Charter, the Board also discusses various business strategies periodically. This deepens the Directors' understanding and appreciation of Company's business and thrust areas. On the new trends and regulations, the Management also organises presentations by experts.

The Policy of conducting the Familiarisation Program has been disclosed on the website of the Company at <http://marico.com/india/investors/documentation/corporate-governance>.

## V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

### Constitution:

The Shareholders' Committee was constituted by the Board of Directors at its meeting held on October 23, 2001. The Shareholders' Committee was reconstituted as Stakeholders' Relationship Committee on April 30, 2014 to meet the requirements of the Act.

The Stakeholders' Relationship Committee comprises following Members:

Name of the Members	Designation
Mr. Nikhil Khattau	Chairman (Independent Director)
Mr. Rajen Mariwala	Member (Non – Executive Director)
Mr. Surender Sharma*	Secretary to the Committee (Head Legal – International Business and Company Secretary )

\*Ms. Hemangi Ghag until April 28, 2016

The terms of reference of the Stakeholders' Relationship Committee are to specifically look into the redressal of stakeholders' complaints relating to transfer of shares, non-receipt of annual report, non-receipt of dividends declared, etc.

The Stakeholders' Committee met once during the period from April 1, 2015 to March 31, 2016 viz: on March 30, 2016. The attendance record of the Members at the meeting of the Committee is as under:

Name of the Members	No. of Stakeholders' Committee Meeting(s)	
	Held	Attended
Mr. Nikhil Khattau (Independent Director)	1	1
Mr. Rajen Mariwala (Non – Executive Director)	1	1

### Name and Designation of Compliance Officer:

Mr. Surender Sharma has been appointed as the Company Secretary and Compliance Officer w.e.f April 29, 2016. Ms. Hemangi Ghag was the Company Secretary & Compliance Officer until April 28, 2016.

## Status Report of Investor Complaints for the year ended March 31, 2016

No. of Complaints Received	-	101
No. of Complaints Resolved	-	101
No. of Complaints Pending	-	0

All valid requests for share transfer received during the year have been acted upon and no such transfer is pending.

## VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Act, the Board of Directors of the Company constituted a Corporate Social Responsibility Committee on January 31, 2014. The Committee was last reconstituted on April 29, 2016. Pursuant to the said reconstitution, Mr. Atul Choksey was appointed as the Chairman in place of Mr. Harsh Mariwala, who would continue as the Member upon cessation of Chairmanship. Further, Mr. Saugata Gupta and Mr. Rajeev Bakshi were inducted as Members of the Committee. Accordingly, the Committee comprises following Members:

Name of the Members	Designation
Mr. Atul Choksey	Chairman (Independent Director)
Mr. Harsh Mariwala	Member (Chairman & Non – Executive Director)
Mr. Saugata Gupta	Member (Managing Director & CEO)
Mr. Rajeev Bakshi	Member (Independent Director)
Mr. Rajen Mariwala	Member (Independent Director)
Ms. Priya Kapadia	Secretary to the Committee (Head - Marico Innovation Foundation)

The terms of reference of the Committee, inter-alia, include:

- ✦ To formulate and approve revisions to the CSR Policy and recommend the same to the Board for its approval.
- ✦ To recommend the annual CSR expenditure budget to the Board for approval.
- ✦ To approve unbudgeted CSR expenditure involving an annual outlay of Rs. 1 Crore and get such spends ratified by the Board of Directors.
- ✦ To nominate Members of the CSR Team and advise the team for effective implementation of the CSR programs.

- ✦ To establish monitoring mechanisms to track each CSR project and review the same on a half yearly basis or at such intervals as the Committee may deem fit.
- ✦ To undertake wherever appropriate benchmarking exercises with other corporates to reassure itself of the effectiveness of the Company's CSR spends.
  - a. CSR Spent – Tracking the Actual spends against the Budgeted spends for the year;
  - b. Progress Report highlighting impact of CSR programs undertaken;
  - c. Report on feedback obtained, if any, from the beneficiaries on the CSR programmes; and
  - d. Outcome of social audit, if any, conducted with regards to the CSR programmes.
- ✦ To review the adequacy of the CSR Charter at such intervals as the Committee may deem fit and recommendation, if any, shall be made to the Board to update the same from time to time.
- ✦ To carry out any other function as delegated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for the performance of its duties.
- ✦ To approve the disclosures which would form part of the Annual Report, and published on website of the Company.

The Corporate Social Responsibility (CSR) Committee met twice during the period from April 1, 2015 to March 31, 2016 viz: on April 13, 2015 and October 27, 2015. The attendance record of Directors at the meetings of the Members is as under:

Names of Directors	No. of Corporate Social Responsibility Committee Meeting(s)	
	Held	Attended
Mr. Harsh Mariwala (Chairman & Non – Executive Director)	2	2
Mr. Rajen Mariwala (Non – Executive Director)	2	2
Mr. Atul Choksey (Independent Director)	2	2

## VII. RISK MANAGEMENT COMMITTEE

In line with the requirements of Regulation 21 of the SEBI Regulations, the Board of Directors at its meeting held on November 7, 2014, constituted the Risk Management Committee comprising the following Members:

Name of the Member	Designation
Mr. Harsh Mariwala	Chairman (Chairman & Non-Executive Director)
Mr. Saugata Gupta	Member (Managing Director & CEO)
Mr. Vivek Karve	Member & Secretary to the Committee (Chief Financial Officer)
Other Members of the Top Leadership Team	Permanent Invitees

The primary responsibility of the Committee is to assist the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company. The terms of reference of the Committee, inter-alia, include:

- ✦ Framing and monitoring the risk management plan for the Company:
  - Reviewing the Company's risk management policies from time to time and approve and recommend the same to the Board for its approval.
  - Be aware and concur with the Company's risk appetite, including risk levels, if any, set for financial and operational risks.
  - Ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
  - Being apprised of significant risk exposures of the Company and whether Management is responding appropriately to them in a timely manner.
- ✦ Implementation of Risk Management Systems and Framework.
- ✦ Risk Assessment and Mitigation Procedures:
  - Calendar for reviews of existing risks of every function with the objective to refresh the prioritized risks.

- Review the top prioritized risks of every function at defined periodicity.
- Refresh at defined intervals the top risks at the group level so that the Board can refresh the risk review calendar.
- Ensure review of top risks at group level by the Board as per the agreed calendar.

The Risk Management Committee met once during the period from April 1, 2015 to March 31, 2016 viz: on June 30, 2015. The attendance record of Directors at the meeting of the Members is as under:

Name of the Members	No. of Risk Management Committee Meeting(s)	
	Held	Attended
Mr. Harsh Mariwala (Chairman & Non-Executive Director)	1	1
Mr. Saugata Gupta (Managing Director & CEO)	1	1

## VIII. OTHER COMMITTEES

### ADMINISTRATIVE COMMITTEE

#### Constitution:

The Administrative Committee was constituted by the Board of Directors at its meeting held on April 27, 1998 and was last reconstituted on April 30, 2014.

The Administrative Committee comprises the following Members:

Name of the Members	Designation
Mr. Saugata Gupta	Member (Managing Director & CEO)
Mr. Rajen Mariwala	Member (Non - Executive Director)
Mr. Vivek Karve	Member (Chief Financial Officer)
Mr. Pawan Agrawal	Member (Head - Finance, Marico Limited)
Mr. Ravin Mody	Member (Head - Treasury, IR and M&A)
Mr. Surender Sharma*	Secretary to the Committee (Head Legal- International Business and Company Secretary)

\*Ms. Hemangi Ghag until April 28, 2016

The terms of reference of the Administrative Committee are to consider and dispose of any day-to-day matters, with a view to ensure smooth operation and timely action/compliances. The Committee meets at frequent intervals and transacts matters which are of routine but urgent in nature without having to wait for the next Board meeting or resorting to passing of resolutions by circulation.

The Administrative Committee met 17 (Seventeen) times during the period from April 1, 2015 to March 31, 2016 viz: on April 13, 2015, May 8, 2015, June 3, 2015, July 2, 2015, August 11, 2015, September 2, 2015, October 1, 2015, October 29, 2015, October 30, 2015, November 4, 2015, November 19, 2015, December 17, 2015, January 30, 2016, February 15, 2016, March 4, 2016, March 10, 2016 and March 15, 2016. The attendance record of the Members at the meetings of the Committee is as under:

Name of the Members	No. of Administrative Committee Meeting(s)	
	Held	Attended
Mr. Saugata Gupta (Managing Director & CEO)	17	10
Mr. Rajen Mariwala (Non - Executive Director)	17	13
Mr. Vivek Karve (Chief Financial Officer)	17	17
Mr. Pawan Agrawal (Head - Finance, Marico Limited)	17	17
Mr. Ravin Mody (Head - Treasury, IR and M&A)	17	16

### INVESTMENT AND BORROWING COMMITTEE

#### Constitution:

The Investment and Borrowing Committee was constituted by the Board of Directors at its meeting held on June 30, 1998 and was last reconstituted on November 07, 2014.

The Investment and Borrowing Committee now comprises the following Members:

Name of the Members	Designation
Mr. Harsh Mariwala	Member (Chairman & Non – Executive Director)
Mr. Saugata Gupta	Member (Managing Director & CEO)
Mr. Rajen Mariwala	Member (Non – Executive Director)
Mr. Surender Sharma*	Secretary to the Committee (Head Legal- International Business and Company Secretary)
Mr. Vivek Karve	Permanent Invitee (Chief Financial Officer)

\*Ms. Hemangi Ghag until April 28, 2016

The terms of reference of the Investment and Borrowing Committee includes investment in trade instruments, borrowing/lending monies, extending guarantee/ security with a view to ensure smooth operation and timely action. Such investment, loan, borrowing, guarantees/ security transactions are undertaken by the Committee within the monetary ceiling limits approved by the Board of Directors from time to time. The Committee is also entrusted with powers relating to certain preliminary matters in connection with any acquisition/takeover opportunity that the Company may explore. The Committee meets at frequent intervals and disposes matters which are of routine but urgent in nature without having to wait for the next Board meeting or resorting to passing of circular resolutions.

The Investment and Borrowing Committee met 7 (Seven) times during the period from April 1, 2015 to March 31, 2016 viz: on July 2, 2015, August 17, 2015, September 7, 2015, September 24, 2015, November 4, 2015, December 17, 2015 and January 7, 2016. The attendance record of the Members at the meetings of the Committee is as under:

Name of the Members	No. of Investment and Borrowing Committee Meeting(s)	
	Held	Attended
Mr. Harsh Mariwala (Chairman & Non – Executive Director)	7	7
Mr. Saugata Gupta (Managing Director & CEO)	7	7
Mr. Rajen Mariwala (Non – Executive Director)	7	7

## SECURITIES ISSUE COMMITTEE

### Constitution:

The Securities Issue Committee was constituted by the Board of Directors on April 20, 2006 and was reconstituted on November 07, 2014.

The Securities Issue Committee comprises the following Members:

Name of the Members	Designation
Mr. Harsh Mariwala	Member (Chairman & Non – Executive Director)
Mr. Nikhil Khattau	Member (Independent Director)
Mr. Saugata Gupta	Member (Managing Director & CEO)
Mr. Rajen Mariwala	Member (Non – Executive Director)
Mr. Vivek Karve	Permanent Invitee (Chief Financial Officer)
Mr. Surender Sharma*	Secretary to the Committee (Head Legal- International Business and Company Secretary)

\*Ms. Hemangi Ghag until April 28, 2016

The terms of reference of the Securities Issue Committee relates to overseeing all matters pertaining to issue of securities, other matters incidental to the issue and all such acts/ powers as may be entrusted to it by the Board from time to time.

There were no meetings of the Securities Issue Committee during the period from April 1, 2015 to March 31, 2016.

## SHARE TRANSFER COMMITTEE

### Constitution:

The Share Transfer Committee was constituted by the Board of Directors at its meeting held on April 16, 1990 and was reconstituted on November 07, 2014.

The Share Transfer Committee comprises the following Members:



Name of the Members	Designation
Mr. Harsh Mariwala	Member (Chairman & Non – Executive Director)
Mr. Saugata Gupta	Member (Managing Director & CEO)
Mr. Nikhil Khattau	Member (Independent Director)
Mr. Rajen Mariwala	Member (Non – Executive Director)
Mr. Surender Sharma*	Secretary to the Committee (Head Legal- International Business and Company Secretary)
Mr. Vivek Karve	Permanent Invitee (Chief Financial Officer)

\*Ms. Hemangi Ghag until April 28, 2016

The terms of reference of the Share Transfer Committee includes approval of transfer and transmission of shares and approval of sub-division, consolidation and issuance of new/duplicate share certificates, whenever requested for by the shareholders of the Company.

The Share Transfer Committee met 7 (Seven) times during the period from April 1, 2015 to March 31, 2016 viz: on April 30, 2015, July 2, 2015, September 3, 2015, October 26, 2015, December 30, 2015, February 8, 2015 and March 18, 2016. The attendance record of the Members at the meetings of the Committee is as under:

Name of the Members	No. of Share Transfer Committee Meeting(s)	
	Held	Attended
Mr. Harsh Mariwala (Chairman & Non – Executive Director)	7	6
Mr. Saugata Gupta (Managing Director & CEO)	7	6
Mr. Nikhil Khattau (Independent Director)	7	3
Mr. Rajen Mariwala (Non – Executive Director)	7	7

## IX. GENERAL BODY MEETINGS

### (a) & (b): Details of the last three Annual General Meetings

Year	Venue	Date	Time	Nature Of Special Resolutions Passed
2013	Indian Education Society ('IES'), Manik Sabhagriha, Vishwakarma, M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400 050	August 12, 2013	9.00 a.m.	1. Amendment to Article of Association of the Company
2014	Indian Education Society ('IES'), Manik Sabhagriha, Vishwakarma, M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400 050	July 30, 2014	10.00 a.m.	1. Appointment of following persons as Independent Directors of the Company to hold office for a term of five consecutive years ending March 31, 2019: Mr. Nikhil Khattau Mr. Rajeev Bakshi Mr. Atul Choksey Ms. Hema Ravichandar Mr. B.S.Nagesh Mr. Anand Kripalu 2. Appointment of Mr. Saugata Gupta as the Managing Director of the Company for a period of 5 years ending March 31, 2019. 3. Structuring and implementation of Marico MD & CEO Stock Options Plan 2014 ('Marico MD-CEO ESOP 2014'). 4. Increase in the Borrowing powers of the Company. 5. Issue and offer of Non-Convertible Debentures. 6. Ratification of remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2015.
2015	National Stock Exchange of India Ltd, Gr. Floor Dr. R. H. Patil Auditorium, Exchange Plaza, G-Block, Plot No. C1, Bandra Kurla Complex, Bandra (East), Mumbai 400051	August 5, 2015	9.00 a.m.	1. Ratification of remuneration payable to Cost Auditors of the Company for the financial year ended 31st March, 2016. 2. Adoption of new set of Articles of Association incorporating the provisions of the Companies Act, 2013 & Rules made thereunder. 3. Payment of remuneration to Non-Executive Directors not exceeding 3% of the Net Profits of the Company for any financial year. 4. Approval of Marico Employee Stock Appreciation Rights Plan, 2011 for the employees of the Company. 5. Approval of Marico Employee Stock Appreciation Rights Plan, 2011 for the employees of the subsidiary company (ies) of the Company. 6. Authority to the Employee Welfare Trust for Secondary Acquisition for implementation of the Marico Employee Stock Appreciation Rights Plan, 2011. 7. Approval for making provision of money by the Company to the Employee Welfare Trust for purchase of the shares of the Company for the implementation of Marico Employee Stock Appreciation Rights Plan, 2011.

### (c) Resolutions passed through postal ballot & details of voting pattern:

During the year, two Special Resolutions were passed by the Shareholders of the Company through postal ballot viz:

- (i) Reclassification of the authorised share capital and consequent alteration of Clause V of the Memorandum of Association of the Company; and
- (ii) Capitalisation of securities premium and free reserves of the Company for issuance of Bonus shares in the ratio of one new equity share for every equity share held by the Member.

Details of the voting pattern are as under:

Description of Resolution	Votes in favour of the Resolution		Votes against the resolution	
	No. of Votes	% of Votes in favour	No. of Votes	% of Valid Votes against
Reclassification of the authorised share capital and consequent alteration of Clause V of the Memorandum of Association of the Company	51,01,64,244	99.9996	1,863	0.0004
Capitalisation of securities premium and free reserves for issue of Bonus share in the ratio of one new equity shares for every equity share held by the Members	51,01,64,564	99.9995	2,602	0.0005

- (d) The Company appointed Mr. Makarand Joshi of M/s. Makarand Joshi & Co., Practising Company Secretaries, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
- (e) During the conduct of the postal ballot, the Company had in terms of Clause 35B of the Listing Agreement provided e-voting facility to its shareholders to cast their votes electronically through the CDSL e-voting platform. Postal ballot forms and business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the postal ballot. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules. The scrutinizer submitted his

report to the Chairman, after completion of the scrutiny and the results of voting by Postal Ballot were then announced by the Managing Director & CEO of the Company. The voting results were sent to the Stock Exchanges and displayed on the Company's website. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

## X. DISCLOSURES

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

The Company has a well-defined vigil mechanism embedded in the Unified Code of Conduct and it is fully implemented by the Management.

No personnel have been denied access to the Audit Committee.

### Compliance with mandatory and non-mandatory requirements under applicable regulations of the SEBI Regulations

The Company has complied with mandatory requirements under applicable regulations of the SEBI Regulations which came into effect from December 1, 2015 requiring it to obtain a certificate from either the Auditors or Practising Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated in this clause and annex the certificate to the Board's Report, which is sent annually to all the shareholders of the Company. We have obtained a certificate to this effect from the statutory auditors and the same is given as an annexure to the Board's Report.

The clause further states that the non-mandatory requirements adopted by the Company be specifically highlighted in the Annual Report. Accordingly, Company has complied with the following non-mandatory requirements:

- The office of Chairman and Managing Director & CEO is held by distinct individuals.
- The internal auditors of the Company directly report to the Audit Committee of the Board of Directors.

### VIGIL MECHANISM

The vigil mechanism has been explained in detail in the Board's Report.

### XI. MATERIAL RELATED PARTY TRANSACTIONS

There were no material related party transactions entered into by the Company during the financial year 2015-16.

### XII. WEBLINK

- A. Web link of Policy for determining 'material' subsidiaries &
- B. Web link of Policy on dealing with related party transactions is: <http://marico.com/india/investors/documentation/corporate-governance>

### XIII. MEANS OF COMMUNICATION

Quarterly and Annual Financial results for Marico Limited as also consolidated financial results for the Marico Group are published in an English financial daily (Free Press Journal) and a vernacular newspaper (Navshakti). The Company also sends the same through email updates to the shareholders who have registered their email address with the Company.

All official news releases and financial results are communicated by the Company through its corporate website - [www.marico.com](http://www.marico.com). Presentations made to Institutional Investors/Analysts at Investor Meets organized by the Company are also hosted on the website for wider dissemination.

The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites.

The Management Discussion and Analysis Report forms part of the Annual Report.

### XIV. GENERAL SHAREHOLDER INFORMATION

Details of Directors seeking reappointment at the forthcoming Annual General Meeting:

#### Profile of Mr. Rajen Mariwala

Mr. Rajen Mariwala has done his Masters in Chemical Engineering from Cornell University, USA. He is currently the Managing Director of Eternis Fine Chemicals Limited, formerly known as Hindustan Polyamides & Fibers Limited, a leading exporter of specialty chemicals – specifically chemicals for fragrances and personal care products. He brings with him a rich experience of over 18 years in leading a competitive global business in specialty chemicals.

He has been on the Board of Directors of Marico Limited since July 26, 2005 and the details of his shareholdings in the Company have been disclosed earlier in this Report.

Following are the Directorship/Membership details of Mr. Rajen Mariwala:

Directorship in other Companies	Membership / Chairmanship of Board Committees in other Companies
Kaya Limited	Nil
Patspin India Limited	
Eternis Fine Chemicals Limited (formerly known as Hindustan Polyamides & Fibres Limited)	
Arctic Investment & Trading Company Private Limited	
Scientific Precision Private Limited	
Rajanjali Estates Private Limited	
Mariwala Estates Private Limited	

#### Annual General Meeting

- Date : Friday, August 5, 2016
- Time : 9.00 a.m.
- Venue : National Stock Exchange of India Ltd  
Gr. Floor Dr. R H Patil Auditorium  
Exchange Plaza, G Block,  
Plot No.C1, Bandra Kurla Complex,  
Bandra East, Mumbai 400 051
- Book Closure dates : Saturday, July 30, 2016 to Friday,  
August 5, 2016, both days inclusive
- Interim Dividends Payment Date : December 1, 2015 (1st Interim Dividend), February 29, 2016 (2nd Interim Dividend), March 30, 2016 (3rd Interim Dividend)

### Financial calendar

Financial Year : April 1 - March 31

### For the year ended March 31, 2016, results were announced on

- First quarter : August 5, 2015
- Half year : November 4, 2015
- Third quarter : January 30, 2016
- Annual : April 29, 2016

### Tentative Schedule for declaration of financial results during the financial year 2016-17

- First quarter : August 5, 2016
- Half year : October 28, 2016
- Third quarter : January 30, 2017
- Annual : April 28, 2017

### Listing Details

Name of Stock Exchange	Stock/ Scrip Code
BSE Limited	: 531642
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	
The National Stock Exchange of India Limited (NSE)	: MARICO
Exchange Plaza, Bandra Kurla Complex, Mumbai 400 051	
ISIN	: INE 196A01026
Company Identification Number (CIN)	: L15140MH1988PLC049208

**The Company hereby confirms that it has made the payment of Annual Listing Fees for the FY 2016-2017 to BSE Limited and The National Stock Exchange of India Limited.**

### Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Pursuant to section 205A of the erstwhile Companies Act, 1956, unclaimed balance of the dividends lying in the dividend accounts in respect of the dividend declared till April 22, 2009. have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The dividends for the following years, which remain unclaimed for seven years, will be transferred to the IEPF in accordance

with the schedule given below. Shareholders who have not encashed their dividend warrants relating to the dividend specified in table below are requested to immediately send their request for issue of duplicate warrants. Once unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof with the Company.

Financial Year	Type of Dividend	Rate (%)	Date of Declaration	Due Date for transfer to IEPF
2009-10	1st Interim Dividend	30	28/10/2009	03/12/2016
	2nd Interim Dividend	36	28/04/2010	03/06/2017
2010-11	1st Interim Dividend	30	26/10/2010	01/12/2017
	2nd Interim Dividend	36	02/05/2011	07/06/2018
2011-12	1st Interim Dividend	30	04/11/2011	10/12/2018
	2nd Interim Dividend	40	03/05/2012	08/06/2019
2012-13	1st Interim Dividend	50	02/11/2012	07/12/2019
	2nd Interim Dividend	50	30/04/2013	05/06/2020
2013-14	1st Interim Dividend	75	29/10/2013	04/12/2020
	2nd Interim Dividend	100	31/01/2014	08/03/2021
	3rd Interim Dividend	175	25/03/2014	30/04/2021
2014-15	1st Interim Dividend	100	07/11/2014	13/12/2021
	2nd Interim Dividend	150	03/02/2015	11/03/2022
2015-16	1st Interim Dividend	175	04/11/2015	10/12/2022
	2nd Interim Dividend	150	30/01/2016	08/03/2023
	3rd Interim Dividend	100	10/03/2016	17/04/2023

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules). The objective of the IEPF Rules is to help the shareholders ascertain Status of the unclaimed amounts and overcome the problem due to misplacement of

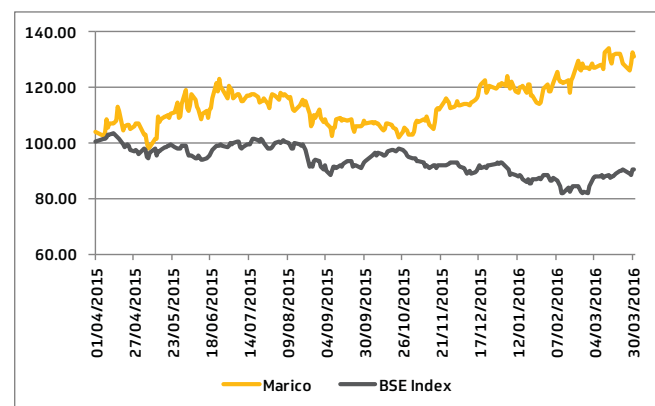
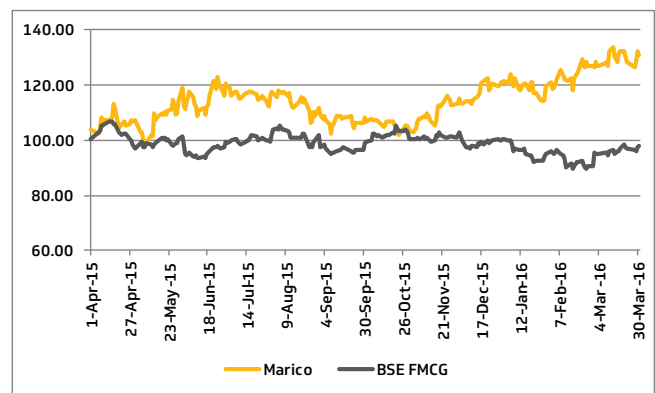
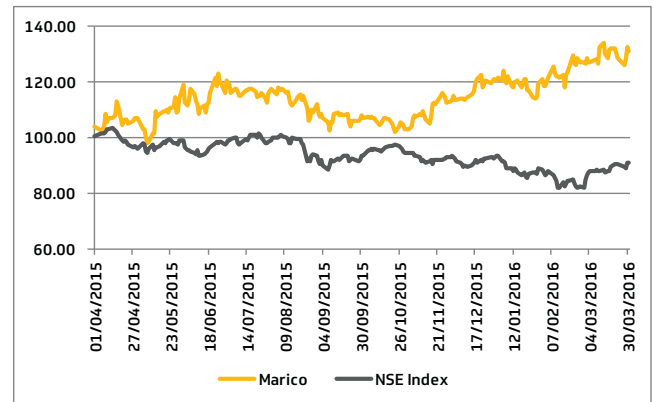
intimation thereof by post etc. The Company has uploaded the information in respect of the Unclaimed Dividends in respect of the Financial years 2007 - 2008 up to 2015 - 2016 on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under 'Investor Section' on the website of the Company viz. [www.marico.com](http://www.marico.com).

### Market Price Data

Month	Bombay Stock Exchange Limited (BSE) (In ₹)		National Stock Exchange (NSE) (In ₹)	
	High	Low	High	Low
Apr-15	429	381.4	428.4	381.3
May-15	456	365	455.95	360
Jun-15	466.3	401.35	467	400.2
Jul-15	453.25	417	454.1	417.05
Aug-15	457	383.6	457	382
Sep-15	415.05	381	414.5	380.3
Oct-15	408.45	381	409	381.15
Nov-15	437.9	379	438	378.6
Dec-15*	468.4	217	468.6	216.65
Jan-16	233.4	207.55	233.8	207.3
Feb-16	246	215.9	246	215.6
Mar-16	252.4	235	252.9	234.4

\*The data w.e.f December, 2015 reflects the position post listing of Bonus Equity Shares by the Company in the ratio of 1:1. The High and Low in price in the month of December, 2015 is not comparable as the Low is reflective of ex-bonus price.

### PERFORMANCE IN COMPARISON: BSE SENSEX, S & P CNX NIFTY AND BSE FMCG



Share Transfer System : Transfers in physical form are registered by the Registrar and Share Transfer Agents immediately on receipt of completed documents and certificates are issued within 15 days of date of lodgement of transfer.

Invalid share transfers are returned within 15 days of receipt.

The Share Transfer Committee generally meets as may be warranted by the number of share transaction requests received by the Company.

All requests for dematerialisation of shares are processed and the confirmation is given to respective Depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited, generally within 21 days.

Registrar & Transfer Agents : M/s Link Intime India Pvt Limited (Unit: Marico Ltd.) C -13 Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078

#### Distribution of Shareholding as on March 31, 2016:

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
1- 500	41,505	80.61	48,72,689	0.38
501-1000	3,800	7.38	30,69,340	0.24
1001 -2000	2,219	4.31	36,85,887	0.29
2001-3000	621	1.21	16,08,926	0.12
3001-4000	650	1.26	24,79,148	0.19
4001- 5000	256	0.50	11,93,334	0.09
5001-10000	1,063	2.06	81,04,059	0.63
10001 & above	1,374	2.67	1,26,51,57,815	98.06
<b>Total</b>	<b>51,488</b>	<b>100</b>	<b>1,29,01,71,198</b>	<b>100</b>

#### Categories of Shareholding as on March 31, 2016

Dematerialization of Shares and Liquidity : As on March 31, 2016, 99.88% of shareholding was held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

In terms of the notification issued by SEBI, trading in the equity shares of the Company is permitted only in dematerialised form with effect from May 31, 1999.

Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity : The Company has not issued any GDR / ADR / Warrants or any convertible instruments.

Plant Locations : Kanjikode, Perundurai, Pondicherry, Jalgaon, Baddi, Paldhi, Paonta Sahib, Dehradun and Guwahati

#### Shareholders / Investors Complaint's received and redressed:

The Company gives utmost priority to the interests of the investors. All the requests / complaints of the shareholders have been resolved to the satisfaction of the shareholders within the statutory time limits. During the financial year ended March 31, 2016, **101** complaints were received from the shareholders as per the details given below.

Nature of Complaint	Received	Resolved
Non-Receipt of Dividend	19	19
Non-Receipt of Shares Certificates	39	39
Others (e.g. non-receipt of Annual Report etc.)	43	43
<b>Total</b>	<b>101</b>	<b>101</b>

Address for correspondence

[Shareholding related queries](#)  
[Company's Registrar & Transfer Agent:](#)

M/s Link Intime India Pvt Limited  
(erstwhile Intime Spectrum Registry Limited)

Unit: Marico Limited  
C -13 Pannalal Silk Mills Compound,  
LBS Road, Bhandup (West),  
Mumbai 400 078

Tel.: 022 - 25946970, Fax: 022 - 25946969  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

#### [General Correspondence](#)

Grande Palladium, 7th Floor 175, CST Road,  
Kalina, Santa Cruz (East), Mumbai 400 098  
Tel.: 022 - 66480480, Fax: 022 - 26500159  
E-mail: [investor@maricoindia.net](mailto:investor@maricoindia.net)

### CHIEF EXECUTIVE OFFICER (CEO) DECLARATION

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel. This Code of Conduct is available on the Company's website.

I hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company.

**Saugata Gupta**  
**Managing Director & CEO**

**Place: Mumbai**

**Date: April 29, 2016**

### Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

**We hereby certify that:**

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2016 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent or illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - (i) significant changes in internal control during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

This certificate is being given to the Board pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thank you.

Yours truly,

For **Marico Limited**

**Saugata Gupta**  
**Managing Director & CEO**

**Place: Mumbai**

**Date: April 29, 2016**

For **Marico Limited**

**Vivek Karve**  
**Chief Financial Officer**

**Place: Mumbai**

**Date: April 29, 2016**

### **Auditors' Certificate regarding compliance of conditions of Corporate Governance**

To the Members of Marico Limited ,

We have examined the compliance of conditions of Corporate Governance by Marico Limited, for the year ended March 31, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Price Waterhouse**  
**Firm Registration Number: 301112E**  
**Chartered Accountants**

**Uday Shah**  
**Partner**  
**Membership No: 46061**

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