

CORPORATE GOVERNANCE REPORT

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

- Philosophy on Code of Corporate Governance
- Board of Directors
- Audit Committee
- Remuneration Committee / Corporate Governance Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Other Committees
- General Body Meetings
- Disclosures
- Means of Communication
- General Shareholder Information

I. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Basic Philosophy

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine a 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 creditors, employees and the State.

A company which is proactively compliant with the law and which adds value to itself through 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, development of roles, 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 and the recently amended SEBI Corporate Governance norms aim to strengthen 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. Together, the management and the Board ensure that Marico remains a company of uncompromised integrity and excellence.

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:

CORPORATE GOVERNANCE REPORT

- ❖ Business Risks
- ❖ Controls Risks
- ❖ Governance Risks

This analysis is followed by the relevant function(s) in Marico 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.

The Board and its Audit Committee are periodically presented with all the information under risk management at group level and the progress on the risk responses.

The 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 ultimate authority and responsibility to select, evaluate and where appropriate, replace the Internal Independent 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 audit and to ensure adequacy of internal audit system in the Company. The Audit Committee reviews the internal audit plan for every year and approves the same in consultation with 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 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 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 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 shareholders who have registered their email address 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 in due course. 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. Presentations made by the Company at investor conferences are also uploaded on its website. Through these meetings, presentations and information updates the Company shares its broad strategy and business outlook. The Company also follows a practice of making public information on significant developments through immediate disclosure to the stock exchanges on which it is listed.

Constructive Separation of Ownership and Management

Marico believes that constructive separation of the Management of the Company from its owners results in maximising the effectiveness of both, by sharpening their respective accountability. The recently revamped Board comprises nine directors out of which eight are non-executive and six of them are independent. The Board does not consist of representatives of creditors or banks. The Committees of the Board are chaired by Independent Directors.

No related party transactions exist except for those with subsidiaries/group companies and for remuneration to the

CORPORATE GOVERNANCE REPORT

Chairman and his relatives. These can be referred to in Notes to Accounts annexed to the financial statements for the year ended March 31, 2014.

As and when required, senior management personnel are present at Board / Committee meetings so that the Board/ Committees can seek and get explanations as required from them.

All Directors and employees are required to comply with Marico Employees (Dealing in Securities & Prevention of Insider Trading) Rules, 2012, which forms part of Marico's Unified Code of Conduct, for trading in securities of the Company.

The Company's Internal, Statutory or Cost Auditors are not related to the Company.

Accountability

The Board plays a supervisory role rather than an executive role. Members of the Board of Directors of the Company provide constructive critique on the strategic business plans and operations of the Company. Effective April 1, 2014, Company's business is headed by the Managing Director and Chief Executive Officer, who is responsible for its management and operation and is answerable 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.

Discipline

Marico's senior management understands and advocates the need for good corporate governance practices. The Company places significant emphasis on good corporate governance practices and endeavours to ensure that the same is followed at all levels across the Organisation.

The Company continues to focus on its core businesses of beauty and wellness. In its international business too, it is focussed on growing in the Asian and African continents in the near term. This would result in the Company building depth in its selected segments and geographies rather than spreading itself thin.

The Company has always adopted a conservative policy with respect to debt. All actions having financial implications are well thought through. Funds are raised for financing activities which add to the business performance and not for the purpose of arbitrage. The Company has also stayed away from entering into exotic derivative products.

The Company has also followed a prudent dividend policy formulated considering organic & 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.

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 felt the need to integrate 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 businesses and the human resources deployed in them, the Board of Directors of the Company approved and adopted a revised Unified Code of Conduct on January 31, 2014.

Fairness

All actions taken are arrived at after considering the impact on the interests of all stakeholders 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 of all matters. Notice of the meetings are comprehensive, the presentations made at the meetings are informative. Also the Board remuneration does not rise faster than Company's profits.

CORPORATE GOVERNANCE REPORT

Social Awareness

The Company has an explicit policy emphasising ethical behaviour. It follows a strict policy of not employing the under-aged. The Company believes in equality of genders 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.

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 operations and Company finances to enable them to participate effectively in Board discussions.
- ❖ Proceedings of Board are logically segregated and matters are delegated to Committees as under:
 - Administrative Committee covers routine transactional issues.
 - Investment and Borrowing Committee covers management of funds.
 - Audit Committee covers related party transactions, internal control and audit systems, risk management systems, financial reporting, compliance issues and effective April 1, 2014, vigil mechanism.
 - Corporate Governance Committee (erstwhile Remuneration Committee) covers remuneration of Directors and their relatives, and senior employees. Corporate Governance Committee has been designated as the Compensation Committee for the purpose of administration and superintendence of the Marico Employees Stock Option Scheme 2007, the Marico Employees Stock Option Scheme 2014 and Marico Stock Appreciation Rights Plan 2011. However, the powers as regards allotment of equity shares arising out of exercise of stock options under Marico Employees Stock Option Scheme 2007 are vested with the Securities Issue Committee.
 - Whistle blowing cases are discussed and reviewed in detail by the Corporate Governance Committee (w.e.f. April 1, 2014, they are reviewed and discussed by the Audit 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 covers transfer formalities and other share-related procedures.
 - Stakeholders' Relationship Committee covers redressal of stakeholders grievances.
 - Securities Issue Committee covers the matters relating to the issue and allotment of securities and allied matters.

CORPORATE GOVERNANCE REPORT

- Project Resurgence Committee was a special committee constituted by the Board to take necessary decisions as regards implementation of the Scheme of Demerger of Kaya undertaking from the Company. The Scheme of Demerger of Kaya undertaking was sanctioned by the Hon'ble High Court of Judicature at Bombay on September 27, 2014. Since, the specific purpose of the Committee was achieved, this Committee stands dissolved on April 30, 2014.
- Corporate Social Responsibility Committee was formed during the year under review to meet the requirements of the new company law.
- ❖ Each Non-Executive Director brings value through their specialisation.
- ❖ Directorships held are within the ceiling limits specified.
- ❖ Committee memberships and chairmanship of Directors are also within overall limits.
- ❖ Statutory compliance report along with the Compliance Certificate is placed before the Audit Committee and Board at every meeting.
- ❖ Audit Committee is chaired by an Independent Director to check control systems and review them.
- ❖ All Directors endeavour to attend all the Board/Committee meetings as also the Annual General Meeting. The Chairman of the Audit Committee attends the Annual General Meeting to answer queries, if any, on accounts.
- ❖ The Chairman of the Board/Committee, in consultation with the Chief Financial Officer and the Company Secretary, formalises the agenda for each of the Board Meetings.
- ❖ The Board/Committees, at their discretion, invite Senior Management of the Company and / or outside Advisors to any meeting(s) of the Board/Committee.

Compliance with Clause 49 of the Listing Agreement

The Company has complied with the provisions of Clause 49 of the Listing agreement (LA), as revised from time to time.

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. 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 has been included in the CEO Certificate given elsewhere in the Annual Report.

II. BOARD OF DIRECTORS

(I) Composition and categories of Directors :-

Name	Category
Mr. Harsh Mariwala	Chairman & Non-Executive Director (w.e.f. April 1, 2014)
Mr. Saugata Gupta	Managing Director & CEO (w.e.f. April 1, 2014)
Mr. Rajeev Bakshi	Non-Executive and Independent
Mr. Atul Choksey	Non-Executive and Independent
Mr. Nikhil Khattau	Non-Executive and Independent
Mr. Anand Kripalu	Non-Executive and Independent
Ms. Hema Ravichandar	Non-Executive and Independent
Mr. B. S. Nagesh	Non-Executive and Independent
Mr. Rajen Mariwala	Non-Executive (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. Mr. Harsh Mariwala and Mr. Rajen Mariwala are related to each other as first cousins.

CORPORATE GOVERNANCE REPORT

(II) Attendance of each Director at the Board meetings and the last Annual General Meeting:

6 (Six) meetings of the Board of Directors were held during the period from April 01, 2013 to March 31, 2014 viz: on April 30, 2013, August 12, 2013, October 17, 2013, October 29, 2013, January 31, 2014 and March 25, 2014. The attendance record of all Directors is as under: -

Names of Directors	No. of Board Meetings		Attendance at Last AGM held on August 12, 2013
	Held	Attended	
Mr. Harsh Mariwala	6	6	Yes
Mr. Rajeev Bakshi	6	2	No
Mr. Atul Choksey	6	4	No
Mr. Nikhil Khattau	6	5	No
Mr. Anand Kripalu	6	3	No
Mr. Rajen Mariwala	6	6	No
Ms. Hema Ravichandar	6	5	Yes
Mr. B. S. Nagesh	6	6	Yes

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

Director	Number of Outside Directorships (\$) held	Number of Committee Memberships in other Companies (*)	Number of Committees (*) in which Chairperson
Mr. Harsh Mariwala	5	1	1
Mr. Rajeev Bakshi	1	1	Nil
Mr. Atul Choksey	8	Nil	Nil
Mr. Nikhil Khattau	1	2	2
Mr. Anand Kripalu	Nil	Nil	Nil
Mr. Rajen Mariwala	4	2	Nil
Ms. Hema Ravichandar	1	Nil	Nil
Mr. B. S. Nagesh	5	4	Nil

(#) As on March 31, 2014

(\$) Excludes directorship in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

(*) Only two committees, namely, Audit Committee and Shareholders'/Investors' Grievance Committee have been considered as per Clause 49 of the Listing Agreement.

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 Companies Act, 1956. The Audit Committee was last re-constituted by the Board of Directors on April 30, 201.

The Audit Committee now comprises the following Members:

Mr. Nikhil Khattau	-	Chairman
Mr. Rajen Mariwala	-	Member
Ms. Hema Ravichandar	-	Member

CORPORATE GOVERNANCE REPORT

Mr. B. S. Nagesh	-	Member
Ms. Hemangi Ghag	-	Secretary to the Committee
Mr. Harsh Mariwala	-	Permanent Invitee
Mr. Saugata Gupta	-	Special Invitee (w.e.f April 30, 2014)

In accordance with Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, the terms of reference of the Audit Committee inter-alia include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - 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;
 - g. Qualifications 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 utilisation 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 internal audit.
11. Discussion with internal auditors on any significant findings and follow up there on.
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 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.

CORPORATE GOVERNANCE REPORT

14. To look into the reasons for substantial defaults in the 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 (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & 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. The vigil mechanism 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 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 01, 2013 to March 31, 2014 viz: on April 17, 2013, April 30, 2013, July 10, 2013, August 12, 2013, October 17, 2013, October 29, 2013, January 7, 2014 and January 31, 2014

Names of Directors	No. of Audit Committee Meetings	
	Held	Attended
Mr. Nikhil Khattau	8	7
Mr. Rajen Mariwala	8	7
Ms. Hema Ravichandar	8	6
Mr. B. S. Nagesh	8	8

Mr. B. S. Nagesh, appointed as alternate chairman of the Audit Committee for the purpose of the last Annual General Meeting was present at the Annual General Meeting to answer shareholder queries.

IV. CORPORATE GOVERNANCE COMMITTEE

Constitution:

The Board of Directors at its meeting held on October 25, 2005, renamed the Remuneration Committee as the Corporate Governance Committee with terms of reference relating to overseeing and continuously improving the Corporate

CORPORATE GOVERNANCE REPORT

Governance policies and practices in the Company. The primary purpose of the Corporate Governance Committee is 'to enable' the Board function effectively in strategic and core issues of management.

The Corporate Governance Committee reviews and oversees the Remuneration strategy and Performance Management Philosophy of Marico, especially for Directors and senior employees. The Committee has also been designated as the Compensation Committee for administration and superintendence of the Company's Employees Stock Option Schemes. However, the powers conferred on Corporate Governance Committee as regards allotment of equity shares under the ESOP Scheme are vested with the Securities Issue Committee. The Committee will also act as the Nomination and Remuneration Committee, with the details of this role being defined at an appropriate and relevant time in the future. The Corporate Governance Committee was last reconstituted by the Board of Directors on April 30, 2014.

The Corporate Governance Committee comprises the following Directors:

Ms. Hema Ravichandar	-	Chairperson
Mr. Rajeev Bakshi	-	Member
Mr. Anand Kripalu	-	Member
Mr. B.S. Nagesh	-	Member
Mr. Ashutosh Telang	-	Secretary to the Committee (w.e.f. April 30, 2014). Mr. Milind Sarwate upto March 31, 2014)
Mr. Harsh Mariwala	-	Permanent Invitee
Mr. Saugata Gupta	-	Special Invitee (w.e.f. April 30, 2014)

The Corporate Governance Committee met 5 (five) times during the period from April 01, 2013 to March 31, 2014 viz: on April 30, 2013, August 12, 2013, October 17, 2013, October 29, 2013 and January 31, 2014.

Names of Directors	No. of Corporate Governance Committee Meetings	
	Held	Attended
Ms. Hema Ravichandar	5	5
Mr. B. S. Nagesh	5	5
Mr. Anand Kripalu	5	3
Mr. Rajeev Bakshi	5	2

Details of Remuneration of Non-Executive Directors for the Financial Year Ended March 31, 2014

The Remuneration paid/payable to Non-Executive Directors for the Financial Year 2013-2014 is as under:

Name	Remuneration (payable annually) (Rs.)	Sitting Fees (Rs.)
Mr. Rajeev Bakshi	12,00,000	80,000
Mr. Atul Choksey	12,00,000	80,000
Mr. Nikhil Khattau	12,50,000	2,60,000
Mr. Anand Kripalu	12,00,000	1,40,000
Mr. Rajen Mariwala	12,00,000	2,80,000
Ms. Hema Ravichandar	12,50,000	3,20,000
Mr. B. S. Nagesh	12,00,000	3,80,000

The remuneration paid to Mr. Harsh Mariwala, Chairman & Managing Director, for the financial year 2013-14 is as under:

Name	Salary and Perquisites (Rs.)	Annual Performance Incentive (Rs.)	Contribution to Provident and Pension Funds (Rs.)
Mr. Harsh Mariwala	30,616,285	1,65,50,001	3,397,600

CORPORATE GOVERNANCE REPORT

Mr. Harsh Mariwala occupied the position of the Managing Director of the Company from July 1, 1991 upto March 31, 2014.

The Board of Directors of the Company at its meeting held on March 25, 2014 had appointed Mr. Harsh Mariwala as Chairman & Executive Director with effect from April 1, 2014. He was re-designated as "Chairman & Non-Executive Director" effective April 1, 2014 by the Board of Directors on April 30, 2014.

Shareholding of Non Executive Directors

Name of Non Executive Director	No. of Shares held (As on March 31, 2014)
Mr. Harsh Mariwala*	114,54,600
Mr. Nikhil Khattau	0
Ms. Hema Ravichandar	0
Mr. Anand Kripalu	0
Mr. Atul Choksey	18,168
Mr. B.S. Nagesh	0
Mr. Rajeev Bakshi	0
Mr. Rajen Mariwala	34,43,200
Total	149,15,968

* Appointed as Non-Executive Director w.e.f. April 1, 2014

REMUNERATION POLICY OF THE COMPANY

Remuneration Policy for Executive Director

The Company's Board comprised only one Executive Director viz. Mr. Harsh Mariwala, Chairman & Managing Director (CMD). The remuneration of CMD was governed by an agreement dated August 12, 2011 executed into between the Company and CMD which was valid upto March 31, 2014. The terms of this agreement were shared with the shareholders. The remuneration to CMD comprised two broad terms - Fixed Remuneration and Variable remuneration in the form of performance incentive.

The performance incentive was based on internally developed detailed performance related matrix which is verified by the HR department.

Annual increase in fixed remuneration within the band already approved by the shareholders was first reviewed and then approved by the Corporate Governance Committee. The Board noted such annual increases.

In view of changes in the managerial personnel effective April 1, 2014, the Company's Board presently consists of only one Executive Director viz. Mr. Saugata Gupta, Managing Director & CEO (MD & CEO). Mr. Mariwala, now a Non-Executive Director, continues to act as the Chairman of the Board. Therefore, the remuneration policy for Executive Directors now covers only MD & CEO.

The remuneration of MD & CEO is subject to the approval of the shareholders at the ensuing 26th Annual General Meeting ("AGM"). The terms of his appointment and remuneration forms part of the explanatory statement to the notice of AGM. The remuneration to MD & CEO comprises two broad terms - Fixed Remuneration and Variable remuneration in the form of performance incentive. The performance incentive is based on internally developed detailed performance related matrix which is verified by the HR department. Additionally, the MD & CEO is entitled to Employee Stock Options granted under any Employee Stock Option Scheme(s) and Stock Appreciation Rights granted under any Stock Appreciation Rights Plan of the Company ("STAR Plan") & Schemes notified thereunder.

Annual increase in fixed remuneration within the band once approved by the shareholders shall be first reviewed and then approved by the Corporate Governance Committee. The Board shall note such annual increases.

CORPORATE GOVERNANCE REPORT

Remuneration Policy for Non-Executive Directors

Non-Executive Directors of a Company's Board of Directors can add substantial value to the Company through their contribution to the Management of the Company. In addition, they can safeguard the interests of the investors at large by playing an appropriate control role. For best utilizing the Non-Executive Directors, Marico has constituted certain Committees of the Board, viz. Corporate Governance Committee, Audit Committee and Stakeholders Relationship Committee.

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 come in the form of their contribution to Board/Committee meetings. Marico therefore has a structure for remuneration to non-executive Directors, based on engagement levels of the Board members linked to their attendance at Board/Committee Meetings.

The shareholders of the Company had on July 28, 2010 approved payment to Non-Executive Directors for a period of five years up to a limit of 3% of the net profits of the Company calculated in accordance with the provisions of the Companies Act, 1956 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, accordingly, fixes the remuneration of Non-Executive Directors based on the recommendation made by the Corporate Governance Committee. The last revision in the remuneration of Non - Executive Directors was approved by the Board of Directors at its meeting held on April 30, 2014, as set out below:

Particulars	Remuneration
1. Fixed Remuneration	Rs.12,00,000 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	Rs.50,000 per annum to Chairperson of each Committee
3. Sitting Fees:	
a) For Board Meetings	Rs.20,000 per meeting attended (either physically or through video conferencing)
b) For meetings of following Committees of the Board:	Rs.20,000 per meeting attended (either physically or through video conferencing)
- Audit Committee	
- Corporate Governance Committee	
- Shareholders Committee	
- Corporate Social Responsibility Committee	

The Chairman of the Board would be entitled to an additional remuneration which will be commensurate with his engagement beyond Board meetings and industry benchmarks. The Chairman of the Board will continue to play an important role in guiding the MD & CEO for ensuring sustainable profitable growth of the Company. The remuneration structure of the Chairman is being devised so as to be commensurate with the efforts and inputs that he is expected to provide to the Company and to the MD & CEO.

The remuneration payable to all Non-Executive Directors including the Chairman would not exceed the overall limit of 3% of the net profits of the Company calculated in accordance with the provisions of the Companies Act, 2013 as approved by the Shareholders of the Company.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

(Erstwhile Shareholders' 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 Stakeholder Relationship Committee on April 30, 2014 to meet the requirements of the Companies Act 2013.

CORPORATE GOVERNANCE REPORT

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 balance sheet, non-receipt of dividends, etc.

The Stakeholders Relationship Committee comprises following Non - Executive Directors :

Mr. Nikhil Khattau	-	Chairman
Mr. Rajen Mariwala	-	Member
Ms. Hemangi Ghag	-	Secretary to the Committee

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted by the Board of Directors at its meeting held on January 31, 2014 to meet the requirements of the Companies Act, 2013. The detailed terms of reference of the Corporate Social Responsibility Committee shall be formulated by the Board of Directors in due course.

The Corporate Social Responsibility Committee comprises the following members:

Mr. Harsh Mariwala	-	Chairman
Mr. Atul Choksey	-	Member
Mr. Rajen Mariwala	-	Member
Ms. Priya Kapadia	-	Secretary to the Committee

Name and Designation of Compliance Officer:

Ms. Hemangi Ghag, Company Secretary & Compliance Officer

Status Report of Investor Complaints for the year ended March 31, 2014

No. of Complaints Received	-	36
No. of Complaints Resolved	-	36
No. of Complaints Pending	-	NIL

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

VII. 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 re-constituted on April 30, 2014.

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

The Administrative Committee now comprises the following members:

Mr. Saugata Gupta	-	Member (appointed w.e.f April 30, 2014) (Mr. Harsh Mariwala upto March 31, 2014)
Mr. Rajen Mariwala	-	Member
Mr. Vivek Karve	-	Member
Mr. Pawan Agrawal	-	Member (appointed w.e.f. April 30, 2014) (Mr. Milind Sarwate upto March 31, 2014)
Mr. Ravin Mody	-	Member
Ms. Hemangi Ghag	-	Secretary to the Committee

CORPORATE GOVERNANCE REPORT

The Administrative Committee met 18 (Eighteen) times during the period from April 01, 2013 to March 31, 2014.

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 re-constituted on April 30, 2014.

The terms of reference of the Investment and Borrowing Committee to invest, borrow or lend monies with a view to ensure smooth operation and timely action. 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 of passing of circular resolutions.

The Investment and Borrowing Committee now comprises the following members:

Mr. Saugata Gupta	-	Member (appointed w.e.f April 30, 2014) (Mr. Harsh Mariwala upto March 31, 2014)
Mr. Chaitanya Deshpande	-	Member
Mr. Vivek Karve	-	Member
Mr. Pawan Agrawal	-	Member (appointed w.e.f April 30, 2014) (Mr. Milind Sarwate upto March 31, 2014)
Mr. Ravin Mody	-	Member
Ms. Hemangi Ghag	-	Secretary to the Committee

The Investment and Borrowing Committee met 11 (Eleven) times during the period from April 01, 2013 to March 31, 2014.

SECURITIES ISSUE COMMITTEE

Constitution:

The Securities Issue Committee was constituted by the Board of Directors on April 20, 2006 and was re-constituted on April 30, 2014.

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.

The Securities Issue Committee now comprises the following members:

Mr. Nikhil Khattau	-	Chairman
Mr. Saugata Gupta	-	Member (appointed w.e.f April 30, 2014) (Mr. Harsh Mariwala upto March 31,2014)
Mr. Rajen Mariwala	-	Member
Mr. Vivek Karve	-	Member
Mr. Ravin Mody	-	Member
Ms. Hemangi Ghag	-	Secretary to the Committee

The Securities Issue Committee met once during the period from April 01, 2013 to March 31, 2014.

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 re-constituted on April 30, 2014.

CORPORATE GOVERNANCE REPORT

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

The Share Transfer Committee now comprises the following members:

Mr. Nikhil Khattau	-	Member
Mr. Saugata Gupta	-	Member (appointed w.e.f. April 30, 2014) (Mr. Harsh Mariwala upto March 31, 2014)
Mr. Rajen Mariwala	-	Member
Mr. Vivek Karve	-	Member
Mr. Pawan Agrawal	-	Member (appointed w.e.f. April 30, 2014) (Mr. Milind Sarwate upto March 31, 2014)
Mr. Ravin Mody	-	Member
Ms. Hemangi Ghag	-	Secretary to the Committee

The Share Transfer Committee met 2 (Two) times during the period from April 01, 2013 to March 31, 2014.

VIII GENERAL BODY MEETINGS

Annual General Meetings

YEAR	VENUE	DATE	TIME
2011	IES Management College & Research Centre, Gate No. 4, Seminar Hall, 6th Floor, Plot No. 791, S. K. Marg, VMDL Complex, Bandra Reclamation, Bandra (West), Mumbai - 400050	July 27, 2011	3.30 p.m.
2012	NSE Auditorium, Ground Floor, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	August 3, 2012	4.00 p.m.
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.

Court Convened Meeting

YEAR	VENUE	Brief Particulars of Business Transacted	DATE	TIME
2013	Indian Education Society ("IES"), Manik Sabhagriha, Vishwakarma, M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400 050	Court Convened Meeting of the Equity Shareholders to consider and approve the Scheme of Arrangement between Marico Limited, Marico Kaya Enterprises Limited and their respective shareholders and creditors	July 30, 2013	10.00 a.m.

Extra Ordinary General Meetings

YEAR	VENUE	Brief Particulars of Business Transacted	DATE	TIME
2012	Indian Education Society ("IES"), Manik Sabhagriha, Vishwakarma, M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400 050	Preferential Allotment of Equity Shares and Alteration of Article of Association of the Company	May 2, 2012	9.30 a.m.

CORPORATE GOVERNANCE REPORT

2013	Indian Education Society ("IES"), Manik Sabhagriha, Vishwakarma, M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400 050	Utilisation of securities premium account in order to adjust the difference between the excess of book value of assets over the book value of liabilities of the Kaya Business of Marico Limited being demerged into Marico Kaya Enterprises Limited.	July 30, 2013	11.00 a.m.
2014	Indian Education Society ("IES"), Manik Sabhagriha, Vishwakarma, M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400 050	Structuring and Implementation of Marico ESOS 2014 to grant employee stock options to the Chief Executive Officer of the Company	March 25, 2014	10.00 a.m.

IX. 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.

During the year 2013-2014, there were no materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.

The Company has a well-defined Whistle Blower Policy 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 of Clause 49 of the Listing Agreement

The Company has complied with mandatory requirements of Clause 49 of the Listing Agreement 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 with the Directors' Report, which is sent annually to all the shareholders of the Company. We have obtained a certificate to this effect from the auditors and the same is given as an annexure to the Directors' Report.

The clause further states that the non-mandatory requirements may be implemented as per our discretion. However, the disclosures of the compliance with mandatory requirements and adoption (and compliance) / non-adoption of the non-mandatory requirements shall be made in the section on Corporate Governance of the Annual Report. We comply with the following non-mandatory requirements:

Remuneration Committee

The scope of the Remuneration Committee was expanded and the committee was designated as the Corporate Governance Committee by the Board of Directors at its meeting held on October 25, 2005. A detailed note on this Committee is provided earlier in this report.

Whistle Blower Policy

We have established a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of our Unified Code of Conduct. 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. 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 Organization 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.

CORPORATE GOVERNANCE REPORT

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 and its Audit Committee are informed periodically on the matters reported to CCC and the status of resolution of such cases.

x. MEANS OF COMMUNICATION

Quarterly and annual 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 (Navashakti). The Company also sends an email update of the same 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. Presentations made to Institutional Investors/ analysts at Investor Meets organized by the Company are also hosted on the website for wider dissemination.

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

XI. GENERAL SHAREHOLDER INFORMATION

Details of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting

Mr. Saugata Gupta

Profile :

Mr. Saugata Gupta joined Marico Limited (“Marico”) in January 2004 as head of Marketing. In the year 2007 he was elevated to become CEO of the Company’s India business. In April 2013, Marico restructured its Consumer Product Business (CPB) in India and International Business Group (IBG) under Saugata’s leadership as the CEO of Marico Limited, the unified FMCG business. Mr. Saugata Gupta was appointed as the Managing Director w.e.f. April 1, 2014. He is designated as “Managing Director & CEO” and his appointment is subject to the approval of the shareholders. Accordingly, the appointment of Mr. Saugata Gupta as Managing Director including the terms of his appointment and remuneration forms part of the Notice convening this 26th Annual General Meeting of the Company.

Prior to joining Marico, Mr. Saugata Gupta was Chief of Marketing and Group Sales at ICICI Prudential Life Insurance Company Limited (ICICI Prudential) and was part of the start-up team that was instrumental in establishing ICICI Prudential as the largest private sector Insurance firm in the country. Mr. Saugata Gupta started his career with Cadbury’s where he spent 9 years in various roles in Sales and Marketing in India and the United Kingdom. His last role was Marketing Manager - Chocolates. Mr. Saugata Gupta has 20 years of experience primarily in the FMCG sector. He has an engineering degree from IIT Kharagpur and is an alumnus from IIM Bangalore.

Mr. Saugata Gupta holds 8,700 equity shares of the Company as on March 31, 2014.

CORPORATE GOVERNANCE REPORT

Directorships in other companies :	Membership / Chairmanship of Board Committees in other Companies :
Marico Consumer Care Limited Halite Personal Care India Private Limited Marico Innovation Foundation (A Company registered under section 8 of the Companies Act, 2013) Marico Bangladesh Limited International Consumer Product Corporation Beauté Cosmétique Société Par Actions Thuan Phat Foodstuff Joint Stock Company Marico Middle East FZE Marico South Africa Consumer Care (Pty) Limited Marico South Africa (Pty) Limited	Marico Consumer Care Limited - Audit Committee Member

Mr. Rajen Mariwala

<p>Profile :</p> <p>Mr. Rajen Mariwala has done his Masters in Chemical Engineering from Cornell University, USA. He is currently the Managing Director of Hindustan Polyamides & Fibres Limited, a leading exporter of specialty chemicals - specifically chemicals for fragrances and personal care products. He brings with him a rich experience of over 16 years in leading a competitive global business in specialty chemicals. He has been on the Board of Directors of Patspin India Limited and Village Laundry Services Inc.</p> <p>He has been on the Board of Directors of Marico Limited since July 26, 2005.</p>	
Directorships in other companies :	Membership / Chairmanship of Board Committees in other Companies :
Marico Kaya Enterprises Limited Hindustan Polyamides and Fibres Limited Patspin India Limited Kaya Limited Scientific Precision Private Limited Arctic Investment & Trading Company Private Limited Rajanjali Estates Private Limited Mariwala Estates Private Limited Hindustan Polyamides & Fibres Limited B. V, Netherlands Village Laundry Services Inc	Kaya Limited - Audit Committee Member Marico Kaya Enterprises Limited: Audit Committee - Member

CORPORATE GOVERNANCE REPORT

Mr. Atul Choksey

Profile :

Mr. Atul Choksey has done his Chemical Engineering from Illinois Institute of Technology, Chicago, USA and has also done management courses in Finance, Personnel, Micro and Macro Economics, etc.

He joined Asian Paints (India) Ltd as a Junior Executive in July, 1973. He was subsequently appointed as a Wholetime Director of the Company with effect from 1st May, 1979. He served as the Managing Director of the Company from 15th April, 1984 to 22nd August, 1997.

He is the Chairman of Apcotex Industries Ltd. and Apco Enterprises Ltd. as well as other group Companies. He is a member of the Asian Executive Board of the Wharton Business School of the University of Pennsylvania, Philadelphia, USA. He is a trustee of Mahalaxmi Temple Trust

He is also a Director on the Boards of Finolex Cables Ltd and CEAT Ltd. He has been on the Board of Directors of the Company since July 18, 2002.

Directorships in other companies :	Membership / Chairmanship of Board Committees in other Companies :
Apco Enterprises Limited Apcotex Industries Limited (previously known as Apcotex Lattices Limited.) CEAT Limited Finolex Cables Limited Mazda Colours Limited Shyamal Fin-vest (India) Limited Titan Trading and Agencies Limited Trivikram Investments & Trading Company Limited Choksey Chemicals Private Limited Saldhar Investments and Trading Company Private Limited Dhumraketu Investments and Trading Company Private Limited	None

CORPORATE GOVERNANCE REPORT

Mr. B. S. Nagesh

Profile :

Mr. B. S. Nagesh is the Vice Chairman and Non-Executive Director of Shoppers Stop Limited. He holds a degree of Masters in Management Studies from the Benaras Hindu University. He is credited with ushering various formats in modern retailing like Hypercity, M.A.C. and Mothercare, Airport Retailing and Entertainment Centres in India. He is the Chairman of Retailers Association of India. He has been voted by Business India as one of the top 50 Managers in India.

He was honored with “The Best Professional of the Year” award at ICICI Bank, Retails Awards in 2005. He has been recognized as ‘The Retailer Professional of The Year’ by CMAI for four years. He has been the only Indian Retailer to be inducted into the World Retail Hall of Fame at World Retail Congress 2008 at Barcelona and has also been inducted into the Indian Retail Hall of Fame in October 2012 at IRF.

Mr. B. S. Nagesh founded TRRAIN, a “not for profit” organisation working towards “empowering people in Retail” in 2011”.

He has been on the Board of Directors of Marico Limited since July 16, 2010.

Directorships in other companies :	Membership / Chairmanship of Board Committees in other Companies :
Retailers Association of India	Marico Kaya Enterprises Limited : Audit Committee Member
TRRAIN Foundation	Marico Kaya Enterprise Limited: Corporate Governance Committee Chairman
Shoppers Stop Limited	Shoppers Stop Limited : Investor’s Grievance Committee Member
Hypercity Retail (India) Limited	Hypercity Retail (India) Limited : Finance Committee Member
Entertainment Network (India) Limited	
Marico Kaya Enterprises Limited	
Nagesh (BSN) Consults Private Limited	

Mr. Nikhil Khattau

Profile :

Mr. Nikhil Khattau is an experienced banker, entrepreneur and venture investor who has built and invested in companies in India since 1995. He also has an additional 10 years of international work experience. He focuses on the agriculture, financial services, retail, consumer services and media sectors in India.

Apart from Marico he is on the boards of Securens Systems (monitoring and surveillance), Matrimony.com (world’s largest marriage portal), India Property (property services), dealsandyou (deals site), Kaya Enterprises (specialty skin care) and Sohanlal Commodity Management (agriculture logistics).

Mr. Nikhil Khattau was the founding CEO of SUN F&C Asset Management, one of the first private sector mutual fund companies in India. Under his leadership, the firm successfully acquired two other mutual funds, and built one of the top-ranked India funds. Mr. Khattau successfully sold the business to the Principal Financial Group, USA in 2004.

His prior experience includes working for Ernst & Young’s Audit and Corporate Finance practices in New York and London from 1986-1995, where he successfully advised a number of mid-market companies on their acquisition and divestment strategies. He also helped set up the firm’s investment banking advisory operation in Russia.

Mr. Nikhil Khattau received his Bachelor’s degree in Commerce from Bombay University and is an associate of the Institute of Chartered Accountants in England and Wales.

He has been on the Board of Directors of Marico Limited since July 18, 2002.

CORPORATE GOVERNANCE REPORT

Directorships in other companies :	Membership / Chairmanship of Board Committees in other Companies :
Marico Kaya Enterprises Limited Matrimony.Com Private Limited Sohan Lal Commodity Management Private Limited North End Foods Marketing Private Limited WannaMo Marketing Private Limited Securens Systems Private Limited India Property Online Private Limited Bee Pee Jain Finance & Investments Private Limited	Marico Kaya Enterprises Limited- Audit Committee Chairman Marico Kaya Enterprises Limited- Shareholder Grievance Committee Chairman

Mr. Rajeev Bakshi

<p>Profile :</p> <p>Mr. Rajeev Bakshi has an Honours Degree in Economics from St. Stephens College in Delhi and an MBA degree from the Indian Institute of Management, Bangalore. He is currently the Managing Director of Metro Cash & Carry India Pvt Ltd. Until recently he was the Joint Managing Director of ICICI Venture Funds Management Company Limited (ICICI), prior to which he was Vice President Commercial - Asia of PepsiCo International and the Chairman of PepsiCo India Holdings (P) Ltd., with responsibility for the Company's business in India, Nepal, Bhutan, Bangladesh and Sri Lanka.</p> <p>His other stints include a range of assignments in Lakme India, Cadbury Schweppes Limited, Cadbury India Limited and Cadbury (Pty), South Africa. Additionally, Mr. Bakshi holds a Directorship with Cummins India Limited besides being on the Board of Directors of Marico since July 17, 2003.</p>	
Directorships in other companies :	Membership / Chairmanship of Board Committees in other Companies :
Cummins India Limited Metro Cash & Carry India Private Limited	Cummins India Limited- Finance & Audit Committee Member

Ms. Hema Ravichandar

<p>Profile :</p> <p>Ms. Hema Ravichandar is a Bachelor of Arts (Economics) from the University of Chennai and holds a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad.</p> <p>Her experience of over 30 years comprises corporate roles in Infosys Technologies Ltd. and Motor Industries Co. Ltd., and entrepreneurial stints in HR, across industries. Her experience spans Change Management, Leadership Development and Human Resource Development.</p> <p>In her last role as the Senior Vice President and Global Head of HR for the Infosys Group, she was responsible for staffing & recruitment, compensation and benefits, performance management, immigration, learning & development and organizational effectiveness.</p> <p>She currently provides Strategic HR Advisory to several multinational and Indian organizations.</p> <p>She was formerly the Chairperson for the Conference Board's HR Council of India and was a Member of the National Advisory Council of the National HRD Network of India.</p> <p>She has worked closely with industry bodies such as CII and NASSCOM on some of their key initiatives. She is a regular speaker at several international and national conferences and leading business schools.</p> <p>She has been on the Board of Directors of Marico Limited since July 26, 2005.</p>

CORPORATE GOVERNANCE REPORT

Directorships in other companies :	Membership / Chairmanship of Board Committees in other Companies :
Titan Company Limited Feedback Business Consulting Services Private Limited	Titan Company Limited- Ethics & Compliance Committee Member Titan Company Limited- Nomination & Remuneration Committee Chairperson

Mr. Anand Kripalu

Profile :	
<p>Mr. Anand Kripalu took over as Chief Executive Officer of United Spirits Ltd. (USL), on the 1st of May 2014.</p> <p>He was formerly President, India and South Asia, at Mondelez International, and Managing Director of Cadbury India Ltd. He joined the legacy Cadbury India business at the end of 2005 as Managing Director - Indian Sub-continent and was subsequently appointed as President - Cadbury Asia in October 2008.</p> <p>Prior to this he worked in Unilever for 22 years. He had joined Unilever in 1983 through the erstwhile Indian division of Chesebrough Ponds.</p> <p>His Key assignments include setting up of the Dental Innovation Centre at Mumbai, Head of Market Research, Head of Marketing for the Laundry category for both India and the Central Asia Middle East Region, as well as General Manager - Sales & Customer Development for HLL's Detergents business.</p> <p>He has also been Managing Director for Unilever's East Africa operations. He earned a Bachelor Degree in Electronics from the Indian Institute of Technology, Madras and completed an MBA from the Indian Institute of Management, Calcutta. He completed the Advanced Management Programme from Wharton in 2004.</p> <p>He has been on the Board of Marico since July 25, 2007.</p>	
Directorships in other companies :	Membership / Chairmanship of Board Committees in other Companies :
None	None

Annual General Meeting

Date	: Wednesday, July 30, 2014
Time	: 10.00 a.m.
Venue	: Indian Education Society ("IES"), Manik Sabhagriha, Vishwakarma, M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Mumbai 400 050.
Book Closure Date	: Thursday, July 24, 2014 to Monday, July 28, 2014, both days inclusive
Interim Dividend Payment Date	: November 26, 2013 (1st Interim Equity Dividend 13-14) February 28, 2014 (2nd Interim Equity Dividend 13-14) April 22, 2014 (3rd Interim Equity Dividend 13-14)

Financial calendar

Financial Year	: April 01 - March 31
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For the year ended March 31, 2014, results were announced on:

First quarter	: August 12, 2013
Half year	: October 29, 2013
Third quarter	: January 31, 2014
Annual	: April 30, 2014

CORPORATE GOVERNANCE REPORT

Tentative Schedule for declaration of financial results during the financial year 2014-15

First quarter	:	Wednesday, July 30, 2014
Half year	:	Friday, November 07, 2014
Third quarter	:	Thursday, January 29, 2015
Annual	:	Thursday, April 30, 2015

Listing Details

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

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

Pursuant to section 205A of the Companies Act, 1956, unclaimed balance of the dividends lying in the dividend accounts in respect of the dividend declared till April 2006 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 either with the Company or IEPF:

Financial Year	Type of Dividend	Rate (%)	Date of Declaration	Due Date for transfer to IEPF
2007-08	1st Interim Dividend	13.50	25/07/2007	30/08/2014
	2nd Interim Dividend	15.00	24/10/2007	29/11/2014
	3rd Interim Dividend	37.00	24/04/2008	30/05/2015
2008-09	1st Interim Dividend	30.00	21/10/2008	26/11/2015
	2nd Interim Dividend	35.50	22/04/2009	28/05/2016
2009-10	1st Interim Dividend	30.00	28/10/2009	03/12/2016
	2nd Interim Dividend	36.00	28/04/2010	03/06/2017
2010-11	1st Interim Dividend	30.00	26/10/2010	01/12/2017
	2nd Interim Dividend	36.00	02/05/2011	07/06/2018
2011-12	1st Interim Dividend	30.00	04/11/2011	10/12/2018
	2nd Interim Dividend	40.00	03/05/2012	08/06/2019
2012-13	1st Interim Dividend	50.00	02/11/2012	08/12/2019
	2nd Interim Dividend	50.00	30/04/2013	05/06/2020
2013-14	1st Interim Dividend	75.00	29/10/2013	04/12/2020
	2nd Interim Dividend	100.00	31/01/2014	08/03/2021
	3rd Interim Dividend	175.00	25/03/2014	30/04/2021

CORPORATE GOVERNANCE REPORT

Market Price Data

Month	BSE Limited (BSE) (in Rs.)		National Stock Exchange of India Limited (NSE) (in Rs.)	
	High	Low	High	Low
April 2013	236.95	211.00	237.40	211.05
May 2013	251.10	208.55	251.70	208.60
June 2013	239.00	190.50	239.25	190.00
July 2013	230.90	200.35	231.00	200.00
August 2013	217.00	196.05	217.40	196.25
September 2013	226.00	203.00	225.95	202.65
October 2013	226.90	207.05	225.40	206.50
November 2013	216.90	200.00	217.00	202.45
December 2013	223.75	205.95	225.00	205.90
January 2014	226.75	208.25	226.85	208.20
February 2014	220.60	210.25	220.85	210.00
March 2014	213.00	201.00	213.90	200.25

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.

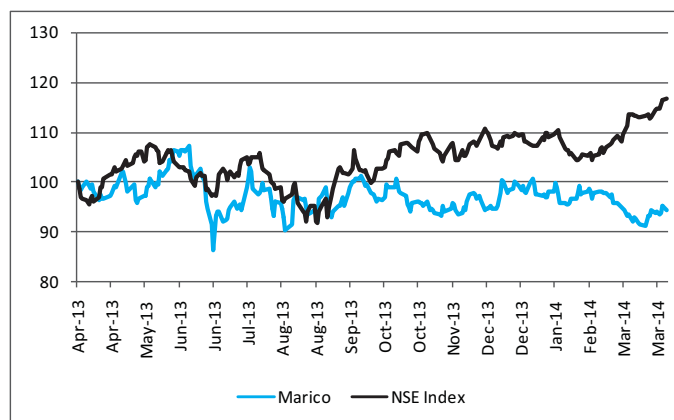
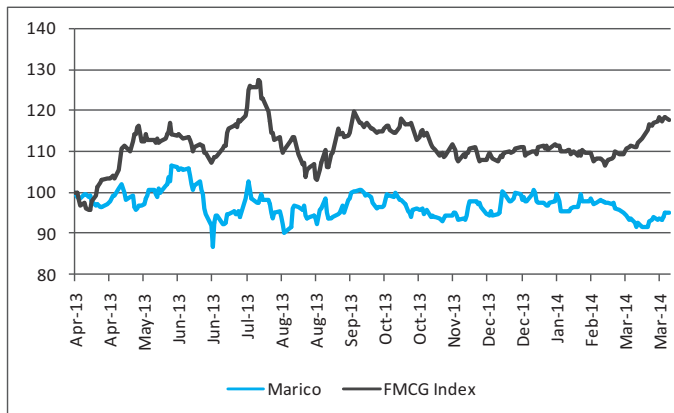
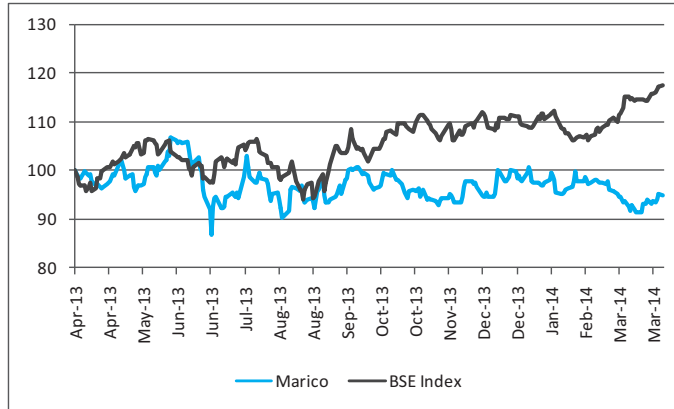
Registrar & Transfer Agents : M/s Link Intime India Pvt Limited (erstwhile Intime Spectrum Registry Limited), (Unit: Marico Ltd.) C -13 Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078

Distribution of Shareholding as on March 31, 2014 :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	31854	85.80	3441156	0.53
501-1000	2103	5.66	1792356	0.28
1001 -2000	1144	3.08	1875425	0.29
2001-3000	388	1.05	1023692	0.16
3001-4000	555	1.49	2143672	0.33
4001- 5000	199	0.54	945389	0.15
5001-10000	384	1.03	2953912	0.46
10001 & above	501	1.35	630697397	97.80
Total	37128	100	644872999	100

CORPORATE GOVERNANCE REPORT

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



CORPORATE GOVERNANCE REPORT

Categories of Shareholding- as on March 31, 2014 :

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding
Promoters	28	384927520	59.69
Foreign Institutional Investors	116	177682981	27.55
NRIs /FVC / OCBs	926	1566522	0.24
Insurance Companies, Banks and other Financial Institutions	12	7,233,314	1.12
Mutual Funds, including Unit Trust of India	26	9478479	1.47
Bodies Corporate	779	41207084	6.39
Resident Individuals, Trusts and in Transit	35241	22777099	3.53
Total	37128	644872999	100

Dematerialization of Shares : As on March 31, 2014, 99.88% of shareholding was held in Dematerialised form with and Liquidity 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, Jalgaon, Goa, Puducherry, Paonta Sahib, Baddi, Paldhi and, Perundurai, Jalgaon MIDC, Dehradun - B2 and Dehradun - D7.

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, 2014, 36 complaints were received from the shareholders as per the details given below;

Nature of Complaint	Received	Resolved
Non-Receipt of Dividend	22	22
Non-Receipt of Shares lodged for Transfer	-	-
Others (e.g. non-receipt of Annual Report etc.)	14	14
Total	36	36

CORPORATE GOVERNANCE REPORT

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

General Correspondence

Grande Palladium, 9th Floor
175, CST Road, Kalina,
Santacruz (East),
Mumbai 400098.
Tel.: 022 - 66480480, Fax:022 - 26500159
E-mail: investor@maricoindia.net

CORPORATE GOVERNANCE REPORT

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. This Code of Conduct is available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2014, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Saugata Gupta
Managing Director & CEO

Place: Mumbai

Date: April 30, 2014

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

We hereby certify that:

- (a) We have reviewed financial statements for the financial year ended March 31, 2014 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 Clause 49 of the Listing Agreement

Yours truly,

For Marico Limited

Saugata Gupta
Managing Director & CEO

Place: Mumbai

Date: April 30, 2014

For Marico Limited

Vivek Karve
Chief Financial Officer

Place: Mumbai

Date: April 30, 2014