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Objective

- 1.1. The objective of this Policy is to determine Material Subsidiaries of the Company.

2. The Regulatory Framework

- 2.1. Clause 49 of the Listing Agreement with the Stock Exchanges required all listed entities to formulate a policy for determining Material Subsidiaries. Accordingly, this policy was framed as per requirement of Clause 49 (as amended) of the Listing Agreement entered into by the Company with Stock Exchanges.
- 2.2. The Securities and Exchange Board of India on September 2, 2015 notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") which shall come into effect on December 1, 2015. Consequently, the existing Listing Agreement entered into with Stock Exchanges would be repealed.
- 2.3. The definition of the term "Material Subsidiary" is modified by Regulation 16(1)(c) of the SEBI Regulations. The provisions pertaining to formulation of a policy for determining Material Subsidiaries by all listed entities continue in the SEBI Regulations.
- 2.4. Thus, in order to align the definition of "Material Subsidiary" with the definition modified by the SEBI Regulations, the existing Policy for determining Material Subsidiaries has been now revised.

3. Definitions

- 3.1. "**The Act**" means the Companies Act 2013 together with the Rules notified there under, including any statutory modifications or re-enactments thereof for the time being in force.
- 3.2. "**The Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.
- 3.3. "**Policy**" means this policy for determining Material Subsidiaries.
- 3.4. "**Board**" means Board of Directors of the Company.
- 3.5. "**Audit Committee**" means Committee of Board of Directors of the Company constituted under the provisions of the Regulations, the Listing Agreement with the Stock Exchanges and the Act.

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

3.6. **"Subsidiary"** means a subsidiary as defined under the Act.

3.7. **"The Company"** means Marico Limited.

4. Policy

4.1. A Subsidiary in relation to the Company shall be considered as "material", if its income or net worth exceeds twenty percentage of the consolidated income or net worth respectively of the Company in the immediately preceding financial year.

4.2. The Management shall present to the Audit Committee on an annual basis, a list of Material Subsidiaries together with the details of the materiality criteria stated above.

5. Disclosures

5.1. The Policy for determining material subsidiaries shall be disclosed to the Stock Exchanges.

5.2. The Policy shall be uploaded on the website of the Company at www.marico.com and a weblink of the same shall be disclosed in the Corporate Governance section of the Annual Report.

6. General

6.1. The Policy would be subject to revision/amendment in accordance with the Laws. The Audit Committee shall review the Policy atleast once in every two years for making suitable amendments for better implementation of the Policy.

6.2. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

6.3. The power to interpret and administer the Policy shall rest with the Chairman of the Audit Committee whose decision shall be final and binding. The Chairman is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or placed before the Audit Committee, from time to time, to ensure the Committee's oversight on these issues.
