

CONSOLIDATED AUDITORS' REPORT

Independent Auditors' Report

To the Members of Marico Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Marico Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which comprise the consolidated balance sheet as at 31st March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at 31st March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

[Refer to Note (e) of Significant Accounting Policies and Note 19 to the Financial Statements]

The Key Audit Matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> Revenue is recognised net of returns, trade allowances and rebates owed to the customers based on the arrangement with customers. Recognition and measurement of trade allowances and rebates, including establishing an appropriate accrual at year end, involves significant judgement and estimates, particularly the expected level of claims of each of the customers, leading to a risk of revenue being misstated due to faulty estimation over trade allowances and rebates. Revenue is recognised when control of the underlying products has been transferred to the customer. There is a risk of revenue being overstated on account of variation in the timing of transfer of control due to the pressure management may feel to achieve performance targets at the reporting period end. 	<ul style="list-style-type: none"> In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: Evaluated the appropriateness of the Group's revenue recognition accounting policies, those relating to trade allowances and rebates by comparing with applicable accounting standards. Tested design, implementation and operating effectiveness of the Group's general IT controls and key IT/manual application controls over the Group's systems which govern recording of revenue, revenue cut-off and calculation and monitoring of trade allowances and rebates in the general ledger accounting system. Performed substantive year-end cut-off testing by selecting samples of revenue transactions recorded at year end, and verifying the underlying documents, which included sales invoices/contracts and shipping documents. Inspected, on a sample basis, key customer contracts to identify terms and conditions relating to goods acceptance and rebates. Tested a sample of trade spends to the supporting documentation. Performed a retrospective review of trade spends accruals with prior period to understand deviation along with reasons for the same. Tested manual journal posted to revenue to identify unusual items. Evaluated the adequacy of disclosure in respect of revenue in the financial statements.

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Taxation

[Refer to Note (g) of Significant Accounting Policies and Note 14, 25 and 31 to the Financial Statements]

The Key Audit Matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> The Group operates in a complex tax jurisdictions with various tax exemptions / deductions that may be subject to challenges and audits by tax authorities. There are open tax and transfer pricing matters under litigation with tax authorities. Judgment is required in assessing the level of provisions and disclosure of contingent liabilities required in respect of uncertain tax positions that reflects management's best estimate of the most likely outcome based on the facts available. 	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> For uncertain tax positions, inspected select correspondences with tax authorities. Evaluated management's judgment regarding the expected resolution of matters with various tax authorities, based on third-party opinions and the use of past experience, where available, with the tax authorities. Involved our tax specialists' to evaluate the status of ongoing tax litigations and judgmental tax positions in tax returns and their most likely outcome, basis their expertise, industry outcomes and company's own past experience in respect of similar matters. Evaluated the adequacy of financial statement disclosures in respect of the tax provision / adjustments and contingencies.

Carrying value of goodwill:

[Refer to Note (j) of Significant Accounting Policies, Note 2(d) and 5 to the Financial Statements]

The Key Audit Matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> The carrying amount of goodwill aggregates ₹ 538 Crore i.e. 10.74% of the total assets of the Group as at 31 March 2020. The majority of goodwill has been allocated to the Vietnam cash-generating unit (CGU) and South Africa CGU of the Group. The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the goodwill, which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales value, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate). 	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> Evaluated the assumptions applied to key inputs such as sales value, operating costs, growth rates and discount rates. Compared the inputs with the historical growth trends, evaluating the forecast used in prior year models to its actual performance of the business, agreeing current forecast to the board of directors / management approved plans as well as our own assessment based on our knowledge of the client. Involved our internal valuation specialists, where appropriate, to evaluate the reasonability of the methodology and approach used in the valuation carried out for determining the carrying amount of investments. Challenged management with our own sensitivity analysis and evaluated the effect of possible reductions in growth rates and forecasted cash flows on the estimated headroom. Evaluated the adequacy of financial statement disclosures in respect of investment in subsidiaries and joint ventures, including disclosures of key assumptions, judgements and sensitivities related to impairment testing.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint ventures is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

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report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial

statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements / financial information of five subsidiaries, whose financial statements/financial information reflect total assets of ₹891.78 Crore as at 31st March 2020, total revenues of ₹ 1712.94 Crore and net cash inflows amounting to ₹ 29.48 Crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.
- (b) The financial statements/financial information of seven subsidiaries, whose financial statements/financial information reflect total assets of ₹ 58.91 Crore as at 31st March 2020, total revenues of ₹ 1.13 Crore and net cash outflows amounting to ₹ 1.52 Crore for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 0.20 Crore for the year ended 31st March 2020, as considered in the consolidated financial statements, in respect of three joint ventures, whose financial statements/financial information have not been audited by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31st March 2020 on the consolidated financial position of the Group and joint ventures. Refer Note 33 to the consolidated financial statements.
 - ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March 2020.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31st March 2020.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31st March 2020.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary company incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR and Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner

Membership No: 048648
UDIN: 20048648AAAAAN4736

Mumbai
4 May, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT - 31ST MARCH, 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (a)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Marico Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which are its subsidiary company, as of that date.

In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on

Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements

due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR and Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sadashiv Shetty

Partner

Mumbai

4 May, 2020

Membership No: 048648

UDIN: 20048648AAAAAN4736

CONSOLIDATED BALANCE SHEET

as at 31 March 2020

(₹ in Crore)

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
ASSETS				
Non-current assets				
Property, plant and equipment	3(a)	654	572	534
Capital work-in-progress	3(a)	58	45	27
Right of use assets	3(b)	146	153	150
Investment properties	4	17	17	30
Goodwill	5	538	503	486
Other intangible assets	5	41	55	60
Investment accounted for using the equity method	6(a)	29	25	20
Financial assets				
(i) Investments	6(a)	76	34	37
(ii) Loans	6(c)	20	18	19
(iii) Other financial assets	6(f)	11	11	0
Deferred tax assets (net)	7	159	202	20
Non current tax assets (net)	17	45	39	33
Other non-current assets	8	26	35	32
Total non-current assets		1,820	1,709	1,448
Current assets				
Inventories	9	1,380	1,411	1,511
Financial assets				
(i) Investments	6(a)	628	391	486
(ii) Trade receivables	6(b)	539	517	340
(iii) Cash and cash equivalents	6(d)	93	48	51
(iv) Bank balances other than (iii) above	6(e)	186	504	150
(v) Loans	6(c)	5	5	4
(vi) Other financial assets	6(g)	3	4	2
Other current assets	10	340	308	250
Assets classified as held for sale	11	8	12	-
Total current assets		3,182	3,200	2,794
Total assets		5,002	4,909	4,242
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12(a)	129	129	129
Other equity				
Reserves and surplus	12(b)	2,900	2,896	2,428
Other reserves	12(c)	(6)	(50)	(34)
Equity attributable to owners		3,023	2,975	2,523
Non-controlling interests	12(c)	13	12	12
Total equity		3,036	2,987	2,535
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	13(a)	10	14	20
(ii) Other financial liabilities	13(b)	144	151	147
Employee benefit obligations	15	21	20	19
Deferred tax liabilities (net)	16	6	13	29
Total non current liabilities		181	198	215
Current liabilities				
Financial liabilities				
(i) Borrowings	13(a)	325	335	289
(ii) Trade payables	13(c)			
Due to micro and small enterprises		10	13	4
Due to others		968	931	818
(iii) Other financial liabilities	13(b)	79	63	55
Other current liabilities	18	217	196	161
Provisions	14	58	57	57
Employee benefit obligations	15	54	68	56
Current tax liabilities (net)	17	74	61	52
Total current liabilities		1,785	1,724	1,492
Total liabilities		1,966	1,922	1,707
Total equity and liabilities		5,002	4,909	4,242
Significant accounting policies				
Critical estimates and judgements				

The above consolidated Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date

For **B S R and Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

VIVEK KARVE
Chief Financial Officer

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

HEMANGI GHAG
Company Secretary
[Membership No.F9329]

Place : Mumbai
Date : May 4, 2020

Place : Mumbai
Date : May 4, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2020

Particulars	Notes	(₹ in crore)	
		Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue:			
Revenue from operations	19	7,315	7,334
Other income	20	124	103
Total Income		7,439	7,437
Expenses:			
Cost of materials consumed	21(a)	3,428	3,995
Purchases of stock-in-trade		177	145
Changes in inventories of finished goods, stock-in-trade and work-in progress	21(b)	140	(123)
Employee benefit expense	22	478	466
Finance costs	25	50	40
Depreciation and amortization expense	23	140	131
Other expenses	24	1,623	1,525
Total expenses		6,036	6,179
Profit before share of net profits of investments accounted for using equity method and tax		1,403	1,258
Share of net gain/(loss) of joint ventures accounted for using the equity method	31	0	(1)
Profit before exceptional items and tax		1,403	1,257
Exceptional items	40	(29)	-
Profit before tax from continuing operations		1,374	1,257
Income tax expense			
Current tax	26	347	331
Deferred tax	26	(16)	(17)
Tax expense for the current year		331	314
Tax adjustment for earlier years	26	-	(188)
Total tax expense		331	126
Profit for the year (A)		1,043	1,131
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15	(3)	(2)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	7	1	(0)
Total		(2)	(2)
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations	12 (c)	45	(16)
Change in fair value of hedging instruments	12 (c)	(2)	0
Income tax relating to items that will be reclassified to profit or loss			
Change in fair value of hedging instruments	12 (c)	1	(0)
Total	7	44	(16)
Other comprehensive income for the year (B)		42	(18)
Total comprehensive income for the year (A+B)		1,085	1,113
Net Profit attributable to:			
Owners		1,021	1,114
Non-controlling interests		22	17
		1,043	1,131
Other comprehensive income attributable to:			
Owners		42	(18)
Non-controlling interests		(0)	0
		42	(18)
Total comprehensive income attributable to:			
Owners		1,063	1,096
Non-controlling interests		22	17
		1,085	1,113
Earnings per equity share for profit attributable to owners:			
Basic earnings per share	36	7.91	8.64
Diluted earnings per share		7.91	8.63
Significant accounting policies	1		
Critical estimates and judgements	2		

The above consolidated Balance Sheet should be read in conjunction with the accompanying notes.
As per our report of even date

For **B S R and Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

VIVEK KARVE
Chief Financial Officer

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

HEMANGI GHAG
Company Secretary
[Membership No.F9329]

Place : Mumbai
Date : May 4, 2020

Place : Mumbai
Date : May 4, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2020

A. Equity Share Capital

Particular	Note	Amount
As at 1st April 2018		129
Changes in equity share capital	12(a)	0
As at 31st March 2019		129
Changes in equity share capital	12(a)	0
As at 31st March 2020		129

B. Other Equity

Particulars	Note	Attributable to owners										Total equity	
		Securities premium	Retained earnings	General reserve	Share based option outstanding account	Treasury shares	Capital reduction (Note h)	Weoma reserve	Effective portion of cash flow hedge	Other reserves Foreign currency translation reserve	Non-controlling interests		
As at 1st April 2018		416	2,413	299	11	(42)	(724)	55	0	(34)	2,394	11	2,405
Profit for the year		-	1,114	-	-	-	-	-	-	-	1,114	17	1,131
Other comprehensive income for the year		-	(2)	-	-	-	-	-	0	(16)	(18)	0	(18)
Total comprehensive income for the year		-	1,112	-	-	-	-	-	0	(16)	1,096	17	1,113
(Purchase)/sale of treasury shares by the trust during the year (net)	12(b)	-	-	-	-	15	-	-	-	-	15	-	15
Income of the trust for the year	12(b)	-	-	-	-	-	-	15	-	-	15	-	15
Gain transferred to income statement	12(c)	-	-	-	-	-	-	-	(0)	-	(0)	-	(0)
Deferred hedging loss on hedging instruments	12(c)	-	-	-	-	-	-	-	0	-	0	-	0
Deferred tax on hedge reserve	12(c)	-	-	-	-	-	-	-	(0)	-	(0)	-	(0)
Exercise of employee stock options	12(b)	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment expense	12(b)	-	-	-	8	-	-	-	-	-	8	0	8
Other adjustments	12(c)	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners:													
Dividends paid on equity shares (including dividend distribution tax of ₹93 crore)	12(b)	-	(682)	-	-	-	-	-	-	-	(682)	(18)	(700)
Balance as at 31st March, 2019		416	2,843	299	19	(27)	(724)	70	0	(50)	2,846	10	2,846
Balance as at 31st March, 2019		416	2,843	299	19	(27)	(724)	70	0	(50)	2,846	10	2,846
Profit for the year		-	1,021	-	-	-	-	-	-	-	1,021	22	1,043
Other comprehensive income for the year		-	(2)	-	-	-	-	-	(2)	45	41	(0)	41
Total comprehensive income for the year		-	1,019	-	-	-	-	-	(2)	45	1,062	22	1,084
(Purchase)/sale of treasury shares by the trust during the year (net)	12(b)	-	-	-	-	(0)	-	-	-	-	(0)	-	(0)
Income of the trust for the year	12(b)	-	-	-	-	-	-	4	-	-	4	-	4
Loss transferred to income statement	12(c)	-	-	-	-	-	-	-	(1)	-	(1)	-	(1)
Deferred hedging gain on hedging instruments	12(c)	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on hedge reserve	12(c)	-	-	-	-	-	-	-	1	-	1	-	1
Exercise of employee stock options	12(b)	4	-	-	(4)	-	-	-	-	-	(0)	-	(0)
Share based payment expense	12(b)	-	-	-	10	-	-	-	-	-	10	10	10
Other adjustments	12(c)	-	-	-	-	-	-	-	-	-	-	(21)	(21)
Transactions with owners in their capacity as owners:													
Dividends paid on equity shares (including dividend distribution tax of ₹130 crore)	12(b)	-	(1,026)	-	-	-	-	-	-	-	(1,026)	-	(1,026)
Balance as at 31st March, 2020		420	2,835	299	25	(27)	(724)	74	(2)	(5)	2,894	11	2,905

Nature and purpose of reserves

- a) **Securities premium**
Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013
- b) **Retained earnings**
Retained earnings are the net profits and remeasurement of post-employment benefit obligations (net of tax) attributable to owners earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- c) **General reserve**
The general reserve is used from time to time to record transfer of profit from retained earnings for appropriation purposes. As general reserve is created by transfer from one component of equity to another and it is not an item of other comprehensive income, item included in the general reserve will not be reclassified subsequently to profit or loss.
- d) **Share based option outstanding account**
The Company has established various equity settled share based payment plans for certain category of employees of the Company. Refer note 35 for further details of this plans.
- e) **WEOMA reserve and Treasury shares**
The Company has formed Welfare of Mariconions Trust (WEOMA trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. WEOMA purchases shares of the Company out of funds provided by the Company. The Company treats WEOMA as its extension and shares held by WEOMA are treated as treasury shares. Profit on sale of treasury shares (net of tax) and dividend earned on the same by WEOMA trust is recognised in WEOMA reserve.
- f) **Hedge reserve**
The Company uses forward and options contracts to hedge its risks associated with foreign currency transactions relating to certain firm commitments and forecasted transactions. The Company also uses interest rates swap contracts to hedge its interest rate risk exposure. The Company designates these as cash flow hedges. These contracts are marked to market as at the year end and resultant exchange differences, to the extent they represent effective portion of the hedge, are recognized directly in hedge reserve. The ineffective portion of the same is recognized immediately in the Statement of Profit and Loss. Exchange differences taken to hedge reserve account are recognized in the Statement of Profit and Loss upon crystallization of firm commitments or occurrence of forecasted transactions or upon discontinuation of hedge accounting resulting from expiry / sale / termination of hedge instrument or upon hedge becoming ineffective.
- g) **Foreign currency translation reserve**
Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.
- h) **Adjustment pursuant to the Scheme of Capital Reduction of MCCL**
During the year ended 31st March, 2014, Hon'ble High Court of Bombay had approved the Scheme of Capital Reduction vide its order dated 21st June, 2013 in accordance with the provisions of Section 78 (read with Sections 100 to 103) of the Companies Act, 1956, pertaining in the Group's wholly owned subsidiary, Marico Consumer Care Limited (MCCL). Pursuant to the Capital Reduction Scheme, intangible assets aggregating ₹ 724 Crore, were adjusted against the Share capital to the extent of ₹ 54 Crore and securities premium to the extent of ₹ 670 Crore. Consequently, in the consolidated financial statements of Marico, intangible assets to the extent of ₹ 724 Crore were adjusted under Reserves and Surplus. The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

For B R and Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
SADASHIV SHETTY
Partner
Membership No. 048648

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

VIVEK KARVE
Chief Financial Officer
Place : Mumbai
Date : May 4, 2020

HEMANGI GHAG
Company Secretary
[Membership No.F9329]

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March, 2020

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE INCOME TAX	1,374	1,257
Adjustments for:		
Depreciation, amortisation and impairment	150	131
Share of net loss / (gain) of joint ventures accounted for using the equity method	(0)	1
Finance costs	50	40
Interest income from financial assets	(72)	(54)
(Gain)/ Loss on disposal of property, plant and equipment (NET)	(0)	(7)
Net fair value changes (including net gain on sale of investments)	(29)	(72)
Gain on fair value of financial asset and investment	(4)	38
Employees stock option charge	10	9
Stock appreciation rights expense charge	(1)	7
Provision for doubtful debts, advances, deposits and others (written back) / written off	(3)	11
	1,475	1,361
Cash generated from operations before working capital changes		
(Increase) / Decrease in inventories	31	100
(Increase) / Decrease in trade receivables	(22)	(177)
(Increase) / Decrease in other financial assets	1	(3)
(Increase) / Decrease in other non-current assets	(2)	(0)
(Increase) / Decrease in other current assets	(33)	(60)
(Increase) / Decrease in loans	(3)	(1)
(Decrease) / Increase in provisions	1	(0)
(Decrease) / Increase in employee benefit obligations	(14)	4
(Decrease) / Increase in other current liabilities	22	35
(Decrease) / Increase in trade payables	38	121
(Decrease) / Increase in other financial liabilities	14	2
Changes in Working Capital	33	21
Cash generated from operations	1,508	1,382
Income taxes paid (net of refunds)	(290)	(320)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	1,218	1,062
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment and intangible assets	(194)	(162)
Proceeds from sale of property, plant and equipment	8	19
(Payment for) / Proceeds from purchase/sale of investments (NET) (refer note H below)	(189)	103
Investment in joint venture	(3)	(6)
(Purchase)/ Redemption of Inter-corporate deposits (NET) (refer note H below)	45	20
Investment in bank deposits (having original maturity more than 3 months) (net) (refer note H below)	217	(357)
Interest received	72	49

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Net cash utilised in investing activities (B)	(44)	(334)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital (net of share issue expenses)	0	-
Sale of investments by WEOMA trust (net)	3	30
Other borrowings (repaid) / taken (net) (refer note I below)	(15)	40
Decrease in minority interest	(21)	(18)
Interest paid	(34)	(23)
Repayment of Principal portion of lease liabilities	(38)	(29)
Interest paid on lease liabilities	(16)	(16)
Dividends paid to company's shareholders (including dividend distribution tax)	(1,025)	(682)
Net cash utilised in financing activities (C)	(1,146)	(698)
D EFFECT OF EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS (D)	17	(33)
E NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	45	(3)
F CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	48	51
G CASH AND CASH EQUIVALENTS AT END OF THE YEAR (REFER NOTE 6 (D))	93	48

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

H Non Cash Transaction from Investing activities					
Particulars	As at 31st March 2019	Cash flow	Non-Cash changes/ Fair Value Adjustment	As at 31st March 2020	
Non-Current Investments	34	41	1	76	
Current Investments including Fixed deposit	892	(114)	33	811	
	926	(73)	34	887	
I Changes in liabilities arising from Financing activities					
Particulars	As at 31st March 2019	Cash flow	Non-Cash changes/ Fair Value Adjustment	As at 31st March 2020	
Non Current Borrowings	14	(4)	-	10	
Current Borrowings	335	(11)	2	325	
	349	(15)	2	335	

The above consolidated statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date.

For **B S R and Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022
SADASHIV SHETTY
Partner
Membership No. 048648

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

VIVEK KARVE
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HEMANGI GHAG
Company Secretary
[Membership No.F9329]

Place : Mumbai
Date : May 4, 2020

Place : Mumbai
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NOTES

To Consolidated Financial Statements for the year ended 31st March, 2020

Back ground and operations

Marico Limited (herein after referred to as 'the Company'), headquartered in Mumbai, Maharashtra, India, together with its subsidiaries is referred as 'Marico' or 'Group'. Marico carries on business in branded consumer products. In India, Marico manufactures and markets products under the brands such as Parachute, Parachute Advansed, Nihar, Nihar Naturals, Saffola, Hair and Care, Revive, Mediker, Livon, Set-wet, etc. Marico's international portfolio includes brands such as Parachute, Parachute Advansed, Fiancée, Hair Code, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-men, Thuan Phat etc.

Note 1: Significant accounting policies:

This note provides a list of the significant accounting policies adopted in preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

The consolidated financial statements of the Group for the year ended 31st March, 2020 were approved for issue in accordance with the resolution of the Board of Directors on 4th May, 2020.

a) Basis of preparation:

i. Compliance with IND AS :

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

ii. Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Groups normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

iii. Historical cost convention :

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial instruments (including derivative instruments) and contingent consideration that are measured at fair value (Refer Note 27);

- assets held for sale measured at lower of cost or fair value less cost to sell;
- defined benefit plan assets / liabilities measured at fair value; and
- share-based payments liability measured at fair value

b) Principles of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are all entities over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

ii. Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iii) below), after initially being recognised at cost in the consolidated balance sheet.

iii. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in consolidated profit and loss, and the Group's share of other comprehensive income of the investee in consolidated other comprehensive income.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

iv. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

c) Segment Reporting:

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Managing Director and CEO is designated as the CODM.

d) Foreign currency transactions:

i) Functional and presentation currencies:

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in INR which is the functional and presentation currency for Marico Limited.

ii) Transactions and Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement of Profit and Loss account. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss account on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

iii) Group Companies:

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate as on that balance sheet date.
- income and expenses are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

e) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and service taxes and amounts collected on behalf of third parties.

The Group recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

i. Sale of goods:

Timing of recognition: Sale of goods is recognized when control of the goods has transferred to the customers, depending on individual terms, i.e. at the time of dispatch, delivery or formal customer acceptance depending on agreed terms.

Measurement of revenue: Accumulated experience is used to estimate and provide for discounts, rebates, incentives and subsidies. No element of financing is deemed present as the sales are made with credit terms, which is consistent with market practice.

ii. Sale of services:

Income from services rendered is recognised based on agreements/arrangements with the customers as

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To Consolidated Financial Statements for the year ended 31st March, 2020

the service is performed and there are no unfulfilled obligations.

f) Income recognition

- i. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.
- ii. Dividends are recognised in the Statement of Profit and Loss account only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
- iii. Revenue from royalty income is recognized on accrual basis.

g) Government Grants:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss account over the period necessary to match them with the costs that they are intended to compensate and reduced from corresponding cost.

Income from incentives such as government budgetary support scheme, premium on sale of import licenses, duty drawback etc. are recognized under other operating income on accrual basis to the extent the ultimate realization is reasonably certain.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

h) Income Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income and any adjustments to taxes in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act,

1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

i) Property, plant and equipment:

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Property, plant and equipment is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Borrowing costs attributable to acquisition, construction of qualifying asset are capitalized until such time as the assets are substantially ready for their intended use. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of Property, Plant and Equipments that are not yet ready for their intended use at the year end.

Depreciation and amortization:

Depreciation is calculated using the straight-line method to allocate the cost of Property, Plant and Equipment, net of their residual values, over their estimated useful lives.

As per technical evaluation of the Group, the useful life considered for the following items is lower than the life stipulated in Schedule II to the Companies Act, 2013:

Assets	Useful life (years)
Motor vehicle – motor car, bus and lorries, motor cycle, scooter	5
Office equipment – mobile and communication tools	2
Computer – Server network	3
Plant and equipment - Moulds	3 – 5
Leasehold land	Lease period
Right to Use Asset	Lease period

Apart from the above, the useful lives of other class of assets are in line with that prescribed in the Schedule II to the Companies Act, 2013.

Extra shift depreciation is provided on "Plant" basis.

Depreciation in respect of assets of foreign subsidiaries is provided on a straight line basis based on useful life of the assets as estimated by the Management which are as under:

Assets	Useful life (years)
Factory and office buildings	5 to 25
Plant and machinery	2 to 15
Furniture and fixtures (including leasehold improvements)	2 to 15
Vehicles	3 to 10

Assets individually costing ₹25,000 or less are depreciated fully in the year of acquisition.

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures, whichever is lower.

Depreciation on additions / deletions during the year is provided from the month in which the asset is capitalized up to the month in which the asset is disposed off.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are

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To Consolidated Financial Statements for the year ended 31st March, 2020

included in the Statement of Profit and Loss account within other income.

j) Intangible Assets:

i. Goodwill:

Goodwill on acquisitions of subsidiaries is included in intangible assets. It is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses arising on the disposal of an entity are calculated after netting of the carrying amount of Goodwill relating to the entity sold, from the proceeds of disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

ii. Intangible assets with finite useful life:

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under:

Assets	Useful life (years)
Computer Software	3

iii. Intangible assets with indefinite useful life:

Intangible assets with indefinite useful lives are measured at cost and are not amortised, but are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

iv. Research and Development:

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned in para i and j above. Revenue expenditure is charged off in the year in which it is incurred.

k) Investment property

Property (land or a building or part of a building or both) that is held (by the owner or by the lessee under a finance lease) for long term rental yields or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business;

is recognized as investment property in the books.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred, when part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation is provided on all Investment Property on straight line basis, based on useful life of the assets determined in accordance with para "i" above.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

l) Non-Current Asset held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the

balance sheet.

m) Lease

(i) As a lessee

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The finance lease assets are depreciated on a Straight line basis over the lease term. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Previously, under IND AS 17, leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary increase.

On transition to IND AS 116 – Leases, the Group has taken full retrospective approach and implemented retrospectively as a result of which the numbers for FY 2018-19 are reinstated and are comparable with FY 2019-20. The Group is of the view that, full retrospective method is more appropriate as it provides full disclosure along with comparable numbers to the readers of financial statements.

The Group calculate lease liability in respect of all the leases by arriving at present value using incremental borrowing rate for the tenure of the lease on future lease rentals payable by the Group. In cases, where such incremental borrowing rate is not available, interest rate is derived using risk free rate with applicable risk premium, for remaining term of the lease. The risk premium is the usual spread charged by banks for lending.

Any probable cost in future, if applicable, as well towards dismantling or removal of any asset is been considered for arriving at the net outflow.

The Group considers leases with term up to 12 (Twelve) months as short term leases. Also leases where the present value of future lease payments is less than Rs 350,000 are considered as low value. Such short term and low value leases are excluded from the scope for the purpose of Ind As 116.

Right of Use Asset :

The Group derives right of use asset as per IND AS 116 from inception of the lease arrangement and is amortized on a straight line basis over the estimated useful lives of respective Right of use asset.

As on date of transition 1st April 2018, the difference between right-of-use asset and a lease liability is adjusted against Retained earnings as on 1st April 2018

(ii) As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

n) Investment and financial assets:

i. Classification:

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

Classification of debt assets will be driven by the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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To Consolidated Financial Statements for the year ended 31st March, 2020

ii. Measurement:

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are included in finance income.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cashflows and for selling the financial assets, where the asset's cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss account. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in

profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive the dividend is established.

iii. Impairment of financial assets:

The Group assesses if there is any significant increase in credit risk pertaining to the assets and accordingly creates necessary provisions, wherever required.

iv. Derecognition of financial assets:

A financial asset is derecognised only when

- the Group has transferred the rights to receive cash flows from the financial asset or
- The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows so received to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

o) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 27. Movements in the hedging reserve in shareholders' equity are shown in Note 12(c). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge reserve

The effective part of the changes in fair value of hedge instruments is recognized in other comprehensive income, while any ineffective part is recognized immediately in the statement of profit and loss.

p) Inventories:

Raw materials, packing materials, stores and spares are valued at lower of cost and net realizable value.

Work-in-progress, finished goods and stock-in-trade (traded goods) are valued at lower of cost and net realizable value.

By-products and unserviceable / damaged finished goods are valued at estimated net realizable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost is assigned on the basis of weighted average method. In case of Marico Middle East FZE costs of inventories are ascertained on First In First Out basis instead of weighted average basis, the impact of which is not material. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

q) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at cost less provision made for doubtful trade receivable as per expected credit loss method over the life of the asset depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group.

r) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

s) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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To Consolidated Financial Statements for the year ended 31st March, 2020

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

t) Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

u) Employee Benefits:

i. Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Defined contribution plan:

a. Superannuation Fund:

The Group makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by insurance companies. The Group has no obligation to the scheme beyond its monthly contributions.

b. Provident fund:

Provident fund contributions are made to a trust administered by the Group in India. The Group's liability is actuarially determined (using the

Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the Group is additionally provided for in India. Actuarial losses and gains are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

iii. Defined benefit plan:

a. Gratuity:

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

b. Leave encashment / Compensated absences:

The Group provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation and classified as long term and short term. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

iv. Share based payments:

• Employee Stock Option Plan:

The fair value of options granted under the Group's employee stock option scheme (excess of the fair value over the exercise price of the option at the date of grant) is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price),
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees

to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

- **Employee Stock Appreciation Rights Scheme:**

Liability for the Group's Employee Stock Appreciation Rights (STAR), granted pursuant to the Group's Employee Stock Appreciation Rights Plan, is measured, initially and at the end of each reporting period until settled, at the fair value of the STARs, by applying an option pricing model, and is recognized as employee benefit expense over the relevant service period. The liability is presented as employee benefit obligation in the Balance Sheet.

v. Treasury Shares:

The Company has created a "Welfare of Mariconians Trust", (WEOMA) for providing share-based payment to its employees under the STAR scheme. In order to fund the STAR schemes, the Trust, upon intimation from the Company, carries out secondary market acquisition of the equity shares, of the Company. They are equivalent to STARs granted to its employees. The Company provides loan to the Trust for enabling such secondary acquisition. As and when the STARs vest in eligible employees, upon intimation of such details by the Company, the Trust sells the equivalent shares and hands over the net proceeds to the Company in accordance with the Trust Rules framed. The Company treats, WEOMA as its extension and shares held by WEOMA are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase or sale of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in WEOMA reserve.

v) Provisions and Contingent Liabilities:

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where any

present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

w) Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- (i) estimated amount of contracts remaining to be executed on capital account and not provided for;
- (ii) uncalled liability on shares and other investments partly paid;
- (iii) funding related commitment to subsidiary, associate and joint venture companies; and
- (iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/ procurements made in the normal course of business are not disclosed to avoid excessive details.

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To Consolidated Financial Statements for the year ended 31st March, 2020

x) Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdraft.

y) Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and disclosed as such in the financial statements.

z) Impairment of assets:

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

aa) Earnings Per Share:

(i) Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

ab) Contributed Equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ac) Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

ad) Business Combinations:

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

ae) Rounding off:

All amounts disclosed in the consolidated financial statement and notes have been rounded off to the nearest crores, unless otherwise stated.

Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes in these financial statements.

af) Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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To Consolidated Financial Statements for the year ended 31st March, 2020

2 Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Group may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

- (a) Impairment of financial assets (including trade receivable) (Note 28)
- (b) Estimation of defined benefit obligations (Note 15)
- (c) Estimation of current tax expenses and payable (Note 26)
- (d) Estimated impairment of goodwill and intangible assets with indefinite useful life (Note 5)
- (e) Estimation of provisions and contingencies (Note 14 and 33)
- (f) Recognition of deferred tax assets including MAT credit (Note 7)
- (g) Lease Accounting (Note 3 (b))

(a) Impairment of financial assets (including trade receivable)

Impairment testing for financial assets (other than trade receivables) is done at least once annually and upon occurrence of an indication of impairment. The

recoverable amount of the individual financial asset is determined based on value-in-use calculations which required use of assumptions.

Allowance for doubtful receivables represent the estimate of losses that could arise due to inability of the Customer to make payments when due. These estimates are based on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group as well as forward looking estimates at the end of each reporting period.

(b) Estimation of defined benefit obligations

The liabilities of the Group arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions. Refer Note 15 for significant assumptions used.

(c) Estimation of current and deferred tax expenses and payable

The Group's tax charge is the sum of total current and deferred tax charges. Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the Group operates. Any difference between the estimates and final tax assessments will impact the income tax as well as the resulting assets and liabilities.

(d) Estimated impairment of goodwill and intangible assets with indefinite useful life

Impairment testing for Goodwill and intangible assets with indefinite useful life is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions.

Particulars	Vietnam	South Africa
Period of Cash flow projections	10 years	10 years
Avg Sales Growth (%)	8%	6%
Avg Gross Margins %	48%	30%
Terminal Sales Growth %	2%	2%
Pre- tax discount rate	12.8%	10.9%

The growth rates and margins used to make estimate future performance are based on past performance and our estimates of future growths and margins achievable in the CGUs. Pre-tax discount rates reflect specific risks relating to the relevant segments and geographies in which the CGUs operate.

(e) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Group. The Group exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(f) Recognition of deferred tax assets including MAT credit

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward

for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Company.

(g) Lease Accounting

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for The Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group has considered leases with term up to 12 (Twelve) months as short term leases. Also leases where the current market value (for transition purpose determined basis the present value of future lease payments) is less than Rs 350,000 have been considered as low value. Such short term and low value leases are accordingly excluded from the scope for the purpose of Ind As 116 reporting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

3 (a) Property, Plant and Equipment

(₹ in Crore)

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office Equipment	Leasehold im-provements	Total	CWIP
Year ended 31st March, 2019										
Gross carrying amount										
Opening gross carrying amount	16	32	279	401	20	4	17	12	781	27
Additions	-	23	23	76	3	0	3	4	132	
Disposals / transfers	(0)	(1)	(6)	(12)	(0)	(0)	(2)	(1)	(22)	
Exchange Differences	1	0	2	4	(2)	0	0	-	5	
Closing gross carrying amount	17	54	298	469	21	4	18	15	896	
Accumulated depreciation										
Opening accumulated depreciation	-	2	42	168	9	1	13	2	237	
Depreciation charge during the year	-	1	16	67	4	1	3	1	93	
Disposals / transfers	-	(0)	(2)	(6)	(0)	(0)	(2)	(0)	(10)	
Exchange Differences	-	0	1	2	(2)	0	0	-	1	
Closing accumulated depreciation	-	3	57	231	11	2	14	3	321	
Impairment loss										
Opening Impairment Loss	-	-	1	8	1	-	0	-	10	
Impairment charge/(reversal) during the year	-	-	(1)	1	(0)	-	0	-	(0)	
Write off	-	-	(0)	(7)	(0)	-	(0)	-	(7)	
Exchange Differences	-	-	(0)	0	0	-	(0)	-	0	
Closing impairment loss	-	-	0	2	1	-	0	-	3	
Net carrying amount	17	51	241	236	9	2	4	12	572	45
Year ended 31st March, 2020										
Gross carrying amount										
Opening gross carrying amount	17	54	298	469	21	4	18	15	896	45
Additions	-	-	44	120	6	2	3	4	179	
Disposals / transfers	-	-	(8)	(14)	(1)	(1)	(2)	-	(25)	
Exchange Differences	1	0	2	8	2	(0)	1	-	14	
Closing gross carrying amount	18	55	336	583	28	5	20	19	1,064	
Accumulated depreciation										
Opening accumulated depreciation	-	3	57	231	11	2	14	3	321	
Depreciation charge during the year	-	1	15	72	4	1	3	2	98	
Disposals / transfers	-	-	(5)	(11)	(0)	(1)	(1)	-	(19)	
Adjustments	-	-	-	-	-	-	-	-	-	
Exchange Differences	-	0	1	4	2	0	0	-	7	
Closing accumulated depreciation	-	4	68	296	16	2	16	5	407	
Impairment loss										
Opening Impairment Loss	-	-	0	2	1	-	0	-	3	
Impairment charge/reversal during the year	-	-	1	1	(0)	-	0	-	2	
Write off	-	-	-	(2)	-	-	-	-	(2)	
Exchange Differences	-	-	0	0	0	-	0	-	0	
Closing impairment loss	-	-	1	1	1	-	0	-	3	
Net carrying amount	18	51	267	286	11	3	4	14	654	58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

3 Property, Plant and Equipment

- (i) **Impairment loss**
Impairment loss pertains to Plant and equipment which are in damaged condition or are lying idle and have no future use.
- (ii) **Contractual obligations**
Refer to Note 34 for disclosure of contractual commitments for acquisition of property, plant and equipment.
- (iii) **Capital work-in-progress**
Capital work-in-progress mainly comprises spends for setting up new manufacturing unit at Sanand , Ahmedabad India.
- (iv) **Leased assets**
Gross carrying amount of leasehold land represents amounts paid under lease agreements which are due for renewal in the years ranging from 2070 to 2117. In one case where the lease is expiring in 2070, the Company has an option to purchase the property.
- (v) **Buildings**
Buildings include Nil (31st March, 2019: Nil) being the value of shares in co-operative housing societies.

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To Consolidated Financial Statements for the year ended 31st March, 2020

3(b) Right to use asset

(₹ in Crore)

Particulars	Buildings	Plant and equipment	Total
Year ended 31st March, 2019			
Gross carrying amount			
Opening gross carrying amount	227	1	228
Additions	36	-	36
Disposals / transfers	(18)	-	(18)
Exchange Differences	2	(0)	2
Closing gross carrying amount	247	1	248
Accumulated depreciation			
Opening accumulated depreciation	77	0	78
Depreciation charge during the year	35	0	35
Disposals / transfers	(18)	-	(18)
Exchange Differences	0	(0)	0
Closing accumulated depreciation	94	1	95
Impairment loss			
Opening Impairment Loss	-	-	-
Impairment charge/ (reversal) during the year	-	-	-
Write off	-	-	-
Exchange Differences	-	-	-
Closing impairment loss	-	-	-
Net carrying amount	153	0	153
Year ended 31st March, 2020			
Gross carrying amount			
Opening gross carrying amount	247	1	248
Additions	37	0	37
Disposals / transfers	(26)	(1)	(27)
Exchange Differences	4	(0)	4
Closing gross carrying amount	262	0	262
Accumulated depreciation			
Opening accumulated depreciation	94	1	95
Depreciation charge during the year	37	0	37
Disposals / transfers	(17)	(1)	(18)
Adjustments	-	-	-
Exchange Differences	2	(0)	2
Closing accumulated depreciation	116	0	116
Impairment loss			
Opening Impairment Loss	-	-	-

(₹ in Crore)

Particulars	Buildings	Plant and equipment	Total
Impairment charge/reversal during the year	-	-	-
Write off	-	-	-
Exchange Differences	-	-	-
Closing impairment loss	-	-	-
Net carrying amount	146	0	146

Impact of COVID-19

The Group does not foresee any large-scale contraction in demand which could result in significant down-sizing of its operation rendering the physical infrastructure redundant. The leases that the Group has entered with lessors towards properties used as delivery centers / depots / sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

4 Investment Properties

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gross carrying amount		
Opening gross carrying amount/Deemed cost	18	31
Additions	-	-
Reclassification as held for sale (refer note v below)	-	(13)
Closing gross carrying amount	18	18
Accumulated Depreciation	1	2
Depreciation charge during the year*	(0)	0
Reclassification as held for sale (refer note v below)	-	(1)
Closing accumulated depreciation	1	1
Net carrying amount	17	17

* Includes exchange differences

(i) Amounts recognised in profit or loss for investment properties

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Rental income	1	1
Direct operating expenses for property that generated rental income	0	0
Profit from investment properties before depreciation	1	1
Depreciation	(0)	(0)
Profit from investment properties	1	1

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To Consolidated Financial Statements for the year ended 31st March, 2020

(ii) Leasing arrangements

Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

Particulars	(₹ in Crore)	
	As at 31st March, 2020	As at 31st March, 2019
Within one year	1	0
Later than one year but not later than 5 years	1	-
Later than 5 years	-	-

(iii) Fair value

Particulars	(₹ in Crore)	
	As at 31st March, 2020	As at 31st March, 2019
Investment properties	45	39

Estimation of fair value

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in market for similar properties.

- (iv) The fair values of investment properties have been determined by an independent valuer who holds recognised and relevant professional qualification. The main inputs include details obtained from "The Ready Reckoner", location factor and physical verification of the property.
- (v) During the previous year ended 31st March, 2019 investment property at Andheri, Mumbai had been classified as asset held for sale.

5 Intangible Assets

Particulars	(₹ in Crore)			
	Trademarks and copyrights (Refer note (i) below)	Computer software	Total	Goodwill
Year ended 31st March 2019				
Opening gross carrying amount	57	14	71	486
Additions	-	4	4	-
Exchange differences	(6)	0	(6)	17
Closing gross carrying amount	51	18	69	503
Accumulated amortisation	0	11	11	-
Amortisation charge for the year	-	3	3	-
Exchange differences	0	0	0	-
Closing accumulated amortisation	0	14	14	-
Closing net carrying amount	51	4	55	503

Particulars	Trademarks and copyrights (Refer note (i) below)	Computer software	Total	Goodwill
Year ended 31st March 2020				
Opening gross carrying amount	51	18	69	503
Additions	-	5	5	-
Disposals	-	(2)	(2)	-
Adjustments (refer note (ii) below)	(17)	-	(17)	17
Exchange differences	1	0	2	27
Closing gross carrying amount	35	22	57	547
Accumulated amortisation	0	14	14	-
Amortisation charge for the year	-	3	3	-
Disposals	-	(1)	(1)	-
Impairment charged (refer note (iii) below)	-	-	-	10
Exchange differences	0	0	0	(2)
Closing accumulated amortisation	0	16	16	8
Closing net carrying amount	35	6	41	538

- (i) During the financial year ended 31st March, 2018, the Group acquired the business and brand called 'ISOPLUS' in South Africa for a total consideration of ZAR 75 million. Consequent to which intangibles aggregating ZAR 60 million (Approx. ₹ 30 Crores) and goodwill aggregating ZAR 2.1 million (approx. ₹ 1 Crores) were recognised in the books and balance consideration was attributable towards other tangible assets.
- (ii) During the year, valuation of 'ISOPLUS' brand in South Africa was finalised that required a material adjustment to the initial calculation of the fair value of the brand acquired. This resulted into recognition of goodwill on acquisition of ZAR 35.8 million (approx ₹ 17 Crores) and simultaneous derecognition of intangible by ZAR 35.8 million (approx. ₹ 17 Crores). Consequent to this adjustment, deferred tax liability of ZAR 0.94 million (Approx. Rs. 4 crore) has been recognised in the books.
- (iii) Goodwill on acquisitions included in intangible assets was tested for impairment basis circumstances indicating the impairment of brand ISOPLUS in South Africa. Consequently, impairment loss of ₹ 10 Crore was recognized during the year (refer note 40).
- (iv) Impact of COVID-19

Cash generating unit's (CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

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To Consolidated Financial Statements for the year ended 31st March, 2020

6(a) Investments

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current Investments		
I. Investment in Joint venture		
Equity instruments		
Joint venture	29	25
II. Other Investments		
(A) Quoted		
Debentures	50	9
Bonds	25	25
Mutual Funds	-	-
	75	34
(B) Unquoted		
Equity instruments		
In Others	1	0
Government securities	0	0
	1	0
Total Non - current other Investments (A + B)	76	34
Current Investments		
(C) Quoted		
Debentures	68	84
Bonds	47	-
Mutual funds	-	13
	115	97
(D) Unquoted		
Intercorporate deposits	31	77
Commercial papers	89	25
Certificate Deposits	96	-
Mutual Funds	297	192
	513	294
Total current other Investments (C+D)	628	391
Unquoted at cost		
In Joint Venture		
Zed Lifestyle Private Limited (refer note (i) below)	25	22
5,640 (31st March, 2019 : 5,176) equity shares of ₹ 10 each fully paid		
Revolutionary Fitness Private Limited (refer note (ii) below)	3	4

Particulars	As at 31st March, 2020	As at 31st March, 2019
5,791 (31st March, 2019 : 4,022) equity shares of ₹ 10 each fully paid		
Hello Green Pvt Ltd (refer note (iii) below)	0	-
8,568 (31st March, 2019 : Nil) equity shares of ₹ 10 each fully paid		
Total investment in Joint Venture	29	26
Aggregate carrying amount of quoted investments	190	131
Market value/ Net asset value of quoted investments	190	133
Aggregate carrying amount of unquoted investments	543	294

Notes:

- (i) During the year ended 31st March, 2020, the Company acquired additional 2.12% stake in Zed Lifestyle Private Limited, a joint Venture. During the previous year ended 31st March, 2019, the Company acquired additional 2.28% stake in the joint venture. As at 31st March, 2020 Company holds 45% stake in this joint venture.
- (ii) During the year ended 31st March, 2020, the Company acquired additional 6.98% stake in Revolutionary Fitness Private Limited, a joint venture. During the previous year ended 31st March, 2019, the Company acquired 22.46% stake in the joint venture. As at 31st March, 2020 company holds 29.44% stake in this joint venture.
- (iii) During the year ended 31st March, 2020, the Company acquired 25.79% stake in Hello Green Private Limited, a joint venture.

6(b) Trade Receivables

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade receivables	544	522
Less: Allowance for doubtful debts	(5)	(5)
Total receivables	539	517
Current Portion	539	517
Non-Current Portion	-	-
Break up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	539	517
Trade receivables which have significant increase in credit risk	4	4
Add Less: Allowance for doubtful debts	(4)	(4)
Trade receivables - Credit impaired	1	1
Less: Allowance for doubtful debts	(1)	(1)
Total	539	517

For credit risk and provision for loss allowance refer note 28(a)

NOTES

To Consolidated Financial Statements for the year ended 31st March, 2020

6(c) Loans

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non current		
Unsecured, considered good		
Loans to employees	3	4
Security deposits with public bodies and others		
Considered good	17	14
Considered doubtful	1	1
	18	15
Less: Provision for doubtful deposits	(1)	(1)
	17	14
Total non current loans	20	18
Current		
Unsecured, considered good		
Loan to employees	5	5
Total current loans	5	5

Note: Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties

6(d) Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with banks		
Bank balances in current accounts	57	34
Deposits with original maturity of less than three months	36	14
Cash on hand	0	0
Total cash and cash equivalents	93	48

6(e) Bank Balances other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fixed deposits with maturity more than 3 month but less than 12 months	183	502
Balances with banks for unclaimed dividend (Refer note below)	3	2
Total bank balance other than cash and cash equivalents	186	504

Note: These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

6(f) Other Non Current Financial Assets

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured considered good (unless otherwise stated)		
Fixed deposits-maturing after 12 months (refer note below)	11	11
Total other non current financial assets	11	11

Note : Fixed deposits with banks includes deposits with sales tax authorities, deposits held as lien by banks against guarantees and for other earmarked balances.

6(g) Other Current Financial Assets

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Derivatives		
Foreign exchange forward contracts, options and interest rate swaps	1	2
	1	2
(ii) Others		
Advances to related parties (Refer Note 32)	0	1
Security deposits	0	0
Other deposits	1	1
	1	2
Total other current financial assets	3	4

7 Deferred Tax Asset (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Liabilities / provisions that are deducted for tax purposes when paid	38	36
Defined benefit obligations	2	1
On intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme	2	3
MAT Credit entitlement	134	182
	176	222
Other items:		
On hedge reserve	-	-
Other timing differences	19	13
	19	13
Total deferred tax assets	195	235
Set off of deferred tax liabilities pursuant to set off provisions	(36)	(33)
Net deferred tax assets	159	202

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To Consolidated Financial Statements for the year ended 31st March, 2020

Movement in deferred tax assets

							(₹ in Crore)
Particulars	Liabilities / provisions that are deducted for tax purposes when paid	Defined benefit obligations	On Intangible assets*	MAT Credit entitlement	Other items	Total deferred tax assets	
As at 31st March, 2018	28	2	5	2	18	55	
(Charged)/credited :							
to Profit and Loss	8	(1)	(2)	(0)	(5)	(2)	
Tax adjustment for earlier years	-	(0)	-	188	-	188	
to other comprehensive income	-	-	-	(8)	-	(6)	
As at 31st March 2019	36	1	3	182	13	235	
(Charged)/credited :							
to Profit and loss	2	0	(0)	-	6	(7)	
to other comprehensive income	-	0	-	-	-	0	
Deferred tax on balance sheet adjustment	-	-	-	(48)	-	(49)	
Exchange translation Difference	0	0	-	-	0	1	
As at 31st March 2020	38	2	2	134	19	195	

*On intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme.

8 Other Non Current Assets

			(₹ in Crore)
Particulars	As at 31st March, 2020	As at 31st March, 2019	
Capital advances	10	21	
Advances to vendors	2	1	
Prepaid expenses	2	2	
Fringe benefit tax payments	0	0	
Deposits with statutory/government authorities	12	11	
Total other non-current assets	26	35	

9 Inventories

			(₹ in Crore)
Particulars	As at 31st March, 2020	As at 31st March, 2019	
Raw materials			
- In stock	504	398	
- In transit	24	15	
Packing materials			
- In stock	94	103	
- In transit	2	1	
Work-in-progress	341	304	
Finished goods			
- In stock	354	534	
- In transit	1	1	
Stock in Trade	42	35	
By-product	4	8	
Stores and spares	14	12	
Total inventories	1,380	1,411	

Refer Note 1 (p) for basis for valuation

During the year, an amount of ₹ 68 Crore (31st March, 2019: ₹ 49 crores) was charged to the Statement of Profit and Loss on account of damaged and slow moving inventory. The reversal on account of above during the year amounted to Nil (31st March, 2019: Nil).

10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advances to vendors	100	88
Balances with government authorities	81	75
Input tax credit receivable	138	129
Prepaid expenses	15	16
Others	6	0
Total other current assets	340	308

11 Assets Classified as Held for Sale

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Land and Building	8	12
Total assets classified as held for sale	8	12

Non-recurring fair value measurements

- (i) During the previous year ended 31st March, 2019 investment property at Andheri, Mumbai, having carrying value of ₹12 Crore was classified as asset held for sale, of which part property was sold during the year and remaining property is classified as Asset held for sale with carrying value of ₹ 5 Crore. Fair value of the same was ₹ 10 Crore as at 31st March, 2020. The fair value has been determined by an independent valuer who holds recognised and relevant professional qualification. The main inputs include details obtained from "The Ready Reckoner", location factor and physical verification of the property.
- (ii) During the year, office premises located at Uttara, Bangladesh having carrying value of ₹ 3 Crore (BDT 4 Crore) was classified as asset held for sale. Fair value of the same was ₹ 22 Crore (BDT 24 Crore) as at 31st March, 2020.

12(a) Equity Share Capital

Particulars	No. of shares (₹ in Crore)	Amount (₹ in Crore)
As at 31st March, 2019		
Equity shares of Re. 1/- each	150.00	150
Preference shares of ₹10/- each	6.50	65
Total	156.50	215
As at 31st March, 2020		
Equity shares of Re. 1/- each	150.00	150
Preference shares of ₹ 10/- each	6.50	65
Total	156.50	215
Issued, subscribed and paid-up as at 31st March, 2019		
1,290,864,398 equity shares of Re. 1/- each fully paid-up	129.09	129
Total	129.09	129
Issued, subscribed and paid-up as at 31st March, 2020		
1,291,018,088 equity shares of Re. 1/- each fully paid-up	129.10	129
Total	129.10	129

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To Consolidated Financial Statements for the year ended 31st March, 2020

(i) Movements in equity share capital

Particulars	No of shares (in Crore)	Equity Share capital (par value)
As at 31st March, 2018	129.09	129
Shares issued during the year - ESOP (refer note 35 (a))	-	-
As at 31st March, 2019	129.09	129
Shares issued during the year - ESOP (refer note 35 (a))	0.01	0.02
As at 31st March, 2020	129.10	129

(ii) Rights, preferences and restrictions attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of Re.1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Shares reserved for issue under options

Information relating to Marico ESOP 2016, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 35 (a).

(iv) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Re. 1/- each fully paid-up				
Harsh C Mariwala with Kishore V Mariwala (For Valentine Family Trust)	148,459,200	11.50	148,459,200	11.50
Harsh C Mariwala with Kishore V Mariwala (For Aquarius Family Trust)	148,446,200	11.50	148,446,200	11.50
Harsh C Mariwala with Kishore V Mariwala (For Taurus Family Trust)	148,465,000	11.50	148,465,000	11.50
Harsh C Mariwala with Kishore V Mariwala (For Gemini Family Trust)	148,460,600	11.50	148,460,600	11.50
First State Investments Services (UK) Ltd (along with Persons acting in concert)	69,377,833	5.37	78,346,023	6.07

(v) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	(₹ in Crore)	
	As at 31st March, 2020	As at 31st March, 2019
No. of equity shares allotted as bonus	645,085,599	645,085,599
No. of equity shares allotted under employee stock option plans	950,490	905,800

12(b) Reserves and Surplus

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Securities premium	420	416
General reserve	299	299
Share based option outstanding account	25	19
Treasury shares	(27)	(27)
WEOMA reserve	73	70
Retained earnings	2,835	2,843
Adjustment pursuant to the Scheme of Capital Reduction of MCCL (Refer Note (h) to the statement of changes in equity)	(724)	(724)
Total Reserve and surplus	2,900	2,896

(i) Securities premium

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	416	416
Add: Exercise of employee stock options	3	-
Closing Balance after Minority Interest	419	416

(ii) General reserve

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	299	299
Closing Balance after Minority Interest	299	299

(iii) Share based option outstanding account (refer note 35)

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	19	11
Exercise of employee stock options	(4)	-
Share based payment expense	10	8
Closing Balance after Minority Interest (ESOP)	25	19

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To Consolidated Financial Statements for the year ended 31st March, 2020

(iv) Treasury shares

Particulars	(₹ in Crore)	
	As at 31st March, 2020	As at 31st March, 2019
Opening balance	(27)	(42)
Add : (Purchase)/sale of treasury shares by the trust during the year (net)	(0)	15
Closing Balance after Minority Interest	(27)	(27)

(v) WEOMA reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	70	55
Add : Income of the trust for the year	3	15
Closing Balance after Minority Interest	73	70

(vi) Retained earnings

Particulars	(₹ in Crore)	
	As at 31st March, 2020	As at 31st March, 2019
Opening balance	2,843	2,413
Net Profit for the year	1,021	1,114
Remeasurements of post-employment benefit obligation, net of tax	(2)	(2)
Less: Dividend	(896)	(589)
Less: Tax on dividend (net of tax on dividend received from subsidiaries of ₹49 Crore) (Previous year ₹37 Crore)	(131)	(93)
Closing Balance after Minority Interest	2,835	2,843

12(c) Other Reserves

Particulars	(₹ in Crore)	
	As at 31st March, 2020	As at 31st March, 2019
Hedge reserve	(1)	0
Foreign currency translation reserve	(5)	(50)
Total other reserves	(6)	(50)

Hedge Reserve

Particulars	(₹ in Crore)	
	As at 31st March, 2020	As at 31st March, 2019
Opening balance	0	0
Deferred Hedging Gain / (Loss) on hedging instruments	(2)	1
Gain / (Loss) transferred to Income Statement	(1)	(0)
Deferred tax on hedge reserve	1	(0)
Closing Balance hedge reserve	(1)	0

Foreign currency translation reserve

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	(50)	(34)
Less: Transferred to retained earnings	-	-
Exchange gain/(loss) on translation during the year	45	(16)
Closing Balance Foreign currency translation reserve	(5)	(50)

Non controlling interest (NCI)

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	12	12
Total comprehensive income for the year	22	17
Less : Dividend distributed to minority shareholders	(21)	(18)
Other adjustments	0	1
Closing Balance Non controlling interest (NCI)	13	12

13(a) Non-current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Inter- est rate	As at 31st March, 2020	As at 31st March, 2019
Unsecured					
Term loan					
From banks					
Loan in ZAR from Standard Bank of South Africa Limited	August 2022	Equal monthly instalments from April 2018 to August 2022	Relevant benchmark rate + 50 basis point	13	17
Total non-current borrowings				13	17
Less: Current maturities of long-term debt (refer note 13 (b))				3	3
Less: Interest accrued (refer note 13 (b))				0	0
Non-current borrowings				10	14

The scheduled maturity of long term borrowings is summarized as under:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within one year (refer note 10 - Current maturities of long term debt)	3	3
After 1 year but within 2 years	10	14
Total	13	17

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To Consolidated Financial Statements for the year ended 31st March, 2020

Current Borrowings

				(₹ in Crore)	
Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2020	As at 31st March, 2019
Loans repayable on demand					
Unsecured					
From banks					
- Cash credit (refer note (i) below)	Payable on demand	Payable on demand	9.5% to 12.25% per annum	-	3
- Export packing credit (refer note (i) below)	FY 20, Repayable with Interest on May, 2020 INR 17 Crores, July, 2020 INR 13 Crores (FY 19 - Repaid From April 19 to June 19, INR 24 Crores, August 19 to September 19 INR 18 Crores)	For a term of six months	FY 20 Bank Base rate/Relevant Benchmark rate plus applicable spread less Interest Subvention of 3.00% per annum; (FY 19 - Bank Base rate/Relevant Benchmark rate plus applicable spread less Interest Subvention of 3.00% per annum)	30	42
- Working capital demand loan	FY 20 : Repayable with interest on April 2020 - INR 10 Crores, June 2020 - INR 24 Crores, July 2020 - INR 6 Crores, February 2021 - INR 30 Crores, March 2021 - INR 10 Crores, (FY 19 Repaid April to June 2019 - INR 45 Crore July 19 to March 20- INR 41 Crores)	For a term of six months to twelve months	FY 20 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum (FY 19 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum;)	80	86
- Working Capital Demand Loan	FY 20 : Repayable with interest, June 2020 - INR 116.25 Crores December, 2020 - INR 45.23 Crore (FY19: Repayable with interest, May 2019 - INR 84.25 Crores June, 2019 - INR 24.28 Crores, May, 2019 - INR 16.54 Crores, December, 2019 - INR 41.62 Crores)	For terms upto twelve months	FY 20 LIBOR plus applicable spread ranging from 0.60% to 0.80% per annum (FY 19 : LIBOR plus applicable spread ranging from 0.70% to 0.90% per annum)	162	166
- Cash credit	Payable on demand	Payable on demand	FY 20 LIBOR plus applicable spread ranging from 0.50% to 0.75 % per annum (FY 19 : LIBOR plus applicable spread ranging from 0.50% to 1.00% per annum)	53	39
Total current borrowings				326	336
Less: Interest accrued (Refer Note 13(b))				1	1
Current borrowings as per balance sheet				325	335

Note:-

(i) Cash credit, working capital demand loan and export packing credit is unsecured. There is no charge against short term loan taken from banks.

13(b) Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current		
Lease Liabilities	144	151
Total other non-current financial liabilities	144	151
Current		
Current maturities of long-term debt (refer note 13(a))	3	3
Interest accrued and not due on borrowings (refer note 13(a))	1	1
Creditors for capital goods	8	3
Salaries, bonus and other benefits payable to employees	22	14
Trade deposits from customers and others	1	2
Unclaimed dividend (refer note below)	3	2
Lease Liabilities	39	38
Others	0	0
Derivative designated as hedges	2	-
Total other current financial liabilities	79	63

Note: As at 31st March, 2020, there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Company. Unclaimed dividend if any, shall be transferred to IEPF as and when they become due.

13(c) Trade Payables

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current		
Trade payables:		
Dues to Micro and small enterprises (refer note below)	10	13
Dues to others	968	931
Total trade payables	978	944

Note: The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
I. The principal amount remaining unpaid to any supplier as at the end of accounting year included in trade payable	10	12
II. Interest due thereon	1	1
Trade Payables due to micro and small enterprises	11	13
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	1	1
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	1	0

This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

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14 Provisions

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current		
Disputed indirect taxes (refer Note (a and b))*	58	57
Total current provisions	58	57

*These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilization and cash outflows, if any, pending resolution.

- (a) Provision for disputed indirect taxes mainly pertains to Entry tax dispute in the states of Himachal Pradesh and West Bengal where company has filed writ petitions in both the states before the respective Honourable High Courts and the matter is sub judice. It is not practicable to state the timing of the judgement and final outcome. Management has assessed that unfavourable outcome of the matter is more than probable and therefore has created provisions for necessary amounts.
- (b) Movement of provisions during the year as required by Ind AS-37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013.

(₹ in Crore)

Disputed indirect taxes	As at 31st March, 2020	As at 31st March, 2019
Balance as at the beginning of the year	57	57
Add: Additional provision recognised	1	-
Less: Amount used during the year	-	(0)
Balance as at the end of the year	58	57

15 Employee benefit obligation non current

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gratuity (refer note (i) and (a) below)	9	6
Leave encashment/compensated absences (refer note (iii) below)	9	9
Share-appreciation rights (refer note (iv) below)	1	2
Others	2	3
Total employee benefit obligations non current	21	20

Employee Benefit Obligation Current

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gratuity (refer note (i) below)	6	6
Leave encashment/compensated absences (refer note (iii) below)	3	3
Share-appreciation rights (refer note (iv) below)	0	3
Incentives / bonus	45	56
Total employee benefit obligations current	54	68

Notes:-

(i) Gratuity

The Group provides for gratuity for employees, wherever applicable. Amount of gratuity payable on retirement/termination is computed basis the law of the respective geographies. The gratuity plan in India is funded through gratuity trust in India.

(ii) Provident fund

In India, contributions are made to a trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the trust set up by the Company is additionally provided for. There is no shortfall as at 31st March 2020 and 31st March 2019.

(iii) Leave Encashment/Compensated absences.

The Group provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. The Current leave obligations expected to be settled within the next 12 months.

(iv) Share-appreciation rights

In respect of Employee Stock Appreciation Rights (STAR) granted pursuant to the Group's Employee Stock Appreciation Rights Plan, 2011, the liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the stock appreciation rights, by applying an option pricing model (excess of fair value as at the period end over the Grant price) and is recognized as Employee compensation cost over the vesting period (refer note 35(b)).

(a) Balance sheet amounts - Gratuity

(₹ in Crore)

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
Balance as on 1st April 2018	33	24	9
Current service cost	5	0	5
Interest expense	3	0	3
Past service cost	0	0	0
Interest Income	0	(1)	(1)
Total amount recognised in profit or loss	8	(1)	7
Remeasurements			
(Gain)/loss from change in demographic assumptions	(0)	-	(0)
(Gain)/loss from change in financial assumptions	1	-	1
Experience (gains)/ losses	1	0	1
Total amount recognised in other comprehensive income	2	0	2
Employer contributions	-	4	(4)
Benefit Payments	(5)	(3)	(2)
Balance as on 31st March 2019	38	26	12
Balance as on 1st April 2019	38	26	12
Current service cost	5	0	5
Interest expense	3	0	3
Past service cost	0	0	0
Interest Income	0	(2)	(2)
Total amount recognised in profit or loss	8	(2)	6
Remeasurements			
(Gain)/loss from change in demographic assumptions	0	0	0
(Gain)/loss from change in financial assumptions	3	0	3
Experience (gains)/ losses	1	(1)	0
Total amount recognised in other comprehensive income	4	(1)	3
Employer contributions	0	5	(5)
Benefit Payments	(8)	(6)	(2)
Balance as on 31st March 2020	42	27	15

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The Net liability disclosed above relates to funded and unfunded plans are as follows

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Present value of funded obligations	34	31
Fair value of plan assets	(28)	(26)
Deficit of funded plan	6	5
Unfunded plans	9	7
Deficit of gratuity plan	15	12

The following table shows a breakdown of the defined benefit obligation (Gratuity) and plan assets by country:

Plan type	31st March, 2020				31st March, 2019			
	India	Bangladesh	Dubai	Total	India	Bangladesh	Dubai	Total
Present value of obligations	34	6	3	43	31	5	2	38
Fair value of plan assets	(28)	-	-	(28)	(26)	0	0	(26)
Total liability	6	6	3	15	5	5	2	12

The significant actuarial assumptions were as follows

Plan type	31st March, 2020			31st March, 2019		
	India	Bangladesh	Dubai	India	Bangladesh	Dubai
Discount rate	6.37%	10.00%	2.40%	7.09%	10.00%	3.60%
Rate of return on Plan assets*	6.37%	NA	NA	7.09%	NA	NA
Future salary rise**	10.00%	12.00%	5.00%	10.00%	10.00%	5.00%
Attrition rate	15% and 16%	11.00%	5.25%	15&16%	17.00%	5.25%

* The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Sensitivity analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Projected benefit obligation on current assumptions	43	38
Delta effect of +1% change in rate of discounting	(2)	(2)
Delta effect of -1% change in rate of discounting	3	2
Delta effect of +1% change in rate of salary increase	2	2
Delta effect of -1% change in rate of salary increase	(2)	(2)
Delta effect of +1% change in rate of Employee turnover	(0)	(0)
Delta effect of -1% change in rate of Employee turnover	0	0

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The major categories of plans assets are as follows:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Amount	in %	Amount	in %
Special deposit scheme	-	0.00%	-	0.00%
Insurer Managed funds	28	100.00%	26	100.00%
Other	-	0.00%	-	0.00%
Total	28	100.00%	26	100.00%

(₹ in Crore)

Defined benefit liability and employer contributions

The weighted average duration of the gratuity for the Group ranges from 5 to 12 years as at 31st March 2020 and 31st March 2019.

The expected maturity analysis of gratuity is as follows:

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Within the next 12 months	5	5
Between 2 and 5 years	20	19
Between 6 and 10 years	18	16
Beyond 10 years	3	5
Total	46	45

(₹ in Crore)

(b) Provident Fund

Amount recognised in the Balance sheet

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Liability at the end of the year	-	0
Fair value of plan assets at the end of the year	182	163
Present value of benefit obligation as at the end of the period	(173)	(157)
Difference	9	5
Unrecognized past service Cost	(9)	(5)
(Assets) / Liability recognized in the Balance Sheet	0	0

(₹ in Crore)

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To Consolidated Financial Statements for the year ended 31st March, 2020

Changes in defined benefit obligations:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Liability at the beginning of the year	157	137
Opening balance adjustment	0	1
Interest cost	12	12
Current service cost	12	10
Employee contribution	15	13
Liability Transferred in	6	3
Liability Transferred out	-	(8)
Benefits paid	(29)	(11)
Liability at the end of the year	173	157

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fair value of plan assets at the beginning of the year	163	141
Opening balance adjustment	-	1
Expected return on plan assets	12	14
Contributions	26	23
Transfer from other Company	6	3
Transfer to other Company	-	(8)
Benefits paid	(29)	(11)
Actuarial gain/(loss) on plan assets	3	0
Fair value of plan assets at the end of the year	182	163

Expenses recognised in the Statement of Profit and Loss :

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current service cost	12	10
Interest cost	12	14
Expected return on plan assets	(12)	(14)
(Income) / Expense recognised in the Statement of Profit and Loss	12	10

The major categories of plan assets are as follows :

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Amount	in %	Amount	in %
Central Government securities	12	6.67%	14	8.67%
State loan/State government Guaranteed Securities	13	6.97%	13	7.94%
Government Securities debt instruments	111	61.14%	89	54.44%
Public Sector Units	20	10.74%	24	14.74%
Private Sector Units	5	2.97%	6	3.81%
Equity / Insurance Managed Funds	10	5.28%	9	5.32%
Special Deposit	1	0.61%	-	0.00%
Others	10	5.63%	8	5.08%
Total	182	100.00%	163	100.00%

The Significant actuarial assumptions were as follows :

Particulars	As at 31st March, 2020	As at 31st March, 2019
Discount rate	6.37%	7.07%
Rate of return on plan assets*	8.65%	8.65%
Future salary rise**	10.00%	10.00%
Attrition rate	16%-15%	16%-15%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

* The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors such as supply and demand factors in the employment market.

(c) Privileged leave (Compensated absences for employees):**Amount recognized in the Balance Sheet and movements in net liability:**

Particulars	(₹ in Crore)	
	As at 31st March, 2020	As at 31st March, 2019
Opening balance of compensated absences	12	12
Present value of compensated absences (As per actuarial valuation) as at the year end	12	12

The privileged leave liability is not funded.

(d) Employee State Insurance Corporation

Marico India has recognised ₹ 0 Crore (₹ 0 Crore for the year ended 31st March 2019) towards employee state insurance plan in the Statement of Profit and Loss.

(e) Risk exposure (For Gratuity and Provident Fund)

Through its defined benefit plans, the Group is exposed to below risk:

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

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Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The Trust ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

16 Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to :

Particulars	(₹ in Crore)	
	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liability:		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	34	35
Intangible assets	6	2
Financial assets at fair value through Profit and Loss	0	(1)
Outside basis tax	2	11
Other timing differences (hedge reserve)	(0)	0
Total deferred tax liabilities	42	47
Set off of deferred tax assets pursuant to set off provisions	(36)	(34)
Net deferred tax liabilities	6	13

Movement in deferred tax liabilities

Particulars	Property plant and equipment and Investment property	Intangible assets	Financial assets at fair value through Profit and Loss	Outside basis tax	Other items	Total deferred tax liabilities
As at 31st March, 2018	41	-	14	11	0	66
(Charged)/credited :						
to Profit and loss	(6)	-	(15)	(0)	0	(20)
to other comprehensive income	-	-	-	-	-	-
Deferred tax on basis adjustment	-	2	-	-	-	2
As at 31st March, 2019	35	2	(1)	11	0	47
(Charged)/credited :						
to Profit and loss	(1)	-	1	(9)	-	(8)
to other comprehensive income	-	-	-	-	(1)	(1)
Deferred tax on basis adjustment	-	5	-	-	-	5
Exchange translation Difference	(0)	(1)	-	-	-	(1)
As at 31st March, 2020	34	6	0	2	(0)	42

17 Tax assets and liabilities

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non current tax assets (net)	45	39
Current tax liabilities (net)	74	61

The Current tax assets and liabilities has been derived at based on individual entity.

18 Other current liabilities

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Statutory dues (including provident fund, tax deducted at source and others)	19	20
Deferred income on government grants (refer note below)	5	6
Unpaid dividend	-	5
Book overdraft	25	12
Other current liabilities	49	43
Contractual and Constructive obligation	147	123
Advance from customer	20	30
Others	0	0
Total other payables	168	152
Total other current liabilities	217	196

The Group is eligible for government grants which are conditional upon construction of new factories in North East region of India. The Group has initiated the process for claim. The factories had been constructed and been in operation since May 2016 and March 2017. These grants, recognized as deferred income, are being amortized over the useful life of the plant and machinery, and accounted as "Incentives (includes government grant, budgetary support, export incentives and others)" under the head "Other operating revenue" (Refer note 19), in proportion to depreciation expense.

19 Revenue From Operations

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of products	7,254	7,273
Other operating revenue:		
Incentives (includes government grant, export incentives, budgetary support and other)	54	50
Sale of scrap	7	11
Total Revenue from continuing operations	7,315	7,334

*Finished goods includes traded goods

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Reconciliation of Revenue from sale of products with the contracted price

Particulars	(₹ in Crore)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Contracted Price	7,996	7,880
Less: Discounts	742	607
Sale of Products	7,254	7,273

20 Other Income

Particulars	(₹ in Crore)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
(a) Other income		
Rental income	1	1
Interest income from financial assets at amortised cost	72	54
Others	12	3
Total of other income	85	58
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment / business	0	7
Net gain on financial assets mandatorily measured at fair value through profit or loss and net gain on sale of investments	33	33
Net foreign exchange gain/(loss)	6	5
Total of other gain/(losses)	39	45
Total other income	124	103

21(a) Cost of Materials Consumed

Particulars	(₹ in Crore)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Total raw materials consumed	2,899	3,482
Total packing materials consumed	529	513
Total cost of materials consumed	3,428	3,995

21(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	(₹ in Crore)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening inventories		
Finished goods	534	477
Work-in-progress	304	258
By-products	8	8
Stock-in-trade	35	15
Closing inventories		
Finished goods	354	534
Work-in-progress	341	304
By-products	4	8
Stock-in-trade	42	35
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	140	(123)

22 Employee Benefit Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries, wages and bonus	415	402
Contribution to provident fund (refer note 15(b))	22	19
Share based payment expense (refer note 35)	9	15
Staff welfare expenses	32	30
Total employee benefit expense	478	466

23 Depreciation and Amortization Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation on property, plant and equipment (refer note 3 (a))	98	93
Depreciation on investment properties (refer note 4)	0	0
Amortisation of intangible assets (refer note 5)	3	3
Depreciation on Lease assets (refer note 3 (b))	37	35
Impairment loss / (reversal of loss) of capitalised assets (refer note 3 (a))	2	(0)
Total depreciation and amortization expense	140	131

24 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Advertisement and sales promotion	727	659
Freight, forwarding and distribution expenses	294	287
Processing and Other Manufacturing Charges	255	250
Rent and storage charges	16	11
Legal and Professional Charges	54	48
Outside Services	49	44
Repairs and Maintenance	43	39
Power, fuel and water	36	37
Travelling, conveyance and vehicle expenses	45	45
Consumption of stores, spare and consumables	23	23
Provision for doubtful debts, loans, advances and investments	(3)	11
Miscellaneous expenses (refer note (i) below)	84	71
Total	1,623	1,525

- (i) Miscellaneous expense includes printing and stationery, communication, rates and taxes, insurance and other expenses.
- (ii) Research and Development expenses aggregating to ₹ 8 Crore for food and edible items and ₹ 23 Crore for others have been included under the relevant heads in the Statement of Profit and Loss. (Previous year ended 31st March, 2019 aggregating ₹ 31 Crore). Further Capital expenditure of ₹ 1 Crore pertaining to food and edible items and ₹ 0 Crore towards others have been incurred during the year (Previous year ended 31st March, 2019 aggregating ₹ 0 Crore).

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(iii) Corporate social responsibility expenditure

Particulars	(₹ in Crore)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Amount required to be spent as per the Section 135 of the Act	19	18
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	19	18

25 Finance Costs

Particulars	(₹ in Crore)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest and finance charges on financial liabilities not at fair value through profit or loss	17	17
Bank and other financial charges	15	5
Lease finance cost (refer note m - Lease)	16	16
Other borrowing costs	2	2
Finance costs expended in profit or loss	50	40

26 Income Tax Expense

Particulars	(₹ in Crore)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
a Income tax expense		
Current tax on profits for the year	347	331
Deferred tax	(16)	(17)
Tax expense for the current year	331	314
Tax adjustment for earlier years*	-	(188)
Total income tax expenses recognized during the year	331	126

*During the previous year ended 31st March 2019, the Company had written back tax provision pursuant to acceptance of its position in tax proceedings pertaining to earlier years.

b Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	(₹ in Crore)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit from operations before income tax expense (a)	1,374	1,257
Income tax rate as applicable (b)	34.944%	34.944%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	480	439
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Effect of income that is exempt from taxation	(3)	(6)
Effect of Income which is taxed at special rate	(34)	(34)
Effect of expenses that are not deductible in determining taxable profit	30	21
Effect of expenses that are deductible in determining taxable profit	(15)	(6)
Income tax Incentives	(149)	(143)
Difference in tax rates in foreign jurisdictions	37	38
Others	(15)	5
Income tax expense for the current year	331	314

27 Fair Value Measurements

(a) Financial Instruments by category

	Note	31st March, 2020				31st March, 2019			
		FVTPL		FVOCI		FVTPL		FVOCI	
			Amortized Cost		Amortized Cost		Amortized Cost		Amortized Cost
Financial Assets									
Investments									
Equity Instruments	6(a)	1	-	-	0	-	-	-	-
Bonds, debentures and commercial papers	6(a)	78	-	200	-	-	-	-	143
Mutual funds	6(a)	297	-	-	205	-	-	-	-
Government securities	6(a)	-	-	0	-	-	-	-	0
Trade receivables	6(b)	-	-	539	-	-	-	-	517
Inter corporate deposits	6(a)	-	-	32	-	-	-	-	77
Certificate of Deposits		-	-	89	-	-	-	-	-
Loans	6(c)	-	-	-	-	-	-	-	9
Derivative financial assets	6(f)	-	-	1	-	-	-	2	-
Security deposits	6(f)	-	-	0	-	-	-	-	14
Cash and bank balances	6(d), 6(e)	-	-	60	-	-	-	-	36
Fixed deposits	6(d), 6(e) & 6(f)	-	-	230	-	-	-	-	527
Other Deposits		-	-	0	-	-	-	-	0
Total financial assets		376	1	1,151	205	2	2	1,324	
Financial Liabilities									
Borrowings (including interest accrued)	13(a)	-	-	338	-	-	-	-	353
Derivative financial liabilities	13(b)	-	2	-	-	-	-	-	-
Trade payables	13(c)	-	-	978	-	-	-	-	945
Capital creditors	13(b)	-	-	8	-	-	-	-	3
Lease Liabilities		-	-	183	-	-	-	-	-
Others	13(b)	-	-	26	-	-	-	-	18
Total financial liabilities		-	2	1,534	-	-	-	-	1,319

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Impact of COVID-19

The fair value of Financial assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Financial assets carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of customers and the financial strength of the customers in respect of whom amounts are receivable.

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crore)					
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31st March 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	1	1
Mutual funds - growth plan	6(a)	-	297	-	297
Debentures (Quoted)	6(a)	78	-	-	78
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	1	-	1
Total financial assets		78	298	1	377
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	2	-	2
Total financial liabilities		-	2	-	2

(₹ in Crore)					
Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 31st March, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Bond, debentures and commercial papers (including interest accrued)	6(a)	112	88	-	200
Government securities	6(a)	-	-	0	0
Inter - corporate deposits and Certificate of Deposits (including interest accrued)	6(a)	-	96	32	128
Total financial assets		112	185	32	328
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	338	338
Total financial liabilities		-	-	338	338

(₹ in Crore)

Financial assets and liabilities measured at fair value - recurring fair value measurements as 31st March, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	0	0
Mutual funds - growth plan	6(a)	13	192	-	205
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	2	-	2
Total financial assets		13	194	0	207
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	-	-	-
Total financial liabilities		-	-	-	-

(₹ in Crore)

Financial assets and liabilities measured at amortized cost for which fair value are disclosed as 31st March, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Bonds and debentures (including interest accrued)	6(a)	118	25	-	143
Government securities	6(a)	-	-	0	0
Inter - corporate deposits (including interest accrued)	6(a)	-	-	77	77
Total financial assets		118	25	77	220
Financial liabilities					
Borrowings (including interest accrued)	13(a)	-	-	353	353
Total financial liabilities		-	-	353	353

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price and NAV published by the mutual funds. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate. The mutual funds are valued using the closing NAV published by the mutual funds.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

The Group's policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

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(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Crore)

	Note	31st March 2020		31st March 2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets					
Investments					
Bonds and debentures	6(a)	200	205	143	145
Government securities	6(a)	0	-	0	0
Certificate Deposits	6(a)	89	89	-	-
Inter - corporate deposits	6(a)	32	32	77	77
Total financial assets		321	326	219	222
Financial liabilities					
Borrowings	13(a)	338	338	353	353
Total financial liabilities		338	338	353	353

The carrying amounts of trade receivables, trade payables, capital creditors, loans and advances, security deposit, fixed deposit, insurance claim receivable, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

28 Financial Risk Management

Financial Risks

In the course of its business, the Group is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk and interest rate risk, commodity price risk and equity price risk). This note presents the Group's objectives, policies and processes for managing its financial risk and capital.

Board of Directors of Marico Limited and some of its subsidiaries have approved Risk Management Framework through policies regarding Investment, Borrowing and Foreign Exchange Management policy for the respective entities. Management ensures the implementation of strategies and achievement of objectives as laid down by the Board through central Treasury function.

Treasury Management Guidelines define, determine and classify risks, by category of transaction, specific approval, execution and monitoring procedures.

In accordance with the aforementioned policies, the Group only enters into plain vanilla derivative transactions relating to assets, liabilities or anticipated future transactions.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments, the Group aims to minimize its financial credit risk through the application of risk management policies. Credit limits are set based on a counterparty value. The methodology used to set the list of counterparty limits includes, counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out. The Group avoids the concentration of credit risk on its liquid assets by spreading them over several asset management companies and monitoring of underlying sector exposure.

Trade receivables are subject to credit limits, controls and approval processes. Due to large geographical base and number of customers, the Group is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables as per expected credit loss using simplified approach, over the life of the assets depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group.

The gross carrying amount of trade receivables is ₹ 539 Crore as at 31st March, 2020 (₹ 517 Crore as at 31st March, 2019).

Reconciliation of loss allowance provision- Trade receivables

(₹ in Crore)

Particulars	31st March 2020	31st March 2019
Loss allowance at the beginning of the year	5	4
add : Changes in loss allowances	(0)	1
Loss allowance at the end of the year	5	5

Security deposits are interest free deposits given by the Group for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of security deposit is ₹ 17 Crore as at 31st March, 2020 and ₹ 15 Crore as at 31st March, 2019.

Other financial asset includes investment, loans to employees and joint venture for various operational requirements and other receivables (refer note 6(a), 6(c), 6(f) and 6(g)). Provision is made were there is significant increase in credit risk of the asset.

Reconciliation of loss allowance provision- Deposits/advances

(₹ in Crore)

Particulars	31st March 2020	31st March 2019
Loss allowance at the beginning of the year	11	1
add : Changes in loss allowances due to provision	(3)	10
Loss allowance at the end of the year	8	11

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The current ratio of The Company as at 31st March, 2020 is 1.79 (31st March, 2019 is 1.90) whereas the liquid ratio of the Group as at 31st March, 2020 is 1.03 (31st March, 2019 is 1.13).

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Maturities of financial liabilities

(₹ in Crore)

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Contractual maturities of financial liabilities 31st March, 2020						
Non-derivatives						
Borrowings (including interest accrued)	13(a)	328	10	-	-	338
Trade Payables	13(c)	978	-	-	-	978
Lease Liabilities	13(b)	39	38	38	68	183
Other Financial Liabilities	13(b)	35	-	-	-	35
Total Non- derivative liabilities		1,379	48	38	68	1,533
Derivative (Net- Settled)						
Foreign exchange forward contracts	13(b)	2	-	-	-	2
Total derivative liabilities		2	-	-	-	2

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Contractual maturities of financial liabilities 31st March,2019						
Non-derivatives						
Borrowings (including interest accrued)	13(a)	353	-	-	-	353
Trade payables	13(c)	945	-	-	-	945
Lease Liabilities	13(b)	39	25	33	94	191
Other financial liabilities	13(b)	21	-	-	-	21
Total Non- derivative liabilities		1,358	25	33	94	1,510
Derivative (Net- Settled)						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Total derivative liabilities		-	-	-	-	-

(C) Market Risk

The Group is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and future transactions.

(i) Foreign currency risk

The Group is exposed to foreign currency risk from transactions and translation.

Transactional exposures arise from transactions in foreign currency. They are managed within a prudent and systematic hedging policy in accordance with the Group's specific business needs through the use of currency forwards and options.

The Group's exposure to foreign currency risk at the end of the reporting as on 31st March, 2020

(₹ in Crore)

Particulars	AED	AUD	BDT	CAD	EGP	GBP	MYR	SGD	USD	VND	EUR	THB	ZAR	IDR
Financial assets														
Foreign currency debtors for export of goods	0	-	-	0	-	-	-	-	82	-	0	-	-	-
Foreign currency Creditors for Capital goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency Advances for Imports and Others	0	0	0	-	-	-	0	0	0	0	0	0	0	-
Bank balances	-	-	-	-	-	0	0	-	2	0	0	-	-	0
Cash on hand	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable / (payable) including advance for Export	-	-	-	-	-	-	-	-	5	-	-	-	-	-
Derivative asset														
Foreign exchange forward contracts sell foreign currency	-	-	-	-	-	-	-	-	(92)	-	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	-	-	(55)	-	-	-	-	-
Net Exposure to foreign currency risk (assets)	0	0	0	0	-	0	0	0	(58)	0	0	0	0	0

Particulars	AUD	CAD	EUR	GBP	THB	MYR	SAR	SGD	USD
Financial liabilities									
Foreign currency creditors for import of goods and services	0	-	0	0	-	0	16	1	36
Foreign Currency Loan	-	-	-	-	-	-	-	-	-
Derivative liabilities									
Foreign exchange forward contracts buy foreign currency	-	-	(7)	-	-	-	-	-	(76)
Foreign exchange option contracts buy option	-	-	(1)	-	-	-	-	-	(17)
Net Exposure to foreign currency risk (liabilities)	0	-	(8)	0	-	0	16	1	(56)

The Group's exposure to foreign currency risk at the end of the reporting as on 31st March, 2019

(₹ in Crore)

Particulars	AED	AUD	BDT	CAD	EGP	GBP	MYR	SGD	USD	VND	EUR	THB	IDR
Financial assets													
Foreign currency debtors for export of goods	(0)	-	-	0	-	-	-	-	79	-	-	-	-
Bank balances	-	-	-	-	-	-	0	-	3	0	0	-	0
Cash on hand	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable / (payable)	0	-	0	-	-	-	0	0	0	0	-	0	-
Derivative asset													
Foreign exchange forward contracts sell foreign currency	-	-	-	(0)	-	-	-	-	(58)	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	-	-	(54)	-	-	-	-
Net Exposure to foreign currency risk (assets)	0	-	0	0	-	-	0	0	(30)	0	0	0	0

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Particulars	AUD	CAD	EUR	GBP	THB	MYR	SAR	SGD	USD
Financial liabilities									
Foreign currency creditors for import of goods and services	0	-	1	(1)	0	-	1	(0)	(33)
Foreign Currency Loan	-	-	-	-	-	-	-	-	(183)
Derivative liabilities									
Foreign exchange forward contracts buy foreign currency	-	-	(10)	-	-	-	-	-	(48)
Foreign exchange option contracts buy option	-	-	-	-	-	-	-	-	(10)
Net Exposure to foreign currency risk (liabilities)	0	-	(9)	(1)	0	-	1	(0)	(274)

Particulars	Impact on profit after tax		Impact on other component of equity	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
USD Sensitivity				
INR/USD Increase by 6%	7	(5)	-	3
INR/USD Decrease by 6%	(7)	5	-	(3)
AUD Sensitivity				
INR/AUD Increase by 6%	0	0	-	0
INR/AUD Decrease by 6%	(0)	(0)	-	(0)
BDT Sensitivity				
INR/BDT Increase by 6%	1	2	-	-
INR/BDT Decrease by 6%	(1)	(2)	-	-

Impact of COVID-19 (Global pandemic):

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

ii) Interest rate risk

The Group is exposed primarily to fluctuation in USD interest rates. Interest rate risk on financial debt is managed through interest rate swaps.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Variable rate borrowings	338	333
Fixed rate borrowings	-	19
Total borrowings (including interest accrued)	338	352

As at the end of the reporting period, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	31st March 2020			31st March 2019		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	3.44%	338	100.00%	5.00%	333	94.51%
Net Exposure to Cash Flow Interest rate Risk		338			333	

Financial assets classified at amortized cost have fixed interest rate. Hence, the Group is not subject to interest rate risk on such financial assets.

Sensitivity

(₹ in Crore)

	Impact on profit after tax		Impact on other component of equity	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Interest rates - Increase by 50 basis point (50 bps)	1	1	-	-
Interest rates - decrease by 50 basis point (50 bps)	(1)	(1)	-	-

iii) Price risk

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of ₹3 Crore and ₹ 2 Crores, on the overall portfolio as at 31st March, 2020 and as at 31st March, 2019 respectively.

Impact of hedging activities

Derivate Asset and Liabilites through Hedge Accounting

Derivative financial instruments

The Group's derivatives mainly consist of currency forwards and options, interest rate swaps.

Derivatives are mainly used to manage exposures to foreign exchange, interest rate and commodity price risk as described in section Market risk.

Derivatives are initially recognised at fair value. They are subsequently remeasured at fair value on a regular basis and at each reporting date as a minimum, with all their gains and losses, realised and unrealised, recognised in the income statement unless they are in a qualifying hedging relationship.

Hedge Accounting

The Group designates and documents certain derivatives and other financial assets or financial liabilities as hedging instruments against changes in fair values of recognised assets and liabilities (fair value hedges), highly probable forecast transactions (cash flow hedges).The effectiveness of such hedges is assessed at inception and verified at regular intervals.

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Fair value hedges

The Group uses fair value hedges to mitigate foreign currency and interest rate risks of its recognised assets and liabilities.

Changes in fair values of hedging instruments designated as fair value hedges and the adjustments for the risks being hedged in the carrying amounts of the underlying transactions are recognised in the Statement of Profit and Loss.

The Group uses cash flow hedges to mitigate a particular risk associated with a recognised asset or liability or highly probable forecast transactions, such as anticipated future export sales, purchases of equipment and raw materials.

The effective part of the changes in fair value of hedging instruments is recognised in other comprehensive income, while any ineffective part is recognised immediately in the Statement of Profit and Loss.

31st March, 2020

(₹ in Crore)

Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio effectiveness	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	92	82	(3)	2	April 2020 -March 2021	1:1	1 USD-₹ 73.90, 1 EUR-₹ 81.62	(2)	2
Foreign Exchange Options Contracts	55	18	0	1	April 2020 -March 2021	1:1	1 USD-₹ 71.64, 1 EUR-₹ 77.80	0	(0)

31st March, 2019

(₹ in Crore)

Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio effectiveness	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow Hedge									
Foreign Exchange Risk									
Foreign Exchange Forward Contracts	59	58	2	(1)	April 2019 -March 2020	1:1	1 USD-₹ 71.79, 1 CAD-₹ 52.27, 1 EUR - ₹ 84.54	(0)	0
Foreign Exchange Options Contracts	54	10	1	0	April 2019-March 2020	1:1	1 USD-₹ 70.54	0	(0)

Disclosure of effects of Hedge Accounting on Financial Performance**As at 31st March, 2020**

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income		Hedge ineffectiveness recognised in profit or loss		Amount reclassified from cash flow hedging reserve to profit or loss		Line item affected in Statement of Profit and Loss because of the reclassification
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	
Cash Flow							
Foreign Exchange Risk	(2)	1	-	-	(1)	(0)	Other expenses
Interest Rate Risk	-	-	-	-	-	-	Finance cost
Fair Value Hedge							
Foreign Exchange Risk	-	-	-	-	-	-	Finance cost

29 Capital Management**(a) Risk Management**

The Group's capital management is driven by Group's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Group's capital. The Management monitors the capital structure and the net financial debt by currency. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments.

The debt equity ratio highlights the ability of a business to repay its debts. Refer below for net debt to equity ratio.

The Group complies with all statutory requirement as per the extant regulations.

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Net debt	338	352
Total equity	3,036	2,987
Net debt to equity ratio	0.11	0.12

(b) Dividend

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interim dividend for the year (Excluding dividend distribution tax)	896	589

30 Segment Information

(i) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Group. The CODM examines the Group's performance from a geographic perspective and has identified two of its following business as identifiable segments :

- a) India - this part of the business comprises domestic consumer goods
- b) International

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(ii) The amount of the Group's revenue is shown in the table below.

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Segment revenue (sales and other operating income)		
India	5,655	5,756
International	1,660	1,578
Total segment revenue	7,315	7,334
Less : Inter segment revenue	-	-
	7,315	7,334

Revenue from similar products from external customers

Particulars	As at 31st March, 2020	As at 31st March, 2019
Edible	4,267	4,284
Hair oils	1,694	1,690
Personal care	859	888
Others	495	472
	7,315	7,334

The amount of revenue from external customers broken down by location of the customers is shown in the table below:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
India	5,655	5,756
Bangladesh	822	730
Vietnam	427	411
Others	411	437
	7,315	7,334
Segment results (Profit before tax and interest)		
India	1,170	1,068
International	336	289
Total segment results	1,506	1,357
Less : (i) Finance cost	50	24
(ii) Other un-allocable expenditure net of unallocable income	53	69
(iii) Exceptional items	29	-
Profit before tax	1,374	1,264
Share of profit/ (loss) of Joint Venture	0	(1)
Profit Before Tax after share of profit/ (loss) of Joint Venture	1,374	1,263

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Segment assets		
India	2,409	2,351
International	1,204	1,095
Unallocated	1,389	1,463
Total segment assets	5,002	4,909
Segment liabilities		
India	977	985
International	471	411
Unallocated	518	526
Total segment liabilities	1,966	1,922

Geographical non-current assets (Property, plant and equipment, capital work in progress, investment properties, goodwill, other intangible assets and other non-current assets) are allocated based on the location of the assets.

Information regarding geographical non-current assets is as follows:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
India	775	715
Bangladesh	78	58
Vietnam*	563	530
Others	64	78
	1,480	1,381

* Includes goodwill on consolidation amounting to Rs 538 Crore as at 31st March, 2020 and ₹ 501 Crore as at 31st March, 2019.

31 Interests in Other Entities

a) Subsidiaries

The Group's subsidiaries at 31st March, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

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Name of Entity	Place of Business/ Country of Incorporation	Ownership interest held by the Group		Ownership interest held by the non controlling interest	
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
		%	%	%	%
Marico Bangladesh Limited (MBL)	Bangladesh	90	90	10	10
Marico Middle East FZE (MME)	UAE	100	100	Nil	Nil
Marico Bangladesh Industries Limited (MBLIL)	Bangladesh	100	100	Nil	Nil
Egyptian American Investment and Industrial Development Company S.A.E (EAIIDC)	Egypt	100	100	Nil	Nil
Marico Malaysia Sdn. Bhd. (MMSB)	Malaysia	100	100	Nil	Nil
MEL Consumer Care SAE (MELCC)	Egypt	100	100	Nil	Nil
Marico Egypt Industries Company (MEIC)	Egypt	100	100	Nil	Nil
Marico for Consumer Care Products SAE	Egypt	100	100	Nil	Nil
Marico South Africa Consumer Care (Pty) Limited (MSACC)	South Africa	100	100	Nil	Nil
Marico South Africa (Pty) Limited (MSA)	South Africa	100	100	Nil	Nil
Marico South East Asia Corporation (MSEA)	Vietnam	100	100	Nil	Nil
Marico Consumer Care Limited (MCCL)	India	100	100	Nil	Nil
Halite Personal Care India Private Limited (A Company under Voluntary Liquidation)	India	100	100	Nil	Nil
Marico Innovation Foundation (MIF)	India	NA	NA	NA	NA
Parachute Kalpavriksha Foundation (PKF)	India	NA	NA	NA	NA
Marico Lanka (Private) Limited**	Sri Lanka	100	100	Nil	Nil

The principle activity of the Group is consumer goods business.

Marico Innovation Foundation ("MIF"), a company incorporated under Section 25 of the Companies Act, 1956 (being a private company limited by guarantee not having share capital) primarily with an objective of fuelling and promoting innovation in India, is a wholly owned subsidiary of the Company with effect from 15th March, 2013. Based on the Control assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.

Parachute Kalpavriksha Foundation ("PKF"), a company incorporated under Section 8 of the Companies Act, 2013 (being a private company limited by guarantee not having share capital) primarily with an objective of undertaking/channelizing the CSR activities of the Company towards community and ecological sustenance, is a subsidiary of the Company with effect from 27 December, 2018. Based on the Control assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.

** Marico Lanka (Private) Limited was incorporated as wholly owned subsidiary w.e.f. 3rd March, 2019.

b) Interest in joint ventures:

(₹ in Crore)

Name of entity	Carrying Amount as at 31st March, 2020	Carrying Amount as at 31st March, 2019	Accounting method	Share in Profit/(loss)	
				31st March, 2020	31st March, 2019
Revolutionary Fitness Private Limited	5	4	Equity Method	(1)	(1)
Zed Lifestyle Private Limited	24	22	Equity Method	1	0
Hello Green Private Limited	0	-	Equity Method	0	-
Total equity accounted investments	29	26		-	(1)

32 Related Party Transactions

I Name of related parties and nature of relationship:

a) Joint venture:

Zed Lifestyle Private Limited
 Revolutionary Fitness Private Limited
 Hello Green Private Limited

b) Key management personnel (KMP):

Mr. Harsh Mariwala, Chairman and Non Executive Director
 Mr. Saugata Gupta, Managing Director and CEO
 Mr. Ananth Sankaranarayanan, Independent Director
 Mr. B.S. Nagesh, Independent Director
 Ms. Hema Ravichandar, Independent Director
 Mr. Nikhil Khattau, Independent Director
 Mr. Rajen Mariwala, Non executive Director
 Mr. Rajeev Bakshi, Independent Director
 Mr. Sanjay Dube, Additional (Independent) Director, (with effect from 30th January 2020)
 Mr. Rishabh Mariwala, Non executive Director
 Mr. Vivek Karve, Chief Financial Officer
 Ms. Hemangi Ghag, Company Secretary and Compliance Officer

c) Individual holding directly / indirectly an interest in voting power and their relatives (where transactions have taken place) - Significant Influence:

Mr. Harsh Mariwala, Chairman and Non Executive Director
 Mr. Rajen Mariwala, Non executive Director
 Mr. Rishabh Mariwala, son of Mr. Harsh Mariwala and Non executive Director

d) Post employment benefit controlled trust

Marico Limited Employees Provident Fund
 Marico Limited Employees Gratuity Fund

e) Others - Entities in which above (c) and (d) has significant influence and transactions have taken place:

Aqua Centric Private Limited
 Ascent India Foundation
 Kaya Limited
 Mariwala Health Foundation
 Aaidea Solutions Private Limited
 Soap Opera

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The Bombay Oil Private Limited

Indian School of Communications Private Limited

Feedback Business Consulting Services Private Limited

II Transactions with related parties

The following transactions occurred with related parties:

Key management personnel compensation.

Particulars	(₹ in Crore)	
	As at 31st March, 2020	As at 31st March, 2019
Employee share-based payment	3	3
Short-term employee benefits	13	9
Post-employment benefits	0	0
Total compensation	16	12
Professional charges paid to Chairman and Non Executive Director	4	4
Remuneration / sitting fees to Non-Executive Directors	3	2

- i. Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.
- ii. ESOP and STAR grant accrued annually are included in the KMP's remuneration in the year in which the same are exercised.

Contribution to post employment benefit controlled trust

Particulars	(₹ in Crore)	
	As at 31st March, 2020	As at 31st March, 2019
Marico Limited Employees Provident Fund	26	23
Marico Limited Employees Gratuity Fund	5	4
	31	27

(₹ in Crore)

Particulars	Joint Venture (Referred in I (a), (b) and (c) above)		Others (Referred in I (e) above)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Expenses paid on behalf of related parties	-	-	1	1
Kaya Limited	-	-	1	1
Others	-	-	0	0
Sale of goods	-	-	2	0
Kaya Limited	-	-	0	0
Aaidea Solutions Private Limited	-	-	2	-
Soap Opera	-	-	0	0
Lease Rental Income	-	-	1	1
Kaya Limited	-	-	1	1
Soap Opera	-	-	0	0
Others	-	-	0	0
Investments made during the year	3	4	-	-
Zed lifestyle Pvt Limited	2	2	-	-
Revolutionary Fitness Private Limited	1	2	-	-
Donation Given / CSR Activities	4	1	-	-
Marico Innovation Foundation	1	1	-	-
Parachute Kalpavriksha Foundation	3	0	-	-
Royalty expense	-	-	0	0
Kaya Limited	-	-	0	0
Business Consultancy Services	-	-	-	0
Feedback Business Consulting Services Private Limited	-	-	-	0
Lease rental expense	-	-	-	0
The Bombay Oil Pvt Ltd	-	-	-	0
Security deposit repaid	-	-	-	0
Kaya Limited	-	-	-	0

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III Outstanding balances

(₹ in Crore)

Particulars	Joint Venture (Referred in I (a), (b) and (c) above)		Others (Referred in I (e) above)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties				
Trade receivables	-	-	0	0
Kaya Limited	-	-	0	0
Aaidea Solutions Private Limited	-	-	0	
Others	-	-	0	0
Investments	29	26	-	-
Zed lifestyle Pvt Limited	24	22	-	-
Revolutionary Fitness Private Limited	5	4	-	-
Hello Green Private Limited	0	-	-	-
Rent Payable	-	-	-	0
The Bombay Oil Private Limited	-	-	-	0
Royalty Payable	-	-	0	0
Kaya Limited	-	-	0	0
Advances to related parties	-	-	0	0
Kaya Limited	-	-	0	0
Soap Opera	-	-	0	0
Others	-	-	0	0

Terms and conditions of transaction with related parties

All the transactions are at arms length and in normal course of business.

33 Contingent liabilities:

The Company had contingent liabilities in respect of:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Disputed tax demands / claims:		
Sales tax / VAT	168	158
Income tax	181	117
Service tax	0	0
Employees state insurance corporation	0	0
Excise duty	33	33
Claims against the Group not acknowledged as debts	21	19
Corporate guarantees given to banks on behalf of Broadcast Audience Research Council (BARC)	1	1
Corporate guarantees given to banks against which credit and other facilities are availed at the year end	226	205

Note:

- The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.
- The Company and its subsidiaries have ongoing disputes with income tax authorities in India and in some of the jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives and allowances. The Company and its subsidiaries have contingent liability of 181 crore and 117 crore as at March 31, 2020 and 2019, respectively, in respect of tax demands which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions it operates in. The Group has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

34 Commitments

Capital commitments:

(₹ in Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36	75
Total	36	75

35 Share-Based Payments

(a) Employee stock option plan

Marico ESOP 2016

During the year ended 31st March, 2017, the Group implemented Marico Employee Stock Option Plan, 2016 ("Marico ESOP 2016" or "the Plan"). The Marico ESOP 2016 was approved by the shareholders at the 28th Annual General Meeting held on 5th August, 2016, enabling grant of stock options to the eligible employees of the Group and its subsidiaries not exceeding in the aggregate 0.6% of the issued share equity share capital of the Group as on the commencement date of the Plan i.e. 5th August, 2016. Further, the stock options to any single employee under the Plan shall not exceed 0.15% of the issued equity share capital of the Group as on the commencement date (mentioned above). The Marico ESOP 2016 envisages to grant stock options to eligible employees of the Group and its subsidiaries on an annual basis through

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one or more Scheme(s) notified under the Plan. Each option represents 1 equity share in the Company. The vesting period under the Plan is not be less than one year and not more than five years. Pursuant to the said approval, the Group notified below schemes under the Plan:

Scheme	Part	Options outstanding as at 31st March, 2020	Exercise price	Vesting date	Weighted average share price of options exercised	Number of options granted, exercised and forfeited					
						Balance as at beginning of the year	Granted during the year	Less: Exercised during the year	Less: Forfeited / lapsed during the year	Balance as at end of the year	Weighted average remaining contractual life of options outstanding at end of period (in years)
Scheme I		-	1.00	31-Mar-19	-	80,000	-	80,000	-	-	-
Scheme II		939,700	280.22	31-Mar-19	-	939,700	-	-	-	939,700	1.00
Scheme III	Part I	28,140	1.00	30-Nov-19	-	49,100	-	20,960	-	28,140	1.67
	Part II	4,470	1.00	30-Nov-19	-	7,800	-	3,330	-	4,470	1.67
	Part III	1,910	1.00	30-Nov-19	-	4,950	-	2,050	990	1,910	1.67
Scheme IV	Part I	323,110	256.78	30-Nov-19	-	397,930	-	47,350	27,470	323,110	1.67
	Part II	43,480	302.34	30-Nov-19	-	62,330	-	-	18,850	43,480	1.67
	Part III	27,180	307.77	30-Nov-19	-	41,680	-	-	14,500	27,180	1.67
Scheme V		67,120	1.00	31-Mar-20	-	67,120	-	-	-	67,120	2.00
Scheme VI	Part I	64,720	1.00	30-Nov-20	-	68,220	-	-	3,500	64,720	1.67
	Part II	3,320	1.00	30-Nov-20	-	3,320	-	-	-	3,320	1.67
	Part III	740	1.00	30-Nov-20	-	740	-	-	-	740	1.67
Scheme VII	Part I	363,560	307.77	30-Nov-20	-	431,130	-	-	67,570	363,560	1.67
	Part II	55,500	316.53	30-Nov-20	-	67,430	-	-	11,930	55,500	1.67
	Part III	39,220	346.47	30-Nov-20	-	39,220	-	-	-	39,220	1.67
Scheme VIII		24,820	1.00	31-Mar-20	-	24,820	-	-	-	24,820	1.00
Scheme IX	Part I	78,240	1.00	30-Nov-21	-	81,800	-	-	3,560	78,240	3.67
	Part II	8,100	1.00	30-Nov-21	-	-	8,100	-	-	8,100	3.07
Scheme X	Part I	612,240	346.47	30-Nov-21	-	692,300	-	-	80,060	612,240	3.67
	Part II	55,880	357.51	30-Nov-21	-	-	61,730	-	5,850	55,880	3.07
	Part III	45,420	346.00	30-Nov-21	-	-	53,350	-	7,930	45,420	3.07
Scheme XI		222,700	357.65	31-Mar-22	-	-	222,700	-	-	222,700	3.36
Scheme XII		526,890	357.65	31-Mar-22	-	-	526,890	-	-	526,890	3.36
Scheme XIII		946,860	346.00	30-Nov-22	-	-	978,690	-	31,830	946,860	3.36

Particulars	As at 31st March, 2020	As at 31st March, 2019
Aggregate of all stock options outstanding as at the year end to current paid-up equity share capital (percentage)	0.44%	0.24%

The following assumptions were used for calculation of fair value of grants using Black-Scholes:

Scheme	Part	Risk-free interest rate (%)	Expected life of options (years)	Expected volatility (%)	Dividend yield (%)	Fair value of the option
Scheme I		7.25%	3 years 2 months	25.80%	0.96%	287.05
Scheme II		7.25%	3 years 2 months	25.80%	0.96%	85.53
Scheme III	Part I	6.75%	3 years 6 months	26.10%	0.96%	246.12
	Part II	6.25%	3 years 1 months	26.70%	1.07%	308.10
	Part III	6.50%	2 years 6 months	23.10%	1.07%	301.35
Scheme IV	Part I	6.75%	3 years 6 months	26.10%	0.96%	68.80
	Part II	6.25%	3 years 1 months	26.70%	1.07%	86.70
	Part III	6.50%	2 years 6 months	23.10%	1.07%	64.28
Scheme V		6.25%	3 years 4 months	26.30%	0.96%	299.70
Scheme VI	Part I	6.75%	3 years 6 months	25.50%	1.07%	298.18
	Part II	7.00%	3 years	23.84%	1.29%	308.80
	Part III	7.30%	2 years 6 months	22.50%	1.29%	346.10
Scheme VII	Part I	6.75%	3 years 6 months	25.50%	1.07%	83.77
	Part II	7.00%	3 years	23.84%	1.29%	77.50
	Part III	7.30%	2 years 6 months	22.50%	1.29%	79.70
Scheme VIII		7.29%	1 year 10 months	21.70%	1.29%	349.10
Scheme IX	Part I	7.39%	3 years 6 months	23.40%	1.29%	341.70
	Part II	7.39%	3 years 6 months	23.40%	1.29%	358.30
Scheme X	Part I	7.39%	3 years 6 months	23.40%	1.29%	98.20
	Part II	7.39%	3 years 6 months	23.40%	1.29%	69.20
	Part III	6.35%	3 years 6 months	22.14%	1.29%	74.50
Scheme XI		7.39%	3 years 6 months	23.40%	1.29%	89.50
Scheme XII		7.39%	3 years 6 months	23.40%	1.29%	89.50
Scheme XIII		6.42%	4 years 6 months	22.94%	1.29%	89.40

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35 Share-Based Payments

(b) Share appreciation rights

The Nomination and Remuneration Committee has granted Stock Appreciation Rights ("STAR") to certain eligible employees pursuant to the Group's Employee Stock Appreciation Rights Plan, 2011 ("Plan"). The grant price is determined based on a formulae as defined in the Plan. There are schemes under each Plan with different vesting periods. Scheme I to VI have matured on their respective vesting dates. Under the Plan, the specified eligible employees are entitled to receive a Star Value which is the excess of the maturity price over the grant price subject to certain conditions. The Plan is administered by Nomination and Remuneration Committee comprising independent directors.

Scheme	Grant Date	Grant Price (Rs.)	Vesting Date	As at March 31 2020								As at March 31 2019						
				Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (Rs in Crore)			Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (Rs in Crore)	
				at the beginning of the year	Add: Granted during the year	Less: Forfeited during the year	Less: Exercised during the year	at the end of the year	Classified as long-term	Classified as short-term	at the beginning of the year	Add: Granted during the year	Less: Forfeited during the year	Less: Exercised during the year	at the end of the year	Classified as long-term	Classified as short-term	
STAR VI	01-Dec-15	203.63	30-Nov-18	-	-	-	-	-	-	-	-	1,123,200	-	137,000	986,200	-	-	-
	05-Aug-16	280.22	30-Nov-18	-	-	-	-	-	-	-	-	105,300	-	9,400	95,900	-	-	-
	02-Dec-16	256.78	30-Nov-18	-	-	-	-	-	-	-	-	103,660	-	-	103,660	-	-	-
STAR VII	01-Dec-16	256.78	30-Nov-19	302,620	-	34,480	268,140	-	-	-	-	404,990	-	102,370	-	302,620	-	2
	02-May-17	302.34	30-Nov-19	85,090	-	28,850	56,240	-	-	-	-	108,020	-	22,930	-	85,090	-	0
	01-Dec-17	307.77	30-Nov-19	27,430	-	9,990	17,440	-	-	-	-	30,570	-	3,140	-	27,430	-	0
STAR VIII	01-Dec-17	307.77	30-Nov-20	313,740	-	66,350	-	247,390	-	0	-	410,710	-	96,970	-	313,740	1	-
	31-May-18	316.53	30-Nov-20	57,280	-	20,290	-	36,990	-	0	-	-	64,130	6,850	-	57,280	0	-
	02-Aug-18	352.42	30-Nov-20	48,000	-	8,000	-	40,000	-	0	-	-	56,000	8,000	-	48,000	0	-
	04-Dec-18	346.47	30-Nov-20	57,020	-	-	-	57,020	-	0	-	-	57,020	-	-	57,020	0	-
STAR IX	04-Dec-18	346.47	30-Nov-21	528,740	-	91,240	-	437,500	0	-	-	-	536,840	8,100	-	528,740	0	-
	06-May-19	357.51	30-Nov-21	-	26,170	5,850	-	20,320	0	-	-	-	-	-	-	-	-	-
	20-Dec-19	346.04	30-Nov-21	-	54,240	-	-	54,240	0	-	-	-	-	-	-	-	-	-
STAR X	20-Dec-19	346.04	30-Nov-22	-	460,770	21,570	-	439,200	0	-	-	-	-	-	-	-	-	-

The Group has formed "Welfare of Mariconians Trust" (The Trust) for the implementation of the schemes that are notified or may be notified from time to time by the Group under the Plan. The Group has advanced ₹ 21 Crore as at 31st March, 2020 (₹ 23 Crore as at 31st March, 2019) to the Trust for purchase of the Company's shares under the Plan. As per the Trust Deed and Trust Rules, upon maturity, the Trust shall sell the Company's shares and hand over the proceeds to the Company. The Company, after adjusting the loan advanced and interest thereon (on loan advanced after 1 April, 2013), shall utilize the proceeds towards meeting its STAR Value obligation.

The fair value of the STAR's was determined using the Black-Scholes model using the following inputs at the grant date and as at each reporting date:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Share price at measurement date (₹ per share)	274.9	346.7
Expected volatility (%)	24.1% - 29%	22.8% - 25.8%
Dividend yield (%)	1.30%	1.29%
Risk-free interest rate (%)	4.9% - 5.4%	6.30% - 6.59%

(c) Expense arising from share-based payment transactions recognised in Profit or Loss as part of employee benefit expense were as follows:

Particulars	(₹ in Crore)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Employee stock option plan	10	9
Stock appreciation rights	(1)	7
Total employee share based payment expense	9	15

36 Earnings Per Share

Basic EPS amounts are calculated by dividing the profit after tax for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit after tax for the year attributable to equity shareholders by weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (in ₹)	7.91	8.64
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	7.91	8.63
(c) Earnings used in calculating earnings per share (₹ in Crores)	1,021	1,114
(d) Weighted average number of equity shares used as denominator		
Weighted average number of equity shares outstanding	1,290,931,494	1,290,864,398
Shares held in controlled trust	(1,039,579)	(1,608,164)
Weighted average number of equity shares in calculating basic earnings per share	1,289,891,915	1,289,256,234
Options	1,335,166	712,182
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	1,291,227,082	1,289,968,416

(e) Information concerning the classification of securities

(i) Options

Options granted to employees under Marico ESOS 2014, MD ESOP Plan 2014 and Marico Employee Option Plan 2016 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 35.

(ii) Treasury shares

Treasury shares are excluded for the purpose of calculating basic and diluted earnings per share.

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37 Additional information required by Schedule III

Name of the Entities	Net Assets i.e. total assets minus total liabilities				Share in profit or (loss)				Share in other comprehensive income				Share in total comprehensive income			
	As a % of consolidated net assets		Amount (₹ in Crore)		As a % of consolidated profit or loss		Amount (₹ in Crore)		As a % of other comprehensive income		Amount (₹ in Crore)		As a % of total comprehensive income		Amount (₹ in Crore)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	
Parent:																
Marico Limited	115.40%	116.83%	3,506	3,491	81.84%	85.88%	1,005	1,132	56.87%	49.74%	(2)	(1)	81.78%	85.78%	1,003	1,132
Subsidiaries:																
- Indian																
Marico Consumer Care Limited	0.80%	0.82%	24	24	0.39%	0.45%	5	6	0.00%	0.00%	-	-	0.39%	0.45%	5	6
- Foreign																
Marico Bangladesh Limited	4.06%	3.54%	123	106	18.05%	12.78%	222	169	32.42%	50.26%	(1)	(1)	17.97%	12.72%	220	168
Marico Bangladesh Industries Limited	0.01%	0.01%	0	0	0.00%	0.00%	(0)	(0)	0.00%	0.00%	-	-	0.00%	0.00%	(0)	(0)
Marico Middle East FZE	-7.05%	-6.35%	(214)	(190)	-0.56%	-0.08%	(7)	(1)	10.71%	0.00%	(0)	-	-0.60%	-0.08%	(7)	(1)
MEL Consumer Care SAE	-2.00%	-1.64%	(61)	(49)	-0.14%	-0.68%	(2)	(9)	0.00%	0.00%	-	-	-0.14%	-0.68%	(2)	(9)
Marico Egypt Industries Company	-0.06%	0.01%	(2)	0	-0.16%	-0.07%	(2)	(1)	0.00%	0.00%	-	-	-0.16%	-0.07%	(2)	(1)
Egyptian/American Company for Investment and Industrial Development SAE	-0.06%	-0.05%	(2)	(1)	0.00%	-0.05%	(0)	(1)	0.00%	0.00%	-	-	0.00%	-0.05%	(0)	(1)
Marico South Africa Consumer Care (Pty) Limited	1.82%	2.09%	55	62	0.00%	0.00%	0	(0)	0.00%	0.00%	-	-	0.00%	0.00%	0	(0)
Marico South Africa (Pty) Limited	1.18%	1.70%	36	51	-0.84%	0.04%	(10)	1	0.00%	0.00%	-	-	-0.84%	0.04%	(10)	1
Marico for Consumer Care Products SAE	-0.87%	-0.50%	(26)	(15)	-0.62%	-0.64%	(8)	(8)	0.00%	0.00%	-	-	-0.62%	-0.64%	(8)	(8)
Marico Malaysia Sdn Bhd	0.00%	0.01%	0	0	0.00%	0.00%	(0)	(0)	0.00%	0.00%	-	-	0.00%	0.00%	(0)	(0)
Marico South East Asia Corporation	2.47%	1.44%	75	43	2.24%	2.58%	28	34	0.00%	0.00%	-	-	2.24%	2.58%	28	34
Marico Lanka Private Limited	-0.02%	0.00%	(1)	-	-0.13%	0.00%	(2)	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Joint Ventures																
- Indian																
Zed Lifestyle Private Limited	0.00%	0.00%	-	-	0.07%	0.01%	1	0	0.00%	0.00%	-	-	0.07%	0.01%	1	0
Revolutionary Fitness Private Limited	0.00%	0.00%	-	-	-0.05%	-0.08%	(1)	(1)	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Hello Green Private Limited	-	-	-	-	0.00%	-0.08%	-	(1)	0.00%	0.00%	-	-	-	-	-	-
Subtotal	-	-	3,515	3,522	-	-	1,229	1,320	-	-	(4)	(1)	-	-	1,227	1,320
Intercompany Elimination and Consolidation Adjustments	-15.70%	-17.89%	(477)	(535)	-0.08%	-0.07%	(1)	(1)	0.00%	0.00%	-	-	-0.08%	-0.07%	(1)	(1)
Grand total:			3,038	2,988			1,229	1,319			(4)	(1)			1,227	1,319
Minority Interest in all subsidiaries	0.41%	0.39%	13	12	1.81%	1.27%	22	17	3.24%	-1.36%	(0)	0	1.80%	1.56%	22	17

38 The Group has a process whereby periodically all long term contracts (including derivative contracts if any) are assessed for material foreseeable losses. At the year end, basis the review performed, no provision was required for material foreseeable losses on long term contracts (including derivative contracts).

39 Previous year's figures have been regrouped/reclassified to make them comparable with those of current year.

40 Exceptional Items

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Voluntary retirement scheme offered to the employees on the close of operations at the Kanjikode factory of the Company	19	-
Goodwill on acquisitions included in intangible assets was tested for impairment, basis circumstances indicating the impairment of brand ISOPLUS in South Africa	10	-
	29	-

41 Restatement impact of Ind AS 116

Upon adoption of Ind AS 116, The Group has recognised leases on the balance sheet with a right-of-use asset and related lease liability. Refer to accounting policies for a summary of accounting for leases under the new standard. The Group has restated all prior periods for the impact of Ind AS 116 in line with the 'full retrospective approach'. The Group has chosen not to recognise short-term leases, which are those less than 12 months, and leases of low-value assets on the balance sheet.

Financial statement impact

The following tables summarise the impact of adopting Ind AS 116 on The Group's financial statements.

(A) Balance sheet

The Group recognised leased assets on the balance sheet representing the right to use of the underlying assets from the lease contracts. Current and non-current lease liabilities were also recognised for the present value of the lease payments due under the lease contracts. Deferred tax adjustments are due to temporary timing differences arising from the recognition of leased assets and lease liabilities. Shareholders' equity has been restated

Reconciliation between previous GAAP and Ind AS

Reconciliation of Balance sheet as at date of transition (1st April, 2018)

Particular	Previous GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	534	-	534
Capital work-in-progress	27	-	27
Right of use assets	-	150	150
Investment properties	30	-	30
Goodwill	486	-	486
Other Intangible assets	60	-	60
Investment in subsidiaries and joint venture	20	-	20
Financial assets			
(i) Investments	37	-	37
(ii) Loans	4	15	19
(iii) Other financial assets	15	(15)	0
Deferred tax assets (net)	9	11	20

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To Consolidated Financial Statements for the year ended 31st March, 2020

Particular	Previous GAAP*	Adjustments	Ind AS
Non current tax assets (net)	33	-	33
Other non-current assets	32	-	32
Total non-current assets	1,287	161	1,448
Current assets			
Inventories	1,511	-	1,511
Financial assets			
(i) Investments	486	-	486
(ii) Trade receivables	340	-	340
(iii) Cash and cash equivalents	51	-	51
(iv) Bank balances other than (iii) above	150	-	150
(v) Loans	4	-	4
(vi) Other financial assets	2	-	2
Other current assets	250	-	250
Assets classified as held for sale	-	-	-
Total current assets	2,794	-	2,794
Total assets	4,081	160	4,242
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	129	-	129
Other Equity			
Reserves and Surplus	2,448	(20)	2,428
Other reserves	(34)	-	(34)
Equity attributable to owners	2,543	-	2,523
Non-controlling interests	12	10	12
Total equity	2,555	(20)	2,535
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	-	20
(ii) Other financial liabilities	-	147	147
Employee benefit obligations	19	-	19
Deferred tax liabilities (net)	29	-	29
Total non-current liabilities	68	147	215

Particular	Previous GAAP*	Adjustments	Ind AS
Current liabilities			
<u>Financial liabilities</u>			
(i) Borrowings	289	-	289
(ii) Trade payables			
Due to micro and small enterprises	4	-	4
Due to others	818	-	818
(iii) Other financial liabilities	21	34	55
Other current liabilities	161	-	161
Provisions	57	-	57
Employee benefit obligations	56	-	56
Current tax liabilities (Net)	52	-	52
Total current liabilities	1,458	34	1,492
Total liabilities	1,526	181	1,707
Total equity and liabilities	4,081	161	4,242

Reconciliation of Balance sheet (31st March, 2019)

Particular	Previous GAAP*	Adjustments	Ind AS
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	572	-	572
Capital work-in-progress	45	-	45
Right of use assets	-	153	153
Investment properties	17	-	17
Goodwill	503	-	503
Other intangible assets	55	-	55
Investment in subsidiaries and joint venture	25	-	25
<u>Financial assets</u>			
(i) Investments	34	-	34
(ii) Loans	4	14	18
(iii) Other financial assets	25	(14)	11
Deferred tax assets	188	14	202
Non current tax assets (net)	39	-	39
Other non-current assets	35	-	35
Total non-current assets	1,542	167	1,709
<u>Current assets</u>			
Inventories	1,411	-	1,411
<u>Financial assets</u>			
(i) Investments	391	-	391
(ii) Trade receivables	517	-	517
(iii) Cash and cash equivalents	48	-	48
(iv) Bank balances other than (iii) above	504	-	504

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To Consolidated Financial Statements for the year ended 31st March, 2020

Particular	Previous GAAP*	Adjustments	Ind AS
(v) Loans	5	-	5
(vi) Other financial assets	4	-	4
Other current assets	308	-	308
Assets classified as held for sale	12	-	12
Total current assets	3,200	-	3,200
Total assets	4,742	167	4,909
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	129	-	129
Other Equity			
Reserves and Surplus	2,920	(24)	2,896
Other reserves	(50)	-	(50)
Equity attributable to owners	2,999	(24)	2,975
Non-controlling interests	11	1	12
Total equity	3,010	(23)	2,987
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	-	14
(ii) Other financial liabilities	-	152	152
Employee benefit obligations	20	-	20
Deferred tax liabilities (net)	12	1	13
Total non-current liabilities	46	152	198
Current liabilities			
Financial liabilities			
(i) Borrowings	335	-	335
(ii) Trade payables			
Due to micro and small enterprises	13	-	13
Due to others	931	-	931
(iii) Other financial liabilities	25	39	63
Other current liabilities	196	(1)	196
Provisions	57	-	57
Employee benefit obligations	68	-	68
Current tax liabilities (net)	61	-	61
Total current liabilities	1,686	38	1,724
Total liabilities	1,732	191	1,923
Total equity and liabilities	4,742	167	4,909

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at 31st March, 2019 and 1st April, 2018

	31st March, 2019	1st April, 2018
Shareholder's equity under previous GAAP	3,010	2,555
Add/Less :		
Less : Increase in Lease Liability	(191)	(181)
Add : Increase in Right of Use of Asset	153	150
Add: Reduction in liability Ind AS 117	1	1
Tax impact of above Ind AS adjustments	13	10
Add: Non-Controlling interests	0	0
Foreign Currency translation Reserve	0	-
Shareholder's equity under Ind AS	2,987	2,535

Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2019

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	1,018	44	1,062
Net cash flow from investing activities	(351)	17	(334)
Net cash flow from financing activities	(653)	(45)	(698)
Net increase/(decrease) in cash and cash equivalents	14	16	30
Cash and cash equivalents as at 1st April, 2018	51	-	51
Effects of exchange rate changes on cash and cash equivalents	(16)	-	(16)
Cash and cash equivalents as at 31st March, 2019	48	16	65

42 The Ministry of Home Affairs vide order No.40-3/2020 dated 24.03.2020 notified first ever nation-wide lockdown in India to contain the outbreak of COVID 19. As a result, the operations were temporarily disrupted at manufacturing, warehouse and distribution locations of Marico. During this period, the Company could register sales largely in the Edible Oils and Foods portfolio, which fall under essential goods category.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. In developing the assumptions relating to the possible future uncertainties the Company has used internal and external information such as current contract terms, financial strength of partners, future volume estimates from the business etc. Based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date

For **B S R and Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022
SADASHIV SHETTY
Partner
Membership No. 048648

For and on behalf of the Board of Directors

HARSH MARIWALA
[DIN 00210342]
Chairman

VIVEK KARVE
Chief Financial Officer

SAUGATA GUPTA
[DIN 05251806]
Managing Director and CEO

HEMANGI GHAG
[Membership No.F9329]
Company Secretary

Place : Mumbai
Date : May 4, 2020

Place : Mumbai
Date : May 4, 2020