

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
- Shareholders' Committee
- 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 take 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 maximisation 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. For Marico, however, good corporate governance has been a cornerstone of the entire management process, the emphasis being on professional management, with a decision making model based on decentralisation, empowerment and meritocracy.

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 them 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 keeping in mind the following types of risks:

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

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This analysis is followed by the relevant function(s) in Marico tracking the risk elements, both internal and external, and reporting status at periodic management reviews. This is aimed at ensuring that adequate checks and balances are in place with reference to each significant risk.

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. 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 loaded 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. Eight out of nine directors are non-executive and seven of them are independent. The board does not have representatives of large creditors or banks. The Board Committees are chaired by independent directors.

No related party transactions exist except for those with subsidiaries and for remuneration to Chairman and Managing Director (CMD) and relatives of CMD. These can be referred to in Notes to Accounts annexed to the financial statements for the year ended March 31, 2009.

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 internal code of conduct (share dealing rules) for trading in Company's securities in addition to concerned SEBI regulations.

The Company's Internal and External auditors are unrelated 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 operations of the company. Each business unit is headed by a 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 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.

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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 and has been declaring cash dividend on a regular basis thereby providing a regular return on investment to shareholders.

Responsibility

The Group has put in place checks and balances to ensure orderly and smooth functioning of operations and also defined measures in case of transgressions by members.

There exists a Code of Conduct and Ethics which regulates the behaviour and conduct of the members of the Organisation. Swift action is taken against members found in violation of the code.

Purchase and sale of shares by members is governed by the Marico Employees Share Dealing Rules to ensure transparency in trading by all members of the Organisation.

Fairness

All actions taken are arrived 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. Board remuneration does not rise faster than company profits.

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 on 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.

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- ❖ 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 internal control systems, financial reporting and compliance issues.
 - Corporate Governance Committee (erstwhile Remuneration Committee) covers remuneration of Directors and their relatives, Corporate Governance policy and procedures and has been designated as the Compensation Committee for the purpose of administration and superintendence of the Marico Employees Stock Option Scheme 2007.
 - Share Transfer Committee covers transfer formalities and other share-related procedures.
 - Shareholders' Committee covers redressal of investor grievances.
 - Securities Issue Committee covers the matters relating to the issue and allotment of securities and allied matters.
 - Real Estate Projects Committee (erstwhile Committee for investing in new office premises) covers matters relating to transactions in real estate and allied matters.
 - Constituted committees meet periodically to review operations.
- ❖ Each non-executive director brings value through specialisation.
- ❖ Directorships held are within the ceiling limits specified.
- ❖ Committee memberships and chairmanship of directors are within overall limits.
- ❖ Statutory compliance report along with a Compliance Certificate is placed before the Audit Committee / 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 Managers of the Company and / or outside Advisors to any meeting(s) of the Board/Committee.
- ❖ The Audit Committee has, during the year considered, all important Company policies having a financial or control angle viz: materials, risk management, internal controls and compliances across the Company. It has regularly monitored the effectiveness of policies, need for strengthening internal controls etc.

Reconstitution of the Board Committees

Various committees of the Board were reconstituted during the year as a result of organisational restructuring.

Compliance with Clause 49 of the Listing Agreement

The Company has complied with the provisions of clause 49 of the Listing agreement, as revised from time to time.

The Company already has a Code of Conduct for the Board of Directors and Senior Members, and a Whistle Blower Policy in place.

The Code of Conduct prescribes certain dos and don'ts to the Directors, Senior Management comprising key personnel of the Company and other employees of the Company to promote ethical conduct in accordance with the stated values of Marico and also to meet statutory requirements.

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

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II. BOARD OF DIRECTORS

(i) Composition and categories of Directors (as on June 19, 2009):

Name	Category
Mr. Harsh Mariwala	Chairman and Managing Director (Promoter)
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
Mr. Jacob Kurian	Non-Executive and Independent
Mr. Rajen Mariwala	Non-Executive (Promoter)
Ms. Hema Ravichandar	Non-Executive and Independent
Mr. Bipin Shah	Non-Executive and Independent

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

Four meetings of the Board of Directors were held during the period April 01, 2008 to March 31, 2009 viz: April 24, 2008; July 24, 2008; October 21, 2008 and January 22, 2009. The attendance record of all directors is as under:

Names of Directors	No. of Board Meetings		Attendance at Last AGM
	Held	Attended	
Mr. Harsh Mariwala	4	4	Yes
Mr. Rajeev Bakshi	4	3	No
Mr. Atul Choksey	4	3	No
Mr. Nikhil Khattau	4	3	No
Mr. Anand Kripalu	4	2	No
Mr. Jacob Kurian	4	3	No
Mr. Rajen Mariwala	4	4	No
Ms. Hema Ravichandar	4	4	No
Mr. Bipin Shah	4	4	Yes

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(III) Number of Board or Board Committees of which a Director is a member or chairperson (Only the Membership(s)/ Chairmanship(s) of Audit Committee and Shareholders' Committee is considered as per Clause 49 of the Listing Agreement)

Director	Number of Outside Directorships held	* Number of Committee Memberships	* Number of Committees in which Chairperson
Mr. Harsh Mariwala	4	1	1
Mr. Rajeev Bakshi	2	1	Nil
Mr. Atul Choksey	8	Nil	Nil
Mr. Nikhil Khattau	2	3	2
Mr. Anand Kripalu	2	Nil	Nil
Mr. Jacob Kurian	Nil	Nil	Nil
Mr. Rajen Mariwala	2	2	Nil
Ms. Hema Ravichandar	1	1	Nil
Mr. Bipin Shah	4	4	2

* includes committee Membership(s)/Chairmanship(s) with Marico Limited

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 July 24, 2008.

The Audit Committee now comprises of the following Members:

Mr. Bipin Shah	-	Chairman
Mr. Nikhil Khattau	-	Member
Mr. Rajen Mariwala	-	Member
Ms. Hema Ravichandar	-	Member
Ms. Rachana Lodaya	-	Secretary to the committee
Mr. Harsh Mariwala	-	Permanent Invitee

The terms of reference of the Audit Committee are as stated in Clause 49 of the Standard Listing Agreement and Section 292A of the Companies Act, 1956 and 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. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

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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 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. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.
11. 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.
12. 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.
13. To review the functioning of the Whistle Blower mechanism.
14. 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 Chief internal auditor.

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The Committee had 4 meetings during the period April 01, 2008 to March 31, 2009 viz: April 24, 2008, July 24, 2008, October 21, 2008 and January 22, 2009.

Names of Directors	No. of Audit Committee Meetings	
	Held	Attended
Mr. Bipin Shah	4	4
Mr. Nikhil Khattau	4	3
Mr. Rajen Mariwala	4	4
Ms. Hema Ravichandar*	4	2
Mr. Atul Choksey**	4	1
Mr. Harsh Mariwala	4	4

* appointed as a member on July 24, 2008

** appointed as a member on July 22, 2008 through circular resolution of the Board and ceased to be a member on July 24, 2008

IV. CORPORATE GOVERNANCE COMMITTEE

Constitution:

The Board of Directors had 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 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 Scheme. The Committee will also act as the Nomination Committee, with the details of this role being defined at an appropriate and relevant time in the future.

The Corporate Governance Committee comprises the following Directors:

Ms. Hema Ravichandar	-	Chairperson
Mr. Rajeev Bakshi	-	Member
Mr. Jacob Kurian	-	Member
Mr. Milind Sarwate	-	Secretary to the Committee
Mr. Harsh Mariwala	-	Permanent Invitee

The Corporate Governance Committee met five times during the period April 01, 2008 to March 31, 2009, viz: April 23, 2008, June 30, 2008, October 21, 2008, January 5, 2009, and January 22, 2009.

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The Remuneration paid/payable to Non-Executive Directors for the Financial Year 2008-2009 is as under:

Name	Remuneration (payable annually) (Rs.)	Sitting Fees (Rs.)
Mr. Rajeev Bakshi	2,10,000	45,000
Mr. Atul Choksey	2,10,000	35,000
Mr. Nikhil Khattau	2,10,000	50,000
Mr. Anand Kripalu	1,40,000	20,000
Mr. Jacob Kurian	2,10,000	55,000
Mr. Rajen Mariwala	2,80,000	65,000
Ms. Hema Ravichandar	2,80,000	75,000
Mr. Bipin Shah	2,80,000	60,000

The remuneration paid to Mr. Harsh Mariwala, Chairman and Managing Director, for the financial year 2008-2009 is as under:

Name	Salary and Perquisites (Rs.)	Annual Performance Incentive (Rs.)
Mr. Harsh Mariwala	1,63,78,537	43,65,501

For any termination of service contract, the Company and/or the Executive Director is required to give a notice of three months.

Shareholding of Non Executive Directors

Name of Non Executive Director	No. of Shares held (As on March 31, 2009)
Mr. Rajeev Bakshi	0
Mr. Atul Choksey	60,000
Mr. Nikhil Khattau	0
Mr. Anand Kripalu	0
Mr. Jacob Kurian	5,000
Mr. Rajen Mariwala	4,808,200
Ms. Hema Ravichandar	0
Mr. Bipin Shah	44,000
Total	4,917,200

REMUNERATION POLICY OF THE COMPANY

Remuneration Policy for Executive Director

The Marico Board presently consists of only one executive director namely Mr. Harsh Mariwala, Chairman and Managing Director (CMD). Therefore, the remuneration policy for executive directors presently covers only the Chairman and Managing Director.

The remuneration of the CMD is governed by the agreement dated June 28, 2006 executed between the Company and Mr. Harsh Mariwala. The terms of this agreement have already been shared with the members. The remuneration

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to the CMD comprises of 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.

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 Shareholders' Committee.

Non-Executive Directors bring in their long 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 26, 2005 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. The Board of Directors was allowed freedom, within this limit, to decide the mode, the quantum, the recipients and the frequency of payment of such remuneration.

V. SHAREHOLDERS' COMMITTEE

Constitution:

The Shareholders' Committee was constituted by the Board of Directors at its meeting held on October 23, 2001 and was last re-constituted on July 24, 2008.

The terms of reference of the Shareholders' committee are to specifically look into the redressal of shareholders' and investors' complaints relating to transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc.

The Shareholders' Committee now comprises the following Directors (All Non-Executive):

Mr. Nikhil Khattau	-	Chairman
Mr. Rajen Mariwala	-	Member
Ms. Rachana Lodaya	-	Secretary to the Committee

During the financial year 2008-2009, one meeting of the Committee was held on January 22, 2009.

Name and Designation of Compliance Officer:

Ms. Rachana Lodaya, Company Secretary & Compliance Officer

Status Report of Investor Complaints for the year ended March 31, 2009

No. of Complaints Received	-	124
No. of Complaints Resolved	-	124
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.

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VI. GENERAL BODY MEETINGS

Annual General Meetings

YEAR	VENUE	DATE	TIME
2006	Indian Education Society, Gate No. 6, Manik Sabhagriha, Opposite Leelavati Hospital, Bandra Reclamation, Bandra (W), Mumbai - 400 050	July 25, 2006	9.15 a.m.
2007	Mayfair Rooms, 'Mayfair South', 254- C, Dr. Annie Besant Road, Worli, Mumbai – 400 030	July 25, 2007	2.30 p.m.
2008	Mayfair Rooms, 'Mayfair South', 254- C, Dr. Annie Besant Road, Worli, Mumbai – 400 030	July 24, 2008	2.30 p.m.

There was no Special Resolution passed at any of previous three Annual General Meetings

VII. 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 2008-2009, 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 and it is fully implemented by the Management.

No personnel has 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 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 designated as the Corporate Governance Committee by the Board of Directors at its meeting held on October 25, 2005. A detailed note on the Committee is provided elsewhere 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 code of conduct or ethics policy. 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.

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VIII. MEANS OF COMMUNICATION

Quarterly, half-yearly 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).

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 are also put up on the website for wider dissemination.

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

IX. GENERAL SHAREHOLDER INFORMATION

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

Mr. Bipin Shah

Mr. Bipin R. Shah, started his career in 1956 when he joined Hindustan Unilever Limited (HUL) (erstwhile Hindustan Lever Limited) as a Management Trainee after completing his B.Com and Chartered Accountancy from Mumbai. After holding several commercial assignments in HUL between 1958 and 1978, Mr. Shah became the Director of HUL in 1979. In 1981, in addition to his Directorship in HUL, he was assigned an additional responsibility of being Chairman of another Unilever subsidiary namely Lipton India Ltd.

On his retirement from the Lever Group of Companies in 1992, he joined Indus Venture Management Ltd. where he was the Vice Chairman until May, 2006. Currently he is on the Board of several companies, including CRISIL, which is a premier credit rating agency in India. He has been on the Board of Directors of the Company since April 17, 1996. He holds 44,000 shares of the Company.

Mr. Atul Choksey

Mr. Atul Choksey has done his Bachelor's in Chemical Engineering from Illinois Institute of Technology, Chicago, U.S.A 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 and was subsequently appointed as a Wholetime Director of the Company in May 1979. He served as the Managing Director of the Company from April 1984 to August 1997. He is the Chairman of Apcotex Industries Ltd. and Apco Enterprises Ltd. as well as other group Companies. He is also a Director on the Boards of Finolex Cables Ltd and CEAT Ltd. He also takes active interest in various religious and educational institutions. He brings to the board a rich experience in Project planning and Execution, Marketing and General Management. He has been on the Board of Directors of the Company since October 23, 2001. He holds 60,000 shares of the Company.

Mr. Anand Kripalu

Mr. Anand Kripalu, is a Bachelor in Electronics from the Indian Institute of Technology, Madras and an MBA from the Indian Institute of Management, Calcutta. He is currently the President of Asia Business Unit, Cadbury Plc and additionally Managing Director for the Indian Sub Continent. Mr. Kripalu, in his long experience of 24 years in the FMCG Industry, has held several positions in Sales, Marketing and Operations in Unilever. Most recently he was Managing Director for Unilever's East Africa operations. Key assignments handled by him include setting up of the Dental Innovation Centre at Mumbai, Head of Market Research, and Head of Marketing for the Laundry category for India and the Central Asia Middle East Region, as well as, General Manager - Sales & Customer Development for HUL's Detergents business, with overall responsibility for Customer Management for the company. He has been on the Board of Directors of the Company since April 26, 2007. He does not have any shareholding in the Company.

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Annual General Meeting – Date, time and Venue	:	Thursday, July 23, 2009 at 3.00 p.m. Mayfair Rooms, 'Mayfair South', 254- C, Dr. Annie Besant Road, Worli, Mumbai – 400 030
Financial Year	:	April 01 - March 31
Book Closure Date	:	Friday, July 17, 2009 to Thursday, July 23, 2009, both days inclusive.
Dividend Payment Date	:	November 18 , 2008 (1 st Interim Equity Dividend 08-09) April 29 , 2009 (2 nd Interim Equity Dividend 08-09)
Listing on Stock Exchanges	:	Bombay Stock Exchange, Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. The National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex, Mumbai 400 051. Listing fees for Financial Year 2009-2010 has been paid.
Stock /Scrip Code	:	BSE – 531642 NSE – MARICO
ISIN number	:	INE 196A01026
Company Identification Number (CIN)	:	L15140MH1988PLC049208
Unique Identification Number	:	100067223

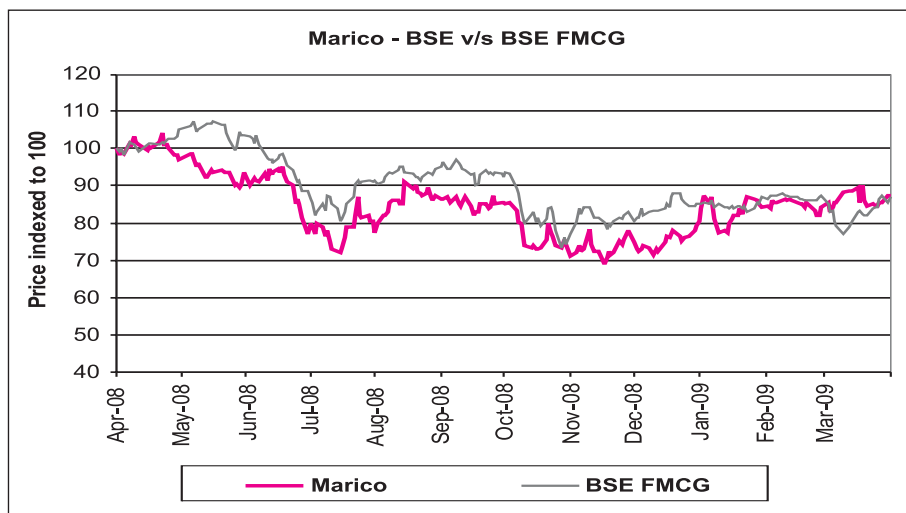
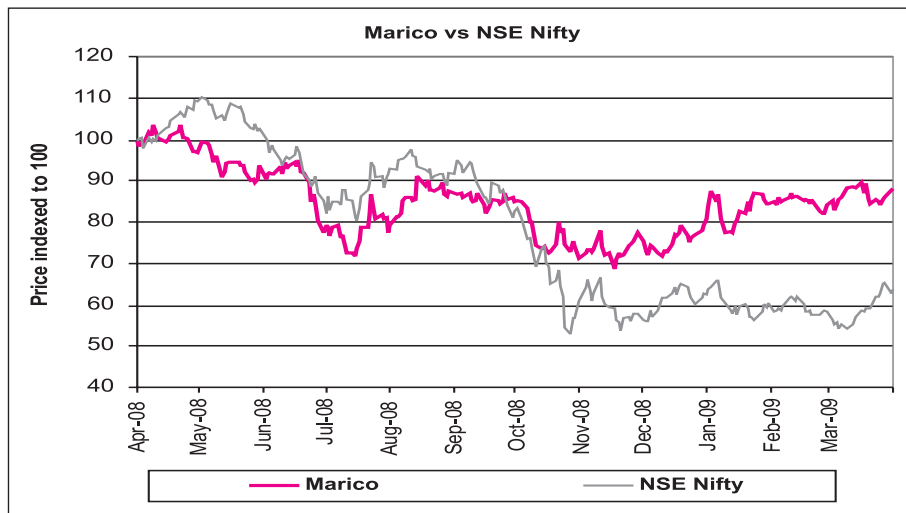
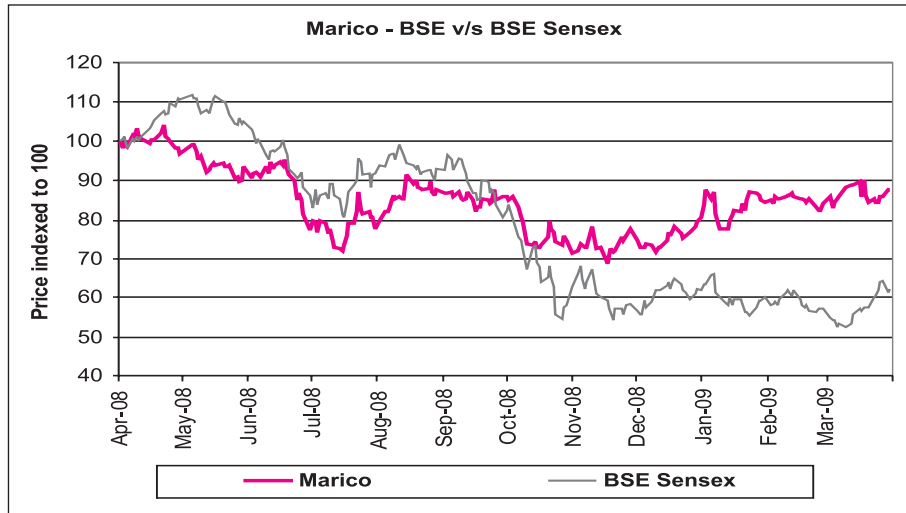
Market Price Data

Month	Bombay Stock Exchange Limited (BSE) (in Rs.)		The National Stock Exchange of India Limited (NSE) (in Rs.)	
	*High	*Low	*High	*Low
April 2008	74.95	65.60	74.80	66.25
May 2008	70.00	61.10	68.80	61.10
June 2008	66.50	50.55	66.95	51.00
July 2008	60.95	48.90	61.00	48.85
August 2008	63.50	53.00	64.40	53.00
September 2008	66.60	54.00	66.60	54.00
October 2008	59.85	46.50	59.95	46.45
November 2008	55.00	47.00	54.25	46.75
December 2008	56.00	49.20	56.50	48.90
January 2009	63.00	52.50	64.85	52.10
February 2009	61.30	56.00	61.40	55.85
March 2009	62.50	56.05	62.45	50.85

MARICO LIMITED

CORPORATE GOVERNANCE REPORT

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



MARICO LIMITED

CORPORATE GOVERNANCE REPORT

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 one month of date of lodgement of transfer.

Invalid share transfers are returned within 15 days of receipt.

The Share Transfer Committee generally meets on fortnightly basis, as may be warranted by the number of Share Transfers received.

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 20 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, 2009 :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	29,945	81.15	4,162,141	0.68
501-1000	2,832	7.67	2,504,516	0.41
1001 -2000	1,564	4.24	2,643,878	0.43
2001-3000	481	1.30	1,276,058	0.21
3001-4000	743	2.01	2,884,040	0.47
4001- 5000	254	0.69	1,231,196	0.20
5001-10000	480	1.30	3,677,336	0.60
10001 & above	601	1.63	590,620,835	96.98
Total	36,900	100.00	609,000,000	100.00

Categories of Shareholding- as on March 31, 2009 :

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding
Promoters	23	386,556,520	63.47
Foreign Institutional Investors	72	102,038,450	16.76
NRIs and OCBs	648	2,385,806	0.39
Insurance Companies, Banks and other Financial Institutions	9	12,881,801	2.12
Mutual Funds, including Unit Trust of India	73	53,939,672	8.86
Public / Private Ltd. Companies	822	10,843,231	1.78
Resident Individuals, Trusts and In Transit	35,253	40,354,520	6.63
Total	36,900	609,000,000	100.00

MARICO LIMITED

CORPORATE GOVERNANCE REPORT

Dematerialization of Shares and Liquidity	:	As on March 31, 2009, 99.65% 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, Jalgaon, Goa, Pondicherry, Daman and Dehradun
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 General Correspondence Marico Limited Rang Sharda, Krishnachandra Marg, Bandra Reclamation, Bandra (West), Mumbai - 400 050.

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, 2009, 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.

For the purpose of this declaration, senior management team means personnel as specified in the Annexure to the Code of Conduct.

HARSH MARIWALA

Chairman and Managing Director

Place: Mumbai

Date: June 19, 2009

MARICO LIMITED

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, to the best of our knowledge and belief, hereby certify that:

- (a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2009 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, 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 internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours truly,

For Marico Limited

Harsh Mariwala

Chairman and Managing Director

For Marico Limited

Anju Madeka

Chief Financial Officer

Place: Mumbai

Date: June 19, 2009

Place: Mumbai

Date: June 19, 2009