marico
make a difference

Integrated Annual Report
2022-23

Transformative Innovative Purpose-led

Transformative. Innovative. Purpose-led

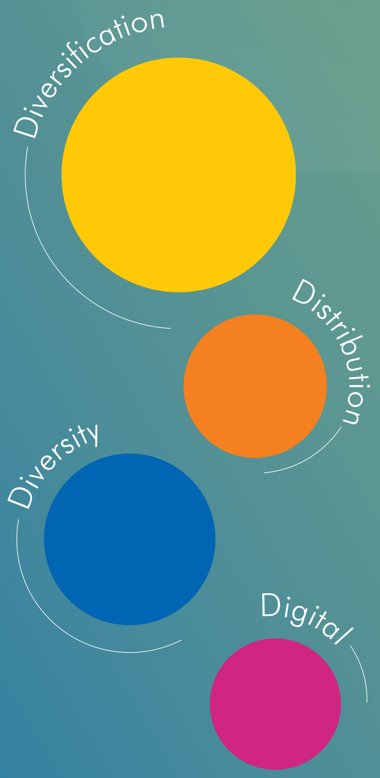
Diversification | Distribution | Digital | Diversity

At Marico, we remain committed to our purpose of creating shared value for all by being a transformative, innovative and purpose-led organisation.

We are transforming every facet of our business in India and overseas in line with evolving consumer needs and aspirations, along with shifting market dynamics. While our core domestic and international portfolios continue to anchor our present performance, the new portfolios and capability-building initiatives pave the way for long-term growth.

The expansion of the overall addressable market of our power brands through consumer-centric innovation and brand-building remains a central pivot of our strategy. In FY23, we continued to fulfil various stakeholder expectations and make tangible progress in the ESG programme along each of our focus areas.

Our 4Ds framework is enabling us to unlock the next level of growth and value creation. We are accelerating sustainable profitable growth, achieving cost efficiencies and fulfilling our ESG commitments along the way.



Diversification

We will continue to invest in new engines of growth in the domestic and international businesses to create a future-ready portfolio and drive accelerated revenue growth. This will also enable us to broaden our presence as well as premiumise our play in the respective geographies.

Distribution

Distribution expansion will enable consumers across regions to access our products, thus becoming a key lever for driving the next leg of growth. We will continue our efforts towards go-to-market transformation in urban and rural markets.

Diversity

Diverse talent and socially inclusive culture will continue to be strong business drivers for us. We are accelerating diversity throughout the organisation, across gender, ability and thought. We believe a positive, enabling and inclusive culture will amplify opportunities for different groups, and in turn, become a lasting people advantage for Marico.

Digital

It is an imperative for us to raise the digital quotient across value chain to make the organisation future-forward. By innovating, incubating, and scaling, we are fronting a digital culture throughout the organisation and are aligning our digital strategy with our business priorities to ensure that we win amongst evolving consumers and marketplaces.

FY23 value-creation highlights

Refer page no 52

Investors

36.4%
Return on net worth

₹10.08
EPS

Refer page no 56

Consumers

14
New products launched

96%
Customer satisfaction index

Refer page no 68

People

82.5%
Inclusion index

96%
Members recognise Marico's talent practices to be above global benchmarks

Refer page no 78

Value chain partners

690
Suppliers/business associates worked with Marico in FY23

94%
Procurement through spends from local/indigenous suppliers

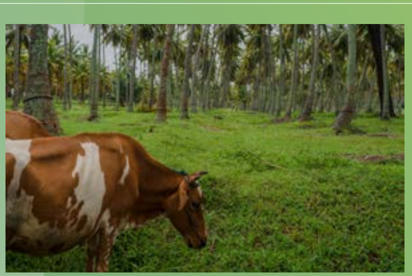
Refer page no 88

Communities

3.44 Lakh+
Lives impacted through our CSR intervention

₹22.69 Crore
CSR Expenditure

Refer page no 108



Environment

94.5 %
Recyclable packaging

292.52 Crore
litres Water conservation through farm ponds

About this report

This is Marico's fifth Integrated Annual Report, reflecting our performance and strategy aligned to the current business context. It encompasses both qualitative and quantitative disclosures regarding our financial performance, critical sustainability impacts, and socially inclusive efforts conducted during the year.

The sustainability impact section of this Report exhibits our Sustainability 2.0 framework, which includes a set of material issues developed with the intent of establishing a constantly evolving and monitoring strategy to strengthen our commitment to sustainability as an industry leader and global corporate citizen. Further, it reflects our commitment to disclosing the progress of our Company's ESG agenda and is a compendium of our efforts undertaken to build a responsible business. Through a cohesive and structured set of policies, strategies, and interventions, we successfully concluded the actions of Sustainability 1.0 Roadmap with outstanding results in the last financial year.

The aim of this Report is to transparently communicate to all the stakeholders, our business progress as well as reflecting our ongoing efforts to determine our most significant environmental, social and governance (ESG) impacts, risks, and opportunities.

Reporting Framework

The financial statements and statutory disclosures including the Board's Report, Management Discussion and Analysis (MDA), and Corporate Governance Report are presented in conformance to the requirements of the Companies Act, 2013 (and the rules made thereunder), Indian Accounting Standards, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India.

The non-financial section is guided by the International Integrated Reporting <IR> framework (including January 2022 amendments) published by the International Integrated Reporting Council (IIRC) (now the Value Reporting Foundation). The Key Performance Indicators (KPIs) have been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The Business Responsibility and Sustainability Report (BRSR) references the nine principles of the Ministry of Corporate Affairs' National Guidelines on Responsible Business Conduct (NGRBC) on the, environmental, social and governance responsibilities of business and aligns with the relevant United Nations Sustainable Development Goals (UN SDGs).

Reporting Boundary

The financial metrics and information presented in the FY23 Integrated Annual Report pertains to Marico Limited, including its domestic and international business, subsidiaries, and joint ventures. The non-financial disclosures are limited to Marico's India operations, unless otherwise specified at relevant sections.

Reporting Period

The FY23 Integrated Annual Report covers financial and non financial performance of the Company from April 01, 2022, to March 31, 2023.

Read the full report online at :
www.marico.com/page/DigitalReport2022-23

Any queries/ feedback to be directed to
investor@marico.com
sustainability@marico.com

Management Responsibility Statement

The management of Marico acknowledges its responsibility in ensuring the integrity, transparency and accuracy of information presented in the Integrated Annual Report. The management also confirms that the report addresses all business-critical material issues pertaining to the organisation and its stakeholders and communicates the organisation's ability to pursue prospects and mitigate risks.

Assurance of Report Content

Reporting element	Assurance status
Financial information	The financial statements presented in the report have been audited by BSR & Co. LLP
Selected non-financial performance metrics	Verification of FY23 Energy, Water, Waste & GHG emissions disclosures; FY23 Carbon Neutrality of Perundurai by DNV GL Business Assurance Pvt. Ltd.
All other non-financial performance information	Internally verified and assured by the Management

Restatements

The reporting scope for some of the non-financial impact areas have been expanded based on the market drivers, value enablers and social commitments during the year. These have been elaborated in the respective sections of the report.

WHAT'S inside

ABOUT

Marico

Marico Limited is one of India's leading consumer goods companies operating in global beauty and wellness categories. We nurture leading brands across categories of hair care, skin care, edible oils, healthy foods, male grooming, and fabric care. In India, we touch the lives of one out of every three Indians through our portfolio of brands, such as Parachute, Saffola, Saffola FITTIFY, Nihar Naturals, Parachute Advansed, Hair & Care, Livon, Set Wet, Mediker, Revive, Beardo, Just Herbs, Coco Soul, Pure Sense and True Elements. Our international product portfolio includes brands such as Parachute, Parachute Advansed, HairCode, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Mediker SafeLife, Thuan Phat, Isoplus, Purité De Prôvence and Ôliv. Headquartered in Mumbai, we are present in 50 countries across emerging markets of Asia and Africa. We operate seven factories in India, located at Puducherry, Perundurai, Jalgaon, Guwahati, Baddi, and Sanand.

Key Highlights (FY23)

₹ 9,764 Crore
Consolidated turnover

₹ 1,280 Crore
Recurring consolidated net profit after tax

Our Consumer Value Proposition

Customer centric
Keeping consumer as the focus and partner, in creating and delivering solutions

Excellence
Continuous improvement of performance standards and capability building, for sustained long-term success

Transparency & Openness
Allowing diversity of opinion by listening without bias, giving and receiving critique, with mutual respect and trust for the other

Boundarylessness
Seeking support and influencing others beyond the function and organisation to achieve a better outcome/ decision without diluting one's accountability

Opportunity Seeking
Identifying early opportunity signals in the environment to generate growth options

Innovation
Experimentation and calculated risk taking to increase success probability of radical/pioneering ideas to get quantum results

Bias for Action
Preference for quick thoughtful action as opposed to delayed action through analysis

Global Outlook
Sensitivity and adaptability to cultural diversity and learning from different cultures

Global Footprint

INNOVATING ACROSS geographies

National Markets

Depots

1. Sonipat
2. Ghaziabad
3. Lucknow
4. Zirakpur
5. Jammu
6. Jaipur
7. Kolkata
8. Siliguri
9. Guwahati
10. Patna
11. Ranchi
12. Cuttack
13. Indore
14. Agartala
15. Pune
16. Bhiwandi
17. Nagpur
18. Solapur
19. Ahmedabad
20. Hyderabad
21. Vijayawada
22. Hubli
23. Bengaluru
24. Chennai
25. Coimbatore

Redistribution Centres

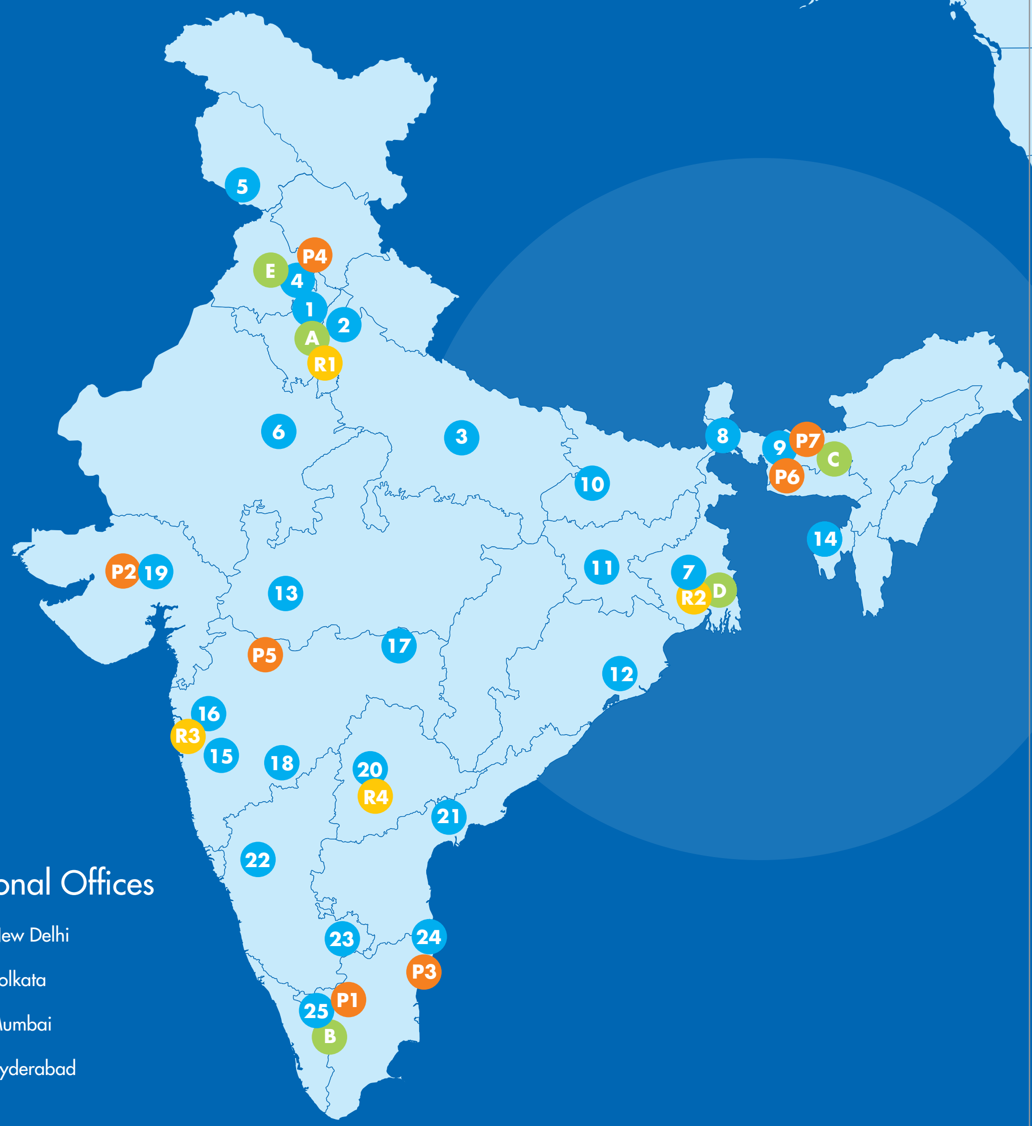
- A Sonipat
- B Coimbatore
- C Guwhati
- D Kolkata
- E Zirakpur

Plant Locations

- P1 Perundurai, Tamil Nadu
- P2 Sanand, Gujarat
- P3 Puducherry
- P4 Baddi, Himachal Pradesh
- P5 Jalgaon, Maharashtra
- P6 NER 1, Guwahati, Assam
- P7 NER 2, Guwahati, Assam

Regional Offices

- R1 New Delhi
- R2 Kolkata
- R3 Mumbai
- R4 Hyderabad



Map is not to scale.

25%
Share of international FMCG business

International Markets

Middle East and North Africa

1. Egypt
2. Middle East

South Asia

3. India
4. Bangladesh

South East Asia

5. Vietnam
6. Myanmar

South and Sub-Saharan Africa

7. South Africa

Message from the Chairman

BUILDING THE MARICO OF tomorrow

Harsh Mariwala
Chairman

Our commitment towards a sustainable world has now transformed into a much larger and ambitious vision as we embark upon the 'Sustainability 2.0' journey, launched on June 5, 2022, commemorating the 50th anniversary of World Environment Day (led by the United Nations Environment Programme).

Dear Shareholders,

It is a great privilege to present to you the fifth Integrated Annual Report for your Company for the financial year 2022-23.

As we reflect on fiscal year 2022-23, your Company has delivered a fairly resilient performance in a rather challenging business environment. Escalating geo-political tensions, volatile commodity prices, inflationary pressures and rising interest rates marked the operating environment during the year. Consequently, the FMCG sector grappled with a subdued demand sentiment, which was even more pronounced in rural consumption trends. However, with inflation moderating and commodities stabilising gradually in the latter half of the year, some green shoots of recovery have emerged as overall FMCG sector volume growth moved into positive territory in the last quarter of the fiscal year after five consecutive quarters of decline.

Over the last few years, there have been notable, and probably, lasting shifts in consumer behaviour and preferences such as much faster adoption of the digital medium for shopping, entertainment and making payments, heightened focus on health and wellness and stronger push towards sustainable and ethically-produced products. Your Company continues to prioritise the needs and preferences of consumers, to be able to create long-term relationships, build trust and foster loyalty, which are crucial levers for succeeding in today's highly competitive and dynamic market. We constantly endeavour to understand and meet the expectations of our consumers through innovative and effective products that enhance their lives and provide a delightful experience. Notwithstanding recent trends, we remain confident of India's robust consumption story and believe that an evolving and strengthening portfolio, coupled with a consumer-centric approach, will enable your Company to drive sustainable value creation for all stakeholders.

Sustainability – A way of life

Your Company has always been a firm believer of creating value for the society by building solutions to its challenges. Sustainability lies at the centre of our business strategies while we aim to create shared value for all. As I had alluded to in my last letter, we were able to surpass the ambitious five-year targets set across various environmental, social and governance (ESG) parameters up to FY22. Our commitment towards a sustainable world has now transformed into a much larger and ambitious vision as we embark upon the 'Sustainability 2.0' journey, launched on June 5, 2022, commemorating the 50th anniversary of World Environment Day (led by the United Nations Environment Programme). The Sustainability 2.0 framework comprises over 50 key performance indicators across eight materially relevant categories and serves as a launchpad to achieve our Decade of Action (2030) vision and purpose. The eight focus areas of the Sustainability 2.0 journey are Net Zero Emissions, Water Stewardship, Circular Economy, Responsible Sourcing, Responsible Brands, Inclusion and Diversity, Sustainable Agriculture and Human Rights & Ethics.

Your Company is committed to achieve 'net zero emissions' in its domestic operations by 2030 and global operations by 2040. To ensure your Company's successful transition to a net-zero, carbon neutral and climate resilient future, it will drive faster adoption of renewable energy, low-carbon technology, carbon forestry and completely phase-out fossil fuels from its operations.

India is one of the most water-stressed countries in the world, and therefore, judicious use of water by all is a key responsibility to ensure there is enough supply for community usage and agriculture. We are aiming for certified water-neutral operations in all manufacturing facilities. To achieve this, we have developed a long-term plan until 2030 to replenish more water for communities than we consume. Under 'Jalashay' – our water stewardship programme, we have created over 290 Crore litres of water conservation capacity pan-India till date, especially around our manufacturing locations and key sourcing areas of our raw materials.

Plastic waste management has become one of the most pressing environmental issues of today and solving it requires an enabling ecosystem with stakeholders collaborating and devising innovative solutions. Under 'Upcycle', an initiative towards perpetuating a circular economy, your Company aims to achieving 100% recyclable packaging by 2025 (95% so

We are aiming for certified water-neutral operations in all manufacturing facilities. To achieve this, we have developed a long-term plan until 2030 to replenish more water for communities than we consume.

Our sustainability efforts have received appreciation in various forums during the year. Marico was among 25 companies in the Asia-Pacific region to be honoured at the prestigious Steward Leadership Summit for its efforts in equipping farmers with sustainable agriculture methods.

far), phase out hazardous substances such as PVCs, and introduce at least 30% r-PCR in its packaging portfolio. We continue to fulfil 100% of our Extended Producers' Responsibility (EPR) targets.

Your Company strongly believes in purpose-driven brands that not only delight consumers but also contribute positively to the community at large. Under the 'Parachute Kalpavriksha' initiative, we work towards improving small-scale farmers' productivity. Since its launch, the program has expanded its reach to 3,11,000 acres of farms and 81,000 farmers, leading to 16% yield improvement for those who have participated in the program for over a year. The brand, Nihar Naturals Shanti Amla, continues to champion the cause of progress and nation building by contributing a part of its profits towards girl child education. The 'Nihar Shanti Pathshala Funwala' programme focuses on upskilling and empowering teachers in government schools. Over 3 lakh teachers have been trained through a mix of workbook-led and digitally enabled English literacy courses and more than a million students have benefitted from the programme. We continue our work towards nurturing brands, which are powerful agents of change, driving innovation, sustainability and social progress.

Marico Innovation Foundation (MIF), a not-for-profit organization set-up in 2003, supports disruptive innovations in businesses and social sectors in India. Driven by a commitment to make a progressive impact, MIF works tirelessly to provide assistance to potential game changing innovations along their growth journey. Over the past two decades, MIF has grown to be a torchbearer of innovation having been associated with 100+ ideas through various programs and themes. In January 2023, MIF also announced the launch of the first of its kind playbook, titled Innovation in Plastic: The Potential and Possibilities, which analyses and provides holistic insights on the potential solutions to address the swelling global challenge that plastic waste presents, by throwing a spotlight on 15 innovations in India that are working towards solving it. The Report, developed in collaboration with two knowledge partners, Indian Institute of Science (IISc) and Praxis Global Alliance, also highlights learnings from past innovations and initiatives undertaken at the international, national, corporate, and city level to support circularity in plastics.

Our sustainability efforts have received appreciation in various forums during the year. Marico was among 25 companies in the Asia-Pacific region to be honoured at the prestigious Steward Leadership Summit for its efforts in equipping farmers with sustainable agriculture methods. I am also pleased to share that Marico was the only company in the FMCG sector to feature in the 'Leadership' category in CRISIL's Sustainability Yearbook 2022. The Economic Times felicitated your Company as the Corporate Citizen of the Year 2023 in recognition of its initiatives and commitment to delivering value for society.

People-first philosophy – a key ingredient for longevity

Trust, ownership, innovation, inclusion and collaboration are key tenets that form the bedrock of our culture. We have always imbibed a 'people-first' approach, which has guided us towards achieving positive outcomes and meet our business objectives, holding firm even during unprecedented levels of uncertainty that we have witnessed in the operating environment over the last three years.

During the year, we continued our efforts to develop a future-ready talent pipeline where the major focus has been to empower our home-grown talent through bespoke learning interventions and internal movements, thereby, transforming them into 'leaders of tomorrow'. We have also taken significant steps in our journey towards fostering Inclusion and Diversity through consistent evolution in our policies, processes and infrastructure, as we create a conducive growth environment for all and build organizational resilience.

Forward Together – Building Marico for the future

In current times, the business landscape is in a constant state of flux and it is imperative for companies to evolve and adapt to changing market conditions and consumer trends. I believe that organizations, which embrace digital technologies, focus on innovation by incorporating a culture of creativity, ingrain sustainability considerations in business strategies and foster a culture of learning, are most likely to create long-term value for its stakeholders.

As we aim to become a leading FMCG multinational in each of the chosen emerging markets of Asia and Africa, we remain focused on accelerating our portfolio diversification, strengthening our distribution infrastructure, leveraging advanced digital technologies and empowering our people. Your Company will continue its steadfast commitment to propel the levers of growth across its diverse product portfolio and markets, while maintaining a long-term perspective on sustained growth and competitive advantage.

The Board has continued to exhibit an unwavering commitment to your Company's mission to drive growth and innovation, while upholding the highest standards of corporate governance. I continue to act as the Non-Executive Chairman of the Board, while Saugata continues to lead your Company's strategic growth initiatives. I also continue to lead efforts to improve the collective functioning of the Board and am actively involved in your Company's CSR initiatives. I am pleased to welcome Mr. Rajan Bharti Mittal as an Independent Director on the Board. Mr. Mittal brings with him an astute business acumen and a fresh perspective through which I am sure your Company will greatly benefit.

I want to express my heartfelt appreciation to the Board for their ongoing engagement and guidance and to our shareholders for placing their unfettered faith in Marico. I am grateful for the steadfast commitment of our members, even amidst fairly challenging times. I would also like to express my sincere gratitude towards all our business partners, vendors and associates for their sustained support as we continue to chart our way forward towards building a future-focused Marico.

Warm regards,

Harsh Mariwala
Chairman

Message from the CEO and MD

CATALYSING GROWTH WITH ALL-ROUND excellence

Saugata Gupta
Managing Director & Chief Executive Officer

Over the years, we have followed the mantra of 'Consumer First' and always ensured agile and purpose-led transformation of our brands with a sharp focus on evolving consumption trends and adapting to rapid changes in technology to drive business growth across our markets.

Dear Shareholders,

It is with great pleasure that I share my thoughts with you as a part of your Company's fifth Integrated Annual Report for the financial year 2022-23.

The World Health Organization (WHO) has recently declared that COVID-19 is no longer a global health emergency. This has certainly brought a collective sense of relief to all considering the heavy toll inflicted on humanity since the onset of the pandemic about three years ago. While the pandemic fades into the past, it has brought about some perceivably lasting shifts in consumer behaviour, such as heightened consciousness towards health and immunity, increased adoption of the digital medium and preference for purpose-driven or sustainable brands, among others. The rapid scale up of several Digital-first brands in recent years is evidence of the growing trend of premiumisation across beauty and personal care categories. In addition, the increased nuclearisation of households and wider participation of women in the workforce, especially in urban India, and the growing need to balance convenience with health considerations, presents immense growth potential for healthy packaged foods both in ready-to-eat and ready-to-cook formats.

Over the years, we have followed the mantra of 'Consumer First' and always ensured agile and purpose-led transformation of our brands with a sharp focus on evolving consumption trends and adapting to rapid changes in technology to drive business growth across our markets.

FY23 – Year of resilience amidst unpredictability

FY23 started with escalating geopolitical tensions leading to volatile commodity prices amidst an already subdued demand environment. In India, we witnessed similar instances of spiralling rise in food and retail inflation, which adversely affected the overall consumption sentiment. However, over the course of the last six to nine months, there has been moderation in key commodity prices and retail inflation levels, which seems to have triggered a gradual recovery in FMCG consumption. Looking at FMCG volume trends in this period, we believe the prospects of a sustained recovery have strengthened. After five quarters of volume decline, the sector has posted volume growth. Despite inflationary headwinds, India's urban consumption continues to be steady, while rural consumption is also demonstrating convincing signs of having bottomed out. Foods continues to drive growth for the sector, while Home and Personal Care (HPC) has also entered positive territory after an extended slowdown. As we move forward into the next year, we believe that subject to a near-normal monsoon prediction, government stimulus, the certainty of a moderating retail inflation and lower volatility in crude prices bodes well for a sustained reversal in the sector.

Amidst the difficult and unpredictable times during the year, your Company was able to weather the challenges and post a resilient performance as we prioritized on strengthening our core portfolio while driving accelerated growth from the newer categories. After a modest first half, Parachute Coconut Oil recovered strongly in the second half of the year as the steadying of copra prices aided the resumption of loose to branded conversion in the category. The Value-Added Hair Oils portfolio mirrored the softer growth trajectory of broader HPC categories; however, we consolidated our market share through renewed focus on the mid and premium segments. Saffola Edible Oils fortified its market positioning and penetration gains amidst a volatile edible oil environment. Our Foods play leverages Saffola's strong, yet underleveraged, brand equity and offers 'better for you' differentiated food products in categories where Saffola has a right-to-win. Currently, our Foods portfolio is broadly present across breakfast, in-between meals, healthy snacking, immunity, and plant-based protein segments. During the year, Oats portfolio anchored the growth while the Honey and Soya chunks portfolio gained scale. Our newer launches address the growing trend of convenience among urban milieu with rising preference towards ready-to-cook and ready-to-eat offerings. Going forward, we aspire to cross ₹ 850 Crores in revenues in the Foods portfolio next year as we maintain steadfast focus on market development, brand building, supply chain excellence, distribution expansion and product innovation.

The Premium Personal Care portfolios of Serums and Male Grooming delivered a remarkable recovery from the Covid-lows as mobility resumed back to normal levels. Given the competitive strength of our brands, Livon and Set Wet, we are poised to capitalize on the category's growth potential and aim to deliver 20%+ growth consistently. We are also delighted with the performance of our Digital-First portfolio, led by Beardo and Just Herbs. With their differentiated offerings and growing digital presence, we aim to achieve an exit run-rate of ₹ 400 Crores next year in this portfolio.

Our International portfolio has delivered a healthy performance across all the regions despite macroeconomic challenges in some of the geographies. Over the years, we have strengthened our brands, expanded our portfolio, minimized our concentration risks and focussed on executional capabilities in each of our key markets. Bangladesh continued its healthy performance as both core and newer portfolios drove growth. In Vietnam, our existing categories of male grooming and foods reported robust growth. Furthermore, our organic expansion into female personal care along with the acquisition of the brands, Purité De Provence and Ôliv, has added another growth lever for the business. MENA and South Africa also continue to register impressive growths. With strong fundamentals in place across each of the markets, we are confident that the international business will continue to thrive going forward.

While we navigated through a volatile input cost environment in the last year, we expect to maintain an upward trend in gross margins in the year ahead given the relatively stable and moderating trends over the last few months of the year. We will continue to adequately invest in brand building of our franchises, as we believe that continuous sustainable brand building efforts leads to long-term value creation. We also constantly pursue cost optimization avenues to curb any inefficiencies in operations through our institutionalized cost management programme.

Sustainability – From profits to purpose

At Marico, we view our entire business operations through the lens of sustainability and have always strived to uphold the ideals of People, Planet and Profit. Our approach based on conscious capitalism has been one of the guiding pillars of Marico towards being a responsible business organization. Post successful completion of our inaugural Sustainability targets, we have begun our journey on the Sustainability 2.0 framework with encouraging progress across each of the eight broad themes elucidated by our Chairman in his letter. Consumers, nowadays, are increasingly becoming conscious of their buying decisions having an impact on the society. Partners and vendors are willing to collaborate with companies that are also keeping the interests of the society in mind while doing business, while investors also prefer businesses that are creating both financial and social capital. We continue to make strides in this direction by nurturing Responsible Brands and furthering our commitment to Sustainable Sourcing. While our brands endeavour to offer best-in-class products, they also have a clear and meaningful purpose at the core that goes beyond traditional business objectives. Our flagship brands, Parachute and Nihar, have not only forged a strong connection with their consumers but also consistently driven positive outcomes for the community through the 'Parachute Kalpavriksha' and 'Nihar Shanti Pathshala Funshala' programmes. Through our Responsible Sourcing framework, Samyut, anchored on three pivotal themes of environmental stewardship, ethical responsibilities and social empowerment, we imbibe our supply-chain partners into Marico's philosophy and purpose of creating sustainable impact across its value chain.

> The diverse composition of the Board and senior leadership team brings forth varied perspectives and certainly enhances the quality of our decision making. The recently instituted Inclusion & Diversity (I&D) Council aims to enable policies and processes to incorporate the needs of diverse individuals and facilitate our evolving culture.

Our ESG initiatives continue to be widely appreciated and I am proud to share with all of you some of our recent recognitions. We were conferred with the 'Climate Action Award' at Indo-American Corporate Excellence Awards conducted by Indo-American Chamber of Commerce (IACC). Our 'Parachute Kalpavriksha' programme was recognized for 'Outstanding Sustainable Farmer Income Enhancement' at the FICCI Sustainable Agriculture Summit & Awards 2022. Strong governance and ethical practices have been fundamental to your Company and have been appreciated yet again as your Company has been recognized in the 'Leadership category' among S&P BSE 100 companies for the third time in as many years in Indian Corporate Governance Scorecard for 2022 organized by Institutional Investor Advisory Services (IiAS). Kincentric and Forbes recognized us among companies in the 'Best Employer of India' category, which is testament to our employer brand being a sustained competitive edge.

Way Forward - Reimagining the Future

Marico, as an organization, has always adapted to the changing environment and upcoming trends in the industry. Over the years, we have been constantly reinventing ourselves to stay relevant to our end-consumers and their evolving habits. Notably, amidst black swan events and heightened external volatility in recent years, we have strengthened our processes and product portfolio to be more resilient and future-ready. Last year, we had touched upon our strategy playbook focused on Diversification, Distribution, Digital and Diversity, internally dubbed as '4Ds', which shall enable a sustainable growth trajectory over the medium term.

Diversification of business has been our core focus in both our domestic and international markets and has been instrumental in driving healthy growth in recent years. While we continue our efforts towards strengthening and premiumisation of our core categories, there has been a shift in the revenue share of the newer portfolios of Foods, Premium Personal Care and Digital-First shift from ~8% in FY20 to about ~15% in FY23, which is likely to move up to ~20% next year. In addition to driving accelerated growth in the new categories of our domestic business, we are also countering portfolio concentration risk in Bangladesh and driving broad-based growth across geographies in our international portfolio. Leveraging our R&D capabilities, our diversification journey in the medium-term will aim to create a portfolio for the future, which has saliency in lower penetrated categories with a large growth headroom, where we have a veritable right to win and can drive penetration and market share gains. We will not enter a category just to play, but will play to win, thereby leading to sustainable outcomes in our business.

Distribution is another significant enabler for Marico's future readiness and accelerated growth. Over the past year, we have witnessed a slowdown in General Trade dragged by consumption stress in rural India and the lower and middle-income strata in urban areas. Correspondingly, consumers, especially in the urban segment, are increasingly veering towards the alternate channels of modern trade and e-commerce. We continue to strengthen our presence on alternate channels through trusted partnerships, channel-focused product strategy and customer engagement. Given the depth of the Indian market, we believe there is significant headroom for traditional and alternate channels to co-exist and grow harmoniously, and your Company is investing towards building an omni-channel, agile and data-driven distribution strategy. To dial in on the diverse Indian market, characterized by intricate demographic patterns and varying consumption habits, our Sales 3.0 framework emphasises on strengthening our micro-market focus and execution with enhanced agility. We continue to widen our stockist network as we expand our rural direct reach, thereby building a source of long-term competitive advantage. As the portfolio evolves suitably, we are enhancing our presence in chemists, cosmetics and specialty foods outlets in urban regions. A dedicated Foods Go-To-Market is one of our strategic priorities, which focuses on top specialty foods stores and aims to deliver accelerated growth in our Foods business through wider range availability, in-store execution and effective shopper engagement. The Foods GTM has already expanded our reach to 20+ cities and aims to strengthen our network and distribution reach.

Building digital capabilities and automation is a strategic growth imperative for us to thrive in the digital era and seize new opportunities in an increasingly data-driven and customer-centric market. We continue to make visible strides in our digital transformation journey through investments in advanced data analytics, thereby leveraging AI and ML technologies to streamline supply chain operations, improve customer engagement and optimize advertisement campaigns. We are also deploying several capability-building initiatives to enhance digital competencies within the organization.

Finally, yet importantly, we remain committed to cultivating a workplace that values diversity and fosters social inclusivity, thereby building organizational resilience. Localization of talent in our overseas units and promoting thought and gender diversity serve as fundamental building blocks towards perpetuating an innovation mindset. The diverse composition of the Board and senior leadership team brings forth varied perspectives and certainly enhances the quality of our decision making. The recently instituted Inclusion & Diversity (I&D) Council aims to enable policies and processes to incorporate the needs of diverse individuals and facilitate our evolving culture. We strongly believe that amidst these times of constant disruption, access to diverse talent acts as a key differentiator and provides a competitive edge over the long term.

We are confident that we are on a fundamentally right path of driving profitable, competitive and sustainable growth with a consistent focus on innovation to build businesses for the future.

As we look forward to turning the leaf over to a new chapter of growth for your Company, I want to express my deepest gratitude to our entire leadership team and all our members for their unwavering commitment to Marico. I also want to express my heartfelt thanks to our shareholders for their continued faith, support and confidence in Marico.

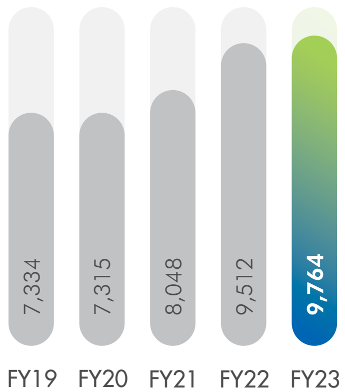
Warm regards,

Saugata Gupta
Managing Director & Chief Executive Officer

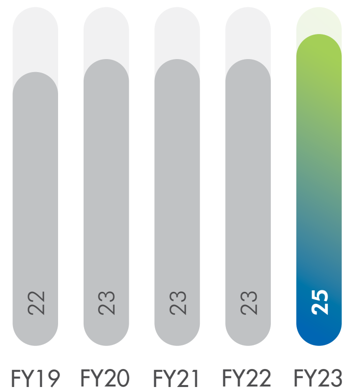
Key performance indicators

FIVE YEAR PERFORMANCE AT A glance

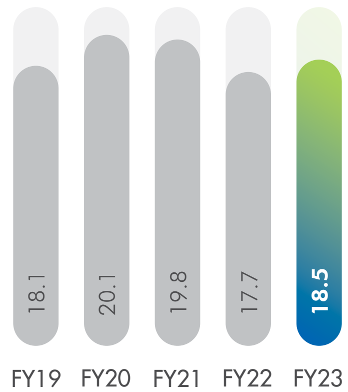
Consolidated Turnover
(₹ Crores)



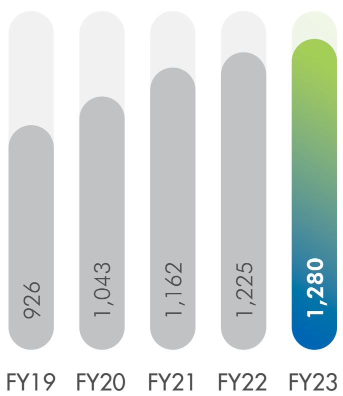
Share of International FMCG Business
(%)



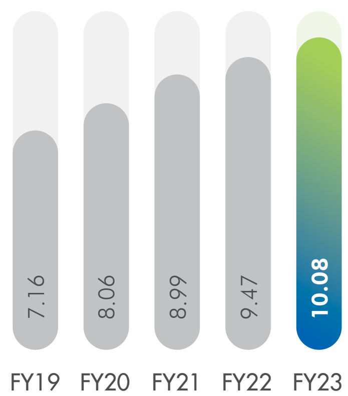
EBITDA Margins
(%)



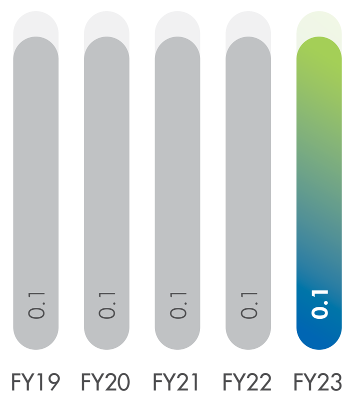
Recurring Consolidated Net Profit After Tax
(₹ Crores)



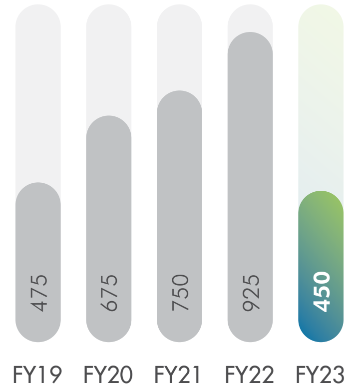
Earnings per share
(₹ / share)



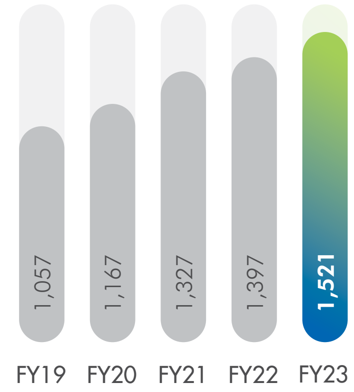
Debt / Equity
(x)



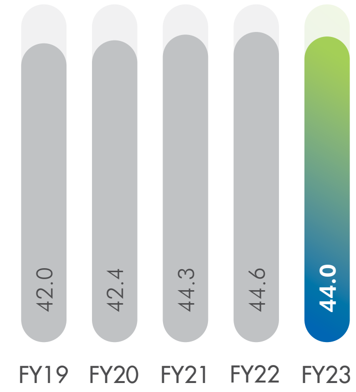
Dividend declared
(% of Face Value of a share)



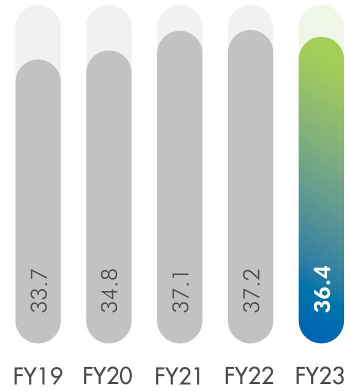
Cash profits
(₹ Crores)



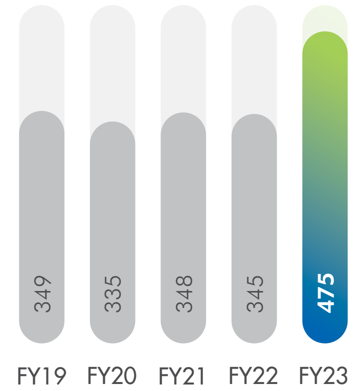
Return on Capital Employed
(%)



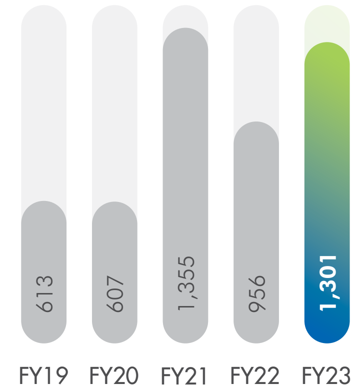
Return on Net Worth
(%)



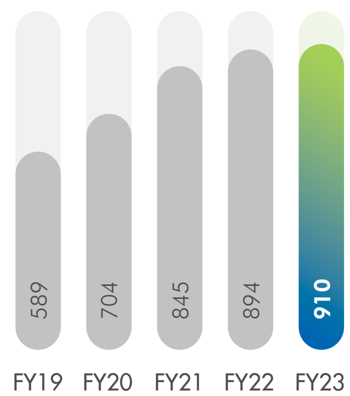
Loan on Books
(₹ Crores)



Surplus on Books
(₹ Crores)



EVA
(₹ Crores)



ESG

Highlights

Environment

66.5%
renewable energy in manufacturing

2.20%
reduction in operations energy intensity

100%
EPR Compliance

130 MT
Virgin PET consumption in packaging reduced

IGBC Platinum
certification to Sanand plant

73,000+
trees planted

240 tCO2e
reduction in carbon footprints through packaging material redesign

2.4%
reduction in water intensity in operations

460 tCO_2e
reduction in carbon footprints through material reduction

23 MT
reduction in Virgin LDPE consumption in packaging

Governance

100%
Mariconians are certified for code of conduct

100%
of our critical suppliers have been sensitized on code of business ethics

Social

96%
Consumer Satisfaction Index

50%
reduction in saturated fat content in Munchiez Ragi Chips

Saffola Fittify product range
Vitamin A and D fortification

82.5%
Inclusion Index

18,000
enrolled in Parachute Kalpavriksha Program

26.8%
Diversity

11
number of patents

14
new products launched

MoU
with Indian Institute of Millet Research (IIMR)

94%
of procurement by spend, sourced from within India

33%
of materials procured from MSMEs and small producers

34
awareness and training programs and on-line self-learning module for value-chain partners

45%
of procurement spend from suppliers evaluated and certified based on ethical, social and environmental commitments

Product Showcase

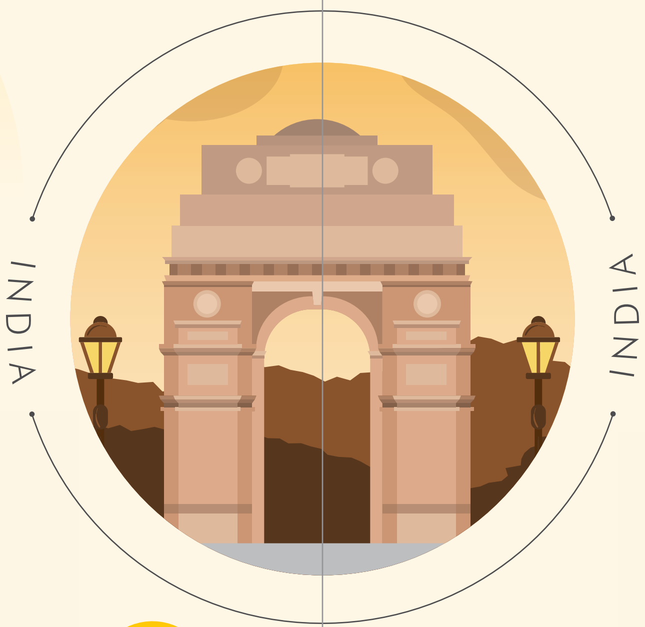
PORTFOLIO CENTERING AROUND

consumers

Coconut Oils

SUPER PREMIUM Refined Edible Oils

Foods



VALUE-ADDED Hair Oils

PREMIUM Personal Care

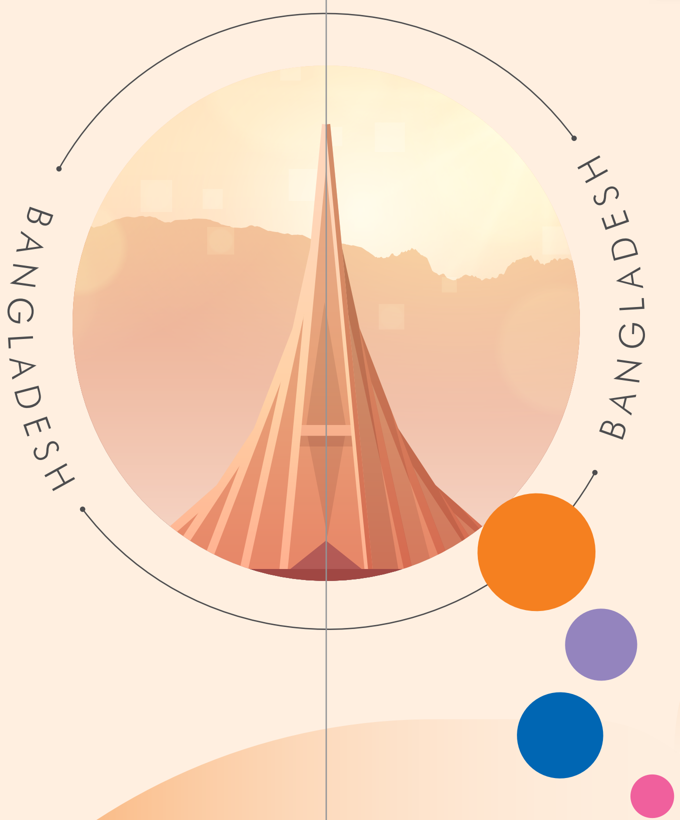
DIGITAL FIRST
Premium Personal Care

Coconut Oil

Hair Colours, Serums and Shampoos

VALUE-ADDED Hair Oils

SKIN Care



MALE Grooming & Styling

BABY Care

HYGIENE

EDIBLE Oils

Foods

VIETNAM

MALE Grooming

Foods

FEMALE Personal Care

SOUTH AFRICA

HAIR Care

BABY Care

HEALTH Care

MIDDLE EAST

Coconut Oil

HAIR Care

Foods

MALE Grooming & Styling

EGYPT

HAIR Care

MALE Grooming

Materiality

LEADING THE WAY IN EMBRACING SUSTAINABLE operations

At Marico, we are striving to lead the industry in terms of environmental and social responsibility across every facet of our business operations and value chains. Concurrently, we are also identifying and mitigating material risks. We are seeking opportunities to innovate and intervene to fast-track growth and benefit all stakeholders.

We are committed to be transparent in communicating our financial and non-financial performance to stakeholders and enhance our disclosures in alignment with standard corporate sustainability frameworks.

In FY22, we concluded our first 5-year Sustainability Roadmap. We met all our goals on energy, emissions, packaging, and supplier management. We also undertook leadership roles by initiating development of a product sustainability index and engaging with farmers for sustainable agriculture.

During 2017-22, we achieved 73% reduction in energy intensity and 77.5% reduction in GHG emissions intensity in our operations. Our initiatives around water conservation created 263 Crore litres of water capacity for communities (equivalent to 3 times of water consumption in our operations).

We are working with farmers in order to promote sustainable agriculture practices since FY17. Over 81,000 farmers have been enrolled in Marico's sustainable agriculture programme, reflecting a y-o-y addition of 15,000+ beneficiaries. A total of 3.11 lakh acres have been brought inside the purview of this programme till date, demonstrating an overall productivity improvement of 16%.

Our flagship programme for responsible sourcing, **SAMYUT**, has laid out a comprehensive system of supplier evaluation on key criteria of business ethics and environmental and social responsibilities

Vision for 2030

In FY23, we launched our Sustainability Vision for 2030 on World Environment Day, 5th June 2022. The 2030 vision incorporates emerging expectations from stakeholders including emphasis on ESG performance. We established materiality of ESG topics through an informed engagement with internal and external stakeholders, based on the impact on business and expectations from stakeholders. We have identified 11 core material topics across environment, social and governance pillars to guide our actions for Sustainability Vision 2030. The core criteria consist of key performance indicators and metrics to monitor and communicate our progress to all stakeholders annually.

Environment

Water Stewardship
- Zero Liquid Discharge in Operations
- Water Conservation
- Forestation
- Biodiversity

Climate Change
- Net Zero Emissions
- Renewable Energy in Operations

Circular Economy
- Product Sustainability
- Waste Management
- Extended Producers Responsibility

Social

Health & Wellbeing
- Occupational Health & Safety
- Health & Nutrition
- Ingredient & Chemical Safety
- Responsible Marketing

Human Rights
- Labour Practices
- Fair Compensation
- Freedom of Association
- Discrimination & Harassment

Human Capital
- Work Culture
- Talent Attraction & Retention
- Diversity & Inclusion

Livelihood & Prosperity
- Education and Skills
- Research & Development
- Sustainable Agriculture

Governance

Corporate Governance
- Business Ethics
- Governing Bodies
- Transparency & Disclosure

Strategic Risk Management
- Compliance Management
- Environmental Risks Mitigation and Adaptation
- Data Privacy & Security

Sustainable Supply Chains
- Responsible Sourcing
- ESG in Supply Chain

Stakeholder Engagement
- Awareness & Capacity Building
- Grievance Management
- Collaborative Actions

To operationalise our Sustainability 2.0 Strategy, we have outlined an extensive 8-point commitment to drive change in the following key focus areas:

Water Stewardship

Marico aims to achieve water neutrality in manufacturing operations and practice water stewardship for creating water availability for the community.

Key enablers are zero liquid discharge at manufacturing facilities, water efficiency in operations, and collaborative actions with communities for water conservation.

Progress in FY23

- Our water intensity per rupee of turnover has reduced to 16.06 in FY23, compared to 16.43 in FY22.
- We created 292.52 Crore litres water capacity through the construction of farm ponds and other water conservation initiatives.
- We facilitated the plantation of 73,250 trees, including 50,500 fruit-bearing trees for 5,000 beneficiaries.

Net Zero Emissions

We aim to achieve Net Zero Emissions in global operations and mitigate value-chain emissions in line with the 1.5°C scenario.

Key enablers for this transition will be renewable energy, investments in low-carbon technology options and carbon forestry.

Progress in FY23

- Our GHG Emission Intensity tCO_2e per unit Crore revenue for FY23 was 1.76. Our Scope 3 GHG emissions for India operations stood at 5,47,126 tCO_2e, indicating a ~12% reduction in Scope 3 Emission Intensity, compared to the base year of FY19. We utilise 66.5% Renewable Energy share in our operations.

Circular Economy

Marico aims to achieve 100% recyclable packaging by 2025, practise 3R for effective management of pre-consumer and post-consumer waste.

Key enablers are innovations in product design, recovery of materials from waste, and extended producer's responsibility for post-consumer waste.

Progress in FY23

- We increased the percentage share of recyclable packaging to 94.5% in our total packaging portfolio. In our efforts towards phasing out PVC from packaging, our total PVC share is now below 1% of our total packaging.
- We are 100% compliant to extended producers responsibility in accordance with the Plastic Waste Management Rules by the Government of India.

Diversity and Inclusion

Marico believes in fostering a diversity conscious, diversity ready and socially inclusive workplace. Towards this purpose, we target to enhance our gender diversity ratio to 30% and the differently-abled to 5%, as part of our decade of action roadmap.

Progress in FY23

- We achieved 26.8% diversity and 82.5% inclusion index.

Brands with Purpose

By 2030, Marico aims to cohere the purpose, messaging, and impact- based actions of its top 5 brands by revenue with the goals and targets outlined by the United Nations Sustainable Development Goals.

Each of the top 5 brands will annually quantify and disclose on the sustainable impacts created y-o-y in adherence to the relevant UN-SDGs, along with targets and indicators.

We continued our efforts to health and nutrition benefits of our food products. We also took steps to assess and reduce product carbon footprint of some of our products.

Progress in FY23

- Parachute brand is committed for driving sustainable agriculture and helping coconut farmers with scientific farming practices to improve productivity.
- Nihar brand is committed for helping under privileged children in education and has benefitted 11 lakh children and 2.74 lakh teachers.

Sustainable Agriculture

We aim to boost economic self-sufficiency of farmers. Our plan is to reach the target of 4+ lakh acres of coconut plantation by 2025 and achieve a cumulative productivity improvement rate of 16%.

We aim to empower approximately over one lakh farmers on sustainable agriculture practices. These measures are aimed at improving productivity and enhancing climate resilience.

Progress in FY23

- Through our CSR initiatives, we enrolled 18,000 farmers (55,900 acres) in Parachute Kalpavriksha Programme. We have observed that productivity for enrolled farmers improved by 16%. So far, we have opened 4 agribusiness centres with 1600+ farmers beneficiaries.

Responsible Sourcing

Marico's Responsible Sourcing Framework (**SAMYUT**) is anchored on three pivotal themes – Environmental Stewardship, Ethical Responsibilities and Social Empowerment.

By 2030, we plan to roll out Level 1 (capacity-building and voluntary declaration of commitments) across 100% of our critical suppliers, and Level 2 (independent risk-based external audits to validate voluntary commitments) to 50% of our critical suppliers who have completed Level 1. Additionally, we are setting targets for key metrics such as traceability, preferential procurement of sustainable materials, and the promotion of diversity in our supplier base.

Progress in FY23

- Marico has helped its business associates achieve Level 1 (L1) and Level 2 (L2) certifications under **SAMYUT**-Responsible Sourcing Framework.
- Around 74% of our raw materials and packaging suppliers, 26% of manufacturing (convertors, packaging filling units) obtained level-1 certification: self-declaration against sustainability criteria Laid out in supplier code of conduct. A total of 8% of our raw materials and packaging providers have reached Level-2 certification through Third-party audits.

Corporate Governance

At Marico, all activities are led by a sense of responsibility, underpinned by our principles of good governance. In our decade of action, we will continue to ensure good corporate governance by practising ethical business practices and robust risk mitigation.

Progress in FY23

- All Marico employees are certified for Code of Conduct and 100% of our critical suppliers have been sensitised on Code of Business Ethics.

Marico's Sustainability 2.0 framework has been developed with the intent of establishing a dynamic strategy to strengthen the business's core purpose.

The framework will be guided by our policies and commitments on material issues, available on our website.

We will also leverage this framework to capacitate our value chain partners in building resilient and sustainable business enterprises.

Our sustainability goals are laid on the foundation of stakeholder capitalism, social inclusion, sustainable production and consumption, and above all a long-term positive impact on the communities that help us thrive.

Value Creation Model

BUSINESS model

Capitals | Relationship with Other Capitals | Inputs | Business Model | Outcomes | UN SDGs

Financial Capital

Pool of funds allocated efficiently and utilised for business activities

FOCUS
- Financial Performance
- Governance and compliance
- Wages and Compensation

Relationship with Other Capitals

Manufactured
- Capital Investment
- Business Expansion

Intellectual
- R&D

Human
- Wages and Compensation

Social and Relationship
- Brand reputation
- Spending on projects and initiatives for community

Inputs
- Capital Expenditure: **₹ 182 Crores**
- Equity: **₹ 3,800 Crores**
- Debt: **₹ 475 Crores**
- Working Capital: **₹ 1,391 Crores**

Outcomes
- Market Capitalisation: **US$7.5 Billion**
- Dividend Payout: **45%**
- Operating Margin: **18.5%**
- Return On Capital Employed: **44.0%**
- Consolidated Turnover: **₹ 9,764 Crores**
- EBITDA: **₹ 1,810 Crores**
- Recurring Consolidated Profit After Tax: **₹ 1,280 Crores**
- EPS: **₹ 10.1**
- Return on Equity: **36.4%**

UN SDGs: 8

Manufactured Capital

Assets built or manufactured including factories, offices, other infrastructure, equipment that facilitate production, storage and delivery of goods

FOCUS
- Operational excellence
- Quality and Safety
- Resource Efficiency and Circularity

Relationship with Other Capitals

Financial
- Revenues

Intellectual
- Innovations and Patents

Human
- Health & Safety
- Human Rights

Social and Relationship
- Responsible Sourcing
- Supply Chain Management

Natural
- Resource Conservation
- Environmental Impacts

Inputs
- Domestic manufacturing facilities: **7**
- International manufacturing facilities: **6**
- Regional offices: **4**
- Overseas offices: **10**
- Depots and Warehouses:**25**

Outcomes
- Number of packs sold **2+ billion**

UN SDGs: 12

Intellectual Capital

Intellectual properties developed by the organisation through research and innovation in packaging material and techniques, new products and improvements in manufacturing and logistics

FOCUS
- Research and Development
- Training & Skill Development

Relationship with Other Capitals

Financial
- Revenues

Manufactured
- Operational Excellence
- Quality and Safety

Social and Relationship
- Brand Reputation

Human
- Health and Well-being

Natural
- Product Sustainability

Inputs
- R&D Investments: **₹ 32 Crores**
- R&D team Members: **93**
- % of sales invested in brand building: **8.6%**

Outcomes
- Patent granted:**11**
- Brands owned by Marico India: **20+**
- New Products:**14**

UN SDGs: 9, 12, 17

Human Capital

Human talents onboarded and empowered to manage and grow the business

FOCUS
- Human Rights
- Health and Well-being
- Diversity and Inclusion
- Talent Attraction and Retention
- Learning and Development

Relationship with Other Capitals

Financial
- Wages and Compensation

Manufactured
- Productivity
- Safety

Social and Relationship
- Brand Reputation
- Stakeholder Engagement

Natural
- Awareness and Behaviour

Inputs
- Total Number of Employees: **1,822**
- Manhours of training on health and safety for employees and workers: **4,882 hours**

Outcomes
- Our talent practices rated above global benchmark by our members - **84%**
- % of our decision-making roles (Managers & Partners) having diverse talent: **28%**
- Increase in diverse talent representing our leadership positions (partners & CXOs): **~23.6%**
- % of current leadership team that is homegrown talent: **90.35%**
- % of Members that experience Marico as a harassment and discrimination-free workplace: **90%**
- Employee Retention Rate:**96.2%**
- LTIFR: **0.425**
- Incidents: **2**
- Fatalities: **0**
- Diversity: **26.8%**
- Inclusion Index: **82.5%**

UN SDGs: 3, 5, 10

Social and Relationship Capital

Building trust and maintaining with key stakeholder groups like customers, suppliers, investors, local communities, governments, and regulators

FOCUS
- Brand Reputation
- Customer relationship
- Responsible marketing
- Responsible supply chain
- Sustainable Agriculture
- Stakeholder Engagement

Relationship with Other Capitals

Financial
- Governance and Compliance

Manufactured
- Resource Efficiency and Circularity

Human
- Talent Attraction and Retention

Natural
- Product Sustainability
- Water Stewardship
- Biodiversity
- Net Zero Emissions

Inputs
- CSR Expenditure: **₹ 22.69 Crores**
- Value-chain partners: **690**
- Strong retail outlets network: **5.6 million**

Outcomes
- Customer Satisfaction Index: **96%**
- **18,000** Framers Enrolled in Parachute Kalpavriksha Program
- Farmers benefitted through Agri-business centres: **1,600+**
- Nihar Shanti Pathshala English literacy programme beneficiaries: **11 Lakhs children** and **2.74 Lakhs teacher**
- Critical suppliers certified under Level 1 of **SAMYUT**: **68%**
- Critical suppliers certified under Level 2 of **SAMYUT**: **8%**
- Procurement through spends from local/indigenous suppliers: **94%**
- Product outreach: Touched **~59,000** villages in India and almost every Indian town with population over **3,000**

UN SDGs: 1, 11, 2, 12, 3, 13, 4, 17

Natural Capital

All environmental resources like energy, water, soil, atmosphere that support business and get affected through operational activities.

FOCUS
- Water Stewardship
- Net Zero Emissions
- Circular Economy
- Biodiversity
- Product Sustainability

Relationship with Other Capitals

Financial
- Governance and Compliance

Manufactured
- Resource Efficiency and Circularity

Human
- Human Rights

Social and Relationship
- Long term value creation for every stakeholder

Inputs
- Raw Materials Consumed: **3,05,335.1 MT**
  Packaging material consumed: **45,917.4 MT**
- Water Intensity in operations: **16.06 litre/unit ₹ turnover**
- Energy Intensity in Operations: **24.42** GJ/unit Crores in one single frame
- Renewable energy in operations: **66.5%**
- Forestation: **plantation of 73,250 trees**

Outcomes
- Post consumer plastic waste collected and recycled or co-processed: **18,584 MT**
- Recyclable packaging: **94.5%**
- Water conservation through Farm Ponds: **292.52 Crore litres**
- Scope 1 & 2 GHG emission intensity: **1.76 tCO2e/unit Crore revenue**
- Scope 3 GHG emission intensity: **76.6 tCo2e/unit Crore revenue**

UN SDGs: 5, 13, 6, 14, 7, 15

Business Model

Purpose:
to transform in a sustainable manner, the lives of those we touch, by nurturing and empowering them to maximise their true potential.

Strategic Pillars:
- Grow the Core
- New Growth Engines
- Create Shared Value

Enablers
- Go-to-Market Models
- R&D and Innovations
- Digital and Technology
- Cost Management
- Talent and Culture
- Sustainability

Business Activities
- Research and Innovation
- Sustainable Sourcing
- Manufacturing
- Packaging
- Transportation and logistics
- Warehousing and Distribution
- Customers- Marketing
- End-of-life Management

Business Segments

01 Coconut Oil

02 Super Premium Refined Edible Oil

03 Value added Hair Oil

04 Premium Personal Care

05 Foods

Risk Management

EVALUATING THE OPERATIONAL LANDSCAPE AND STAYING

watchful

Risk management is integral to Marico's strategy. We believe that success of an organization hinges not only on its ability to explore and exploit business opportunities, but also on the quality of its risk management processes.

In today globalized environment, which is deeply interconnected through a continuous flow of goods, services, capital, people, data and ideas, occurrences of unforeseen events such as the COVID-19 pandemic, geopolitical tensions, etc. can also impact business models. In this context, it is imperative for companies to have a comprehensive risk management strategy to ensure business continuity, in addition to agile and efficient operations.

Our risk management framework comprises identifying material risks, analysing their likelihood, quantifying their consequential impact, and preparing our response plan for the same.

Risk management framework

Identify

Identify risk material to each function/business

Implement

Implement the risk mitigation plan

Monitor

Monitor the progress of risk mitigation plan

Periodically review the risks and related metrics.

Quantify

Evaluate the risks based on 'impact' and 'vulnerability'

Prioritise top 10 risks at the Company level

Plan

Develop mitigation plan for each risk with relevant efforts and result metrics

Recommend the plan to the Board for approval

Risk Management Committees

The Risk Management Committee monitors and reviews the risk management plan and provides guidance on the mitigation strategies.

Risk Management Committee (RMC)

- Comprises Lead Independent Director, Managing Director and CEO, and the Chief Financial Officer
- Assists the Board and Audit Committee
- Material Risks are reviewed annually by the RMC
- Manages risks both at strategic and operational level

Continuous monitoring of the identified risks is a part of our institutionalised process, where we track the effectiveness of our efforts and update the Risk Management Committee on the progress. Risk related issues, if any, are discussed at review meetings.

Material Risks and Mitigation Strategies

Our risk management process evaluates all significant business processes to identify risks that are classifiable under following categories:

- Strategic risks
- Financial risks
- Operational risks
- Compliance and Governance risks
- Environmental and Social risks

Strategic risks

Risk Type and Description	Mitigation Strategies
Changing consumer preferences Consumer tastes, preferences and behaviours have been evolving over the years, due to various factors, such as cultural shifts, demographic changes, technological advancements, or emerging trends.. This trend has only accelerated after unexpected events post the outbreak of the pandemic. WithIn addition, with increasing social media/digital media penetration penetration, brand awareness levels and deepening reach of branded goods , the speed of the pace of shifts in consumer preferences has dramatically risen. It is, therefore, an imperative that our portfolio and brand communication also evolvess in line with consumer expectations demand so that we continue to remain relevant and competitive in our categories.	• Investment in consumer in-sighting to adapt to changing consumer preferences • Actively monitor social media trends to spot early consumer trends; quickly respond to these trends with innovative offerings that lead with quality, safety and nutritional quotient • Shape a brand communication to effectively reach the consumer and convey its proposition and purpose • Frequent consumer awareness campaigns and outreach initiatives to demonstrate the nutritional value of products and the use of safe ingredients to enhance product responsibility
Increasing Competitive intensity With the increasing number of competing brands across offline and online marketplaces, counter campaigning and aggressive pricing by competitors, maintaining brand relevance, market shares and pricing power is critical to sustained growth.	• Diversification in product offerings and ensuring availability in relevant channels, thereby leading to wider presence and reach • Protect consumer franchise during periods of short-term volatility or headwinds • Invest in brand building through responsible marketing campaigns • Building agile marketing response mechanisms to counter competitive moves
Underperformance of new product launches Given that the success rate for new product launches in the FMCG sector is typically low, new products may not gain traction among consumers or may fail to scale up as planned.	• Invest in a new product development process with a funnel approach to ensure continuous flow of new ideas, coupled with rigorous governance around scalable ideas • Prototyping approach to new product introductions for accelerated learning and adjustment • Identify and invest in big-ticket new ideas in the chosen categories for driving growth • Resilient presence in marketplace with adequate investments in brand building
Underachievement of acquisition deliverables Acquisitions may impose a financial burden on the parent entity, if the acquired business significantly underperforms vis-a-vis expectations. The integration of operations and cultural harmonisation may also take time, thereby deferring benefits of synergies.	• A well-defined playbook for selection of targets, due diligence, value finalisation and integration • Well-defined performance tracking systems for monitoring progress periodically • Cross-application of governance practices of the parent organisation soon after take over to ensure controls

Risk Type and Description	Mitigation Strategies
Underperformance in external evaluation (ratings and rankings) based on financial and non-financial performance (ESG and other sustainability related metrics) of the company by government or market entities Transparency around financial and non-financial performance of the Company and regular communication is critical for building stakeholder trust and market credibility.	• Enhanced communication on annual performance on material topics • Continuous efforts to align disclosures with established standard frameworks at national and global level. • Frequently update company's initiatives, actions, and progress on platforms accessible to stakeholders • Communication channels for stakeholders to enquire, register grievances, and provide feedback

Financial Risks

Risk Type and Description	Mitigation Strategies
Volatility in interest rates The FMCG sector is not capital intensive, although fund requirements arise on account of inventory position building, capital expenditure undertaken or funding inorganic growth. Changes in the interest regime and in the terms of borrowing could impact the financial performance of the Company. Additionally, this risk may also impact income on the Company's investment and lead to mark-to-market losses on its investment portfolio.	• Well-defined framework for capital gearing • Maintain a liquidity chest for immediate working capital requirements • In case of foreign currency borrowings, implement hedging as per policy • Manage interest rate risk on investments by implementing a Board-approved investment policy, which focuses on safety and liquidity, thereby mitigating short-term interest risks
Foreign currency exposure Marico has significant local presence in Bangladesh, South East Asia, the Middle East, Egypt and South Africa. The Company is thus exposed to a wide variety of currencies. Fluctuations in these currencies could impact the Company's financial performance. The risk of currency depreciation is accentuated during periods of high inflation in these economies.	• While the 'translation risk' will continue to be unhedged, Marico has a well-defined hedging framework for managing any foreign exchange risk in India and Bangladesh. The Board-approved policy in this regard is reviewed periodically for its effectiveness.

Operational Risks

Risk Type and Description	Mitigation Strategies
Commodity Risks Unexpected changes in commodity prices and supply could impact business margins and ability to service demand. The past few years have witnessed wide fluctuations in input prices. As a result, the overall uncertainty in the environment continues to be high.	• A comprehensive process manual drives commodity procurement for each category, which governs norms related to price discovery, inventory policy, supplier management, governance mechanism, among others • The Company policy defines the purchase of commodity in line with business requirement in accordance with inventory policy and does not encourage speculative buying or trading of said commodity either in physical form or on the exchanges • The Company has developed and deployed various programmes in order to ensure sustainable availability of agriculture commodities to support future business requirements. Few of the programmes are: a) Sponsoring research in agriculture breeding technology; b) Developing strategic souring alternatives from other geographies; c) Strategic presence in the extended backward value chain • The Company has well-defined norms for building strategic inventory positions as a hedge against price volatility.
Global Events Unprecedented and unpredictable events including pandemic, political instability, civil unrest can significantly impact business results.	• A comprehensive insurance programme to hedge all insurable risks • At a macro level, our country selection template lay emphasis on geopolitical stability and robust growth prospects
Macro-economic factors Factors such as low GDP growth and high food inflation could result in down trading from branded to non-branded or premium to mass market products	• Focus on providing value-added products and making it available to the masses at affordable prices by driving aggressive cost management • Focus on franchise growth over short-term profitability during macro-economic headwinds • Thrust on portfolio diversification as one of the pivots of future growth
Cyber and data security Disruption in business operation due to non-availability of critical Information Systems through cyber-attack and loss of sensitive information due to unauthorised access.	• Identification of business critical IT systems and having a disaster recovery plan in place. The plans are tested periodically for scope of enhancements • Implementation of IT security practices in line with ISO 27001 standard • Implementation of latest cyber security technologies with preventive, detective and reactive controls • We perform periodic internal assessments for the controls implemented to ensure continuity of operations • Mock Runs are conducted to ensure that all controls are performing as expected and all relevant stakeholders are aligned on their roles in the event of a cyber-crisis

Compliance and Governance risks

Risk Type and Description	Mitigation Strategies
Non-compliance with regulatory requirements Inadequate compliance systems and processes can pose reputation risk for the Company. This could expose the Company to legal consequences; result in financial losses and penalties.	• Invest in IT-enabled compliance systems and processes • Ensure all functions and units are aware of the laws and regulations to be complied with • Ensure adequate monitoring mechanism towards compliance • Communicate periodically to reiterate the importance of compliance.
Violation of ethics and business integrity Failure to act with integrity or behave in a manner inconsistent with Marico's defined purpose statement and values can damage the corporate reputation and affect business results.	• Code of Conduct (CoC) and Marico Code of Business Ethics (MCoBE) outlines the Company's commitment to ethics and integrity • Robust vigil mechanism, which enables all stakeholders to report, concerns about unethical behaviour, fraud or violation of code • Detailed personal orientation and mandatory certification on CoC for all employees, suppliers and contractual workers • Effective oversight by the Board of Directors.
Emerging Rules and Regulations Regulations on product safety, ingredients and chemicals are evolving. Plastic packaging related regulations are becoming stricter and it is important for organisations to align with the new rules and regulations at national level and industry benchmarks at global level	• Participation in industry associations and relevant platforms to stay informed of the evolving regulatory landscape • Capacity building of the governing bodies and management teams at Marico to understands emerging trends and to be future-ready.

Environmental and Social Risks

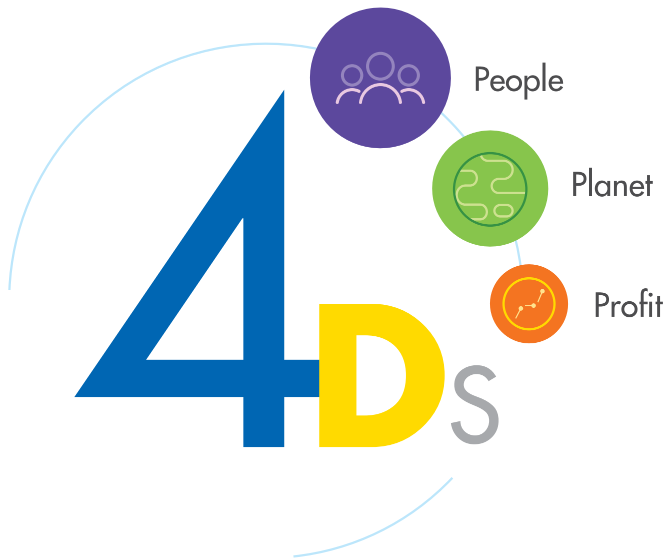
Risk Type and Description	Mitigation Strategies
Freshwater Availability Marico relies on agricultural produce for raw materials. Water shortages can lead to supply chain disruptions, crop failures and increased production costs.	• Source water vulnerability assessment for all operations (using scientific tools and methods) to identify water stress quotients near Marico's manufacturing footprint. • Undertake water conservation efforts through various capacity creation measures measures in collaboration with community. • Reduce freshwater consumption at manufacturing facilities
Agricultural Productivity Low agricultural productivity and related disruptions can negatively affect availability of raw materials.	• Mapping of physical climate risks across the agri-value chain. • Establishing traceability of agro-based raw materials directly from the place of origin • Boosting productivity and livelihood generation for farmers by deploying sustainable agricultural techniques
Climate Change There is an increasing expectation from stakeholders to decarbonize operations to align with global goals. Any shortcomings or gaps in the performance against net zero targets may hamper stakeholder's trust in the company.	• Reduction in direct and indirect GHG emissions through: > Investment in low-carbon technologies and equipment > Increase in share of renewable and clean energy > Carbon sequestration through afforestation • Carbon offset mechanisms. • Engagement with critical value-chain partners for GHG emission reduction
Employee Health, Safety, and Well-being Any risk to safety, health and well-being in operations are detrimental to employee's motivation and productivity. A safe and positive work environment is critical for creative problem solving and innovation.	• Focus on reducing risk exposure and enhancement of mitigation practices across facilities though training, monitoring, and implementation of safe practices • Promoting Occupational Health & Safety and social accountability related policies to demonstrate safe and socially inclusive behaviour at workplace • Driving employee engagement and wellbeing programmes for better mental health and stress-free life
Talent acquisition and retention It is critical to attract and retain top talent to remain competitive, drive innovation, increase productivity, enhance customer satisfaction, and build a strong employer brand. By prioritizing talent acquisition and retention, organizations can position themselves for long-term success and growth.	• Investing in 'hiring right', 'talent development and engagement' best practices • Instituting development plans to upskill and reskill employees for future roles and bringing in flexible talent to access new skills • Promoting culture of diversity, trust, inclusion, openness, transparency, and meritocracy, coupled with growth orientation

Risk Type and Description	Mitigation Strategies
Management of environmental and social risks in value chain, e.g., climate related risks, human rights, health & safety, ethics Management and assessment of environmental and social risks in the value chain is crucial to safeguard corporate reputation, ensure legal compliance, enhance supply chain resilience, reduce costs, engage stakeholders, seize market opportunities, and contribute to long-term sustainability.	• The implementation of responsible sourcing framework **SAMYUT** for critical suppliers - raw material, packaging material suppliers, depots and warehouses, third-party manufacturing units • Advocating business ethics and human rights principles through trainings and business communications for all suppliers to help them imbibe human rights principles in their operations • Utilise supplier evaluation and engagement platform to eliminate risks wherever possible • Develop collaborative actions with value chain partners to mitigate environmental and social risks in the value chain
Social license to operate Acceptance by the surrounding community, stakeholders, and society enables organizations to protect their reputation, access resources and markets, promote sustainable practices, build strong relationships and contribute positively to society	• Constant engagement with local community stakeholders to understand their needs • Continue to implement social outreach programmes and initiatives to deliver socio-economic, environmental, educational and health-related benefits

Strategy

BUILDING FUTURE readiness

As the business environment was on the course of recovering from the throes of the pandemic, escalating geo-political tensions at the onset of FY23 once again led to a spike in volatility and inflationary pressures. Given the rapidly changing market dynamics, we regularly monitor the external environment to identify potential headwinds and proactively plan towards mitigating them. We are consistently working towards instilling more agility in our processes and systems, thereby strengthening our ability to adapt and effectively respond to the ever-evolving business circumstances.



Over the medium-term, the Company has continued to deliver a resilient performance with sustainable and profitable volume-led growth across our domestic and international businesses. We continue to strengthen the equity of the core and new franchises and drive long-term growth by adequately investing in brand building and market development. Expansion of the total addressable market of our leader brands through consumer centric innovation remains a central pivot of our growth strategy. The international business has also strengthened fundamentally with growth becoming more broad-based, despite global macroeconomic uncertainty and currency devaluation headwinds in some of the geographies.

We have also taken significant strides in our ESG initiatives, which has led to improvements in independent ESG ratings and several external accolades. We have launched Sustainability 2.0 framework with eight broad themes - Net Zero Emissions, Water Stewardship, Circular Economy, Responsible Sourcing, Responsible Brands, Inclusion and Diversity, Sustainable Agriculture and Human Rights & Ethics. In line with our philosophy of 'Making a difference', we have ingrained sustainability in our business activities by introducing multiple initiatives across our global operations.

We will continue focus on driving 4Ds to deliver sustainable and profitable growth – Diversification, Distribution, Digital & Diversity.

Driving 4Ds to make Marico future-ready

Unlock the next leg of growth through…

Diversification

The Company is actively driving diversification in both its domestic and international businesses in order to build long-term drivers of growth and insulate the business from portfolio/geographical concentration risk.

In the domestic business, the visible scale-up of the newer portfolios of Foods, Premium Personal Care and Digital-First segments has led to a shift in their share of domestic revenues from ~8% in FY20 to ~15% in FY23. We expect the share of these portfolios to move to ~20% of domestic revenues in FY24.

In Foods, we have expanded the total addressable market of the brand 'Saffola' to ₹ 10,000+ Crores, through a portfolio of healthy value-added offerings. We aspire to scale our Foods business to ~₹ 850 crores in FY24 as we maintain steadfast focus on market development, brand building, supply -chain excellence, distribution expansion and sustained innovation. In Premium Personal Care, we will focus on growing the portfolio at a CAGR of 20%+, aided by innovation, market insights and strong brand equity. The current portfolio of Digital-First brands continues to scale up healthily and is poised to reach an exit run-rate of ~₹ 400 Crore in FY24.

The International business has made reasonable progress on both the vectors of diversification – geographical and portfolio. In Bangladesh, we have continued the diversification journey beyond the core Coconut Oil portfolio, through accelerated growth in hair care and baby care portfolios, among others. After having set the business fundamentals right in Vietnam and the MENA region, we are now suitably replicating attributes from the Bangladesh playbook to build a sustained growth momentum in both these geographies. As a result, we expect each of the markets to establish a steady pace of growth and contribute equitably towards sustaining the double-digit constant currency growth momentum in the overall business.

Distribution

We continue our efforts towards expanding our reach through go-to-market transformation, rural penetration and building a future-ready distribution infrastructure. We have institutionalized a Sales 3.0 framework to strengthen micro market focus and execution, and bring enhanced agility with better on-ground decision-making by leveraging technology and analytics. The new framework represents a shift in our sales operating structure from four divisions to seven clusters, defined basis brand preference, customers buying behaviour and geographical contiguity. We are also scaling up a dedicated Foods Go-To-Market to drive an accelerated growth journey in the Foods business. Likewise, there is significant headroom to drive distribution-led growth across all our key international markets of Bangladesh, Vietnam, Middle East and Egypt, and we continue to work towards deepening our reach in each of these geographies.

Digital

We have been investing in building business and organizational capabilities through developing the digital quotient across the value chain. Digital is also one of the core pillars of our talent strategy, as we have initiated multiple initiatives to build digital capabilities of our members. Investments towards building advanced data-analytics (including AI and ML) expertise have enabled real time data-led decision making, which has delivered positive results in several use cases such as spend effectiveness, demand sensing and social listening driven innovations, among others. Our salience in E-commerce channel, remains ahead of the industry and is testament to our focussed investments in developing and growing alternate channels. At a company level, nearly one-fourth (even higher for premium urban-centric portfolios such as Premium Personal Care and Foods) of our media advertisement spends are now on digital platforms.

Diversity

We believe that a positive, enabling and inclusive culture, which promotes association and identification with the organization's larger vision, will give us a strong and competitive edge over the long term. We are amplifying equal opportunity for all at the workplace, localising talent in our overseas units and taking focused initiatives towards creating a workforce with enhanced 'Gender', 'Differently Abled' and 'Thought' diversity. We are making efforts towards fostering a culture of inclusion through interventions such as:

- ensuring accessibility of infrastructure, policies, and processes for diverse groups;
- driving sensitization and awareness of the right actions, behaviours and practices for an inclusive workplace; and
- monitoring transparency of talent processes to create a sense of 'quality', 'openness' and 'belongingness' within the organisation.

…and continue to maintain focus on

- **Grow the Core**
- **Cost Management**
- **ESG Commitments**

Our Leadership

KNOW OUR BOARD members

Harsh Mariwala
Chairman &
Non- Executive Director

Saugata Gupta
Managing Director &
Chief Executive Officer

Ananth Sankaranarayanan
Independent Director

Apurva Purohit
Independent Director
(w.e.f. April 07, 2022)

Hema Ravichandar
Independent Director

Milind Barve
Independent Director

Nayantara Bali
Independent Director
(w.e.f. April 07, 2022)

Nikhil Khattau
Lead Independent Director

Rajan Bharti Mittal
Independent Director
(w.e.f. July 01, 2023)

Rajendra Mariwala
Non-Executive Director

Rajeev Vasudeva
Independent Director

Rishabh Mariwala
Non-Executive Director

Our Leadership

KNOW OUR MANAGEMENT

team

Saugata Gupta
Managing Director & Chief Executive Officer

Amit Bhasin
Chief Legal Officer

Amit Prakash
Chief Human Resources Officer

Sanjay Mishra
Chief Operating Officer - India Business & Chief Executive Officer - New Business

Somasree Bose Awasthi
Chief Marketing Officer

Ashish Goupal
Chief Operating Officer, Bangladesh, MENA & NCD Business

Dr Shilpa Vora
Chief R&D Officer

Pawan Agrawal
Chief Financial Officer

Vaibhav Bhanchawat
Chief Operating Officer, South East Asia and South Africa

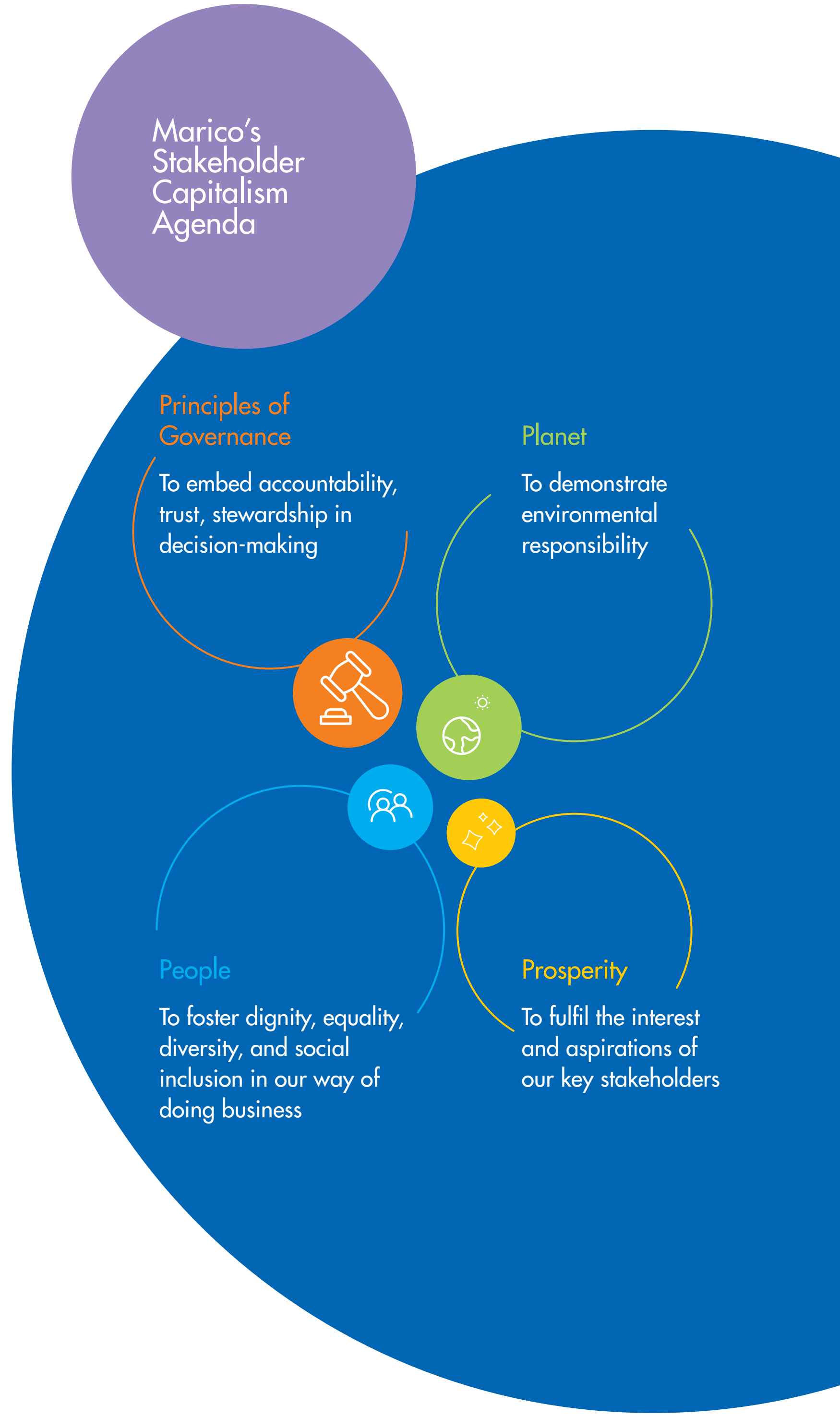
Vrijesh Nagathan
Chief Information & Digital Technology Officer

Stakeholder Engagement

DELIVERING VALUE WITH STAKEHOLDER capitalism

Taking into cognisance the expectations and concerns of all stakeholders enables Marico to remain transformative, innovative and purpose-led at the core in a dynamic industry scenario. Our 4D growth framework comprising Digital, Diversity, Distribution and Diversification is also closely aligned with stakeholder capitalism and is at the heart of Marico's business vision, strategy, and responsible growth story. Our aim is to safeguard our stakeholders' interests and futureproof the value delivered to each one of them, over short, medium, and long term. We believe that by prioritising our stakeholders' needs, we will create symbiotic bonds built on trust, resilience, agility and responsible growth.

Using our Sustainability 2.0 framework as a lever, we have revisited our engagement strategies with each of our critical stakeholder groups. This is to re-evaluate value creation by our interventions and take steps to further improve it.



Stakeholder engagement drives our 4D growth framework

Financial | Manufactured | Social & Relationship | Natural | Human | Intellectual

	Consumers	Shareholders	Value Chain Partners	Members	Community	Government & Regulators
Unique Value Proposition	DELIGHT	DELIVER	INCLUDE	EMPOWER	NURTURE	ADHERE
Definition	With our uncompromising quality, trusted brands, and product innovations, we endeavour to provide a unique value proposition to our consumers. Our brands differentiate themselves across the core and aspirational market segments. We strive to bring innovation across our products, packaging, and processes for positive social and environmental impact.	Consistent shareholder value creation remains our topmost priority. This is achieved by strengthening our core segments and achieving growth in emerging segments through our innovation and entrepreneurial approach. Our value creation potential with shareholders has led to a steady focus on maximising volumes, market share gains and cost optimisation, despite the pandemic- induced market slowdown, and other macro headwinds.	Marico believes that mutual and inclusive growth of our value- chain partners is critical to the overall purpose of creating shared value. We strive to maintain the right balance by meeting the needs of our partners through continuous capacity enhancement drives, proactive engagement, and timely response strategies. As part of our mission to drive inclusive growth across our stakeholder ecosystem, we strive to play a significant role in the growth stories of our value-chain partners.	At Marico, we offer all our members a defined talent value proposition to challenge, enrich and fulfill their aspirations, so that they can maximise their true potential to make a difference. Further, our values are based on the principles of 'go beyond', 'grow beyond' and 'be the impact' which enable our human capital to bring purpose to work. The cultures of diversity, equality and inclusion are the forerunning guiding principles for any initiative that we take for our members.	Communities influence and inspire our existence and hence we strive to touch their lives in every possible way to make a difference. We aim to partner with our communities to address the socio- economic and environmental concerns. We try to maximise our efforts in helping our communities sustain and thrive in these changing times.	Marico is committed to be a leading consumer goods company that meets and exceeds compliance and regulatory mandates towards its products and processes.
Material Needs	• Affordability, accessibility, quality, reliability, and safety • Product innovation and reconfiguration centred on consumers' preferences and evolving needs • Enhancing health and nutritional quotient of products without compromising on quality/taste • Minimisation of products' environmental footprint across its lifecycle	• Business resilience and agility • Safeguarding value: lives, assets, and reputation • Responsible growth and profitability • Mainstreaming mitigation of environmental, social and governance (ESG) risks and maximising opportunities	• Cost-benefit terms, payment modalities • Quality expectations • Supplier Code of Conduct and Business Ethics • Safety and operational risk management • Encouraging transparency in supply chain • Harnessing the power of technology and data to provide traceability and accuracy • Commitments on responsible sourcing, circular economy, human rights, and resource efficiency	• Career growth opportunities • Redefining value in the future of work • Capacity enhancement and competence building • Leadership and people management skills • Occupational health, safety, and wellbeing • Diversity, Equality, and Inclusion • Tech-based support for improving quality of outputs	• Health and Community welfare • Enhancing socio-economic development and livelihood restoration • Fostering social innovation that creates incremental value for communities • Drive eco-conscious behaviour and lifestyles changes to improve sustainability footprint • Propelling social leadership and empowerment	• Compliance, governance and risk mitigation • Adhering to all labour laws and ensuring implementation of human rights, safe and secure workplace and 100% adherence to ethical standards of work • Disclosure of financial and non- financial performance
Engagement Objectives	• Develop relationships based on trust, loyalty, and social commitments • Understand the shift in preferences to catalyse product innovation • Create shared vision on environmental and social commitments, transition to eco- conscious lifestyles and carve out a sustainable future for all	• Become a better investee company • Create high shareholder value • Communicate performance and future growth plans • Understand concerns and expectations	• Sharing of mutual expectations and needs, especially about quality, cost, and timely delivery • Capability building and growth plans • Sharing of best practices • Responsible Sourcing (**SAMYUT**) framework for integrating sustainability within our value chain in a phased manner	• Communicating organisational vision, purpose, ethos, and integrity • Technical, functional, and need-based training and development • Support career growth plan • Workplace needs and expectations • Diversity, inclusion and equity across the organization and leadership • One-to-one consultations and counselling on health, wellness, and other daily challenges	• Maintain cordial relationship • Improve livelihood and create positive impact • Shared eco system	• Understand compliance and applicable regulations • Collaborations on national agendas
How we engage	• One-on-one interaction • Consumer satisfaction survey • Call centre/Consumer Cell to track insights and feedback • Digital platforms, social media handles	• Annual General Meeting • Investor calls • Press releases • Published results	• Periodic interactions (physical, telephone, mailer) • Annual meets/events • Training programmes and workshops	• Personal development programme • Learning and development • Engagement survey • Organisation communication • Digital interactions • Health and wellness drives • Social inclusion based townhalls on themes including diversity, inclusion, human rights, sustainability, CSR	• One-on-one interactions • Field visits and trainings • Digital platforms • CSR and sustainability initiatives • Pandemic relief campaigns	• Engagement through various industry forums, trade associations, interest groups, sectoral associations, and scientific/R&D based thought leadership initiatives • Stakeholder consultations
Frequency	Continuous	Quarterly, Half-yearly, Annually (Note: Financial calendar)	Continuous	Continuous, half-yearly, annually	Continuous	Need based
Capital Linkages						

Investors

RESILIENT AND MULTIFACETED APPROACH

to deliver value

While the adverse impact of inflation started showing on demand trends in the latter half of FY22, escalating geo-political tensions at the onset of FY23 and the resultant spike in global commodity prices dealt another blow to the overall operating environment. During this challenging period, prudent resource allocation, efficient cash flow management and strategic decision-making allowed us to deliver a resilient performance and prioritise strengthening the building blocks of sustainable and profitable growth.

The FMCG sector witnessed a tepid demand sentiment during the first half of the year with signs of gradual recovery emerging as commodity prices and retail inflation began to moderate over the last 6-9 months. Amidst the short-term volatilities in the macro-environment, the Company stayed true to its strategy of consistently investing towards strengthening the brand equity of its core and newer portfolios. Advertising and Promotion spend in FY23 stood at 8.6% of sales, up 6% on a year-on-year basis. The Company complemented its investments in organic growth by making investments in businesses that are synergistic to its overall diversification strategy. Both, the strategic investment in the healthy breakfast and snacks brand, True Elements, in India and acquisition of the female personal care brands, Purité de Prôvence" and Ôliv, in Vietnam have been conscious steps towards broadening its play in chosen categories in its key growth markets. We expect focused investments towards organic and inorganic growth to accelerate the diversification journey of both the domestic and international businesses and build new levers of sustainable growth.

During the year, the Company incurred capital expenditure of ₹ 182 Crores for capacity expansion and maintenance of existing manufacturing facilities. Cash generated from operations, at ₹ 1,419 Crores in FY23, remained the primary source of liquidity. The institutionalized cost management program, MarVal, continued to support the Company's strategic objectives amidst challenging demand conditions and input cost volatility during the year.

The Company has a comprehensive risk management framework, which aids in execution of its long-term strategy as it integrates the possible risks and mitigation initiatives in business planning processes. The Company drove profitable operations and enjoyed a comfortable net cash surplus situation during the year. Net surplus at the end of the year was at ₹ 1,301 Crores. While current borrowings are mainly for working capital requirements, the Company actively explores opportunities to optimise borrowing costs and maximise yield on investments, while maintaining conservative guardrails on safety, liquidity and returns. The Company ensures adequate access to funding and leverages the surplus to meet its operating needs and strategic objectives while following a prudent cash flow management approach. Moreover, in case any exigencies arise in future affecting the liquidity position, the Company would be in a comfortable position to borrow capital given that it enjoys AAA credit rating and maintains a strong balance sheet. As on March 31, 2023, its Debt/EBITDA was at a comfortable level of 0.26x.

The company continued to report healthy capital efficiency ratios during the year. In FY23, Return on Capital Employed (ROCE) was at 44.0% and Return on Equity (ROE) was at 36.4%.

Financial Performance

In FY23, Marico achieved a consolidated turnover of ₹ 9,764 Crores, up 3% YoY, and recurring consolidated PAT of ₹ 1,280 Crores, up 4% YoY. The operating margin stood at 18.5%, up 87 bps.

A detailed discussion on the financial and operational performance in FY23 is available in the Management Discussion and Analysis section of the Report.

Pg. 130

A detailed discussion on the financial and operational performance in FY23 is available in the Management Discussion and Analysis section of the Report.

FY23 Highlights

₹ 9,764 Crores
Consolidated turnover

₹ 1,810 Crores
EBITDA

₹ 1,280 Crores
Recurring consolidated net profit after tax

₹ 1,419 Crores
Cash generated from operations

₹ 1,301 Crores
Net surplus at the end of the year

45 %
Dividend payout ratio

Key Performance Indicators

Debt/EBITDA (x) | Investment in Brand Building - ASP to Sales (%) | Capital expenditure (in ₹ Crores)

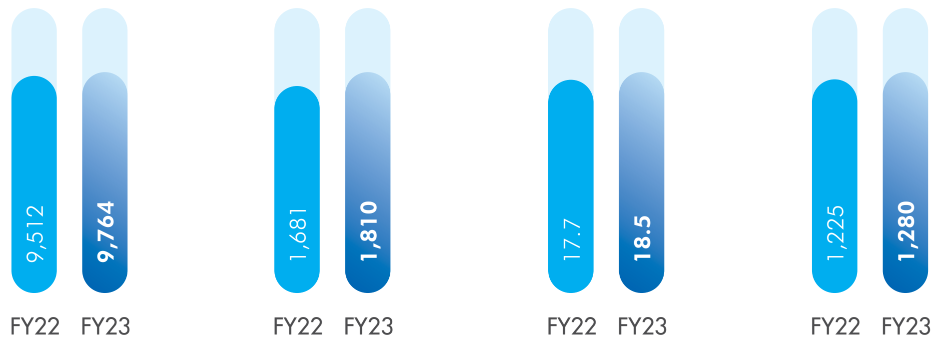
Key Financial Capital Outcomes

Dividend Payout Ratio (%) | Market Capitalisation* (in ₹ Crores)

*at the end of FY

Key Financial Capital Outputs

Revenue from Operations (in ₹ Crores) | EBITDA (in ₹ Crores) | EBITDA margin (%) | Recurring net profit after tax (in ₹ Crores)



EPS (₹/share) | Return on Capital Employed (%) | Return on Equity (%)

Consumers

KEEPING ASPIRATIONS AT THE CENTRE OF OUR

strategy and execution

Consumer aspirations are ever evolving. Our strategy is to understand those aspirations with sensitivity and care in order to deliver products that address their unmet needs and elevate their experiences. Consumers remain at the centre of our value creation approach. Our foremost priority is to provide exceptional product experience at affordable price points.

Marico's agile operation model, advanced production facilities, experienced research teams and robust supply chain network all work together to create and deliver products that stand out in the market for their quality and reliability. In addition, we ensure that our products are readily available and easily accessible to our customers through our well-entrenched distribution network.

The culture that we have nurtured at Marico is deeply consumer centric. It empathises with consumer needs, values their feedback, believes in timely response and looks forward to bringing satisfaction and delight to every consumer.

FY23 Highlights

93
members in the R&D Team

11
Number of Patents

₹ 32 Crores
R&D Spend

14
New Products Launched

FY23 Rewards and Recognitions

Best healthcare company of the year, India Food Safety Summit and Award

RBNQA Milestone Merit Recognition in Leadership (Puducherry location)

Star Awards for Service Quality Excellence for Best Customer Service Result

RBNQA Performance Excellence Award (NER) Value-added hair oil manufacturing

The Iconic Platinum Award - Innovative Leadership Award (Manufacturing category)

Iconic Platinum Awards for Service Quality Excellence for Best Customer Service Result

Consumer-centric R&D

Marico's R&D efforts have always pursued deep science for understanding food, skin and hair structure and its interactions with products that consumers use.

R&D Capabilities

Through our best-in-class research and development (R&D) facility at Mumbai, we ensure that every product we develop meets the highest quality standards. The team comprises **93 domain experts (of which 49 are women)** with extensive experience in science, technology, and pharmacology.

In FY23

₹ 32 Crores

Invested in R&D activities

11

patents filed

Capacity Building

Trainings are conducted in all manufacturing locations at different levels. A comprehensive induction programme is deployed for every new member, which includes functional and organisational overviews. Based on the appraisal programmes, the functional training needs of the members are taken and periodic action plans are prepared and monitored. We ensure every member is covered for functional and soft skills training at least in 2 to 3 training sessions in a year according to needs identified.

Training is based on skill matrix and every manufacturing location organises training, which covers technical skills such as Good Manufacturing Practices, Good Housekeeping Practices, Good Storage Practices, Good Laboratory Practices; regulatory skills such as FSSR, Legal Metrology, Drug & Cosmetic Act; organizational skills related to FSSC, ISO, USFDA and soft skills such as communication skills, time management, decision-making acumen and behavioural requirements. Marico's development philosophy involves a 70:20:10 rule, i.e., 70% Experience, 20% Coaching and 10% Training, thus employees are put on-the-job projects resulting in empowerment and exposure.

In FY23, we conducted 11 trainings sessions on technical topics on new product categories, new technologies, Ayurveda, safety, and HR guidelines. The frequency of the training is monthly with forums such as Tech-Byte. In addition, members are sent for subject matter specific trainings as per their skill needs and projects entrusted to members.

Partnerships

We collaborate with research institutes in India and internationally to understand the science behind our products. We work with these government recognised centres of excellence for taking our research initiatives forward.

In FY23, Marico signed MoUs with very distinguished research centres such as Indian Institute of Millet Research (IIMR), Indian Institute of Toxicological Research (IITR) and Indian Fisheries Institute.

Product Quality & Safety

Marico's Quality Management Framework governs ingredient safety and product quality at each stage in the value chain. Well-defined implementation and monitoring systems help in achieving 100% compliance with regulatory requirements.

Raw materials

We meticulously select the best quality raw materials and packaging essentials. This is to ensure that they are of the finest quality and are in line with consumer expectations. We follow a rigorous safety process to analyse every ingredient before we consider it for our products.

Suppliers

We perform exhaustive quality audits for suppliers and maintain stringent controls on reliability and traceability. It enables us to ensure the quality of raw materials and packaging essentials.

Manufacturing

Our manufacturing units are USFDA, Halal, FSSC-22000, HACCP certified, which ensure that robust systems and processes are in place to deliver high quality output.

Packaging

Strict controls on the quality of final packaging is maintained to ensure a pleasant consumer experience.

Finished products

Our teams ensure that the formula is compatible with its packaging throughout the shelf-life duration mentioned on our products

We monitor following protocols for ingredient safety assessment.

International Standard Organisation (ISO); European Union (EU); Gulf Standard Organisation (GSO); Toxic Substances Control Act (TSCA); Vietnam chemical database system; Taiwan's chemical substance inventory (TCSI); Korea- National chemical information system; Australian Inventory of Chemical Substances (AICS); Industrial Safety and Health Law (ISHL) - Japan; China Cosing Database; Philippines Inventory of Chemicals and Chemical Substances (PICCS); Chem Sec (SIN)- Sweden; ECHA SVHC - European Chemicals Agency (ECHA) (Substances of Very High Concern (SVHCs);

We have established comprehensive procedures for ensuring quality and safety in every raw material and packaging material. R&D team leads the procedures for product testing and the corporate quality assurance team leads the verification processes. The products are also validated for its quality till the end of the life mentioned and verified by testing the product at its different life cycle and end of the life to ensure the quality is met.

In-house Capabilities

All raw materials, packaging materials and finished goods are tested for physical, chemical and micro parameters at in-house laboratories in every manufacturing location. The product testing laboratory is NABL accredited. Our products are tested as per the FSSAI/FDA standards and released to the market. Manufacturing facilities are certified for FSSC 22000, HALAL, ISO 9001, HACCP, GMP, Drugs & Cosmetics Act as applicable. Some manufacturing facilities are USFDA Inspected/FSVP certified. No products are tested on animals.

External Testing

Samples are tested at external labs for additional support/ parameters as per the specifications. At Marico, we check plant samples and market samples regularly in an externally accredited NABL/FSSAI/FDA laboratories (India and Overseas) for defined parameters.

Quality and Safety in Value chain

Marico follows a stringent quality and safety compliance check before inducting raw material/packaging material suppliers in the system. The supplier facility is audited based on food safety and quality checklist. Design of this checklist is based on various national and international food safety and quality standards (FSSC 22000, FSSAI Schedule IV, USFDA, Halal, HACCP). The USP of this checklist is a reputation risk score (based on risk assessment and identification of critical areas) and is a key enabler towards preventive approach to protect the brand reputation and consumer safety.

The raw material quality testing is conducted according to the quality testing plan, Marico's specifications and internal test procedures. Chemists are calibrated, and R&R is conducted as a part of the chemist induction plan. Chemists are also participating in Inter Lab Comparison, Proficiency Testing that ensures the competency of individuals.

Risk assessment framework is in place and deployed across the value chain right from vendors to distribution chain. For identified risks/blind spots, mitigation plan is in place and monitored. There is an emergency preparedness and recall plans in place to mitigate any major quality and product safety concerns in the market.

Supplier Training / Joint sessions are planned based on the operational needs identified. Marico has a Supplier Quality Excellence annual meet; a forum for Cross-functional engagement and training. This forum also enables strategic alignment and opportunities for cross-learning as well.

Strategy for Emerging Markets

Local culture, lifestyle preferences and affordability are three major parameters in shaping our strategy for emerging markets. We conduct market research, leverage local partnerships and develop new products to cater to the dynamic and diverse market needs.

In FY23, we launched 14 New Products in Saffola Masala Oats, Saffola Munchiez, Saffola Soya, Saffola Honey, Saffola Mayonnaise, Saffola Fittify, Saffola Immuniveda and Prachute Advance Product Range.

We set targets for product reformulation through the annual operating plan. The targets are set based on consumer and market feedback. The reformulations plan also forms part of the designed review mechanisms in Marico i.e., monthly, and periodic management reviews.

Consumer Value Proposition

To deliver on our consumer value proposition of providing exceptional product experience at affordable price points, we are constantly innovating and creating unique and differentiated product offerings that address consumers' growing needs.

Health & Nutrition

Under the EAT Right India with FSSAI, we have pledged to reduce sodium in the relevant products. We are working on technological advancements to reduce sodium in some of the Saffola Masala Oats variants.

We support conferences, seminars and sessions organised by scientific bodies and educational institutes to promote science-based dialogues on health and nutrition. We also promote Saffola science on these platforms wherever applicable. We also participate in several F&B initiatives to drive consumer relevant agendas. Additionally, we have undertaken programmes to increase offering of organic food materials and vegetable-based ingredients in our product range. We are engaging with many suppliers to maintain the organic attributes in Saffola Honey and exploring the possibilities of extending the organic offerings beyond Honey. We have recently launched Savoury Oats product range that contains dehydrated vegetables.

The R&D team is leading the efforts to offer food products with reduced sugar, sodium and fat content. Currently, we offer product options with 'No Refined Sugar'. Saffola Fittify range offers product with 'no added sugar'. We are also exploring alternate options for refined sugar across our entire food products range. In our product range, Munchiez Ragi Chips, we have achieved reduction of saturated fat by 50%. We do not use artificial flavours or artificial colours.

We are taking steps to further increase nutritional content of food products through fortification techniques. In our product range, Saffola Fittify, we are fortifying the edible oils with vitamin A and D. We are also driving initiatives to offer portion-controlled options, especially for indulgent sweets and smaller SKUs with controlled calories.

Product Footprint

We conduct life cycle assessment of our products to understand their impacts across the lifecycle. We are taking actions to reduce product carbon footprint (PCF) and developing a product sustainability index (PSI) to guide our strategy on product development.

Pg. 108

Further details are in the Environment chapter.

Product Labelling

We communicate the nutritional benefits on our labels designed as per the Food Safety and Standards (Advertainment and Claims) Regulation 2018 and mention benefits of balanced diet and exercise for our consumers.

We ensure that our entire portfolio of food product labels display relevant nutrient details, including Saturated fat, Trans fat, Added Sugar, Sodium, and Dietary fibres on the product labels.

Consumer Connect and Outreach

The Quality team at Marico maintains strong connect with our consumers through various initiatives that are designed to enrich consumer experience, capture their insights, preference and incorporate their feedback to improve product configuration.

Proactive approach undertaken includes tracking online reviews posted by consumers, preparing 360-degree questionnaire to engage with them, sharing new product samples with select consumers with personalized messages.

Consumer Satisfaction Index

Understanding and responding to our consumers' needs, concerns and interests are of utmost importance to Marico. For this purpose, the team conducts customer satisfaction index surveys every year. As on FY23, the satisfaction index is at 96%.

1.

Social Channels: Dedicated ORM desk established to track social media responses.

2.

Darpan, online portal for customer relationship management

The platform helps with complaint lodging, root cause analysis, record actions taken, maintain consumer database and gather insights

3.

Contact details for customer feedback is given on every product pack and on Marico Website.

Consumer Service Cell

The Customer Service Cell responds to consumers' queries and feedback based on FAQs to attempt first call resolution. If unresolved, level-based escalation matrix is followed. Escalated complaints and queries are immediately addressed by Corporate Quality Assurance team either through personal visits or email or phone/video calls.

Knowledge Management System

An internal knowledge portal consisting of defined protocols, FAQs, SOPs and so on is developed for contact centre. Technical dockets of consumer complaint responses are made available to Quality team members.

Responsible Marketing Campaigns for enhanced consumer experience

Campaigns in India

Parachute Kalpavriksha Foundation

Parachute Kalpavriksha Foundation launched a multi-pronged campaign to affirm its commitment to positively impact 1 lakh farmers by generating ₹ 1000cr of incremental farm income by FY2026. The objective of the campaign was to pay tribute to India's farming communities by celebrating their innate spirit of resilience, nurture and growth. The integrated campaign spanned print, digital and social media channels, released an ad film that narrates how Marico sees a nurturer in every farmer. As the second leg of the campaign, Parachute Kalpavriksha Foundation also launched a special farmer edition, featuring their real-life inspirational stories on the pack of Parachute Advansed Gold. To enable consumers to be a part of this journey, the pack came with a seed paper neck tag which when sowed in soil and watered regularly, grows into a plant.

Parachute Advansed: 'En Mudi En Adaiyalam' ('My Hair, My Identity')

Parachute Advansed launched a unique campaign titled **'En Mudi En Adaiyalam'** (My Hair, My Identity) celebrating the women of Tamil Nadu. Led by a TVC, the campaign emphasised the importance of hair and the role it plays in defining the quintessential Tamilian woman's identity. Taking this integrated campaign, a step further, Parachute Advansed also unveiled murals across key locations in Tamil Nadu that depict hair and its role in one's identity.

Saffola FITTIFY: 'Ab Health Ko Rakho FIT-FIT-FITTIFY'

Saffola FITTIFY brought onboard Bollywood actress Janhvi Kapoor as the new face of the brand for the healthy Peanut Butters and The Perfekt Gummies category. The campaign film with Janhvi Kapoor shows her grooving to the tune of 'FIT-FIT-FITTIFY and shares that the Saffola FITTIFY Peanut Butter is the secret to her healthy cravings. She demonstrates how the product is power packed with the goodness of high protein and high fibre in a tasty and delicious way, thereby compelling the audience - Ab Health Ko Rakho FIT-FIT-FITTIFY !

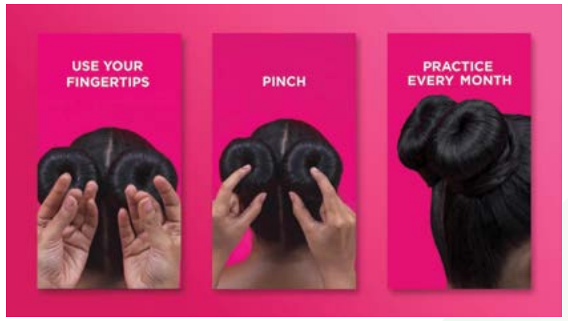
Saffola Masala Oats: 'mazedaar khao jee bhar ke'

Saffola Masala Oats campaign featuring celebrities Kareena Kapoor and Neetu Kapoor leverage the 'foodie' image of the Kapoor family. The ad further builds Saffola Masala Oats as a yummy snack, and reinforces **'mazedaar khao jee bhar ke'** as the key proposition.

Livon: #KeepAbreastAndLivon

One woman in India is diagnosed with breast cancer every four minutes! Livon threw light upon this staggering statistic through an engaging self-check guide to prevent breast cancer. The 40-second video creatively linked the brand's biggest asset – hair – to the cause by reimagining double donut buns as breasts. The captivating video reiterates why every woman in India must practise self-check. With the hashtag #KeepAbreastAndLivon, the brand urges women to check for breast cancer every month in an effort to beat the disease.

The brand has partnered with Dr. Lakshmi Sukumaran, a breast cancer survivor herself, to guide followers in the right way to self-check.



Nihar Naturals Shanti Amla

Nihar Shanti Amla, India's No. 1 value added hair oil brand onboarded Bollywood superstar - Alia Bhatt its face. Nihar Shanti Amla's new TVC, with the motto – 'Baal Badhenge, Bachche Padhenge' seamlessly delivers the brand's dual message - beautiful hair and, its commitment towards girl child education.

True Elements: 'Food That Does Not Lie'

The new campaign by True Elements' breaks away from the conventional category route of rational, left-brained communication by telling their story with a dash of humour. Through their campaign, the brand encourages the audience to choose 'Food That Does Not Lie' and tastefully declares that it is not just a health brand, but also a transparent and honest one. Through a series of four films, True Elements encourages people to tell what's true without being bitter.

Beardo #MardoWaliBaat

Taking a satirical approach, leading men's grooming brand Beardo is prompting men to throw away their girlfriend's shampoo in their latest Ad film featuring the king of wit, Vir Das. The ad-film humorously exposes the duality of male grooming in India, where, while masculinity is preached and practised like the law of the land, the narrative completely shifts when it comes to men's shampoos. As a disruptive force standing up for masculinity, and celebrating manhood, Beardo is leading the charge to change this narrative using a comical approach, urging men to use #MardonWaalaShampoo which is designed for them.

Given the scientific rationale that men's scalps are different from women, given that they are thicker and oilier, Beardo identified and brought to the market three power-packed shampoos designed for manly hair problems.

Beardo: #HairyMasculinity

With #HairyMasculinity, Beardo celebrated OG masculinity in all its glory. The brand reinforced through this campaign that Masculinity should be celebrated as much as feminism and its belief in the persona of the original traits of masculinity - being real, ambitious, courageous that have a high resonance with the bearded look. Not only is the bearded look timeless and classy, it makes a statement about the kind of men who have the courage to don it and the patience to groom it. The digital film features Hrithik Roshan who brings out this sizzling Raw, Real & Unfiltered avatar of #HairyMasculinity.

Campaigns in Bangaldesh

Parachute Advansed Beliphool Hair Oil

Parachute Advansed Beliphool continues to be a leading value-added hair oil brand in Bangladesh. To widen its reach, the brand launched its new TikTok Hairstyle Campaign featuring several TikTok influencers and renowned TV actresses. Participants of the campaign shared their rendition of hairstyle transition videos on their TikTok pages, with hashtags #PABeliphool #PerfectHairstyle #fyp #tiktokbangladesh. Five participants with the highest number of views on their posts were selected as winners for an exquisite gift hamper. The campaign ended on a high note with millions of organic views and numerous participations.

Parachute Just for Baby

The brand launched its latest initiative, Parachute Just for Baby, Doctor's Advice with an aim to answer some new mothers' queries on safe baby care.

The program, hosted by popular actress and mother Masuma Rahman Nabila, featured two expert pediatricians, who answered real mothers' queries shared on Parachute Just for Baby's Facebook page. With this campaign, the brand is now one step closer to fulfilling its mission of ensuring safe baby care for all babies of Bangladesh.

Parachute Advansed Extra Care Anti-Hairfall Oil

With a promise to reduce hairfall within 45 days, the brand brought onboard Trichologists (Hair experts) to give "Parachute Extra Care Hairfall expert solution". As a part of the campaign, the consumers could ask questions related to hairfall to the experts through social media and seek specific solutions. The unique packaging that comes with root applicator is also well received by the consumers and is first among the hairfall control brands in the country.

Red King Men's Cooling Oil

With Red King's core message - 'Tension-Free Sleep, like a King', the new TVC featured a King who could not sleep and a Hakim who recommended his unique creation of a power tube with cooling crystals. The focus was on creating awareness on the product's suprior cooling properties with its power cooling tube.

Campaigns in South Africa

Isoplus: "#WrapItUp"

Isoplus is a leading hairstyling brand within the South African ethnic haircare market, offering a wide portfolio of hair styling products.

In October 2022 Isoplus launched the Isoplus Wrap & Styling Foam, a trending styling tool in the current market. The launch was supported through high digital presence with increased brand investment. The campaign was hashtagged "#WrapItUp" and was driven through social media advertising, influencer content, online display banners, video content, search optimisation and print advertising in leading titles. Online consumer promotions were run to create awareness and Word of Mouth influence.

People

EMPOWERED TEAMS THAT

help us triumph

Over the years, our people, values and culture have formed the foundation of what Marico is today. We have always empowered our people to deliver the right outcomes for the business and demonstrate resilience in the face of challenge. We nurture a future-ready, inclusive and a happy workplace culture for all Mariconians.

Key Highlights for FY23

Member Engagement

88% of our members voiced their opinion to make Marico a future-ready workplace

87% of our members have strong sense of belongingness and connectedness with Marico

We had consistent high member engagement score of **84** through the year, **6 points** above global benchmark

82% of our members say that Marico takes care of their wellbeing

92% of our members are deeply connected with Marico purpose

86% of our members say that Marico provides great opportunities to learn and grow

*engagement scores are measured on favourability

Inclusion & Diversity

Inclusion

87% of our members experience Marico as an inclusive workplace where diverse perspectives are valued

90% of our members experience Marico as a harassment and discrimination-free workplace

Gender, differently-abled, and thought diversity

~26.8% talent diversity in decision-making roles (Managers & Partners)

~23.6% talent diversity in our leadership positions (partners & CXOs)

Greater than **50%** gender diversity in our consumer facing functions (Marketing and Technology)

~29.5% diversity in hiring at Manager & Partner level in FY23

Internal Talent Pipeline

200+
promotions and

200+
internal role movements opportunities provided to members, in line with their aspirations

90.35%
of leadership positions have been filled with internally groomed talent

Talent Acquisition

57%
of new hires in the Partner grade include Ex-Mariconians who re-joined Marico family

Member Recognition

175+
members recognized for their commitment to Marico through Long Service Awards

Member Volunteering

Marico Volunteers cleared

1500+
KGs of Environmental waste across Marico locations

Volunteers supported Creation of Marico Forest with

25000+
trees, contributed through various initiatives under **#MaricoGreenFootprints**

Volunteers recorded

50+
Audiobooks to be donated to

250+
visually impaired students

Our People Philosophy

At Marico, we believe that membership is superior to employee-ship – our 'People First ethos' is built on the core tenets of trust, transparency, inclusion, and integrity. As an organization, to accelerate our next phase of growth and transformation with **Marico 3.0**, we are committed to strengthen critical pivots of organization structure, talent, leadership, and ways of working.

To enable the reshaping of business strategy, we continued to bring synergy in **talent, culture, and capability practices** through **GROW umbrella** – Our Talent strategy roadmap to deliver on Business growth aspirations - Grow the business, Refresh the culture, organize for future, Win with talent.

We have taken significant strides in laying a strong foundation to enable the next leap of growth through focused efforts in building a future-ready, inclusive, and happy workplace for all mariconians.

1.

Building a Future-ready workplace

Marico is gearing itself to ensure the right capabilities, skills, and diversity across levels to anchor its journey towards Marico 3.0. Establishing the desired Leadership Capabilities and Future Skills across functions and geographies is a key focus area in this journey.

At Marico, we have defined robust competency frameworks which act as the foundation for our capability building investments aimed at reimagining Marico of the future. We continue to invest in developing contemporary skills to be ahead of the curve, leverage emerging opportunities and continue to grow our businesses sustainably.

Developing a future-ready talent pipeline

Marico provides depth and breadth of learning offerings not only to strengthen member capability for their current roles but also to help them prepare for the future of work and develop them into 'leaders of tomorrow'. Our Personal Development Planning (PDP) process provides a structured opportunity for members to get feedback on their readiness for higher level roles. This helps each member craft their own Individual Development Plan (IDP) linked to the functional competencies.

a. Leadership Development Journeys

Career enhancement at Marico does not mean only an incremental change in responsibilities. It requires members to take on increasingly complex role deliverables and requires significant change in their mindsets and behaviours as they build Marico 3.0. To ensure a smooth and accelerated transition, Marico provides high-quality leadership development inputs through journey programs, focused on developing functional competencies, deepen business understanding and enhance leadership potential. These journeys include LEAD with Impact, Skill Up and Operations Leadership Program (OLP). These journeys are further strengthened thorough assessments and with the help of internal and external facilitators, virtual simulations, mobile based learning etc.

b. Digital Capability Journey

Today's evolving marketplace and workforce has further reinforced the need for building digital capabilities a strategic growth imperative. Increasing competitive intensity, the rise of big data, the changing workforce, and technologies such as robotics and Artificial Intelligence (AI) have sharply changed how we live and work. At Marico, we continue to invest in building organisational capabilities to not just deliver value in the present but also be equipped for the future. Our ambition is to make sure all members can reskill, upskill, work more flexibly, and adapt to the future of work.

We have deployed several Digital Capability building initiatives, which are closely linked to our business priorities. These include

1.

Digital Enablement Journey
Chrysalis was designed to explore the deeper nature of the digital technologies and exponential trends, and to learn to execute in the digital world by

i. Digital readiness and awareness to check on the digital quotient.

ii. Deep dive into the concepts through high-quality, curated external resources.

iii. Understand the impact of digital in business and ways of working.

2.

Digital Marketing Certificate Program by Wharton - To further build on the advanced level skills of members in the domain of Digital Marketing, we deployed an advanced learning journey in association with Wharton Executive Education. This journey is designed by world renowned marketing professors at Wharton School. The focus is on key marketing skills to upskill members in domains like omni-channel marketing, marketing analytics, social media strategy and analysis, and data-driven customer-centric approaches to customer retention.

3.

FutureSkills, an initiative by NASSCOM and leading IT & ITES companies, is "A Skilling Ecosystem focused on Emerging Technologies" to upskill our Members in the Business Process Transformation and Information Technology domain. It is designed to:

i. Build familiarity with key tech topics.

ii. Keep up to date with the latest technology trends.

iii. Nurture curiosity and culture of continuous learning.

iv. Learn fundamental concepts and use of languages in sync with emerging technologies.

v. Build in-depth knowledge and skills through formal courses, assessments & labs.

4.

Demystifying Data Science: A learning journey focused on Data and Analytics to upskill members on data-driven decision-making and using data and analytics to enhance process efficiencies and improve business outcomes.

c. Strengthening our Learning Culture

At Marico, we continue to invest in empowering our members to take ownership of their own learning and development and to thrive in this dynamic environment. We have enabled access to a machine learning driven intelligent Learning Experience Platform (LXP), providing highly personalized learning, available anytime, anywhere for all our members. We continue to explore newer channels of learning with some of the best-in-class content and technology platforms. Additionally, our Learning Guideline is a testament to the organizational commitment of partnership in member capability building. Under this guideline, Marico fully / partially sponsors eligible members investing in building business relevant capabilities for themselves.

Hiring Future-Ready Skills

Focused Hiring Programs:

With a focus on driving exponential growth through the 4Ds & hiring for future ready skills, we have initiated multiple programs to build Diversity in our talent pool. We have further strengthened our efforts in this direction through multiple initiatives:

- Identify and hire differently abled candidates through specialist recruitment partners
- Hire differently abled graduates for specific functions like Technology
- Identify and hire from diverse profile backgrounds of education, industry, overall experience, nationality, employment model

Diversifying Talent Sourcing:

Alternate Hiring

We have leveraged job portals like Naukri, IIMjobs & social media platform like LinkedIn to reach out to prospective talent resulting in faster hiring closures and direct cost savings.

Talent Referred By Mariconians (TAREEF)

We encourage our Members to refer professionals from their social network & get rewarded for every successful referral. 13% of vacancies at the junior and mid -management level were filled through our referral program.

Homecoming

Our strong alumni network acts as a potential source of talent pipeline for us. Through our re-hire policy, we have welcomed several ex-Mariconians back into the Marico family.

Graduate Leadership Program

With a focus on incorporating thought diversity in our talent, we hire Graduate Trainees from top institutes like Shri Ram College of Commerce, Lady Shri Ram College for Women & Shaheed Sukhdev College for Business Studies. The trainees work on several cross-functional projects enabling an all-round learning and development for them. This year, the second batch of GLP has been successfully onboarded and they are undergoing the 18-month program before being absorbed in different functions at managerial positions.

Campus talent

With our focus on grooming young talent, we proudly secured the 7th rank as the most desirable FMCG/Beverage Company in B-Schools in the Dare2Compete Award. This is a testimony to our robust campus programs which are among the strongest sources of upcoming young talent from premier B-Schools.

a. IGNITE

Our flagship leadership program, IGNITE provides a holistic learning to the management trainees who undergo cross-functional stints under the close guidance of the leadership. Along with imbibing an early ownership and responsibility through multiple live projects, regular mentorship connects help in an all-round development of the management trainees. The number of leaders at senior positions who joined us as IGNITE management trainees are a testimony to the success of our campus program and an inspiration for the new batches.

b. Summer Training at Marico's Pace (STAMP):

The 2-month internship program for students from premier B-Schools provides them an opportunity to work on high-impact live projects under the guidance of the leadership. In efforts to make our program holistic, this year we went international and provided the interns opportunity to work on cross-geography projects to enable them to grow beyond.

c. Over The Wall:

This year, we went global, and Marico Bangladesh also launched their version of Over the wall. Our flagship case competition this year was bigger than ever and received an overwhelming response with over 12,700+ registrations from over from 33 B-Schools. The competition, in line with our philosophy of nurturing and mentoring young talent, provides students an opportunity to share innovative business ideas and a chance to work on live projects.

40%

of campus hires are women (Including STAMP Interns, IGNITE & LLP Management Trainees)

To further increase the focus on Digital as one of the 4Ds in our journey towards institutionalizing Marico 3.0 , the following major interventions were adopted & executed:

1) Digital Hiring: Launched the next-gen, AI based recruitment platform to enable one-stop solution for hiring processes. The platform integrates several new-age capabilities to further sharpen our hiring processes and ensure a superlative candidate experience. This platform is now being used for more than 90% of all hirings done across Marico India.

2) Predictive Hiring: By leveraging technology and using data and analytics to improve hiring outcomes, we have created a predictive hiring model for the Sales function. The model predicts the job performance of candidates with a high accuracy.

Overall, with a focus on attracting the best talent there have been multiple initiatives on enhancing candidate experience through our new employer brand proposition via various channels like Marico Career Page, Social Media Platforms, chatbots, B-school students interaction etc.

Catapulting Engine 2.0 with differentiated talent focus

Within the in-house portfolio, there has been a sharp focus to build the Business Units (BUs) as separate and agile organization within Marico. We laid a strong foundation with the right business strategy, talent mix and core cultural pillars in last one year :

- We focused on building the right structure and new age capabilities like performance marketing, content specialist and e-commerce for Digital First Brands
- Greater emphasis on attracting right talent with career growth, sense of purpose, focus on recognition – both financial and non-financial
- Identifying and continuously instilling key cultural tenets and behavioural attributes to enable new BUs to succeed - Growth mindset, Risk Taking, Fail Fast, Independence, Cost Consciousness, Speed and Agility

2. Building an Inclusive workplace

Inclusion & diversity has been identified as one of the four key drivers of Marico 3.0 journey and is one of our key talent priorities. We truly believe that building an inclusive environment where diverse individuals thrive, will help us in building organizational resilience. In times, where constant disruption and change is a norm, access to diverse and engaged talent will be a competitive advantage to meet the changing customer needs, aspirations, and expectations.

In the last few years, we have made significant strides in enabling our policies, processes, and infrastructure to incorporate needs and requirements of diverse individuals at an organization wide level. This includes making all our policies gender neutral, extending same-sex partner benefits for members identifying on the gender spectrum and building disability friendly infrastructure in some of our key sites.

However, now we are shifting our focus to identify needs of smaller diverse cohorts and address those through niche custom solutions. Over the last year we have focused specifically on Women in Sales, Persons with Disability integration and focused on building greater inclusion in specific teams through targeted interventions.

Leadership Commitment demonstrated through Policy, Programs & Infrastructure Led Changes

In alignment with our People-first philosophy, we continue to accelerate our efforts to bring-in further policy, programs, and infrastructural changes to build a more inclusive workplace.

Governance mechanisms

To ensure continuous tracking and adherence to our internal and external policy and I&D vision, we have ensured the following:

- Inclusion & Diversity council provides governance & oversight to the I&D vision. The council is led by the MD & CEO and has senior leaders across Marico geographies including one external member acting as a consultant
- Grievance reporting and redressal is facilitated through Code of conduct and Internal Committee. Marico's POSH policy is gender neutral.
- Inclusion survey is conducted to check on the experience of our members with respect to harassment and discrimination in both the internal environment and third-party interactions. The survey is used to understand issues, challenges, and drive focused sensitisation efforts.

Diversity intelligence and sensitization

Diversity thrives in an environment that is enabling and where each individual is able to bring their authentic selves to work. In order to foster a culture of inclusion we regularly sensitize and create awareness around diversity and inclusion related concepts that are important to build a workplace where each individual has a chance of equal success.

In the past year, we have created more awareness around importance of visible Allyship and have focused on onboarding members across teams and geographies who are passionate about Inclusion and Diversity and are keen to become champion I&D goals.

Inclusive Hiring Practices

To ensure that Marico provides equal employment opportunities to candidates irrespective of diverse backgrounds, following are our focus areas:

- Expanding list of campuses to diversify our campus talent pipeline
- Identify and hire differently abled candidates by partnering with specialist recruitment partners
- Launched the second career program 'Phoenix' to hire individuals with career breaks. Phoenix is one of the few gender-neutral programs in the industry and seeks to tap into a larger talent pool and skill-mix

3. Building an Engaged and Thriving Workplace

In order to enhance organization effectiveness while strengthening Marico culture, our focus is to create High Performing and Innovative teams, nurtured with trust and care. Through the year, our utmost priority has been to continuously listen to member needs & aspirations and align our people practices to support their holistic wellbeing and growth.

a. Member communication and engagement

i. We continued frequency and rigor of leadership connects through Townhalls, Facetimes, and Organization Communication events for regular two-way communication with members

ii. In line with our member-first philosophy, member engagement has been at the top of our agenda - we believe and have established a strong correlation of Attrition and Business Performance with member engagement. We have empowered supervisors with full visibility and ownership of their team's engagement.

- Over the past years, we moved from annual HR-owned engagement surveys towards frequent quarterly supervisor-owned pulses on a Stanford-research backed global Engagement Platform – Glint by LinkedIn, Microsoft Company.
- In addition, we conduct Frequent monthly pulses with our field forces to ensure high engagement and business performance
- 85+% Supervisors regularly track insights and drive their team's engagement through Glint tool

Differentiated outcomes

88%
of our members voiced their opinion to make Marico a future-ready workplace

We had consistent high member engagement score of

84
through the year, 6 points above global benchmark

91%
of our members are deeply connected with Marico purpose

85%
of our members say that Marico provides great opportunities to learn and grow

88%
of our members have strong sense of belongingness and connectedness with Marico

82%
of our members say that Marico takes care of their wellbeing

175+
members recognized for their commitment to Marico through Long Service Awards

iii. "Amber - CEO's personal digital assistant" is a Chatbot developed to communicate with our new members and take their regular feedback. Amber enhanced our connect with the new members and ensured their sustained engagement with their team and organization

b. Be The Impact with Marico – Member Volunteering Drive

i. At Marico, we support our members' aspirations to live their purpose and leave a positive mark on the society. In this context, our signature volunteering program "Be the Impact Drive" enabled organization-wide participation of our members to volunteer their time, efforts, and skills for social change. We aspire to achieve 1 hour of volunteering each year by every Mariconian.

Key highlights of the initiatives and the impact generated through member volunteering

10
Events organized

160+
Volunteers engaged

320+
Volunteering Hours

SDGs
Covered

*SDG = Sustainable Development Goals

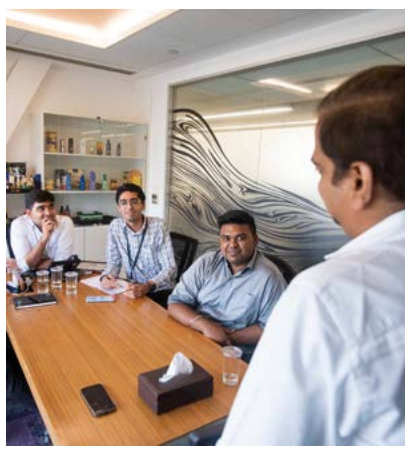
a. Volunteers from Marico cleared 1500+ KGs of waste across Marico locations

b. Volunteers supported Creation of Marico Forest with 25000+ trees, contributed by member through various initiatives under #MaricoGreenFootprints

c. Volunteers recorded 50+ Audiobooks, that will be used by 250 visually impaired students

c. Holistic Health & Wellbeing of members, families, and extended workforce

At Marico, we believe that people are at the core of an organisation's success and hence protecting member wellbeing has been our foremost priority. Basis the data from numerous member listening exercises, we are constantly evolving and adapting best practices across four pillars of wellbeing e.g., Mental, Physical, Financial, and Social wellbeing to create a workplace where wellbeing conversations are encouraged, acknowledged, and supported. Some of the notable initiatives are as following.:



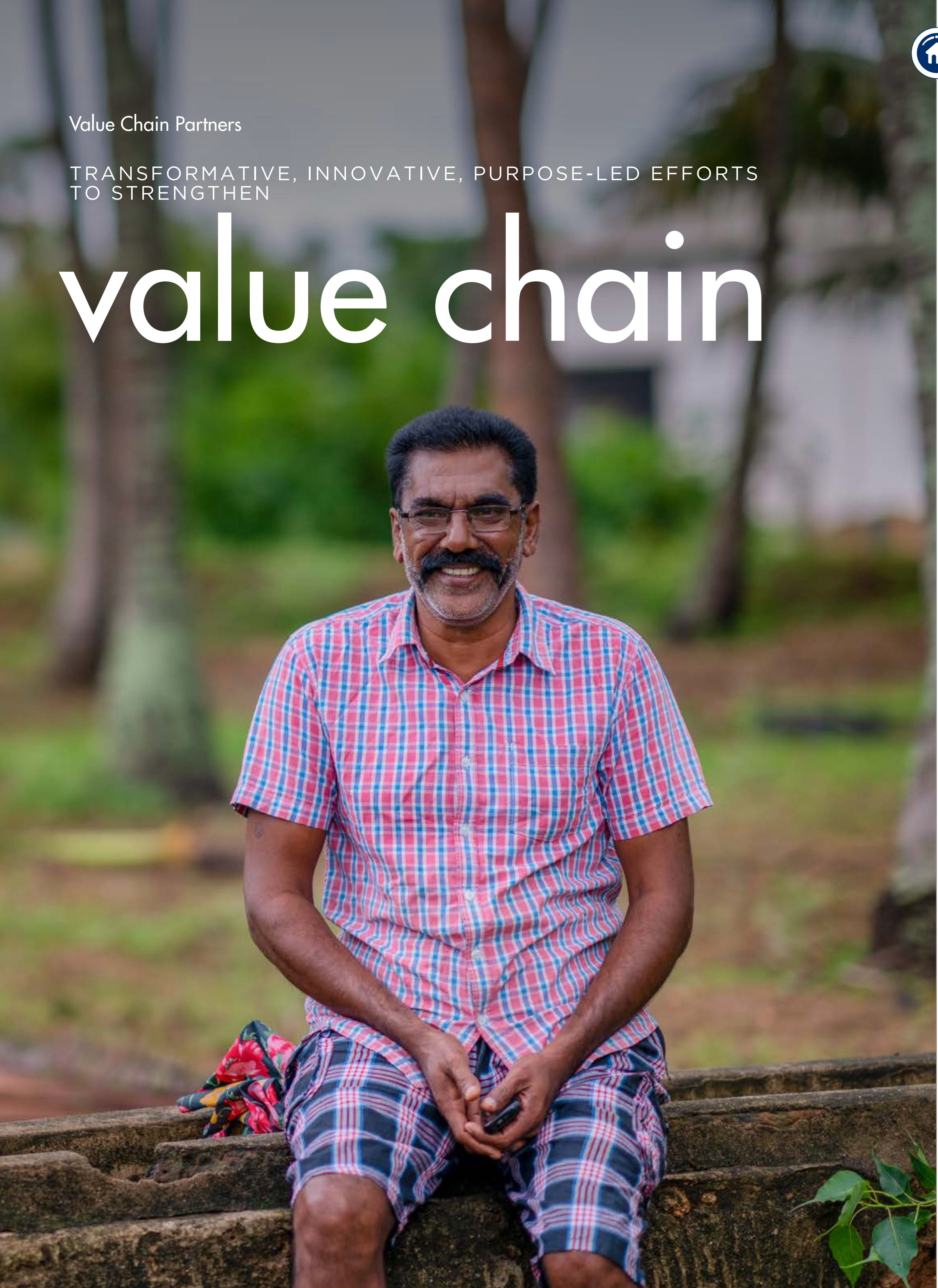
i. 'Stronger Together' wellness offerings in partnership with leading experts to provide support through various "Stronger Together" initiatives on physical, mental, social, and psychological wellness. Some highlights are:

- We curated a training "Manager as wellness coach" for sales supervisors to build awareness around various wellbeing aspects including how to become first responder for mental health challenges.
- Constant education is the key when it comes to wellbeing, hence our monthly webinars cover topics around mental health, physical health & financial wellbeing across all locations with industry best experts.
- We accelerated our support on physical health in partnership with a leading healthcare app for our members' families for remote consultations and medicines delivery at doorstep
- Dedicated "My Well-being Hour" for members to take off 1 hour each week to focus on their wellbeing through various wellness initiatives
- Keeping wellbeing and inclusivity at the core, we introduced Flexible Work Location policy to enable 'Work from Anywhere' for members having personal constraints in working from Marico office locations
- In continuation of our effort to offer support resources on mental health, we launched 1to1 Mobile App for our members, which provides 24/7 accessible online counselling support along with self-help tools and resources.
- To remove barriers and stigma around mental health conversation and seek support, we initiated Onsite workshops and counselling services for members across Marico locations.

Wellbeing -

82%
of our members say that Marico takes care of their wellbeing.

81%
of our members say that they can openly discuss mental health challenges and concerns with their supervisor at Marico.



Value Chain Partners

TRANSFORMATIVE, INNOVATIVE, PURPOSE-LED EFFORTS TO STRENGTHEN

value chain

As Marico grows and strengthens its brand reputation as a transformative, innovative and a purpose-led business, we must navigate through the increasingly complex social, environmental and supply chain challenges. These challenges can only be overcome with the insight and support of all stakeholders.

In a constantly evolving business environment, creating a truly sustainable and reliable supply chain requires the efforts of all stakeholders; and integrating sustainability into Marico's value chain risk assessment is crucial for this purpose.

Recognising the need for system-wide change, Marico believes in partnerships to generate more effective solutions and strives to innovate new processes and discover the use of emerging technologies in the supply chain.

Throughout our engagements we try to synchronise our vision towards a socially inclusive and sustainable future with the actions that are currently being taken by our partners. Our efforts are focused on elevating local economy and spreading positivity in the lives of those who are linked with our value chain while maintaining business continuity.

In FY23,

690

suppliers/business associates, who worked with Marico, were categorised into the following:

493
Procurement (RM, PM suppliers)

134
Manufacturing (Convertors, Packaging Filling units)

28
Warehousing

35
Logistic Vendors

Responsible Sourcing

Marico has Responsible Sourcing Policy and Supplier Code of Conduct applicable to our suppliers, business associates, and sub-contractors including raw material suppliers, packaging material suppliers, logistic and warehousing partners, third party manufacturers and service providers.

We continue to take forward Marico's responsible sourcing programme, **SAMYUT**, to educate our value chain partners about our sustainability vision of upholding ethical, social, and environmental commitment through strong governance.

Our aim is to progressively increase our procurement spend on certified sustainable materials, local procurement, while improving diversity in our supplier base. A cross-functional team has been entrusted to set the targets.

Mitigating Supply Chain Risks and Leveraging Opportunities

Marico launched its Responsible Sourcing programme to anticipate the emerging trends in value chain, identify and mitigate the risks and find opportunities for collaborative action with value chain partners.

The programme was introduced in a phased manner and intends to identify the risks across the value chain partners i.e., raw materials and packaging providers, depots and warehouses, and logistic partners.

- During the first phase, we conducted preliminary assessment of our value chain and identified critical suppliers. We are taking steps to mitigate the risks, and adapt to the risks, wherever mitigation is not possible.
- In the second phase of the programme, we instituted an independent party to carry out the assessment of our identified partners. This will help us develop mitigation and adaptation plans.

Ensuring environmental and social stewardship across the value chain

We encourage our value chain partners to improve their environmental and social performance and also support their innovations to improve sustainability of our products across the entire life cycle.

In FY23, key initiatives taken by our value chain partners are

1) Our value chain partner, Almehtab has been instrumental in kick-starting the use of rPET in Marico. We have been able to reduce the consumption of Virgin PET in Hair Oil SKUs to the extent of 20% of the weight.

2) Our value chain partner, Lucro is supplying recycled LDPE for use in the secondary packaging.

SAMYUT FY23 Progress

In FY23, Marico has helped its business associates achieve Level 1 (L1) and Level 2 (L2) certifications. The following table summarises the achievement of Level 1 & 2 by the business associates. The audits are carried out annually.

Current % of Suppliers certified under **SAMYUT** Programme

L1 certified	L2 certified	
74%	8%	Procurement (RM, PM suppliers)
26%	-	Manufacturing (Convertors, Packaging Filling units)

[1]https://marico.com/investorspdf/ResponsibleSourcingPolicy.pdf

Ensuring ethics and integrity across the value chain

Marico's Code of Business Ethics (MCoBE) encompasses our philosophy, vision, policy, and actions towards integrating human rights and ethics in every stratum of the business. The following components of MCoBE ascertain that our partners understand and reciprocate our value towards protecting business ethics and human rights across the value chain.

- Anti-bribery and corruption
- Human Rights (Child Labour, Forced Labour, Wages, Working conditions)
- Diversity & Inclusion
- Safety, Health, and Wellness
- Prevention of Sexual Harassment

Encouraging local procurement

Sheltering numerous sustainable implications, local/indigenous procurement has reserved our preference. It reinforces flexibility, transparency, and control over supply chain, thereby establishing stability in operations.

FY23 Progress

As of FY23, 94% of our procurement by spends were from within India.

45% of the material by procurement spend was sourced from suppliers that have received L1 certification under **SAMYUT**.

	FY23	FY22
Directly sourced from MSMEs/ small producers	33% (of material procurement)	35% (of material procurement)
Sourced directly from within the district and neighbouring districts	37% (of material procurement)	42% (of material procurement)

[2]https://marico.com/about-us/code-of-conduct

Supplier Selection Process

The supplier selection process is applicable for the procurement of commodities and non-commodities by the organisation. The policy guidelines elucidate the following stages in the standard vendor evaluation process:

1 Vendor Identification

- i Identification of appropriate vendors based on the business needs
- ii Identification of critical vendors

2 Vendor Verification

- i Scrutinization of vendors' competence and credibility
- ii Background verification based on tenure in business, local credentials, market credibility, production capacity
- iii Alignment with Marico's pre-requisites and mandatory compliance with regulatory requirements (VAT, PAN registration etc.). The vendors are also be assessed on the geographical area of operation.

3 Vendor Application & Registration

- i Marico's Vendor Application and Registration processes

4 Vendor Evaluation

- i Quality audits
- ii Ascertain the technical and financial credibility of the vendor
- iii Periodic tracking of the vendors' performance on specific requirements.

5 Vendor Selection

- i Validation of credentials by Vendor evaluation team
- ii Final selection of vendors based on technical parameters, quality aspects and cost considerations
- iii Alignment with Marico's responsible sourcing principles (ethical responsibility, environmental conservation, and social commitments)
- iv Vetting the qualified 'critical vendor'

Supplier Development & Supply Assurance

New vendors are identified from diverse backgrounds and are on-boarded after rigorous screening assessment.

Capacity Development programmes are organised intermittently to resolve quality issues, drive innovation, enhance performance and assure time-bound supply. This strengthens our long-term relationship with our value chain partners and helps us derive competitive advantage.

Labour Practices

The Company ensures that statutory dues as payable by value chain partners to their employees through a process of internal controls and periodic audits. Marico emphasises labour law compliance to its value chain partners through the Supplier Code of Conduct.

Quality

The procurement and central quality assurance team at Marico collectively drives the **Supplier Quality Excellence (SQE) programme,** which aims at capacitating our Packaging Material (PM) suppliers to accelerate performance and deliver excellence. During FY23, 22 packaging material suppliers attended the SQE programme. It also witnessed keynote speeches from our associate experts.

SUPPLIER QUALITY EXCELLENCE (SQE) @ Marico

Based on and in line with recognised schemes of Global Food Safety Initiatives (GFSI), Marico's 'Supplier Quality Excellence' programme aims at enabling value-chain partners to ensure that supplied products are safe, legally compliant and conforms to agreed quality specification.

Scope

- Developing supplier capability to deliver zero-defect products
- Attaining excellence through benchmarking and continual improvement
- Monitoring system efficiency and effectiveness with digitisation
- Reducing Cost of Poor Quality (COPQ) and improving supplier profit margins
- Enhancing capability and sharing Industry best practices via External Speaker seminars

Approach

Benchmarking
As-is study & benchmarking with Industry best practices

Audit
Periodic Marico audits & developing Supplier Self-Audit capabilities

Trainings & Seminars
Conducting training programs for vendors & organizing external speaker seminars to enhance Supplier capability

Corrective & Preventive Actions
CAPA documents on quality issues & knowledge transfer to other relevant vendors to prevent repeated issues

Outcomes

- Reduction of quality incidents in packing materials by 2.5% from FY22 to FY23 & 19% from FY21 to FY23 despite multi-fold increase in volumes and number of SKUs sourced.
- Managed to reduce the inventory by norm reduction in selected categories of packing materials by 6% over FY23
- 2 external seminars conducted with suppliers on Safe & Sustainable Packaging Inks and Foods Packaging Safety & Legal Implications
- 95% of our packaging suppliers attended the SQE programme organised in Nov'22

Feedback from our associates over the Supplier Quality Assurance Programme

As a participant in quality excellence program, we got opportunity to learn about quality approach to reduce customer complaint by brainstorming via various quality tools. As a supplier this program helps us to understand design and progress reviews statically process control. By this program, we learnt how to be consistent meeting the requirements of our customers in product safety and quality. – PAHARPUR.

The SQE event was a good and enriching experience for Amcor team. It is a great platform for packaging converters to come together and brainstorm on quality issues pertaining to the packaging industry as a whole. The case studies discussed by a few suppliers were a good learning for us and will be helpful for us to mitigate similar issues that we might face in our supplies to Marico and other customers as well. - AMCOR

The SQE Meet 2022 was very fruitful and well organised. The case studies & discussions helped us benchmark our Quality Systems & Conversion Process with the Current Industry Practices. It also made us abreast of the trends in other segments like flexible, rigids etc. I take this opportunity to thank Marico for organising the event and earnestly looking forward to further events. - MAKERS POLYFILMS PRIVATE LIMITED.

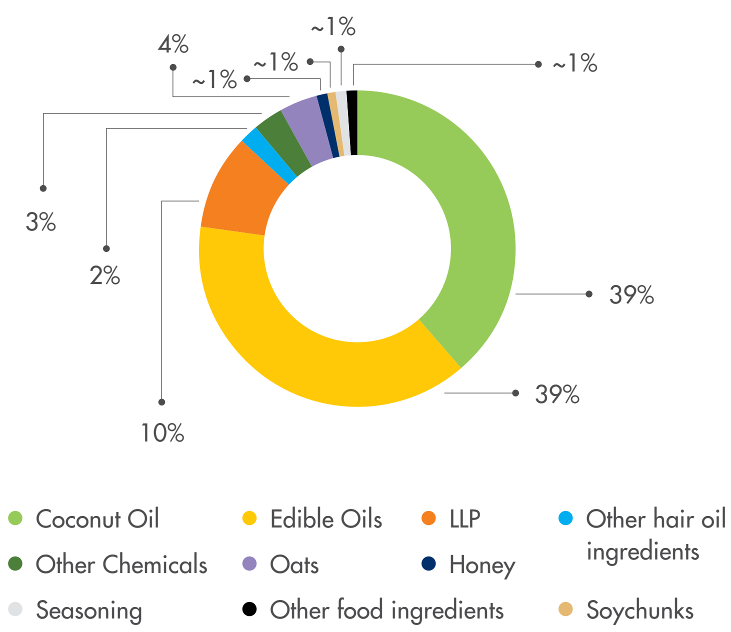
Digitisation in Quality Excellence

Hackett Portal was launched in FY23 to improve efficiency, while maintaining compliance. It has helped in effective monitoring of quality issues and enabling data analysis on the overall complaints received. The portal is made available to all stakeholders including external vendors to facilitate transparency and quick resolution of any issue.

Since the launch of the portal, 88% of quality issues were resolved in the same month in FY23.

Raw Material & Packaging Suppliers

A majority of the procurement expenditure in raw material is attributed to the procurement of coconut and edible oils.



Upstream supply chain, especially of raw and packaging materials, prompt production and distribution patterns tacitly influence consumption behaviour. We prioritise supplier relationship management that operates with the philosophy of creating synergistic business goals and inspire our partners to deliver excellence and efficiency. Some of the important facets of supply chain that we pay special attention to, while maintaining supplier relations are described here:

Convertors

Convertors share the responsibility of transforming our products into packaged finished goods, that are ready for dispatch.

We assist our partners by:

- Upgrading their facilities to make quality products with minimum environmental footprint
- Providing on-site assistance for:

Achievements

- Our key coconut cluster convertors have FSSC 22000 certification on food safety management
- The Marico team conducted training and upskilling programmes for dedicated third-party manufacturers on machinery maintenance procedures, 7QC tools, food, safety, operational SOPs, quality management system and safety procedures as a part of our common development goal

Depots and Warehouses

Our downstream value chain partners, depots and warehouses, facilitate smooth delivery of our products in different regions. We facilitate their capability elevation journey by means of several engagement programmes.

We have adopted an integrated approach on identifying potential risks and hazards, prevention of hazards and protection of personnel against occupational risks. Every manufacturing partner and depot operator is expected to follow health and safety guidelines covered under **SAMYUT** Policy and qualify a set of critical SHE criteria to continue their associations with Marico.

Occupational Health & Safety systems at Depots and Warehouses

SHE trainings are conducted in a Trainer-to-Trainer Model for the warehouse managers and workers. Monthly reviews and external agencies are appointed for due diligence on their incident preparedness and proactiveness to mitigate future risks. In FY23, Safety Health and Environment audit was conducted by an authorised third party.

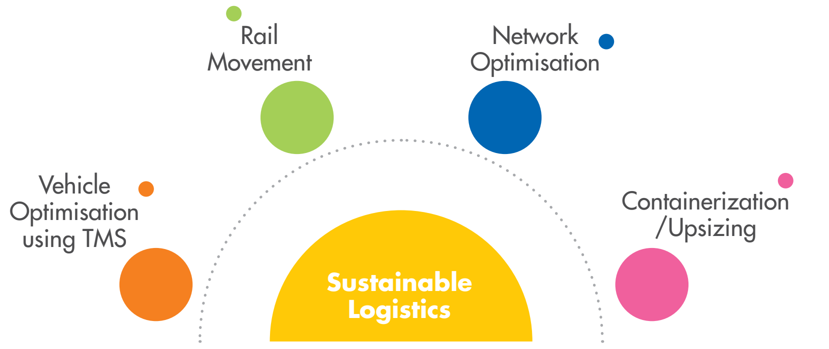
Achievements

- Our warehouses in Hyderabad, Sonipat, Coimbatore and Bhiwandi are implementing Warehouse Management System.

  Incorporation of 'Warehouse Management System' (WMS) helps improve operational efficiency and stocks accuracy by automating elementary functions such as goods receipt, storage, warehouse control, picking and retrieval of goods
- Zero major incident reported in any of the depots and warehouses in the last six years

FY23 Progress

Approximately 500 manhours were spent in FY23 towards safety trainings to depot personnel and contractual workers on themes such as fire safety, electrical safety, loading/unloading techniques, along with storage/handling, crisis management, Leakage & Damage, Food Safety, DQR & QMS (Quality Management System) Goods in Transit and waste management.



Logistics and Transportation

Our logistic and transportation partners are crucial for planning, execution and monitoring of product movement, while bypassing geographical limitations.

Our initiatives with logistics partners are designed to build an agile and sustainable distribution network with a wider market coverage at competitive costs.

We are driving cost-effective and sustainable distribution network by monitoring levers such as distance travelled per trip, load-ability per truck and opting greener modes of transportation.

Network optimisation has helped in reducing many unnecessary trips and proposed better routes has led to less fuel consumption. We have identified lanes where direct dispatches from the manufacturing plants can be done to remove secondary movement.

We closely monitor the vehicle utilisation for all our movements to ensure that all trucks are at least 95% utilised. This, in turn, helps reduce the number of trips and cut down our carbon emission. Also, we are extensively using Transportation Management System to optimise our vehicle requirement and ensuring that right vehicle type is used for any movement. Additionally, there are few lanes where we can use a more energy-efficient way of transportation i.e., Railways. With the volume growth, we will be able to open more lanes for Railways. Going forward, we are exploring ways of using technology to improve efficiency of Marico's Supply Chain.

FY23 Initiatives

- Vaccination drive conducted for all depot and ground personnel
- Crisis management workshop was conducted for leadership team
- Alternate network planning was undertaken to identify any at-risk lanes
- Expansion of Logistics Process Digitisation project
- We have also driven initiative to upsize our vehicles, which helps reduce the total vehicle requirement by identifying routes and deploying 25FT/45FT vehicles. The containerisation has increased from 24% in FY19 to 80% in FY23.

We are also identifying avenues to promote the usage of electrical vehicles and clean fuels in our logistics operations.

Engagement with Value Chain Partners

Marico engages with the value chain partners on identified material needs including supplier code of conduct, safety and operational risk management, quality, environmental responsibilities and payment modalities.

Our engagement mechanism consists of periodic interactions (physical, over telephone, via emails), annual meet and training programmes. Our main engagement objectives are to share mutual needs & expectations, capability building & growth plans and best practices.

FY23 Progress

Total number of awareness programmes held	Focus	% of value chain partners covered (by value of business done with such partners) under the awareness programme
01	Marico code of business ethics covers business ethics, legal compliance, prohibition of corruption and Bribery, labor, human rights, health and safety, environment protection.	The training module was extended to all critical business associates related to raw materials and packaging materials. Vendors representing 69% of procurement by spend participated in the training session.
01	• Marico business and procurement overview • Marico code of business ethics • Quality assurance • Sustainability at Marico	More than 80 vendors representing 25% of procurement by spend attended the session.
26	Quality assurance	More than 17% of vendors by procurement spend have participated in quality training related to raw materials (Copra).
04	Safety, Health & Environment	• 100% of the Warehouse partners • 100% of the Third-party Manufacturing partners
03	Quality assurance	80% of vendors providing primary packaging material to Marico participated in the training.

The above image gives a glimpse into one of Marico's annual events, where our business partners interact with the Leadership Team, in person. A plethora of topics, pertaining to business goals, emerging trends etc. are discussed

Checks and Balances

Marico strongly believes in helping its business associates in their sustainability journey. With this intent, we have put in place a robust system of internal reviews and audits. Marico has an oversight of its business. It also engages an independent Third-party to carry out annual audits. Through these audits, Marico not only helps these associates comply with the laws of the land, but also help them improve the working conditions of their people, introduce measures to develop efficiency in transportation that provides safety for goods, drivers, and all concerned stakeholders.

Communities

RESPONSIBLY TRANSFORMING

lives

Marico endeavours to bring about sustainable transformation in society by nurturing and empowering communities with access to education, skill development, good health and livelihood generation.

As a purpose-led organisation, we recognise our responsibility towards the community. Carrying forward our idea of shared value generation, we intend to work in collaboration with people to initiate lasting change within society. Going beyond our prerogative of running a profitable business, we engage in multiple projects that uplift communities and improve the quality of life through education, healthcare and livelihood. Our corporate social responsibility programme, therefore, keeps sustainable transformation at the core to expand the breadth of our social development projects.

3.11 Lakh

acres with over

81,000 farmers

(cumulative)

Enrolled in Parachute Kalpavriksha programme

73,250 trees

plantation initated under afforetration program

292.52 Crore litres

(cumulative) water capacity created

3.44 Lakh+

lives (cumulatively) impacted. In FY23, 44,000 lives through CSR interventions near manufacturing units.

Touched by Marico's community sustenance programme conducted across all manufacturing units in the last 4 years

2.74 Lakh

teachers trained and

10.81 Lakh students benefitted

by the Nihar Shanti Pathshala programme to boost English literacy among students who have limited access to advanced educational systems.

Promoting social innovation

Through its unique strategic and functional mentorship model, the Scale-Up Program supported the exponential growth of S4S Technologies, an agri-tech innovation which uses solar dehydration to preserve food produce while maintaining nutrition levels. S4S Technologies scaled to 100 Crores annual revenue within 4 years.

Their unique business model of creating micro women entrepreneurs has helped decentralize at scale the food produce dehydration market and create livelihood for over 1,200 women.

Our People Philosophy

Marico established a clear and measurable people philosophy to Make a Difference and we have charted a CSR plan for widening the avenues to Impact lives through various social interventions in the three thematic areas of Sustainable Agriculture & Livelihood Improvement, Education and Social Innovation. At the beginning of the year, approvals are taken for finalising CSR goals and objectives, along with the annual budgets for each programme. The CSR team is assigned with the responsibility to implement and complete projects according to pre-defined timelines. It also evaluates the efficacy of each programme and carefully monitors outcomes to maximise value creation for stakeholders. The Marico Innovation Foundation, Parachute Kalpavriksha Foundation, regional government agencies along with non-governmental organisations are involved in the execution of CSR programmes.

Our overarching focus on sustainable value creation for diverse stakeholders encompasses all our business endeavours. It keeps us well on track to responsibly limit the impact of our operations on the environment as well as the community. Transpiring our operational bounds, we seek to create viable change to make way for a brighter tomorrow.

Program → Type of Beneficiary

Program	Type of Beneficiary
Parachute Kalpavriksha Foundation	Farmers, community & governmental agencies
Jalashay	Environment, Farmers & Local community
Nihar Shanti Pathshala	Teachers and students (school)
Marico Innovation Foundation	Budding Entrepreneurs
Healthcare	Students, Schools, Facilities, Communities
Community sustenance	Farmers, community, students, governmental agencies
Afforestation	Farmers, Environment
Disaster relief	Communities, Healthcare facilities, frontline workers

Sustainable Agriculture & Livelihood Improvement

Our Key Initiatives

Kalpavriksha Program

Parachute Kalpavriksha Foundation (PKF) is a non-profit organisation that strives to create a lasting impact on the lives of farmers.

Objectives

Equip farmers to have increased sustainable crop yield leading to enhanced income opportunity

Train farmers on scientific and research-based agricultural practices which results the productivity improvement

Support activities

- Consultation with coconut experts (on phone)
- Water conservation through farm pond construction
- Classroom training for coconut farmers
- On farm training by Field Service Personnel (FSP)

Support centres

Kalpavriksha Knowledge Centre (KKC)

Companion of farmers for increasing production and knowledge

Agri-Business Centre (ABC)

Agri-clinic offering farm care inputs and technical services

FY25 Targets

4 Lakh
Acreage enrolled

1,15,000
farmers enrolled

16%
Improvement of productivity

Digital Reach

15,000+
farmers were engaged through digital interventions rolled out by PKF in FY23.

80,000+
downloads of mobile application.

1,25,000+
users visited the PKF website in FY23.

Social Media Followers

6,000+
Instagram followers

9,000+
YouTube followers

1.75 Lakh+
Facebook followers

FY23 Performance

3.11 Lakh
of acreage enrolled till FY23; 55,900 acres were enrolled in FY23.

81,000 farmers
were enrolled cumulatively, with 18,000 farmers enrolled in FY23.

16%
increase in productivity for enrolled farmers

4 agribusiness centres
have been set up till date and 1600+ farmers benefitted from the services offered.

Key Highlights & Achievement of FY23

Awards & Recognitions


MQH Best Practices Award


FICCI Sustainable Agriculture Awards for Farmer Income Enhancement

PR & Media


International Coconut Community (ICC) Visit

Covered by Brut India


The "one within us all" Campaign

Program Visits


CSR Committee Visit


Chairman Visit

Activities that boost productivity improvement

The Agri-Business Centre (ABC)

The Agri-Business Centre is operated by local entrepreneurs and allows coconut growers to obtain farm care inputs and technical services. It acts as a platform for farmers to hire high quality farm machinery, equipment, technical assistance as well as labour at cost effective prices. It is also offering local agripreneurs exposure and recognition, along with financial stability.

Case stories

"My name is Annadurai, I am from Tensengupalayam. Duraisamy from Kalpavriksha team has been coming to my form every month for the past 3 years. I used to face issues like stem bleeding, pest attack, and root damage in my form. Kalpavriksha team helped me tackle these issues. They also helped provide root feeding treatment to trees. As there was low labour availability, Duraisamy brought the labours and helped complete the process. The quality and quantity of nuts have improved now. Post the intervention, the trees are looking healthy. Earlier I was harvesting 6 loads, now I am harvesting 9 to 10 loads."

"I am Satheesh Kumar, and I am from Kuruvayakoundan palayam. I own 12 acres of farm in Coimbatore. Water availability has always been a problem in my form, & I wasn't aware of the benefits of farm ponds initially. Once I came to know of its advantages, we contacted Parachute Kalpavriksha Foundation for constructing a farm pond.

Post construction, we now have good water storage facility. Our form pond is 8 feet deep and has 1000 cubic metre capacity. Earlier we used borewells at 700-800 ft levels. Now, water is stored in the ponds and when there is a drop in water level, it gets replenished. We have faced severe issues with water scarcity in the past. Post constructing the form pond, water storage is good. Button formation has improved, and shedding is not much seen.

Water is crucial for agriculture. Due to low availability of water, we have suffered a lot. Now this issue has been resolved for us by the Kalpavriksha team. I request them to bring more schemes like this in the future."

Yahiryar Kani, 35 years old was working as a machine operator in Saudi Arabia. He bought a 12-acre farm in TN & makes a full-time income from his farm.

Ashok Kumar, 26 years old is a marketing professional who quit his job to take up farming full-time. He currently manages 400 trees.

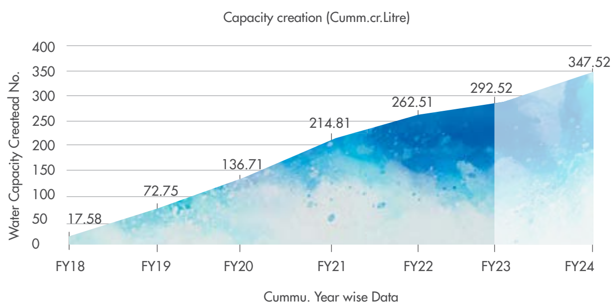
Mugendran, 23 years old is MBBS Graduate managing an 8-acre farm while running an evening clinic in his village

Jalashay

Jalashay', Marico's water stewardship programme focuses on replenishing more water in comparison to the amount of water consumed in its own operations, year on year. It takes into account the environmental, social and economic concerns that might arise from water stressed regions and proactively undertakes efforts towards abating them.

Objectives

Encourage efficient water management and conservation. By building capacity, replenish more water to the neighbourhood than Marico uses for its operations.



FY23 Performance:

30 Crore litres of water conservation potential created this year
Water storage created through farm pond creation, desilting water bodies, construction of water storage facilities in various states, till date 292+ Crores litres

FY23 Activities

Watershed programme implemented at Jalgoan, Maharastra

Tamil Nadu coconut farmers were provided with farm ponds and trench cum bunds

Farmer was able to expand his agricultural practice after he received a farm pond

Ravi Kanakaraj, a small farmer from Devanampalayam, faced major water shortages in summer. Annually, he used to spend ₹ 18,000 to buy water during the summer season. Through the Jalashay program, in 2018 he constructed a farm pond with storage capacity of 227m³. After construction of the farm pond, he has water during the summer season and does not need to buy water. Additionally, Ravi started intercropping coconut with mulberry. He is able to sufficiently provide water for both crops. He now receives a steady stream of income from mulberry at around ₹ 3 lakh annually. He has plans to line his farm pond and undertake fish farming

After farmer received a farm pond, he has sufficient water for irrigation in his farm

Nadarajan faced major water shortages in the past due to which he was never able to provide sufficient irrigation to his coconut trees. He testifies that after he received the farm pond, groundwater recharge has improved, and he now has sufficient water to provide irrigation as per recommended practices. He has also experienced an increase in productivity, from 150 coconuts per tree to 170 coconuts per tree, annually.

Farmer uses farm pond for the dual purpose of storage and groundwater recharge

Prabhu, a farmer from Devanampalayam has adopted a unique model wherein he alternates the use of the farm pond that he received, for both recharge and for storage. During the rainy season, the structure is used to recharge groundwater. During the summer season, he uses a tarpaulin sheet which acts as a temporary lining to the structure which helps him store water, which he uses for irrigation.

Afforestation

Taking into account the depleting green cover and its impact on local environmental conditions and biodiversity, we engage in afforestation activities to combat global warming, reduce air pollution, arrest soil erosion and create an ambient atmosphere for local flora and fauna to thrive. As part of our afforestation drive, in FY23, plantation of 73,250 trees were initiated, in the districts of Rajasthan, Assam, Himachal Pradesh, Maharashtra, Gujarat and Meghalaya. Around 5,000 farmers benefitted from the planting of 50,000+ fruit bearing saplings. The plantation drives were conducted through two projects: fruit tree distribution and habitat protection.

Fruit tree distribution

Under this project, 50,000+ fruit trees were procured and planted in the districts of Rajasthan, Assam, Himachal Pradesh, Maharashtra, Gujarat and Meghalaya. It benefitted the farmers living in remote areas and technical guidance was also provided to facilitate healthy growth of these trees.

Eat Right Program-India

For the past six years, Marico is collaborating with FSSAI for the Eat Right India movement. It promotes healthy eating habits and is aligned with the government's public health programmes such as 'Ayushman Bharat', 'Swachh Bharat Mission', and 'POSHAN Abhiyaan'.

In FY23, we collaborated with FDA, other partners and conducted the following activities:

100
Eat Right programmes in schools

29
Eat Right programmes at Place of Worship

58
Eat Right programmes in Campus

3
sessions for capability development

5
Clean Street Food Hubs

20
programmes carried out in 10 institutions

19 Lakh
beneficiaries of these initiatives so far

Community Sustenance – Our CSR activities around manufacturing facilities

Community sustenance initiatives provide us an opportunity to give back to the society by addressing the needs of the local population. The programme is carried out around our manufacturing facilities and consists of different projects covering the realms of education, environment, health, infrastructure, disaster relief and others.

FY23 Activities

Education

- Infrastructure support to schools
- Smart class and Science Lab set-up
- Audio Book recording for visually-impaired students
- Provision for supporting students for competitive exams and higher education of students with disabilities

Infrastructure

- Infrastructure support to primary health centres, schools, old age homes
- Provision of streetlight for the community
- Provision of Convex Mirror and Sound Level Meter for road safety

Environment

- Beach clean-up drive
- Solar irrigation facility for agriculture

Health

- Organisation of health camps for police personnel

Wash

- Conducted food safety education and awareness campaigns.
- Provision for drinking water facility

Other

Distribution of Flags in the community, schools, NGOs

Disaster Relief

- Food distribution during floods

Mission Health

- Name of beneficiary - Government officials
- Age of beneficiary-40 years and above
- Type of beneficiary - Police personnel
- Location- Pondicherry, Perundurai, Guwahati, Jalgaon

Issue

After certain years of service, police personnel start facing health issues ensued from improper diet, lack of sleep, rotational shifts no routine body checkups and mental stress owing to the nature of their job.

Solution

Marico planned to organize medical camps for police personal across plant locations offering full body check up to each beneficiary along with doctor consultation free of cost.

Implementation

Health camps organized for police personnel across Pondicherry, Perundurai, Guwahati, Jalgaon offered more than 70 types of medical tests to each beneficiary that included tests related to lipid profile, liver function, hemogram, thyroid profile, iron, kidney function, urine routine, eye and ear, to mention a few. This program was implemented and monitored by our NGO partner 'Go Dharmic Foundation' in coordination with government officials.

Activities undertaken

- Registration of police personnel
- Arranged for the medical tests
- Shared medical report with beneficiaries
- Organized doctor consultation for beneficiaries

Be the Impact- Member Volunteer

247 Marico members volunteered

278 Volunteering hours contributed towards the cause

As part of the programme, volunteers from Marico cleared 1,250 kg of garbage in Mumbai, Pondicherry and Sanand and recorded 50 Audiobooks in English for 250 visually impaired students

09
Events organised

247
Volunteers

278
Volunteering Hours

4.85/5
Volunteer experience rating

3
SDGs covered

Project Bala

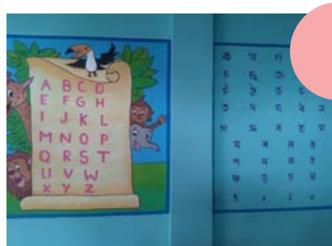
Location – Guwahati

Number of Schools - 60

No. of years of collaboration – 2 years (2022-23 to 2023-24)

No. of beneficiaries – 7703 students + 311 teachers

Before



After

Collaborative efforts to enhance learning experience in schools

Location – Guwahati

School's name - Kurua LP School, Gouripur LP School & Mrinalini Devi Shishu Niketan

No. of years of collaboration – 5+ years

No. of beneficiaries – 600+ students and teachers

Before

After

Type of support: Educational programmes for students, infrastructural support, teachers' training etc.

Education

Nihar Shanti Pathshala Funwala

Nihar Naturals x Nihar CSR programmes: Living the Brand's Purpose

Nihar Naturals Shanti Amla, one of Marico's signature brands, focuses on providing opportunities for accelerating the access to education through holistic initiatives.

The Nihar Shanti Pathshala Funwala (NSPF) programme aims to address a growing concern about fluency in English literacy in government school teachers. The programme intends to upskill teachers and improve English reading and speaking proficiency of students from underserved areas. Through a comprehensive learning and development approach it has empowered teachers with subject-matter knowledge and enabled them to engage better with the students. Besides, access to digital learning platforms have improved the learning environment for students.

Fluency in English has been a pressing issue for government school teachers and NSPF, in collaboration with various state governments, helped to provide government teachers access to comprehensive teaching material to improve the standard of education in marginalised areas. We also designed scalable and fun-based learning models, supported by online as well as offline tools to make education engaging and usher in a transformation in the overall literacy quotient of our country.

To enhance the outcome of the programme and create measurable impact on students as well as teachers, we deployed WhatsApp Enterprise model-based learning programmes. The technologically fortified solutions helped to upgrade the capability of teachers to impart proper training for enhancing fluency in English language. The innovative formats were designed to be engaging, practical, and rural-ready in nature to align with the specific needs of students and teachers.

In the reporting year FY23, WhatsApp (online) as well as workbook (offline) led programmes were imparted in 50 Aspirational Districts of Madhya Pradesh, Rajasthan, Jharkhand, Bihar and Chhattisgarh. The outcome of the project in the current year takes us a step forward to achieve our target for FY25.

2.40 lakh
teachers to be trained

2.41 lakh
teachers trained through WhatsApp & Workbook-led project

6 lakh
students to benefit from the programme.

10.81 lakh
students benefitted through the programme

New Initiatives
in FY23

1. Presence is in 50 Aspirational Districts of Madhya Pradesh, Jharkhand, Rajasthan, Bihar and Chhattisgarh.
2. Presence in 16 CM Rise Schools in two blocks of the District of Sehore, Madhya Pradesh
3. State has integrated the WPC championship into its academic calendar as a state-wide event in Madhya Pradesh and Jharkhand.
4. Received in-principle state approval for targeting Kasturba Gandhi Balika Vidyalaya, focusing only on girls in Madhya Pradesh and Jharkhand for FY24.

Social Innovation

Marico Innovation Foundation (MIF)

Marico Innovation Foundation (MIF) was started in 2003 with an aim to nurture and propel innovations in India.

Over the past 20 years, MIF has evolved into being India's coveted innovation focused platform, which recognizes disruptive Indian innovations & supports the innovative organizations journey to scale impact.

Through its flagship programs, MIF has unlocked the potential of 100+ disruptive innovations

Scale-Up Programme

Started in 2016, Scale-Up is a beyond capital, no equity, rapid acceleration program that catalyses innovations through personalized, deep-rooted strategic and functional mentorship and other network support offerings.
The objective of the program is to mentor and scale disruptive innovations from early-stage annual revenues (approx. 1 CR annually) to ₹ 100 CR of annual revenues in 3 - 5 years.

'Scale-Up Programme' in FY23

Fosters innovative solutions for plastics waste management and Agri-tech to rapidly scale and create social and environmental impact and become financially sustainable businesses.

Growth of the Agri cohort resulted in societal impact ranging from creating livelihoods for women micro-entrepreneurs, reduction in energy usage and food security.

Plastics cohort is fueling the journey towards a sustainable future by addressing the challenge of plastic waste management across the value chain. Solutions such as alternatives to single-use plastics, innovative recycling technologies and sustainable packaging are being developed and deployed.

New Sectoral Intervention

Launched a holistic report in the plastic waste management sector- Innovation in Plastics: The Potential & Possibilities

In 2022, MIF ventured into the plastic waste management sector along with two Knowledge Partners - The Indian Institute of Science (IISC) and Praxis Global Alliance (a management consulting and knowledge services firm)

MIF launched a one-of-its-kind holistic report – Innovations in Plastic: The Potential and Possibilities that offers actionable solutions to tough problems across the value chain. It dives deep and provides insights about the drivers, barriers, and value creation in the plastics sector to stimulate growth and deliver environmental benefits to the country.

The objective of this report is to trigger action. The insights are aimed to help catalyse government, corporates, citizens, and entrepreneurs to take actions aimed at solving the plastics waste problem at scale.

Highlights of the report

- **15 disruptive innovations** that can solve issues across the plastics value chain -from collection, to sorting, to recycling, to upcycling, to reuse, to viable alternatives to plastics (bioplastics)
- **Case studies** on city level municipal initiatives to streamline waste management practices & global corporate innovations in the packaging arena
- **International benchmarks from a policy standpoint** that India can adapt
- **Analysis on funding scenario** in the circular economy space in India
- **Recommendations for the future**: Actions that stakeholders can individually or jointly take in the short, medium, and long term

Some of these innovations are as follows

Ishitva Robotic Systems
Dry waste segregation with next-gen automated AI based sorting machines

IBANSS
Harnessing bamboo-based granules as a replacement for plastic

Padcare
Non-toxic, hygienic method of recycling used sanitary napkins

Dharaksha
Used mycelium (fungi) as a medium to transform stubble waste into effective breakage-free packaging. It also helped to curb stubble burning and plastic pollution

Ricron Panels
Using cutting-edge technology to create construction material from low-value multi-layered packaging (MLP) waste which acts as a perfect substitute for wood-based plywood material, thus keeping a check on deforestation.

Innovation For India Awards

Launched in 2006, the biennial Innovation for India Awards is the first Indian platform to recognise and celebrate the pioneering work of `currently-hidden potentially game changing' Indian innovations across two categories - business and social.

Over the past 9 editions of the Innovation for India Awards, 60+ disruptive Indian innovations have been recognized, some of which have been identified way before their time

7 Winners for this edition were showcased at the Innovation For India Awards on March 01, 2023

- **Qure.Ai:** Enhances accuracy of diagnosis and improves health outcomes by offering accelerated insights from medical scans (X-Ray / USG / CT) using AI/ML (in less than a 1 minute)
- **Dozee:** A patented contactless remote monitoring device, converts any bed into a stepped-down e-ICU within 5 minutes and at 20% cost, which can monitor multiple body parameters and send customised alerts to doctors
- **Dhruva Space:** A space engineering solutions provider covering space operation & platform, launch assistance and ground operations; helping increase India's contribution to the global space economy.
- **Ishitva Robotic Systems:** Dry waste segregation with next-gen automated AI based sorting machines
- **IDR:** Creates content and articles on innovative and impactful initiatives In India, to sensitise and bridge the awareness and knowledge gap between the members of various development and social welfare communities.
- **RySS:** A not-for-profit company which has created integrated institutional mechanism for all programmes, schemes and activities intended for farmer's empowerment, encompassing welfare, development, capacity enhancement, credit flow, financial support, and allied empowerment activities.
- **Khushi Baby:** An integrated platform to help ASHA workers monitor community health through wearable baby pendants, predictive outreach, and digital health census

The Governing Council of MIF unanimously selected CoWIN as the 'Global Game Changer' for this edition.

Impact Evaluation of CSR activities - Outcomes at a glance

In FY23, we appointed RTI International, an external agency, to conduct impact evaluation for our flagship programmes- Parachute Kalpavriksha Foundation, Jalashay, Nihar Shanti Pathshala Funwala and Nihar Skills Academy. Key outcomes of the exercise are highlighted below:

Parachute Kalpavriksha Foundation

Evaluation Matrix

Relevance	• Program is present in the 4 major coconut growing states (Karnataka, Tamil Nadu, Kerala and Andhra Pradesh) that cover 88% of the coconut growing area. • Program caters to the challenges faced largely by marginal and small farmers.
Coherence	• The program contributes to SDG-1 (No poverty), SDG-2 (Zero Hunger), & SDG-12 (Responsible Consumption & Production) • The program is aligned with govt. priorities: Doubling of Farmers' Income, More Crop Per Drop & National Mission for Sustainable Agriculture.
Effectiveness	The Program's objective of achieving higher and sustainable crop yield was reported to be achieved by 8 in every 10 farmers interviewed.
Impact	• The program has improved farmers' awareness on disease, pest, water and nutrition management for coconut cultivation; • Farmers interviewed have also reported increase in income due to resource (especially fertilizers & pesticides) optimization; • Other program benefits reported by farmers interviewed include reduction in workload, increased time savings, expansion of existing agricultural practice, etc.
Sustainability	The program is working towards reducing farmers' dependency on program support in order to onboard new farmers;

Way Forward

- The program will aim to further empower farmers by linking them to government agriculture and social welfare schemes.
- The program will aim to make farmers self reliant by enhancing adoption of the Kalpavriksha application and call centre services, thereby reducing their dependency on the program field staff.
- The program will explore other interventions (going beyond increasing productivity) to enhance farmers' overall wellbeing

Achievements

- The program has led to an increase in coconut productivity for 88% of the farmers interviewed. An increase in productivity led to an increase in income for around 50% of the farmers interviewed. Furthermore, farmers reported several benefits including reduction in workload and increased time savings.
- The program has spread awareness about sustainable agricultural practices to 62,918 farmers under the Productivity Improvement Program cumulatively till FY22
- The program has helped several coconut farmers access services such as root feeding, power tilling and brush cutting at prices lower than the market, in addition to supporting them with procuring various agri inputs.
- Through the Kalpavriksha call centre services and app, the program provides query resolution on challenges faced by coconut farmers and spreads awareness on sustainable agricultural practices to several coconut farmers who are situated beyond the geographic reach of the Kalpavriksha program.

Jalashay

Evaluation Matrix

Relevance	The program aims to help coconut farmers in Tamil Nadu (a water stressed state) become water secure.
Coherence	The program contributes to SDG-1 (no poverty), SDG-6 (clean water and sanitation), & SDG 12 (responsible consumption & production) The program is aligned with govt. priorities: Har khet ko pani & Jal Jeevan Mission
Effectiveness	In FY22, 246 farm ponds were constructed leading to creation of an estimated 48 Crore litre of water storage capacity.
Impact	Farmers interviewed reported benefits such as increased groundwater recharge and availability of water during summer months.
Sustainability	While the program has helped farmers overcome water shortage during summer months, in the absence of watershed level interventions, long-term water security cannot be guaranteed.

Way Forward

- The program will aim to evolve towards a scientific watershed level program by working with multiple stakeholders across the region to achieve long-term water security
- The program will seek to scientifically (based on soil characteristics, water drainage, aquifer mapping, etc.) select farm pond locations to maximize benefit to the community. Additionally, seasonal groundwater monitoring will be undertaken to study the impact of the farm ponds on ground water levels.
- The program will incorporate program design aspects based on specific needs of the farmer (could vary from region to region). For e.g., water storage structures in drought prone areas and recharge structures in less drought prone areas.

Achievements

- The program has created an estimated 48 Crore liters of water storage capacity.
- The program has increased the availability of water for irrigation to farmers under the Jalashay program, especially during the summer months.

Nihar Shanti Pathshala Funwala

Evaluation Matrix

Relevance	The state education system recognizes the need for a special focus on English language in the regional language govt. schools, due to the competency gap amongst teachers and learning gap amongst children. To address this need, the program has introduced an innovative phonetics-based teaching-learning pedagogy, to improve teacher's confidence and children's interest towards English language.
Coherence	• The program contributes to SDG-4 (quality education) and SDG-5 (gender equality). • The program is in alignment with the Foundational Literacy & Numeracy (FLN) component of Nipun Bharat Program, implemented by Govt. of India, under the New Education Policy (NEP). The program coherence is further augmented through formal agreement with the state education dept.
Effectiveness	• The program has reached out to ~1.45 Lakh schools with a relatively small team of 45 people. However, there is a scope for further intensifying the engagement with teachers. • Program efficiency was increased by the adoption of online platforms, enabling state-wide scaling-up.

Impact	• The program has improved competency and confidence in all the teachers covered under the evaluation. • The program has also reduced children's apprehension for English language in 70% of the children evaluated.
Sustainability	• As the program is designed to strengthen the Nipun Bharat Program of GoI and has formal buy-in of the state education dept., it is likely to continue even after the project exits. • Sustainability aspects can be further strengthened through increased govt. participation in planning, monitoring and review processes.

Way Forward

- Repositioning the program as a technical support to Nipun Bharat program will minimize duplication of effort & increase govt. ownership, thus contributing towards program sustainability.
- The program will seek to institutionalize monitoring within the govt. education system, to improve teacher's accountability.
- Program will support teachers and children by making hardcopies of concept books and workbooks available.
- The program will aim to introduce a system of periodic evaluation of learning levels of children using technology-based solutions.

Achievements

- The program has positively impacted ~1.3 million children, with over 50% being girls, distributed across 5 states encompassing approximately 1.45 lakh schools in 50 underperforming aspirational districts (as per ASER 2019).
- The program have been successful in improving the English teaching skills of over 2 lakhs teachers in govt. regional schools through the phonetics-based pedagogy.
- 80% of the teachers stated that the resource materials provided under the program is very useful for them & the children. Besides that, these materials are also aligned to the SCERT recommended curriculum.
- Over 70% of the trained teachers have adopted the methodology and the resource materials reflecting high level of program adoption.
- Approximately 50% of the teachers interviewed have successfully incorporated the phonetics-based methodology, advocated by the project, while delivering the regular curriculum.

Nihar Skills Academy

Evaluation Matrix

Relevance	Livelihood losses as a result of the pandemic made the program relevant, especially for women, who were disproportionately impacted.
Coherence	• The program contributes to SDG-8 (decent work & economic growth) • The program was also aligned with the govt. priorities of 'Skill India', (implemented through the National Policy of Skill Development Program).
Effectiveness	Outsourcing the training to local agencies, as a means of circumventing mobility restrictions during the pandemic, together with restricted field monitoring visits by the project implementing agency impacted the overall effectiveness of the program.
Impact	Though placement results were not encouraging, 85% of the participants evaluated stated that their confidence was increased after attending the program. Moreover, computer literacy and communication has helped few participants secure jobs in other sectors.
Sustainability	Though the skilling program showed promise, it was unable to provide livelihood opportunities for the participants.

Way Forward

- Future skilling program will be an optimal blend of online and offline to ensure effective learning.
- Future programs will employ a screening process to identify participants, who are likely to benefit the most out of the program
- Some of the other aspects of the program that will be further strengthened include monitoring & evaluation, rigorous on-the-job trainings, and post-training placement support.

Achievements

- The program provided vocational skill building opportunities to around 3,500 female youth during the pandemic.
- 85% of the participants interviewed reported an increase in confidence towards securing jobs in the future.

Environment

CRAFTING A BETTER TOMORROW for all

At Marico, we are deeply committed to conserve energy, water, materials, forests and biodiversity. We have strategically incorporated sustainable manufacturing and a circular economy across the lifecycle of our products. We are benchmarking ourselves against the global best practices and continuously amplifying our efforts to conserve natural resources and protect the natural environment across our global business.

> The environment is where we all meet; where we all have a mutual interest; it is the one thing all of us share.
>
> Lady Bird Johnson

COMMIT

We have all developed the **COMMIT** framework to comprehensively address the aspects where we need to undertake responsibility and mitigate climate, air, water, waste and biodiversity-related risks. The **COMMIT** model enables futureproofing of natural assets across our operations and our stakeholder's ecosystem.

C

Conserve energy and meet Net Zero Targets

- Implementation of energy-efficiency measures and transition to renewable sources
- Reduction of direct and indirect GHG emissions footprint
- Investments in low-carbon projects, technologies and infrastructure that minimise GHG emission intensity
- Development of local carbon sinks through forestation

7 AFFORDABLE AND CLEAN ENERGY
13 CLIMATE ACTION

O

Offsetting water consumption

- Optimisation of freshwater consumption
- 100% replenishment of water consumed in operations through water stewardship initiatives
- Augmentation of freshwater availability using rainwater harvesting, watershed development and forestation in the vicinity of our manufacturing facilities
- Collaborative actions with communities including value chain partners to address existing and emerging water security challenges

6 CLEAN WATER AND SANITATION

M

Managing sustainability footprint of products

- Dematerialisation and resource efficiency in product design, manufacturing and packaging
- Cradle-to-grave assessment of life-cycle impacts of products
- Initiatives to reduce Product Carbon Footprint
- Innovation to develop Product Sustainability Index (PSI) and benchmark sustainability-led product design

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

M

Mitigate environmental risks in Operations and Value Chain

- Identification of critical environmental risks related to operations: air quality, water consumption, discharge of effluents and waste management including hazardous materials
- Assessment of climate-related physical and transition risks across manufacturing facilities and value chain, and accordingly, develop mitigation and adaptation plans;
- Preventive actions to minimise biodiversity and forest loss in and around manufacturing facilities as well as value chain
- Implementation of scientifically proven solutions to mitigate risks and accelerate the transition towards a low-carbon future

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND

I

Integrate circularity into packaging

- Concerted efforts to increase recyclability of packaging
- Use of recycled materials in packaging
- Elimination of hazardous materials and non-recyclable materials from packaging

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

T

Transform value chain sustainability

- Adoption of a maturity based responsible sourcing framework that is defined by environmental, social and ethical standards
- Incorporation of traceability and accountability in value chain
- Partnership with suppliers to collaborate for environmental stewardship and climate action

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

C Conserve energy and meet Net-Zero targets

First step in Marico's climate-first business agenda is to reduce organisational GHG emissions. We have developed a robust carbon management strategy that prioritises actions related to energy efficiency, fossil fuel avoidance, renewable energy transition, carbon forestry and reduction of carbon footprint across our product's life cycle.

Marico has adopted the target of achieving net-zero emissions across global operations by 2040.

Course of action towards net zero target

Most Favoured Option	**Avoid activities that cause emissions**	Business model change, process change
	Change activities to reduce emissions	Change sources to reduce emission
	Change sources to reduce emission	Design change, equipment modification
	Undertake activities to store emissions	Carbon forestry
Least Favoured Optiona	**Offset residual emissions**	Carbon credit purchase

Net Zero Target for India Operations (Own manufacturing facilities)

Scope 1 and Scope 2 GHG Emissions

Targets

Reduce Scope 1 and Scope 2 GHG emissions by 93%, and offset remaining 7% emissions through sequestration, and carbon offset by 2030, from the baseline year FY13.

FY23 Progress

A systematic GHG inventory is maintained to identify and quantify all direct and indirect (Scope 1, 2 and 3) emissions from our operations and value chain. We aim at gradually imbibing each unit into the transitional pathway of carbon neutrality by optimising their energy footprint, investing in low-carbon technology to minimise operational emissions, switching to renewable sources of energy to meet operational requirements, and opt for local carbon sinks to sequester carbon for offsets.

In FY23, Marico energy consumption (GJ)

Electrical Energy

52,043 GJ
Purchased from EB

21,008 GJ
Wind

3,718 GJ
Solar

Thermal Energy

Nil
Furnace Oil

90,658 GJ
Biomass

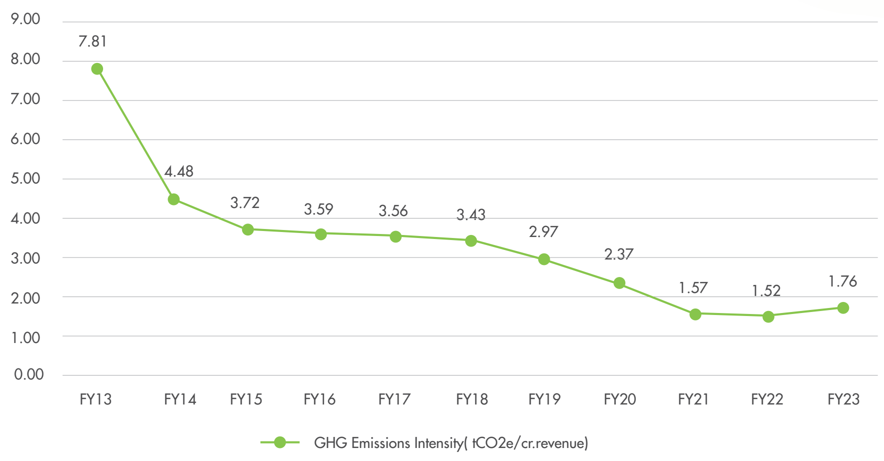
4,492 GJ
Diesel

2,397.7 GJ
Gas

Steady decrease in y-o-y GHG emission intensity is attributed to our constant efforts to improve operational efficiencies, adoption of energy saving mechanisms, use of clean fuel like bio-briquettes, and inclusion of renewable energy in our portfolio.

These efforts have also helped us to over-achieve the set emission reduction target, despite a growing manufacturing footprint.

Scope 1 & Scope 2 GHG Emission Intensity tCO_2e/unit Crore Revenue for FY23: 1.76



Scope 1 emissions
779.9 tCO2e

Scope 2 emissions
11775.8 tCO2e

Scope 3 GHG Emissions

More than 95% of our overall GHG emission is contributed by Scope 3 emissions. We calculate Scope 3 emission footprint of the entire organisation by compiling relevant category- wise emissions data. The reporting boundary of each Scope 3 category is limited to 'operational influence'. Emission factors for each material or fuel are referred from the Greenhouse Gas Protocol.

In FY23, the Scope 3 GHG emissions for India operations stood at 5,47,126 tCO2e, resulting in ~12% reduction in Scope 3 Emission Intensity as compared to base year FY19.

We adopt quantifiable and pragmatic reduction targets on a short, medium and long-term basis through optimisation of business-related travels, reconfiguration of logistics footprint, sustainable packaging solutions, recycling and reuse of waste, and joining forces with critical value chain partners to implement green projects.

Scope 3 Emission Category	Description	tCO2e
Category 1 Purchased Goods	All our raw and packaging materials are covered under this category	4,10,168
Category 2 Capital goods	Emissions resulting from purchase of capital goods	695
Category 3 Fuel Activities	Total quantity of fuel consumed in operations is co	4,421
Category 4 Upstream Transportation	Distance between source and destination points for transportation of raw materials, packaging materials, and finished goods, is considered	53,368
Category 5 Waste Generated	Quantities of different categories of waste generated in operations are considered	8,226
Category 6 Business Travel	Details of emissions pertaining to total distance travelled by air, rail, and road, for business, are considered	1,403
Category 7 Employee Commuting	Average distance between office and employee residence is considered, along with total number of employees and working days	910
Category 8 Upstream Leased Assets	Energy utilisation of all our depots and relevant third-party manufacturing units is considered	34,861
Category 9 Downstream Transportation	Average distance covered for transportation of finished goods from retailers to consumers is considered	4,799
Category 12 End-of-life Treatment	Total quantity of post-consumer waste generated through packaging materials is considered	27,989
Category 15 Investment	Emissions from investments	287

Carbon-neutral Operations

Marico's Perundurai facility is certified as 'carbon neutral' since FY20. The plant operates on 100% renewable energy and utilises smart energy installations to further optimise operational efficiency.

FY24 roadmap

As reduction in GHG emission is a key objective for us, we initiated many projects to reduce overall emissions intensity. Of the total GHG emission in FY23, more than 90% emissions were contributed by electricity consumption in manufacturing units. To reduce these emissions, Marico has initiated solar and wind projects in Sanand and solar expansion project Jalgaon, which have a potential of reducing annual GHG emissions by 3500 tCO2e and 400 tCO2e, respectively.

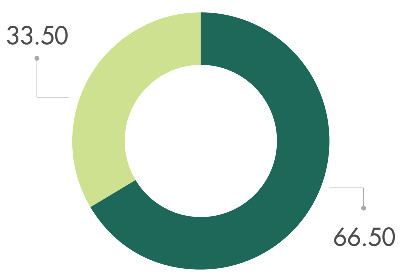
Transition to renewables

We are steadily enhancing the percentage of renewable energy in our operations in a phased manner. The thermal energy requirement is fulfilled by bio-based briquettes, making renewable energy (for heating purpose) contribute 99% of the total thermal energy used across operations. The remaining thermal energy requirements are being met from Piped Natural Gas (PNG), and High-Speed Diesel (HSD).

FY23 Progress: Energy Requirement met from RE Sources in FY23

Total Energy Break-up

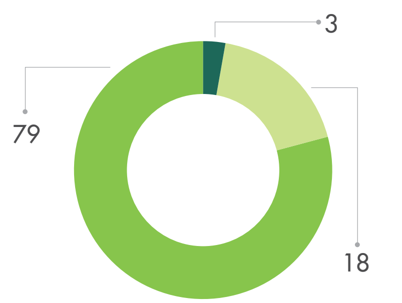
in %



● Renewable ● Non-Renewable

RE Energy Break-up

in %



● Solar ● Wind
● Biomass

Green building

Our Sanand plant in Gujarat is one of the most advanced facilities. Recently, it has received the IGBC Platinum certification by the Indian Green Building Council. A holistic approach of energy efficiency has been considered in the project buildings with regard to the envelope, systems, lighting and other equipment.

The project achieved
27.3%
of energy savings and
63% reduction in water

The plant uses
CFC-free refrigerant
for the HVAC equipment.

Solar panels of capacity
225 KWp
are installed to generate
28.6% (3,37,766 kwh)
of the annual non-process energy requirement.

The project has used materials with recycled content, which constitute
22.45%
of the total cost of the construction materials.

78.95%
of building materials sourced locally.

IGBC
compliance are met with fresh air requirements for air-conditioned and forced ventilated spaces.

84.5%
of the total floor area of all regularly occupied spaces meet the IGBC daylight levels.

Energy Consumption

The central energy management cell works on a defined energy reduction strategy in conformity to the business goals and targets set for every year. Energy monitoring systems accurately capture the minutest reduction opportunities across the operational footprint.

Through a set of strategically designed ideation sessions, energy management projects are executed throughout the year. Every change in process and equipment is checked for energy consumption against standards, while decision making. The energy reduction framework that is followed across Marico's operational landscape is illustrated here:

1 Layout
- Less material movement
- Less spillage
- Less waste

2 Process
- Loss reduction
- Design optimisation
- Avoiding sub processes

3 Mechanical
- Equipment efficiency
- Low carbon design

4 Electrical / Utility
- Lower distribution losses
- Efficient HVAC
- Predictive maintenance

Offsetting water consumption

We laid the foundation of our water stewardship strategy in FY18. The 'Jalashay' programme is a product of this strategy, through which, we seek to offset our water consumption by creating water storage potential for communities in water stress regions across the country. The programme undertakes water conservation activities such as dam desilting, rejuvenation of water bodies and the construction of farm ponds.

The manufacturing units operate on the principles of zero liquid discharge (ZLD) model, and the entire volume of industrial effluents is recycled within the operational boundaries of our facilities, utilising the treated water for administrative and gardening purposes. We harvest rainwater within our boundaries to reduce freshwater consumption.

FY23 Progress

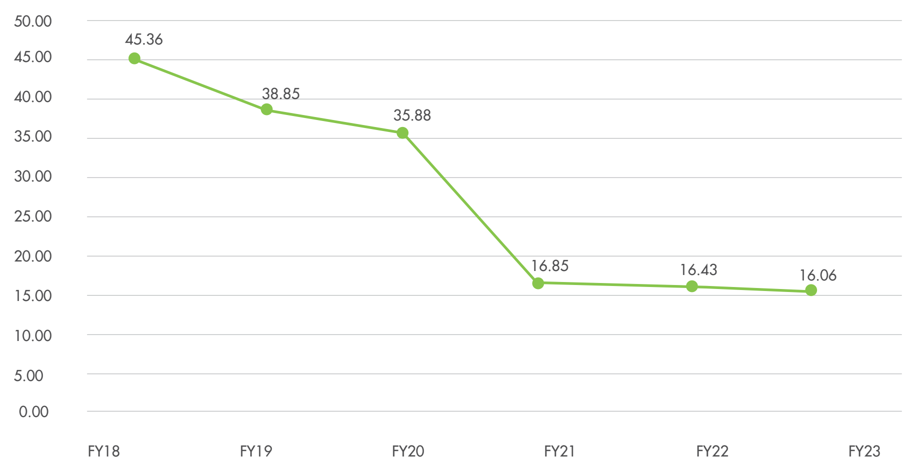
1. Water conservation potential

Over
2X
water capacity created in FY23, compared to total consumption in operations

292.52
Crore litres of water capacity created till date

119
Farm ponds constructed in FY23

2. Water intensity per rupee of turnover has reduced to 16.06 in FY23 compared to 16.43 in FY22.



Managing sustainability footprint of products

At Marico, we have developed a product sustainability index (PSI) to benchmark product sustainability. PSI enables us to integrate, implement and measure sustainability objectives on a single platform, transforming it into a business that delights consumers and accelerates eco-conscious consumerism.

Our target is to integrate sustainability considerations across products' lifecycle (encompassing ingredient/material selection, sourcing, manufacturing, supply chain and end use), ensure 100% compliance on product quality, ingredient safety, transparent disclosure on product formulations and accelerate consumer-centric product innovation to improve nutritional value of products.

FY23 Progress

Product carbon footprint

We have conducted cradle-to-grave life cycle assessment of 31 products across our product range, including hair oils, fabric care, food and vegetable oils. The studies were conducted by an independent external agency as per applicable ISO standards and standard global guidance available on LCA.

The key sustainable packaging interventions undertaken in FY23 include:

Coconut Oils

Opportunity was identified to reduce carbon footprint by reduction in bottle and cap weight in rigids.

Emission reduction by

460 tCO_2e

Saffola Oats and Saffola Mealmaker Soya Chunks

Opportunity was identified to reduce carbon footprint by optimising tertiary packing through reduction in CFC weight and primary packing head space.

Emission reduction by

240 tCO_2e

Marico's Product Sustainability Index (PSI)*

Our PSI framework enables us to identify, manage and mitigate impacts related to sustainability in every stage of the product life cycle, from sourcing, to designing, manufacturing, transportation, distribution, and end-life disposal. The aim of this framework is to foresee the potential environmental and social impacts of our products and inform our decision-making. With PSI, we are institutionalising innovation within organisation and across stakeholders.

- Reduce the overall environmental and social footprint of our products
- Establish traceability
- Ensure 100% compliance on product quality, ingredient safety
- Accelerate consumer-centric product innovation to improve its health and nutritional benefits

*PSI draws reference from multiple international frameworks, research-based publications, and ecolabel certifications. It measures the sustainability footprint of products as well as benchmarking them against some of the renowned world-class standards on product sustainability.

M

Mitigate operational risks

At Marico, we have developed a product sustainability index (PSI) to benchmark product sustainability. PSI enables us to integrate, implement and measure sustainability objectives on a single platform, transforming it into a business that delights consumers and accelerates eco-conscious consumerism.

Our target is to integrate sustainability considerations across products' lifecycle (encompassing ingredient/material selection, sourcing, manufacturing, supply chain and end use), ensure 100% compliance on product quality, ingredient safety, transparent disclosure on product formulations and accelerate consumer-centric product innovation to improve nutritional value of products*

In FY23, Marico did not register any environmental or social non-compliance.

Some noteworthy projects conducted in FY23 towards minimising operational environmental risks include:

1 Reduction in water consumption in utility section

Location and Context	Scope and Approach	Outcome
Marico's Sanand unit, Gujrat With water stress becoming a pertinent risk across the world, businesses and communities are facing disruptions due to unavailability or inadequacy of freshwater for their regular use. Water consumption reduction is a focus area to conserve freshwater resources for future.	Marico Sanand unit completed a project to reduce the water consumption in boiler operations by optimizing the blow down frequency of the boiler, reducing idle operating time, and improving the feed water quality by filters.	This project reduces the freshwater intake of the boiler section by about 350 KL/year and improving the plant's overall water intensity.

2 Creating favourable environmental conditions to boost biodiversity quotient of the manufacturing facilities

Location and Context	Project Details
Marico's Sanand unit, Gujarat Rich biodiversity is an indicator of healthy ecosystem that supports revitalising activities of our planet through natural processes. Exercising the principles of biodiversity conservation, we have developed a Miyawaki forest within the periphery of our Sanand facility.	Around 24000 trees of 60 different species planted in Miyawaki forest covering close to 10 thousand sq. mtr. area which purifies surrounding air. We attempt to sustain the forest through optimal usage of resources and processes that have minimal environmental footprint like using organic fertilizers, recycled water etc.

3 Process improvement project at Sanand facility

Location and Context	Project Details
Marico's Sanand unit, Gujarat Waste reduction is a key aspect of continuous improvement, as it helps to save costs, resources, and environmental impacts. Reducing waste means avoiding or minimizing the generation of waste in the first place. The process improvement project would reduce wastes in business operation.	The process improvement project undertaken is in line with Marico's commitment of reducing waste. Sanand factory identified several actionable points to reduce the operational wastages and successfully closed the gaps. This resulted in more than 46% & 47% savings of raw materials and packaging materials when compared to the consumption of same period for FY22.

Integrate circularity into packaging

At Marico, we are committed towards embedding circularity in our packaging portfolio and extending our efforts beyond regulatory mandates.

Marico's Upcycle program is designed to integrate the principles and key performance metrics related to circularity within our overall packaging portfolio. A set of 9 opportunity levers have been established to accomplish the 2030 goals that have been set towards this material topic.

Targets

FY25 Targets	FY23 Status	FY30 Targets
• 100% recyclable packaging by FY25 • Phase out polyvinyl chloride (PVC) usage in packaging by FY25 • 100% EPR compliance y-o-y	• Recyclable packaging share : 94.5% • PVC share < 1% • EPR compliance : 100% • Use of PCR plastic : 2 successful projects with PCR usage in range of 10%-20%.	• Retain 100% recyclable packaging portfolio • increase the use of PCR minimum upto 30% or as advised by regulation

1 Product and packaging innovations

Plastic, one the most light-weight protective material, is widely used for wrapping and encasing products. Our research and development team works on solutions to curtail the wastage of plastic, and transition to recyclable, reusable and compostable plastic packaging material. We are gradually incorporating recycled plastic content in packaging. The plastic recovered from waste is converted into granules, and utilised in the production of packaging materials.

Name of the product/service	Description of the risk/concern	Annual Potential
Value added hair oils	Opportunity was identified to reduce carbon footprint by dosing recycled-PET with virgin-PET in few SKU's of Value Added Hair Oils rigids.	Virgin PET consumption reduction by 130 MT during FY23.
	Opportunity was identified to reduce carbon footprint by using recycled LDPE in place of virgin LDPE as secondary packaging for certain products of value added hair oils.	Virgin LDPE consumption reduction by 23 MT during FY23

2 Extended Producer Responsibility for Post-consumer Waste

In alignment with the Plastic Waste Management (PWM) Rules, 2018 and the national guidelines on Extended Producer Responsibility (EPR) released in 2022, we have carried out collection, recycling, co-processing, and safe disposal of **18,584 MT** of post-consumer waste, including multilayer plastic (MLP), rigid and flexible plastic in FY23.

To ensure timely completion of our EPR activity, and confirm that handling, recycling, disposing, and documentation processes of our waste management agencies (WMAs), are in line with government norms, we appoint competent external agency to conduct independent third-party audit for selected WMAs and recyclers.

T Transform value chain sustainability

We are incorporating sustainable practices throughout the value chain through **SAMYUT**, our responsible sourcing programme. Through **SAMYUT**, we seek ethical responsibility from our value chain partners in the realm of legal and regulatory compliance, social responsibility and environmental responsibility.

We are seeking 100% legal and regulatory compliance on environmental and social aspects from our partners.

Our business associates are evaluated for environmental management practices in our value-chain, with focus on following practices:

- Establishment of Environmental Management System
- Energy Savings
- Emission Control
- Water Conservation
- Waste Minimization
- Reduction in plastic waste
- Biodiversity Preservation

The **SAMYUT** framework, at Level 1, facilitates education and awareness amongst our value chain partners on best practices, and encourage the partners to self-declare their environmental performance. Progressively, at Level-2, Value chain partners are audited on given environmental criteria. For selected suppliers, Marico aim to undertake joint projects and technical know-how to pilot best practices.

Through **SAMYUT**, we are also establishing transparency in our value chain and tracing our raw materials from source. Currently, we are establishing traceability mechanism in our coconut value chain in southern India.

Strategic alliances and partnerships

India Plastics Pact

To scale-up our circularity-based interventions within and beyond the sectoral boundaries, Marico decided to join hands with the India Plastics Pact, a transformational and collaborative platform created by WWF India and CII, anchored at the CII-ITC Centre of Excellence for Sustainable Development (CESD), with support from WRAP, a global NGO based in the UK.

Marico is a founding member of the India Plastic Pact. Our packaging strategy is aligned with the Pact's 2030 vision.

CORPORATE Information

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vinay M A

AUDIT COMMITTEE:

- **Mr. Nikhil Khattau**
  Chairman
- **Ms. Hema Ravichandar**
  Member
- **Mr. Milind Barve**
  Member
- **Ms. Apurva Purohit**
  Member (w.e.f. August 6, 2022)
- **Mr. Vinay M A**
  Secretary to the Committee

NOMINATION AND REMUNERATION COMMITTEE (ERSTWHILE CORPORATE GOVERNANCE COMMITTEE)

- **Ms. Hema Ravichandar**
  Chairperson
- **Mr. Nikhil Khattau**
  Member
- **Mr. Rajeev Vasudeva**
  Member
- **Ms. Apurva Purohit**
  Member (w.e.f. April 7, 2022)
- **Mr. Amit Prakash**
  Secretary to the Committee

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- **Mr. Ananth Sankaranarayanan**
  Chairman (w.e.f. April 1, 2022)
- **Mr. Harsh Mariwala**
  Member
- **Mr. Rajendra Mariwala**
  Member (upto May 5, 2023)
- **Mr. Saugata Gupta**
  Member
- **Mr. Milind Barve**
  Member
- **Ms. Nayantara Bali**
  Member (w.e.f. April 7, 2022)
- **Mr. Amit Bhasin**
  Secretary to the Committee

RISK MANAGEMENT COMMITTEE

- **Mr. Nikhil Khattau**
  Chairman
- **Mr. Saugata Gupta**
  Member
- **Mr. Pawan Agrawal**
  Member & Secretary to the Committee

STAKEHOLDERS' RELATIONSHIP COMMITTEE

- **Mr. Nikhil Khattau**
  Chairman
- **Mr. Rajendra Mariwala**
  Member
- **Mr. Saugata Gupta**
  Member
- **Mr. Vinay M A**
  Secretary to the Committee

BANKERS

- State Bank of India
- Axis Bank Limited
- IndusInd Bank
- Citibank N.A.
- HDFC Bank Limited
- ICICI Bank Limited
- Kotak Mahindra Bank Limited
- Standard Chartered Bank
- The Hong Kong and Shanghai Banking Corporation Limited

STATUTORY AUDITORS

M/s. B S R & Co. LLP

INTERNAL AUDITORS

Deloitte Touche Tohmatsu India LLP

COST AUDITOR

M/s. Ashwin Solanki & Associates

SECRETARIAL AUDITOR

Dr. K. R. Chandratre

REGISTERED OFFICE

7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai 400 098

OUR PRESENCE

- **Factories** – 13
  (7 in India and 6 overseas)
- **Regional Offices** – 4 in India
- **Depots** – 25 in India
- **Overseas Offices** – 21

WEBSITES

- www.marico.com
- www.niharnaturals.com
- www.parachuteadvansed.com
- www.mylivonmysalon.com
- www.saffolalife.com
- www.fittify.in
- www.setwet.com
- www.beardo.in
- www.mycocosoul.com
- www.puresense.co.in
- www.justherbs.in
- www.true-elements.com
- www.maricoinnovationfoundation.org
- www.parachutekalpavriksha.org
- www.studioxstyle.com

AWARDS AND ACCOLADES

IN THE spotlight

Corporate

- Marico recognised in 'Leadership' category, by CRISIL, in its Sustainability Yearbook 2022
- Marico's Consumer Services Cell certified ISO 10002:2018 for 9th consecutive year
- Recognised by Quantic in Cyber Security Excellence Award 2022 – Cyber Security, Manufacturing
- Winning entry in Quality Improvement Initiative Competition by the Quality Council of India, conducted by National Board for Quality Promotion
- Recognised by IiAS in LEADERSHIP category in Indian Corporate Governance Scorecard for the 3rd consecutive year
- Dr Shilpa Vora- Chief R&D Officer awarded Women's Achiever Award for Leadership and Excellence from Jaslok Hospital & Research Centre.
- Recognised for Service Quality Excellence for Best Customer Service at Iconic Platinum Awards 2023

Marketing & Innovation

- Nihar Naturals recognised in Personal Care category for the 'Braids' ad at Kantar Creative Effectiveness Awards 2022
- Beardo awarded 'Brand of the Year- 2022' for Driving Excellence in Male Skincare by India Today
- Saffola Fitify won the Jury 2022 awards in Best Media Mix category at Flipkart Ads
- Parachute Advanced Coco Repair Body Lotion recognised as the Best Anti-Ageing Cosmetic Product of the Year at Beauty Wellness and Personal Care Excellence Awards
- Coco Soul Coconut Melt Balm recognised as Best Personal Care Product of the Year at Beauty Wellness and Personal Care Excellence Awards

Human Resources

- Marico's Perundurai Plant won the 'Milestone Merit Award' in Workforce category at the IMC Ramkrishna Bajaj National Quality Award
- Awarded Economic Times - Employee Excellence Award 2022
- Winner of BML Munjal Award for Business Excellence through People Learning & Development in Private sector - Manufacturing category
- Recognised as Company with Great Managers Awards by People Business and The Economic Times
- Ranked in top 25 safest workplaces list in India at Kelp HR Posh Awards 2022
- Recognised as Best Employer of India - 2023, by Kincentric and Forbes

ESG

- Ranked among top 3 India's Most Sustainable Companies in India by BW Businessworld IMSC 2022-23 in FMCG sector
- Recognised for Excellence in Corporate Governance at the 22nd National Awards, conducted by the ICSI
- Ranked among #Top10 of The 2021 Capri Global Capital Ltd. HURUN INDIA's Impact 50 list for aligning with 17 Sustainable Development Goals
- Recognised among #Top5 Water Positive Companies in 2021 Capri Global Capital Ltd. HURUN INDIA Impact 50 List for alignment with UN's Net Positive approach.
- Recognised by Indo-American Chamber of Commerce, India's Climate Action Award at IACE Awards 2022
- Winner of Leadership Green Products & Services by ESG India Leadership Award 2022
- 2nd FICCI Sustainable Agriculture Summit recognised Parachute Kalpvriksha Foundation for outstanding sustainable farmer income enhancement
- Recognised as the Best healthcare company of the year at Food Safety Summit and Awards 2022
- 1st prize in Edible Oil Sector received from Smt. Droupadi Murmu, President of India, at the National Energy Conservation Awards 2022
- Marico was the only Indian FMCG company to be listed in Steward Leadership list of top 25 companies across Asia Pacific Region for its ESG practices
- Recognised by FSSAI for Capacity Development and Training in Food Safety
- Sanand Plant received IGBC Platinum Certification from Indian Green Building Council
- Corporate Citizen Award 2023 by ET

Management Discussion & Analysis

This discussion covers the financial results and other developments for the year ended March 31, 2023, with respect to our Consolidated business, comprising the domestic and international business. The Consolidated entity has been referred to as 'Marico' or 'Group' or 'Company' in this discussion.

Some statements in this discussion describing projections, estimates, expectations, or outlook may be forward looking. Actual results may however differ materially from those stated, on account of various factors, such as changes in government regulations, tax regimes, economic developments, exchange rate and interest rate movements among other macro-economic factors, competitive environment, product demand and supply constraints within India and the countries within which the group conducts its business.

Economic Scenario

Global

The global economy witnessed persistent headwinds through the year. The broadening inflationary pressures, spill overs from Russia-Ukraine crisis, and a resurgence of COVID-19 cases in China weighed on global economy in 2022. As a result, after some revival in 2021, the global economy grew at 3.4% in 2022. The International Monetary Fund (IMF) estimates the pace of growth to bottom-out in 2023 at 2.8%, which is much below the long period average growth of ~3.5%. The current deceleration observed in the global economic activity has been the sharpest since 2001, barring the 2008 financial crisis and COVID-19 pandemic in 2020. While China's reopening in the second half of 2022 paved the way for a better-than-expected recovery, monetary tightening to curb inflation and subsequent banking sector vulnerabilities continue to weigh on global recovery.

Advanced Economies (AEs) registered a growth of 2.7% in 2022. However, growth is likely to be uninspiring at 1.3% in 2023 as estimated by IMF, dragged by the highest inflation seen over the last four decades across economies. Monetary policy tightening to curb inflation is expected to drag down demand with effects visible until 2024. Across major economies, high-frequency indicators such as business/consumer sentiment, mobility indicators and purchasing managers' surveys point towards a slowdown.

Growth across Emerging Markets and Developing Economies (EMDEs) was relatively healthier at 4% in 2022, with an expected growth of 3.9% in 2023. The Asia region had a deeper-than-expected slowdown in 2022 with only 4.4% growth, largely attributable to China slowing down owing to strict pandemic restrictions. Domestic price pressures led by sharp appreciation of the US dollar and debt-distress across various low-income and developing economies have broadly pulled down the EMDEs.

While the global economy grappled with a slowdown in 2022, inflation projections in 2023 are lower than in 2022 in 80% of the economies. The expected lower inflation levels are reflective of cooling international fuel and non-fuel commodity prices, largely due to a weaker global demand environment. Although IMF estimates global growth to recover to 3% in 2024, it is unlikely to cross the historical average, given the quantitative tightening by central banks, potentially persistent Russia-Ukraine geopolitical tensions and the recent financial sector turmoil.

India

The Indian economy has been relatively resilient amidst the prevailing global headwinds and uncertainty. As per IMF estimates, India is projected to have grown at 5.9% in FY23, which could improve to 6.3% in FY24. The post-pandemic recovery of the Indian economy was stronger-than-expected, led by private consumption and aided by a rebound in government spending. The Government's ongoing thrust on infrastructural development through the National Infrastructure Pipeline with a projected investment outlay of $ 1.7 Trillion in the FY2019-25 period has also strengthened the nation's prospects, given the likely expansion in employment generation, logistics, energy independence and consumption.

However, the economy has also been grappling with inflation woes. Headline inflation remained above the RBI's tolerance band for most of 2022, leading to cost-of-living pressures and subsequently lower private consumption. Brent crude, though corrected from the highs of $100+/bbl, remains at elevated levels of $80+/bbl. While vegetable oil prices had a sequential downturn, the prices remain elevated with respect to 2019 and 2020 levels. In the latter half, there has been some moderation across most commodities, with milk and wheat being the only exceptions.

The trends across various economic activity indicators point towards a structurally resilient economy in the medium term. The consumer confidence levels, which is an indication of future trends of household consumption and savings, and general economic situation sentiments, have improved to the highest levels since March 2020. The unemployment rate decreased despite an increase in the average labour force participation, indicating improved job creation. A rising consumer confidence and robust labour market indicate relatively strong growth in consumption in the near-term.

The Union Budget 2023 did not stray from the path of fiscal consolidation and continued its growth focus led by capex push, which should result in a positive multiplier impact for the economy. The higher capital investment outlay of ₹ 10 Trillion will not only support the infrastructure sector, but also create employment opportunities and drive consumption. Further, an increase in subsidized agriculture credit target to ₹ 20 Trillion will support agriculture and aid in rural recovery. The rejig in personal income tax slabs should provide much-needed relief to taxpayers and may encourage higher consumption or savings.

Going forward, the agricultural and allied sectors are anticipated to play a pivotal role in revitalizing rural demand. While manufacturing industry has steadied and is emerging out of contraction, services industry has maintained its momentum as the COVID-19 impact completely fades away. Additionally, recovery in contact-intensive sectors and rebound in discretionary spending are projected to support urban consumption, underpinned by positive sentiments prevailing among businesses and consumers. With strong levers of strong credit growth, resilient financial markets, and the government's continued thrust on capital spending and infrastructure, Indian economy is expected to accelerate ahead of many peer economies.

Bangladesh

Bangladesh has been among the high-growth economies in the past two decades, aided by its robust demographic dividend, strong ready-made garment (RMG) exports and resilient remittance inflows. GDP growth continued to recover and edged up to 7.1% in FY2021-22 (ended 30th June 2022), driven by services, and was marginally higher than 6.9% recorded in FY2020-21 (ended 30th June 2021). However, in the recent past, the economy has witnessed strong headwinds with a surge in commodity price inflation and rise in imports. Inflation was higher at 6.2% in FY2021-22 vis-à-vis 5.6% in FY2020-21, reflecting higher global commodity prices and local currency depreciation against the US dollar (depreciated 9.2% in FY2021-22). Furthermore, a deficit in the balance of payments and lower remittances led to depletion in foreign exchange reserves.

As per the Asian Development Outlook 2023, published by Asian Development Bank (ADB), Bangladesh's growth is estimated to moderate to 5.3% in FY2022-23 (ending on 30th June 2023), due to weaker demand from advanced economies, monetary tightening and persistently high commodity prices. However, post the near-term challenges, growth in FY2023-24 (ending on 30th June 2024) is projected to bounce back to 6.5%, aided by domestic energy costs cooling off and strong demand for ready-made garments from the US and Europe regions post their economic recovery.

Vietnam

Vietnam's post-pandemic recovery was impressive as the economy grew at 8% in CY2022, aided by healthy exports, robust foreign direct investment, and recovery in domestic consumption. The removal of COVID-19 restrictions and the achievement of nationwide vaccine coverage boosted growth, particularly in services. Consumption and investment witnessed a strong momentum with a highest-ever FDI disbursement in Vietnam, reflecting investors' confidence in its economic recovery. Neighbouring economies bolstered exports, which partly offset lower exports to the advanced economies.

As per ADB's outlook, growth is expected to slightly moderate to 6.5% in CY2023 and 6.8% in CY2024, despite being constrained by the global slowdown, continued monetary tightening and spill over from the ongoing Ukraine war. Public investment will be the key driver for economic recovery and growth in 2023. On the demand side, revived tourism, new public investment and stimulus programs and a salary increase (effective in July 2023) is expected to keep domestic consumption on the rise, though higher inflation may hamper its recovery.

Middle East and North Africa

The Middle East and North Africa (MENA) region grew at 5.2% in CY2022 as per IMF estimates. Among the Gulf Cooperation Council (GCC) countries, inflation has been muted relative to high-income countries as rising interest rates, generous subsidies and strong local currencies have eased the pass-through of higher imported prices to businesses and consumers. The increase in oil and gas prices propelled by the Russia-Ukraine conflict benefitted the Middle East economies with windfall realizations. Additionally, lower Covid-19 occurrences in the first half of 2022 and high vaccination rates also supported economic recovery.

Egypt witnessed healthy growth of 6.6% in FY2021-22 (ended 30th June 2022), reflective of a healthy bounce back at double the pace of FY2020-21 (ended 30th June 2021). However, post the Russia-Ukraine conflict, economic activity has been negatively impacted by multiple global shocks, especially visible in the rising cost of domestic and imported inputs. Egypt's economy has been grappling with high inflation on account of global price dynamics, exchange rate depreciation, and domestic supply bottlenecks.

As per IMF's outlook, MENA region is projected to moderate to 3.1% and 3.4% in CY2023 and CY2024. The growth moderation is primarily due to tight policies to restore macroeconomic stability, agreed OPEC+ production cuts, and the fallout from the recent deterioration in global financial conditions. However, growing focus of GCC countries on diversification towards green and non-hydrocarbon sectors could act as a strong pivot for accelerated growth in the medium-term. Egypt's growth, undermined by internal and external challenges, is also estimated to moderate to 3.7% in FY2022-23 (ending on 30th June 2023), before starting to improve over the medium-term, contingent to fiscal prudence and higher private participation.

South Africa

After a COVID-19 rebound in CY2021, South Africa witnessed a modest 2% growth in CY2022, as per IMF estimates, due to the combination of a weak structural growth, power shortages and an external slowdown. While the economy is above pre-pandemic levels, steep unemployment levels and higher inequality continue to ail the economy.

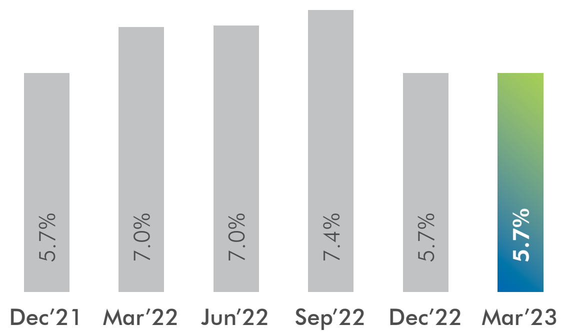
As per IMF's outlook, economic growth is projected to decelerate further to 0.1% in CY2023, before rebounding to 1.8% in CY2024. While the global environment will be supportive, domestic constraints with electricity supply shortages resulting in high business costs, rising unemployment levels, increase in fuel and food prices are key risks to the economic growth.

Fast Moving Consumer Goods (FMCG) Sector in India

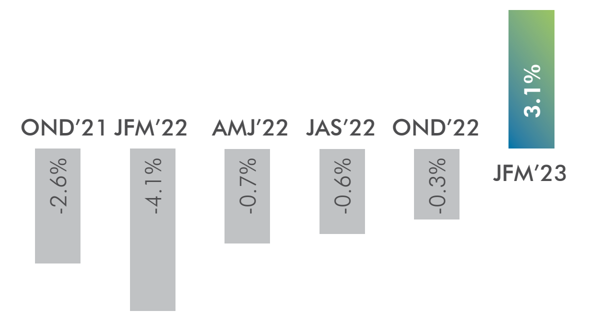
The fast-moving consumer goods (FMCG) sector is India's fourth-largest sector and has grown healthily over the years, aided by the rise in disposable incomes, growing young population and increased brand consciousness among consumers. India continues to be an immense growth opportunity since it still has one of the lowest per capita FMCG consumption in the world with many sub-categories of FMCG having very low penetration levels. Within the FMCG sector, Household and Personal care category accounts for ~50% of the sales, while the Healthcare and Food & Beverages categories contribute to ~31% and ~19% of the overall sales, respectively. The rural sector, spread across 650,000 villages, accounts for ~60% of India's population and contributes to ~40% of the FMCG sales. Notwithstanding the demand sluggishness in recent times, rural India continues to provide a large headroom for growth for the sector.

In FY23, the FMCG sector volumes grew only marginally, reflective of a slowdown as persistent inflation, led by geo-political tensions in Europe and global supply chain disruptions, followed by monetary tightening by central banks, weighed on consumption for the better part of the year. However, as commodity and retail inflation moderated towards the end of the year, volume growth entered into positive territory in the last quarter of the year after five quarters of decline, signalling prospects of a sustained recovery. During the period, urban consumption was steady throughout the year, while rural demand was tepid as it was far more impacted by rising retail inflation. Among the categories, Packaged Foods drove growth for the sector, given lower penetration levels and high urban salience. Home and Personal Care (HPC) categories were under pressure and exhibited downgrading and downtrading trends, as household budgets of value conscious consumers were constrained by inflationary pressures.

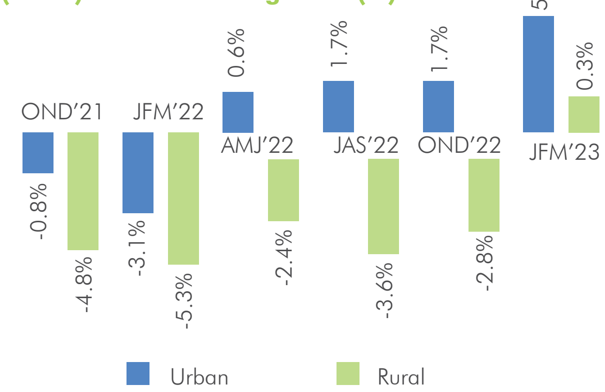
CPI inflation (%)



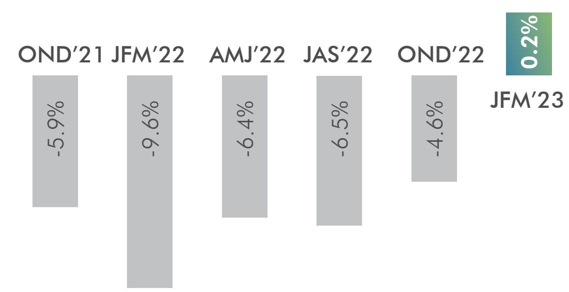
All-India (U+R) FMCG Volume growth (%)



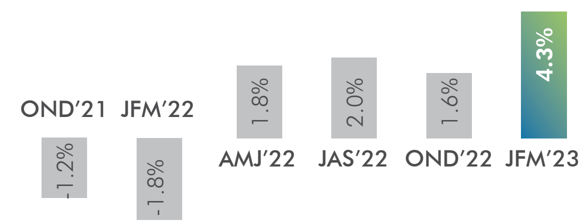
All -India (Urban) and All-India (Rural) FMCG volume growth (%)



FMCG volume growth (%) - HPC



FMCG volume growth (%) - Foods



Key Opportunities and Trends Shaping the FMCG Industry

The FMCG sector has been undergoing significant transformation with the emergence of several key changes that are taking place in the world around us. We constantly endeavour to stay agile and understand these trends and turn them into opportunities that will enable us to deliver sustainable and competitively favourable results. Below are some of the key trends witnessed over the last few years:

Evolving Consumer Behaviour and Lifestyles

Consumer behaviour and lifestyles have evolved dramatically in recent years. Consumers are increasingly becoming more conscious about their well-being and are actively seeking products and services that promote a healthy lifestyle. They are willing to invest in organic, natural and nutrient-rich foods, as well as towards fitness and wellness programs. Furthermore, convenience, especially in urban segment, has become a key factor driving consumer choices. Busy lifestyles and the desire for instant gratification have led to a rise in demand for products and services that save time and effort. The popularity of ready-to-eat/ready-to-cook offerings and rise of quick commerce has been the key outcome of the growing preference towards convenience. Consumers are also becoming increasingly aware of the environmental and social impact of their brand choices, which is indirectly inducing brands to make sustainable choices. This includes a preference for brands and products with natural/healthier ingredients, recyclable packaging, transparent disclosures on packaging labels, ethical claims, sustainable sourcing, among others.

Evolving Distribution Channels

Over the last few years, there has been a growing prominence of modern trade and online channels (e-commerce, direct-to-consumer (D2C) and quick commerce). During the pandemic, the adoption of online channels accelerated further as consumers preferred contactless and cashless retail experiences. Efficient logistics as well as multiple modes of digital payments have also fuelled the exponential growth of e-commerce in the last few years. However, the General trade channel continues to contribute to a large majority of the sales for the sector. While the channel is imbibing higher degree of professionalism and witnessing consolidation among players, it is also evolving to meet consumers' growing demand for convenience. Traditional kirana stores, which are small independent grocery stores, are adopting digital payments and offering wider assortments, home delivery facilities and promotions. Retailers are also investing in digital technologies to enhance their operations, in terms of inventory management, accounting, billing, payments and customer management, to compete in this evolving FMCG distribution landscape.

As a result, the FMCG sector has now adopted omni-channel strategies to provide a seamless shopping experience to consumers across multiple channels, including physical stores, e-commerce platforms, mobile apps, and social media. This allows customers to engage and purchase products through their preferred channels, integrating online and offline experiences.

Adoption of Digital Technologies and Leveraging Data

In the post-pandemic world, building capabilities in digital technologies and data analytics is crucial to adapt to rapidly evolving consumer behaviour and sensitivities, changes in the distribution landscape and disruptions in the industry. Advanced data analytics techniques, such as predictive analytics and machine learning, help identify trends, understand consumer behaviour, and forecast demand. These insights improve decision-making across product development, pricing and marketing strategies. These technologies also help in streamlining operations in the areas of stock management, logistics and distribution planning, among others, thereby improving their productivity. Artificial Intelligence-powered systems and algorithms provide significant potential for improved operational efficiency, enhanced customer experiences, data-driven decision-making and the ability to adapt quickly to changing market dynamics.

Furthermore, the rise of e-commerce and D2C channels have transformed consumer engagement. Digital technologies allow integration of real-time data to augment marketing and sales strategies and provide each customer with a more personalized experience. Digital marketing capabilities namely, influencer marketing, social commerce and social listening also help create targeted marketing campaigns and engage better with their customers.

Performance Review

In FY23, Marico Limited posted a consolidated turnover of ₹ 9,764 Crores (USD 1.2 billion), up 3% from the previous year. The underlying domestic volume growth for the year was 1% and constant currency growth in the international business was 13%. The business delivered operating profit of ₹ 1,810 Crores, up 8% over the last year. The operating margin stood at 18.5%, up 87 bps from the previous year. Recurring consolidated net profit after tax was at ₹ 1,280 Crores, up 4% over the last year. Reported consolidated net profit after tax was at ₹ 1,302 Crores, up 6% over the last year.

Domestic Business (75% of Consolidated Revenues)

The domestic business registered a turnover of ₹ 7,351 Crores, marginally higher than the last year. Volume growth was modest at 1%, owing to persistent retail inflation weakening consumption trends, especially in the rural sector. The operating margin of the India business was at 19.8% in FY23 vs 17.4% in the previous year. The improved profitability was a result of moderation in the prices of key commodities such as copra and vegetable oils as well as a more favourable portfolio mix.

Coconut Oil (37% of Domestic Business)

Parachute Rigids (packs in blue bottles) posted 1% volume growth in FY23. In addition to the prevailing weak consumption sentiment, the performance reflected the sluggishness in loose to branded conversions during a large part of the year following the extended decline in copra prices and the lag in resultant pricing interventions to take effect given the 6-8 week channel pipeline. However, the brand witnessed positive traction from the end of the third quarter once copra prices firmed up and stabilized during the off-season, thereby allowing input and consumer pricing to harmonise. Despite the soft environment, volume market share of the brand remained steady through the year. The non-focused Coconut Oil portfolio also gained traction in the second half of the year and posted high single digit volume growth in FY23. Overall, the volume market share of the Coconut Oil franchise (including Nihar Naturals and Oil of Malabar) consolidated at 62% (Mar 2023 MAT).

Approximately 30% of the coconut oil market is still unbranded, and Parachute Coconut Oil, being a dominant market leader in the branded coconut oil market, is well poised to capture a significant share of loose to branded conversion and maintain its medium-term growth aspirations. The prospects of a gradual rural demand recovery and a relatively lower rural volume market share for the brand Parachute also exhibit a healthy runway for growth over the medium term. We will continue to strengthen the brand equity of Parachute across regions by raising awareness of the 'goodness of pure coconut oil' and ramp up micro-marketing interventions to drive penetration.

Saffola Franchise: Super Premium Refined Edible Oils (23% of Domestic Business) and Foods (8% of Domestic Business)

The Saffola franchise, comprising of Super Premium Refined Edible Oils and Foods, was flattish in value terms.

Saffola Edible Oils posted a muted performance due to unprecedented volatility in global edible oil prices, which led to a cautious trade sentiment during the year. The year started with a sharp spike in vegetable oil prices, in reaction to geo-political tensions and supply chain disruptions in Europe, followed by prices stabilising at elevated levels for a short while and then deflating month on month over the last few months. As a result, the brand charted an uneven volume growth trajectory during the year. Although trade remained cautious, the brand witnessed healthy offtakes and held its market share during the year.

Saffola Gold, the leading variant of Saffola Edible Oils, continued its media investments aimed at building the relevance of heart care by highlighting that 'the daily stress one goes through impacts the heart'. Through its advertisements, Saffola has focussed on the importance of proactive heart care while also taking a progressive societal stance of reversing gender roles in households. A focused distribution drive to increase outlet reach across all key regions also showed results. The brand would continue its thrust on gaining penetration through:

- Thematic TV presence along with a strong digital presence to build relevance and accelerate adoption across channels
- Maintaining an optimal Relative Price Index (RPI) vis-à-vis competing Edible Oils while maintaining a sustainable balance between pricing and profitability
- Continue driving upgrades through trials and accessibility by building focussed SKUs to induce trials from smaller households
- Strengthening 'Better for Heart' superiority through content pieces on Saffola blended oils with a focus on Saffola Gold
- Driving E-com offtakes through performance marketing and last mile conversion in Modern Trade (MT) & General Trade (GT) through in-store initiatives

Foods delivered 20% growth in FY23 to close near the ₹ 600 crore revenue mark, led by strong growth in core Oats franchises and traction building up in some of the newer launches during the year.

The Saffola Oats franchise consolidate its No. 1 position with ~43% value market share in the overall Oats category on a MAT basis (Mar'23).

Saffola Masala Oats launched a new high-decibel thematic reinforcing ""Mazedaar Khao Jee Bhar Ke" as its key proposition. The thematic highlights the constant struggle that taste-loving Indians on healthy diets face and their need for a 'healthier-for-you' yet flavoursome offering. In addition, regional media continued its efforts to accelerate growth across key markets. To further scale up the Oats franchise, we are making concerted efforts towards increasing reach through outlet expansion. Additionally, the brand will focus on increasing visibility across top stores in both GT and MT, while driving on-platform adoption on E-commerce.

Saffola Soya Chunks, our plant-based protein offering, continued its growth momentum and is well poised to be a ₹ 100+ crore brand in the near-term. The brand witnessed strong traction across key markets with its communication, "India's softest & tastiest soya". During the period, we also expanded our plant-based protein portfolio with the launch of **Saffola Soya Bhurji** - a delicious protein-rich snack that can be prepared in just 5 minutes.

Saffola Honey has garnered 20%+ market share in E-Commerce and nearly double-digit market share in Modern Trade. During the year, we restaged Saffola Honey with the launch of 2 variants – **Saffola Honey Active** and **Saffola Honey Gold**. Saffola Honey Active (multiflora honey including the delicious Sundarban Forest honey) complies with 22 stringent FSSAI parameters to ensure it is free from any adulteration and 100% pure. Saffola Honey Gold (multiflora honey made using Kashmir Honey), priced at a premium, is tested using the latest NMR technology to ensure it is free from any adulteration. With a dual portfolio strategy, we will continue to scale-up by broadening our presence and gaining market share in the category.

The Company launched **Saffola Peanut Butter** and **Saffola Mayonnaise** during the year and has been receiving positive response and traction since the launch. The strategy to have a differentiated offering - peanut butter with jaggery and low-fat mayonnaise, extends the 'better-for-you' portfolio of Saffola.

To further expand the Foods portfolio and broaden its play, Saffola entered ready-to-eat healthy snacking category with the launch of healthy snack offerings under the aegis of **Saffola Munchiez**. Saffola Munchiez, combines the power of healthier grains/superfoods along with delightful flavours to provide better alternatives, with the launch of **Ragi Chips** and **Roasted Makhanas (foxnuts)** in multiple flavours. In both offerings, Saffola stayed true to its "better for you" credentials as Ragi Chips have 50% less saturated fat compared to chips fried in palm oil, while Roasted Makhanas shifts consumers away from fried snacks.

We will continue to drive meaningful innovations in Foods under the brand 'Saffola' and create a differentiation in the categories we foray into to drive trials and stay relevant with our offerings.

In May 2022, the Company announced a strategic investment in HW Wellness Private Limited with an acquisition of ~54% equity stake. HW Wellness Solutions Private Limited owns "True Elements", a clean label, digital-first brand playing in the rapidly growing healthy breakfast and snacks segment in India. The brand is anchored on providing "Food that DOES NOT LIE to you" and promises 0% preservatives, 0% chemicals & 0% added sugar in its offerings. It offers a wide range of products spanning across categories of Western breakfast cereals (oats, quinoa, muesli, granola, flakes), Indian ready-to-cook breakfast (poha, upma, dosa) and snacks (mixes of roasted seeds, raw seeds, nuts and dry fruits), among others. True Elements currently garners majority of its business through online marketplaces and is working towards ramping up its offline presence over the next few years.

Value-Added Hair Oils (22% of Domestic Business)

Value Added Hair Oils delivered value growth of 4% in FY23. Given the higher presence in the mass-to-mid segment, the portfolio witnessed sluggish trends amidst weakness in mass personal care categories and muted rural sentiment. Within the category, mid and premium segments continued to fare better than the bottom of the pyramid segment. The category continues to be directionally in line with mass personal care categories and we expect a gradual uptick in growth over the course of the year ahead. With inflation moderating and likelihood of a recovery in rural, we expect growth to be broad based from the coming year. During the year, the Company maintained its leadership position at 36% volume market share and 28% value market share.

Nihar Shanti Amla witnessed mid-single value growth during the period and maintained its market share stronghold. Rural micromarketing activity continued to build incremental media reach in deep rural, media-dark geographies to improve brand awareness and drive penetration gain through upgrades.

Parachute Advansed Jasmine delivered a relatively healthier performance with high single digit value growth, owing to its focus on key strategic levers of maximizing spontaneous awareness, festive activation in its core markets and driving weighted distribution. Going forward, the brand will continue its investments in building proposition through new communications and continuous media salience in core markets.

Hair & Care, with its revised proposition around damage repair, continues to drive penetration for the brand. The brand witnessed the highest-ever penetration level in a decade in key markets in West India. Hair & Care aims to strengthen its association with damage repair by leveraging festive occasions-led relevance such as damage repair during Holi, the festival of colours, among others. The brand will continue to accelerate reach of trial packs via retail and wholesale to grow in its core states.

Parachute Advansed Aloe Vera continued to witness penetration gains in key markets and gained significant traction in E-com and MT channels. The brand crossed ₹ 100 crore+ in revenues this year and will continue to invest in key markets to drive growth.

Parachute Advansed Ayurvedic Hair Oil has built a strong presence in the anti-hairfall category with strong salience in southern India. The brand delivered a steady performance during the year. Broadening our play in the anti-hairfall category, we also launched **Parachute Advansed Onion Hair Oil**. The brand has gained traction on the E-Commerce channel and been extended to select offline channels in the last quarter of the year.

Over the medium term, we aim to grow the Value-Added Hair Oils franchise by adopting a three-pronged strategy:

- Aggressively engage at the bottom of the pyramid by leveraging the value-conscious mindset of rural consumer and their strong preference for trusted brands.
- Drive growth in the mid-segment through competitive pricing and brand renovation.
- Aim to expand market share in the premium segment, where we are relatively under-represented, by focusing on brand building and innovations offering higher order sensorial and functional value.

Premium Personal Care and Digital First Portfolio (~7% of Domestic Business)

The Premium Personal Care portfolio grew in high double digits with broad-based growth across the Male Grooming and Livon Serums portfolio. The **Set Wet** male grooming portfolio delivered healthy growth across its hair styling portfolio. The brand is fortifying its category dominance in hair wax category, which has been growing in prominence. As the market leader, **Set Wet** will continuously invest in marketing and distribution to maintain a strong brand presence among its target customers.

Livon has scaled-up aggressively and is now a ₹ 100 crore+ brand. **Livon Serums** went on-air with its new proposition of 'stylist in a bottle' where the brand promises to make styling easy. The advertisement launched on digital platforms aims to strengthen Livon's positioning and build relevance among its consumers.

Beardo continued its strong growth momentum during the year. Launched in 2015 with a distinct beard styling proposition, Beardo has since evolved into a full-stack male grooming brand today. Currently, more than two-thirds of the brand's revenues come from non-beard grooming products. Beardo's unique positioning and focussed digital communication has resulted in the brand creating an exclusive identity for itself in the male grooming space. The brand has also built offline presence in 15,000 salons with its exclusive Beardo Studio Professional range, used and recommended by stylists across the country.

Just Herbs has delivered impressive growth during the year driven by building a healthy consumer franchise on the back of quality and efficacy of its offerings in Ayurveda-led beauty categories. Just Herbs offers a line of pure, bespoke and Ayurvedic results-driven skin and hair care offerings, made from certified organic and wildcrafted ingredients collected from across India. The brand signifies building a world where beauty is more inclusive, transparent, and wholesome.

Coco Soul and **Pure Sense** offer a wide assortment of products in personal care and have been scaling up well.

Coco Soul offers personal care products that harness the goodness of coconut and blend it with the magic of Ayurveda. Powered with naturally occurring antioxidants and active botanicals along with 100% organic, cold-pressed, virgin coconut oil at its core, Coco Soul's range of natural products restore skin and hair to their eternal beauty.

Pure Sense is a fruit-led personal care brand, which offers a range of skincare, mood elevating fragrances, and bath & body products. Pure Sense believes that beauty is deeply rooted in one's well-being and aims to create a delightful self-care journey, which is nourishing and regenerative for the consumers as well as the environment.

Sales and Distribution - India

During the year, the Company institutionalized a new sales framework (internally dubbed as Sales 3.0), that shall enable it to continue winning in the marketplace by strengthening our micro market focus and execution, bringing enhanced agility with on-ground decision-making and leveraging technology and analytics. The new framework alters our sales operating structure from four divisions (North, East, West and South) to seven clusters, categorized based on similar consumer behaviour, brand preferences and geographical contiguity.

Marico reaches 5.6 million outlets, serviced through its expansive network of 900 distributors and 7,500 stockists. This network covers 59,000 villages in India and almost every Indian town with a population of over 5,000. The Company has continued to expand direct distribution in rural and urban and currently serves about 1 million outlets directly.

In FY23, the General Trade channel declined, while alternate channels of Modern Trade and E-commerce, witnessed double-digit growth in volume terms. Urban sector fared better than rural, given the more pronounced impact of inflation on the latter. Given the divergent trend between the traditional and alternate channels, MT and E-com contribution to domestic sales rose to ~29% in FY23.

General Trade: In the traditional channel, the Company continued to refine its go-to-market strategy for enhanced coverage, impact, and efficiency. In this endeavour, the Company has deployed a multi-dimensional approach:

- **Foods GTM (FGTM):** Aligned to the strategic priority of driving disproportionate growth in the Foods portfolio, the Company launched a dedicated Foods Go to Market (FGTM). FGTM is currently present in 21 cities and materially contributes to Foods' business in the General Trade channel. With dedicated feet on street, we have been able to drive productivity and range presence across outlets. FGTM has played a significant role in introducing newer products, namely, Mayonnaise, Peanut Butter and Munchiez, into the market. We will continue to invest in this initiative to build a second distribution engine for growth.
- **Capability building:** We continue to enhance the capabilities of our sales force by leveraging tech platforms and re-introducing classroom trainings. Some of the key capability-led interventions include enhancing the induction program for all sales team members and introducing a 'Train the Trainer' program for selected resources.
- **Integrating Technology into Operations:**
    - o The Company also launched a Sales Control Tower to provide visibility of field force efficiency and monitor in-market key performance indicators (KPIs). The Sales Control Tower has allowed Marico's personnel to collaborate with the sales force in real time, thereby improving execution. We plan to sharpen in-market execution by leveraging location-based data from the coming year.
    - o The Company transitioned to Cloud DMS during the year, which enables its channel partners to manage their operations with ease and improved efficiency, while ensuring enhanced data security.
    - o AI/ML tools for driving execution: The Company is exploring various AI/ML powered solutions to enhance the width and depth of its distribution and minimise stock-outs in stores.

Modern Trade: The Company continued to deliver healthy growth in Modern Trade owing to strong partnerships, channel focused pack strategy and superior in-store merchandising. Back-end technology interventions such as AI-driven order processing and a control tower has led to improved order fulfilment. Technology based interventions driven by AI have led to greater on-shelf availability (OSA) and reduced out-of-stock (OOS) events. Marico continues to work closely with its channel partners to create curated offerings that delight and provide value to consumers.

Ecommerce: The E-commerce business also continued to grow in double-digits in FY23 on the back of portfolio interventions, customer partnerships and increased engagement with our customers. We launched and scaled several Foods NPDs and continued to strengthen our market shares in the oats and honey categories on the channel. Newer launches such as peanut butter and mayonnaise garnered double-digit market shares across major platforms. Quick commerce platforms, ideally suited for impulse and convenience purchases, also contributed to the overall Foods business. The E-commerce channel drove our premiumization efforts in value-added hair oils through several launches in the form of onion oil, aloe-enriched and jasmine-enriched hair oils. We also partnered with key platforms on several supply chain led interventions to drive best-in-class practices to deliver consumer delight through our brands.

International Business (25% of Consolidated Revenues)

The International business posted a turnover of ₹ 2,413 Crores, a growth of 11% over the last year. The business reported constant currency growth of 13%, with each market performing well. The operating margin of the International business was at 23.7% in FY23 vs. 24.4% in the previous year. Higher input costs and currency headwinds in certain markets impacted profitability of the international business.

Bangladesh (48% of International Business)

The Bangladesh business posted constant currency growth of 10% in FY23 despite a challenging business environment during the year. This was a sixth consecutive year of double-digit growth, which is testament to our strong brand equity, distribution strength and leadership quality in the region. While strengthening its core portfolio, the business is also investing into newer categories, namely Baby Care and Shampoos. During the year, the business forayed into new shampoo-based hair colouring category and has been witnessing positive traction. With sustained investments guided towards expanding and developing newer categories, the business has successfully reduced its dependence on the Coconut Oil portfolio. The revenue share of non-Coconut oil portfolio has significantly increased from sub-20% in FY15 to ~40% currently. The Company will continue to leverage its strong distribution network and learnings from the Indian market to further scale up future engines of growth in Bangladesh and strengthen its brand presence across categories.

South-East Asia (24% of International Business)

The South-east Asia (SEA) business ended the year with a healthy 14% constant currency growth in FY23, led by a 19% constant currency growth in Vietnam. The HPC business posted double-digit growth driven by the X-Men portfolio of male shampoos, deodorants and shower gels. Foods also maintained its healthy growth momentum during the year.

During the year, we forayed into female personal care through the introduction of the brand 'Lashe Superfood', which offers nourishment solutions for female hair and skin. We also acquired female personal care brands, 'Purité de Prôvence' and 'Ôliv', offering a range of premium and differentiated hair care and skin care products. The addition of these brands significantly expands our play in the female beauty and personal care category and increases the total addressable market in Vietnam.

Middle East and North Africa (MENA) (14% of International Business)

The MENA business posted 21% constant currency growth in FY23, led by strong performance in the Coconut Oil and VAHO portfolio in the Middle East and Fiancée male hair styling portfolio in Egypt. The Middle East and Egypt businesses grew 20% and 25%, respectively, in constant currency terms.

South Africa (7% of International Business)

The South Africa business grew 18% in constant currency terms in FY23, driven by the hair care and Isoplus portfolio.

New Country Development & Exports (7% of International Business)

The New Country Development & Exports business grew by 18% in FY23. We remain positive on the future prospects of the business as we expand our franchises in newer geographies.

Overview of Consolidated Results of Operations

Total Income

Our total income consists of the following:

1. Revenue from operations comprises sales from 'Consumer Products', including coconut oil, premium refined edible oils, value-added hair oils, anti-lice treatments, fabric care, functional and other processed foods, hair creams and gels, hair serums, shampoos, shower gels, hair relaxers and straighteners, deodorants and other similar consumer products, by-products, scrap sales and certain other operating income.
2. Other income primarily includes profits on sale of investments, dividends, interest, GST budgetary support and miscellaneous income.

   The following table states the details of income from sales and services for FY22 and FY23:

Particulars (₹ crore)	FY22	FY23
Revenue from operations	9,512	9,764
Other income	98	144
Total Income	**9,610**	**9,908**

Expenses

The following table sets the key profit and loss account line items for FY22 and FY23:

Consolidated P&L (₹ crore)	FY22	% of Revenue	FY23	% of Revenue
Revenue from operations	**9,512**		**9,764**	
Cost of materials	5,436	57.1%	5,351	54.8%
Employee cost	586	6.2%	653	6.7%
Advertisement and sales promotion	796	8.4%	842	8.6%
Other expenditure	1,013	10.6%	1,108	11.4%
EBITDA	**1,681**	**17.7%**	**1,810**	**18.5%**
Depreciation and amortization	139	1.5%	155	1.6%
Finance charges	39	0.4%	56	0.6%
Profit before tax	**1,601**	**16.8%**	**1,743**	**17.9%**
Tax	346	3.6%	421	4.3%
Profit after tax and MI	**1,225**	**12.9%**	**1,302**	**13.3%**
Recurring profit after tax and MI*	**1,225**	**12.9%**	**1,280**	**13.1%**

*Recurring profit after tax (after minority interests) excludes one-time gain on land sale in .

Cost of Materials

Cost of materials comprises consumption of raw material, packing material and semi-finished goods, purchase of finished goods for re-sale and increase/decrease in the stocks of finished or goods in process and by-products. In FY23, prices of domestic copra were down by 18%, rice bran oil decreased by 6%, LLP was up 33% and HDPE was up 11%.

Direct Tax

The effective tax rate (ETR) was 24.2% in FY23. Due to expiration of fiscal benefits in one of the manufacturing units, ETR was 254 bps higher than FY22.

Capital Utilisation

Given below is a snapshot of various capital efficiency ratios for Marico:

Particulars	FY23	FY22
Return on Capital Employed (ROCE)	44.0	44.6
Return on Net Worth (RONW)	36.4	37.2
Debt Equity Ratio	0.11	0.10
Current Ratio	1.29	1.17

Particulars	FY23	FY22
Interest Coverage Ratio	31.6	42.1
Working Capital Ratios (Group)		
Debtor Turnover (Days)	31	20
Inventory Turnover (Days)	49	49
Net Working Capital (Days)	21	12

The Company has maintained healthy working capital and return ratios through the year.

Return on Net Worth (RONW) has declined to 36.4% in FY23 as against 37.2% in the previous year primarily on account of lower net profit growth vis-à-vis the accretion in net worth.

Interest Coverage Ratio has declined to 31.6 in FY23 as against 42.1 in the previous year, primarily due to higher finance cost following the rise in interest rates.

Outlook

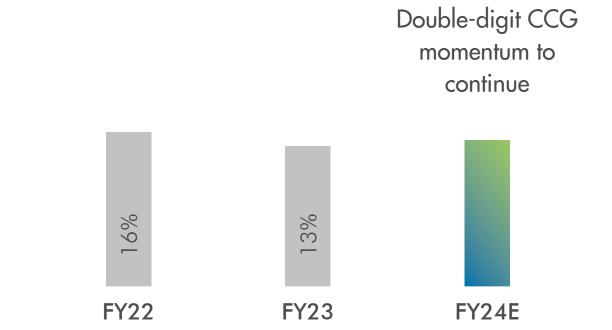
Near Term View

In the domestic business, we will drive volume led growth and market share gains across our portfolios, aided by distribution expansion, aggressive cost controls and adequate investment in market development and brand building. We will keenly monitor rural growth and are hopeful of a recovery in demand considering a good harvest season, forecasts of a normal monsoon season and increase in government spending.

The International business has maintained a steady momentum of healthy profitable growth over the last few years. While there are risks of currency depreciation and inflation in some markets in the near-term, we are confident of maintaining a double-digit constant currency growth momentum.

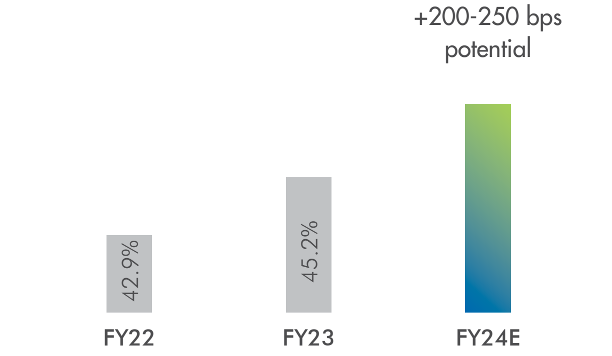
On the input cost front, key input materials, other than crude oil derivatives, have stabilized at lower levels. We expect our gross margins to improve by 200-250 bps in FY24, given the cooling off in commodity inflation and portfolio mix normalising favourably. A&P investments will continue to be a key thrust for growth. Owing to these factors, consolidated operating margin should move up by at least 100 bps on a year-on-year basis in FY24.

International Business (CCG)



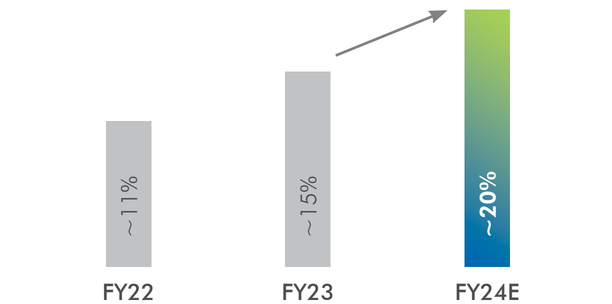
Maintain double-digit CCG momentum with all markets performing

Gross Margin Trending Up



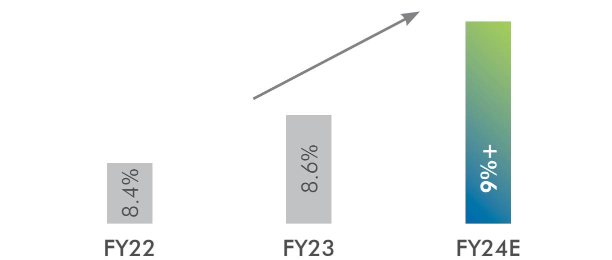
GM uptrend to continue with RM moderating and improved portfolio mix

India - Diversification Journey



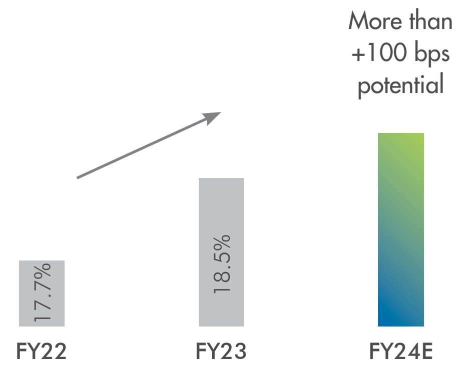
Consistent upstick in revenue share of Foods, Premium Personal Care and Digital-First brands

A&P as a % of sales - Key Thrust for Growth



A&P spends to continue as long term growth driver

Operating Margin Expansion Likely



EBITDA margin expected to expand by more than 100 bps

Medium Term View

We hold our medium-term aspiration to deliver 13-15% revenue growth on the back of 8-10% domestic volume growth in the domestic business and double-digit constant currency growth in the international business. We will aim to maintain consolidated operating margin above the threshold of 19% over the medium term.

India: We remain confident of the medium-term prospects of the FMCG sector in Indian as near-term headwinds of inflation and demand slowdown settle down. We shall be committed to make progress along the core strategic areas of diversification, distribution, digital and diversity that shall enable us to deliver sustainable and profitable growth over the medium-term. These have been detailed in the chapter titled 'Strategy'.

In **Parachute Rigids,** we expect to grow volumes in the range of 5-7% over the medium term, given the market structure and strengthening brand equity. In **Value-Added Hair Oils**, we aim to deliver double-digit value growth over the medium term. Driving value share gains ahead of volume share in the overall portfolio through premiumization led by innovations and mix improvement will be our key focus over the medium term. In **Saffola Edible Oils**, we expect high single-digit volume growth over the medium term. In Foods, we aim to step up the pace of growth across our franchises and cross the ₹850 cr. revenue mark in FY24 on the back of continued innovation, focused distribution initiatives and market development. We will build the Premium Personal Care portfolios into growth engines of the future and deliver double-digit value growth over the medium term in these portfolios. We aim to sustain the pace of our digital transformation journey by leveraging the capabilities and scale of the overall business coming through digital channels and ramping up the current portfolio of digital-first brands to ₹400 Cr. in revenue run rate (on exit basis) in FY24.

International: In Bangladesh, the competitive strength of our brands and our distribution reach in the region have enabled the business to stay firm even amidst recent macro headwinds. Over the medium term, we expect double-digit constant currency growth in the business given our competitive position and significant growth headroom in the market. In Vietnam and MENA, we have set the fundamentals right and are suitably replicating attributes from the strategy that has worked in Bangladesh, in order to build a sustained growth momentum in both businesses. The expansion into the female personal care category will provide a fillip to the Vietnam business in the medium term. The MENA market presents an attractive growth opportunity and we will invest to grow in this market. In South Africa, we expect to protect the core franchise of ethnic hair care and health care over the medium term.

Shareholder Value

Your Company's wealth distribution philosophy aims at sharing its prosperity with its shareholders, through a formal earmarking/disbursement of profits to its shareholders, while retaining sufficient profits in the business for various purposes. The dividend pay-out ratio for FY23 was 45% of the recurring consolidated net profit after tax as compared to 97% on a similar basis in the previous year. The lower dividend pay-out for FY23 was primarily on account of utilization of funds at a group level for strategic acquisitions made in India and Vietnam. However, average dividend pay-outs to shareholders for the last 3 years stands at a healthy ~75% of the recurring consolidated net profit after tax, and your Company is committed to maintaining a strong dividend pay-out going forward, in accordance with its Dividend Distribution Policy.

Human Resources

Our 'People-first' ethos is built upon the core tenets of trust, transparency, inclusion, and integrity. We are committed to strengthening our talent and culture to chart our next phase of growth. Over the course of the last year, we took several initiatives in this direction, which are presented in the chapter titled 'Members'.

Information Technology & Digital

We continued to invest in digital and analytics to streamline our processes, improve operational efficiencies and enhance customer experience. We have continued to leverage social media platforms, e-commerce websites and targeted digital marketing across our brands to drive customer engagement and build brand loyalty. The share of digital spend is nearly one-fourth of the total mix. Analytics and digital technologies have facilitated gathering of rich consumer insights which have driven product innovation, customer experience and subsequently boost sales growth. Further details of the latest initiatives and developments have been provided in the chapter titled 'Consumers'.

Risk Management

Risk management is the process of identifying, assessing, and prioritizing potential risks and taking appropriate actions to mitigate or control them. It involves recognizing potential threats or uncertainties that may affect the achievement of objectives and implementing strategies to minimize their negative impact. Being a dynamic and iterative process, it requires proactive planning, ongoing monitoring, and periodic reassessment to address emerging risks and changing circumstances. Risks can arise from internal or external sources and may stem from financial, operational, technological, legal, environmental, or other factors. Details of the risks envisaged and our strategic response to the same are presented in the chapter titled 'Risk Management'.

Internal Control Systems and their Adequacy

We have a well-established and comprehensive internal control structure across the value chain to ensure that our assets are safeguarded and protected against loss from unauthorized use or disposition, transactions are authorized, recorded, and reported correctly and operations are conducted in an efficient and cost-effective manner. The key constituents of the internal control system are:

- Establishment and periodic review of business plans
- Identification of key risks and opportunities and regular reviews by top management and the Board of Directors Policies on operational and strategic risk management
- Clear and well-defined organization structure and limits of financial authority
- Continuous identification of areas requiring strengthening of internal controls
- Standard Operating procedures to ensure effectiveness of business processes
- Systems of monitoring compliance with statutory regulations
- Well-defined principles and procedures for evaluation of new business proposals/capital expenditure
- Robust management information system
- Comprehensive Information Security Policies and guidelines
- Comprehensive internal audit and review system
- Well-defined Internal Financials Controls framework
- An effective whistle-blowing mechanism
- Training/awareness sessions on policies and code of conduct compliance
- Robust Crisis Management Framework

The internal control system is regularly tested and reviewed by an independent internal auditor. The internal auditor is appointed by the Audit Committee of the Board. All possible measures are taken by the Audit Committee to ensure the objectivity and independence of the Internal Auditor, including quarterly one-on-one discussions. The Company also has a management audit team which carries out internal control reviews and follow-up audits. The team is also responsible for monitoring implementation of action points arising out of internal audits. The internal auditors and management audit team, as part of their audit process, carry out a systems and process audit to ensure that the ERP and other IT systems used for transaction processing have adequate internal controls embedded to ensure preventive and detective controls. The audit process includes validation of transactions on sample basis to check if the operations of the company are conducted in compliance to internal policies and ethical standards defined by the company. The audit report is reviewed by the management for corrective actions and the same is also presented to and reviewed by the Audit Committee of the Board. Internal audits and management reviews are undertaken on a continuous basis, covering various areas across the value chain like procurement, manufacturing, information technology, supply chain, sales, marketing, compliance, and finance with the intent to cover all material business processes and locations under internal audit at least once in every 3-4 years. The internal audit programme is reviewed by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Reports of the internal auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. Summaries of the reports and actions taken on audit findings are presented to the Audit Committee of the Board. We have also deployed audit analytics in the domains of sales, procurement, manufacturing, supply chain and employee spends. It helps in continuous control monitoring of control effectiveness and areas where actions are required. The Internal Controls team reviews output of this tool and derives corrective action on timely basis. In order to strengthen control environment, audit analytics will be deployed in other functions of Marico's India operations as well as key international geographies. Deloitte Touche Tohmatsu India, LLP has carried out our internal audit in the year under review. The work of internal auditors is coordinated by an internal team at our end. This combination of our internal team and expertise of a professional firm ensure independence as well as effective value addition and protection.

Internal Financial Controls (IFC)

As per Section 134(5)(e) of Companies Act 2013, IFC means the policies and procedures adopted by company for ensuring:

- Accuracy and completeness of accounting records
- Orderly and efficient conduct of business, including adherence to policies
- Safeguarding of its assets
- Prevention and detection of frauds

We have implemented a robust internal financial controls framework within the company. The Internal Financial Controls have been documented and embedded in the business processes. Design and operating effectiveness of controls are tested by the management annually and later audited by statutory auditors. Statutory auditors have issued an unqualified report after checking the effectiveness of these controls.

The management believes that strengthening IFC is a continuous process and therefore it will continue its efforts to make the controls smarter with focus on preventive and automated controls as opposed to mitigating manual controls. The company has robust ERP and other supplementary IT systems which are integral part of internal control framework. The company continues to constantly leverage technology in enhancing the internal controls. On a voluntary basis, our material subsidiary, Marico Bangladesh Limited ("MBL") has also adopted this framework. Over time, we will extend this framework to our other overseas subsidiaries.

Business Responsibility and Sustainability Report (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the Company

1. Corporate Identity Number (CIN) of the Listed Entity:	L15140MH1988PLC049208
2. Name of the Listed Entity:	MARICO LIMITED
3. Year of incorporation:	13-10-1988
4. Registered office address:	7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098
5. Corporate address:	7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098
6. E-mail id:	investor@marico.com
7. Telephone:	022 - 66480480
8. Website:	www.marico.com
9. Financial Year for which reporting is being done:	2022-23
10. Name of the Stock Exchange(s) where shares are listed:	1. BSE Limited 2. National Stock Exchange of India Limited
11. Paid-up Capital:	₹129.31 Cr
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Name: **Mr. Amit Bhasin** Designation: Chief Legal Officer and General Counsel Email Id: amit.bhasin@marico.com
13 Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together):	The financial information presented in this report pertains to Marico Limited ("Marico" or "Company") on a standalone basis. The non-financial disclosures are limited to Marico's India operations, unless otherwise specified at relevant sections.

II. Products & Services

14. Details of business activities (accounting for 90% of the turnover) -

S. no.	Description of main activity	Description of business activity	Percentage turnover of the entity
1	Fast moving consumer goods	Foods, skincare, hair care and personal care	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. no.	Product/Service	NIC Code	% of total Turnover contributed
1	Edible Oil	10402	60%
2	Packaged Foods (Cereals)	10616	5%
3	Personal care	20236	26%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	7	5	12
International	6	10	16

17. Markets served by the entity:

A. Number of Locations

Locations	Number
National (No. of States)	All states & UT
International (No. of Countries)	49

B. What is the contribution of exports as a percentage of the total turnover of the entity?

4%

C. A brief on types of customers

Marico is one of India's leading consumer products companies in the global beauty and wellness space. It operates in product categories such as Coconut Oil, Refined Edible Oils, Value Added Hair Oils, Leave-in Hair Conditioners, Male Grooming and Packaged Foods, among others. Marico's product portfolio caters to a diverse range of consumer needs and preferences, ranging from hair nourishment and styling to nutrition, immunity, and healthy snacking. Marico has a large distribution network of more than 7500 distributors covering over 5.6 million retail outlets across urban and rural India as well as strong presence across key Modern Trade chains and E-Commerce platforms. This network helps us reach out to more than 59,000 villages in India and almost every Indian town with population over 5,000. The backbone of the well-connected distribution channel which ensures availability of our products to consumers are the state-of-the-art facilities which includes 6 manufacturing facilities, 25 warehouses and 4 re-distribution centers.

IV. Employees

18. Details as at the end of Financial Year:

(a) Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		Employees				
1.	Permanent (D)	1741	1446	82.72%	295	17.28%
2.	Other than Permanent (E)	15	6	53.85%	9	60%
3.	**Total employees (D + E)**	**1756**	**1452**	**82.78%**	**304**	**17.64%**
		Workers				
4.	Permanent (F)	65	65	100.00%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	**Total workers (F + G)**	**65**	**65**	**100.00%**	**0**	**0%**

(b) Differently abled Employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		Differently abled employees				
1.	Permanent (D)	13	8	61.5%	5	38.5%
2.	Other than Permanent (E)	1	1	100%	0	0
3.	**Total differently abled employees (D+E)**	**14**	**9**	**64.3%**	**5**	**35.7%**
		Differently abled workers				
4.	Permanent (F)	0	0	0%	NA	NA
5.	Other than permanent (G)	0	0	0%	NA	NA
6.	**Total differently abled workers (F+G)**	**0**	**0**	**0%**	**NA**	**NA**

19. Participation/Inclusion/Representation of women

Description	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	3	27%
Key Management Personnel	3	0	0%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

S. No	Description	FY23			FY22			FY21		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
1	Permanent employees	16.29%	15.91%	16.23%	17.27%	15.89%	17.06%	12.48%	14.10%	12.71%
2	Permanent Workers	0%	0%	0%	1.5%	0%	1.5%	1.5%	0%	1.5%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

S. no.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Marico Bangladesh Limited (MBL)	Subsidiary	90%	No
2	MBL Industries Limited	Subsidiary	100%	No
3	Marico Middle East FZE	Subsidiary	100%	No
4	MEL Consumer Care SAE	Subsidiary	100%	No
5	Egyptian American Company for Investment and Industrial Development SAE	Subsidiary	100%	No
6	Marico South Africa (Pty) Limited	Subsidiary	100%	No
7	Marico South Africa Consumer Care (Pty) Limited	Subsidiary	100%	No
8	Marico Egypt for industries SAE	Subsidiary	100%	No
9	Marico for Consumer Care Products SAE	Subsidiary	100%	No
10	Marico Malaysia Sdn.Bhd	Subsidiary	100%	No

S. no.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
11	Marico South East Asia Corporation	Subsidiary	100%	No
12	Marico Innovation Foundation	Subsidiary	100%	Yes
13	Parachute Kalpvriksha Foundation	Subsidiary	100%	Yes
14	Marico Lanka (Private) Limited	Subsidiary	100%	No
15	Zed Lifestyle Pvt. Ltd.	Subsidiary	100%	No
16	Apcos Naturals Pvt Ltd.	Subsidiary	60%	No
17	Marico Gulf LLC.	Subsidiary	100%	No
18	HW Wellness Solutions Private Limited.	Subsidiary	53.98%	No
19	Beauty X Joint Stock Company	Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

22. (ii) Turnover (in ₹) - 74,77,80,72,999

22. (iii) Net worth (in ₹) - 36,74,24,16,042

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct. (Information required for all the stakeholder groups separately)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY23			FY22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://marico.com/india/contact-us/query-form	0	0	-	0	0	-
Investors (other than shareholders)	Yes https://marico.com/india/investors/investor-relations-grievances	0	0	-	0	0	-
Shareholders	Yes https://marico.com/india/investors/investor-relations-grievances	27	0		30	0	
Employees and workers	Yes https://sustainability.marico.com/pdfs/Marico-Code-of-Conduct.pdf	16	4	Cases reported in Q4 were pending resolution in March'23 (end of the year	6	0	-
Customers / Consumer	Yes https://marico.com/contact-us/location-address	66	0	-	102	0	-
Value Chain Partners	Yes https://sustainability.marico.com/pdfs/Marico-Code-of-Conduct.pdf	3	0	-	4		-
Other (please specify) - Channel Partners	-	Nil	Nil	-	Nil	Nil	-

24. Overview of the entity's material responsible business conduct issues: Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	R & O	**Risk:** • Marico relies on agricultural produce for raw material sourcing. Climate change related events such as draught, flooding, change in weather patterns can have adverse impact on agricultural productivity and thus, affect raw material availability.	• Reduction in direct and indirect GHG emissions through: • Investment in low-carbon technologies • Increase in share of renewable and clean energy. • Carbon sequestration through afforestation.	Negative Implications due to climate related impacts on raw material availability and operations Positive implications due to opportunities for innovations for climate resilient agriculture and innovations for low carbon solutions.
			• Marico's manufacturing facilities and associated value chains could be vulnerable to disruptions from climate change-related extreme weather events. **Turning Risk into opportunity:** Minimisation of environmental footprint from operations; enhanced fuel, energy, and cost savings	• Mapping of physical climate risks across agriculture-value chain	Marico's energy intensity per rupee of turnover has reduced from 25 GJ/Crore in FY22 to 24.4 GJ/Crore in FY23.

No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Agricultural productivity	R & O	**Risk:** Agriculture is a major source of raw materials for Marico's products, including food, personal care, and household products. Therefore, any disruption in the agricultural sector can potentially lead to supply chain disruptions, higher costs, and ultimately affect the profitability of the company. **Turning Risk into opportunity:** • Establishing traceability of agro-based raw materials directly from the source of origin • Boosting productivity and livelihood generation for farmers by deploying sustainable agricultural techniques	• Promotion of sustainable agricultural practices for farmers to adapt to environmental risks. • Diversification of supplier portfolio • Enhanced direct engagement with critical suppliers	Negative Implications as reductions in agricultural productivity can result in price volatility for agricultural commodities leading to increased costs for the company and may result in higher prices for consumers, which can impact demand for their products. Positive Implications due to opportunities for sustainable agricultural practices and enhancing supply chain traceability for critical raw materials.
3	Plastic Waste Management	R & O	**Risk:** Plastic waste management has become a critical issue in recent years due to its adverse impact on the environment. We, at Marico, understand the criticality of taking actions to reduce the plastic waste footprint of the company. However, the process of plastic waste management can incur an increase in the operations costs which include compliance costs (obtaining licenses, permits, and certifications), packaging costs (R&D, product testing, and design changes), plastic waste collection and disposal costs, and supply chain costs (higher costs for sourcing raw materials, transportation, and logistics). To comply with extended producer's responsibility, Marico must ensure collection, recycling, co-processing, and safe disposal of pre- and post-consumer plastic waste. This can lead to increase in cost of operations. **Turning Risk into opportunity:** • Creation of sustainable packaging portfolio based on circularity principles • Minimisation of products' emissions footprint, thus reducing the overall Scope 3 emission intensity • Active participation in promoting circular economy principles within sectoral and market dynamics	• Dematerialisation in packaging • Use of recycled as well as recyclable plastic materials in packaging. • 100% compliance to Extended Producer Responsibility (EPR) framework to ensure collection, proper recycling/ co-processing, and environmentally safe disposal of pre- and postconsumer plastic waste. • Dematerialisation in packaging • Use of recycled as well as recyclable plastic materials in packaging. • 100% compliance to Extended Producer Responsibility (EPR) framework to ensure collection, proper recycling/ co-processing, and environmentally safe disposal of pre- and postconsumer plastic waste.	Negative Implications as Handling and disposing of plastic waste can be costly, particularly if the company needs to invest in additional waste management infrastructure or technologies. Positive Implications due to opportunities for product innovation and creation of circular business models.
4	Freshwater Availability	R & O	**Risk:** Marico relies on water-intensive raw materials and manufacturing processes which might be located in regions where water scarcity is a major concern. Water shortages can lead to supply chain disruptions, crop failures, and increased production costs for the company, which can ultimately impact the availability and price of goods for consumers. **Turning Risk into opportunity:** • Rejuvenation of water balance in the ecosystem through replenishment of reserves in areas of water stress • Reduced dependence on freshwater sources by switching to stored rainwater within facilities to meet process-related requirements, and recycling effluents for industrial and domestic consumption	• Source water vulnerability assessment for all operations (using scientific tools and methods) to identify water stress quotients near Marico's manufacturing footprint. Replenishment of equivalent volumes of water as consumed in operations, through various capacity creation measures that benefit local community and agriculture • Installation of water efficient measures, rainwater storage units and technological upgrades across commercial and operational premises • Integrating zero liquid discharge principles	Negative implications as water scarcity can lead to increased costs for the company due to investments in water-saving technologies or switch to alternative, more expensive water sources. This can lead to reduced profitability and increased product prices for consumers. Positive implications due to opportunities for watershed development and freshwater demand management. Marico has created 292 Crore litres of water capacity for communities equivalent to more than 2.5 times of the water consumption in Marico's operations. Water intensity per rupee of turnover has reduced to 16.06 in FY23 compared to 16.43 in FY22.
5	Product safety	R & O	**Risk:** Products that are not safe for consumption or use can pose significant health risks to consumers. This can result in product recalls, regulatory penalties, and reputational damage. Marico need to uphold highest levels of product safety standards in food products as well as personal care products to prevent any potential harms to consumers. **Turning Risk into opportunity:** • Improvement in environmental and social footprint of products • Establishment of traceability • Ensuring 100% compliance with world-class quality and safety norms	Conducting Product Sustainability Assessments for top product SKUs (by revenue) to measure product quality, ingredient safety, and product environmental footprint across lifecycle, and certify products on internal standards	Negative implication as product recalls from the market can result in significant costs, including the cost of product replacement, disposal, and potential legal fees. Positive implications due to opportunities for consumer centric product innovation
6	Talent acquisition and retention	O	• Investing in 'hiring right', 'talent development and engagement' program helps attract and retain top talent. • Socially inclusive and responsible work culture that leads with ethics, ownership, and trust improves employee's productivity.	-	Positive implications as effective talent acquisition and retention strategies, will improve employee turnover rate, attract new talent, and overall enhance company's human capital

No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Employee health safety and well being	R & O	**Risk:** Employees can face workplace hazards leading to Injuries and illnesses can result in increased medical costs, lost productivity, and legal liabilities. Additionally, poor employee health and well-being can result in increased absenteeism and turnover rates. **Turning Risk into opportunity:** • Risk- free operations and improved productivity • Building a safe and sustainable working environment to boost employee motivation	• Focus on reducing risk exposure and enhancement of mitigation practices across facilities though training, monitoring, and implementation of safe practices • Driving employee engagement and wellbeing programmes for better mental health and stress-free life	Negative implication as any workplace health and safety concerns can negative impact employee productivity. Positive implications due to opportunities for enhance employee engagement.
8	Health & Nutrition	O	Food products as well as personal care products made from healthier ingredients can promote healthy lifestyle for the consumers.	-	Positive Implications due to opportunities for positive impact on the community
9	Supply chain disruptions	R & O	**Risk:** Marico relies on a complex network of suppliers, manufacturers, and distributors to produce and deliver their products to customers. Disruptions to any part of the supply chain can result in production delays and inventory shortages. **Turning Risk into opportunity:** • Adoption of responsible business practices across value chain • Promotion of local, indigenous produce that has a significantly lower environmental footprint	• Promoting local procurement • Implementation of responsible sourcing framework 'Samyut' for critical suppliers - raw material, packaging material suppliers, depots and warehouses, third party manufacturing units • Advocating business ethics and human rights principles through trainings and business communications for all suppliers to help them imbibe human rights principles in their operations	Negative implication as production delays can lead to increased costs and decreased revenue. Supply chain disruption can increase costs if the company is forced to source materials or products from alternative suppliers or manufacturers. Positive implications due to opportunities for enhanced engaged with suppliers and promotion of use of local, indigenous raw materials.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements

Policy and management processes

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1c. Web Link of the Policies, if available*	1. Anti-bribery & Anti-corruption Policy 2. Code of Conduct 3. Environment Policy 4. Product Stewardship Policy 5. Occupational Health & safety Policy 6. Human Rights Policy 7. POSH Policy 8. Equal Opportunity Policy 9. Responsible Sourcing Policy 10. Responsible Marketing Policy 11. CSR Policy 12. ISMS Policy								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	1. Policies are aligned with International Standards like ISO 14001: Environment Management System, OHSAS 18001/ISO 45001: Occupational Health and Safety Management Systems, SA 8000: Social Accountability, and FSSC 22000/ISO 22000/ HACCP: Food Safety Management System. 2. We have also ensured adherence to applicable laws and international standards like Global reporting initiative (GRI), IIRC, CDP, ILO, UNSDG etc. 3. Administrative and factory building are designed as per "Green building codes of IGBC". 4. Our non-financial data is assured by DNV based on International Standard on Assurance Engagements 3000 (ISAE 3000).								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	Marico declared sustainability focus areas and related targets in FY17 covering climate change, water, responsible sourcing, circular economy and social commitments. Company has achieved phase 1 targets for all these focus areas in year ended with Mar 31, 2022. Considering the changing environment and expectations from leading corporates, we deliberated the need to review the focus areas and add new challenging and relevant goals. We have launched the Marico ESG 2.0 framework, which serves as a launchpad to the next Decade of Action (2030). The eight focus areas that will top the agenda are - 1. Climate Change: Achieve "**Net Zero emissions**" in global operations and mitigate value chain climate impact in-line with the 1.50 scenario 2. Water Stewardship : Become a 'water steward' organization by creating water availability to community and ensure **water neutral operations** 3. Circular Economy : Minimize environmental impact of plastics through out their life cycle through **100% recyclable or reusable plastic and usage of PCR** 4. Responsible Sourcing : Promotion & support adoption of responsible practices throughout the supply chain through **certification for critical suppliers: 100% for Level-1 and 50% for Level-2**								

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	5. Brands with Purpose: Make a difference to our stakeholders by driving **5 purposeful brand programs** 6. Inclusion and Diversity: Create an inclusive & diverse culture and work environment 7. Sustainable Agriculture: Boost economic self-sufficiency of farmers by improving the productivity of their farms 8. Corporate Governance: Ensuring Corporate governance by practicing ethical business practices and robust risk mitigation. Further details are given in Integrated Annual Report.								

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

No.	Goal / Focus area	Achievement
1	Climate change	1. Reduction in GHG emissions intensity : 77% (Against FY13 baseline) 2. Renewable energy share : 66% 3. Carbon neutral units : 01 4. Green building : 04
2	Water Stewardship	1. Operational water footprint offset through rain-water potential creation : 100% 2. Rain-water conservation potential created : 292 Cr Litre 3. Rainwater collected and used in operations : 5410 KL 4. Recycling and usage of effluent in operations : 100%
3	Circular economy	1. Recyclable packaging material share : 94% 2. Recycled plastic (PCR) : 2 Successful projects with 10% - 20% PCR 3. EPR compliance : 100%
4	Responsible sourcing	1. Critical business associates certified for Level 1 : 68% 2. Critical business associates certified for Level 2 : 8%
5	Brands with purpose	1. Parachute brand is committed for driving sustainable agriculture and helping coconut farmers with scientific farming practices to improve productivity. 2. Nihar is committed for helping under privileged children in education and has benefitted 11 Lac children and 2.74 Lac teachers
6	Inclusion and diversity	1. Diversity: 26.8% 2. Inclusion index: 82.5
7	Sustainable agriculture	1. No. of farmers enrolled : 81000
8	Corporate governance	1. Code of conduct certification (employees): 100% 2. Critical vendors awareness creation about "Code of business ethics" : 100% (Material procurement)

*Links to policies is in the table below:

Policies	Links
1. Anti-bribery & Anti-corruption Policy	https://sustainability.marico.com/pdfs/Anti-Bribery-Anti-Corruption-Policy.pdf
2. Code of Conduct	https://sustainability.marico.com/pdfs/Marico-Code-of-Conduct.pdf
3. Environment Policy	https://sustainability.marico.com/pdfs/Environment%20Policy.pdf
4. Product Stewardship Policy	https://sustainability.marico.com/pdfs/Product%20stewardship%20policy.pdf
5. Occupational Health & safety Policy	https://sustainability.marico.com/pdfs/Occupational%20Health%20&%20Safety%20policy.pdf
6. Human Rights Policy	https://sustainability.marico.com/pdfs/Human%20rights%20Policy.pdf
7. POSH Policy	https://sustainability.marico.com/pdfs/Marico-PoSH-Policy.pdf
8. Equal Opportunity Policy	https://sustainability.marico.com/pdfs/Equal%20opportunity%20policy.pdf
9. Responsible Sourcing Policy	https://sustainability.marico.com/pdfs/Responsible%20Sourcing%20Policy.pdf
10. Responsible Marketing Policy	https://sustainability.marico.com/policies-and-positions
11. CSR Policy	https://sustainability.marico.com/pdfs/Corporate_Social_Responsibility_Policy.pdf
12. ISMS Policy	https://sustainability.marico.com/pdfs/Marico-IT-Policy.pdf

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Please refer to MD's statement in the Integrated Annual Report, Pg. No. 12

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Managing Director & CEO is the Director responsible for ensuring the business responsibility/ sustainability activities of the Company. The Sustainability Committee is chaired by the Chief Legal Officer & Group General Counsel and comprises three more senior officials, who assist the MD & CEO in driving the sustainability agenda.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes.

Marico has a "**Sustainability committee**" constituted by board responsible for strategy and decision making on sustainability related issues.

Details of the composition of Sustainability Committee have been provided as part of the Corporate Governance Report. Further, the Board of Directors periodically discusses ESG/Sustainability matters as part of its meetings.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Six monthly								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Six monthly								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes. Following independent assessment have been carried out – 1. **ISO 14001** and **ISO 45001** standards by Intertek and Bureau Veritas 2. CSR programs (Education, Skill development, Watershed, Sustainable Agriculture & Livelihood) by **Research Triangle Institute (RTI International)** 3. Complaint Handling Process by DNV GL for the **ISO 10002:2018** Standard. 4. Environmental performance (Energy, emissions, water, waste) data assurance by "**DNV business assurance India Pvt Ltd**" 5. Governance and risk management in internal processes is audited by **Deloitte**.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not applicable								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not applicable								
It is planned to be done in the next Financial Year (Yes/No)	Not applicable								
Any other reason (please specify)	Not applicable								

Principle 1 **Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

Essential indicators

1 : Percentage coverage by training and awareness programmes on any of the Principles during the Financial Year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impacts	%age of persons in respective category covered by the awareness programmes
Board of Directors	5	As part of familiarisation programmes and discussions during meetings, specific sessions are organized for Board Members with the Executive Management Team/ KMPs to provide an in-depth perspective and insights regarding business, innovation, ESG, CSR, human capital management, culture, Go-to-Market strategies, technology, compliance and governance, code of conduct, insider trading, POSH, etc.	100%
Key Managerial Personnel , Employees other than BoD and KMPs, Workers	23	Code of Conduct, Insider Trading, POSH, Production process, Safety & health, Sustainability, Commercial and legal compliance, Generic competency and soft skills, Stakeholder management, Operational procedures	100%

2 : Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial Institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	There were no material fines or penalties, or any such fees paid by Marico in FY23.				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	There were no material fines or penalties, or any such fees paid by Marico in FY23.			
Punishment				

3 : Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

There were no material fines or penalties, or any such fees paid by Marico in FY23.

4 : Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

Marico has an anti-corruption and anti-bribery policy. The underlying philosophy of this Policy is to conduct business in an ethical manner as well as to create a work environment that is conducive to members and associates alike, based on our values and beliefs. The Company discourages bribery and corruption in any form. The policy highlights our responsibilities to be compliant to the anti-corruption laws and to combat corruption risks.

The policy document can be accessed at the following webpage.

https://sustainability.marico.com/pdfs/Anti-Bribery-Anti-Corruption-Policy.pdf

5 : Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY23	FY22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6 : Details of complaints with regards to conflict of interest

Description	FY23 Number	FY23 Remarks	FY22 Number	FY22 Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7 : Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

Leadership indicators

1: Awareness programs conducted for value chain partners on any of the principles during the Financial Year:

Total number of awareness program held	Topics/Principles covered under training	% of value chain partners covered (by value of business done with such partners) under the awareness program
01	Marico code of business ethics covering business ethics, legal compliance, prohibition of corruption and Bribery, labor, human rights, health and safety, environment protection. Online training content was accessed by 104 business associates.	The training module was extended to all critical business associates related to raw materials and packaging materials. Vendors representing 69% of procurement by spend, participated in the training session.
01	1. Marico business and procurement overview 2. Marico code of business ethics 3. Quality assurance 4. Sustainability at Marico	Vendors covering more 25% of procurement by spend attended the session.
26	Quality assurance	More than 17% of vendors by procurement spend have participated in quality trainings related to raw materials (Copra).
04	Safety, Health & environment	• 100% of the Warehouse partners • 100% of the Third-party Manufacturing partners
03	Quality assurance	80% of vendors providing primary packaging material to Marico, participated in the training.

2 : Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Conflict of interest provisions are embedded as part of Marico's Code of Conduct, which also applies to members of the Board. Quarterly affirmation is obtained from Directors on compliance with the code of conduct. Further, the Audit Committee jointly with the Nomination and Remuneration Committee, reviews matters pertaining to the Code of Conduct on a quarterly basis.

Directors provide annual/periodic disclosures of the entities in which they are interested and nature of their relationship. Transactions with the Board Members or any entity in which such Board Members are concerned or interested are required to be approved by the Audit Committee (related party transactions). In such matters, interested Directors disclose their interest and refrain from participating in discussions as part of the Board process. In addition, Code of Independent directors is applicable to the independent directors which inter alia contains guidelines pertaining to avoidance of conflict of interest.

Code of Conduct- https://sustainability.marico.com/pdfs/Marico-Code-of-Conduct.pdf

Policy on Related Party Transactions - https://sustainability.marico.com/pdfs/Policy_on_Related_Party_Transactions.pdf

Principle 2 **Businesses should provide goods and services in a manner that is sustainable and safe.**

Essential indicators

1 : Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY23	FY22	Details of improvements in environmental and social impacts
R&D	Our products are designed to address specific needs of consumers or to offer healthy & wellness solutions. R&D spend is related to development of new product or improving current products. Hence, apart from administrative expenses (approximately 30%), all other R&D expenses are related to improving social impact of products.		
Capex	32%	44%	1. Low carbon technology and equipment 2. Renewable energy infrastructure

2 : Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes.

Marico has Responsible Sourcing Policy applicable to our suppliers, business associates, and sub-contractors including raw material suppliers, packaging material suppliers, logistic and transportation partners, warehouse, and depot associates, third party manufacturers and service providers.

The policy document can be accessed at the following weblink: https://sustainability.marico.com/pdfs/Responsible%20Sourcing%20Policy.pdf

If yes, what percentage of inputs were sourced sustainably?

In FY23, 94% of our procurement by spends were from within India. 45% of the materials (by procurement spend) were sourced from suppliers that have received Level-1 certification under Samyut Framework.

Details on Samyut framework and criteria are given in Integrated Annual Report.

3 : Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Marico manufactures products in the foods and cosmetics sector largely and therefore, products are generally used or consumed by customers. We do not reclaim post-consumer products and packaging.

We have established a process to reclaim products within our supply chain upon expiry, leakage, or transport damage. We ensure that the products and packaging are recycled or disposed of in an environmentally safe manner. Robust waste management systems in our value chain and at our facilities ensure accounting for each type of waste. We ensure that all waste is processed through CPCB/SPCB approved vendors and appropriate channels.

(a) As mentioned above, plastics and other packaging materials are recycled or safely disposed of by waste management agencies authorized by Central Pollution Control Board (CPCB).

(b), (c) & (d) Marico's products & packaging does not include E-waste and Hazardous wastes. However, these wastes are generated in operations and are disposed of by the waste management agencies authorized by Central Pollution Control Board (CPCB).

4 : Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes.

In line with the Plastic Waste Management (PWM) Rules and the national guidelines on Extended Producer Responsibility (EPR), Marico has partnered with authorized Waste Management Agencies for collection, recycling, co-processing, and safe disposal of pre & post-consumer waste. Marico is registered as a Producer and Brand Owner as per the PWM Rules. Through EPR, we have completed collection and safe disposal of 18,584 MT of post-consumer waste in FY23.

We have appointed a competent external agency to monitor the timely achievement of our EPR targets, and to ensure that handling, recycling, disposing, and documentation processes of our waste management agencies (WMAs), are in line with government norms.

In FY22-23, Marico, conducted an independent third-party audit for selected waste management agencies to verify their adherence to the PWM rules.

Leadership indicators

1 : Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

We have conducted Life Cycle Assessment of majority of our products to ascertain their impact on environment. This assessment has helped us to undertake various projects to reduce the impact as well as provide inputs for designing new products.

NIC Code	Name of product/service	Percentage of total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)
10402	Other vegetable oils (10 products)	64.59%	Cradle to grave	Yes
10616	Cereal breakfast foods (3 products)	6.70%	Cradle to grave	Yes
20236	Hair oils (17 products)	7.03%	Cradle to grave	Yes

Results were used for internal purpose and not communicated in public domain.

2 : If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Marico carried out LCA of 31 products including edible oil, foods and hair oil product portfolio. The assessment results did not reveal any significant negative environmental or social impact or risk arising from the products assessed. We have used the life cycle assessment results to identify actions to reduce product carbon footprint (PCF).

3 : Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or reuse input material to total material	
	FY23	FY22
Recycled plastics (LDPE)	2.7% of LDPE	4.5% of LDPE
Recycled plastics (PET)	3% of PET	Less than 1% of PET (By volume)

Marico has started using recycled plastic for its products in primary and secondary packaging. We have completed 2 projects successfully by using recycled plastic from 10%-20%. Overall, recycled plastic share stands at 0.58% for FY23.

Principle 3 **Businesses should respect and promote the well-being of all employees, including those in their value chains.**

Essential indicators

1 : a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	1446	1446	100%	1446	100%	0	0%	1446	100%	1446	100%
Female	295	295	100%	295	100%	295	100%	0	0%	295	100%
Total	**1741**	**1741**	**100%**	**1741**	**100%**	**295**	**100%**	**1446**	**100%**	**1741**	**100%**
Other than Permanent Employees											
Male	6	6	100%	0	0%	0	0%	0	0%	0	0%
Female	9	5	55.5%	0	0%	0	0%	0	0%	0	0%
Total	**15**	**11**	**73.3%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	65	65	100%	65	100%	NA	NA	65	100%	65	100%
Female	0	0	0%	0	0%	NA	NA	0	0%	0	0%
Total	**65**	**65**	**100%**	**65**	**100%**	**NA**	**NA**	**65**	**100%**	**65**	**100%**
Other than Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

2 : Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY23			FY22		
	No. of Employees covered as a % of total employees	No. of Workers covered as a % of total workers	Deducted and deposited with authority (Y/N/NA)	No. of Employees covered as a % of total employees	No. of Workers covered as a % of total workers	Deducted and deposited with authority (Y/N/NA)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	4%	0%	Yes	8.5%	0%	Yes

3 : Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Marico is committed to create an inclusive and barrier free environment to enable effective participation of Persons with Disabilities (PwDs). Accessible washroom is available at Corporate office, as well as some of our plant locations. The manufacturing facility at Sanand has preferred parking space, easy access to the main entrance, uniformity in floor levels and ramps with handrails also.

4 : Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

We have an equal opportunity policy published on our website.

The policy document can be accessed at the following weblink.

https://sustainability.marico.com/pdfs/Equal%20opportunity%20policy.pdf

5 : Return to work and Retention rates of permanent employees and workers that took parental leave -

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	95.94%	Facility is available to workers also. However, no parental leave availed by permanent workers in the last three years.	
Female	100%	100%		
Total	100%	96.20%		

6 : Is there a mechanism available to receive and redress grievances for the following categories of employees and workmen? If yes, please name the mechanism.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. Marico Code of Conduct details the grievance procedures applicable to all members of Marico. Apart from Code of Conduct, manufacturing facilities have safety committee and safety council where grievances can be received and redressed.
Other than Permanent Workers	Yes. Marico Code of Conduct details the grievance procedures applicable to all members of Marico. Concerned people can reach out to the designated Single Point of Contact (SPoC).
Permanent Employees	Yes, • Marico Code of Conduct details the grievance procedures applicable to all members of Marico. • At plant level, we have independent processes to capture feedback, suggestions and grievance, through regular Business HR connects, townhalls, open house, drop boxes, floor connects, skip level discussions etc. • Centrally, we conduct periodic pulse surveys through an online platform called Glint to capture issues and concerns in the form of engagement drivers. Based on all inputs, we take corrective actions and address concerns either at a unit level or at an individual level. We have a central CoC committee and grievance redressal mechanism defined and communicated to all members which addresses cases regularly. We also have an internal database management system where cases / complaints are logged. These are reported, discussed and the investigation, report findings are shared with the vigil committee. In addition to this, there are periodic audits conducted as well.
Other than Permanent Employees	Yes, Marico Code of Conduct details the grievance procedures applicable to all members of Marico. concerned persons can reach out to the designated Single Point of Contact (SPoC).

7 : Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY23 Total employees/ workers in respective category (A)	FY23 No. of employees / workers in respective category, who are part of association(s) or Union (B)	FY23 % (B/A)	FY22 Total employees/ workers in respective category (C)	FY22 No. of employees /workers in respective category, who are part of association(s) or Union (D)	FY22 % (D/C)
Total Permanent Employees	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	**65**	**60**	**92%**	**66**	**63**	**95%**
Male	65	60	92%	66	63	95%
Female	0	0	0%	0	0	0%

8 : Details of training given to employees and workers:

Category	FY23 Total (A)	FY23 On Health and safety measures No. (B)	FY23 On Health and safety measures % (B/A)	FY23 On Skill Upgradation No.(C)	FY23 On Skill Upgradation %(C/A)	FY22 Total (D)	FY22 On Health and safety measures No. (E)	FY22 On Health and safety measures % (E/D)	FY22 On Skill upgradation No. (F)	FY22 On Skill upgradation % (F/D)
				Employees						
Male	1446	1446	100%	1446	100%	1386	1386	100%	1386	100%
Female	295	295	100%	295	100%	267	267	100%	267	100%
Total	**1741**	**1741**	**100%**	**1741**	**100%**	**1653**	**1653**	**100%**	**1653**	**100%**
				Workers						
Male	65	65	100%	65	100%	66	66	100%	66	100%
Female	0	0	100%	0	0	0	0	0	0	0%
Total	**65**	**65**	**100%**	**65**	**100%**	**66**	**66**	**100%**	**0**	**0**

9: Details of performance and career development reviews of employees and worker:

Category	FY23 Total (A)	FY23 No.(B)	FY23 %(B/A)	FY22 Total (C)	FY22 No.(D)	FY22 %(D/C)
		Employees				
Male	1438	1330	92.5%	1392	1257	90%
Female	295	260	88.1%	267	238	89%
Total	**1733**	**1590**	**91.7%**	**1659**	**1495**	**90%**
		Workers				
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

10 : (a). Health and safety management system: Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes.

Health & Safety Management systems have been extensively implemented at Marico. Marico has a Occupational Health & Safety Policy which forms the heart of the system. All Marico owned factories are ISO 14001 and ISO 45001 certified. Each facility has a Safety Health and Environment (SHE) Management Committee, headed by Works Head, and includes departmental heads, which drives the SHE governance mechanism at the facility and reviews the monthly SHE performance of the facility. These committees include not only the employees but is also adequately represented by workers through the contractors. This has helped us develop a positive safety culture across the organizational footprint which has in turn enhanced our efficiency and productivity.

At the corporate head office, a dedicated team monitors, guides and assists the facilities in the implementation of Safety, Health, and Environment systems. Considering health and safety vulnerabilities in our supply chain, we have established SHE systems at our depots and third-party manufacturers as well. Each depot and third-party manufacturing location have identified a person to drive the SHE systems at their respective location. Monthly reviews are conducted to review the SHE performance of these entities. External agencies are appointed to conduct annual audits to verify and improve upon the existing health and safety practices at depots and third-party manufacturing units.

10 : (b). Health and safety management system: What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

At the factory level, robust systems such as Hazard Identification & Risk Assessment, Work Permit system, training, toolbox talks, etc., ensure that all routine & non-routine activities are assessed at defined frequencies to reduce the risks involved in the jobs. All incidents are investigated to derive meaningful insights and identified corrective and preventive actions are implemented within the stipulated time frames across all our sites to prevent a similar mishap in future. Internal and External audits are conducted all through the year which further brings about site improvements and eliminates or minimizes the hazards.

Occupational Health & Safety systems at business associates:

Every business associate is expected to follow health and safety guidelines covered under Responsible Sourcing Guidelines of Marico and qualify a set of critical SHE criterion to continue their associations with Marico. Training on Safety and health is conducted through corporate teams as well as external agencies. Standard processes of Hazard Identification, Work Permit systems, etc are followed at these facilities as well. Safety systems at business associates are verified during audits conducted by third party agencies.

10 : (c). Health and safety management system: Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. All workers and contract labour engaged in Marico facilities are trained before they commence their jobs. Emphasis is laid on safety training and it is ensured that no untrained workforce is carrying out jobs, be it routine or non-routine. Workers have different avenues to raise their concerns on SHE related matters. Every factory has a robust "Near Miss & Safety Observation Reporting system". Further, if the worker foresees hazards or is uncomfortable in carrying out the job, he or she is free to recuse himself/herself from the job. He/she can raise concerns to his supervisor and further escalate it to the plant management through the Safety officer or HR officer of the plant. Grievance redressal systems are also available at the plants where the worker can further raise the issues anonymously.

Marico has Safety, health and environmental council which has representation from all stakeholders in factory. Anyone can raise their concern in council meeting. All concerns are addressed with necessary actions.

10 : (d). Health and safety management system: Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. Every Marico factory either has a tie-up with a hospital/ doctor or has a Health Centre located inside the facility. Further, all employees must undergo a pre-employment medical health check-up. Regular medical check-up camps are organized by factories at defined frequencies. All employees are covered through appropriate medical insurance provided by the organization and all contract workers are provided insurance through their contractors. Workers also have access to medical facilities like ESIC.

11 : Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY23	FY22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers*	0.425	0.530
Total recordable work-related injuries	Employees	0	0
	Workers*	2	2
No. of fatalities	Employees	0	0
	Workers*	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers*	0	0

* Includes contract labour

12 : Describe the measures taken by the entity to ensure a safe and healthy workplace.

Marico has devised various policies & guidelines with the intent to make the workplace a safe and healthy place. Policies such as Occupational Health & Safety Policy, Leave Policy, Flexible Working Policy, etc. help in creating a balanced workplace. Marico takes pride in paying special interest to the Health & Wellbeing of members and provides various benefits such as Member Assistance Programs, Wellness packages for new parents, Health check-ups, etc. Programs are also targeted towards the fitness of members by organizing events around Yoga, Nutrition & Diet, Fitness Challenge Events. The importance given to Safety reflects through multiple facets in the organization. Measures such as mandatory safety training for everyone throughout the organization, leadership talks through the management etc help inculcate the culture around Safety. Safety committee meetings, regular internal as well as third party audits, Risk Assessment procedures, In-depth incident investigations also help in minimizing exposure to hazards in the workplace. Multiple events & drives are conducted across plants such as National Safety Week, Electrical Safety Improvement Days, etc., all through the year to improve site conditions and minimize risks.

13 : Number of Complaints on the following made by employees and workers:

Benefits	FY23			FY22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	3	0	-	4	0	-
Health & Safety	4	0	-	3	0	-

14 : Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15 : Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Marico has a robust system of carrying out internal as well as external audits of its facilities. All incidents in Marico are investigated thoroughly with an intent to deploy corrective & preventive measures to avoid similar occurrences of incidents. Assessment has led to approximately 20 corrective actions covering changes in operating procedures, infrastructure improvement and machine guarding.

Leadership indicators

1 : Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N). ->

Yes, for both Employees and Workers. We provide Group Term Life Insurance & Employee Deposit Linked Insurance.

2 : Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as payable by business associates for their employees are checked through a process of internal controls and periodic audits. The company also emphasizes labor law compliance requirements to its value chain partners as part of contract requirements and conducts periodic reviews.

3 : Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY23	FY22	FY23	FY22
Employees	0	0	0	0
Workers	0	0	0	0

4 : Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, transition assistance programs are provided to members on a case-to-case basis. This would largely depend on the skill set, expertise of the member, relevance of the role to the organization. In some cases, members are employed as consultants and work closely with us. In certain cases, there is restructuring of business / manufacturing units done, to facilitate transition of members to other units / teams depending on the role requirement and skillset fitment.

5 : Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed		
	Value chain partners - Manufacturing	Value chain partners - Warehousing	Raw material and packaging material suppliers*
Health and safety practices	100%	100%	42%
Working Conditions	100%	100%	42%

* Through responsible sourcing program

Around 80.6% of vendors/partners were assessed in value chain.

6 : Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Safety & health assessment of warehousing partners & third-party contract manufacturing partners identified opportunities to improve electrical safety and material storage practices. Marico provided necessary technical support and ensured corrective actions.

Marico engages with its business associates on periodic basis to discuss safety, health and environment practices and provide necessary inputs.

Principle 4 **Businesses should respect the interests of and be responsive to all its stakeholders.**

Essential indicators

1 : Describe the processes for identifying key stakeholder groups of the entity

Marico employs the Sustainability 2.0 framework to identify and prioritize its key stakeholder groups. This involves revisiting the engagement strategies with each group to ensure that their interventions are adding direct value in addressing the company's key needs over the short, medium, **and long term. The stakeholders are identified based on the value delivered to each of them, and Marico believes that by prioritizing their needs**, they can build symbiotic bonds with their stakeholders based on trust, resilience, agility, and responsible growth. As a result, Marico has developed a unique value proposition for each of their stakeholders based on their significance to the company.

Stakeholder identified	Unique value proposition	Significance
Consumers	Delight	Consumers are a key stakeholder of Marico, as the company is committed to bringing innovation to every aspect of its operations to meet consumer needs and expectations. The company places great emphasis on offering uncompromising quality, trusted brands, and product innovations that differentiate itself across both core and aspirational market segments. Additionally, Marico ensures that its products are available at the right time and price, further demonstrating the importance placed on consumer satisfaction. Overall, these efforts highlight the crucial role that consumers play in the success of Marico as a company.
Shareholders	Deliver	Marico prioritizes consistent value creation for its shareholders. This is achieved by focusing on strengthening the Company's core segments and achieving growth in niche markets through innovation and an entrepreneurial approach. The Company's potential to create value for shareholders is reflected in its unwavering focus on maximizing volumes, market share gains, and cost optimization, even in the face of pandemic-induced market slowdowns and macro headwinds that affect resource availability. Marico's wealth distribution philosophy aims at sharing its prosperity with its shareholders, through a formal earmarking/disbursement of profits to its shareholders. Towards this end, the Board has adopted a Dividend Distribution Policy (https://sustainability.marico.com/pdfs/Dividend_Distribution_Policy.pdf) which details various parameters based on which the Board may recommend or declare Dividend, Marico's dedication to shareholder value creation highlights the crucial role that shareholders play in the company's success, and the importance Marico places on delivering positive results for them.
Value chain partners	Include	Value chain partners are a key stakeholder of Marico, as the company believes that their mutual and inclusive growth is critical to its overall purpose of creating shared value. Marico strives to achieve this by maintaining a balance that meets the needs of its partners through continuous capacity enhancement drives, proactive engagement, and timely response strategies. The company recognizes that playing a significant role in the growth stories of its value chain partners is a crucial part of its mission to drive inclusive growth across its stakeholder ecosystem.
Employees	Empower	Marico places great emphasis on offering its employees a defined talent value proposition that challenges, enriches, and fulfills their aspirations as it identifies the crucial role that employees play in the company's operations and success. Marico strives to enable its human capital to maximize its true potential to make a difference by instilling values based on the principles of 'go beyond,' 'grow beyond,' and 'be the impact.' The company is committed to cultivating a culture of diversity, equality, and inclusion, which serves as the guiding principles for any initiative taken for its employees.
Community	Nurture	Communities are a key stakeholder of Marico, as the company recognizes that they influence and inspire its existence. Marico strives to touch the lives of communities in every possible way to make a difference. The company is committed to safeguarding communities from socio-economic and health-related disruptions caused by the pandemic by maximizing its efforts to help them sustain and thrive in these changing times.
Government and regulators	Adhere	Marico recognizes that the government and regulators are a key stakeholder of the company, as they set and enforce compliance and regulatory mandates for its products and processes. As a responsible corporate citizen, Marico is committed to being a leading consumer goods company that meets and exceeds these mandates to ensure the safety and satisfaction of its customers.

2 : List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumers	No	• One-on-one interaction • Consumer satisfaction survey • Call centre/ Consumer Cell to track insights and feedback • Digital platforms, social media handles	Continuous	**Material needs:** • Affordability, accessibility, quality, reliability, and safety • Product innovation • Enhancing health and nutritional quotient of products • Minimisation of products' environmental footprint at each stage of the products' lifecycle **Key engagement objectives:** • Develop relationships based on trust, loyalty, and social commitments. • Understand the shift in preferences for innovation • Create shared vision on environmental and social commitments
Shareholders	No	• Marico's website and disclosure to stock exchanges • Annual General Meeting • Investor meetings and services • Press releases • Published results • Newspaper advertisements	Quarterly, Half-yearly, annually (Note: Financial calendar)	**Material needs:** • Business resilience and agility • Safeguarding value: lives, assets, & reputation • Responsible growth and profitability • Mainstreaming mitigation of ESG risks and maximising opportunities **Key engagement objectives:** - Become a better investee company - Create high shareholder value - Communicate performance and future growth plans - Understand concerns and expectations and redress grievances of shareholders in a timely manner

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Value-Chain Partners	No	• Periodic interactions (physical, telephone, mailer) • Annual meets/events • Training programmes and workshops	Continuous	**Material needs:** • Cost-benefit terms, payment modalities • Quality expectations • Supplier Code of Conduct • Safety and operational risk management • Harnessing the power of technology and data to provide traceability • Commitments on responsible sourcing, circular economy, human rights, resource efficiency etc **Key engagement objectives:** - Sharing of mutual expectations and needs, especially regarding quality, cost and timely delivery - Capability building and growth plans - Sharing of best practices
Employees	No	• Personal development programme • Learning and development • Engagement survey • Organisation communication • Health and wellness drives • Social inclusion based townhalls on themes like diversity, inclusion, human rights, sustainability, CSR etc	Continuous, Half-yearly, annually	**Material needs:** • Career growth opportunities, compensation packages • Capacity enhancement and competence building • Leadership and people management • Occupational health, safety, and wellbeing • Diversity, Equality, and Inclusion • Tech-based support for improving quality of outputs **Key engagement objectives:** - Communicating organisational vision, purpose, ethos and integrity. Clear understanding provided on the role of each member to help achieve the purpose and goals of the organisation. - Technical and functional training - Support career growth plan - Workplace needs and expectations - One-to-one consultations and counselling on health, wellness, and other daily challenges
Community	Few groups in community are identified and CSR programs are run for them	• One-on-one interactions • Field visits and trainings • Digital platforms • CSR and sustainability initiatives	Continuous	**Material needs:** • Health and Community welfare • Enhancing socio-economic development and livelihood restoration • Fostering social innovation that creates incremental value for communities • Drive eco-conscious behaviour and lifestyles changes to improve sustainability footprint **Key engagement objectives:** - Maintain cordial relationship - Improve livelihood and create positive impact - Shared eco-system
Government & Regulators	No	• Engagement in industry forums, trade associations, interest groups, sectoral associations, and scientific/ R&D based thought leadership initiatives. • Stakeholder consultations	On need basis	• Compliance, governance, and risk mitigation • Product safety assurance • Propelling social leadership and empowerment • Safeguarding natural assets • Adhering to all labour laws and ensuring implementation of human rights, safe and secure workplace and 100% adherence to ethical standards of work **Key engagement objectives:** - Understand compliance and applicable regulations - Collaborations on national agendas

Leadership indicators

1 : Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Marico has a robust system in place for consultation between stakeholders and the Board on economic, environmental, and social topics. The Board at Marico, through Stakeholders' Relationship Committee and CSR committee, is actively involved in addressing stakeholders' queries in their annual general meetings and aligning its stakeholders' interests with the Company's CSR and sustainability initiatives/ practices. The scope of existing and new social value creation initiatives is worked out every year upon consultation with community representatives, and Leadership Team. In addition to this, the Sustainability Committee at Marico steers the sustainability initiatives of the Company and reviews the business responsibility and sustainability performance of the Company on an annual basis. Further, the consultation with the Board on key stakeholders is driven through different functions within Marico which are responsible for the respective stakeholders. The Board also engages with the management on long-term strategic issues such as growth strategies, innovation, sustainability initiatives & ESG, succession planning & human capital management, culture, go-to-market strategies, technology, etc. These insightful sessions allow the Board members to gain a better understanding of the business of the Company, and the senior management can solicit different perspectives from the Board.

2 : Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes.

Stakeholder consultation has been used by Marico to support the identification and management of environmental and social topics. Marico has developed an Sustainability 2.0 framework, which includes a set of material issues developed with the intent of establishing a constantly evolving and monitoring strategy to strengthen the business's core purpose of making a difference to the planet and people who matter. The Sustainability 2.0 Materiality Model has been developed in consultation with stakeholders and encompasses more than 50 key performance issues that will be tracked and annually reported in Marico up to 2030. The input received from stakeholders on these topics was incorporated into policies and activities of the entity. Marico has outlined an extensive 8-point commitment to effect change around key focus areas such as Climate change, Water Stewardship, Responsible Sourcing (Samyut), Sustainable agriculture and boosting farmers' livelihoods, Inclusion and Diversity, and corporate governance. The company is also committed to leveraging this framework to capacitate its value chain partners in building resilient and sustainable business enterprises. Additionally, Marico will integrate people and planet-positive goals within its overall talent attraction, retention, and engagement strategies to foster the culture of an ESG-first enterprise within its business ecosystem. For more details on the material needs and engagement objectives identified for each stakeholder along with the frequency and mode of stakeholder engagement, kindly refer to Principle 4 : Q2 under essential indicators.

3 : Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

We have identified a few stakeholders in the community as vulnerable/marginalized stakeholder group. The CSR team has identified their needs and is currently implementing CSR projects to provide benefits to the identifies stakeholders.

Principle 5 Businesses should respect and promote human rights.

Essential indicators

1: Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY23			FY22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1741	1741	100%	1653	1653	100%
Other than permanent	15	15	100%	8	8	100%
Total Employees	**1756**	**1756**	**100%**	**1662**	**1662**	**100%**
Workers						
Permanent	65	65	100%	66	66	100%
Other than permanent	0	0	0%	0	0	0%
Total Workers	**65**	**65**	**100%**	**66**	**66**	**100%**

2 : Details of minimum wages paid to employees and workers, in the following format: -

Category	FY23					FY22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	%(C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**1741**	**0**	**0%**	**1741**	**100%**	**1653**	**0**	**0%**	**1653**	**100%**
Male	1446	0	0%	1446	100%	1386	0	0%	1386	100%
Female	295	0	0%	295	100%	267	0	0%	267	100%
Other than Permanent	**15**	**0**	**0%**	**15**	**100%**	**8**	**0**	**0%**	**8**	**100%**
Male	6	0	0%	6	100%	5	0	0%	5	100%
Female	9	0	0%	9	100%	3	0	0%	3	100%

Category	FY23					FY22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	%(C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent										
Male	65	0	0%	65	100%	66	0	0%	66	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%

3 : Details of remuneration/salary/wages, in the following format:

Gender	Male		Female	
	Number	Median remuneration / salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	46,25,000	3	43,91,667
Key Managerial Personnel	3	2,72,39,476	0	0
Employees other than (BoD) and KMP*	1,099	12,37,789	205	16,20,082
Workers	65	40,065	0	0

4 : Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, we have an Internal Committee and Code of Conduct Committee to ensure that the relevant areas are addressed.

5 : Describe the internal mechanisms in place to redress grievances related to human right issues.

Employees can reach out to any of the Safety Council members (In manufacturing facilities), Internal Committee or to the Code of Conduct Committee. We also have an online portal where all the cases get registered, addressed, and reported to the Vigil committee.

6 : Number of Complaints on the following made by employees and workers:

Benefits	FY23			FY22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	1	0	NA
Discrimination at Workplace	0	0	NA	0	0	NA
Child Labor	0	0	NA	0	0	NA
Forced Labor/ Involuntary Labor	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7 : Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We have a well-defined grievance redressal mechanism to address Code of Conduct violation, Human Rights, discrimination, harassment and POSH related complaints . All cases are handled in a confidential manner by designated committee members who have been appointed and trained to manage complaints in accordance with the Marico's policies and grievance redressal mechanism. We also ensure awareness, education and sensitization of the policies and processes on a periodic basis to ensure robustness of the process.

8: Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes.

Human rights requirements are included in our business agreement and contracts with all our vendors, supplies, contractors and business partners. MCOBE (Marico Code of Business Ethics) is an integral part of our Code of Conduct and is signed by our service providers. In various forums and meets, we conduct education, awareness and sensitization of the same with our business partners.

9 : Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	

10 : Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risk identified.

Leadership indicators

2 : Details of the scope and coverage of any Human rights due diligence conducted.

All facilities of Marico are assessed with ISO 45001 and OSHA 18001 which covers key requirements related to labour, working conditions and human rights. Apart from that, Marico has initiated internal audits on principles of SA8000 and a detailed assessment is done 3 facilities (Jalgaon, Sanand and PDRI). All observations are closed.

3 : Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. Marico's offices are accessible to differently abled visitors. Company has done relevant improvements in infrastructure to accessibility to all.

4 : Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices & working conditions	Around 88.50% of vendors/partners in manufacturing and warehousing functions were assessed.
Health & safety, Working Conditions, child labor, forced labor, ethics, environment etc.	Marico has undertaken responsible sourcing program called "SAMYUT" which drives safety, health & environment, ethics, labor practices in value chain. The program is designed at 3 maturity levels wherein Level 1 is self-assessment on Marico's guidelines while Level 2 is assessment through third party. In FY23, critical value chain partners with a business share of more than 68% are assessed for Level 1, while a business share of more than 8% are assessed for Level 2 criteria.

5 : Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No significant risk identified.

Principle 6 **Businesses should respect and make efforts to protect and restore the environment.**

Essential indicators

1 : Details of total energy consumption (in Joules or multiples) and energy intensity , in the following format:

Parameter	FY23	FY22
Total electricity consumption (A)	76,769.6 GJ	73,173 GJ
Total fuel consumption (B)	97,599.9 GJ	1,06,949 GJ
Energy consumption through other sources (C)	0 GJ	0 GJ
Total energy consumption (A+B+C)	1,74,369.4 GJ	1,80,122 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	24.42 GJ/ Cr. ₹	25.0 GJ / Cr ₹

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Independent assessment of energy related data is carried out by an external agency "**DNV business assurance India Pvt Ltd**" for FY22 and FY23.

2 : Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No facility of Marico is identified as designated consumer under PAT scheme.

3 : Provide details of the following disclosures related to water, in the following format:

Parameter	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water	5,041	3343
(ii) Ground water	16,336.6	17,744.6
(iii) Third party water	1,07,453.6	1,02,864.2
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,28,831.2**	**1,23,951.8**
Total volume of water consumption* (in kiloliters)	**1,14,662.2**	**1,18,596.1**
Water intensity per rupee of turnover *(Water consumed / turnover)*	16.06	16.43

* Water Consumption - fresh water (Ground water & third-party water) used for operations and utilities

***Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Independent assessment of energy related data is carried out by an external agency "**DNV business assurance India Pvt Ltd**" for FY22 and FY23.

4 : Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Shortage of fresh water supply is a threat to existence on earth. In line with our commitment to 'Make a Difference', all Marico manufacturing locations are equipped with wastewater treatment plants based on "Zero liquid discharge" principles. All wastewater is treated at the in-house treatment plants and utilized within the facility for administrative and gardening purposes. Some of our facilities also capture the incident rainfall which augments the freshwater supply of the facility thereby reducing the dependency on the supply of water from sources external to the facility.

5 : Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY23	FY22
NOx	Kg/Year	1,823.3	2,522
SOx	Kg/Year	119.4	166
Particulate Matter (PM)	Kg/Year	1,569	1,805
Persistent organic pollutants (POP)	-	Not applicable	Not applicable
Volatile organic compounds (VOC)	-	Not applicable	Not applicable
Hazardous air pollutants (HAP)	-	Not applicable	Not applicable
Others, please specify	-	Nil	Nil

***Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Independent assessment of energy and emissions related data is carried out by an external agency "**DNV business assurance India Pvt Ltd**" for FY22 and FY23.

6 : Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY23	FY22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tons of CO2 equivalent*	779.9	621.9
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	11,775.8	10,309
Total Scope 1 and Scope 2 emission per rupee of turnover	*Metric tonnes of CO2 equivalent / Cr ₹*	1.76	1.52

***Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Independent assessment of emissions related data is carried out by an external agency "**DNV business assurance India Pvt Ltd**" for FY22 and FY23.

7 : Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Marico has conducted various projects in own manufacturing facilities as well as in value to reduce GHG emissions. Projects in own manufacturing facilities are focussing on improving process efficiency, utility power consumption reduction and usage of energy efficient equipment while projects in value chain include material consumption reduction, material substitution and transport optimization.

No.	Area	No. of projects	Total CO_2e saved
1	Own manufacturing facilities	23	97 TCO2e
2	Value chain	13	1,390 TCO2e
	TOTAL	**36**	**1,487 TCO2e**

8 : Provide details related to waste management by the entity, in the following format:

Parameter	FY23	FY22
Total waste generated in metric tonnes		
Plastic waste **(A)**	568.4	532.6
E-waste **(B)**	3.09	1.05
Bio-medical waste **(C)**	0	0
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	0	0
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any **(G)**	75.95	54.19
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	3,615.07	3,793.86
Total (A+B + C + D + E + F + G+ H)	**4,262.5**	**4,381.71**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled	3,831.8	4,036.5
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**3,831.8**	**4,036.5**

Parameter	FY23	FY22
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste		
(i) Incineration	4.5	6.75
(ii) Landfilling	426.8	338.4
(iii) Other disposal operations	0	0
Total	**431.3**	**345.17**

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Independent assessment of waste related data is carried out by an external agency "**DNV business assurance India Pvt Ltd**" for FY22 and FY23.

9 : Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Marico makes products which are either consumed or used for hair/skin applications. As a responsible company, providing safe, nutritious, and high-quality products to consumers in alignment with their preferences, is our utmost priority. None of our products marketed contain any hazardous or toxic chemicals which are not allowed by regulation. Moreover, all raw materials used undergo rigorous testing before being accepted as a raw material.

Effluent, carrying chemical residues from process or utilities in the facility, is neutralized before being sent to the in-house wastewater treatment plants. Robust management systems across our facilities ensure that all waste generated by the facility is accounted for, segregated and disposed of through appropriate channels and CPCB/SPCB authorized vendors only.

Marico R&D, manufacturing and Procurement teams undertake projects every year for evaluating alternative materials in formulation. This has helped in reducing usage of hazardous and toxic chemicals over the years. Our value chain partners are mandated to undergo certifications related to product quality which also considers the reduction of hazardous chemicals to ensure ingredient safety.

10 : If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N). If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

Marico's manufacturing plants are located in designated industrial park/areas. None of the plant and offices are located in or around ecologically protected or sensitive areas. Environmental clearance is not required for any manufacturing facility or offices of Marico.

11 : Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:

In accordance with the response provided in the question no. 12 of this section, none of the manufacturing facility required conduct of environmental impact assessment.

12 : Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Marico conforms to the applicable environmental rules and there has not been any fine levied on the organization during FY23.

Leadership indicators

1 : Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY23	FY22
From Renewable Sources		
Total electricity consumption (A)	24,727 GJ	26372 GJ
Total fuel consumption (B)	90,657.6 GJ	99173 GJ
Energy consumption through other sources (C)	0 GJ	0 GJ
Total energy consumed from renewable sources (A+B+C)	**1,15,384.6 GJ**	**1,25,545 GJ**
From non-renewable sources		
Total electricity consumption (D)	52,042.6 GJ	46,801 GJ
Total fuel consumption (E)	6,942.2 GJ	7,776 GJ
Energy consumption through other sources (F)	0 GJ	0 GJ
Total energy consumed from non-renewable sources (D+E+F)	**58,984.8 GJ**	**54,577 GJ**

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Independent assessment of energy related data is carried out by an external agency "**DNV business assurance India Pvt Ltd**" for FY22 and FY23.

2 : Provide the following details related to water discharged:

Parameter	FY23	FY22
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water -		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) Into Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) Into Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties -		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil

Parameter	FY23	FY22
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	**Nil**	**Nil**

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

None of the Marico's plants discharge wastewater outside the plant's boundaries. Independent assessment of water related data is carried out by an external agency "**DNV business assurance India Pvt Ltd**" for FY22 and FY23.

3 : Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

FACILITY 1

(i) Name of the area : Perundurai, Erode, Tamilnadu

(ii) Nature of operations : Manufacturing of coconut oil

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water	5041	3343
(ii) Groundwater	0	0
(iii) Third party water	14,758	15,185
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	**19,799**	**18,528**
Total volume of water consumption (in kilolitres)	**19,799**	**18,528**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
(i) Into Surface water -		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) Into Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) Into Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties -		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	**Nil**	**Nil**

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Independent assessment of water related data is carried out by an external agency "**DNV business assurance India Pvt Ltd**" for FY22 and FY23.

FACILITY 2

(i) Name of the area : Puducherry

(ii) Nature of operations : Manufacturing of coconut oil

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	7941.4	8977
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	**7,941.4**	**8,977**
Total volume of water consumption (in kilolitres)	**7,941.4**	**8,977**
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water -		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) Into Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) Into Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties -		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	**Nil**	**Nil**

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Independent assessment of water related data is carried out by an external agency "**DNV business assurance India Pvt Ltd**" for FY22 and FY23.

4 : Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY23	FY22
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	*Metric tons of CO_2 equivalent*	54,7126	561192 TCo2e
Total Scope 3 emissions per rupee of turnover		76.6	77.79 TCo_2e / Cr ₹

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Independent assessment of emissions related data is carried out by an external agency "**DNV business assurance India Pvt Ltd**" for FY22 and FY23.

5 : With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Marico's manufacturing plants are located in designated industrial park/areas. None of the plant and offices are located in or around ecologically protected or sensitive areas.

6 : If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Productivity improvement in water-base manufacturing at Sanand Facility	Improvement done in operations to reduce losses in electricity and natural gas consumption. Process changes done in product manufacturing section to improve the efficiency of process by reducing no. of changeovers and unwanted stoppages during operations.	1. Energy saving of 4,56,435 KwH/ annum 2. Natural gas consumption reduction 1,809 MMBTU
2	Saving in filling compressor power consumption at Guwahati manufacturing	New compressed air lines were installed for packaging operations in Guwahati facility. This resulted in efficient compressor operations by eliminating distribution losses from the filling operations.	1. Energy savings 75,000 KWH/ annum

7 : Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Marico has adopted an integrated approach for risk management wherein it ensures all material risks are identified, assessed, and mitigated for the long-term sustainability of the organization. In addition, the mitigation plans for all the key risks are aligned with the company's strategic business plans which are reviewed by the senior leadership on a periodic basis. The Company also has well defined polices, standard operating procedures and controls in place to minimize and mitigate the identified risks. Business Continuity Plan (BCP) and Crisis Management Plan (CMP) are therefore adopted as an outcome of the Risk Management Policy.

BCP is defined for risks corresponding to High Impact and High Velocity to enable rapid response to address the consequence of such risks when they materialize. Business Continuity Planning is embedded in the Internal Controls and Crisis Management framework for areas like manufacturing units, sales offices, information technology function, etc. The internal crisis management committee is responsible for laying out crisis response mechanisms, communication protocols, and periodic training and competency building on crisis management. The Crisis Management Committee also conducts periodic disaster recovery mock drills to ensure that the organization is prepared to manage any crisis event quickly for business continuity.

8 : Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impact identified in value chain.

9 : Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Marico has undertaken responsible sourcing program called "SAMYUT" which drives safety, health & environment, ethics, labor practices in value chain. The program is designed at 3 maturity levels wherein Level 1 is self-assessment of Marico's guidelines while Level 2 is assessment through third party.

In FY23, value chain partners with a business share of more than 68% are assessed for Level 1, while a business share of more than 8% are assessed for Level 2 criteria.

Principle 7 **Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

Essential indicators

1 : a. Number of affiliations with trade and industry chambers/ associations.

We are affiliated with 20 trade and industry chambers / associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	FICCI (Federation of Indian Chambers of Commerce and Industry)	National
2	CII (Confederation of Indian Industry)	National
3	IBHA (Indian Beauty & Hygiene Association)	National
4	ASSOCHAM (Associated Chambers of Commerce and Industry of India)	National
5	SEA (The Solvent Extractors' Association of India)	National
6	Retailers Association of India (RAI)	National
7	AFSTI Mysore & Mumbai (Association of Food Scientists and Technologists, India)	National
8	India plastic pact (IPP)	National
9	CIFTI (Confederation of Indian Food Trade and Industry)	National
10	ADMA (Ayurvedic Drug Manufactures Association)	National

2 : Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

No issues related to anti-competitive conduct were reported and no adverse orders from regulatory authorities were received in FY23.

1 : Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)
1	Decriminalization and other policy changes in the Legal Metrology Act	Through Industry Bodies	Yes	Event Based
2	Regulatory Changes under the Foods Law including Health Rating on Packaged Commodities	Through Industry Bodies	Yes	Event Based
3	Plastic Waste Management	Through Industry Bodies	Yes	Event Based

Through industry associations and other bodies, Marico engages with regulatory authorities and external stakeholders on various outreach activities including policy and regulatory matters, important issues pertaining to the FMCG industry and other best practices.

Principle 8 Businesses should promote inclusive growth and equitable development.

Essential indicators

1: Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year

No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable						

2 : Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families	(PAFs) % of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not applicable						

3 : Describe the mechanisms to receive and redress grievances of the community.

Marico's manufacturing plants in India are located in designated industrial parks/area/centre (Brahmaputra Industrial Park, MIDC Jalgaon, Industrial Area in Nalagarh-Solan, SIPCOT Industrial growth Centre in Perundurai-Tamilnadu, and PIPDIC Electronic Park in Puducherry).

However, Marico's CSR team regularly visits the villages that are in proximity to the industrial parks/areas to understand the community's requirements as well as grievances. The CSR team has also conducted community's need assessment to understand education, health, infrastructure related requirements. Based on these inputs, CSR programs are designed and executed every year.

4 : Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY23	FY22
Directly sourced from MSMEs/ small producers	33% (of material procurement)	35% (of material procurement)
Sourced directly from within the district and neighbouring districts	37% (of material procurement)	42% (of material procurement)

Leadership indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments

This is not applicable as there was no social impact assessment required to be conducted during FY23.

2 : Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Marico aspires to create a positive impact in areas of water, sustainable agriculture, community sustenance and education through CSR initiatives. As a part of education program "Mobile Pathshala funwala", children and teachers in aspirational districts government schools were reached out and provided with educational support. Following table shares the amount spend in aspirational district.

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Madhya Pradesh (8)	Chhatarpur, Damoh, Barwani, Rajgarh, Vidisha, Guna, Singrauli, and Khandwa	27,91,606
2	Jharkhand (18)	Garhwa, Chatra, Giridih,Godda, Sahibganj, Pakur, Bokaro, Lohardaga, Purbi Singhbhum, Palamu, Latehar, Hazaribagh, Ramgarh, Ranchi, Kunti, Gumla, Simdega, Paschimi, Singhbhum	18,07,873
3	Chattisgarh (10)	Korba, Rajnandgaon, Mahasamund, Kanker, Narayanpur, Dantewada, Bijapur, Bastar, Kondagaon, Sukma	18,59,778
4	Bihar (13)	Sitamarhi, Araria, Purnia, Katihar, Muzaffarpur, Begusarai, Khagaria, Banka, Sheikhpura, Aurangabad, Gaya, Nawada, Jamui	18,04,735
			82,63,992

6 : Details of beneficiaries of CSR Projects:

We are committed to work along with communities to understand their needs and help them to live a better life. Our CSR programs are inspired from our purpose "Make a Difference".

S. No.	State	No. of people benefited from CSR projects*
1	Parachute Kalpvriksha (Sustainable agriculture)	81,000
2	Nihar shanti Pathshala funwala	10.81 Lakhs students and 2.74 Lakhs teachers
3	Community sustenance	Overall more than 44,000 beneficiaries in various programs like – 1. "Eat right" program for food habits and practices 2. Preventive healthcare for police 3. Infrastructure development
4	Jalashay	1,099 people benefitted

*For further information, refer to the 'Communities' section forming part of this Integrated Report.

Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner.

Essential indicators

1 : Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Marico has created multiple channels for consumers to reach out and share feedback. The Consumer Services Cell is ISO10002 certified since the last 9 years. With a customer first approach, experienced customer services personnel respond with a structured and documented methods. It consists of product wise FAQs and protocols for systematic resolution of all consumer feedbacks. Consumer complaints/feedbacks database is organized through an online portal "DARPAN" which helps in tracking the entire information flow.

We connect with consumers through multiple touch points like product labelling, Consumer Services Cell, Marico website and brand web pages. Consumers can connect to Marico via Toll Free Number/ Email ID/ P.O. Box number and through brand social media channels like Facebook, Twitter etc. There is a dedicated Online Reputation Monitoring desk to handle the online responses in real time. Marico connects to specific identified consumers for insights on new product initiatives namely "Dawn to Dusk" and "Bond".

Understanding and responding to our consumers' needs, concerns and interests are of utmost importance to Marico. For this, the team conducts customer satisfaction surveys every year. For FY23, the satisfaction index is at 96%. We have launched a mobile App based platform QINTEL to capture product use experience from internal stakeholders about Marico's and competition products.

Link : https://marico.com/contact-us

2 : Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental & Social parameters relevant to the product	100%
Safe and Responsible usage	100%
Recycling or safe disposal	100%

3 : Number of consumer complaints in respect of the following:

Benefits	FY23			FY22		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data Privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of essential services	0	0	Nil	0	0	Nil
Restrictive trade practices	0	0	Nil	0	0	Nil
Unfair trade practices	0	0	Nil	0	0	Nil
Others (Product functionality)	66	0	Nil	102	0	Nil

4 : Details of instances of product recalls on account of safety issues.

	Number	Reason for recall
Voluntary recall	0	Not applicable
Forced recall	0	Not applicable

5 : Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes.

We have organization wide Information Security Management System (ISMS) which includes controls for data privacy to be followed across Marico's operations. This policy is designed as per guidelines of ISO27001 standard. Further, from a governance perspective, cyber risks are monitored and mitigated through the Risk Management framework implemented under Marico's Risk Management Policy (https://sustainability.marico.com/pdfs/Risk_Management_Policy.pdf).

6 : Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Marico receives feedbacks from multiple stakeholders to collect suggestions for improvement in product and packaging quality. The R&D team evaluates these suggestions considering product functionality and integrity. Useful suggestions are incorporated in product designs.

To incorporate Cyber Security and Data Privacy from customers perspective, we have updated our privacy policy. The policy addresses various aspects like information collected by the customers, information usage, security of the information and access to the information. We have appointed Data Grievance officer for Marico and have published the contact details of the officer on our website, to help customers reach designated official and register complaints related to data privacy.

There have been no instances of product recalls, penalty/ actions by regulatory authority regarding safety of products and services in FY23.

The Marico IT policy document can be accessed at following weblink: https://sustainability.marico.com/pdfs/Marico-IT-Policy.pdf

The Marico privacy policy document can be accesses at following weblink: https://marico.com/other/privacy-policy

Leadership indicators

1 : Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Details of all Marico products can be accessed here - https://marico.com/india/brands.

2 : Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

It is our ongoing endeavour at Marico to educate consumers on healthy lifestyle and nutritional intake. Marico works with government agencies like FSSAI and other industry bodies like CII, FICCI etc. to create awareness about hygiene, nutrition, food safety and product regulations. Company believes that consumer opinion, preferences, concerns, and inquiries are important sources of information. The Corporate Quality team consciously makes efforts to cater to all consumer concerns.

Marico has introduced Augmented Reality (AR) technology for Saffola Honey and Saffola Active & Gold, a platform for Interactive Digital Consumer Experience. A first of its kind integration to a Marico Brand with benefits like digital engagement, educate/ create awareness to our consumers and create a delightful consumer experience. Every consumer pack in all product categories contain consumer relevant information enabling them to make meaningful choices i.e., in Foods "Appropriate Portion Guidance" based on serve size and "Recommended Daily Amount (RDAs)" is available along with ingredients, nutritional attributes, benefit/functional claims of the product. Similarly, in the personal care category. key product attributes, usage methods, functional benefits of ingredients along with safety and efficacy claims are provided for consumer awareness.

3 : Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Marico has created multiple touch points for consumer connect. In case of disruption or adverse scenarios, company can reach out to consumers through channels like social media, TV, Print, Ecommerce platforms, Brand Websites. Emailers or messages can be sent out to consumer who are connected to Marico. In addition, the consumer cell team communicates to consumers if felt necessary.

4: Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. Marico adheres to all the applicable regulations regarding product labelling and displays relevant information on it. Additional information, over and above the mandated regulation, is displayed wherever applicable. This information is generally related to benefits of product usage.

Yes. Marico Quality Team leverages the consumer database and connects to sample consumers for insights on key products, packaging quality through initiatives namely "Dawn to Dusk" and "Bond" in the form of surveys, personalised calls & visits.

5: Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

Marico Limited does not have any instance of data breach in FY23.

b. Percentage of data breaches involving personally identifiable information of customers

Marico Limited does not have any instance of data breach in FY23.

BOARD'S REPORT

To the Members,

Your Board of Directors ("**Board**") is pleased to present the Thirty Fifth Annual Report of Marico Limited ("**Marico**" or "**Company**" or "**your Company**") for the financial year ended March 31, 2023 ("**year under review**" or "**year**" or "**FY23**").

In compliance with the applicable provisions of the Companies Act, 2013 ("**Act**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), this report covers the financial results and other developments during the financial year from April 1, 2022 to March 31, 2023, in respect of Marico and "Marico Consolidated" comprising Marico and its subsidiaries. The consolidated entity has been referred to as "**Marico Group**" or "**Group**" in this report.

FINANCIAL RESULTS - OVERVIEW

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consolidated Summary for the Group		
Revenue from Operations	9,764	9,512
Profit before Tax	1,743	1,601
Profit before Tax and exceptional items	1,743	1,601
Profit after Tax	1,322	1,255
Marico Limited (Standalone) Revenue from Operations	**7,478**	**7,500**
Profit before Tax	1,492	1,413
Less: Provision for Tax for the current year	313	250
Profit after Tax for the current year	**1,179**	**1,163**
Other Comprehensive Income for the current year	0.15	2
Add: Surplus brought forward	2,874	2,904
Profit available for Appropriation	4,053	4,069
Appropriations: Distribution to shareholders	**582**	**1,195**
Surplus carried forward	3,471	2,874

REVIEW OF OPERATIONS

In FY23, Marico Limited posted a consolidated turnover of ₹ 9,764 Crores (USD 1.2 billion), up 3% from the previous year. The underlying domestic volume growth for the year was 1% and constant currency growth in the international business was 13%. The business delivered operating profit of ₹ 1,810 Crores, up 8% over the last year. The operating margin stood at 18.5%, up ~87 bps from the previous year. Recurring net profit after tax was at ₹ 1,280 Crores, a growth of 4% over the last year.

The domestic business achieved a turnover of ₹ 7,351 Crores, marginally higher than the last year. Volume growth was modest at 1%, owing to higher retail inflation weakening consumption trends, especially in the rural sector. The operating margin of the India business was at 19.8% in FY23 vs 17.4% in the previous year. The improved profitability was a result of moderation in the prices of key commodities such as copra and vegetable oils as well as a more favourable portfolio mix.

The International business posted a turnover of ₹ 2,413 Crores, a growth of 11% over the last year. The business reported constant currency growth of 13%, with each of the key markets growing in tandem. The operating margin of the International business was at 23.7% in FY23 vs. 24.4% in the previous year. Higher input costs and currency headwinds in certain markets impacted profitability of the international business.

Further details on Marico's business, outlook, financial and operational performance, etc. are provided as part of the Management Discussion and Analysis Report.

There are no material changes and commitments affecting the financial position of your Company, which have occurred between the end of FY23 and the date of this report.

Further, there has been no change in the nature of business of the Company.

RESERVES

There is no amount proposed to be transferred to the Reserves.

DIVIDEND

Your Company's wealth distribution philosophy aims at sharing its prosperity with its shareholders, through a formal earmarking/disbursement of profits to its shareholders and also retaining sufficient profits in the business for various purposes. In accordance with Regulation 43A of the SEBI Listing Regulations, the Company has adopted the Dividend Distribution Policy, which details various parameters subject to consideration of which the Board may recommend or declare Dividend, including working capital and capital expenditure requirements, funds required for acquisitions, reducing debt, contingencies, etc. The Dividend Distribution Policy is available on the Company's website at https://marico.com/investorspdf/Dividend_Distribution_Policy.pdf. Your Company is in compliance with the Dividend Distribution Policy as approved by the Board.

Based on the principles and factors enunciated in the above Policy, your Company paid an Interim Dividend of ₹ 4.50 per equity share of ₹ 1 each aggregating to ₹ 581.87 Crores to equity shareholders during FY23, as declared by the Board on February 27, 2023. Thus, the Dividend pay-out ratio for FY23 was 45% of the recurring consolidated net profit after tax as compared to 97% on a similar basis in the previous year. The lower Dividend pay-out for FY23 is primarily on account of utilization of funds at a group level for strategic acquisitions made in India and Vietnam. Average Dividend pay-outs to shareholders for the last 3 years is at a healthy ~75% of the recurring consolidated net profit after tax, and your Company is committed to maintaining a strong dividend pay-out going forward, in accordance with its Dividend Distribution Policy.

CHANGES IN SHARE CAPITAL

During FY23, the paid-up equity share capital of the Company has increased from ₹ 129.28 Crores to ₹ 129.31 Crores, consequent to allotment of 2,97,100 equity shares of ₹ 1 each upon exercise of stock options under the Marico Employee Stock Option Plan, 2016.

SUBSIDIARIES

A list of bodies corporate which are subsidiaries of your Company is provided as part of the notes to the Consolidated Financial Statements. The following developments took place with regards to subsidiaries of Marico during FY23:

- Marico Bangladesh Limited continues to be the material subsidiary of the Company, in terms of provisions of Regulation 16(1)(c) of the SEBI Listing Regulations.
- On May 23, 2022, your Company acquired 53.98% equity stake in HW Wellness Solutions Private Limited ("**True Elements**") and consequently, True Elements became a subsidiary of the Company.
- Beauty X Joint Stock Company ("**Beauty X**"), Vietnam, became a wholly owned subsidiary of Marico South-East Asia Corporation ("**MSEA**"), pursuant to completion of acquisition by MSEA on January 31, 2023 as per the closing conditions and terms of the definitive agreement between the parties. Consequently, Beauty X became a step-down wholly owned subsidiary of the Company.
- On July 4, 2022 and November 11, 2022, the Company acquired additional equity stake of 4.14% and 3.48% respectively in Apcos Naturals Private Limited, thereby increasing the total equity stake from 52.38% to 60%.

In accordance with Section 129(3) of the Act, a separate statement containing the salient features of the financial statements of all subsidiaries and associate companies/joint ventures, if any, in prescribed Form AOC - 1 forms part of this Report. The statement also provides details of performance and financial position of each of the subsidiaries.

The audited financial statements together with related information and other reports of each of the subsidiary companies are available on the Company's website at https://marico.com/india/investors/documentation/annual-reports and the same are also available for inspection by the Members. Any Member desirous of inspecting the said financial statements or obtaining copies of the same may write to the Company Secretary & Compliance Officer at investor@marico.com.

In line with the requirements of the Act and SEBI Listing Regulations, your Company has approved a policy for determining material subsidiaries and the same is available on the Company's website at https://marico.com/investorspdf/Policy_for_Determination_of_Material_Subsidiary.pdf.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of the loans, guarantees and investments, as required under Section 186 of the Act and Schedule V of the SEBI Listing Regulations, are provided as part of the notes to the financial statements of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis forms an integral part of this Report and gives an update, *inter alia*, on the following matters:

- Industry structure and developments
- Segment-wise overview of business performance
- Financial Overview
- Shareholder Value
- Outlook
- Human Resources
- Information Technology & Digital
- Risk Management
- Internal control systems and their adequacy & Internal Financial Controls (IFC)

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Your Company actively seeks to adopt global best practices for an effective functioning of the Board and believes in having a truly diverse Board whose wisdom and strength can be leveraged for creating greater stakeholder value, protection of their interests and better corporate governance. Marico's Board comprises eminent persons with proven competence and integrity, who bring in vast experience and expertise, strategic guidance and leadership qualities.

As on March 31, 2023, the Board comprised one Executive Director, seven Non-Executive Independent Directors (including three Women Independent Directors) and three Non-Executive Non-Independent Directors.

The Company has received requisite declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. In the opinion of the Board, all the Independent Directors satisfy the criteria of independence as defined under the Act, rules framed thereunder and the SEBI Listing Regulations, and that they are independent of the Management of the Company.

In the opinion of the Board, all Independent Directors (including those appointed during the year) possess requisite qualifications, experience, expertise, proficiency and hold high standards of integrity for the purpose of Rule 8(5)(iiia) of the Companies (Accounts) Rules, 2014. In terms of the requirements under the SEBI Listing Regulations, the Board has identified list of key skills, expertise and core competencies of the Board, including the Independent Directors, details of which are provided as part of the Corporate Governance Report.

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors (including those appointed during the year) have registred themselves with the Independent Directors Databank and also completed the online proficiency test conducted by the Indian Institute of Corporate Affairs, wherever required.

As a measure of enhanced corporate governance and increased Board effectiveness, the Board based on the recommendation of the Nomination and Remuneration Committee ("**NRC**"), appointed Mr. Nikhil Khattau, Independent Director, as the Lead Independent Director amongst the Independent Directors with effect from April 7, 2022. The Lead Independent Director *inter alia* presides over separate meeting(s) of the Independent Directors as Chairperson, acts as a representative of Independent Directors and carries out such other roles and responsibilities as may be assigned by the Board or group of Independent Directors from time to time.

The Board met six times during FY23 on April 7, 2022, May 5, 2022, August 6, 2022, November 4, 2022, February 3, 2023 and February 27, 2023. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. Appointment/Re-appointment of Directors

In terms of the Company's Policy on Nomination, Remuneration and Evaluation ("**NRE Policy**"), the Board at its meeting held on April 7, 2022, based on the recommendation of NRC and evaluation of the balance of skills, knowledge, experience and expertise on the Board and that of the respective Director, approved and recommended to the shareholders the following matters relating to appointment/re-appointment of Independent Directors, who are not liable to retire by rotation:

1. Re-appointment of Mr. Ananth Sankaranarayanan (DIN: 07527676) as an Independent Director for a second term of 5 (five) consecutive years with effect from June 26, 2022 to June 25, 2027, based on the positive outcome of his performance evaluation and contributions during his first term as Independent Director.
2. Appointment of Ms. Apurva Purohit (DIN: 00190097) as an Independent Director for a term of 5 (five) consecutive years with effect from April 7, 2022 to April 6, 2027.
3. Appointment of Ms. Nayantara Bali (DIN: 03570657) as an Independent Director for a term of 5 (five) consecutive years with effect from April 7, 2022 to April 6, 2027.
4. Recommendation of appointment of Mr. Rajeev Vasudeva (DIN: 02066480) as an Independent Director for a term of 5 (five) consecutive years with effect from November 1, 2021 to October 31, 2026, as previously approved by the Board.

Subsequently, the Members approved the aforesaid appointment/re-appointment vide special resolutions dated May 14, 2022 passed through postal ballot. The results of postal ballot were declared by the Company on May 17, 2022, details whereof have been provided as part of the Corporate Governance Report.

The Board at its meeting held on May 5, 2023, based on the recommendation of NRC, approved the below matters subject to approval of Members at the 35th Annual General Meeting (AGM):

1. Re-appointment of Mr. Saugata Gupta (DIN: 05251806) as the Managing Director & CEO ("**MD & CEO**") of the Company for a term of 2 (two) years with effect from April 1, 2024 to March 31, 2026, not liable to retire by rotation, and terms thereof including remuneration.
2. Appointment of Mr. Rajan Bharti Mittal (DIN: 00028016) as an Additional Director in the capacity of Independent Director for a term of 5 (five) consecutive years with effect from July 1, 2023 to June 30, 2028.

The Company has received requisite notices in writing, proposing the candidature of Mr. Saugata Gupta for re-appointment as MD & CEO and Mr. Rajan Bharti Mittal for appointment as Independent Director, under Section 160 of the Act. The Board recommends the aforesaid re-appointment/appointment to the Members for approval. Relevant details pertaining to the proposals, including terms of appointment and remuneration, are provided as part of the Notice convening the 35th AGM.

In accordance with provisions of Section 152 of the Act read with the rules made thereunder and the Articles of Association of the Company, Mr. Rishabh Mariwala (DIN:03072284), Non-Executive Director, retires by rotation at the 35th AGM and being eligible, has offered himself for re-appointment. Based on the recommendation of NRC, the Board has recommended for the approval of the Members, re-appointment of Mr. Rishabh Mariwala as a Non-Executive Director at the 35th AGM. A brief profile of Mr. Rishabh Mariwala and other requisite information are provided as part of the Notice of 35th AGM.

II. Key Managerial Personnel

Other than the proposal for re-appointment of Mr. Saugata Gupta as MD & CEO as aforesaid, there were no changes in the Key Managerial Personnel of your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Act, the Directors of your Company, to the best of their knowledge and based on the information and explanations received from the Company, confirm that:

a. in the preparation of the annual financial statements for the financial year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures from the same;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2023 and of the profit of your Company for the said period;

c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts have been prepared on a 'going concern' basis;

e. proper internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and were operating effectively; and

f. proper systems to ensure compliance with the provisions of all applicable laws were devised and that such systems were adequate and operating effectively.

PERFORMANCE EVALUATION

Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board Engagement and Effectiveness. The Policy and criteria for Board Evaluation is duly approved by NRC. Performance evaluation is facilitated by the Chairman of the Board who is supported by the Chairperson of NRC. This process at Marico is conducted through structured questionnaires which cover various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Member's strengths and contribution, execution and performance of specific duties, obligations and governance.

Evaluation of Committees of the Board was based on criteria such as adequacy of Committee composition, adherence to charter and laying down the full year agenda, role of Chairperson including allocation of time and eliciting contributions from all Committee members, effectiveness of Committee's performance and quality of support/ recommendation to the Board, etc.

Evaluation of Directors was based on criteria such as preparedness and participation in discussions, quality of inputs, managing Board relationships, understanding of corporate governance framework, financial reporting, industry and market conditions, exercising independent judgment, etc.

Evaluation of the Board was based on criteria such as information architecture, Board dynamics and composition, focus on substantive issues, capacity building and future readying the organisation, governance mechanisms, etc.

In addition to the questionnaires, detailed one-on-one in-sighting is carried out annually by the Chairperson of the NRC with individual Board members. Feedback is also taken from senior management personnel on relevant aspects of Board functioning and shared with the Chairperson of the NRC. A quantitative analysis and Board Effectiveness presentation with in-sighting feedback and trends is shared and presented by the Chairperson of the NRC to all Board Members. Thereafter, the following process is followed to assimilate and process the feedback:

- A meeting of the Independent Directors is held wherein performance of Non-Independent Directors including the MD & CEO, Chairman of the Board and of the Board as a whole is evaluated.
- The entire Board discusses the findings of the evaluation with the Independent Directors and also evaluates the performance of the Individual Directors including the MD & CEO, the Board as a whole and all Committees of the Board.
- As an outcome of the above process, individual feedback is shared with each Director subsequently during the year.

With respect to the focus areas identified by the Board last year, the following progress was made in the year under review:

Focus Areas	Progress made
Strategic risk management- Board oversight and building management capability for implementing risk management strategies and practices amidst a highly volatile macro environment.	Key risks and mitigation measures were monitored. Processes and systems were further strengthened with a view to de-risk the organisation and to sustain and improve the long-term performance.
As part of Board rejuvenation, focus on induction and assimilation of New Board Members.	Rejuvenation of the Board was executed during the year. Comprehensive induction was conducted by the Management team for new Board Members. A robust process for succession planning has been set up and regularly discussed at the Board and NRC.
Mentoring the Senior Management to create an agile organisation that can adapt to the highly VUCA (Volatile, Uncertain, Complex & Ambiguous) environment.	During the year, the Board continued to deeply engage with the Executive management team to successfully implement the strategies, including digital transformation, foods business and premiumisation.
Focus Areas for the Committees: Audit Committee: further strengthening the GRCC (governance, risk management, controls and compliance) policies, processes and systems in the Company with special focus on automation and exception analytics. Nomination and Remuneration Committee: - helping strengthen the culture codes for the Company and improving the talent management processes, with specific focus on strengthening the top talent pipeline. - succession planning for MD & CEO and Senior Management Personnel. Corporate Social Responsibility Committee: bringing focus on improving the effectiveness of CSR spends.	As part of its terms of reference and focused discussions on agenda matters, the Committees continued to drive their respective priorities to augment governance and internal controls.

For the year under review, the performance evaluation exercise conducted has resulted in identification of following focus areas, for the Company to work upon in the coming years:

1. Continued focus on Board effectiveness and assimilation of new Board members. Evaluating and enhancing the role of Lead Independent Director, wherever required, in fostering a cohesive and high-performing Board. Your Company already has an elaborate familiarization programme for effective induction to ensure seamless integration of the new Board Members.
2. Continued emphasis at a Board level on strategic risk management and building management capability in this area. Strengthening processes and systems coupled with robust monitoring, to mitigate key risks including volatility in international markets, exposure to currency fluctuations in certain geographies, path to sustainable and profitable growth in digital and foods business. The Board will continue to provide strategic inputs to win and grow amidst such VUCA environment.
3. Relentless pursuit of sustainability, which has always been at the core of Marico's business strategy. Deep focus on sustainable value creation and long-term win-win for all stakeholders, driving ESG leadership through cohesive and structured set of interventions under Marico ESG 2.0 framework, aligned with the relevant United Nations (UN) Sustainable Development Goals (SDGs). Maintaining best-in-class governance practices under the able guidance of the Board.
4. The Board will continue to mentor the MD & CEO and the senior management team for defining and

executing the transformation agenda which is aimed at building a future-ready Marico, more specifically the strategic transformational initiatives in areas of innovation and diversification of foods business and premium brands, cost management, digital maturity and talent management.

5. For the Board Committees, the following focus areas will continue for the coming year:

   a. Audit Committee: Further strengthening the GRCC policies, processes and systems in the Company with special focus on automation and analytics, cyber security and standardisation of practices across all units within Marico;

   b. Nomination and Remuneration Committee:

      i. helping strengthen the culture within the organisation that is positive, enabling and inclusive with diverse talent across gender, ability and thought.

      ii. further strengthening the top talent pipeline and succession planning for MD & CEO and the Senior Management Personnel.

   c. Corporate Social Responsibility Committee: Bringing focus on effectively measuring impact created through CSR spends by Marico.

The Board is also committed to review the progress on these priorities during the annual Board Retreats held every year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) AND BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

At Marico, sustainability is regarded as a business enabler that influences key strategic decisions. Having ingrained sustainability into its culture, your Company has spurred towards a carbon neutral future. This transformation is driven by robust sustainability governance structure, ethical business conduct, ESG risk mitigation strategies, ambitious targets towards transitioning to low-carbon sources, lowering GHG emission intensity, achieving water stewardship, incorporating responsible sourcing principles, and mapping product sustainability footprint. Considering the Company's deep focus on Sustainability, ESG is considered a Board-level mandate from a governance standpoint, and discussed periodically as part of Board meetings.

During the year, your Company launched its Sustainability 2.0 Framework that highlights its commitment to drive sustainable value creation and stakeholder capitalism in this decade of action. Covering over 50 KPIs across the environmental, social, and governance pillars - the initiative defines Marico's long-term sustainability goals that it aims to achieve by 2030. The launch of Marico's Sustainability 2.0 initiative reaffirms its commitment to becoming a future-ready organization that creates value for all stakeholders, from its employees and business partners to the communities in which it operates. The initiative aims to reduce its environmental impact, balance profitability with sustainability, and implement a more transparent, efficient, and effective corporate governance framework. A detailed write-up on Marico's stakeholder engagement process, covering *inter alia* the constituents of stakeholder ecosystem, engagement objectives and mode of engagement, has been provided as part of the Chapter titled "Stakeholder Engagement" of this Integrated Annual Report.

As part of the deployment, Marico has outlined an extensive 8-point commitment to effect change around key focus areas ranging from Net Zero emissions in domestic operations by 2030, Responsible Sourcing, Inclusivity and Diversity, Human Rights and Ethics, etc.

Your Company realizes the power of being transparent and accountable as an organization, which in turn, helps in maintaining the trust that stakeholders' have placed in us. Marico considers disclosure practice as a strong tool to share strategic developments, business performance and the overall value generated for various stakeholder groups over a period of time. Marico has published its fifth Integrated Annual Report underlining the new set of targets and business goals that pave the way for short, medium and long-term value creation of the Company. Keeping up with changes in regulatory requirements and evolving disclosure patterns, your Company is presenting its first Business Responsibility and Sustainability Report ("**BRSR**"), which forms part of this Integrated Annual Report. The BRSR covers the Company's performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' and is in adherence to the SEBI Listing Regulations.

The financial sections of BRSR are presented in line with the requirements of the Act read with the rules made thereunder, the Indian Accounting Standards, the SEBI Listing Regulations and the requisite Secretarial Standards issued by the Institute of Company Secretaries of India. The non-financial section (Sustainability and Corporate Social Responsibility) is presented in conformance to the Global Reporting Initiative (GRI) Standard's Core Performance Indicators, the UN-Sustainable Development Goals (SDGs) and other sector relevant international sustainability disclosure guidelines.

AUDIT COMMITTEE & AUDITORS

AUDIT COMMITTEE

Your Company has constituted an Audit Committee which performs the roles and functions as mandated under the Act, the SEBI Listing Regulations and such other matters as prescribed by the Board from time to time. The detailed terms of reference of the Audit Committee, attendance at its meetings and other details have been provided in the Corporate Governance Report. As on the date of this Report, the Audit Committee consists of four Independent Directors, Mr. Nikhil Khattau, Ms. Hema Ravichandar, Mr. Milind Barve and Ms. Apurva Purohit. Mr. Nikhil Khattau is the Chairman of the Audit Committee.

During the year under review, the Board has accepted the recommendations of the Audit Committee on various matters. There have been no instances where such recommendations have not been accepted.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act, the Members at the 34th AGM held on August 5, 2022 approved the re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm registration No. 101248W/W-100022), as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years, from the conclusion of 34th AGM upto the conclusion of 39th AGM to be held in the year 2027. Accordingly, the Statutory Auditors will hold office until the conclusion of 39th AGM of the Company.

The aforesaid re-appointment was recommended by the Audit Committee/Board to the shareholders based on the positive outcome of review of performance of M/s. B S R & Co. LLP during their first term as auditors and considering various factors such as their independence, industry experience, skills and expertise and quality of audit. The Audit Committee periodically reviews the independence of Auditors through quarterly affirmations, review of non-audit services, internal checks and balances to mitigate conflict of interest, etc.

The Auditor's Report on the financial statements of the Company for the financial year ended March 31, 2023 forms part of the Annual Report. The said report was issued by the Statutory Auditors with an unmodified opinion and does not contain any qualifications, reservations or adverse remarks. During the year under review, the Auditors have not reported any fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

COST AUDITORS

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and have them audited every year. Your Company has made and maintained the cost accounts and records, as required. Accordingly, the Board at its meeting held on May 5, 2023, based on the recommendation of the Audit Committee, appointed M/s. Ashwin Solanki & Associates, Cost Accountants (Firm registration no.: 100392), as the Cost Auditors of the Company to conduct audit of the cost records for the financial year ending March 31, 2024. A remuneration of ₹ 10,00,000/- (Rupees Ten Lakhs only) plus applicable taxes and out of pocket expenses, has been fixed for the Cost Auditors, subject to the ratification of such fees by the Members at the 35th AGM. Accordingly, the matter relating to ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024 forms part of the Notice of the 35th AGM. The Company has received requisite consent and certificate of eligibility from M/s. Ashwin Solanki & Associates.

During the year under review, the Cost Auditor has not reported any fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on May 5, 2023, based on the recommendation of the Audit Committee, approved the appointment of Dr. K. R. Chandratre, Practicing Company Secretary (Certificate of Practice No. 5144) as the Secretarial Auditor of the Company to conduct audit of the secretarial records for the financial year ending March 31, 2024. The Company has received consent from Dr. K. R. Chandratre to act as such.

The Secretarial Audit Report in form MR-3 for FY23 is enclosed as "**Annexure A**" to this report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks. During the year under review, the Secretarial Auditor has not reported any fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

RISK MANAGEMENT

For your Company, Risk Management is an integral and important aspect of Corporate Governance. Your Company believes that a robust Risk Management Framework ensures adequate controls and monitoring mechanisms for smooth and efficient running of the business. A risk-aware organization is better equipped to maximize shareholder value.

The key cornerstones of your Company's Risk Management Framework are:

- A well-defined risk management policy;
- Periodic assessment and prioritization of risks that affect the business of your Company;
- Development and deployment of risk mitigation plans to reduce vulnerability to prioritized risks;
- Focus on both the results and efforts required to mitigate the risks;
- Defined review and monitoring mechanism wherein the functional teams, the top management, the Risk Management Committee, Audit Committee and the Board review the progress of the mitigation plans;
- Integration of Risk Management with strategic business plan, annual operating plans, performance management system and significant business decisions;
- Constant scanning of external environment for new and emerging risks;
- Wherever applicable and feasible, defining the risk appetite and implementing adequate internal controls to ensure that the limits are adhered to.

Your Company has also put in place a robust Crisis Management Framework monitored by internal crisis management committee which is responsible for laying out crisis response mechanism, communication protocols, and periodic training and competency building around crisis management.

Your Company has in place a Risk Management Committee ("**RMC**") chaired by an Independent Director, which assists the Board in monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems and such other functions as mandated under the SEBI Listing Regulations and as the Board may deem fit from time to time. The composition, detailed terms of reference of the RMC and attendance at its meetings are provided as part of the Corporate Governance Report.

In terms of the applicable provisions of the SEBI Listing Regulations, your Board has adopted a Risk Management Policy, which is available on the Company's website at https://marico.com/investorspdf/Risk_Management_Policy.pdf.

Further details of the risk management framework of the Company are provided as part of the Integrated Annual Report.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Internal Financial Controls are an integral part of the risk management process which in turn is a part of Corporate Governance addressing financial and financial reporting risks. The Internal Financial Controls have been documented and embedded in the business processes. Your Company's approach on Corporate Governance has been detailed in the Corporate Governance Report. Your Company has deployed the principles enunciated therein to ensure adequacy of Internal Financial Controls with reference to:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Prevention and detection of frauds
- Safeguarding of assets

Your Company has defined policies and standard operating procedures for all key business processes to guide business operations in an ethical and compliant manner. Compliance to these policies is ensured through periodic self-assessment as well as internal and statutory audits. The Company has robust ERP and other supplementary IT systems which are an integral part of internal control framework. The Company continues to constantly leverage technology in enhancing the internal controls. The Company also uses data analytics to identify trends and exceptions to proactively monitor any control deviations for corrective action.

Your Board reviews the internal processes, systems and the internal financial controls and accordingly, the Directors' Responsibility Statement contains a confirmation as regards adequacy of the internal financial controls. Assurances on the effectiveness of Internal Financial Controls is obtained through management reviews, self-assessment, continuous monitoring by functional heads as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

On a voluntary basis, your Company's material subsidiary, Marico Bangladesh Limited ("**MBL**") has also adopted this framework and its progress is reviewed by MBL's Audit Committee and its Board of Directors, which exhibits Marico's commitment to good governance at a group level.

RELATED PARTY TRANSACTIONS

Vide amendments to the SEBI Listing Regulations effective April 1, 2022, substantial changes were introduced in the related party transaction framework, *inter alia*, by enhancing the purview of definition of related party, and overall coverage of transactions with related parties.

In line with the requirements of the Act, read with the amended SEBI Listing Regulations, the Company revised its Policy on Related Party Transactions and the same is available on its website at https://marico.com/investorspdf/Policy_on_Related_Party_Transactions.pdf. The Policy captures framework for Related Party Transactions and intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions with related parties.

All transactions with related parties and subsequent material modifications are placed before the Audit Committee for its review and approval. An omnibus approval from the Audit Committee is obtained for the related party transactions which are repetitive in nature, based on the criteria approved by the Audit Committee. In case of transactions which are unforeseen, the Audit Committee grants an approval to enter into such unforeseen transactions, provided the transaction value does not exceed the limit of ₹ 1 Crore per transaction, in a financial year. The Audit Committee reviews all transactions entered into pursuant to the omnibus approvals so granted (including long-term or recurring RPTs), on a quarterly basis.

All transactions with related parties entered into during FY23 were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Act and rules made thereunder, the SEBI Listing Regulations and the Company's Policy on Related Party Transactions.

During the year under review, there were no transactions for which consent of the Board was required to be taken in terms of Section 188(1) of the Act and accordingly, no disclosure is required in respect of the related party transactions in Form AOC-2 under Section 134(3)(h) of the Act and rules framed thereunder. Further, there were no material related party transactions in terms of the SEBI Listing Regulations requiring approval of the Members during the year under review. Attention of the Members is drawn to note no. 30 of the standalone financial statements setting out the disclosures on related party transactions for FY23.

Pursuant to Regulation 23(9) of the SEBI Listing Regulations, your Company has filed the reports on related party transactions with the Stock Exchanges within statutory timelines.

NOMINATION AND REMUNERATION COMMITTEE AND COMPANY'S POLICY ON NOMINATION, REMUNERATION, BOARD DIVERSITY, EVALUATION AND SUCCESSION

Your Company has in place NRC of the Board, which performs the functions as mandated under the Act, the SEBI Listing Regulations and such other functions as prescribed by the Board from time to time. The composition of NRC, attendance at its meetings and other details have been provided as part of the Corporate Governance Report.

In terms of the applicable provisions of the Act read with the rules framed thereunder and the SEBI Listing Regulations, your Board has amended its Policy for appointment, removal and remuneration of Directors, Key Managerial Personnel ("**KMP**") and Senior Management Personnel ("**SMP**") and also on Board Diversity, Succession Planning and Evaluation of Directors ("**NRE Policy**") at its meeting held on May 5, 2023 to incorporate the recent amendments under the SEBI Listing Regulations. The remuneration paid to Directors, KMP and SMP of the Company are as per the terms laid down in the NRE Policy. The MD & CEO of your Company does not receive remuneration or commission from any of the subsidiaries of your Company.

The salient features of this Policy are outlined in the Corporate Governance Report and the NRE Policy is made available on the Company's website at https://marico.com/investorspdf/Policy_on_Nomination_Remuneration_and_Evaluation.pdf.

MARICO EMPLOYEE BENEFIT PLAN

Marico Employee Stock Option Plan, 2016

At the 28th AGM held on August 5, 2016, the Members approved institution of the Marico Employee Stock Option Plan, 2016 ("**Marico ESOP 2016 Plan**" **or** "**Plan**") as a long-term incentive plan for grant of employee stock options

("**Options**") to eligible employees of the Company including the MD & CEO and that of its subsidiaries, whether in India or outside India ("**Eligible Employee**"). Stock options have long been proven to be an effective tool for organizations to incentivize employees to accelerate profitable growth and wealth creation while also working as a performance reward and retention tool. Marico ESOP 2016 Plan aims to align individual goals and performance of employees to annual and long-term business objectives of the Company, reward employees for creating long-term value for shareholders by achieving the business objectives and accelerating Company performance, and attract and retain high potential and critical employees in a competitive talent environment.

The NRC is entrusted with the responsibility of administering the Plan and the Scheme(s) notified or to be notified thereunder, from time to time.

During the year under review, based on the recommendation of NRC and the Board, the shareholders approved the following matters relating to Marico ESOP 2016 Plan vide special resolutions dated May 14, 2022 passed through postal ballot:

- Increase in limit of Options that can be granted from time to time under the Plan from the existing limits of an aggregate maximum of 0.6% of the issued equity share capital of the Company as on August 5, 2016 ("**Commencement Date**") (excluding outstanding warrants and conversions), being 77,41,027 Options, to revised limits of upto an aggregate of 2,09,41,027 Options (as may be adjusted for any changes in capital structure of the Company), constituting an additional 1,32,00,000 Options.
- Further, the limit for grant of Options to any single Eligible Employee in any one single scheme notified under the Plan, as previously approved at the 28th AGM held on August 5, 2016, remains unchanged at 0.15% of the issued capital as on the Commencement Date, being 19,35,257 Options.
- The Marico ESOP 2016 Plan was amended to modify the relevant clauses to give effect to the aforesaid increase in limits and certain other changes intended to bring the language thereof in uniformity with the re-enacted SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB Regulations**") and adopt references to latest regulatory enactments.

The Board affirms that the amendments to the Marico ESOP 2016 Plan as aforesaid are in compliance with the SBEB Regulations and the changes effected thereto are not prejudicial to the interests of the employees.

As on March 31, 2023, an aggregate of 64,37,040 Options were outstanding which constitute about 0.50% of the paid-up equity share capital of the Company as on that date.

Marico Employees Stock Appreciation Rights Plan, 2011

The Company adopted Marico Stock Appreciation Rights Plan, 2011 ("**STAR Plan**") in the year 2011, for the welfare of its employees and those of its subsidiaries ("**Eligible Employees**"). Under the Plan, various schemes are notified for conferring cash incentive benefit to the Eligible Employees through grant of stock appreciation rights ("**STARs**").

The NRC administers the Plan and the Scheme(s) notified thereunder, from time to time. The NRC notifies various Schemes for granting STARs to the eligible employees. Each STAR is represented by one equity share of the Company. The eligible employees are entitled to receive in cash the excess of the maturity price over the grant price in respect of such STARs subject to fulfilment of certain conditions and applicability of Income Tax. The STAR Plan involves secondary market acquisition of the equity shares by an Independent Trust set up by your Company for the implementation of the STAR Plan. Your Company lends monies to such Trust for making secondary acquisition of equity shares, subject to the statutory ceilings and provisions of applicable law.

As on March 31, 2023, an aggregate of 13,16,749 STARs were outstanding which constitute about 0.10% of the paid-up equity share capital of the Company as on that date.

STATUTORY INFORMATION ON MARICO EMPLOYEE BENEFIT SCHEME/PLAN AND TRUST

The disclosure in terms of Regulation 14 of the SBEB Regulations is made available on the Company's website at https://marico.com/india/investors/documentation/annual-reports. Further, the Company has complied with the applicable accounting standards in this regard. During the year under review, the Company has not given loan to any of its employees for purchase of shares of the Company.

It is hereby affirmed that the Marico ESOP 2016 Plan and STAR Plan instituted by the Company are in compliance with the SBEB Regulations, as amended from time to time, and the resolutions passed by the Members approving the same.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The ratio of remuneration of each Director to the median employees' remuneration as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is disclosed in "**Annexure B**" to this report.

The statement containing particulars of remuneration of employees as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is available on the Company's website at https://marico.com/india/investors/documentation/annual-reports. In terms of Section 136(1) of the Act, the Annual Report is being sent to the Members, excluding the aforesaid information. Any Member desirous of obtaining a copy of the said information may access the aforesaid weblink or write to the Company Secretary at investor@marico.com.

CORPORATE GOVERNANCE

Your Company believes that effective leadership, robust policies, processes and systems and a rich legacy of values form the hallmark of our best corporate governance framework. The Board, in conjunction with the management, sets values of your Company and drives the Company's business with these principles. These ethics and values are reflected in Marico's culture, business practices, disclosure policies and relationship with its stakeholders. These ethics and values are practiced by Marico and its subsidiaries globally, which is at par with best international standards and good corporate conduct.

Pursuant to Regulation 34 of the SEBI Listing Regulations, a separate report on Corporate Governance is annexed to this report as "**Annexure C**". Further, a certificate from Dr. K. R. Chandratre, Practicing Company Secretary, on compliance with corporate governance norms under the SEBI Listing Regulations forms part of the Corporate Governance Report.

VIGIL MECHANISM

Your Company has a robust vigil mechanism in the form of Code of Conduct ("**CoC**") which enables its stakeholders to report concerns about unethical or inappropriate behavior, actual or suspected fraud, leak of unpublished price sensitive information, unfair or unethical actions, or any other violation of the CoC. There are separate guidelines called Marico's Code of Business Ethics that are applicable to our associates who partner us in our organizational objectives. It is also made a part of agreements executed by your Company with its vendors. Your Company discourages bribery and corruption in any form and has adopted an Anti-Bribery and Anti-Corruption Policy, which is available on the website at https://marico.com/aboutus_coc_pdf/Anti-Bribery-Anti-Corruption-Policy.pdf. The objective of CoC is to ensure that your Company conducts its business in the most principled and ethical manner, the highest level of governance and a discrimination and harassment-free workplace for all its employees.

In compliance with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has adopted a policy ("**Anti-Sexual Harassment Policy**") for the prevention of sexual harassment and constituted Internal Committees to deal with complaints relating to sexual harassment at workplace. Details of complaint on sexual harassment are as under:

Particulars	Number of Complaint(s)
Complaint(s) filed during FY23	Nil
Complaint(s) disposed-off during FY23	Nil
Complaint(s) pending as at end of FY23	Nil

The Company conducts Global PoSH survey where members can anonymously confirm if they have experienced/witnessed instances of sexual harassment while working with Marico in the past one year. Further, the survey results are shared by members of Executive Committee in their respective constituency to strengthen the awareness and sensitize the employees on the requirements under law.

All cases involving violation/potential violation of code are referred to the CoC Committee. The vigil mechanism of the Company provides for adequate safeguards against victimization of Directors, employees and third parties who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The CoC guidelines are designed to ensure that Directors, employees and third parties may report genuine concerns on CoC adherence or violations thereof without fear of retaliation (including through anonymous reporting). To encourage such members to report any concerns, the Company has engaged an independent agency for managing the whistleblowing system.

Any violation may also be reported anonymously. To this end, your Company has provided the below options for reporting:

1. **Globally accessible** toll-free telephone numbers in multiple countries and web-helpline available in multiple languages which are available 24*7, wherein grievances/concerns can be reported to the Company anonymously.
2. **CoC Website**- marico.ethicspoint.com (with an option to report anonymously).
3. **CoC Mobile Helpline**- maricomobile.ethicspoint.com (with an option to report anonymously).

For administration and governance of the Code, a committee called Code of Conduct Committee ("**CoC Committee**") is constituted. All cases reported under the whistleblower policy are reported to the CoC Committee and are subject to review by the Audit Committee and NRC. In addition to the independent Ethics helpline system, your Company has also provided in its CoC, direct access to the members of the CoC Committee, Internal Committee, respective Business HR/CXO and a complaint drop box facility to report concerns or violations of the CoC (with an option to file a complaint anonymously).

All new employees go through a detailed personal orientation on CoC and anti-sexual harassment policy, along with an e-learning module which can be completed and referred to throughout the year. Your Company seeks affirmation on compliance of CoC on a quarterly basis from the Directors and the employees at senior level. Additionally, separate trainings (classroom/online) on Anti-Sexual Harassment Policy and Marico Insider Trading Rules, 2015 are conducted to educate the employees on the said policy/rules. The education and sensitization are further strengthened through periodic email communications and focused group discussions with employees to ensure the CoC is followed in spirit and failures are minimized. In addition to above, the Company ensures notifying the members in Townhall about the cases COC committee dealt with in the previous year in the form of case studies by concealing the identity of the members involved. The Company also ensures capability building of and mandatory certifications by its business partners on Marico's Code of Conduct and Marico's Code of Business Ethics. Further details on vigil mechanism are available on the website of the Company at https://marico.com/india/about-us/code-of-conduct.

The Board, the Audit Committee and NRC are informed periodically on the matters reported under CoC and the status of resolution of such cases.

The Company affirms that no personnel has been denied access to the Audit Committee.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended, is enclosed as "**Annexure D**" to this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Marico's stated purpose is to "Make a Difference" and your Company's CSR philosophy is anchored on this core purpose of making a difference to the lives of all its stakeholders to help them achieve their full potential. Your Company believes that economic value and social value are inter-linked, and it has a commitment towards the inter-dependent ecosystem consisting of various stakeholders.

In terms of the Act and rules framed thereunder, the Company has adopted a CSR Policy, which is available on the website at https://marico.com/investorspdf/Corporate-Social-Responsibility-Policy.pdf.

The Company has in place a CSR Committee, which functions in accordance with the applicable provisions of the Act and such other matters as prescribed by the Board from time to time. The detailed terms of reference of the CSR Committee, attendance at its meetings and other details have been provided in the Corporate Governance Report. As on the date of this Report, the CSR Committee consists of five Directors, Mr. Ananth Sankaranarayanan, Mr. Harsh Mariwala, Mr. Saugata Gupta, Mr. Milind Barve and Ms. Nayantara Bali. Mr. Ananth Sankaranarayanan is the Chairman of the CSR Committee.

During FY23, your Company spent ₹ 22.69 Crores towards its CSR activities. A brief outline of the CSR Philosophy, salient features of the CSR Policy of the Company, the CSR initiatives undertaken during the financial year 2022-23 together with progress thereon and the report on CSR activities in the prescribed format including details on impact assessment, as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in "**Annexure E**" to this Report.

Further, the Chief Financial Officer of the Company has certified that CSR spends of the Company for FY23 have been utilized for the purpose and in the manner approved by the Board of Directors of the Company.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

DEPOSITS

There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, as amended, at the end of FY23 or the previous financial year. Your Company did not accept any deposits during FY23.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, there were no significant/material orders passed by the regulators or courts or tribunals impacting the going concern status of your Company and its operations in future.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Act, the draft annual return for FY23 prepared in accordance with Section 92(3) of the Act is made available on the website of the Company at https://marico.com/india/investors/documentation/annual-reports.

COST RECORDS

The maintenance of cost records as specified under Section 148 of the Act, is applicable to the Company and accordingly all the cost records are made and maintained by the Company and audited by the cost auditors.

OTHER DISCLOSURES

a. There are no proceedings made or pending under the Insolvency and Bankruptcy Code, 2016 and there are no instances of one-time settlement with any Bank or Financial Institution, during the year under review.

b. Your Company has not issued shares with differential voting rights and sweat equity shares during the year under review.

c. Details of unclaimed dividends and equity shares transferred to the Investor Education and Protection Fund authority have been provided as part of the Corporate Governance report.

ACKNOWLEDGEMENT

Your Board takes this opportunity to thank the employees for their dedicated service and firm commitment to the goals and vision of the Company. Your Board also wishes to place on record its sincere appreciation for the wholehearted support received from the shareholders, distributors, third party manufacturers, bankers and all other business associates and from the neighborhood communities of various Marico locations. We look forward to continued support of all these partners in the future.

On behalf of the Board of Directors

Harsh Mariwala
Chairman
DIN: 00210342

Place: Mumbai
Date: May 5, 2023

Annexure 'A' to the Board's Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:
The Members,
Marico Limited,
7th Floor, Grande Palladium, 175, CST Road,
Kalina, Santacruz – (East),
Mumbai – 400 098

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Marico Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2023 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There were no External Commercial Borrowings transactions during the Audit Period;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992: —

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the Audit Period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period).

(vi) **I further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) The Drugs and Cosmetics Act, 1940 and the Rules made thereunder;

(b) Blended Edible Vegetable Oils Grading and Marking Rules, 1991;

(c) Food Safety and Standards Act, 2006 and the Rules and Regulations made thereunder;

(d) The Legal Metrology Act, 2009 and the Rules made thereunder;

(e) Plastic Waste Management Rules, 2016; and

(f) The Bureau of Indian Standards (BIS) Act, 2016 and the Rules made thereunder, as applicable.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and

(ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period no specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144
UDIN: F001370E000262257 **Place: Pune**
Peer Review Certificate No. : 1206/2021 **Date: 5 May 2023**

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure to the Secretarial Audit Report

To:
The Members,
Marico Limited,
7th Floor, Grande Palladium, 175, CST Road,
Kalina, Santacruz – (East), Mumbai – 400 098.

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144
UDIN: F001370E000262257 **Place: Pune**
Peer Review Certificate No. : 1206/2021 **Date: 5 May 2023**

Annexure 'B' to the Board's Report

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A) Ratio of Remuneration of each Director to the median remuneration of all the employees of your Company and details of percentage increase in the remuneration of each Director for the financial year 2022-23 are as follows:

Name of Director	Designation	Remuneration for FY 2022-23* (₹)	Remuneration for FY 2021-22* (₹)	Ratio of remuneration to MRE**	% Increase/ (Decrease) in remuneration
Mr. Harsh Mariwala[1]	Chairman & Non-Executive Director	2,80,44,000	4,00,25,000	22.02	-29.93%
Mr. Saugata Gupta[2]	Managing Director & CEO	25,10,75,800	36,10,03,928	197.17	-30.45%
Mr. Ananth S	Independent Director	46,00,000	41,50,000	3.61	10.84%
Ms. Apurva Purohit[3]	Independent Director	43,91,667	NA	3.45	NA
Ms. Hema Ravichandar	Independent Director	53,00,000	50,00,000	4.16	6.00%
Ms. Nayantara Bali[4]	Independent Director	41,41,667	NA	3.25	NA
Mr. Nikhil Khattau[5]	Lead Independent Director	78,30,000	54,31,644	6.15	44.16%
Mr. Milind Barve[6]	Independent Director	46,50,000	27,79,338	3.65	NA
Mr. Rajeev Vasudeva[7]	Independent Director	43,00,000	16,08,333	3.38	NA
Mr. Rajendra Mariwala	Non-Executive Director	42,30,000	43,80,000	3.32	-3.42%
Mr. Rishabh Mariwala	Non-Executive Director	41,00,000	40,00,000	3.22	2.50%

* *The remuneration of all Non-Executive Directors includes sitting fees paid during the financial year.*

** *MRE - Median Remuneration of Employees*

1 *With effect from November 1, 2022, the Board of Directors on the recommendation of Nomination and Remuneration Committee (NRC), revised the commission payable to Mr. Harsh Mariwala from ₹ 2.35 Crores per annum to ₹ 1.15 Crores per annum. The remuneration of Mr. Harsh Mariwala for the financial year 2022-23 is based on the aforesaid scale and also includes certain amounts pertaining to the immediately preceding financial year paid in FY 2022-23.*

2 *The remuneration of Mr. Saugata Gupta includes fixed pay, variable pay, retiral benefits, performance incentives/rewards as per the Company's policies and as determined by the NRC and the Board, and perquisite value of stock options exercised during the respective financial years. The remuneration for financial year 2021-22 includes perquisite value of stock options exercised of ₹ 22,47,42,836 (FY 2022-23: Nil).*

3 *Ms. Apurva Purohit was appointed as Independent Director w.e.f. April 7, 2022. Her remuneration pertains to the period from the date of appointment till March 31, 2023 and accordingly is not comparable with the previous financial year.*

4 *Ms. Nayantara Bali was appointed as Independent Director w.e.f. April 7, 2022. Her remuneration pertains to the period from the date of appointment till March 31, 2023 and accordingly is not comparable with the previous financial year.*

5 *Mr. Nikhil Khattau was appointed as the Lead Independent Director w.e.f. April 7, 2022 and his remuneration additionally includes commission payable towards such role.*

6 *Mr. Milind Barve was appointed as Independent Director w.e.f. August 2, 2021. Accordingly, his remuneration for the financial year 2022-23 is not comparable with the previous financial year.*

7 *Mr. Rajeev Vasudeva was appointed as Independent Director w.e.f. November 1, 2021. Accordingly, his remuneration for the financial year 2022-23 is not comparable with the previous financial year.*

B) Details of percentage increase in the remuneration of Chief Financial Officer and Company Secretary in the financial year 2022-23 are as follows:

Name of KMP	Designation	Remuneration for FY 2022-23 (₹)	Remuneration for FY 2021-22 (₹)	% Increase/ (Decrease) in Remuneration
Mr. Pawan Agrawal[8]	Chief Financial Officer	2,72,39,476	2,74,99,255	-0.94%
Mr. Vinay M A[9]	Company Secretary & Compliance Officer	59,10,652	26,60,071	NA

8 *Remuneration of Mr. Pawan Agrawal for the financial year 2021-22 includes perquisite value of stock options exercised during that financial year. There were no such perquisites towards exercise of stock options during the financial year 2022-23.*

9 *Mr. Vinay M A was appointed as the Company Secretary & Compliance Officer with effect from October 28, 2021. Accordingly, his remuneration for the financial year 2022-23 is not comparable with the previous financial year.*

C) Percentage increase in the Median Remuneration of all employees in the financial year 2022-23 is as follows:

	FY 2022-23	FY 2021-22	Increase (%)
	Median	Median	
Median[$] remuneration of all employees per annum	12,73,388	11,56,149	10.14%

$ *For calculation of median remuneration, the employee count taken is 1,307 and 1,249 for the financial year 2022-23 and 2021-22 respectively, which comprise employees (excluding workmen) who have served for the whole of the respective financial years.*

D) Number of permanent employees on the rolls of the Company as of March 31, 2023:

1,806 (inclusive of workmen)

E) Comparison of average percentage increase in remuneration of all employees other than KMP and the percentage increase in the remuneration of KMP:

	FY 2022-23	FY 2021-22	Increase/ (Decrease) %
Average percentage increase in the Remuneration of all Employees other than KMP[@]	3,78,24,51,963	3,45,33,61,970	9.53%
Average Percentage increase in the Remuneration of KMP[&]			
Mr. Saugata Gupta, Managing Director & CEO[2]	25,10,75,800	36,10,03,928	-30.45%
Mr. Pawan Agrawal, Chief Financial Officer[8]	2,72,39,476	2,74,99,255	-0.94%
Mr. Vinay M A, Company Secretary & Compliance Officer[9]	59,10,652	26,60,071	NA

@ *Employees, other than KMPs, who have served for the whole or part of the respective financial years have been considered. Remuneration includes performance incentives and perquisite value of stock options exercised during the respective financial years.*

& *For further details on change in remuneration of KMPs, please refer the explanations provided in respective note nos. 2, 8 and 9 above.*

F) Affirmation:

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Company's Policy on Nomination, Remuneration & Evaluation.

For Marico Limited

Harsh Mariwala
Chairman
DIN: 00210342

Place : Mumbai
Date : May 5, 2023

Annexure 'C' to the Board's Report
Corporate Governance Report

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

I. Philosophy on Code of Corporate Governance
II. Board of Directors ("**Board**")
III. Audit Committee
IV. Nomination & Remuneration Committee ("**NRC**")
V. Stakeholders' Relationship Committee
VI. Corporate Social Responsibility Committee
VII. Risk Management Committee
VIII. Other Committees
IX. General Body Meetings
X. Material Related Party Transactions
XI. Governance of Subsidiaries
XII. Commodity Price Risk/Foreign Exchange Risk and Hedging Activities
XIII. Means of Communication
XIV. General Shareholder Information

I. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Basic Philosophy

Your Company believes that Corporate Governance involves a set of rules and controls that promote transparency, integrity and accountability within which all stakeholders of the Company viz., its shareholders, directors and management, society and environment at large have aligned objectives. It provides the framework for balancing the interests of all its stakeholders and ensuring that the Company's businesses are being conducted in an accountable and fair manner. While the philosophy of your Company on governance has been set out since early days, the framework is broad-based to enable the Company to cater to the dynamic needs of the society.

Your Company believes that Corporate Governance is also about what the Board does and how it establishes values of the Company and drives the Company's business with these principles. The Board strongly agrees that good governance is not merely an objective, but also means to achieve the objective of operating as a global citizen. It extends beyond the day-to-day operational engagement of the Company by full-time executives. The responsibilities of your Board thus include implementing the principles of Corporate Governance in the Company, setting the Company's strategic aims, guiding the management with their leadership, and reporting to shareholders on their stewardship. Together, the Management, the Board and Committees thereof ensure that Marico continues to remain a company of uncompromised integrity, excellence and is driven towards responsible growth.

At Marico, we believe effective leadership, robust corporate governance practices and a rich legacy of values form the hallmark of our best corporate governance practices. Our culture, business practices, disclosure policies and relationship with our stakeholders demonstrates these values. These ethics and values are practised by Marico and its subsidiaries, globally, which is at par with best international standards and good corporate conduct.

Marico confirms adherence to the prescribed corporate governance requirements under law. In addition, it also believes that corporate governance is more than merely meeting the applicable legal requirements. It strives to adopt and embrace the best practices and governance standards being followed across the world and continuously reviews them to benchmark with the highest industry practices and certain global guidelines. The numerous awards and recognitions received by your Company in the area of corporate governance are a testimony to the Company's commitment towards driving best-in-class governance. Your Company is cognizant of the fact that effective corporate governance is about creating long-term sustainable value for its stakeholders. In its endeavour to achieve the highest standards of governance, it continues to refine its ongoing practices.

Your Company has been recognised under the 'LEADERSHIP' category of the S&P BSE Listed Companies for a third consecutive year on the "IFC-BSE-IiAS Indian Corporate Governance Scorecard", a study conducted by the Institutional Investor Advisory Services India Limited. It is also the only Company from the FMCG industry to have featured in the Leadership category of the IIAS Corporate Governance Scorecard for the year 2022. Further, your Company was recognised as one of the top shortlisted companies for Excellence in Corporate Governance in Listed Segment: Medium Category at the 22nd ICSI National Awards for Excellence in Corporate Governance, 2022.

Risk assessment and risk mitigation framework

Marico believes that risks are an integral part of any business environment and it is essential that we create structures that are capable of identifying and mitigating risks in a continuous and vibrant manner.

Risks are multi-dimensional and therefore its assessment is looked at holistically covering both the external environment and the internal processes. Marico's Risk Management processes therefore envisage that all significant activities are analysed across the value chain taking into account the following types of risks:

- Strategic Risks
- Financial Risks
- Operational Risks, including Commodity Risks and Cyber and Data Security risks
- Compliance and Governance Risks
- ESG Risks

This analysis is followed by the relevant functions in your Company by classifying and prioritizing the risks, basis their potential impact and then tracking and reporting status on the mitigation plans for periodic management reviews. This ensures that each significant strategic and business risk is identified, assessed and mitigated for long term sustainable growth of business and embedded in the ways of working within relevant functions. Further details of the risk management framework of your Company are provided as a part of the Integrated Annual Report.

The Risk Management Committee of your Company assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company. The terms of reference of the Committee are captured in the latter part of this report. At defined periodicity, Marico's Board also reviews progress on the plans for mitigation of the top risks that your Company is exposed to. The Audit Committee, in coordination with the Risk Management Committee, reviews the risk management systems in the Company. Your Company has implemented a well-defined risk management policy, which is available on the website at https://marico.com/investorspdf/Risk_Management_Policy.pdf.

Your Company has an internal control system commensurate to the size of the Company and the nature of its business. The Internal control system is periodically tested and reviewed by an Independent Internal Auditor. Deloitte Touche Tohmatsu India, LLP were appointed as the Internal Auditors of the Company, for the year under review. The Company also has a management audit team which carries out internal control reviews and follow-up audits. The Audit Committee has the authority and responsibility to select, evaluate and where appropriate, replace the Independent Internal Auditor in accordance with law. All possible measures are taken by the Audit Committee to ensure the objectivity and Independence of the Internal Auditor. The Audit Committee, independent of the management, holds periodic one-on-one discussions with the Internal Auditor to review the scope and findings of the audit and to ensure adequacy and independence of the internal audit in the company. The Audit Committee reviews the internal audit plan for each year and approves the same in consultation with the top Management and the Internal Auditor. The internal audit plan covers key manufacturing locations, warehouses, sales offices and corporate functions of the Company as well as subsidiaries periodically based on risk assessment and existing control framework. Significant audit observations and follow up actions thereon are reviewed by the Audit Committee on a quarterly basis.

The Internal Auditor and management audit team, as part of their audit process, carry out a systems and process audit to ensure that the ERP and other IT systems used for transaction processing have adequate internal controls embedded to ensure preventive and detective controls. The audit process includes validation of transactions on sample basis to check if the operations of the Company are conducted in compliance with internal policies and ethical standards defined by the Company. Further, Internal audits and management reviews are undertaken on a continuous basis, covering various areas across the value chain like procurement, manufacturing, information technology, supply chain, sales, marketing, compliance and finance with the intent to cover all material business processes and locations under internal audit at least once in every 3-4 years. Reports of the Internal Auditor are regularly reviewed by the management and corrective actions are initiated to strengthen the controls and enhance the effectiveness of the existing systems. These audit reports and summary of actions taken are presented to the Audit Committee periodically. In addition, internal audit team on a quarterly basis identifies adjacencies (action plan identified basis observation of audits conducted in previous quarter) to take pro-active actions across the group entities.

Further, to ensure effective oversight over the financial statements of the Group, the Audit Committee holds periodic one-on-one discussion with the Statutory Auditors of the Company. The Audit Committee also holds one-on-one discussions with Statutory Auditors of its material subsidiary. After completion of one-on-one discussions, the Audit Committee holds a feedback session with the Managing Director & CEO and CFO, in the presence of Auditors and Chairman of the Board. This ensures that feedback from Auditors, wherever required, is taken into account and also ensures independence and oversight over the financial reporting process of the Company and the group. This framework ensures a unified and comprehensive perspective of the Governance, Risk and Control landscape.

Cornerstones of Corporate Governance at Marico

Your Company follows Corporate Governance practices around the following philosophical cornerstones:

Generative transparency and openness in flow of information

Marico believes in timely and relevant disclosures about the Company's policies and actions to all those to whom it has responsibilities, with transparency and openness. Greater transparency not only fosters accountability, but also generates an atmosphere which enables stakeholders to take informed decisions about the Company. The essence of Corporate Governance lies in maintaining transparency and ensuring equal access to all reasonable information about the Company. This reflects externally in making extensive disclosures without jeopardising the Company's strategic interests as also internally in the Company's relationship with its employees and in the conduct of its business.

Transparency and openness are organizational values and practised across at all levels. Every year at the Company's flagship annual conference titled 'Organization Communication-OC', the Company's virtue of transparency is showcased. The Chairman as well as the Managing Director & Chief Executive Officer ("**MD & CEO**") share the strategic plans and direction the organization is moving towards and insights on the Company's mission and vision. These sessions are broadcasted live at all its Indian and International locations. Eventually, the same message is shared with all the employee members across the globe at their respective OCs conducted at their locations. These sessions also incorporate leadership views on the local business context and way ahead designed for these business units.

OC events also host a segment called the 'Open House' session, where the leadership team addresses queries of Marico employee members while they are encouraged to share their views with everyone in the organization.

Mr. Saugata Gupta, MD & CEO, conducts regular webinars throughout the year called 'Facetime with Saugata', which is broadcasted live globally across the Marico group. These sessions are designed to update Marico employee members on the various accomplishments achieved by the organization so far and the way forward. Members post their questions during the session which are then addressed by Mr. Saugata Gupta live on air. This ensures every member has unrestricted access to the office of the MD & CEO, which helps maintain a seamless flow of necessary information within the organization.

Your Company also shares quarterly performance updates to the Stock Exchanges and Shareholders, within the first week from the close of every quarter, by releasing a brief update which is a summary of the operating performance and demand trends witnessed during the preceding quarter. This update is first intimated to the Stock Exchanges and also posted on the Company's website.

The Company announces its financial results every quarter, usually within 40 days from the end of the quarter. Apart from disclosing these in a timely manner to the Stock Exchanges, the Company also hosts the results on its website together with a detailed information update and media release discussing the results. The financial results are published in leading newspapers and an email update is also sent to the Shareholders who have registered their email addresses with the Depositories. Once quarterly results are announced, the Company organizes post-earning calls with the analysts and investor community to share an update on the results and performance, and also respond to any queries. The transcripts of these calls are hosted on the Company's website. Marico is a regular participant and organizer of analyst and investor conference calls, one-on-one meetings and investor conferences. A detailed investor presentation is additionally uploaded on the Company's website, with the latest information providing a consolidated glimpse of the history, current and future potential of the business. Through these meetings, presentations and information updates, the Company shares its broad strategy and business outlook with the investor community. As a matter of policy, no unpublished price sensitive information pertaining to the Company is shared at such meetings with analysts/investors. The Company promptly discloses details of the conference calls, investor meetings and road shows being conducted within and outside the Country, to the Stock Exchanges and updates its website with the same simultaneously.

Your Company continues to use a user-friendly digital platform for sharing information with the Directors and maintains a seamless and secure flow of information between the Management and the Board.

Constructive separation of Ownership and Management and Board independence

Marico's philosophy is to have a constructive separation of the Management of the Company from its Owners, which manifests itself in the composition of the Board of Directors wherein the office of Chairman of the Board and Managing Director & CEO are held by distinct individuals. The Company has appointed a professional MD & CEO since April 1, 2014. As on March 31, 2023, the Board consists of 11 (eleven) Directors, with 7 (seven) Independent Directors (~64%), 3 (three) Non-Executive Non-Independent Directors (including Chairman) and 1 (one) Managing Director & Chief Executive Officer. This ensures Board independence and exercise of independent judgement in Board deliberations. Further, your Board also consists of 3 Women Independent Directors (~27%) which is one of the indicators of high diversity at the Board level. The Company's shareholders ultimately approve appointment of Directors to the Board, who are in turn entrusted with the responsibility of governing the affairs of the Company. The Independent Directors ensure protection of interests of all the stakeholders of the Company. The Board does not consist of representatives of creditors or banks. The Board composition attempts at maximizing the effectiveness of both, Ownership and Management by sharpening their respective accountability whilst also serving in the best interests of its stakeholders.

During the year under review, the Independent Directors met one-on-one without the presence of Non-Independent Directors on March 24, 2023. In addition to this, the Independent Directors held separate discussions during the quarterly meetings. Also, interactions outside the Board Meetings took place between the Chairman and Independent Directors.

Senior Management Personnel are regular attendees at Board and Committee meetings. This helps the Board/Committee members to directly liaise with and seek explanations from the core Management team during the proceedings of the meeting itself.

Defined Roles and Responsibilities

At Marico, the Board plays a supervisory role rather than an executive role. Its role is to guide the Management, provide constructive critique on the strategic business plans and operations of the Company and advice on matters requiring domain expertise. Mr. Saugata Gupta, MD & CEO, continues to head the Company's business and is responsible for running the management and operations of the Company and reports to the Board.

The Committees of the Board function as extended arms of the Board and play a pivotal role in ensuring good governance while also periodically monitoring the affairs of the Company. The Board has also constituted certain committees for considering matters requiring urgent approvals. This ensures smooth and timely execution of strategic and non-strategic activities.

The Audit Committee, NRC and the Board meet at least once every quarter to consider *inter alia*, the business performance, financial results, board effectiveness, monitor statutory compliances and other matters of importance. The Audit Committee additionally meets once every quarter, to have detailed deliberations *inter alia*, on matters relating to Governance, Risk Management, Statutory Compliances, Internal Controls, Internal Audit, Related Party Transactions, and other matters. The Audit Committee and NRC jointly discuss the Vigil Mechanism, summary of cases (if any) and the status of compliance under Prevention of Sexual Harassment Policy, Marico Insider Trading Rules and the Code of Conduct on a quarterly basis.

The Corporate Social Responsibility ("**CSR**") Committee typically meets thrice in a financial year in order to approve the programs and action plan for CSR activities to be undertaken during the year, closely monitor the functioning of these programs, progress made and impact thereof on the beneficiaries. The CSR Committee is also responsible for guiding and mentoring the CSR Team, which consists of various Marico employees who look into the day-to-day operations and ground level execution of the approved CSR activities. Further, the Risk Management Committee meets at least twice in a year to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems, assessment of risks associated with the Company and mitigation measures for the same.

Discipline

Marico's Senior Management is always mindful of the necessity for sound Corporate Governance practices. They are experts in their respective fields of work and are driven towards building an environment of Trust, Accountability and Ethics. Good Corporate Governance practices are the foundation of your Company's legacy with a focus on ensuring that robust practices are followed at all levels across the organization.

Sustainable profitable growth can be ensured if an enterprise is disciplined about its areas of focus. Your Company has articulated a medium-term game plan to become an admired emerging market multinational in beauty and wellness categories in its chosen markets of Asia and Africa.

Your Company has always adopted a conservative approach with respect to debt and foreign exchange exposure management. Your Company periodically reviews its investment policy to align Company's practices with ever-changing market situations. All actions having financial implications are well deliberated upon before execution. The Company raises funds, which are used for expansion of business either organically or inorganically. The Company has also consistently refrained from entering into risky derivative transactions, considering the security and stability of the financial health of the organisation.

The Dividend Distribution Policy adopted by the Company warrants the right balance between the quantum of dividend paid and amount of profits re-deployed to fund organic and inorganic growth of the Company. The Company has maintained a strong dividend pay-out ratio for 8 consecutive years and will continue to act in accordance with the said policy in the coming future. The Dividend Distribution Policy is available on the Company's website at https://marico.com/investorspdf/Dividend_Distribution_Policy.pdf.

Responsibility & Accountability

An organisation's responsibility extends beyond its own operations to the broader eco-system in which it operates. The Company has put in place various mechanisms and policies to ensure orderly and smooth functioning of operations and also defined measures in case of transgressions by employees.

The Company has integrated its internal regulations relating to these mechanisms, into a Code of Conduct. The Code of Conduct serves as a guide and reference module for ensuring ethical conduct of business practices and compliance of laws in the Company. In order to ensure that such Code of Conduct reflects the changing environment, both social and regulatory, given the increasing size and complexity of the business and the human resources deployed, the NRC reviews the Code of Conduct periodically.

The Company's Code of Conduct is applicable to all members viz: the members of the Board and employees (permanent and temporary). The Code of Conduct prescribes the guiding principles to promote and support ethical conduct in compliance with the inherent values of Marico and also to meet statutory requirements. The Whistle Blower Policy for all the stakeholders is embedded in the Code of Conduct. The Code also covers a separate section on guidelines expected to be followed by all external associates who partner us in our organizational endeavors and to all customers, for whom we exist. Towards this, the Company has also launched a mandatory 'Code Of Conduct E-Learning and Certification Module', which helps the members understand the desired behaviours and actions within the organisation. The Code of Conduct is available on the website of the Company at https://marico.com/india/about-us/code-of-conduct.

The Company seeks a quarterly affirmation from all the Directors and senior employees of the Company on a voluntary basis, confirming adherence to the Company's Code of Conduct. The CEO declaration in accordance with Para D of Schedule V to the SEBI Listing Regulations, certifying compliance to the above, is annexed to this report as **Annexure C1**.

A certificate as per Regulation 33 read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), jointly signed by the Managing Director & CEO and the Chief Financial Officer of the Company certifying the financial statements for the financial year ended March 31, 2023, is annexed to this report as **Annexure C2**.

The efforts made by the Company over the years on sustainability and stakeholder value creation are detailed in the Integrated Annual Report (including Business Responsibility and Sustainability Reporting) which forms part of this Annual Report.

Fairness

The Board approves all actions with conscious deliberation and after considering its impact on the interests of all its stakeholders, including the benefit of its minority shareholders. All shareholders have *pari passu* rights and can convene general meetings in accordance with the provisions of the Companies Act, 2013 ("**Act**"). Investor Relations is given due priority and a separate department is in place which is dedicated for handling this function and ensuring necessary flow of information from the Company to external stakeholders. Comprehensive disclosures with detailed information are shared at general meetings for all matters proposed for the approval of the Shareholders. Notices of the general meetings or postal ballot are comprehensive, and the presentations made at general meetings are informative and conclusive of the intent behind the proposal being placed for approval.

Keeping in view the contributions to the growth and success of the organization, the Board is remunerated appropriately, which is commensurate with the growth in the Company's profits and in line with the general compensation trend followed in the industry.

Your Company is an equal opportunity employer and promotes diversity and inclusion in its workforce, in terms of skills, ethnicity, nationalities and gender. The Company does not tolerate any form of discrimination at the workplace. It hosts awareness sessions where employees are sensitized on the topics ranging from inclusion, self-care, health, challenges faced by certain sections of employees and means to address them and other issues after factoring the suggestions and feedback received from employees.

Social Awareness

Your Company has an explicit policy emphasising ethical behaviour. It follows a strict rule of not employing any minors in its workforce. The Company is a firm believer of gender equality and neither practices nor condone any type of discrimination across the organization. All policies are free of bias and discrimination. Environmental responsibility and social consciousness are given equal importance. The Company ensures that sufficient measures are taken at all locations to warrant ethical and responsible discharge of duties by all members by educating and equipping them adequately.

Value-adding Checks & Balances

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

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

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

Other Significant Practices

Other significant Corporate Governance practices followed are listed below:

- All Directors are provided with complete information relating to the operations and Company finances to enable them to participate effectively in the Board discussions. The Directors are also apprised on a regular basis by uploading information through a secured online application.
- Proceedings of Board are segregated, and matters are delegated to Committees as under:
    - Audit Committee is responsible for, *inter alia*, approval of related party transactions, review of internal controls and audit systems, oversight on risk management systems, financial reporting, compliance issues and vigil mechanism, appointment and remuneration to various auditors of the Company and their scope of work, etc.
    - NRC is responsible for, *inter alia*, appointment and approval of remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel. The Committee also acts as the Compensation Committee for the purpose of administration of the Marico Employee Stock Option Plan, 2016 and the Marico Employee Stock Appreciation Rights Plan 2011, as amended from time to time. NRC is also entrusted with the responsibility of framing the criteria for evaluation of the individual Directors, Chairperson of the Board, the Board as a whole and its Committees. It also evaluates the working and effectiveness of the Board and manages the succession planning for Board members and Senior Management Personnel.
    - Stakeholders' Relationship Committee specifically looks into various aspects of interest of the stakeholders.
    - CSR Committee recommends, reviews and monitors the impact and progress of CSR initiatives taken by the Company.
    - Risk Management Committee assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management and mitigation framework of the Company.
    - Administrative Committee approves the routine transactional/operational matters.
    - Investment and Borrowing Committee supervises management and deployment of funds.

- Securities Issue Committee approves the issue and allotment of securities and allied matters.
- Share Transfer Committee approves the formalities concerning transfer/transmission of shares and other share-related procedures.
- Sustainability Committee steers the sustainability initiatives of the Company and ensures sufficient assistance to the Business Responsibility & Sustainability Head from time to time.

❖ Each Non-Executive Director brings value through his or her specialisation and respective functional expertise.

❖ Directorships held by Directors in other companies are within the permitted ceiling limits under the Act and SEBI Listing Regulations. Further, the memberships and chairpersonships held by Directors are also within the permitted ceiling limits. The Company also emphasises Independent Directors to manage their time commitments and engagements in other listed companies.

❖ An online compliance management system has been instituted within the organization to monitor compliances and provide updates to the senior management and Board on a periodic basis. The Board periodically monitors status of compliances with applicable laws. Statutory compliance report along with the Compliance Certificate is placed before the Board at every quarterly meeting.

❖ All Directors endeavour to attend all the Board/ Committee meetings and also the General Meetings of the Company. The Chairpersons of the Audit Committee, the NRC and the Stakeholders' Relationship Committee attend the Annual General Meeting (AGM) to address shareholders' queries. Further, Secretaries of most of the Committees are subject matter experts for their respective Committees. This enables Committee members to directly communicate and liaise with related domain experts heading the respective function of the Company.

❖ The Chief Financial Officer, Secretary to the NRC, Secretary to the CSR Committee and the Company Secretary & Compliance Officer, in consultation with the Chairman of the Board/respective Committee and the Managing Director & CEO, formalise the agenda for each of the Board/Committee Meetings.

❖ The Board/Committees, at their discretion, invite Senior Management Personnel and other employees of the Company and/or external Advisors to any of their meetings.

II. BOARD OF DIRECTORS

Your Company actively seeks to adopt best global practices and has a diverse Board whose wisdom and strength can be leveraged for increasing stakeholder value, protection of their interests and better corporate governance. Therefore, Marico's Board is an ideal mix of knowledge, perspective, professionalism, divergent thinking and experience. Marico Board's uniqueness lies in the fact that the Board balances several deliverables, achieves sound corporate governance objectives in a promoter-owned organisation and acts as a catalyst in creation of stakeholder value.

In line with the applicable provisions of the Act and the SEBI Listing Regulations, your Company's Board has an optimum combination of Executive and Non-Executive Directors with more than half of the Board comprising Independent Directors (~64%). Your Board comprises qualified members who collectively bring in the skills, expertise and competencies stated below that allow them to make effective contribution to the Board and its Committees as required in context of its business and to ensure highest standards of corporate governance.

As a measure of enhanced corporate governance and increased Board effectiveness, the Board based on the recommendation of the NRC, appointed Mr. Nikhil Khattau, Independent Director, as the Lead Independent Director amongst the Independent Directors, with effect from April 7, 2022. The Lead Independent Director presides over the separate meeting(s) of Independent Directors as Chairperson, act as a representative of Independent Directors and carries out such other roles and responsibilities as may be assigned by the Board or Independent Directors from time to time.

The table below highlights the Core Areas of Expertise/ Skills/Competencies of the Board members. However, absence of mention of a skill/expertise/competency against a member's name does not necessarily indicate that the member does not possess that competency or skill.

Core Areas of Expertise/ Skills/ Competencies	Mr. Harsh Mariwala	Mr. Saugata Gupta	Mr. Ananth S*	Ms. Apurva Purohit#	Ms. Hema Ravichandar	Mr. Milind Barve	Ms. Nayantara Bali#	Mr. Nikhil Khattau	Mr. Rajeev Vasudeva	Mr. Rajendra Mariwala	Mr. Rishabh Mariwala
Corporate Strategy and Planning	√	√	√	√	√	√	√	√	√	√	
Leadership	√	√	√	√	√	√	√	√	√	√	√
Entrepreneurship	√	√	√	√		√		√	√	√	√
Global business & Consumer Understanding	√	√	√	√			√	√	√	√	
Brand Building	√	√	√	√			√			√	√
New Age Consumer Channel & Digital Skills		√	√	√			√	√			√
Retail & GTM	√	√	√				√	√			√
M&A, Strategy and Investment Management	√	√	√	√		√		√		√	√
Financial & Accounting				√	√	√		√	√	√	
Corporate Governance, Risk & Compliance	√	√	√	√	√	√	√	√	√	√	√
Human Capital Management	√	√	√	√	√	√	√	√	√	√	
Geographic, Gender and cultural diversity	√	√	√	√	√		√	√	√	√	
Legal		√	√	√		√		√	√		

* Mr. Ananth S was re-appointed as an Independent Director for a second term of 5 consecutive years with effect from June 26, 2022.

\# Ms. Apurva Purohit and Ms. Nayantara Bali were appointed as Independent Directors for a term of 5 consecutive years with effect from April 7, 2022.

Board's Vision

Marico's Board has adopted the following vision for itself:

*"We will be a group of **competent** individuals who will work **cohesively** to co-create Marico's vision along with management to deliver a best-in-class organization surpassing the expectations of all **stakeholders**."*

Towards fulfilling this vision, the Board has been working relentlessly for the past many years. Some of the unique aspects of the Board functioning in Marico are illustrated below:

i) Apart from the agenda of evaluation of the performance of the Board and Committees, the Board engages with the management on long term strategic issues such as growth strategies, innovation, succession planning & human capital management, culture, go to market strategies, technology, etc. These insightful sessions allow the Board members to get a better understanding of the business of the Company and allows the senior management to solicit different perspectives from the Board.

ii) The interaction with the Board is not limited only to the meetings of the Board and Committees. The Chairman of the Board actively encourages interactions between the Board Members and the Senior Management outside the meetings. Depending on the area of expertise of an individual Director, the Functional Heads are encouraged to have separate sessions with the Director to discuss specific issues concerning the functional area. These are mentoring sessions aimed at broadening the Senior Management vision, and also help build empathy and deeper understanding.

iii) Apart from the evaluation of individual Board Member by other Board Members, the Board also solicits feedback from the Senior Management. This initiative underlines Marico's core philosophy of openness and transparency. The feedback obtained is objective and accepted by the Board members.

iv) The Chief Financial Officer and the Chief Human Resource Officer hold separate sessions with the Chairpersons of the Audit Committee and the NRC, respectively, to ensure planning on the agenda of the meetings of these committees.

v) At each Board meeting, Chairperson of respective Committees briefs the Board on matters discussed by the Committee at their respective meetings.

vi) The Board does not step into the role of Management, rather, it critiques the strategy, asks the right questions and mentors the Senior Management for sustainable and profitable growth of the Company. There is a complete alignment between the Board and the Management on their respective roles.

vii) The strong alignment of business activities with the vision and mission of the Company are driven, *inter alia*, by a combination of consistent "tone at the top", practice and re-inforcement of purpose, culture and values demonstrated by leaders and senior employees, embedding key values into policies and processes within the organization and periodically evaluating and evolving, while keeping the vision and mission as the constant driving factor.

Board Composition

During the financial year, your Board met 6 (six) times viz., on April 7, 2022, May 5, 2022, August 6, 2022, November 4, 2022, February 3, 2023 and February 27, 2023.

The composition of the Board, attendance of the Directors at the Board meetings and the AGM held during the period from April 1, 2022 to March 31, 2023 and the number of Board/ Committees of other companies in which the Director is a member or chairperson as on March 31, 2023, are as under:

Name	Category	Attendance at Board Meetings	Attendance at Last AGM held on August 5, 2022	Board Positions in other companies$	Committee Positions^	
					As Member	As Chairperson
Mr. Harsh Mariwala	Chairman & Non-Executive	6 of 6	Yes	12	1	-
Mr. Saugata Gupta	Managing Director & CEO	6 of 6	Yes	6	3	1
Mr. Ananth S#	Independent	6 of 6	Yes	10	1	-
Ms. Apurva Purohit@	Independent	5 of 5	Yes	4	3	1
Ms. Hema Ravichandar	Independent	6 of 6	Yes	4	4	-
Mr. Milind Barve	Independent	6 of 6	Yes	2	2	1
Ms. Nayantara Bali@	Independent	5 of 5	Yes	1	1	-
Mr. Nikhil Khattau	Independent	6 of 6	Yes	5	4	4
Mr. Rajeev Vasudeva	Independent	5 of 6	Yes	1	-	-
Mr. Rajendra Mariwala	Non-Executive	6 of 6	Yes	5	3	-
Mr. Rishabh Mariwala	Non-Executive	6 of 6	Yes	5	-	-

$ *Includes directorship in Indian companies and excludes directorship held in Marico Limited.*

^ *Includes committee positions held in Audit Committee and Stakeholders' Relationship Committee and excludes committee positions held in private limited companies, foreign companies and section 8 companies.*

Mr. Ananth S was re-appointed as an Independent Director for a second term of 5 consecutive years with effect from June 26, 2022.

@ *Ms. Apurva Purohit and Ms. Nayantara Bali were appointed as Independent Directors with effect from April 7, 2022 and the details of their attendance pertain to meetings held after such date.*

At its meeting held on April 7, 2022, the Board based on the recommendation of NRC, approved, *inter alia*, the appointment of Ms. Apurva Purohit (DIN: 00190097) and Ms. Nayantara Bali (DIN: 03570657) as Independent Directors with immediate effect, re-appointment of Mr. Ananth S (DIN: 07527676) as an Independent Director for a second term of 5 (five) consecutive years with effect from June 26, 2022 based on the positive outcome of his performance evaluation and contributions during his first term as Independent Director and recommended the appointment of Mr. Rajeev Vasudeva (DIN: 02066480) as an Independent Director for a term of 5 (five) consecutive years with effect from November 1, 2021. Subsequently, the shareholders approved the aforesaid appointments/re-appointment vide special resolutions dated May 14, 2022 passed through postal ballot. The results of postal ballot were declared by the Company on May 17, 2022 and details of the same have been disclosed as part of this Report.

Further, at its meeting held on May 5, 2023, the Board based on the recommendation of NRC, approved, *inter alia*, the re-appointment of Mr. Saugata Gupta (DIN: 05251806) as the MD & CEO of the Company for a term of 2 (two) years with effect from April 1, 2024 to March 31, 2026 and appointment of Mr. Rajan Bharti Mittal (DIN: 00028016) as an Additional Director in the capacity of Independent Director for a term of 5 (five) consecutive years with effect from July 1, 2023, not liable to retire by rotation. Approval of the Members of the Company for the aforesaid re-appointment/appointment is being sought at the ensuing 35th AGM. Relevant details pertaining to the proposals, including terms of appointment and remuneration, are provided as part of the Notice convening the 35th AGM.

Names of other listed entities where a Director of the Company is a Director and the category of Directorship as on March 31, 2023

Name	Name of Listed entities in which he/she holds Directorship	Category of Directorship
Mr. Harsh Mariwala	JSW Steel Limited	Independent Director
	Thermax Limited	Independent Director
	Zensar Technologies Limited	Independent Director
	Kaya Limited	Chairman & Managing Director
Mr. Saugata Gupta	Ashok Leyland Limited	Independent Director
	Delhivery Limited	Independent Director
Mr. Ananth S	Birlasoft Limited	Independent Director
Ms. Apurva Purohit	L&T Technology Services Limited	Independent Director
	LTI Mindtree Limited	Independent Director
	Navin Fluorine International Limited	Independent Director
Ms. Hema Ravichandar	Bosch Limited	Independent Director
	The Indian Hotels Company Limited	Independent Director
	Trent Limited	Independent Director
Mr. Milind Barve	-	-
Ms. Nayantara Bali	Torrent Pharmaceuticals Limited	Independent Director
Mr. Nikhil Khattau	Kaya Limited	Independent Director
Mr. Rajeev Vasudeva	Pidilite Industries Limited	Independent Director
Mr. Rajendra Mariwala	Kaya Limited	Non-Executive Director
Mr. Rishabh Mariwala	Kaya Limited	Non-Executive Director

During the year under review, the Independent Directors met on March 24, 2023 without the presence of any other Non-Independent Director *inter alia* to discuss the performance of Non-Independent Directors, Chairman of the Board and the Board as a whole and asses the quality, quantity and timeliness of flow of information between the Management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties. All Independent Directors were present at the meeting.

The Company has received requisite declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. In the opinion of the Board, all the Independent Directors satisfy the criteria of independence as defined under the Act, rules framed thereunder and the SEBI Listing Regulations, and that they are independent of the Management of the Company.

Except those mentioned below, none of the Directors of your Company are related to each other:

a. Mr. Harsh Mariwala and Mr. Rishabh Mariwala are related as Father and Son;

b. Mr. Harsh Mariwala and Mr. Rajendra Mariwala are first cousins;

c. Mr. Rajendra Mariwala and Mr. Rishabh Mariwala are related to each other as uncle and nephew; and

d. Mr. Harsh Mariwala, Mr. Rajendra Mariwala and Mr. Rishabh Mariwala are members of the Promoter/ Promoter group of the Company.

III. AUDIT COMMITTEE

The Audit Committee of the Board is fully independent and comprises four Independent Directors. All Members of the Audit Committee are financially literate, and the Chairman is a financial expert. The Audit Committee invites the Statutory Auditor and the Internal Auditor for one-on-one discussions on a quarterly basis, and such meetings are independent of Management participation. The Chief Financial Officer and Members of the Finance Team associated with Internal Audit and Governance, Risk & Compliance are also present at the meetings of the Audit Committee during discussions pertaining to agenda matters relevant to their functions. Members of the Senior Management team are also invited to attend meetings if the matter being discussed requires their expertise or insights. Mr. Vinay M A, Company Secretary & Compliance Officer, acts as the Secretary to the Audit Committee.

The Audit Committee met 8 (eight) times during the year i.e. on April 12, 2022, May 5, 2022, July 12, 2022, August 6, 2022, October 11, 2022, November 4, 2022, January 13, 2023 and February 3, 2023. The composition of Audit Committee along with attendance at its meetings is detailed below:

Name of Director	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Nikhil Khattau	Independent	Chairman	8	8
Ms. Hema Ravichandar	Independent	Member	8	8
Mr. Milind Barve	Independent	Member	8	8
Ms. Apurva Purohit$	Independent	Member	4	4

$ *Ms. Apurva Purohit was appointed as a member of the Audit Committee with effect from August 6, 2022 and the details of attendance pertain to meetings held after such date.*

The Charter of the Audit Committee, *inter alia*, articulates its role, responsibilities and powers as follows:

1. Oversight of the Company's financial reporting processes and the disclosure of its financial information to ensure

that the financial statements are correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Act;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by Management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of related party transactions;
   g. Modified opinion(s), if any, in the draft audit report.
5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval of transactions with related parties and any subsequent modification of such transactions in accordance with the Act read with the Rules made thereunder and the SEBI Listing Regulations;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit;
14. Discussion with the internal auditors on any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
18. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
19. Reviewing mandatorily the following information:
   a. Management discussion and analysis of financial condition and results of operations;
   b. Statement of significant related party transactions, submitted by the Management;
   c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
   d. Internal audit reports relating to internal control weaknesses;
   e. The appointment, removal and terms of remuneration of the internal auditor; and
   f. Statement of deviations, if any:
      i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations;
      ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
20. Vigil Mechanism:
   a. Ensuring establishment of vigil mechanism for Directors, employees and third parties to report genuine concerns;
   b. Providing for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
   c. Ensuring that the existence of vigil mechanism is appropriately communicated within the Company and also made available on the Company's website;
   d. Overseeing the functioning of vigil mechanism and the Whistle blower mechanism and decide on the matters reported thereunder; and
   e. Ensuring that the interests of a person who uses such a mechanism are not prejudicially affected on account of such use;
21. Reviewing the utilization of loans and/or advances from/investment in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/advances/investments;
22. Reviewing compliances with SEBI (Prohibition of Insider Trading) Regulations, 2015 atleast once in a financial year; and
23. Verifying effective operation and adequacy of internal control systems.

IV. Nomination & Remuneration Committee

The Nomination & Remuneration Committee ("**NRC**") comprises four Members all of whom are Independent Directors. Mr. Amit Prakash, Chief Human Resources Officer, acts as the Secretary to the NRC. The NRC also acts as the Compensation Committee for the purpose of SEBI (Share Based Employee Benefits and Sweat Equity), Regulations, 2021.

The NRC met 5 (five) times during the year i.e. on April 7, 2022, May 5, 2022, August 6, 2022, November 4, 2022 and February 3, 2023. The composition of NRC along with attendance at its meetings is detailed below:

Name of Director	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Ms. Hema Ravichandar	Independent	Chairperson	5	5
Mr. Nikhil Khattau	Independent	Member	5	5
Mr. Rajeev Vasudeva	Independent	Member	5	5
Ms. Apurva Purohit[$]	Independent	Member	4	4

[$] *Ms. Apurva Purohit was appointed as a Member of the NRC with effect from April 7, 2022 and the details of attendance pertain to meetings held after such date.*

The charter of the NRC and provisions of the SEBI Listing Regulations, *inter alia*, articulates its responsibilities and authority as follows:

1. Formulate criteria for qualifications, positive attributes and independence of a Director, Key Managerial Personnel and Senior Management Personnel;
2. Identify the candidates who are qualified to be appointed as Director, Key Managerial Personnel and Senior Management Personnel and recommend to the Board their appointment and removal;
3. For every appointment of an Independent Director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director for recommendation to the Board.
4. Recommend to the Board a policy relating to the remuneration of the Director, Key Managerial Personnel and Senior Management Personnel;
5. Approve the remuneration (including revisions thereto) of the Director, Key Managerial Personnel and Senior Management Personnel and further recommend the same to the Board for its approval;
6. Formulate the criteria for evaluation of performance of Board, its Committees, individual Directors and the Chairperson of the Company;
7. Devise a policy on Board diversity;
8. Devise a succession plan for the Board, Key Managerial Personnel and Senior Management Personnel;
9. Decide whether to extend/continue the term of appointment of Independent Directors on the basis of their performance evaluation report;
10. Participate in the review of Vigilance Mechanism conducted by Audit Committee of the Board;
11. Design for Board Retreat and Board Effectiveness; and
12. Administer Long Term Incentive Schemes such as Employee Stock Option Plan(s) (including Schemes

notified thereunder) and Stock Appreciation Rights Plan(s) (including Schemes notified thereunder) and such other employee benefit schemes/plans as the Board may approve from time to time.

POLICY ON NOMINATION, REMOVAL, REMUNERATION AND BOARD DIVERSITY

In terms of Section 178 of the Act and corresponding provisions contained in the SEBI Listing Regulations, the Board has adopted the policy on Nomination, Remuneration and Evaluation (hereinafter referred to as "**NRE Policy**").

The NRE Policy covers the following aspects:

- Appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management;
- Remuneration to the Directors, Key Managerial Personnel and employees in Senior Management;
- Familiarization Programme for Independent Directors;
- Board Diversity;
- Succession plan for Directors, Key Managerial Personnel and employees in Senior Management; and
- Formulation of criteria for evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

The NRE Policy of the Company can be accessed at: https://marico.com/investorspdf/Policy_on_Nomination_Remuneration_and_Evaluation.pdf.

The process of evaluation of individual Directors, Chairperson, the Board as a whole and its Committees is provided as part of the Board's Report.

Process and criteria for selection of Directors

The Company has a well-defined process and criteria for selection of new Directors. The NRC, in consultation with the Chairman of the Board, determines the essential and desirable skills, competencies, expertise and experience required for the office of a Director and defines the role specifications for a Director. Identification of the candidates may be done by the Chairperson of the NRC and Chairman of the Board, who may use the services of an external search agency, if required. Upon completion of interview and selection process, the NRC reviews and recommends the appointment to the Board, alongwith terms of appointment and remuneration. Approval of shareholders, wherever required, is sought as per the provisions of applicable laws.

The NRC considers, *inter alia*, the following key criteria for selection of Directors:

1. Professional background, experience, qualifications and time commitment of the individual.
2. Skills, expertise and competencies relevant to the business of the Company, including in the areas of Corporate Strategy and Planning, Leadership, Global business & Consumer Understanding, New Age Consumer Channel & Digital Skills, Retail & GTM, Brand Building, Financial & Accounting, Corporate Governance, Risk & Compliance and Human Capital Management.
3. High levels of integrity, accountability and values.
4. Having a diverse Board, with diversity of gender, thought, experience, knowledge, perspective and culture.
5. In case of appointment of Independent Directors:
    a. Satisfaction of criteria of independence under applicable laws and independence from the management.
    b. Skills and capabilities required for the role and the manner in which the proposed appointee meets such requirements.
    c. In case of re-appointment of an Independent Director, outcome of performance evaluation and contributions made by such Director during the first term.
6. Satisfaction of necessary qualifications, attributes, criteria and conditions for appointment as a Director under applicable laws.

Subsequent to appointment of an Independent Director, the Company issues a formal letter of appointment outlining the role, duties and responsibilities. The template of letter of appointment is available on our website at https://marico.com/investorspdf/specimen-of-terms-appointment-of-independent-director.pdf

Remuneration to Executive Director

The Company's Board presently consists of one Executive Director viz. Mr. Saugata Gupta, MD & CEO. The NRC approves annual revisions in the remuneration of the MD & CEO within the overall limits approved by the shareholders of the Company, which are then placed before the Board for its approval.

The annual remuneration to the MD & CEO consists of two broad terms - Fixed Remuneration and Variable Remuneration in the form of performance incentive and/or long-term performance rewards/incentives as per the Company's incentive schemes as amended from time to time. The performance incentive is based on the Remuneration Policy of the Company. The performance criteria for variable remuneration includes, *inter alia*, driving growth in consolidated business performance, targets on revenues, profits and market share, driving long-term and strategic transformational initiatives in the area of innovation and diversification of foods business and premium brands, cost management, achievement of identified sustainability and ESG metrics, retention of key leadership talent and capability building and such other areas as may be determined by the NRC and Board from time to time. Additionally, the MD & CEO is entitled to grant of employee stock options under Employee Stock Option Scheme(s) of the Company. The MD & CEO is not paid sitting fees for any of the Board or Committee meetings attended by him. At the 34th AGM held on August 5, 2022, the shareholders approved revision in the terms of remuneration payable to the MD & CEO of the Company for the remainder of his current term (i.e. upto March 31, 2024).

The current agreement between the MD & CEO and the Company can be terminated by either party by giving three months' notice. The Company may require the MD & CEO to serve an additional notice period of 90 days to enable transition. The terms of severance, confidentiality and other matters are governed as per the terms and conditions of agreement entered between him and the Company.

Remuneration to Non-Executive Directors

The Non-Executive Directors add significant value to the Company through their contribution to the Management of the Company and thereby play an appropriate control role in safeguarding the interests of the stakeholders at large. They bring in their vast experience and expertise on the deliberations at the Marico's Board and its Committees. Although the Non-Executive Directors contribute to Marico in several ways, including advising the MD & CEO and the Senior Managerial Personnel outside the Board/Committee meetings, significant portion of their measurable inputs comes in the form of their contribution at Board/Committee meetings.

The Company, therefore, has a structure for remuneration to Non-Executive Directors, based on certain financial parameters like the performance of the Company, its market capitalization, etc., and other parameters viz. industry benchmarks, role of the Director and such other relevant factors. Non-Executive Directors are entitled to receive remuneration by way of sitting fees as may be approved by the Board for attending Board/Committee(s) meetings, reimbursement of expenses for participation in meetings, and such commission as may be approved by the Board from time to time based on recommendation of the NRC. They are not entitled to any stock options or stock appreciation rights of the Company.

At the 27th AGM held on August 5, 2015, the shareholders approved the payment of remuneration to Non-Executive Directors (in addition to the sitting fees), in aggregate, not exceeding 3% of the net profits of the Company calculated in accordance with the provisions of the Act, with a delegation to the Board of Directors to decide the mode, quantum, recipients and the frequency of payment of such remuneration within the said limit. Accordingly, the Board fixes the remuneration payable to the Non-Executive Directors from time to time which is well within the limit approved by the shareholders.

Remuneration to the Chairman of the Board

Mr. Harsh Mariwala as the Chairman of the Board and a Non-Executive Director continues to foster and promote the integrity of the Board while nurturing an environment so as to ensure harmony amongst the Directors for the long-term benefit of all its stakeholders. The Chairman is entrusted with the responsibility of ensuring effective governance in the Company and continues to play an important role in guiding the MD & CEO and the Senior Management team on strategic business planning, leadership development, corporate social responsibility, image building, Board effectiveness and sustainable profitable growth of the Company.

The Chairman is entitled to a remuneration which is commensurate with his engagement beyond the Board meetings and within the provisions of Regulation 17(6)(ca) of the SEBI Listing Regulations.

The Company indemnifies its Directors and Officers for claims brought on them to the fullest extent permitted by applicable law. Further, the Company maintains a Directors' & Officers' insurance policy covering the liability of its Directors and Officers as per the terms of the policy.

Directors' Remuneration and Shareholding

Details of the remuneration of Directors for the financial year ended March 31, 2023 and their shareholding in the Company as on March 31, 2023, are as under:

Name	Category	Remuneration (₹ per annum)	Sitting Fees (₹)	Salary & Perquisites (₹)	Annual Performance Incentives (₹)	Long Term Performance Incentives/ ESOPs (₹)	Contribution to Provident & Pension Funds (₹)	Total (₹)	No. of Equity shares held in the Company
Executive Director									
Mr. Saugata Gupta	Managing Director & CEO	-	-	8,68,75,092	6,03,08,820	10,00,00,000	38,91,888	25,10,75,800*	9,43,052
Non-Executive Directors									
Mr. Harsh Mariwala	Chairman & Non-Executive	2,72,94,000	7,50,000	-	-	-	-	2,80,44,000@	9,84,54,000#
Mr. Ananth S	Independent	38,00,000	8,00,000	-	-	-	-	46,00,000	-
Ms. Apurva Purohit	Independent	34,41,667	9,50,000	-	-	-	-	43,91,667$	
Ms. Hema Ravichandar	Independent	40,00,000	13,00,000	-	-	-	-	53,00,000	-
Ms. Nayantara Bali	Independent	34,41,667	7,00,000	-				41,41,667$	
Mr. Nikhil Khattau	Independent	64,00,000	14,30,000	-	-	-	-	78,30,000	-
Mr. Milind Barve	Independent	35,00,000	11,50,000	-	-	-	-	46,50,000	-
Mr. Rajeev Vasudeva	Independent	35,00,000	8,00,000	-	-	-	-	43,00,000	-
Mr. Rajendra Mariwala	Non-Executive	35,00,000	7,30,000	-	-	-	-	42,30,000	2,39,35,840#
Mr. Rishabh Mariwala	Non-Executive	35,00,000	6,00,000	-	-	-	-	41,00,000	2,49,76,500

* *The remuneration of Mr. Saugata Gupta includes fixed pay, variable pay, retiral benefits, performance incentives/rewards as per the Company's policies and as determined by the NRC and the Board, and perquisite value of stock options exercised (wherever applicable) during the financial year (FY 2022-23: Nil).*

The details of stock options granted to the MD & CEO during the financial year 2022-23 are as follows:

Particulars	*No. of options*	*Date of vesting*
ESOPs (exercise price linked to market price: average of closing market prices on the stock exchanges for 22 trading days immediately preceding the grant date)	*5,75,837*	*March 31, 2024*
RSUs (exercise price: ₹ 1)	*86,601*	*March 31, 2024*

@ *With effect from November 1, 2022, the Board of Directors on the recommendation of Nomination and Remuneration Committee (NRC), revised the commission payable to Mr. Harsh Mariwala from ₹ 2.35 Crores per annum to ₹ 1.15 Crores per annum. The remuneration of Mr. Harsh Mariwala for the financial year 2022-23 is based on the aforesaid scale and also includes certain amounts pertaining to the immediately preceding financial year paid in FY 2022-23.*

Denotes shares held jointly with immediate family members.

$ *Remuneration for the period from April 7, 2022 till March 31, 2023.*

For the year ended March 31, 2023, the remuneration payable to any single Non-Executive Director of the Company did not exceed 50% of the total annual remuneration payable to all Non-Executive Directors.

Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity:

There is no pecuniary or business relationship between the Non-Executive/Independent Directors and the Company, except for the sitting fees for attending meetings of the Board/Committees thereof and remuneration payable to them annually.

Succession Planning

The Company follows a people-first culture and offer all its employees a defined talent value proposition to go beyond, grow beyond and be the impact so that they can maximise their true potential to make a difference. Evaluation of talent pipeline and building a potential succession pool is a continuous process. As part of the Company's talent review process, individual development plans are discussed on an annual basis, and key talent are identified for potential higher roles in the future. Further, a 360-feedback process enables employees identify strengths and areas of development to scale up their leadership capacity. As nurturing talent is integral to the Company's culture, senior management is also involved in mentoring to build a stronger succession pipeline. Potential successors for each of the key roles is identified through personal development planning process and a robust development plan is defined by supervisor and the Chief Human Resources Officer. The succession plan and depth of Talent for Key Managerial Personnel & Senior Management Personnel is also reviewed by NRC annually.

As part of the Company's NRE policy, a robust process for succession planning for appointments to the Board and the position of MD & CEO is defined. NRC develops and recommends to the Board a succession plan for the appointments made to the Board. The plan is reviewed by NRC annually and it recommends revisions to the Board (if any). In addition, the NRC, in consultation with the Board, also periodically reviews the Board rejuvenation process based on various factors such as current composition and balance of skills, experience and diversity on the Board, tenure of Directors, outcome of performance evaluation and business requirements.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has designed a Familiarisation Programme for its Independent Directors which is imparted at the time of appointment of an Independent Director on Board as well as during the year. The Programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatise them with the processes, business and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. Specific sessions are organized with the members of Executive Management Team and KMPs to provide an in-depth perspective to the Independent Directors on various aspects of the Company's business and ways-of-working. Apart from review of matters as required by the Charter, the Board also discusses various business strategies periodically. This deepens the Independent Directors' understanding and appreciation of Company's business and thrust areas. On the new trends and regulations, the Management also organises presentations by experts. Further, the Company also provides periodic insights and updates to the entire Board, including Independent Directors and other Non-Executive Directors, regarding business, innovation, ESG, human capital management, culture, Go-to-Market strategies, technology, etc. As part of the Board retreats held each year, the Management conducts deep-dive sessions for the entire Board on core strategic priorities and other critical business matters.

The Familiarisation Programme, topics covered and details of programs conducted during the year under review have been disclosed on the website of the Company at https://marico.com/india/investors/documentation/corporate-governance.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In accordance with the statutory requirements, the Company has constituted Stakeholders' Relationship Committee comprising three members viz. an Independent Director, a Non-Executive Director and the MD & CEO of the Company. Mr. Vinay M A is the Company Secretary & Compliance Officer of the Company and acts as the Secretary to the Committee.

The Committee met once during the year i.e. on February 3, 2023. The composition of the Committee along with attendance at its meeting is detailed below:

Name of Director	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Nikhil Khattau	Independent	Chairman	1	1
Mr. Rajendra Mariwala	Non-Executive	Member	1	1
Mr. Saugata Gupta	Managing Director & CEO	Member	1	1

The primary objective of the Committee is to specifically look into various aspects of interest of the shareholders, debenture holders and other security holders. The terms of reference of the Committee, *inter alia*, include:

1. To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. To review of measures taken for effective exercise of voting rights by shareholders;
3. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Status Report of Investor Complaints for the year ended March 31, 2023

Particulars	No. of complaints
Total complaints received during the year	27*
Total complaints resolved during the year	27
Complaints pending at the end of the year	0

* *Complaints received during the year mainly pertain to non-receipt of dividend, share certificates, transmission of shares, annual reports, TDS matters, etc.*

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company's Corporate Social Responsibility Committee ("**CSR Committee**") comprises three Independent Directors, two Non-Executive Directors and the MD & CEO of the Company.

Mr. Ananth S has been appointed as the Chairman of the CSR Committee with effect from April 1, 2022. Mr. Amit Bhasin, Chief Legal Officer, is the Secretary to the CSR Committee.

The CSR Committee met thrice during the year i.e. on May 4, 2022, October 31, 2022 and February 2, 2023. The composition of the CSR Committee along with attendance at its meetings is detailed below:

Name of Director	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Ananth S	Independent	Chairman	3	3
Mr. Harsh Mariwala	Non-Executive	Member	3	3
Mr. Milind Barve	Independent	Member	3	2
Mr. Rajendra Mariwala*	Non-Executive	Member	3	2
Mr. Saugata Gupta	Managing Director & CEO	Member	3	3
Ms. Nayantara Bali#	Independent	Member	3	3

* *Mr. Rajendra Mariwala ceased to be a Member of the CSR Committee with effect from May 5, 2023.*

Ms. Nayantara Bali was appointed as a Member of the CSR with effect from April 7, 2022.

The CSR Committee is entrusted with the following responsibilities:

1. To formulate and approve revisions to the CSR Policy and recommend the same to the Board for its approval;
2. To formulate and recommend an Annual Action Plan (including any revisions thereto) to the Board for its approval;
3. Identify project(s) of the Company as 'Ongoing Project(s)';
4. To recommend the annual CSR expenditure budget to the Board for its approval;
5. To approve unbudgeted CSR expenditure involving an annual outlay of more than ₹ 1 Crore but not exceeding 10% of the total CSR budget for the financial year;
6. Review implementation of CSR activities of the Company within the applicable framework;
7. To nominate members of the CSR Team and advise the team for effective implementation of the CSR programs and approve any changes thereto;
8. To undertake wherever appropriate, benchmarking exercises with other corporates to reassure itself of the effectiveness of the Company's CSR spends;
9. To review:
    a. Report on feedback obtained, if any, from the beneficiaries on the CSR programmes; and
    b. Outcome of social audit, if any, conducted with regards to the CSR programmes.
10. To carry out an impact assessment through an independent agency of project(s) having an outlay of ₹ 1 Crore or more and in respect of which a period of one year has elapsed since completion of such project.
11. To review adequacy of the CSR charter at such intervals as the CSR Committee may deem fit and recommend changes, if any, to the Board from time to time;
12. To approve the CSR disclosures that will form part of the Annual Report, website of the Company, etc.
13. To carry out any other function as delegated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for the performance of its duties.

VII. RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("**RMC**") comprises One Independent Director, the Managing Director & CEO and the Chief Financial Officer, which is in line with the provisions of the SEBI Listing Regulations. The Chief Financial Officer also acts as the Secretary to the RMC. The Chairman of the Board and other members of the Senior Management Team may also be invited to participate at the meetings of the RMC.

The RMC met twice during the year i.e. on June 30, 2022 and December 16, 2022. The composition of the RMC along with attendance at its meetings is detailed below:

Name of Director	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Nikhil Khattau	Independent	Chairman	2	2
Mr. Saugata Gupta	Managing Director & CEO	Member	2	2
Mr. Pawan Agrawal	Chief Financial Officer	Member & Secretary	2	2

The primary responsibility of the RMC is to assist the Board in monitoring and reviewing the risk management plan, implementation of the risk management framework of the Company, including cyber security.

The terms of reference of the Risk Management Committee, *inter alia*, include:

1. Formulating a detailed risk management policy, which includes the following and recommend the same to the Board for its approval:
    - Identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks, reputation risks or any other risk as may be determined by the RMC;
    - Defining measures for risk mitigation including systems and processes for internal control of identified risks; and
    - Business continuity plan.
2. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
3. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
4. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, which shall include:
    - Defining the calendar for reviews of existing risks of every function/business unit with the objective to refresh the prioritized risks at defined periodicity.
    - Reviewing the top risks of the company at defined periodicity.
    - Refreshing at defined intervals the top risks at the group level so that the Board can refresh the risk review calendar.
    - Ensuring that the calendar defined by the Board for review of the top risks of the Company is adhered to.
5. To ensure risk assessment and mitigation procedures are implemented which shall include:
    - Formulating measures for risk mitigation including systems and processes for internal control of identified risks.
    - Ensuring Business continuity plan and Crisis Management Framework.
    - Being aware and concurring with the Company's Risk appetite including risk levels, if any, set for financial and operational risks.
    - Ensuring that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both on going and new business activities.
    - Being apprised of significant risk exposures of the Company and whether management is responding appropriately to them in a timely manner.
    - While reviewing the top risks at function/business unit/company level, critically examine whether the mitigation plans as agreed are on track or not and whether any interventions are required.
6. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
7. The RMC shall have access to any internal information necessary to fulfil its oversight role. It shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
8. The RMC shall have powers to seek information from any employee and secure attendance of outsiders with relevant expertise, as it deems necessary.
9. Evaluation:
    a. The RMC may conduct a performance evaluation relative to its purpose, duties, responsibilities and effectiveness and recommend, any changes, it considers necessary for the approval of the Board.
    b. The Board may critique such evaluation done by the RMC basis the performance and suggest suitable changes to improve effectiveness. The Board shall ensure that RMC is functioning in accordance with its Charter.
    c. The RMC may conduct such evaluation and reviews at such intervals and in such manner as it deems appropriate.

VIII. OTHER COMMITTEES

ADMINISTRATIVE COMMITTEE

The Administrative Committee constituted by the Board is authorised to approve operational matters such as banking relations, authorizations/issuance of power of attorney, appointment of nominees under statutes, etc.

Mr. Vinay M A, Company Secretary & Compliance Officer, acts as the Member and Secretary to the Administrative Committee. The Administrative Committee met 10 (Ten) times during the year i.e. on April 12, 2022, May 26, 2022, July 1, 2022, August 1, 2022, September 5, 2022, November 29, 2022, January 19, 2023, February 3, 2023, February 27, 2023 and March 28, 2023.

The composition of the Administrative Committee along with the details of attendance at the meetings is detailed below:

Name of Director	Category	Nature of Member-ship	No. of Meetings	
			Held	Attended
Mr. Saugata Gupta	Managing Director & CEO	Member	10	10
Mr. Rajendra Mariwala	Non-Executive	Member	10	6
Mr. Pawan Agrawal	Chief Financial Officer	Member	10	10
Mr. Amit Aggarwal$	Head – Category Finance & MIS	Member	4	3
Mr. Vinay M A*	Company Secretary & Compliance Officer	Member & Secretary	6	5

$ *Mr. Amit Aggarwal ceased to be the Member of the Administrative Committee with effect from August 6, 2022, consequent to his resignation from services of the Company.*

* *Mr. Vinay M A was appointed as a Member of the Administrative Committee with effect from August 6, 2022 and the details of attendance pertain to meetings held after such date.*

INVESTMENT & BORROWING COMMITTEE

The Investment & Borrowing Committee constituted by the Board is *inter alia* responsible for approving investments in trade instruments, borrowing/lending monies, extending guarantee/security on behalf of subsidiaries, if required, with a view to ensure smooth operation and timely action. The investments, loans, borrowings, guarantees/security transactions are sanctioned by the Committee within the ceiling limits and on the terms approved by the Board from time to time.

The Investment & Borrowing Committee is also entrusted with the powers relating to certain preliminary matters in connection with any acquisition/takeover opportunity that the Company may explore.

Mr. Vinay M A, Company Secretary & Compliance Officer, acts as the Secretary to the Investment & Borrowing Committee. The Committee met 10 (ten) times during the year i.e. on April 12, 2022, May 26, 2022, July 26, 2022, September 2, 2022, October 1, 2022, November 1, 2022, December 12, 2022, December 26, 2022, January 19, 2023 and March 14, 2023.

The composition of the Investment & Borrowing Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of Director	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Harsh Mariwala	Non-Executive	Member	10	9
Mr. Rajendra Mariwala	Non-Executive	Member	10	7
Mr. Saugata Gupta	Managing Director & CEO	Member	10	9

SECURITIES ISSUE COMMITTEE

The Securities Issue Committee constituted by the Board approves matters pertaining to issuance and allotment of securities and other matters incidental thereto. Mr. Vinay M A, Company Secretary & Compliance Officer, acts as the Secretary to the Securities Issue Committee. The composition of the Securities Issue Committee is as follows:

Name	Category	Nature of Membership
Mr. Harsh Mariwala	Non-Executive	Member
Mr. Rajendra Mariwala	Non-Executive	Member
Mr. Rishabh Mariwala	Non-Executive	Member
Mr. Saugata Gupta	Managing Director & CEO	Member

The approval of the Securities Issue Committee on relevant matters is typically obtained through means of resolutions passed by circulation from time to time.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee constituted by the Board is responsible to approve transfer, transmission, sub-division, consolidation, issuance of duplicate share certificate and other requests lodged by the shareholders of the Company.

The Share Transfer Committee met 6 (six) times during the year i.e. on April 21, 2022, May 23, 2022, August 23, 2022, October 1, 2022, November 1, 2022 and March 22, 2023. Mr. Vinay M A, Company Secretary & Compliance Officer, acts as the Secretary to the Share Transfer Committee.

The composition of the Share Transfer Committee along with attendance at its meetings is detailed below:

Name of Director	Category	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Harsh Mariwala	Non-Executive	Member	6	4
Mr. Rajendra Mariwala	Non-Executive	Member	6	5
Mr. Saugata Gupta	Managing Director & CEO	Member	6	6

SUSTAINABILITY COMMITTEE

The Sustainability Committee was constituted by the Board in 2016 to steer the sustainability activities of the Company. As on March 31, 2023, Mr. Amit Bhasin, Chief Legal Officer, was the Business Responsibility & Sustainability Head. Mr. Saugata Gupta, Managing Director & CEO, is responsible for implementation of Business Responsibility and Sustainability Report. The Committee met once during the year on April 27, 2022.

The composition of the Sustainability Committee is as below:

Name of Member	Designation	Nature of Membership
Mr. Amit Bhasin#	Chief Legal Officer	Chairman
Mr. Pawan Agrawal	Chief Financial Officer	Member
Dr. Shilpa Vora*	Chief Technology Officer, R&D	Member
Mr. Bhaskar Balakrishnan*	Executive Vice President & Head, Manufacturing & Operations Excellence	Member

 # Mr. Amit Bhasin was appointed as the Chairman of the Sustainability Committee with effect from April 7, 2022.

** Dr. Shilpa Vora, Chief Technology Officer-R&D, and Mr. Bhaskar Balakrishnan, Executive Vice President & Head, Manufacturing & Operations Excellence, were appointed as Members of the Sustainability Committee with effect from April 7, 2022.*

IX. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings:

Year	Venue	Date	Time	Nature of Special Resolutions Passed
2020	Video Conferencing/Other Audio-Visual Means (Deemed venue: Registered Office of the Company at 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra)	August 28, 2020	10:00 a.m.	Approval of the remuneration payable to Mr. Harsh Mariwala (DIN: 00210342), Chairman of the Board and Non-Executive Director of the Company, for the financial year 2020-21.
2021	Video Conferencing/Other Audio-Visual Means (Deemed venue: Registered Office of the Company at 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra)	August 30, 2021	11:00 a.m.	Approval of the remuneration payable to Mr. Harsh Mariwala (DIN: 00210342), Chairman of the Board and Non-Executive Director of the Company, for the financial year 2021-22.
2022	Video Conferencing/Other Audio-Visual Means (Deemed venue: Registered Office of the Company at 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra)	August 5, 2022	9:00 a.m.	None

Postal Ballot:

Postal ballots are conducted in accordance with the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. Shareholders are provided the facility to vote either by physical ballot or through e-voting and the postal ballot notice is sent to shareholders as per the permitted mode wherever applicable.

Shareholders holding equity shares as on the cut-off date can cast their votes through e-voting or through postal ballot during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman, or any other person authorized by the Chairman and the results of voting by postal ballot are announced within 2 working days of conclusion of the voting period. The results are displayed on the website of the Company and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agent. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting.

In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("**MCA**") has permitted companies to transact items through postal ballot as per the framework set out in relevant MCA Circulars, up to September 30, 2023. In accordance with these circulars, only e-voting facility is to be provided to all shareholders to cast their votes electronically. Hence, there is no requirement of sending physical copy of Postal Ballot Notice along with postal ballot forms and pre-paid business envelope to shareholders. Further, there is a requirement to publish a notice in the newspapers and arrange for shareholders to register their e-mail address with the company to enable ease of electronic voting process.

During the year under review, the following special resolutions were passed by shareholders through postal ballot (vide postal ballot notice dated April 7, 2022):

1. Amendments to the Marico Employee Stock Option Plan, 2016;
2. Grant of employee stock options to eligible employees of the Company's subsidiaries under the amended Marico Employee Stock Option Plan, 2016;
3. Re-appointment of Mr. Ananth Sankaranarayanan (DIN: 07527676) as an Independent Director of the Company;
4. Appointment of Mr. Rajeev Vasudeva (DIN: 02066480) as an Independent Director of the Company;
5. Appointment of Ms. Apurva Purohit (DIN: 00190097) as an Independent Director of the Company; and
6. Appointment of Ms. Nayantara Bali (DIN: 03570657) as an Independent Director of the Company.

Mr. Makarand M. Joshi (Membership No: 5533) and in his absence Mrs. Kumudini Bhalerao (Membership No: 6667), Partners of M/s. Makarand M. Joshi & Co., Practising Company Secretaries, Mumbai, were appointed as the Scrutinizers for conducting the Postal Ballot through Remote E-voting in a fair and transparent manner. The results of voting by postal ballot through the Remote E-voting process were declared on May 17, 2022, details of which are as under:

Resolution	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast Against on Votes Polled
Amendments to the Marico Employee Stock Option Plan, 2016	1,10,74,06,745	92,55,53,464	18,18,53,281	83.58	16.42
Grant of employee stock options to eligible employees of the Company's subsidiaries under the amended Marico Employee Stock Option Plan, 2016	1,10,74,05,932	92,55,51,237	18,18,54,695	83.58	16.42
Re-appointment of Mr. Ananth Sankaranarayanan (DIN: 07527676) as an Independent Director of the Company	1,15,55,17,490	1,15,50,03,612	5,13,878	99.96	0.04
Appointment of Mr. Rajeev Vasudeva (DIN: 02066480) as an Independent Director of the Company	1,15,55,17,399	1,15,50,54,845	4,62,554	99.96	0.04
Appointment of Ms. Apurva Purohit (DIN: 00190097) as an Independent Director of the Company	1,15,55,17,435	1,15,50,64,236	4,53,199	99.96	0.04
Appointment of Ms. Nayantara Bali (DIN: 03570657) as an Independent Director of the Company	1,15,55,17,485	1,15,51,33,898	3,83,587	99.97	0.03

DISCLOSURES

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

The Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives as per the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information as required under the said regulations.

The Company has also adopted various corporate governance policies as required under the SEBI Listing Regulations and the same are available on the website at https://marico.com/india/investors/documentation corporate-governance.

Compliance with mandatory and non-mandatory requirements of the SEBI Listing Regulations

Your Company has complied with all the mandatory corporate governance requirements under the SEBI Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations and has obtained a certificate from Dr. K. R. Chandratre, Secretarial Auditor, regarding compliance of conditions of Corporate Governance as stipulated in this clause, which is annexed to this report as **Annexure C3**.

Further, the Company has complied with the following non-mandatory requirements as per the provisions of Part E of Schedule II of the SEBI Listing Regulations:

- The office of the Chairman is occupied by a Non-Executive Director of the Company.
- The financial statements contain an unmodified audit opinion.
- The Company has a separate Non-Executive Chairman and a Managing Director & CEO, who are not related to one another.
- The quarterly/half-yearly/annual financial results are published in the newspapers, hosted on the Company's website and also emailed to the shareholders who have registered their email ids with the Company/Depositories.
- The Internal auditors of the Company directly report to the Audit Committee of the Board of Directors.

Vigil Mechanism

The Company has a well-defined vigil mechanism/whistle blower policy embedded in the Code of Conduct and it is fully implemented by the Management, particulars of which have been explained in greater detail as part of the Board's Report.

No personnel have been denied access to the Audit Committee and/or its Chairman.

Fund Utilisation

The Company does not have any unutilised funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.

Directors Non-Disqualification

A certificate from Dr. K. R. Chandratre, Practicing company Secretary, has been obtained and annexed to this report as **Annexure C4** stating that as on March 31, 2023, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority(ies).

Recommendation by the Committees to the Board

During the year under review, there were no instances of non-acceptance of any recommendation of any statutory committees of the Board.

X. MATERIAL RELATED PARTY TRANSACTIONS & MATERIAL SUBSIDIARY

There were no materially significant related party transactions entered into by the Company during the financial year 2022-23 that may have potential conflict with the interests of the Company at large. Further, as on March 31, 2023, Marico Bangladesh Limited continues to be the material subsidiary of the Company in terms of Regulation 16(1)(c) of the SEBI Listing Regulations.

The policy for determining material subsidiary is available at https://marico.com/investorspdf/Policy_for_Determination_of_Material_Subsidiary.pdf and the policy on dealing with related party transactions is available at https://marico.com/investorspdf/Policy_on_Related_Party_Transactions.pdf.

XI. GOVERNANCE OF SUBSIDIARIES

All subsidiaries of the Company are managed by their Boards having rights and obligations in accordance with applicable laws. The Company nominates its representatives on the Boards of subsidiaries to monitor its operations and performance. Oversight on subsidiaries is also maintained *inter alia* through the following:

- Review of financial statements of subsidiaries and statement containing significant transactions and arrangements entered into by the subsidiaries.
- Review of minutes of Board Meetings of the subsidiaries on a quarterly basis.
- Extending necessary guarantees, letter of comfort and other support for their day-to-day operations from time-to-time.

XII. COMMODITY PRICE RISK/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Commodity risks for your Company arise mainly due to fluctuations in prices of agricultural commodities, edible oils and crude oil. Unexpected changes in commodity prices and supply disruptions could impact business margins and ability to service demand. There have been sharp swings and volatility in key input prices in the past few years. As a result, the overall uncertainty in the environment continues to be high. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2023 are disclosed in the Notes to the standalone financial statements.

The details of the exposure of the Company to material commodity risks is given below:

Commodity Name	Exposure in ₹ (Crores)	Exposure in quantity terms (MT)
Edible Oils	₹ 1,359	1,12,073
Crude Oil Derivatives	₹ 599	67,994
Total	**₹ 1,958**	**1,80,067**

XIII. MEANS OF COMMUNICATION

Quarterly and Annual Financial results for Marico Limited and consolidated financial results for the Marico Group are typically published in Free Press Journal, an English financial daily, Financial Express, and Navshakti, a vernacular newspaper. The Company also sends this information through email updates to the shareholders who have registered their email address with the Company or Depository Participant.

All official news releases and financial results are communicated by the Company through its corporate website- www.marico.com. Presentations made to Institutional Investors/Analysts at Investor Meets organized/participated by the Company are also hosted on the Investor Relations section of the Company's website for wider dissemination.

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

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

XIV. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting through Video Conferencing/ Other Audio-Visual Means Facility		
Date	:	August 11, 2023
Time	:	9:00 a.m. IST
Deemed Venue for Meeting	:	Registered Office: Marico Limited, 7th floor, Grande Palladium, 175 CST Road, Kalina, Mumbai – 400 098
Financial calendar		
Financial Year	:	April 1 - March 31
For the year ended March 31, 2023, results were announced on		
• First quarter	:	August 6, 2022
• Half year	:	November 4, 2022
• Third quarter	:	February 3, 2023
• Annual	:	May 5, 2023
Tentative Schedule for declaration of financial results during the financial year 2023-24		
• First quarter	:	Last week of July, 2023
• Half-year	:	Last week of October, 2023
• Third quarter	:	Last week of January, 2024
• Annual	:	Last week of April, 2024
Listing Details		
Name of Stock Exchange	:	Stock/ Scrip Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	:	531642
The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Mumbai 400 051	:	MARICO
ISIN	:	INE196A01026
Corporate Identification Number	:	L15140MH1988PLC049208

The Company hereby confirms that it has made the payment of Annual Listing Fees to BSE Limited and NSE.

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

Section 124 of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("**Rules**") stipulates transfer of dividend that has remained unclaimed for a period of seven years, from the unpaid dividend account to IEPF. Further, the Rules also stipulate transfer of shares in respect whereof the dividend has not been paid or claimed for a period of seven consecutive years or more to the demat account of the IEPF Authority.

The Company has appointed a Nodal Officer under the provisions of the Rules, the details of which are available on the website at https://marico.com/india/investors/documentation/dividend.

In view of the above, during FY23, the Company transferred the following unpaid/unclaimed dividend to IEPF:

Financial Year	Type of Dividend	Dividend per share (in ₹)	Date of Declaration	Date of transfer to IEPF	Amount transferred (in ₹)
2015-16	1st Interim Dividend	1.75	04-11-2015	December 23, 2022	3,73,980
	2nd Interim Dividend	1.50	30-01-2016	March 21, 2023	7,06,842

Further, dividend for the following years will be transferred to IEPF on respective due dates, as below:

Financial Year	Type of Dividend	Dividend per share (in ₹)	Date of Declaration	Due Date for transfer to IEPF
2015-16	3rd Interim Dividend	1.00	10-03-2016	16-04-2023*
2016-17	1st Interim Dividend	1.50	04-11-2016	10-12-2023
	2nd Interim Dividend	2.00	02-02-2017	10-03-2024
2017-18	1st Interim Dividend	1.75	30-10-2017	05-12-2024
	2nd Interim Dividend	2.50	09-02-2018	17-03-2025
2018-19	1st Interim Dividend	2.00	01-11-2018	07-12-2025
	2nd Interim Dividend	2.75	05-02-2019	13-03-2026
2019-20	1st Interim Dividend	2.75	25-10-2019	30-11-2026
	2nd Interim Dividend	3.25	30-01-2020	06-03-2027
	3rd Interim Dividend	0.75	06-03-2020	11-04-2027
2020-21	1st Interim Dividend	3.00	28-10-2020	03-12-2027
	2nd Interim Dividend	4.50	03-03-2021	08-04-2028
2021-22	1st Interim Dividend	3.00	28-10-2021	03-12-2028
	2nd Interim Dividend	6.25	28-01-2022	05-03-2029
2022-23	Interim Dividend	4.50	27-02-2023	04-04-2030

** Dividend was transferred to IEPF on May 4, 2023.*

Transfer of shares to IEPF

Pursuant to the provisions of the Act, read with the Rules, the Company is required to transfer equity shares (including shares lying the Unclaimed Suspense Account) in respect of which dividends have not been claimed for a period of seven consecutive years to IEPF. Accordingly, the Company transferred 16,202 shares to IEPF during the financial year.

Details of these shares are available on the Company's website at the following link: https://marico.com/india/investors/documentation/dividend.

Further, shares in respect of which dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the IEPF as required by law. The Company will transfer the said shares, after sending an intimation of the proposed transfer in advance to the concerned shareholders, as well as publish a public notice in this regard. Names of such transferees will be available on the Company's website at the link: https://marico.com/india/investors/documentation/dividend.

Reminder letters are periodically sent by the Company to the concerned shareholders advising them to claim their dividends. Shareholders may note that both the unclaimed dividend and underlying shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF Authority by following the procedure prescribed in the Rules.

Equity Shares in the Unclaimed Suspense Account

In terms of Regulation 39 of the SEBI Listing Regulations, details of the equity shares lying in the Unclaimed Suspense Account are as follows:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (i.e. April 1, 2022)	12	49,020
Number of shareholders who approached listed entity for transfer of shares from suspense account during the Financial Year 2022-23	-	-
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2022-23	-*	15,020
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (i.e. March 31, 2023)	6	34,000

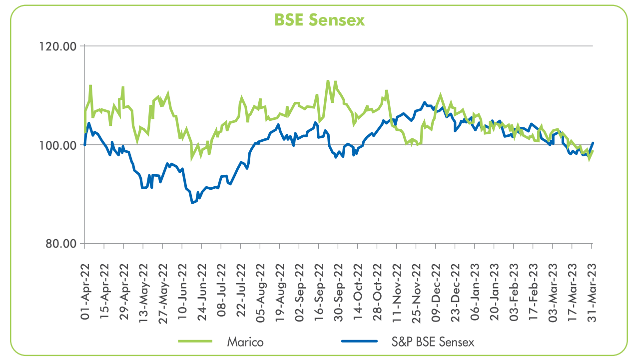
** As at March 31, 2023, a total of 15,020 shares of 6 shareholders lying in the Demat Suspense Account (towards Unclaimed Bonus shares) were debited for the purpose of transfer to the IEPF.*

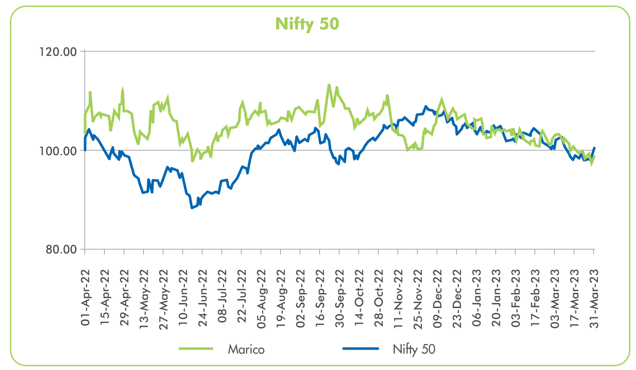
Your Company confirms that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

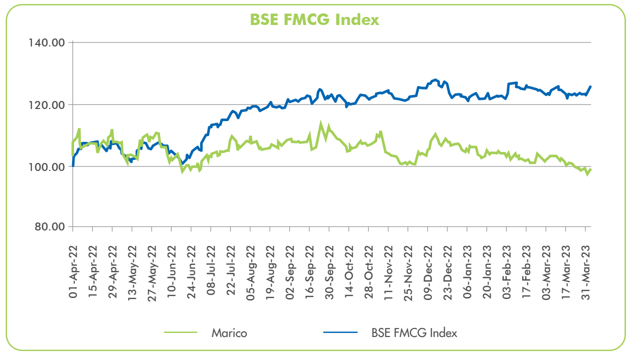
Market Price Data

Month	Bombay Stock Exchange (BSE)(In ₹)		National Stock Exchange (NSE)(In ₹)	
	High	Low	High	Low
Apr-22	547.65	501.00	547.85	500.75
May-22	551.50	487.50	551.90	487.05
Jun-22	538.30	471.25	538.55	471.05
Jul-22	534.40	477.45	533.20	477.60
Aug-22	536.70	505.25	537.15	505.00
Sep-22	554.05	506.00	554.35	505.70
Oct-22	541.55	502.35	541.80	502.10
Nov-22	541.70	481.80	542.00	481.50
Dec-22	534.75	498.50	535.00	498.35
Jan-23	524.65	490.60	524.90	490.40
Feb-23	511.20	485.10	511.50	485.10
Mar-23	503.70	470.00	503.80	470.00

PERFORMANCE IN COMPARISON: BSE SENSEX, NIFTY 50 AND BSE FMCG (The values of S&P Sensex, Nifty 50, BSE FMCG Index and share price of the Company have been indexed to begin from '100' to show comparative movements)







Distribution of Shareholding as on March 31, 2023:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	3,42,421	96.46	1,46,86,038	1.14
501-1000	5,491	1.55	42,31,930	0.33
1001 -2000	2,820	0.79	43,56,898	0.34
2001-3000	868	0.24	22,20,946	0.17
3001-4000	605	0.17	22,45,931	0.17
4001- 5000	368	0.10	17,09,414	0.13
5001-10000	928	0.26	69,61,451	0.54
10001 & above	1,491	0.42	1,25,66,71,770	97.18
Total	**3,54,992**	**100.00**	**1,29,30,84,378**	**100.00**

Share Transfer System	The Board has delegated the authority for approving transfer/ transmission/transposition of securities of the Company pursuant to Regulation 40 of the SEBI Listing Regulations to the Share Transfer Committee. The Share Transfer Committee meets as may be warranted based on the number of share transaction requests received by the Company. All requests for dematerialisation of shares are processed and the confirmation is given to respective Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited, generally within 21 days. In accordance with the proviso to Regulation 40(1) of the SEBI Listing Regulations, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them.
Registrar & Transfer Agent	Link Intime India Private Limited (Unit: Marico Ltd.), C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083

Categories of Shareholding as on March 31, 2023:

Categories	31-March-2023	% of total share capital
Indian		
Promoters	76,79,75,740	59.39
Bodies Corporate & Trusts	1,93,05,505	1.49
Individuals and HUF	5,71,94,986	4.42
Insurance Companies	7,35,34,520	5.69
Mutual Funds	4,09,36,352	3.17
Financial Institution & Bank	15,68,754	0.12
Clearing Members	33,907	0.00
Central/State Government	22,350	0.00
IEPF Authority	75,286	0.01
Alternative Investment Funds	5,10,528	0.04
NBFC registered with RBI	43,35,910	0.34
TOTAL (A)	**96,54,93,838**	**74.67**
Foreign		
Promoters	4,02,000	0.03
Foreign Portfolio Investors	32,28,89,741	24.97
Foreign Banks	6,000	0.00
NRIs	42,92,799	0.33
TOTAL (B)	**32,75,90,540**	**25.33**
GRAND TOTAL (A+B)	**1,29,30,84,378**	**100.00**
Total Demat Holding	**1,29,26,20,085**	**99.96**
Total Physical Holding	**4,64,293**	**0.04**

Sr. No.	Name of the Shareholder	Shareholding as at March 31, 2023		Shareholding as at March 31, 2022	
		No. of shares	% of total shares	No. of shares	% of total shares
1	First Sentier Investors ICVC - Stewart Investors Asia Pacific Leaders Sustainability Fund, along with Persons acting in concert	8,60,84,065	6.66	8,97,03,735	6.94
2	Life Insurance Corporation of India	4,69,70,380	3.63	4,77,45,987	3.69
3	NPS Trust	1,51,95,238	1.18	95,46,510	0.74
4	UTI	1,40,15,803	1.08	1,51,77,704	1.17
5	Government Pension Fund Global	1,33,78,510	1.04	1,02,54,927	0.79
6	Fidelity Funds - India Focus Fund	90,84,023	0.70	87,67,305	0.68
7	Government of Singapore	81,16,332	0.63	50,69,914	0.39
8	Franklin India	78,00,000	0.60	45,00,000	0.35
9	Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	73,29,261	0.57	72,58,615	0.56
10	Bajaj Allianz Life Insurance Company Limited	70,48,250	0.55	46,34,733	0.36
11	ICICI Prudential Life Insurance Company Limited	55,55,913	0.43	67,53,356	0.52
12	Vanguard Total International Stock Index Fund	68,29,280	0.53	66,97,104	0.52
13	Bajaj Holdings & Investment Limited	42,00,000	0.33	60,65,559	0.47

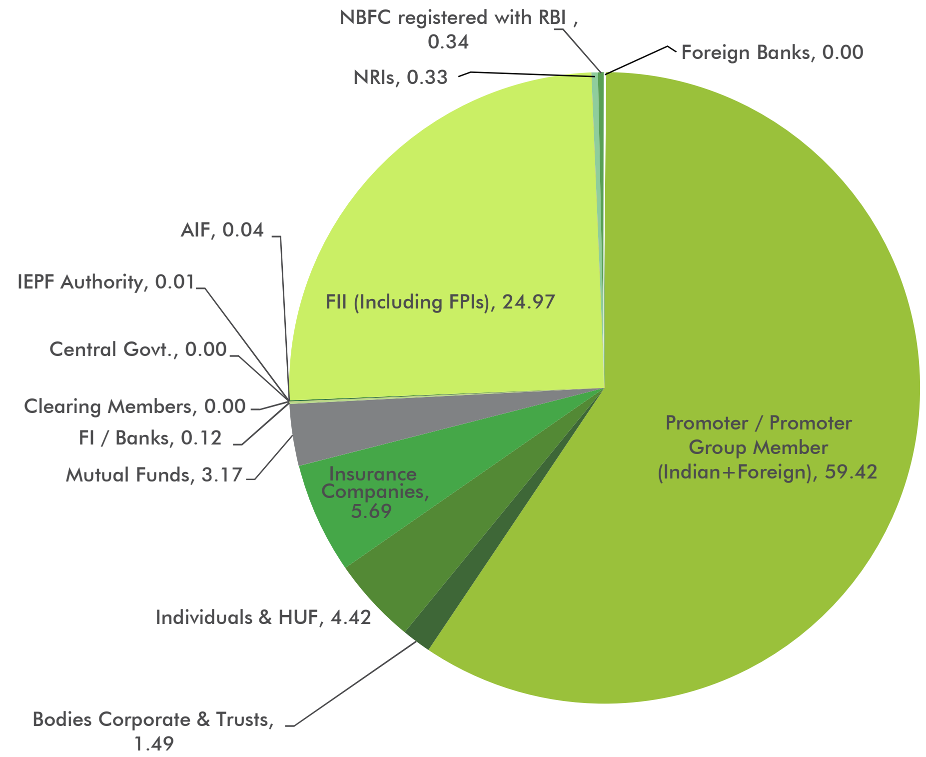
Notes:

a. Serial Nos. 1 to 6 and 9 are part of Top 10 shareholders as at March 31, 2022 and March 31, 2023.

b. Serial No. 7, 8 and 10 are part of Top 10 shareholders only as at March 31, 2023.

c. Serial No. 11, 12 and 13 are part of Top 10 shareholders only as at March 31, 2022.

Shareholding Pattern as on March 31, 2023



Dematerialization of Shares and Liquidity	As on March 31, 2023, 99.96% of shareholding was held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.
Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity	The Company has not issued any GDR/ADR/Warrants or any convertible instruments.
Credit Ratings and revisions thereto for all debt instruments or any fixed deposit programme or any scheme or proposal of the Company obtained during the year under review	The Company did not have any debt instruments or any fixed deposit programme or any scheme or proposal during the year under review.
Plant Locations	Perundurai, Sanand, Puducherry, Jalgaon, Baddi, NER -1 (Guwahati) and NER-2 (Guwahati)
Disclosure of foreign exchange risks, commodity price risks and hedging activities	Please refer Commodity Price Risk/Foreign Exchange Risk and Hedging Activities herein and Notes to the Financial Statements for the same.
Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	₹ 2,25,65,108/-
Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013	Please refer Board's Report.
Disclosure by listed entity and its subsidiaries of 'Loans and advances' in the nature of loans to firms/companies in which directors are interested by name and amount	Please refer Notes to the Financial Statements.
Details of material subsidiaries of the listed entity, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.	As on March 31, 2023, the Company continues to have one material subsidiary i.e. Marico Bangladesh Limited ("**MBL**"), details of which are as under: Date of incorporation: September 6, 1999 Place of incorporation: Bangladesh The statutory auditors of MBL is A. Qasem & Co., who were appointed at the Annual General Meeting of MBL held on July 26, 2021, and further re-appointed at the Annual General Meeting of MBL held on July 26, 2022.

Investor Information

Your Company has put in place a "Shareholders' Manual" which contains comprehensive information *inter alia* on the rights of shareholders, general FAQs, process for handling investor grievances and escalation matrix for complaints/queries of the shareholders. Further details on the above can be accessed at https://marico.com/india/investors/investor-relations-grievances/shareholders-guide.

Shareholders/Investors Complaints received and redressed:

The Company gives utmost priority to the interests of the investors. All the requests/complaints of the shareholders have been generally resolved to the satisfaction of the shareholders within the statutory time limits.

Address for correspondence

Shareholding related queries

Company's Registrar & Transfer Agent:
Link Intime India Private Limited
Unit: Marico Limited
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai - 400 083
Tel.: 08116767 Fax: 022 - 49186060
E-mail: rnt.helpdesk@linkintime.co.in

General Correspondence

Marico Limited
Grande Palladium, 7th Floor, 175, CST Road,
Kalina, Santa Cruz (East), Mumbai - 400 098
Tel.: 022–66480480, Fax: 022–26500159
E-mail: investor@marico.com

Mr. Vinay M A
Company Secretary & Compliance Officer
Contact no.: 022-66480480 (Extn.: 937)
E-mail: vinay.ma@marico.com

Mr. Harsh Rungta
Investor Relations Team
Contact no.: 022-66480480 (Extn.: 983)
E-mail: harsh.rungta@marico.com

For Marico Limited

Harsh Mariwala
Chairman
DIN: 00210342

Place : Mumbai
Date: May 5, 2023

Annexure 'C1' to the Corporate Governance Report
Chief Executive Officer (CEO) Declaration

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

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

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Saugata Gupta
Managing Director & CEO
(DIN: 05251806)

Date: May 5, 2023

Annexure 'C2' to the Corporate Governance Report
Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We hereby certify that:

a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2023 ("**the Period**") and to the best of our knowledge and belief:
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Period which are fraudulent or illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee:
   (i) significant changes in internal control during the Period;
   (ii) significant changes in accounting policies during the Period and that the same have been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

This certificate is being given to the Audit Committee of the Board and the Board of Directors of Marico Limited, pursuant to Regulation 17(8) read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Thank you.

Yours truly,

For Marico Limited

Saugata Gupta
Managing Director & CEO

Date: May 5, 2023
Place: Mumbai

For Marico Limited

Pawan Agrawal
Chief Financial Officer

Date: May 5, 2023
Place: Mumbai

Annexure 'C3' to the Corporate Governance Report Auditor's Certificate

CERTIFICATE ON COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY MARICO LIMITED RELATING TO CORPORATE GOVERNANCE REQUIREMENTS

I have examined compliance by Marico Limited (the Company) with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) relating to corporate governance requirements for the year ended on 31 March 2023.

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

I state that no complaint relating to investor's grievance received by the Company is pending unresolved as on 31 March 2023.

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

Dr. K. R. Chandratre
Practising Company Secretary

FCS No.: 1370, C. P. No.: 5144
UDIN: F001370E000262312
Peer Review Certificate No. : 1206/2021

Place: Pune
Date: 5 May 2023

Annexure 'C4' to the Corporate Governance Report Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) read with Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members
Marico Limited
7th Floor, Grande Palladium
175, CST Road, Kalina, Santacruz (East)
Mumbai - 400098.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Marico Limited having CIN: L15140MH1988PLC049208 and having registered office at 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400098 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31 March 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority(ies).

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Harsh Mariwala	00210342	13/10/1988
2.	Mr. Rajendra Mariwala	00007246	26/07/2005
3.	Mr. Nikhil Khattau	00017880	18/07/2002
4.	Ms. Hema Ravichandar	00032929	26/07/2005
5.	Mr. Rishabh Mariwala	03072284	02/05/2017
6.	Mr. Saugata Gupta	05251806	01/04/2014
7.	Mr. Ananth Sankaranarayanan	07527676	26/06/2017
8.	Mr. Milind Barve	00087839	02/08/2021
9.	Mr. Rajeev Vasudeva	02066480	01/11/2021
10.	Ms. Apurva Purohit	00190097	07/04/2022
11.	Ms. Nayantara Bali	03570657	07/04/2022

Ensuring eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dr. K. R. Chandratre
Practising Company Secretary
FCS No.: 1370, C. P. No.: 5144
UDIN: F001370E000262301
Peer Review Certificate No. : 1206/2021

Place: Pune
Date: 5 May 2023

Annexure 'D' to the Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy

1. Steps taken/impact on conservation of energy:

Your Company is committed to sustainable business practices by contributing to environment protection. Conservation of energy and reduction of emissions is a prime focus area for your Company. During the year under review, a host of initiatives were undertaken across the manufacturing locations to improve energy efficiencies and conservation. Some of the energy and fuel saving initiatives taken during FY2022-23 are outlined below:

- Energy savings of over 38,000 KWH/annum by optimizing compressor load by installation of two separate lines for compressors in manufacturing facility at Guwahati.
- LDR installation in manufacturing facility at Guwahati for corridor lights to reduce power consumption by 4,800 KWH/annum.
- Energy saving of 45,6435 KwH/annum productivity improvement in water base section at Sanand facility.
- Natural gas consumption reduction of 1,809 MMBTU by optimizing water base manufacturing operations in Sanand Facility.
- Timer based operating system installation in Sanand facility for hair oil manufacturing to reduce the power consumption by 65,000 KWH/annum.
- Energy saving at Perundurai facility by optimizing conveyor ON/Off sequence.
- Boiler fuel consumption reduction by optimizing feed water temperature and boiler pressure at Pondicherry facility.
- Steam consumption reduction by optimizing Rice Bran Oil refining process at Jalgaon facility.

2. Steps taken for utilising alternate sources of energy:

Marico has launched its Net-Zero targets in global operations by 2040. Transitioning to renewable energy plays the most critical element of this roadmap that your Company has set up to shape a sustainable future.

All Marico manufacturing facilities are 100% coal-free and are constantly focusing on transitioning to renewable sources for meeting its operational energy requirements.

Your Company utilizes 100% renewable source for thermal energy requirements for its processes at Jalgaon, Perundurai and Puducherry units.

Your Company uses energy for thermal and electrical applications. Thermal energy requirement at Jalgaon, Perundurai and Pondicherry facilities were met through biofuels. Similarly, a significant portion of requirement of electrical energy at Jalgaon, Perundurai and Sanand unit is fulfilled through renewable sources like wind and solar.

During the year under review, 66% of the total energy requirement (electrical and thermal) for operations were met through renewable sources.

3. Capital investment on energy conservation equipments:

For the year under review, the capital investment on energy conservation projects was ₹ 93.11 crores. These efforts led to power savings of 7,29,025 KwH and fuel savings of 95 MT during the reporting year, across Marico's manufacturing footprint. Going forward, your Company will focus on increased adoption of solar-wind hybrid power and deployment of storage capacity to address intermittency issues. Expansion of waste heat recovery technologies and other low-carbon technological interventions for process optimisation and effectiveness will be considered for capital investment towards building a carbon neutral future.

B. Technology absorption

1. Research and Development (R&D)

In the past year, the R&D team directed their efforts in the key areas of:

- Consumer insight-led product development.
- Product Innovation for international markets.
- Adapting to the evolving new ways of working.

Marico, in line with its value of consumer centricity, continued to research and innovate into various product categories, focusing on consumer need for taste and health as the top-most priority.

In its quest to solve for consumer desires and preferences, your Company continued the path of manufacturing "Healthier For You" products meeting consumer demands. With 2023 being declared as the International Year of Millets (IYOM), Marico forayed into millets, India's own super grains. Adding 25% of millets as crunchy bits made of ragi, bajra, and jowar to savoury oats, your Company launched Saffola Masala Oats Karara Crunch. The authentic Indian spices with crunchy millet bits and crisp vegetables make this preparation an ultimate flavourful anytime snack. Your Company extended the millet benefits to our Munchiez platform with Ragi Chips. With this, Marico aspires to enhance and propagate awareness on "goodness of millets" among Indians with varied experience from different product formats. The products were launched with two most liked flavours of Takatak Tomato and Masala Twist to drive consumer acceptance and are better than regular fried snacks with 50% lesser saturated fat compared to popular chips made with palm oil. The products are also source of natural calcium from ragi.

Makhana, one of kids' favourite snacks, is now roasted to perfection in two most liked flavours as Saffola Munchiez Roasted Makhana Cheesy Onion and Masala Twist. They are high in protein and free from trans-fat, MSG and palm oil.

Your Company launched Saffola Soya Bhurji Magic Masala, a quick and tasty plant protein rich snack with vegetables for any occasion. The format is extended to one of the most liked recipes by Indians- "bhurji", to drive consumer acceptability of soya. It is a single serve pack (35g) which can be instantly ready in 5-min and is double the protein (2X) of commonly consumed packaged snacks.

Building on to the contemporary Honey platform, your Company launched Saffola Honey Gold, made with Kashmir honey (tested by NMR technology) and Saffola Honey Active, made with Sundarban Forest honey, with no adulteration with refined sugar.

With Saffola Mayonnaise, Marico's endeavour is to make everything tastier and help moms win the hearts of her family. This year, your Company launched another tasteful flavour variant, Tandoori Masala Hot and Smoky, with added vitamins A, D and E.

Saffola Fittify expanded the portfolio by launching several products to meet consumer needs on functional health benefits. Steel Cut Oats has the benefits on cholesterol due to high protein and fibre. A range of 8 Perfekt Gummies variants, fortified with essential nutrients primarily needed for benefits like energy boost, immunity, sleep, eye and bone health. Apple Cider Vinegar to help consumers desiring of weight management, Himalayan Shilajit for vitality benefits for men. The Slim Meal Shake category was extended with a new Strawberry flavour.

This year as well, your Company continued with its vision of providing healthier solutions for its consumers which they can use anytime as various meal and snacking options.

Further, Marico R&D Team has always pursued deep science for understanding food, skin and hair structure and its interactions with products that consumers use. It actively collaborates with research institutes in India and Internationally to decode the science of its products. This year, Marico signed MOUs with very distinguished research centres such as Indian Institute of Millet Research (IIMR), Indian Institute of Toxicological Research (IITR) and Indian Fisheries Institute. Your Company actively collaborates with these government recognised centres of excellence for taking its research initiatives forward.

This year, Marico launched the Parachute Advansed Curry Leaves Hair Oil. Curry Leaves Hair Oil contains the goodness of Curry Leaves that help reduce hair fall and delay hair greying. Curry leaves hair oil contains no parabens, no sulphates, no artificial dyes, no silicones, no formaldehydes and is completely cruelty free.

Livon Hair Serum was launched in Bangladesh. This serum gives shine to hair and makes it silky and manageable. Marico also entered the premium serum category through Livon Serum Oil launch in Middle east. This range contains 3 variants: Smoothing oil with keratin and biotin, Repairing oil with Organic Onion and Penetrating oil with Vitamin E. The Fiancée range of hair oils in Egypt was extended to include 2 new variants - Fiancée Oil with Watercress, and Fiancée Oil with Onion.

The Parachute Advansed Body Lotion portfolio was extended by addition of variants relevant to several consumer needs. 3 more variants were added to lotion portfolio to address the need of brightening, anti-aging and sensitive skin moisturisation needs. Products launched were Radiant glow lotion, Age erase lotion and Pro-sensitive lotion. Face and Body creams were added to the portfolio to address moisturisation needs across the year. 3 products were launched - Deep Nourish, Coco repair, All-Day Aloe Face and Body Cream. Additionally, a unique hydrating gel was launched to address hydration needs in summer i.e. Coconut water hydrating gel. All products have been clinically tested under doctor supervision to claim '72-hour non-stop moisturisation'.

The Revive portfolio has now extended into a first time ever launch of long-lasting fragrance variants in fabric stiffener with a unique claim of "Upto 30 days fragrance retention".

In Bangladesh, Glo-on pink glow brightening cream was launched, which has also been developed with active vitamins and has been clinically tested to deliver instant as well as long term clear glow. During the year, we launched Hair Code Shampoo Hair Color (black) after the successful launch of Hair Code Mehendi Creme last year. We also launched Parachute Natural Onion Advansed Hair Oil Fall Control Shampoo - the latest addition to the Parachute Naturale Shampoo portfolio.

In Vietnam, a brand-new Lashe Superfood Range of Shower Gel, Shampoo and Conditioner has been launched in 2 variants "Kiwi & Manuka Honey" and "Goji Berry & Almond".

Several new interventions were taken in the Digital brand Puresense e.g. Mists, Guava and Papaya scrub. In Cocosoul, several hair benefitting product regime launches were done with benefits of Long and Strong Hair, Anti-dandruff, Curly Hair and Hair Fall Control.

In the area of packaging, work continued in terms of premiumization and value management. Design thinking was adopted to generate consumer centric designs that meet the value perception of consumers and was followed and executed in several products. This approach reinforces the faith Marico has in consumer centric innovations. Marico has also launched the first pack with 20% RPET (Recycled PET) for some of its hair oils and is well placed to move this to higher levels in the near future. Your Company also launched a collaborative circular packaging initiative with Dow and Lucro plastecycle towards the usage of post-consumer recycled (PCR) shrink films for the brand, Parachute Advansed Aloe Vera Hair Oil, Nihar Shanti Badam Amla Hair Oil, Hair and Care, Nihar Naturals Hair Oil - Jasmine and Rose.

Consumer and Product Insighting approach and Design Thinking has been consistently evolving in Marico R&D over time. Product innovations are based on consistent read of market trends, understanding consumer needs and listening to consumer's pain points. In the new age of E-com, product reviews and sentiment analysis are real time mechanisms of understanding the consumer voice. This aspect has been also now integrated at the conception of product ideas and technologies that give Marico business an edge over competition for building desirable and delightful consumer experience at an affordable cost. This is evident in the successful launch of Saffola Soya Bhurji, Saffola Makhana and Saffola Munchiez in 2022-23 which have shown positive response in the markets.

Quality Team has continued its focus on building quality in design and "make quality", thereby enhancing value for consumer. The Corporate Quality team consciously makes efforts to cater to all consumer concerns. Marico has introduced Augmented Reality (AR) technology for Saffola Honey, Active and Gold, a platform for Interactive Digital Consumer Experience. A first of its kind integration to a Marico Brand with benefits like digital engagement, educate/create awareness to consumers and create a delightful consumer experience. As part of internal customer engagement, Marico has launched a mobile App based platform QINTEL to capture and share their usage experience and feedbacks on its products/ packaging, new competition packs, new product categories, etc., which appear in markets across regions. Marico's Technical Regulatory functions have partnered with various government regulatory departments for capability and capacity development initiatives and helped them in framing consumer-centric legislations. Your Company has also supported various Government programs for strong Nation Building under PPP (public private partnership) model.

2. Benefits derived as the result of the above efforts

- Launch of new products and entry into new categories i.e. snacks, gummies, apple cider vinegar and mayonnaise.
- Enhanced connect with regulators and presence in industry forums.

3. Technology absorption, adaptation and Innovation

New technologies sourced from vendors, universities, etc. were evaluated for implementation keeping in mind your Company's business needs. Clinical research organizations and University experts were engaged to develop new products and deploy them at a faster rate. These efforts allowed higher ideas generation and quicker conversion of ideas into products. Marico has received 11 patents across personal care, foods, and packaging.

4. Technology imported during the last three years reckoned from the beginning of the financial year: Not Applicable.

5. The expenditure incurred on Research and Development:

Particulars	As at March 31, 2023 ₹ in Crore	2022 ₹ in Crore
(a) Capital	0.47	0.58
(b) Recurring	31.91	29.00
Total	**32.38**	**29.58**
As a % of revenues	0.43	0.39

C. Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo during the period under review was as under:

Particulars	As at March 31, 2023 ₹ in Crore	2022 ₹ in Crore
Foreign Exchange earned	**265.55**	509.90
Foreign Exchange used	**147.32**	176.68

For Marico Limited

Harsh Mariwala
Chairman
DIN: 00210342

Place : Mumbai
Date : May 5, 2023

Annexure 'E' to the Board's Report

DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY ("CSR")

1. A Brief Outline of the Company's CSR Policy:

Marico's CSR Philosophy

Marico's stated purpose is to "Make a Difference". We believe that we exist to benefit the entire ecosystem of which we are an integral part. We have a commitment towards our interdependent ecosystem of shareholders, consumers, associates, employees, Government, environment and society. We believe that economic value and social value are inter-linked. An organization creates economic value by creating social value by playing a role in making a difference to the lives of its key stakeholders. Further, an organization cannot do this in isolation and needs the support and participation of other constituents of the ecosystem. Sustainability comes from win-win partnerships in the ecosystem.

Marico's CSR Policy is therefore anchored on this core purpose of making a difference to the lives of all its stakeholders to help them achieve their full potential. Pursuant to the requirements of Section 135 of the Companies Act, 2013 read with the rules made thereunder, the Board of Directors has adopted the CSR Policy encapsulating the Company's approach towards meeting its CSR objectives. Salient features of the CSR Policy are as under:

- CSR philosophy
- Key thrust areas for CSR contributions
- Implementation
- Governance: At CSR Team, CSR Committee and at Board level
- Annual Action Plan
- Mechanisms for CSR Expenditure and Budget
- Monitoring and Impact Assessment of the CSR Programs

CSR Pivots

While the Ministry of Corporate Affairs has provided a list of activities qualifying for CSR under Schedule VII to the Companies Act, 2013, in order to build focus and have a more impactful execution with a view to make a difference, Marico's CSR efforts are primarily dedicated in areas which include the following:

Theme	Program
Sustainable Agriculture and Livelihood Improvement	Parachute Kalpavriksha Foundation
	Jalashay
	Afforestation
	Community Sustenance
Education	Nihar Shanti Pathshala Funwala
Social Innovation	Marico Innovation Foundation

2. Composition of the CSR Committee:

Composition of the CSR Committee as at March 31, 2023 is given below and can also be accessed at https://marico.com/page/Committees-of-the-Board-March-31,2023.pdf

Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Ananth S#	Independent	3	3
Mr. Harsh Mariwala	Chairman of the Board & Non-Executive	3	3
Mr. Saugata Gupta	Managing Director & CEO	3	3
Mr. Rajendra Mariwala@	Non-Executive	3	2
Mr. Milind Barve	Independent	3	2
Ms. Nayantara Bali$	Independent	3	3

Mr. Ananth S was appointed as Chairman of the CSR Committee with effect from April 1, 2022.

@ Mr. Rajendra Mariwala stepped down as the member of the CSR Committee with effect from May 5, 2023.

$ Ms. Nayantara Bali was appointed as a Member of the CSR Committee with effect from April 7, 2022.

3.

The CSR policy can be accessed at https://marico.com/investorspdf/Corporate-Social-Responsibility-Policy.pdf. The CSR Projects approved by the Board can be accessed at https://marico.com/india/investors/documentation/annual-reports. Further information regarding CSR projects and programs of the Company have been provided as part of the Chapter titled 'Communities' of this Integrated Annual Report.

4.

The Company engaged RTI International, an independent agency, to carry out impact assessment of the below CSR projects, as required under sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

(a) Jalashay

(b) Parachute Kalpavriksha Foundation

(c) Nihar Shanti Pathshala Funwala

(d) Nihar Shanti Education and Skilling Program

Executive Summary of the outcome of assessment, efficiency and effectiveness of projects and way forward have been provided as part of the Chapter titled 'Communities' of this Integrated Annual Report. The impact assessment reports are available on the Company's website at https://marico.com/india/investors/documentation/annual-reports.

5.

(a)	Average net profit of the company as per section 135(5)	: ₹ 1,126.61 crores
(b)	Two percent of average net profit of the company as per section 135(5)	: ₹ 22.53 crores
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	: Nil
(d)	Amount required to be set-off for the financial year, if any	: ₹ 0.62 crores
(e)	Total CSR obligation for the financial year [(b) + (c) – (d)]	: ₹ 21.91crores

6.

(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	: ₹ 21.41crores
(b)	Amount spent in Administrative Overheads	: ₹ 1.04 crores
(c)	Amount spent on Impact Assessment, if applicable	: ₹ 0.24 crores
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	: ₹ 22.69 crores

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Crores)	Amount Unspent (₹ in Crores)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
22.69	N.A.				

(f) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (₹ in crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	22.53
(ii)	Total amount spent for the Financial Year	22.69*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.16
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	0.16

** Includes excess CSR spends of ₹ 0.62 crores spent in the previous financial year 2021-22, set-off in the financial year 2022-23.*

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under sub-section 135(6) (₹ in crore)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in crore)	Amount Spent in the Financial Year (₹ in crore)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (₹ in crore)	Deficiency, if any
					Amount (₹ in crore)	Date of transfer		
Nil								

8.

Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Regn.No.	Name	Regd. Address
			N.A.				

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

Note: Figures in this report have been rounded off to 2 decimals.

Place: Mumbai
Date: May 5, 2023

Saugata Gupta
Managing Director & CEO

Ananth S
Chairman of the CSR Committee

Form AOC-1: Annexure to the Board's Report

Statement containing salient features of the financials statements of subsidiaries, associate companies and joint ventures as at March 31, 2023.
Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014

Part "A": Subsidiaries

(All figures except exchange rates are in Crores)

Sr. No.	Name of the subsidiary	Reporting Currency	Exchange Rate	Date of becoming/ acquiring subsidiary	Start date of the Reporting Period	End date of the Reporting Period	Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (Excluding Investment in Subsidiaries)	Turnover	Profit / (Loss) Before Tax	Provision for Tax	Profit / (Loss) After Tax	Proposed Dividend including Dividend declared during the year	% of Share holding
1	Marico Bangladesh Limited	BDT		6th September,1999	1st April, 2022	31st March, 2023	32	327	1,164	805	233	1,414	503	116	387	299	90%
		₹.	0.782				25	256	910	629	182	1,161	413	95	318	246	
2	MBL Industries Limited	BDT		2nd August, 2003	1st April, 2022	31st March, 2023	0	0	1	0	-	-	(0)	-	(0)	-	100%
		₹.	0.782				0	0	1	0	-	-	(0)	-	(0)	-	
3	Marico Middle East FZE	AED		8th November,2005	1st April, 2022	31st March, 2023	2	(13)	11	22	-	19	(0)	-	(0)	-	100%
		₹.	22.374				49	(285)	248	484	-	411	(6)	-	(6)	-	
4	MEL Consumer Care SAE	EGP		1st October,2006	1st April, 2022	31st March, 2023	0	(15)	0	16	-	-	(2)	-	(2)		100%
		₹.	2.655				0	(41)	1	41	-	-	(8)	-	(8)	-	
5	Egyptian American Investment and Industrial Development Company S.A.E	EGP		19th December,2006	1st April, 2022	31st March, 2023	1	(1)	0	0	-	-	-	-	-	-	100%
		₹.	2.655				2	(3)	0	1	-	-	-	-	-	-	
6	Marico South Africa (Pty) Limited	ZAR		17th October,2007	1st April, 2022	31st March, 2023	11	1	21	9	-	36	2	1	2	-	100%
		₹.	4.618				50	7	96	39	-	172	11	3	8	-	
7	Marico South Africa Consumer Care (Pty) Limited	ZAR		1st November,2007	1st April, 2022	31st March, 2023	13	(5)	8	-	-	-	(0)	-	(0)	-	100%
		₹.	4.618				62	(25)	37	-	-	-	(0)	-	(0)	-	
8	Marico Egypt for Industries SAE	EGP		1st January,2008	1st April, 2022	31st March, 2023	1	(2)	0	0	-	-	0	-	0	-	100%
		₹.	2.655				3	(4)	0	1	-	-	1	-	1	-	
9	Marico for Consumer Care Products SAE	EGP		19th December,2017	1st April, 2022	31st March, 2023	1	(10)	15	24	1	21	(3)	(0)	(3)	-	100%
		₹.	2.655				4	(27)	40	64	2	78	(10)	(0)	(10)	-	
10	Marico Malaysia Sdn.Bhd	MYR		4th December,2009	1st April, 2022	31st March, 2023	1.77	(1.77)	0.00	0.00	-	-	(0)	-	(0)	-	100%
		₹.	18.613				33	(33)	0	0	-	-	(0)	-	(0)	-	
11	Marico South East Asia Corporation	VND		18th February,2011	1st April, 2022	31st March, 2023	9,536	29,623	119,470	80,311	-	200,264	25,792	5,221	20,571	-	100%
		₹.	0.00350				33	104	418	281	-	681	88	18	70	-	
12	Marico Innovation Foundation[5]	₹.		15th March,2013	1st April, 2022	31st March, 2023	-	0	0	0	-	-	0	-	0	-	100%
		₹.	1.000				-	0	0	0	-	-	0	-	0	-	
13	Parachute Kalpvriksha Foundation[6]	₹.		27th December,2018	1st April, 2022	31st March, 2023	-	0	0	0	-	-	(0)	-	(0)	-	100%
		₹.	1.000				-	0	0	0	-	-	(0)	-	(0)	-	
14	Marico Lanka (Private) Limited	LKR		03rd March, 2019	1st April, 2022	31st March, 2023	2	(40)	8	45	-	2	(16)	-	(16)	-	100%
		₹.	0.252				1	(10)	2	11	-	0	(4)	-	(4)	-	

Form AOC - 1 : Annexure to the Board's Report

Sr. No.	Name of the subsidiary	Reporting Currency	Exchange Rate	Date of becoming/ acquiring subsidiary	Start date of the Reporting Period	End date of the Reporting Period	Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (Excluding Investment in Subsidiaries)	Turnover	Profit / (Loss) Before Tax	Provision for Tax	Profit / (Loss) After Tax	Proposed Dividend including Dividend declared during the year	% of Share holding
15	Zed Lifestyle Private Limited	₹.		30th June, 2020	1st April, 2022	31st March, 2023	0	2	51	49	-	107	(8)	2	(6)	-	100%
		₹.	1.000				0	2	51	49	-	107	(8)	2	(6)	-	
16	Apcos Naturals Private Limited[7]	₹.		21st July, 2021	1st April, 2022	31st March, 2023	0	18	39	21	8	59	(15)	4	(12)	-	60%
		₹.	1.000				0	18	39	21	8	59	(15)	4	(12)	-	
17	Marico Gulf LLC[8]	AED.		17th January, 2022	1st April, 2022	31st March, 2023	0	0	2	2	-	4	0	-	0	-	100%
		₹.	22.374				0	0	2	2	-	95	7	-	7	-	
18	HW Wellness Solutions Private Limited[9]	₹.		23rd May, 2022	1st April, 2022	31st March, 2023	0	52	71	20	24	57	(23)	5	(19)	-	53.98%
		₹.	1.000				0	52	71	20	24	57	(23)	5	(19)	-	
19	Beauty X Joint Stock Company[10]	VND		31st January, 2023	1st April, 2022	31st March, 2023	100	73	193	20	-	-	-	-	-	-	100%
		₹.	0.00350				0	0	1	0	-	-	-	-	-	-	

Notes:

1) *% of shareholding includes direct and indirect holding through subsidiary*
2) *Financial figures as provided in the table above are from the annual financials for each of the subsidiary Company for their respective financial year unless stated otherwise.*
3) *Indian rupee equivalents of the figures provided in foreign currencies in the accounts of the subsidiary companies, have been stated herein based on the exchange rates as on 31st March, 2023 or average rate during the year, as applicable.*
4) *Halite Personal Care Private Limited, a subsidiary of the Company which has not been included in the above statement is under members' voluntary liquidation and has concluded final distribution of its assets.*
5) *Marico Innovation Foundation, 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 subsidiary of the Company with effect from March 15, 2013. Based on the Control assessment carried out by Marico Limited,the same is not consolidated as per IND AS 110.*
6) *Parachute Kalpavriksha Foundation, 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 December 27, 2018. Based on the Control assessment carried out by Marico Limited,the same is not consolidated as per IND AS 110.*
7) *Apcos Naturals Private Limited ("Just Herbs") became subsidiary of Marico Limited w.e.f. July 21, 2021. During the year, the Company acquired additional equity stake of 7.62% in Just Herbs, thereby increasing the total equity stake from 52.38% to 60%.*
8) *Marico Gulf LLC became step down subsidiary of Marico Limited w.e.f. January 17, 2022.*
9) *On May 23, 2022, the Company acquired 53.98% equity stake in HW Wellness Solutions Private Limited ("True Elements") and consequently, True Elements became a subsidiary of the Company.*
10) *Beauty X Joint Stock Company ("Beauty X"), Vietnam, became a wholly owned subsidiary of Marico South East Asia Corporation ("MSEA"), pursuant to completion of acquisition by MSEA on January 31, 2023 as per the closing conditions and terms of the definitive agreement between the parties. Consequently, Beauty X became a step-down wholly owned subsidiary of the Company.*
11) *Figures below the rounding-off norm have been reflected as "0".*

Part "B": Associates and Joint Ventures

Not Applicable

For and on behalf of the Board of Directors

HARSH MARIWALA [DIN 00210342]	**Chairman**
SAUGATA GUPTA [DIN 05251806]	**Managing Director and CEO**
PAWAN AGRAWAL	**Chief Financial Officer**
VINAY M A [Membership No. FCS 11362]	**Company Secretary**

Place : Mumbai
Date : May 5, 2023

FINANCIAL

Statements

Independent Auditor's 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"), which comprise the consolidated balance sheet as at March 31, 2023, 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, 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 as at March 31, 2023, of its consolidated profit and other comprehensive loss, 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 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 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 note (e) of Significant Accounting Policies and Note 19 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue is recognised based on the arrangement with customers. Revenue is recognised when control of the underlying products has been transferred to the customer. There is a risk of revenue being overstated due to the pressure management may feel to achieve performance targets.	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 appropriateness of the Group's revenue recognition accounting policies 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 in the general ledger accounting system. • Performed substantive testing by selecting samples of revenue transactions recorded, and verifying the underlying documents i.e. sales invoices and shipping documents. • Inspected, on a sample basis, key customer contracts to identify terms and conditions for sale. • Tested manual journals posted to revenue to identify unusual items. • Performed analytical procedures on sales such as trend analysis to identify any unusual fluctuations.

Uncertain Tax Position

Refer note (h) of Significant Accounting Policies and Note 26 and 33 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Company operates in a complex tax jurisdiction with certain tax exemptions / deductions that may be subject to challenges and audits by tax authorities. There are significant open tax matters under litigation with tax authorities Judgement is required in assessing the level of provisions and disclosure of contingent liabilities required in respect of uncertain tax position that reflects management's best estimates of the most likely outcome based on the facts available.	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: i. For uncertain tax positions, inspected select correspondences with tax authorities. ii. Evaluated management's judgment regarding the expected resolution of matters with various tax authorities, based on external tax expert/counsel opinions and the use of past experience, where available, with the tax authorities. iii. Involved tax specialists to evaluate the status of ongoing tax litigations and judgemental 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. iv. Evaluated the adequacy of financial statement disclosures in respect of the tax provision / adjustments and contingencies.

Impairment assessment of goodwill and intangible assets with indefinite useful lives

Refer to note (j) of Significant Accounting Policies, Note 2(d) and 5 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The carrying amount of goodwill aggregates ₹ 862 crores and intangible assets with indefinite lives aggregates ₹ 545 crores i.e. 12% and 8% of the total assets of the Group respectively as at March 31, 2023. The annual impairment testing of goodwill and intangible assets with indefinite lives is considered to be a key audit matter due to complexity of the accounting requirements and significant judgements required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the relevant cash generating units (CGUs), which has been determined based on value in use, 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).	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 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 valuation specialists, where appropriate, to evaluate the reasonability of the methodology and the approach used in the valuation carried out for determining the carrying amount of the CGUs. • 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 the impairment assessment for goodwill and intangible assets with indefinite lives.

Impairment assessment of goodwill and intangible assets with indefinite useful lives

Refer to note (j) of Significant Accounting Policies, Note 2(d) and 5 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group acquired control of HW Wellness Solutions Private Limited (True Elements) effective May 23, 2022 and Beauty X Joint Stock Company effective January 31, 2023 for an aggregate consideration of ₹ 341 crore. Further, the Group has also incurred an obligation to buyout the non-controlling interest ('NCI') stake in True Elements, contingent on achievement of future business milestones, which has been recorded at the estimated present value of ₹ 248 crore as at acquisition date. Accounting for the acquisition involves judgement in order to: • Identify and measure the fair value of the identifiable assets acquired (including intangible assets) and liabilities assumed. • Allocate the consideration transferred between The measurement of identifiable assets and liabilities acquired at fair value, buyout obligation and economic useful life of acquired intangible assets is inherently judgemental. Given the complexity and judgement involved, this is considered a key audit matter.	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: • We have read the underlying contract for the business acquisition to understand the key terms and conditions. • We have assessed the appropriateness of the accounting treatment followed in terms of the requirements of Ind AS 103 'Business Combinations' and Ind AS 109 'Financial Instruments's. • Obtained an understanding of the process followed by the Management to determine the fair value of identifiable assets and liabilities and allocation of the purchase price. Evaluated the objectivity and competence of the expert engaged by the Company. • We have evaluated the purchase price allocation adjustments, the identification and valuation of acquired intangible assets by involving valuation specialists and based on our knowledge of the Company and industry. • We have evaluated the buyout obligation accounted for based on the future cash flow forecasts considering the historical performance and business prospects • We have evaluated the economic useful life of intangible assets with reference to various factors such as expected usage, typical product life cycle, legal/other limits etcs. • We have assessed the adequacy of the Company's disclosures in respect of the acquisition.

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 Annual report, but does not include the financial statements and auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under relevant laws and regulations.

Management's and Board of Directors'/Board of Trustees' 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 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 Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/trust 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 the 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 Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors/Board of Trustees of the companies/trust included in the Group are responsible for assessing the ability of each company/trust 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 /Board of Trustees of the companies/trust included in the Group are responsible for overseeing the financial reporting process of each company/ trust.

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 whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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 the 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 report. However, future events or conditions may cause the Group 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 statements of such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements 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 audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company 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 auditor's 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 of 9 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1,857 crore as at March 31, 2023, total revenues (before consolidation adjustments) of ₹ 2,677 crore and net cash flows (before consolidation adjustments) amounting to ₹ 372 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements 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 reports of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

b. The financial statements/financial information of 9 subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 107 crore as at March 31, 2023, total revenues (before consolidation adjustments) of ₹ 52 crore and net cash flows (before consolidation adjustments) amounting to ₹ 67 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. These unaudited financial statements 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 such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the 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 this matter with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 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/consolidated 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 March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 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 companies and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

   a. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2023 on the consolidated financial position of the Group. Refer Note 14 and Note 33 to the consolidated financial statements.

   b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2023.

   c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended March 31, 2023.

   d (i) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 41 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 41 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

   e. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act

   f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only with effect from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiaries 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 subsidiaries 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) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Place: Mumbai — Membership No.: 048648
Date: May 05, 2023 — ICAI UDIN: 23048648BGWANE8117

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Marico Limited for the year ended 31st March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Sr. No.	Name of the entities	CIN	Holding Company/ Sub sidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Zed Lifestyle Private Limited	U74999GJ2016 PTC091839	Subsidiary	(xvii) *
2	Apcos Naturals Private Limited	U74999PB2018 PTC048652	Subsidiary	(xvii) *

* This clause pertains to cash losses incurred in the current Financial Year and/or previous Financial Year by the respective entities.

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report

Name of the entities	CIN	Subsidiary/ JV/ Associate
HW Wellness Solutions Private Limited	U51900PN2013PTC1498 64	Subsidiary

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN: 23048648BGWANE8117

Place: Mumbai
Date: May 05, 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Marico Limited for the year ended 31st March 2023

(Referred to in paragraph 1 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 Marico Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion the Holding Company and its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company 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 and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

The internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited subsidiary company is not material to the Holding Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN: 23048648BGWANE8117

Place: Mumbai
Date: May 05, 2023

Consolidated Balance Sheet

as at 31st March 2023

(₹ in Crore)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	633	600
Capital work-in-progress	3(c)	67	39
Right of use assets	3(b)	175	178
Investment properties	4	16	22
Goodwill	5	862	654
Other intangible assets	5	560	306
Financial assets			
(i) Investments	6(a)	518	187
(ii) Loans	6(c)	4	4
(iii) Other financial assets	6(f)	32	17
Deferred tax assets (net)	7	146	187
Non current tax assets (net)	17	67	57
Other non-current assets	8	46	30
Total non-current assets		**3,126**	**2,281**
Current assets			
Inventories	9	1,225	1,412
Financial assets			
(i) Investments	6(a)	578	641
(ii) Trade receivables	6(b)	1,015	652
(iii) Cash and cash equivalents	6(d)	207	276
(iv) Bank balances other than (iii) above	6(e)	549	303
(v) Loans	6(c)	4	5
(vi) Other financial assets	6(g)	4	2
Current Tax Asset (net)	17	2	1
Other current assets	10	229	213
Assets classified as held for sale	11	7	0
Total current assets		**3,820**	**3,505**
Total assets		**6,946**	**5,786**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	129	129
Share application money pending allotment		0	-
Other equity			
Reserves and surplus	12(b)	3,674	3,189
Other reserves	12(c)	(4)	30
Equity attributable to owners		3,799	3,348
Non-controlling interests	12(c)	157	57
Total equity		**3,956**	**3,405**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	2	-
(ii) Lease Liabilities		91	91
(iii) Other financial liabilities	13(b)	266	-
Provisions		4	1
Employee benefit obligations (net)	15	20	27
Deferred tax liabilities (net)	16	178	109
Total non-current liabilities		**561**	**228**
Current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	473	345
(ii) Trade payables	13(c)		
Total outstanding dues of micro enterprises and small enterprises		68	76
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,384	1,268
(iii) Lease Liabilities		42	43
(iv) Other financial liabilities	13(b)	40	45
Other current liabilities	18	217	224
Provisions	14	44	21
Employee benefit obligations (net)	15	74	64
Current tax liabilities (net)	17	87	67
Total current liabilities		**2,429**	**2,153**
Total liabilities		**2,990**	**2,381**
Total equity and liabilities		**6,946**	**5,786**
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 & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 05, 2023

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2023

Consolidated Statement of Profit and Loss

for the year ended 31st March 2023

(₹ in Crore)

Particulars	Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue:			
Revenue from operations	19	9,764	9,512
Other income	20	144	98
Total Income		**9,908**	**9,610**
Expenses			
Cost of materials consumed	21(a)	4,649	5,061
Purchases of stock-in-trade		541	491
Changes in inventories of finished goods, stock-in-trade and work-in progress	21(b)	161	(116)
Employee benefit expense	22	653	586
Finance costs	25	56	39
Depreciation and amortization expense	23	155	139
Other expenses	24	1,950	1,809
Total expenses		**8,165**	**8,009**
Profit before tax		1,743	**1,601**
Income tax expense			
Current tax	26	377	343
Deferred tax charge/(credit)	26	44	3
Tax expense for the current year		**421**	**346**
Profit for the year (A)		**1,322**	**1,255**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements gain on post employment benefit obligations	15	2	5
Income tax relating to items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements gain on post employment benefit obligations		(0)	(1)
Total		**2**	**4**
Items that will be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations	12 (c)	(34)	30
Change in fair value of hedging instruments	12 (c)	(0)	1
Income tax relating to items that will be reclassified to profit or loss in subsequent periods			
Change in fair value of hedging instruments	12 (c)	0	(0)
Total		(34)	31
Other comprehensive income for the year (B)		**(32)**	**35**
Total comprehensive income for the year (A+B)		**1,290**	**1,290**
Net Profit attributable to:			
Owners		1,302	1,225
Non-controlling interests		20	30
		1,322	**1,255**
Other comprehensive income attributable to:			
Owners		(32)	35
Non-controlling interests		0	0
		(32)	**35**
Total comprehensive income attributable to:			
Owners		1,270	1,260
Non-controlling interests		20	30
		1,290	**1,290**
Earnings per equity share for profit attributable to owners:	36		
Basic earnings per share		10.08	9.50
Diluted earnings per share		10.05	9.49
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 & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 05, 2023

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2023

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2023

A. Equity Share Capital

(₹ in Crore)

Balance as at April 01, 2022	Changes in equity share capital during the year due to prior period errors.	Restated balance as at April 01, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2023
129	-	129	0	129

Balance as at April 01, 2021	Changes in equity share capital during the year due to prior period errors.	Restated balance as at April 01, 2020	Changes in equity share capital during the year*	Balance as at March 31, 2022
129	-	129	0	129

* Refer note 12(a)

B. Other Equity

(₹ in Crore)

Particular	Note	Attributable to owners											
		Reserves and surplus							Other reserves				
		Securities premium (note a)	Retained earnings (note b)	General reserve (note c)	Share based option outstanding account (note d)	Treasury shares (note e)	Capital reduction (note h)	Weoma reserve (note e)	Effective portion of cash flow hedge (note f)	Foreign currency translation reserve (note g)	Total other Equity	Non-controlling interests	Total equity
Balance as at April 01, 2021		**431**	**3,038**	**299**	**29**	**(40)**	**(724)**	**78**	**(0)**	**0**	**3,111**	**18**	**3,129**
Profit for the year		-	1,225	-	-	-	-	-	-	-	1,225	30	1,255
Other comprehensive income for the year		-	4	-	-	-	-	-	1	30	35	0	35
Total comprehensive income for the year	**-**	**-**	**1,229**	**-**	**-**	**-**	**-**	**-**	**1**	**30**	**1,260**	**30**	**1,290**
Acqusitions through business combinations	12(c)	-	-	-	-	-	-	-	-	-		35	35
(Purchase)/sale of treasury shares by the trust during the year (net)	12(b)	-	-	-	-	(18)	-	-	-	-	(18)	-	(18)
Income of the trust for the year	12(b)	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**-**	**-**	**10**	**-**	**10**
Exercise of employee stock options	12(b)	53	-	-	(12)	-	-	-	-	-	41	-	41
Share based payment expense	12(b)	-	-	-	10	-	-	-	-	-	10	-	10
Other adjustments	12(c)	-	-	-	-	-	-	-	-	-	-	(4)	(4)
Transactions with owners in their capacity as owners:													
Dividends paid on equity shares	12(b)	-	(1,195)	-	-	-	-	-	-	-	(1,195)	(22)	(1,217)
Balance as at March 31, 2022		**484**	**3,072**	**299**	**27**	**(58)**	**(724)**	**88**	**0**	**30**	**3,219**	**57**	**3,276**
Balance as at April 01, 2022		484	3,072	299	27	(58)	(724)	88	0	30	3,219	57	3,276
Profit for the year		-	1,302	-	-	-	-	-	-	-	1,302	20	1,322
Other comprehensive income for the year		-	2	-	-	-	-	-	(0)	(34)	(32)	0	(32)
Total comprehensive income for the year	-	**-**	**1,304**	**-**	**-**	**-**	**-**	**-**	**(0)**	**(34)**	**1,270**	**20**	**1,290**
Acqusitions through business combinations (refer note no. 42)	12(c)	-	-	-	-	-	-	-	-	-	-	104	104
Remeasurement changes arising on liability towrds obligation to acquire non-controlling interest	13(b)	-	(266)	-	-	-	-	-	-	-	(266)		(266)
(Purchase)/sale of treasury shares by the trust during the year (net)	12(b)	-	-	-	-	(2)	-	-	-	-	(2)	-	(2)
Income of the trust for the year	12(b)	-	-	-	-	-	-	6	-	-	6	-	6
Exercise of employee stock options	12(b)	12	-	-	(3)	-	-	-	-	-	9	-	9
Share based payment expense	12(c)	-	-	-	19	-	-	-	-	-	19	-	19
Other adjustments		-	(2)	-	-	-	-	-	-	-	(2)	0	(2)
Transactions with owners in their capacity as owners:													
Dividends paid on equity shares	12(b)	-	(582)	-	-	-	-	-	-	-	(582)	(25)	(607)
Balance as at 31st March, 2023		**496**	**3,526**	**299**	**43**	**(60)**	**(724)**	**94**	**0**	**(4)**	**3,670**	**157**	**3,827**

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2023

Nature and purpose of reserves

a) Securities premium accounts

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 group. Refer note 35 for further details of these 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 borrowed from 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 March 31, 2014, Hon'ble High Court of Bombay had approved the Scheme of Capital Reduction vide its order dated June 21, 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 Limited, 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 Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 05, 2023

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2023

Consolidated statement of Cash Flows

For the year ended 31st March, 2023

(₹ in Crore)

	Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE INCOME TAX	1,743	1,601
	Adjustments for:		
	Depreciation and amortization expense	155	139
	Finance costs	56	39
	Interest income from financial assets	(49)	(59)
	(Gain)/ Loss on disposal of property, plant and equipment and Right of Use Assets (NET)	(28)	(0)
	Net fair value changes in financial assets and profit on sale of investments	(50)	(29)
	Employees stock option charge	19	10
	Provision for doubtful debts	1	8
		1,847	1,709
	Change in operating assets and liabilities:		
	(Increase) / Decrease in inventories	191	(286)
	(Increase) / Decrease in trade receivables	(360)	(272)
	(Increase) / Decrease in other financials assets	13	3
	(Increase) / Decrease in other non-current assets	(4)	(0)
	(Increase) / Decrease in other current assets	(13)	11
	(Increase) / Decrease in loans	1	1
	(Decrease) / Increase in provisions	26	1
	(Decrease) / Increase in employee benefit obligations	5	(7)
	(Decrease) / Increase in other current liabilities	(9)	(3)
	(Decrease) / Increase in trade payables	99	210
	(Decrease) / Increase in other financial liabilities	(8)	0
	Changes in Working Capital	(59)	(342)
	Cash generated from operations	1,788	1,367
	Income taxes paid (net of refunds)	(369)	(351)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	1,419	1,016
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment for property, plant and equipment and intangible assets	(182)	(132)
	Acquisition of Subsidiary under Business Combination (refer note 42)	(341)	(55)
	Proceeds from sale of property, plant and equipment	25	3
	(Payment for) / Proceeds from purchase/sale of investments (NET)	(130)	(146)
	(Purchase)/ Redemption of Inter-corporate deposits (NET)	(90)	215
	(Investment) /Redemption of bank deposits (having original maturity more than 3 months) (NET)	(259)	483
	Interest received	48	57
	NET CASH GENERATED FROM / (UTILISED IN) INVESTING ACTIVITIES (B)	(929)	425

(₹ in Crore)

	Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of share capital	9	41
	Purchase of investments by WEOMA trust (NET)	4	(8)
	Other borrowings (repaid) / taken (NET)	128	(3)
	Dividend paid to Non Controlling Interest	(25)	(22)
	Interest paid Interest paid on borrowings	(42)	(28)
	Repayment of Principal portion of lease liabilities	(41)	(64)
	Interest paid on lease liabilities	(11)	(11)
	Dividends paid to company's shareholders	(582)	(1,195)
	NET CASH UTILISED IN FINANCING ACTIVITIES (C)	(560)	(1,290)
D	**Effect of exchange difference on translation of foreign currency (D)**	(63)	2
E	**NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)**	(133)	153
F	Cash and cash equivalents at the beginning of the financial year	276	109
	Cash and cash equivalents acquired on Business Combination (refer note 42)	64	14
G	**Cash and cash equivalents at end of the year (Refer note 6 (d))**	207	276

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.

Reconciliation of the movements of liabilities to cash flows arising from financing activities

(₹ in Crore)

Particulars	Year ended 31st March, 2023			Year ended 31st March, 2022		
	Lease Liabilities	Borrowings	Total	Lease Liabilities	Borrowings	Total
Balance at April 1,	134	345	479	160	348	508
Changes from financing cash flows						
Repayment of lease liabilities - principal portion	(41)	-	(41)	(64)	-	(64)
Payment of interest on lease liabilities	(11)	-	(11)	(11)	-	(11)
Other borrowings (repaid) / taken (net)	-	128	128	-	(3)	(3)
Payment of interest on borrowings from banks and financial institutions	-	(42)	(42)	-	(28)	(28)
Total changes from financing cash flows	(52)	87	35	(75)	(31)	(106)
Other changes						
New leases net off closures/disposals	38	-	38	38	-	38
Interest expense on lease liabilities	11	-	11	11	-	11
Interest expense on borrowings from banks and financial institutions	-	46	46	-	28	28
Other borrowing costs	-	-	-	-	-	-
Acquisitions through business combinations (refer note no. 42)	-	(2)	(2)	-	0	0
Total changes	49	44	93	49	28	77
Balance at March 31, 2023	131	476	607	134	345	479

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 & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 05, 2023

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2023

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Background 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 & 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 March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on May 5, 2023.

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 & 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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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 ₹ which is the functional and presentation currency for Marico Limited.

ii) Transactions & 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. 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 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 from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at a point in time i.e at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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 & 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 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 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 profit or loss 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 substantively enacted

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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 & 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 & 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:

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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 included in profit or loss 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:

The Intangible assets with indefinite useful life comprises of Trademark and Copyrights.

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 & Development:

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned in para i & 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 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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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

The Group's lease asset classes primarily consist of leases for Land and Buildings and Plant & Equipment. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

i) the contract involves the use of an identified asset

ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

n) Investment & 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.

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. However, trade receivables are measured at transaction price.

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 is included in finance income.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cashflows & 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 profit and loss. 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 profit or 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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

q) Trade Receivables:

Trade receivables are recognised initially at transaction price and subsequently measured at cost less provision made for doubtful trade receivables 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.

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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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.

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 earnings per share to take into account:

- 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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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 recognized 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.

Business combinations arising from transfers of interests in entities that are under common control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to Other equity in a separate reserve account.

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) Obligation to acquire non-controlling interest:

As part of the acquisition of a subsidiary, when the Group enters into an arrangement to acquire shares of the subsidiary held by non controlling shareholders for settlement in cash or in another financial asset, a financial liability is recognised for the present value of the amount of the obligation.

In cases where the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests in the subsidiary, the Group continues to recognise non controlling interest as a separate component of equity. The financial liability for the obligation to purchase non controlling interest is recognised with a corresponding debit to retained earning.

Subsequent to initial recognition of the financial liability, the Group recognises the changes in the carrying amount of the financial liability within retained earning

ag) Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

a. Ind AS 1 – Presentation of Financial Statements.

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

b. Ind AS 12 – Income Taxes.

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

c. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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 & associated assumptions are based on historical experience & management's best knowledge of current events & actions the Group may take in future.

Information about critical estimates & assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets & 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 & intangible assets with indefinite useful life (Note 5)

(e) Estimation of provisions & contingencies (Note 14 and 33)

(f) Recognition of deferred tax assets including MAT credit (Note 7)

(g) Lease Accounting (Note 3 (b))

(h) Estimation and assumption used in discounted cash flow (DCF) projection (Note 42)

(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 trade 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 & 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 & 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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Any difference between the estimates & final tax assessments will impact the income tax as well as the resulting assets & liabilities.

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

The Intangible assets with indefinite useful life comprises of Trademark and Copyrights Impairment testing for Goodwill & 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.

Goodwill and intangible assets with indefinite useful life held in Zed Lifestyle Private Limited ('Zed Life'), APCOS Private Limited ('APCOS'), HW Wellness solution Private Limited ('HWW'), Vietnam (Marico South East Asia Limited), South Africa (Marico South Africa Consumer Care (Pty) Limited) and Beauty X Joint Stock Company ('BTYX') business, are considered significant CGUs in terms of size & sensitivity to assumptions used. No other CGUs are considered significant in this respect.

As at 31st March 2023

(₹ in Crore)

CGU	Goodwill	Intangible assets with indefinite useful life
Vietnam	557	-
Zed Life	98	164
South Africa	8	26
Apcos	17	72
HWW	46	213
BTYX	135	47
Others	1	25
Total	**862**	**546**

Particulars	Vietnam	BTYX	HWW	Apcos	Zed Life	South Africa
Period of Cash flow projections	9 years	10 years	10 years	10 years	10 years	8 years
Avg Sales Growth (%)	8.0%	11.0%	34.0%	25.0%	19.0%	6.4%
Avg Gross Margins %	51.0%	50.6%	33.0%	65.0%	51.0%	29.8%
Terminal Sales Growth %	2.0%	5.0%	5.0%	5.0%	5%	2.0%
Post tax discount rate	12.8%	20.0%	20.6%	24.6%	13.0%	20.9%

As at 31st March 2022

(₹ in Crore)

CGU	Goodwill	Intangible assets with indefinite useful life
Vietnam	529	-
Zed Life	98	164
South Africa	9	30
Apcos	17	72
Others	1	25
Total	**654**	**291**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Particulars	Vietnam	Apcos	Zed Life	South Africa
Period of Cash flow projections	10 years	5 years	10 years	9 years
Avg Sales Growth (%)	8.9%	22.0%	21.4%	6.3%
Avg Gross Margins %	49.9%	62.9%	60.9%	30.3%
Terminal Sales Growth %	2.0%	7.5%	5%	2.0%
Post tax discount rate	12.8%	24.6%	13.0%	21.0%

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

Based on sensitivity analyses performed around the base assumptions, there were no reasonably possible changes in key assumptions that would cause the carrying amount to exceed the recoverable amount.

(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 & 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 & 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.

(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 Group revises the lease term if there is a change in the non-cancellable period of a 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.

Notes
To Consolidated Financial Statements for the year ended 31st March, 2023

The Group has considered leases with term up to 12 (Twelve) months as short term leases. Also leases where the value of the asset is less than ₹ 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.

(h) Estimation and assumption used in discounted cash flow (DCF) projection

The estimated value of investment or Business is based on future cashflow projection. The DCF projections assumes that the value of its future cash flows, which are discounted at an appropriate discount rate to reflect the time value of money and the risk associated with the investment.

The Group determines the fair value of the identifiable assets in the business combination using DCF model.

Notes
To Consolidated Financial Statements for the year ended 31st March, 2023

3(a) Property, Plant and Equipment

(₹ in Crore)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office Equipment	Leasehold improvements	Total
Year ended March 31, 2022								
Gross carrying amount								
Opening gross carrying amount	**17**	**317**	**584**	**32**	**6**	**23**	**19**	**999**
Acquisitions through business combinations	-	-	0	0	0	0	-	1
Additions	-	10	98	3	0	4	0	115
Disposals / transfers	-	(1)	(20)	(0)	(0)	(2)	-	(23)
Exchange Differences	0	1	2	0	(0)	0	-	3
Closing gross carrying amount	**17**	**327**	**664**	**36**	**6**	**26**	**19**	**1,095**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**77**	**300**	**21**	**2**	**19**	**7**	**426**
Depreciation charge during the year	-	11	67	4	1	4	2	89
Disposals / transfers	-	(0)	(19)	(0)	(0)	(2)	-	(21)
Exchange Differences	-	0	1	0	(0)	0	-	1
Closing accumulated depreciation	**-**	**88**	**349**	**25**	**3**	**21**	**9**	**495**
Net carrying amount	**17**	**239**	**315**	**11**	**3**	**5**	**10**	**600**
Year ended 31st March, 2023								
Gross carrying amount								
Opening gross carrying amount	**17**	**327**	**664**	**36**	**6**	**26**	**19**	**1,095**
Acqusitions through business combinations (refer note no. 42)	-	-	1	0	0	0	-	2
Additions	-	28	106	5	0	4	2	145
Disposals / transfers	-	(0)	(33)	(1)	-	(1)	-	(35)
Adjustments	(2)	-	-	-	-	-	-	(2)
Exchange Differences	(1)	(5)	(13)	(1)	(0)	(1)	-	(21)
Closing gross carrying amount	**14**	**350**	**725**	**39**	**6**	**29**	**21**	**1,184**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**88**	**349**	**25**	**3**	**21**	**9**	**495**
Depreciation charge during the year	-	19	72	4	1	4	2	102
Disposals / transfers	-	(0)	(32)	(1)	-	(1)	-	(35)
Exchange Differences	-	(2)	(8)	(1)	(0)	(0)	-	(11)
Closing accumulated depreciation	**-**	**105**	**381**	**27**	**4**	**23**	**11**	**551**
Net carrying amount	**14**	**245**	**344**	**12**	**2**	**6**	**10**	**633**

(i) Contractual obligations
Refer to Note 34 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(ii) Buildings
Buildings include Nil (March 31, 2022: Nil) being the value of shares in co-operative housing societies.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

3(b) Right of Use Assets

(₹ in Crore)

Particulars	Leasehold land	Buildings	Plant and equipment	Total
Year ended March 31, 2022				
Gross carrying amount				
Opening gross carrying amount	**56**	**261**	**6**	**323**
Acqusitions through business combinations	-	1		1
Additions	-	30	1	31
Disposals / transfers	-	(21)	-	(21)
Adjustments (refer note i. below)	7	-	-	7
Exchange Differences	1	3	0	4
Closing gross carrying amount	**64**	**274**	**7**	**345**
Accumulated amortisation				
Opening accumulated amortisation	**5**	**138**	**0**	**143**
Amortisation charge during the year	1	39	0	40
Disposals / transfers	-	(16)	-	(16)
Adjustments	0	-	-	0
Exchange Differences	(1)	1	0	0
Closing accumulated amortisation	**5**	**162**	**0**	**167**
Net carrying amount	**59**	**112**	**7**	**178**
Year ended March 31, 2023				
Gross carrying amount				
Opening gross carrying amount	**64**	**274**	**7**	**345**
Acqusitions through business combinations (refer note no. 42)	-	1	-	1
Additions	-	45	16	61
Disposals / transfers	(8)	(41)	0	(48)
Exchange Differences	1	(6)	(0)	(5)
Closing gross carrying amount	**57**	**274**	**23**	**354**
Accumulated amortisation				
Opening accumulated amortisation	**5**	**162**	**0**	**167**
Amortisation charge during the year	1	41	2	44
Disposals / transfers	(0)	(30)	-	(30)
Exchange Differences	0	(2)	0	(1)
Closing accumulated amortisation	**6**	**171**	**3**	**180**
Net carrying amount	**51**	**103**	**20**	**174**

i. During the year March 31, 2022 Land use rights in Subsidiary in Vietanam have been reclassified from investment property to Right of use assets

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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.

3(c) Capital work-in-progress

31st March, 2022 (₹ in Crore)

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Project in Progress	39	0	-	-	39
Projects temporarily suspended	-	-	-	-	-
Total	**39**	**0**	**-**	**-**	**39**

31st March, 2023	Amount in CWIP for a period of				Total
Particulars	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Project in Progress	53	14	0	-	67
Projects temporarily suspended	-	-	-	-	-
Total	**53**	**14**	**0**	**-**	**67**

For capital-work-in progress, whose completion is overdue compared to its original plan

31st March, 2022

Project	To be Completed in				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Jalgaon plant - Saffola Oodles New Capacity	9	-	-	-	9
Pondicherry plant - Packing design optimization/ transition for Parachute	3	-	-	-	3
Guwahati plant-Packing design optimization/ transition for Value added Hair oil	3	-	-	-	3
Guwahati plant 2 - Capacity Planning FY22	1	-	-	-	1
3P unit - FOODS Capacity Augment	1	-	-	-	1
Sanand plant - Saffola Masala Oats	3	-	-	-	3
Peundurai plant - Replacement of Expeller	2	-	-	-	2
Total	**22**	**-**	**-**	**-**	**22**

31st March, 2023	To be Completed in				Total
Project	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Capacity Expansion Jalgaon PSI	12	-	-	-	12
Oats TDC-Saffola Masala Otas	0	-	-	-	0
Infra Improvement	1	-	-	-	1
CNO LTCP	1	-	-	-	1
Total	**14**	**-**	**-**	**-**	**14**

Note: There were no material projects, which have exceeded their original plan cost as on March 31,2023 and March 31, 2022.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

4 Investment Property

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gross carrying amount		
Opening gross carrying amount	**94**	**18**
Additions	0	-
Reclassified to Right of use assets	-	(7)
Reclassified to held for Sale	(72)	-
Reclassified from held for sale	-	83
Closing gross carrying amount	**22**	**94**
Accumulated Depreciation	**72**	**1**
Depreciation charge during the year*	1	3
Reclassified to Right of use assets	-	(0)
Reclassified to held for Sale	(66)	(0)
Reclassified from held for sale	-	68
Closing accumulated depreciation	**7**	**72**
Net carrying amount	**15**	**22**

* Includes exchange differences

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Amounts recognised in profit or loss for investment properties		
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**

(ii) Leasing arrangements

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

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within one year	1	1
Later than one year but not later than 5 years	1	0
Later than 5 years	-	-

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

(iii) Fair value

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investment properties	28	62

Estimation of fair value

(iv) The Group obtains independent valuations for its investment properties at least annually. The fair values of investment properties have been determined by a Registered Valuer in terms of Section 247 of the Companies Act, 2013. The Main inputs used are stamp duty ready recknor rates of the location where the properties are situated and other features of the respective property such as the built up area, the age of the property, Estimated future life, structural features e.t.c.

5 Goodwill and Other intangible assets

(₹ in Crore)

Particulars	Trademarks and copyrights (Refer note (i) below)	Computer software	Non Compete fees	Customer Database	Total	Goodwill
Year ended March 31, 2022						
Opening gross carrying amount	**217**	**26**	**2**	**7**	**252**	**613**
Acqusitions through business combinations	72	0	5	3	81	17
Additions	-	1	-	-	1	-
Disposals	-	(0)	-	-	(0)	-
Exchange differences	2	0	-	-	2	24
Closing gross carrying amount	**291**	**27**	**7**	**10**	**335**	**654**
Accumulated amortisation and impairment loss	**0**	**19**	**0**	**2**	**22**	**-**
Amortisation charge for the year	-	3	1	3	7	-
Disposals	-	(0)	-	-	(0)	-
Exchange differences	0	0	-	-	0	-
Closing accumulated amortisation	**0**	**22**	**1**	**5**	**29**	**-**
Closing net carrying amount	**291**	**5**	**6**	**5**	**306**	**654**
Year ended 31st March 2023						
Opening gross carrying amount	**291**	**27**	**7**	**10**	**335**	**654**
Acqusitions through business combinations (refer note no. 42)	260	-	6	-	266	181
Additions	-	1	-	-	1	-
Disposals	-	(5)	-	-	(5)	-
Exchange differences	(4)	(0)	-	-	(4)	27
Closing gross carrying amount	**547**	**23**	**13**	**10**	**593**	**862**
Accumulated amortisation and impairment loss	**0**	**22**	**1**	**5**	**29**	**-**
Amortisation charge for the year	0	3	3	3	8	-
Disposals	-	(5)	-	-	(5)	-
Exchange differences	0	(0)	-	-	(0)	-
Closing accumulated amortisation	**1**	**20**	**4**	**8**	**33**	**-**
Closing net carrying amount	**546**	**3**	**9**	**2**	**560**	**862**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

6(a) Investments

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non current investment		
Other investments		
(A) Quoted		
Tax free Bonds (at amortised cost)	**17**	17
	17	**17**
(B) Unquoted		
Equity instruments		
Others (at FVTPL)	1	1
Bonds (at amortised cost)	223	-
Debentures (at FVTPL)	-	110
Bonds (ETF) (at FVTPL)	226	59
Intercorporate deposits (at amortised cost)	50	-
Government securities (at amortised cost)	0	0
	501	**170**
Total Non-current Other Investments (A+B)	**518**	**187**
Current investments		
(C) Unquoted		
Intercorporate deposits (at amortised cost)	155	112
Debentures (at FVTPL)	-	107
Bonds (at amortised cost)	51	-
Mutual Funds (at FVTPL)	372	422
Total Current Investments (C)	**578**	**641**
Aggregate carrying amount of quoted investments	17	17
Market value/ Net asset value of quoted investments	17	19
Aggregate carrying amount of unquoted investments	**1,079**	811

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

6(b) Trade Receivables

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables	1,032	668
Less: Allowance for doubtful debts	(17)	(16)
Total receivables	**1,015**	**652**
Current portion	1,015	652
Non-current portion	-	-
Break up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,015	652
Trade receivables which have significant increase in credit risk	17	16
Less: Allowance for doubtful debts	(17)	(16)
Trade receivables - Credit impaired	-	-
Less: Allowance for doubtful debts	-	-
Total	**1,015**	**652**

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

Trade Receivables ageing schedule

(₹ in Crore)

31st March, 2022

Particular	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	349	244	37	10	7	5	652
(ii) Undisputed Trade Receivables – Considered doubtful	-	0	0	11	1	1	14
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – Considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – Considered doubtful	-	-	-	-	-	2	2
(vi) Disputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
	349	**244**	**37**	**21**	**8**	**8**	**668**
Less: Allowance for doubtful debts	-	0	-	11	1	3	16
Total	**349**	**243**	**37**	**10**	**7**	**5**	**652**

31st March, 2023

Particular	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	557	415	16	16	11	1	1,015
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	1	-	0	0	1
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	2	0	0	11	4	16
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	557	**417**	**16**	**16**	**22**	**5**	**1,032**
Less: Allowance for doubtful debts	-	2	1	0	11	4	17
Total	**557**	**414**	**16**	**16**	**11**	**1**	**1,015**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

6(c) Loans

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non current		
Unsecured, considered good		
Loans to employees	4	4
Total non current loans	**4**	**4**
Current		
Unsecured, considered good		
Loan to employees	4	5
Total current loans	**4**	**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, 2023	As at 31st March, 2022
Balances with banks		
Bank balance in current accounts	194	113
Deposits with original maturity of less than three months	11	163
Remittance in Transit	2	-
Cash on hand	0	0
Total cash and cash equivalents	**207**	**276**

6(e) Bank balances other than cash and cash equivalents

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed deposits with maturity more than 3 months but less than 12 months	547	301
Balances with banks for unclaimed dividend (refer note below)	2	2
Total bank balance other than cash and cash equivalents	**549**	**303**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

6(f) Other Non Current Financial Assets

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured considered good (unless otherwise stated)		
Fixed deposits-maturing after 12 months (refer note below)	16	0
Security deposits with public bodies and others		
Considered good	14	15
Considered doubtful	1	1
	15	**16**
Less: Provision for doubtful deposits	(1)	(1)
	14	**15**
Others	2	2
Total other non current financial assets	**32**	**17**

Note : Fixed deposits with banks includes 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, 2023	As at 31st March, 2022
(i) Derivatives		
Foreign exchange forward contracts and options.	1	2
	1	**2**
(ii) Others		
Receivable from related parties (refer note 32)	0	0
Security deposits	0	0
Other deposits	1	0
Others	2	0
	3	**0**
Total other current financial assets	**4**	**2**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

7 Deferred Tax Assets (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Liabilities / provisions that are deducted for tax purposes when paid	33	28
Tax Losses	13	3
Defined benefit obligations	0	1
On intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme	1	2
MAT Credit entitlement	131	173
	178	**207**
Other items:		
Other temporary differences	4	5
Allowance of doubtful debts	1	1
Leases	7	11
	12	**17**
Total deferred tax assets	**190**	**224**
Set off of deferred tax liabilities pursuant to set off provisions	(44)	(37)
Net deferred tax assets	**146**	**187**

Movement in deferred tax assets

Particulars	Liabilities / provisions that are deducted for tax purposes when paid	Tax Losses	Defined benefit obligations	On Intangible assets (refer note 1 below)	MAT Credit entitlement	Other items	Total deferred tax assets
As at March 31, 2021	**25**	**-**	**0**	**2**	**169**	**16**	**213**
(Charged)/credited :							
to Profit and loss	4	3	-	(0)	4	0	11
to other comprehensive income	-	-	(0)	-	-	(0)	(0)
Reclassified to deferred tax liability	-	-	-	-	-	-	-
Exchange translation Difference	-	-	0	-	-	0	0
As at March 31, 2022	**28**	**3**	**1**	**2**	**173**	**17**	**224**
(Charged)/credited :							
to Profit and loss	4	10	-	(0)	(42)	(5)	(34)
to other comprehensive income	-	-	(0)	-	-	-	(0)
Reclassified to deferred tax liability	-	-	-	-	-	-	-
Exchange translation Difference	1	-	-	-	-	(0)	1
As at March 31, 2023	**33**	**13**	**0**	**1**	**131**	**12**	**190**

Note 1: On intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

8 Other Non-Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital advances	27	15
Advances to vendors	3	1
Prepaid expenses	2	1
Deposits with statutory/government authorities	14	13
Total other non-current assets	**46**	**30**

9 Inventories

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw materials:		
In stock	437	440
In transit	11	24
Packing materials		
In stock	111	119
In transit	**1**	2
Work-in-progress	215	300
Finished goods:		
In stock	380	468
In transit	2	2
Stock in Trade	48	36
By-products	4	4
Stores and spares (refer note 39 3(b))	16	17
Total Inventories	**1,225**	**1,412**

Refer Note 1 (p) for basis for valuation

During the year an amount of ₹ 70 crores (March 31, 2022: ₹ 36 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 (March 31, 2022: Nil).

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances to vendors	85	75
Balances with government authorities	56	51
Input tax credit receivable	70	73
Prepaid expenses	19	14
Total other current assets	**230**	**213**

11 Assets classified as held for sale

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Land and building	6	0
Plant and Machinery	1	-
Total assets classified as held for sale	**7**	**0**

Non-recurring fair value measurements

i. During the year ended March 31, 2023 following asset held for sale was reclassified from Investment property:

Plant and Machinery - ₹ 1 Crore

Building - ₹ 4 Crores

ii. During the year ended March 31, 2023 following asset held for sale was reclassified from Property, Plant and Equipments:

Building - ₹ 2 Crores

iii. The valuation of assets held for sale of the Company, is determined basis the details obtained from "The Ready Reckoner", location factor and physical verification of the property.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

12 (a) Equity Share Capital

Particulars	No. of shares (in Crore)	Amount (₹ in Crore)
Authorised share capital		
As at March 31, 2022		
Equity shares of ₹ 1/- each	150	150
Equity shares of ₹ 10/- each	8	80
Preference shares of ₹ 10/- each	7	65
Total	**165**	**295**
As at March 31, 2023		
Equity shares of ₹ 1/- each	150	150
Equity shares of ₹ 10/- each	8	80
Preference shares of ₹ 10/- each	7	65
Total	**165**	**295**
Issued, subscribed and paid-up as at March 31, 2022		
1,292,787,278 equity shares of ₹ 1/- each fully paid-up	129	129
Total	**129**	**129**
Issued, subscribed and paid-up as at March 31, 2023		
1,293,084,378 equity shares of ₹ 1/- each fully paid-up	129	129
Total	**129**	**129**

(i) Movements in equity share capital

Particulars	No. of shares (in Crore)	Equity Share capital (par value)
As at April 01, 2021	**129**	**129**
Shares issued during the year - ESOP (Refer Note 35)	0	0
As at March 31, 2022	**129**	**129**
Shares issued during the year - ESOP (Refer Note 35)	0	0
As at March 31, 2023	**129**	**129**

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

Equity Shares: The authorised share capital of the Company comprises of 150 Crores equity share of ₹ 1 each and 8 Crores equity shares of ₹ 10 each.

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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

(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.

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

Name of Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 1/- each fully paid-up				
Harsh C Mariwala with Kishore V Mariwala (For Valentine Family Trust)	143,884,950	11.13	143,884,950	11.13
Harsh C Mariwala with Kishore V Mariwala (For Aquarius Family Trust)	143,871,950	11.13	143,871,950	11.13
Harsh C Mariwala with Kishore V Mariwala (For Taurus Family Trust)	143,890,750	11.13	143,890,750	11.13
Harsh C Mariwala with Kishore V Mariwala (For Gemini Family Trust)	143,886,350	11.13	143,886,350	11.13
First State Investments Services (UK) Ltd (along with Persons acting in concert)	86,084,065	6.66	89,703,735	6.94

(v) For the period of preceding five years as on the Balance Sheet date, Issued, Subscribed and Paid-up Share Capital includes:

i. Aggregate of Nil (upto March 31, 2022: Nil) Equity shares of ₹ 1 each allotted as fully paid-up bonus , issued in year 2016

ii. Aggregate of 22,19,980 (March 31, 2022: 23,16,080) Equity shares allotted under the Employee stock option plan schemes as consideration for services rendered by employees for which only exercise price has been received in cash.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Shares held by Promoters at the end of the year i.e. March 31, 2023

Sr. No.	Promoter Name	No. of shares as on March 31, 2023	% of total shares as on March 31, 2023	No. of shares as on March 31, 2022	% of total shares as on March 31, 2022	Difference (i.e. March 31, 2023 - March 31, 2022)	% of change during the year
1	Harsh C Mariwala with Kishore V Mariwala for Taurus Family Trust	143,890,750	11.13%	143,890,750	11.13%	-	0.00%
2	Harsh C Mariwala with Kishore V Mariwala for Gemini Family Trust	143,886,350	11.13%	143,886,350	11.13%	-	0.00%
3	Harsh C Mariwala with Kishore V Mariwala for Valentine Family Trust	143,884,950	11.13%	143,884,950	11.13%	-	0.00%
4	Harsh C Mariwala with Kishore V Mariwala for Aquarius Family Trust	143,871,950	11.13%	143,871,950	11.13%	-	0.00%
5	Rajvi H Mariwala	28,408,000	2.20%	28,408,000	2.20%	-	0.00%
6	Harsh C Mariwala	28,102,900	2.17%	28,102,900	2.17%	-	0.00%
7	Rishabh H Mariwala	24,976,500	1.93%	24,976,500	1.93%	-	0.00%
8	Archana H Mariwala	16,966,600	1.31%	16,966,600	1.31%	-	0.00%
9	Ravindra K Mariwala	22,423,410	1.73%	20,503,540	1.59%	1,919,870	0.15%
10	Hema K Mariwala	0	0.00%	7,679,480	0.59%	(7,679,480)	-0.59%
11	Paula R Mariwala	12,383,470	0.96%	10,463,600	0.81%	1,919,870	0.15%
12	Anjali R Mariwala	14,254,440	1.10%	11,914,700	0.92%	2,339,740	0.18%
13	Rishabh Mariwala with Priyanjali Mariwala For Valley of Light Trust	5,400,000	0.42%	5,400,000	0.42%	-	0.00%
14	Rishabh Mariwala with Priyanjali Mariwala For Valour Trust	5,400,000	0.42%	5,400,000	0.42%	-	0.00%
15	Rajen K Mariwala	7,681,400	0.59%	7,681,400	0.59%	-	0.00%
16	Kishore V Mariwala	2,489,220	0.19%	2,489,220	0.19%	-	0.00%
17	Pallavi Jaikishan Panchal	1,832,000	0.14%	1,832,000	0.14%	-	0.00%
18	Malika Chirayu Amin	1,800,000	0.14%	1,800,000	0.14%	-	0.00%
19	Kishore V Mariwala for Anandita Trust	6,700	0.00%	6,700	0.00%	-	0.00%
20	Kishore V Mariwala for Arnav Trust	6,700	0.00%	6,700	0.00%	-	0.00%
21	Kishore V Mariwala for Vibhav Trust	6,700	0.00%	6,700	0.00%	-	0.00%
22	Kishore V Mariwala for Taarika Trust	6,700	0.00%	6,700	0.00%	-	0.00%
23	Sharrp Ventures Capital Private Limited (Formerly The Bombay Oil Private Limited)	18,297,000	1.42%	18,297,000	1.42%	-	0.00%
24	Vibhav Ravindra Mariwala	2,000	0.00%	2,000	0.00%	-	0.00%
25	Anandita Arjun Kothari	1,000,000	0.08%	250,000	0.02%	750,000	0.06%
26	Taarika Rajendra Mariwala	1,000,000	0.08%	250,000	0.02%	750,000	0.06%
27	Preeti Gautam Shah	400,000	0.03%	1,050,000	0.08%	(650,000)	-0.05%
	Total	**768,377,740**	**59.44%**	**769,027,740**	**59.49%**	**(650,000)**	**-0.05%**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

12 (b) Reserves & Surplus

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Securities premium	496	484
General reserve	299	299
Share based option outstanding account	43	27
Treasury shares	(60)	(58)
Capital reserve	0	-
WEOMA reserve	94	88
Retained earnings	3,526	3,072
Adjustment pursuant to the Scheme of Capital Reduction of MCCL (Refer Note (h) to the statement of changes in equity)	(724)	(724)
Total reserve & surplus	**3,674**	**3,188**

(i) Securities premium

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	484	431
Add: Exercise of employee stock options	12	53
Closing Balance	**496**	**484**

(ii) General reserve

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	299	299
Closing Balance	**299**	**299**

(iii) Share based option outstanding account (Refer Note 35)

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	27	29
Exercise of employee stock options	(3)	(12)
Share based payment expense	19	10
Closing Balance	**43**	**27**

(iv) Treasury Shares

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	(58)	(40)
Add : (Purchase) /sale of treasury shares by the Trust during the year (net)	(2)	(18)
Closing Balance	**(60)**	**(58)**

(v) WEOMA reserve

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	88	78
Add : Income of the trust for the year	6	10
Closing Balance	**94**	**88**

(vi) Retained earnings

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	3,072	3,038
Net profit attributable to owners	1,302	1,225
Remeasurement of post empoyment benefit obligation, net of tax	2	4
Less: Dividend	(582)	(1,195)
Less: Remeasurement changes arising on liability towrds obligation to acquire non-controlling interest	(266)	-
Less: Adjustment on acquiring additional stake in subsidiary	(2)	-
Closing Balance	**3,526**	**3,072**

12 (c) Other Reserves

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Hedge reserve	(0)	0
Foreign currency translation reserve	(3)	30
Total other reserves	**(4)**	**30**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Hedge Reserve

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance	(0)	(1)
Changes in fair value of hedging instruments	(0)	(0)
Reclassified to statement of profit and loss	0	1
Deferred tax on above	0	(0)
Closing Balance	**(0)**	**0**

Foreign currency translation reserve

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance	30	0
Exchange gain/(loss) on translation during the year	(34)	30
Closing Balance	**(4)**	**30**

Non controlling interest (NCI)

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance	57	18
Acqusitions through business combinations (refer note no. 42)	104	35
Total comprehensive income for the year attributable to non controlling interest	20	26
Other adjustments	0	-
Less : Dividend distributed to minority shareholders	(25)	(22)
Closing Balance	**157**	**57**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

13(a) Borrowings

Non-Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon / Interest rate	As at 31st March, 2023	As at 31st March, 2022
Unsecured					
Term loan					
From banks					
Loan in ZAR from Standard Bank of South Africa Limited	November 2024	Equal monthly instalments from April 2024 to Nov 2024	Relevant benchmark rate + 50 basis point	2	-
Cash credit				-	-
Total non-current borrowings				**2**	**-**
Less: Interest accrued (Refer Note 13(b))				**0**	**-**
Non-current borrowings				**2**	**-**

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

Particulars	Maturity Date	Terms of repayment	Coupon / Interest rate	As at 31st March, 2023	As at 31st March, 2022
Within one year (Current maturities of long term debt)				0	-
After 1 year but within 2 years				-	-
Total				**0**	**-**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Current Borrowings

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon /Interest rate	As at 31st March, 2023	As at 31st March, 2022
Unsecured					
From banks					
- Loan in ZAR from Standard Bank of South Africa Limited (Outstanding balance as at 31 March, 2023: ZAR 6.1 Million; as at 31 March, 2022: ZAR 16.43 Million)	Mar-24	Equal monthly instalments from April 2023 to Mar 2023 as per agreement	Relevant benchmark rate + 50 basis point	3	9
- Loan in VND from Citi Bank Vietnam (Outstanding balance as at 31 March, 2023: VND 245 Billion; as at 31 March, 2022: Nil)	Mar-24	For terms upto twelve months	7.66%	86	-
- Working capital demand loan in India	March 31, 2023 : Loan Repayable from Apr 2023 to June 2023 - ₹ 12 Crores, Jan 2024 to Mar 2024 ₹ 30 Crores, (FY22 Repaid with interest from May 2022 to July 2022 - ₹ 12 Crores, Jan 2022 to March 2022 ₹ 83 Crores)	For a term of six months to twelve months	FY23 Bank Base rate/ relevant Benchmark Rate plus applicable spread per annum (FY22 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum)	42	95
- Working Capital Demand Loan in UAE (Outstanding balance as at 31 March, 2022: USD 21.5 Million; as at 31 March, 2021: USD 21.5 Million)	FY23: Repayable with interest in May 2022 - ₹ 91 Crores (USD 12 Million), Nov 22 ₹ 26 Crores (USD 3.5 Million) and ₹ 46 Crores in Dec 22 (USD 6 Million). (FY22 : Repaid with interest, May 2021 - ₹ 157 Crores (USD 21.5 Million))	For terms upto twelve months	FY23 SOFAR plus applicable spread ranging from 0.8% to 1.0% per annum FY22 LIBOR plus applicable spread ranging from 0.8% to 1.0% per annum	221	163
- Cash credit (Outstanding balance includes : In UAE - as at 31 March, 2022: USD 8.98 Million; as at 31 March, 2021: USD 2.11 Million In Egypt - as at 31 March, 2022: EGP 8 Million; as at 31 March, 2021: EGP 0 Million In Bangladesh - as at 31 March, 2022: Nil ; as at 31 March, 2021: BDT 250 Million In India - as at 31 March, 2022: ₹ 3.1 Crores ; as at 31 March, 2021: Nil In South Africa - as at 31 March, 2022: Nil ; as at 31 March, 2021: ZAR 1.5 Million In Lanka - as at 31 March, 2022: LKR 149 Million ; as at 31 March, 2021: LKR 66 Million	Payable on demand	Payable on demand	FY23 Bank Base rate/ relevant Benchmark Rate plus applicable spread per annum (FY21 : Bank Base rate/relevant Benchmark Rate plus applicable spread per annum)	108	78
- Export packing credit in India	March 31, 2023 : Loan Repayable from July 2023 to Sept 2023 - ₹ 17 Crores (FY23 - Repaid from January to March, 2023 ₹ 15 Crores)	For a term of six months	(FY23 - Bank Base rate/ Relevant Benchmark rate plus applicable spread less Interest Subvention of 2.00% per annum).	17	-
Total current borrowings				**477**	**345**
Add : Current maturities of long-term debt (refer note 13(a))					-
Less: Interest accrued (Refer Note 13(b))				4	0
Current borrowings as per balance sheet				**473**	**345**

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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

13(b) Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Obligation to buy a stake in subsidiary	266	-
Total other non-current financial liabilities	**266**	**-**
Current		
Interest accrued and due on borrowings (refer note 13(a))	4	0
Interest accrued and not due on borrowings (refer note 13(a))	0	-
Creditors for capital goods	6	8
Salaries, bonus and other benefits payable to employees	27	34
Trade deposits from customers and others	1	1
Unclaimed dividend (refer note below)	1	2
Others	0	0
Derivative designated as hedges	0	(0)
Total other current financial liabilities	**40**	**45**

Note : As at March 31, 2023, 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, 2023	As at 31st March, 2022
Current		
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	68	76
Total outstanding dues of creditors other than micro enterprises and small enterprises	**1,384**	1,268
Total Trade Payable	**1,452**	**1,344**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Trade Payables ageing schedule

31st March, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Un-billed	Not Due	< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues - MSME	-	20	55	1	0	0	**76**
(ii) Undisputed dues - Others	442	223	581	14	5	3	**1,268**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**442**	**243**	**636**	**15**	**5**	**3**	**1,344**

March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Un-billed	Not Due	< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues - MSME	-	27	38	2	0	0	68
(ii) Undisputed dues - Others	409	238	611	93	27	10	1,388
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**409**	**266**	**649**	**96**	**28**	**10**	**1,456**

14 Provisions

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non Current		
Others (refer Note (b))*	4	1
Total Non current provisions	**4**	**1**
Current		
Disputed indirect taxes (refer Note (a) and (b))*	16	16
Others (refer Note (b))*	28	5
Total current provisions	**44**	**21**

* These provisions have not been discounted as it is not practicable for the Group 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 state of West Bengal, where the Govt of West Bengal has preferred an appeal before Division Bench, Hon'ble Court-Kolkata, which is pending before the Court. The matter is sub judice, it is not practicable to state the timing of the judgement & final outcome. Therefore, The company has retained the provision pending final adjudication of the matter.

(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

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Particulars	Indirect tax matters	Others
Balance as at April 01, 2021	16	5
Add: Additions due to Business Combination	-	-
Add: Provision/reclassified recognised during the year	0	1
Less: Amount utilised/reversed during the year	(0)	-
Balance as at April 01, 2022	**16**	**6**
Add: Additions due to Business Combination	-	-
Add: Provision/reclassified recognised during the year	1	-
Less: Amount utilised/reversed during the year	(0)	26
Balance as at 31st March 2023	**16**	**32**

15 Employee Benefit Obligation non Current (net)

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gratuity (refer note (i) & (a) below)	5	6
Leave encashment/compensated absences (refer note (iii) below)	10	13
Share-appreciation rights (refer note (iv) below)	4	4
Others	1	4
Total employee benefit obligations non current	**20**	**27**

Employee benefit obligation current (net)

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gratuity (refer note (i) & (a) below)	6	4
Leave encashment/compensated absences (refer note (iii) below)	6	4
Share-appreciation rights (refer note (iv) below)	2	5
Incentives / bonus	60	51
Total employee benefit obligations current	**74**	**64**

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,the gratuity plan in Bangladesh is funded through gratuity trust in Bangladesh, the gratuity plan in United Arab Emirates and Vietnam is unfunded.

(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 March 31, 2023 and March 31, 2022.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

(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 are 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 April 01, 2021	49	39	10
Opening adjustment on business combinations	0	-	0
Current service cost	8	-	8
Interest expense	4	3	1
Total amount recognised in profit or loss	**12**	**3**	**9**
Remeasurements			
Return on plan assets,excluding amounts included in interest expense/ (income)	-	(0)	(0)
(Gain)/loss from change in demographic assumptions	(2)	-	(2)
(Gain)/loss from change in financial assumptions	0	-	0
Experience (gains)/ losses	(3)	0	(3)
Total amount recognised in other comprehensive income	**(5)**	**0**	**(5)**
Employer contributions	-	4	(4)
Benefit Payments	(5)	(4)	(0)
Benefit Paid from the fund	(2)	(2)	-
Balance as on March 31, 2022	**50**	**40**	**10**
Balance as on April 01, 2022	**50**	**40**	**10**
Opening adjustment on business combinations	0	-	0
Current service cost	8	-	8
Interest expense	3	2	1
Total amount recognised in profit or loss	**11**	**2**	**9**
Remeasurements			

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
Return on plan assets,excluding amounts included in interest expense/ (income)	(0)	(0)	0
(Gain)/loss from change in demographic assumptions	(1)	-	(1)
(Gain)/loss from change in financial assumptions	(2)	-	(2)
Experience (gains)/ losses	1	(1)	1
Total amount recognised in other comprehensive income	**(3)**	**(0)**	**(2)**
Employer contributions	-	5	(5)
Benefit Payments	(5)	(5)	(0)
Benefit Paid from the fund	(1)	(1)	-
Balance as on March 31, 2023	**52**	**41**	**11**

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

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Present value of funded obligations	47	47
Fair value of plan assets	(42)	(41)
Deficit of funded plan	5	6
Unfunded plans	6	4
Deficit of gratuity plan	**11**	**10**

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

Plan type	As at 31st March, 2023				As at 31st March, 2022			
	India	Bangladesh	UAE	Total	India	Bangladesh	UAE	Total
Present value of obligations	40	8	4	52	39	8	3	50
Fair value of plan assets	(36)	(6)	-	(42)	(35)	(5)	-	(40)
Total liability	**4**	**2**	**4**	**10**	**4**	**3**	**3**	**10**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

The significant actuarial assumptions were as follows:

Experience (gains)/ losses	As at 31st March, 2023			As at 31st March, 2022		
	India	Bangladesh	Dubai	India	Bangladesh	Dubai
Discount rate	7.39%	8.20%	4.23%	6.41%	7.50%	3.30%
Rate of return on Plan assets*	7.39%	8.20%	NA	6.41%	7.50%	NA
Future salary rise**	10.00%	10.00%	5.00%	10.00%	11.37%	5.00%
Attrition rate	20% & 25%	16.00%	5.25%	16% &15%	14.50%	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)

Experience (gains)/ losses	As at 31st March, 2023	As at 31st March, 2022
Projected benefit obligation on current assumptions	52	50
Delta effect of +1% change in rate of discounting	(2)	(3)
Delta effect of -1% change in rate of discounting	2	3
Delta effect of +1% change in rate of salary increase	2	3
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	1

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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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 :

(₹ in Crore)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Amount	in %	Amount	in %
Special deposit scheme	1	1.28%	1	1.34%
Insurer Managed funds	32	75.97%	33	84.52%
Cash and Cash Equivalents	8	19.23%	5	12.61%
Other	1	3.53%	1	1.52%
Total	**42**	**100.00%**	**40**	**100%**

Defined benefit liability and employer contributions

The weighted average duration of the gratuity for the Group ranges from 5 to 12 years as at March 31, 2023 and March 31, 2022.

The expected maturity analysis of gratuity is as follows:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within the next 12 months	9	6
Between 2 and 5 years	28	24
Between 6 and 10 years	19	21
Beyond 10 years	9	11
Total	**65**	**62**

(b) Provident Fund

(₹ in Crore)

Amount recognised in the Balance Sheet	As at 31st March, 2023	As at 31st March, 2022
Liability at the end of the year		
Fair value of plan assets at the end of the year	265	244
Present value of benefit obligation as at the end of the period	(242)	(238)
Difference	23	6
Unrecognized past service Cost	(23)	(6)
(Assets) / liability recognized in the Balance Sheet	**0**	**0**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Changes in defined benefit obligations:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Liability at the beginning of the year	238	205
Opening balance adjustment	(0)	(0)
Interest cost	2	18
Current service cost	15	13
Employee contribution	19	18
Liability Transferred in	13	7
Liability Transferred out	(31)	(13)
Benefits paid	(13)	(10)
Liability at the end of the year	**242**	**238**

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fair value of plan assets at the beginning of the year	244	211
Opening balance adjustment	-	0
Expected return on plan assets	2	18
Contributions	34	31
Transfer from other Company	13	7
Transfer to other Company	(31)	(13)
Benefits paid	(13)	(10)
Actuarial gain/(loss) on plan assets	16	-
Fair value of plan assets at the end of the year	**265**	**244**

Expenses recognised in the Statement of Profit and Loss :

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Current service cost	15	13
Interest cost	2	18
Expected return on plan assets	(2)	(18)
(Income) / Expense recognised in the Statement of Profit and Loss	**15**	**13**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

The major categories of plan assets are as follows :

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Amount	in %	Amount	in %
Central Government securities	11	4.15%	11	4.63%
State loan/State government Guaranteed Securities	4	1.62%	7	3.07%
Government Securities debt instruments	110	41.46%	97	39.67%
Public Sector Units	8	3.00%	81	33.00%
Private Sector Units	2	0.85%	14	5.61%
Debt Securities	98	36.88%	-	0.00%
Equity / Insurance Managed Funds	25	9.28%	3	1.30%
Special Deposit	1	0.42%	1	0.45%
Cash & Cash Equivalents	1	0.28%	21	8.48%
Others	6	2.08%	9	3.78%
Total	**265**	**100.00%**	**244**	**100.00%**

The Significant actuarial assumptions were as follows :

Particulars	As at 31st March, 2023	As at 31st March, 2022
Discount rate	7.39%	6.41%
Rate of return on plan assets*	8.15%	8.10 %
Future salary rise**	10%	10%
Attrition rate	20%-25%	16%-15%
Mortality	Indian Assured Lives Mortality (2012-14) 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) Leave Encashment (Privileged leave - Compensated absences for employees):

Amount recognized in the Balance Sheet and movements in net liability: (₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance of compensated absences	16	16
Present value of compensated absences (As per actuarial valuation) as at the year end	**16**	16

The privileged leave liability is not funded.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

(d) Employee State Insurance Corporation

Marico India has recognised ₹ 0 Crore (₹ 0 Crore for the year ended 31st March 2021) 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.

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 :

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liability:		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	34	29
Intangible assets	169	88
Financial assets at fair value through Profit & Loss	10	23
Outside basis tax	11	10
Other timing differences (hedge reserve)	(3)	(4)
Total deferred tax liabilities	**222**	**146**
Set off of deferred tax assets pursuant to set off provisions	**(44)**	**(37)**
Net deferred tax liabilities	**178**	**109**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Movement in deferred tax liabilities

(₹ in Crore)

Particulars	Property plant and equipment and Investment property	Intangible assets	Financial assets at fair value through Profit & Loss	Outside basis tax	Other items	Total deferred tax liabilities
As at March 31, 2021	25	67	17	4	(2)	111
(Charged)/credited :						
to Profit and loss	4	(0)	6	6	(2)	14
to other comprehensive income						-
Pursuant to business combination	-	21	-	-	-	21
Reclassified from deferred tax assets						-
Exchange translation Difference	(0)	0	-	-	(0)	0
As at March 31, 2022	**29**	**88**	**23**	**10**	**(4)**	**146**
(Charged)/credited :						
to Profit and loss	5	15	(13)	1	2	10
to other comprehensive income	-	-	-	-	-	-
Pursuant to business combination - refer note 42	-	66	-	-	-	66
Reclassified from deferred tax assets	-	-	-	-	-	-
Exchange translation Difference	-	(0)	-	0	(1)	(0)
As at March 31, 2023	**34**	**169**	**10**	**11**	**(3)**	**222**

17 Tax assets and liabilities

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non current tax assets (net)	67	57
Current tax assets	2	1
Current tax liabilities (net)	87	67

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

18 Other current liabilities

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory dues (including provident fund, tax deducted at source and others)	48	27
Deferred income on government grants (refer note below)	3	2
Other Liabilities	(0)	-
Others	-	0
Other current liabilities	**50**	**29**
Contractual & Constructive obligation	118	167
Advance from customer	46	27
Others	3	1
Total other payables	**167**	**195**
Total other current liabilities	**217**	**224**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

The Group is eligible for government grants which are conditional upon construction of new factories in North East region. 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, 2023	Year ended 31st March, 2022
Sale of products	9,689	9,452
Other operating revenue:		
Incentives (includes government grant, export incentives, budgetary support and others)	64	51
Sale of scrap	11	9
Total Revenue from continuing operations	**9,764**	**9,512**
Reconciliation of Revenue from sale of products with the contracted price		
Contracted Price	10,949	10,489
Less: Discounts	1,260	1,037
Sale of Products (refer note 30 for further details in revenue from operations)	**9,689**	**9,452**

20 Other Income

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Other income		
Rental income	1	1
Interest income from financial assets at amortised cost	49	59
Royalty Income	0	0
Others	11	11
Total of other income	**61**	**71**
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment	28	0
Net gain on financial assets mandatorily measured at fair value through profit or loss and net gain on sale of investments	50	30
Net foreign exchange gain/(loss)	4	(3)
Other gains/(losses)	1	-
Total of other gain/(losses)	**83**	**27**
Total other income	**144**	**98**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

21(a) Cost of Materials Consumed

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Total raw materials consumed	4,038	4,501
Total packing materials consumed	611	560
Total cost of materials consumed	**4,649**	**5,061**

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

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening inventories		
Finished goods	470	499
Work-in-progress	300	159
By-products	4	4
Stock-in-trade	36	32
Closing inventories		
Finished goods	382	470
Work-in-progress	215	300
By-products	4	4
Stock-in-trade	48	36
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**161**	**(116)**

22 Employee Benefit Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries, wages and bonus	564	500
Contribution to provident fund (refer note 15 (b))	27	26
Share based payment expense (refer note 35(c))	21	23
Staff welfare expenses	41	37
Total employee benefit expense	**653**	**586**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

23 Depreciation and Amortization Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation on property, plant and equipment (refer note 3 (a))	102	89
Depreciation on investment properties (refer note 4)	1	3
Amortisation of intangible assets (refer note 5)	8	7
Depreciation on Lease assets (refer note 3(b))	44	40
Total Depreciation and Amortization Expense	**155**	**139**

24 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Advertisement and sales promotion	842	796
Freight, forwarding and distribution expenses	387	354
Processing and Other Manufacturing Charges	238	251
Rent and storage charges	20	20
Legal & Professional Charges	101	73
Outside Services	50	50
Repairs and Maintenance	59	51
Power, fuel and water	35	32
Travelling, conveyance and vehicle expenses	55	34
Consumption of stores, spare and consumables	20	18
Provision for doubtful debts	1	8
Miscellaneous expenses (refer note (i) below)	141	123
Total	**1,950**	**1,809**

(i) Miscellaneous expense includes printing and stationery, communication, rates and taxes, insurance and other expenses.

(ii) Research and Development expenses aggregating to ₹ 32 Crore have been included under the relevant heads in the Statement of Profit and Loss (Previous year ended March 31, 2022 aggregating ₹ 29 Crore). Further Capital expenditure pertaining to this of ₹ 1 Crore have been incurred during the year (Previous year ended March 31, 2022 aggregating ₹ 1 Crore).

25 Finance Costs

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest and finance charges on bank and other borrowings	21	8
Bank and other financial charges	22	18
Lease finance cost (refer note 1M - Lease)	11	11
Other borrowing costs	2	2
Finance costs expensed in profit or loss	**56**	**39**

26 Income Tax Expense recognised in Profit or Loss

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
a. Income tax expense		
Current tax on profits for the year	377	343
Deferred tax charge/(credit)	44	3
Total income tax expenses during the year recognised in profit or loss	**421**	**346**

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

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit before tax (a)	1,743	1,601
Income tax rate as applicable (b)	34.944%	34.944%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	**609**	**560**
Tax effect of amounts which are not deductible (allowable) in calculating taxable income		
Effect of income that is exempt from taxation	(1)	(2)
Effect of Income which is taxed at special rate	(84)	(89)
Effect of expenses that are not deductible in determining taxable profit	10	24
Effect of expenses that are deductible in determining taxable profit	(0)	(8)
Income tax incentives	(131)	(169)
Difference in tax rates in foreign jurisdictions	14	34
Others	4	(4)
Income tax expense for the current year recognised in profit or loss	**421**	**346**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

27 Fair Value Measurements

(a) Financial Instruments by category

(₹ in Crore)

Particulars	Note	31st March, 2023			31st March, 2022		
		FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets							
Investments							
Equity Instruments	6(a)	1	-	-	1	-	-
Bonds, debentures and commercial papers	6(a)	226	-	291	276	-	17
Mutual funds	6(a)	372	-	-	422	-	-
Government securities	6(a)	-	-	0	-	-	0
Trade receivables	6(b)	-	-	1,020	-	-	652
Inter corporate deposits	6(a)	-	-	206	-	-	112
Loan to employees	6(c)	-	-	8	-	-	9
Derivative financial assets	6(f)	-	1	-	2	-	-
Security deposits	6(f)	-	-	14	-	-	15
Cash and bank balances	6(d)	-	-	196	-	-	113
Bank balance for unclaimed dividend	6(e)	-	-	2	-	-	2
Fixed deposits	6(d),6(e)&6(f)	-	-	574	-	-	464
Other Deposits		-	-	5	-	-	2
Receivable from related parties	6(g)	-	-	0	-	-	0
Total financial assets		**599**	**1**	**2,316**	**701**	**-**	**1,386**
Financial Liabilities							
Borrowings (including interest accrued)	13(a)	-	-	479	-	-	345
Derivative financial liabilities	13(b)	-	0	-	(0)	-	-
Trade payables	13(c)	-	-	1,456	-	-	1,344
Capital creditors	13(b)	-	-	6	-	-	8
Lease Liabilities		-	-	133	-	-	134
Liability towards obligation to acquire non-controlling interest	13(b)	-	266		-	-	-
Others	13(b)	-	-	30	-	-	38
Total financial liabilities		**-**	**266**	**2,103**	**(0)**	**-**	**1,869**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

(b) Measurement of fair value

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value, as well as the significant unobservable inputs used.

Type	Valuation techniques	Significant unobservable inputs
Liability towards obligation to acquire non-controlling interest	Discounted cash flows (DCF): The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	- Risk-adjusted discount rate (7.2%). - Forecast revenue - Forecast EBIDTA%

Inter-relationship between key unobservable inputs and fair value measurement / sensitivity

Unobservable inputs	Sensitivity	Impact on estimated fair value
Risk adjusted discount rate	Increase by 0.5%	Decrease by ₹ 3 Crs
	Decrease by 0.5%	Increase by ₹ 4 Crs
Forecast Revenue	Increase by 5%	Increase by ₹ 17 Crs
	Decrease by 5%	Decrease by ₹18 Crs
Forecast EBIDTA%	Increase by 0.5%	Increase by ₹ 2 Crs
	Decrease by 0.5%	Decrease by ₹ 3 Crs

(c) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. 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 at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Listed equity instrument	6(a)	-	-	-	**-**
Exchange traded fund units	6(a)	-	-	-	**-**
Equity Instruments	6(a)	-	-	-	**-**
Mutual funds - growth plan	6(a)	-	372	-	**372**
Debentures (Quoted)	6(a)	-	226	-	**226**
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	1	-	**1**
Total financial assets		-	**598**	-	**598**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	0	-	**0**
Total financial liabilities	-	-	0	-	**0**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

(₹ in Crore)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Listed equity instrument	6(a)				
Exchange traded fund units			59		**59**
Equity Instruments	6(a)	-	-	1	**1**
Mutual funds - growth plan	6(a)	-	422	-	**422**
Debentures (Quoted)	6(a)	-	217	-	**217**
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)				**-**
Total financial assets		**-**	**698**	**1**	**698**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)		-		-
Total financial liabilities		**-**	**-**	**-**	**-**

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. 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.

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 forward contracts is valued based on Mark to Market statements from banks, the mutual funds are valued using the closing NAV pubhlished by mutual fund etc
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).

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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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 other price risk). This note presents the Group's objectives, policies and processes for managing its financial risk and capital.

Boards 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 & classify risk, 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 & approval processes. Due to large geographical base & 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 & the historical experience of the Group.

The gross carrying amount of trade receivables is ₹ 1041 Crore as at March 31, 2023 (₹ 668 Crore as at March 31, 2022).

Reconciliation of loss allowance provision- trade receivables (₹ in Crore)

Particulars	31st March, 2023	31st March, 2022
Loss allowance at the beginning of the year	16	8
Add : Changes in loss allowances	1	8
Loss allowance at the end of the year	**17**	**16**

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 ₹ 15 Crore as at March 31, 2023 and ₹ 16 Crore as at March 31, 2022.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Other financial asset includes investment, loans to employees and advances given to 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- Deposite/advances

(₹ in Crore)

Particulars	31st March, 2023	31st March, 2022
Loss allowance at the beginning of the year	1	1
Add : Changes in loss allowances due to provision	-	-
Loss allowance at the end of the year	**1**	**1**

(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 Group as at March 31, 2023 is 1.57 (March 31, 2022 is 1.62) whereas the liquid ratio of the group as at March 31, 2023 is 1.05 (March 31, 2022 is 0.94).

Maturities of financial liabilities

Contractual maturities of financial liabilities March 31, 2023

(₹ in Crore)

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years & above	Total
Non-derivatives						
Borrowings (including interest accrued)	13(a)	477	2	-	-	**479**
Trade Payables	13(c)	1,456	-	-	-	**1,456**
Lease Liabilities		43	30	24	36	**133**
Other Financial Liabilities	13(b)	30	-	-	-	**30**
Total Non-derivative liabilities		**2,006**	**32**	**24**	**36**	**2,097**
Derivative (Net- Settled)						
Foreign exchange forward contracts	13(b)	0	-	-	-	**0**
Total derivative liabilities		0	-	-	-	**0**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Contractual maturities of financial liabilities March 31, 2022

(₹ in Crore)

Particulars	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years & above	Total
Non-derivatives						
Borrowings (including interest accrued)	13(a)	345	0	-	-	345
Trade Payables	13(c)	1,321	15	5	3	1,344
Lease Liabilities	13(b)	43	43	20	28	134
Other Financial Liabilities	13(b)	45	-	-	-	45
Total Non-derivative liabilities		**1,754**	**58**	**25**	**31**	**1,868**
Derivative (Net- Settled)						
Foreign exchange forward contracts	**13(b)**					**-**
Total derivative liabilities		**-**	**-**	**-**	**-**	**-**

Apart from the above, the company also has an exposure of corporate guarantees given to banks on behalf of subsidiaries for credit and other facilities granted by banks (refer note 31). It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above corporate guarantees.

(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 period expressed in ₹ (in crores) as on March 31, 2023

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

The group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ (in crores) as on March 31, 2023

(₹ in Crore)

	AED	AUD	BDT	CAD	EGP	GBP	MYR	SGD	USD	VND	EUR	THB	ZAR	
Financial assets														
Foreign currency debtors for export of goods	-	-	-	1		-	-	-	116	-	-			
Bank balances							0		3	0	0			0
Derivative asset														
Foreign exchange forward contracts sell foreign currency				-					(93)					
Foreign exchange option contracts sell option									(75)					
Net Exposure to foreign currency risk (assets)	**-**	**-**	**-**	**1**	**-**	**-**	**0**	**-**	**(49)**	**0**	**0**	**-**	**-**	**0**

(₹ in Crore)

	BDT	CAD	EUR	GBP	THB	SAR	ZAR	SGD	USD
Financial liabilities									
Foreign currency creditors for import of goods and services	0	-	0	0	-	11	-	0	(3)
Loan from Banks									303
Derivative liabilities									
Foreign exchange forward contracts buy foreign currency			(0)	(4)					(118)
Foreign exchange option contracts buy option			(4)					(1)	181
Net Exposure to foreign currency risk (liabilities)	**0**	**-**	**0**	**(8)**	**-**	**11**	**-**	**0**	**181**

The group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ (in crores) as on March 31, 2022

(₹ in Crore)

	AED	AUD	BDT	CAD	EGP	GBP	MYR	SGD	USD	VND	EUR	THB	ZAR	IDR
Financial assets														
Foreign currency debtors for export of goods														
Bank balances	0	-	-	1	-	-	-	-	80	-	-	-	-	-
Other receivable	-	-	-	-	-	-	0		1	-	0	-	-	0
Derivative asset														
Foreign exchange forward contracts sell foreign currency	-	-	-	(0)	-	-	-	-	(72)	-	-	-	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	-	-	(67)	-	-	-	-	-
Net Exposure to foreign currency risk (assets)	**0**	**-**	**-**	**0**	**-**	**-**	**0**	**-**	**(59)**	**-**	**0**	**-**	**-**	**0**

	AUD	CAD	EUR	GBP	THB	MYR	SAR	SGD	USD	BDT	ZAR	LKR
Financial liabilities												
Foreign currency creditors for import of goods and services	-	-	1	2	0	8	0	0	50	-	-	
Loan from Banks	3	-	-	-	-	-	9	-	231	4	3	
Derivative liabilities												
Foreign exchange forward contracts buy foreign currency	-	-	(2)	-	-	-	-	-	(63)	-	-	
Foreign exchange option contracts buy option	-	-	-	-	-	-	-	-	(39)	-	-	
Net Exposure to foreign currency risk (liabilities)	**3**	**-**	**(1)**	**2**	**0**	**8**	**9**	**0**	**179**	**4**	**3**	**-**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Particular	Impact on profit after tax	
	31st March, 2023	**31st March, 2022**
USD Sensitivity		
INR/USD Increase by 6%	6	4
INR/USD Decrease by 6%	(6)	(4)
AUD Sensitivity		
INR/AUD Increase by 6%	0	0
INR/AUD Decrease by 6%	(0)	(0)

ii) Interest rate risk

The group is exposed primarily to fluctuation in USD and INR interest rates.

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, 2023	As at 31st March, 2022
Variable rate borrowings	479	345
Fixed rate borrowings	-	-
Total borrowings (including interest accrued)	**479**	**345**

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

(₹ in Crore)

Particulars	31st March 2023			31st March 2022		
	Weighted Average Interest Rate	**Balance**	**% of Total Loans**	**Weighted Average Interest Rate**	**Balance**	**% of Total Loans**
Bank Overdrafts, Bank Loans	6.54%	479	100.00%	2.29%	345	100.00%
Net Exposure to Cash Flow Interest rate Risk	-	479	-	-	345	-

Interest bearing Financial assets classified at amortized cost, such as Fixed Deposit balances with Banks, inter Corporate Deposits, Commercial Papers. Bonds debentures etc have fixed interest rate. Hence, the Company is not subject to interest rate risk on such financial assets.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Sensitivity (₹ in Crore)

Sensitivity impact on interest rate changes on borrowings	Impact on profit after tax	
	31st March, 2023	**31st March, 2022**
Interest rates - Increase by 50 basis point (50 bps)	(2)	(1)
Interest rates - decrease by 50 basis point (50 bps)	2	1

iii) Price risk

Mutual fund , market linked debentures and exchange traded 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 ₹ 5 Crores on the overall portfolio as at March 31, 2023 and ₹ 4 Crores as at March 31, 2022.

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.

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 profit and loss 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.

Cash flow Hedges

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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

(₹ in Crore)

31st March 2023

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	91	122	(0)	0	April 2023-March 2024	1:1	USD=82.42 EUR=89.38 GBP= 98.51	(0)	0
Foreign Exchange Options Contracts	75	6	1	0	April 2023-March 2024	1:1	USD/INR= 75.31	(1)	1

31st March 2022 (₹ 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	72	65	1	(0)	April 2022-March 2023	1:1	USD=77.57 EUR=86.54 USD/BDT=87.09	2	(2)
Foreign Exchange Options Contracts	67	39	0	1	April 2022-March 2023	1:1	USD=75.31	1	(1)

Disclosure of effects of Hedge Accounting on Financial Performance

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, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	
Cash Flow							
Foreign Exchange Risk	(0)	(0)	-	-	0	1	Other expenses

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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 borrowings.

The debt equity ratio highlights the ability of a business to repay its debts.

Refer below for net Debt equity ratio. The Group complies with all statutory requirement as per the extant regulations.

(₹ in Crore)

Particulars	As at 31st March,2023	As at 31st March, 2022
Opening balance of compensated absences	16	16
Present value of compensated absences (As per actuarial valuation) as at the year end	16	16
Net debt to equity ratio	**0.12**	**0.10**

(b) Dividends

(₹ in Crore)

Particulars	As at 31st March,2023	As at 31st March, 2022
Interim dividend for the year	**606**	**1,217**

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

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

(₹ in Crore)

Particulars	As at 31st March,2023	As at 31st March, 2022
Segment revenue (sales and other operating income)		
India	7,351	7,333
International	2,413	2,179
Total segment revenue	**9,764**	**9,512**
Less : Inter segment revenue	-	-
	9,764	**9,512**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Revenue from sale of products to external customers broken down by major product categories :

(₹ in Crore)

Particulars	As at 31st March,2023	As at 31st March, 2022
Edible	5,356	5,593
Hair oils	2,111	2,003
Personal care	1,254	1,031
Others	1,043	885
	9,764	**9,512**

The Group does not have revenue more than 10% of total revenue from single customer.

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,2023	As at 31st March, 2022
India	7,351	7,333
Bangladesh	1,159	1,139
Vietnam	593	495
Others	661	545
	9,764	**9,512**
Segment results		
India	1,373	1,243
International	535	492
Total segment results	**1,908**	**1,735**
Less : (i) Finance costs	56	39
(ii) Other un-allocable expenditure net of unallocable income	109	95
Profit before tax	**1,743**	**1,601**

(₹ in Crore)

Particulars	As at 31st March,2023	As at 31st March, 2022
Segment assets		
India	3,406	2,788
International	1,483	1,523
Unallocated	2,062	1,475
Total segment assets	**6,951**	**5,786**
Segment liabilities		
India	1,165	1,358
International	630	559
Unallocated	1,199	464
Total segment liabilities	**2,994**	**2,381**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Geographical non-current assets (Property, plant and equipment, Right to use assets, 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,2023	As at 31st March, 2022
India	1,585	1,087
Bangladesh	131	118
Vietnam*	595	568
Others	47	55
	2,358	1,828

* Includes goodwill on consolidation amounting to ₹ 557 Crore as at March 31, 2023, ₹ 529 Crore as at March 31, 2022.

31 Interests in Other Entities

(a) Subsidiaries

The Group's subsidiaries at March 31, 2023 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.

Name of Entity	Place of Business/ Country of Incorporation	Ownership interest held by the Group 31st March, 2023	Ownership interest held by the Group 31st March, 2022	Ownership interest held by the non controlling interest 31st March, 2023	Ownership interest held by the non controlling interest 31st March, 2022
		%	%	%	%
Subsidiary companies:					
Marico Bangladesh Limited (MBL)	Bangladesh	90	90	10	10
Marico Bangladesh Industries Limited (MBLIL)	Bangladesh	100	100	Nil	Nil
Marico Middle East FZE (MME)	UAE	100	100	Nil	Nil
Marico Gulf LLC (MLLC) (refer note (iv) below)	UAE	100	100	Nil	NA
Marico Malaysia Sdn. Bhd. (MMSB)	Malaysia	100	100	Nil	Nil
Egyptian American Investment and Industrial Development Company S.A.E (EAIIDC)	Egypt	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
Beauty X Joint stock Company (BX) (refer note (vi) below)	Vietnam	100	NA	Nil	NA
Marico Lanka (Private) Limited	Sri Lanka	100	100	Nil	Nil
Halite Personal Care India Private Limited (A Company under Voluntary Liquidation)	India	100	100	Nil	Nil
Marico Innovation Foundation (MIF) (refer note (i) below)	India	NA	NA	NA	NA

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Name of Entity	Place of Business/ Country of Incorporation	Ownership interest held by the Group 31st March, 2023	Ownership interest held by the Group 31st March, 2022	Ownership interest held by the non controlling interest 31st March, 2023	Ownership interest held by the non controlling interest 31st March, 2022
		%	%	%	%
Parachute Kalpavriksha Foundation (PKF) (refer note (ii) below)	India	NA	NA	NA	NA
Zed Lifestyle Private Limited	India	100	100	Nil	Nil
Apcos Naturals Private Limited (APCOS) (refer note (iii) below)	India	60	52.38	40	47.62
HW Wellness Solutions Private Limited (HWW) (refer note (v) below)	India	53.98	NA	46.02	NA

The principal activity of the Group is consumer goods business.

(i) 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 March 15, 2013 .Based on the Control assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.

(ii) 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 December 27, 2018. Based on the Control assessment carried out by Marico Limited, the same is not consolidated as per IND AS 110.

(iii) During the year ended March 31, 2023, the Group has acquired additional shares in Apcos Naturals Private Limited to increase its stake to 60% from 52.38% held as on March 31, 2022.

(iv) The group has acquired 53.98% stake in HW Wellness Solutions Private Limited on May 23, 2022.

(v) Beauty X Joint stock Company has become step down subsidiary of Marico Ltd. w.e.f. January 31, 2023.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

32 Related Party Transactions

I Name of related parties and nature of relationship:

(a) Subsidiaries - Not consolidated

Marico Innovation Foundation (MIF)

Parachute Kalpavriksha Foundation (PKF)

(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

Ms. Hema Ravichandar, Independent Director

Mr. Nikhil Khattau, Independent Director

Mr. Rajendra Mariwala, Non-Executive Director

Ms. Apurva Purohit, Independent Director (appointed with effect from April 7, 2022)

Ms. Nayantara Bali, Independent Director (appointed with effect from April 7, 2022)

Mr. Milind Barve, Independent Director

Mr. Rajeev Vasudeva, Independent Director

Mr. Rishabh Mariwala, Non-Executive Director

Mr. Pawan Agrawal, Chief Financial Officer

Mr. Vinay M A, Company Secretary & Compliance Officer

(c) Individual holding directly / indirectly an interest in voting power & 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, Non-Executive Director and son of Mr. Harsh Mariwala, Chairman and Non-Executive Director

(d) Post employment benefit controlled trust

Marico Limited Employees Provident Fund

Marico Limited Employees Gratuity Fund

Marico Limited Pension Scheme

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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

Ascent India Foundation

Kaya Limited

Mariwala Health Foundation

Sharrp Ventures Capital Private Limited (Formerly known as The Bombay Oil Private Limited)

Leap India Private Limited

Surfboats Solutions Private Limited

Koyla-Ki Pyrolysers Private Limited

Harsh Mariwala Enterprises LLP

II Transactions with related parties

The following transactions occurred with related parties:

Key management personnel compensation

(₹ in Crore)

Particulars	As at 31st March,2023	As at 31st March, 2022
Employee share-based payment	-	23
Short-term employee benefits	28	16
Post-employment benefits	0	1
Total compensation	**28**	**40**
Remuneration / sitting fees to Chairman	**3**	**4**
Remuneration/sitting fees to Non-Executive Directors and Independent Directors (Excluding the Chairman)	**4**	**3**

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. Also ESOP & STAR grant accrued annually are included in the KMP's remuneration in the year in which the same are excercised.

Contribution to post employment benefit controlled trust

(₹ in Crore)

Particulars	As at 31st March,2023	As at 31st March, 2022
Marico Limited Employees Provident Fund	34	31
Marico Limited Employees Gratuity Fund	2	4
Total compensation	**36**	**35**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Dividend paid on equity shares held by KMPs and Promoter group - ₹ 346 crores (March 31, 2022 : ₹ 711 crores)

Particulars	Subsidiaries (Referred in I (a) above) 31st March, 2023	Subsidiaries (Referred in I (a) above) 31st March, 2022	Others (Referred in I (e) above) 31st March, 2023	Others (Referred in I (e) above) 31st March, 2022
Expenses paid on behalf of related parties	-	-	1	1
Kaya Limited	-	-	1	0
Others	-	-	0	0
Sale of goods	-	-	-	1
Aaidea Solutions Private Limited	-	-	-	1
Lease Rental Income	-	-	1	1
Kaya Limited	-	-	1	1
Harsh Mariwala Enterprises LLP	-	-	0	0
Others	-	-	0	0
Donation Given / CSR Activities	12	9	-	-
Marico Innovation Foundation	4	1	-	-
Parachute Kalpavriksha Foundation	7	8	-	-
Royalty expense	-	-	-	0
Kaya Limited	-	-	-	0
Purchase of goods	-	-	-	0
Soap Opera	-	-	-	0
Purchase of Fixed Assets	-	-	-	0
Soap Opera	-	-	-	0
Towards adjustment of reimbursement charged	-	-	-	0
Soap Opera	-	-	-	0
Aqua Centric Private Limited	-	-	-	0
Ascent India Foundation	-	-	-	0
Mariwala Health Foundation	-	-	-	0
Harsh Mariwala Enterprises LLP	-	-	-	0
Others	-	-	-	0
Advertising Expense	-	-	-	0
Bright Lifecare Private Limited	-	-	-	0
Other Services	-	-	2	3
Leap India Private Limited	-	-	2	2
Delhivery Limited (formally known as Delhivery Private Limited)	-	-	-	0
Centum Learning Limited	-	-	0	1
Others	-	-	0	0

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

III Outstanding balances

Particulars	Subsidiaries (Referred in I (a) above) 31st March, 2023	Subsidiaries (Referred in I (a) above) 31st March, 2022	Others (Referred in I (e) above) 31st March, 2023	Others (Referred in I (e) above) 31st March, 2022
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties				
Trade receivables	-	-	-	0
Aaidea Solutions Private Limited	-	-	-	0
Trade payable	-	-	0	0
Leap India Private Limited	-	-	0	0
Receivable from related parties	-	-	-	0
Kaya Limited	-	-	-	0
Harsh Mariwala Enterprises LLP	-	-	-	0
Others	-	-	-	0

All the transactions are in normal course of business.

33 Contingent liabilities:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Disputed tax demands / claims		
Sales tax / GST	109	189
Income tax	289	289
Service tax	-	0
Employees state insurance corporation	0	0
Excise duty	33	33
Claims against the Group not acknowledged as debts	18	20
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	403	244

Note:

1. 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 Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

2. The Group has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives and allowances. The Group have contingent liability of ₹ 289 crore and ₹ 289 crore as at March 31, 2023 and 2022, respectively, in respect of tax demands, which are being contested by the Group based on the management evaluation and advice of tax consultants.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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

34 Commitments

(₹ in Crore)

Capital commitments:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	33	31
Total	**33**	**31**

35 Share-Based Payments

(₹ in Crore)

(a) Employee stock option plan

Marico ESOP 2016

During the year ended March 31, 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 August 05, 2016, enabling grant of stock options to the eligible employees of the Group not exceeding in the aggregate 0.6% of the issued equity share capital of the Group as on the commencement date of the Plan i.e. August 05, 2016. Further, the stock options to any single employee under single scheme 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 on an annual basis through one or more Scheme(s) notified under the Plan. Each option represents 1 equity share in the Group. 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:

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

		As at March 31 2023			Number of options granted, exercised and forfeited						
Scheme	Part	Options outstanding as at March 31, 2023	Exercise price	Vesting date	Weighted average share price of options exercised	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 IV	Part I	5,080	256.78	30-Nov-19	-	83,340	-	78,260	-	5,080	-
	Part II	-	302.34	30-Nov-19	-	6,200	-	6,200	-	-	-
	Part III	-	307.77	30-Nov-19	-	7,570	-	7,570	-	-	-
Scheme VI	Part III	740	1.00	30-Nov-20	-	740	-	-	-	740	0.33
Scheme VII	Part I	86,140	307.77	30-Nov-20	-	138,780	-	47,440	5,200	86,140	0.33
	Part II	11,880	316.53	30-Nov-20	-	13,760	-	1,880	-	11,880	0.33
	Part III	15,920	346.47	30-Nov-20	-	22,570	-	6,650	-	15,920	0.33
Scheme IX	Part I	10,290	1.00	30-Nov-21	-	15,290	-	5,000	-	10,290	0.83
	Part II	-	1.00	30-Nov-21	-	8,100	-	8,100	-	-	0.83
Scheme X	Part I	242,010	346.47	30-Nov-21	-	335,440	-	86,540	6,890	242,010	0.83
	Part II	6,210	357.51	30-Nov-21	-	11,200	-	4,990	-	6,210	0.83
	Part III	28,890	346.00	30-Nov-21	-	37,280	-	5,830	2,560	28,890	0.83
Scheme XI		222,700	357.65	31-Mar-22	-	222,700	-	-	-	222,700	1.00
Scheme XII		386,380	357.65	31-Mar-22	-	386,380	-	-	-	386,380	1.00
Scheme XIII	Part I	324,050	346.00	30-Nov-22	-	717,540	-	28,690	364,800	324,050	1.33
	Part II	16,220	330.38	30-Nov-22	-	45,230	-	6,260	22,750	16,220	1.33
	Part III	103,420	372.10	30-Nov-22	-	109,550	-	-	6,130	103,420	1.33
Scheme XIV		425,100	330.38	31-Mar-23	-	425,100	-	-	-	425,100	1.50
Scheme XV	Part I	38,840	1.00	30-Nov-23	-	65,040	-	-	26,200	38,840	2.17
	Part II	6,548	1.00	30-Nov-23	-	6,548	-	-	-	6,548	2.17
Scheme XVI	Part I	496,350	372.10	30-Nov-23	-	695,890	-	3,690	195,850	496,350	2.17
	Part II	75,548	451.56	30-Nov-23	-	87,435	-	-	11,887	75,548	2.17
	Part III	105,613	545.34	30-Nov-23	-	145,866	-	-	40,253	105,613	2.17
Scheme XVII		52,080	1.00	31-Mar-24	-	52,080	-	-	-	52,080	2.50
Scheme XVIII		297,940	451.56	31-Mar-24	-	297,940	-	-	-	297,940	2.50
Scheme XIX	Part I	48,046	1.00	30-Nov-24	-	54,196	-	-	6,150	48,046	3.17
	Part II	15,794	1.00	30-Nov-24	-	-	15,794	-	-	15,794	3.17
	Part III	5,311	1.00	30-Nov-24	-	-	5,311	-	-	5,311	3.17
Scheme XX	Part I	705,295	545.34	30-Nov-24	-	839,114	-	-	133,819	705,295	3.17
	Part II	106,300	520.96	30-Nov-24			112,859	-	6,559	106,300	3.17
	Part III	103,843	498.25	30-Nov-24			103,843	-	-	103,843	3.17
	Part IV	4,428	505.15	30-Nov-24			4,428	-	-	4,428	3.17
Scheme XXI	Part II	44,935	1.00	31-Mar-24	-	-	44,935	-	-	44,935	2.50
Scheme XXII	Part I	24,017	545.34	31-Mar-24	-	24,017	-	-	-	24,017	2.50
	Part II	585,443	498.25	31-Mar-24	-	-	585,443	-	-	585,443	2.50
Scheme XXIII	Part I	86,601	1.00	31-Mar-24	-	-	86,601	-	-	86,601	2.50
Scheme XXIV	Part I	575,837	520.96	31-Mar-24	-	-	575,837	-	-	575,837	2.50
Scheme XXV	Part I	40,147	1.00	31-Mar-25	-	-	40,147	-	-	40,147	3.50
Scheme XXVI	Part I	99,072	1.00	30-Nov-25	-	-	99,072	-	-	99,072	4.17
Scheme XXVII	Part I	748,562	498.25	30-Nov-25	-	-	762,976	-	14,414	748,562	4.17
Scheme XXVIII	Part I	12,604	1.00	31-Mar-25	-	-	12,604	-	-	12,604	3.50
Scheme XXIX	Part I	272,856	498.25	31-Mar-25	-	-	272,856	-	-	272,856	3.50
Total		**6,437,040**				**4,854,896**	**2,722,706**	**297,100**	**843,462**	**6,437,040**	

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

Scheme	Part	As at March 31 2022: Options outstanding as at March 31, 2022	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 II		**-**	280.22	31-Mar-19	-	939,700	-	939,700	-	-	-
Scheme III	Part III	**-**	1.00	30-Nov-19	-	1,910	-	1,910	-	-	-
Scheme IV	Part I	**83,340**	256.78	30-Nov-19	-	222,770	-	139,430	-	83,340	0.33
	Part II	**6,200**	302.34	30-Nov-19	-	16,930	-	10,730	-	6,200	0.33
	Part III	**7,570**	307.77	30-Nov-19	-	19,500	-	11,930	-	7,570	0.33
Scheme VI	Part I	**-**	1.00	30-Nov-20	-	21,320	-	21,320	-	-	0.83
	Part III	**740**	1.00	30-Nov-20	-	740	-	-	-	740	0.83
Scheme VII	Part I	**138,780**	307.77	30-Nov-20	-	263,980	-	123,060	2,140	138,780	0.83
	Part II	**13,760**	316.53	30-Nov-20	-	32,770	-	19,010	-	13,760	0.83
	Part III	**22,570**	346.47	30-Nov-20	-	29,390	-	6,820	-	22,570	0.83
Scheme IX	Part I	**15,290**	1.00	30-Nov-21	-	59,310	-	34,880	9,140	15,290	1.33
	Part II	**8,100**	1.00	30-Nov-21	-	8,100	-	-	-	8,100	1.33
Scheme X	Part I	**335,440**	346.47	30-Nov-21	-	513,760	-	95,590	82,730	335,440	1.33
	Part II	**11,200**	357.51	30-Nov-21	-	52,180	-	29,000	11,980	11,200	1.33
	Part III	**37,280**	346.00	30-Nov-21	-	45,420	-	3,900	4,240	37,280	1.33
Scheme XI		**222,700**	357.65	31-Mar-22	-	222,700	-	-	-	222,700	1.50
Scheme XII		**386,380**	357.65	31-Mar-22	-	526,890	-	-	140,510	386,380	1.50
Scheme XIII	Part I	**717,540**	346.00	30-Nov-22	-	855,800	-	-	138,260	717,540	2.17
	Part II	**45,230**	330.38	30-Nov-22	-	45,230	-	-	-	45,230	2.17
	Part III	**109,550**	372.10	30-Nov-22	-	109,550	-	-	-	109,550	2.17
Scheme XIV		**425,100**	330.38	31-Mar-23	-	425,100	-	-	-	425,100	2.50
Scheme XV	Part I	**65,040**	1.00	30-Nov-23	-	82,970	-	-	17,930	65,040	3.17
	Part II	**6,548**	1.00	30-Nov-23	-	-	6,548	-	-	6,548	3.17
Scheme XVI	Part I	**695,890**	372.10	30-Nov-23	-	838,510	-	-	142,620	695,890	3.17
	Part II	**87,435**	451.56	30-Nov-23	-	-	87,435	-	-	87,435	3.17
	Part III	**145,866**	545.34	30-Nov-23	-	-	145,866	-	-	145,866	3.17
Scheme XVII		**52,080**	1.00	31-Mar-24	-	-	52,080	-	-	52,080	3.50
Scheme XVIII		**297,940**	451.56	31-Mar-24	-	-	297,940	-	-	297,940	3.50
Scheme XIX		**54,196**	1.00	30-Nov-24	-	-	62,868	-	8,672	54,196	4.17
Scheme XX		**839,114**	545.34	30-Nov-24	-	-	868,446	-	29,332	839,114	4.17
Scheme XXI		**-**	1.00	31-Mar-24	-	-	6,083	-	6,083	-	3.50
Scheme XXII		**24,017**	545.34	31-Mar-24	-	-	79,032	-	55,015	24,017	3.50
Total		**13,127,615**				**5,334,530**	**1,606,298**	**1,437,280**	**648,652**	**4,854,896**	

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Aggregate of all stock options outstanding as at the year end to current paid-up equity share capital (percentage)	**0.50%**	**0.38%**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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 II	Part I	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 VI	Part I	6.75%	3 years 6 months	25.50%	1.07%	298.18
	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	22.54%	1.29%	79.70
Scheme IX	Part I	7.39%	3 years 6 months	23.40%	1.29%	341.70
	Part II	7.04%	3 years 1 months	22.47%	1.29%	325.60
Scheme X	Part I	7.39%	3 years 6 months	23.40%	1.29%	98.20
	Part II	7.04%	3 years 1 months	22.47%	1.29%	69.20
	Part III	6.35%	3 years 6 months	22.14%	1.29%	74.50
Scheme XI	Part I	6.86%	3 years 5 months	23.13%	1.29%	89.50
Scheme XII	Part I	6.86%	3 years 5 months	23.13%	1.29%	89.50
Scheme XIII	Part I	6.42%	4 years 6 months	22.94%	1.29%	89.40
	Part II	4.90%	3 years 11 months	24.68%	1.71%	80.79
	Part III	4.65%	3 years 6 months	24.83%	1.71%	80.90
Scheme XIV	Part I	4.90%	4 years 3 months	24.47%	1.71%	83.53
Scheme XV	Part I	4.98%	4 years 6 months	24.51%	1.71%	345.30
	Part II	5.42%	3 years 6 months	25.08%	1.88%	488.70
Scheme XVI	Part I	4.98%	4 years 6 months	24.51%	1.71%	93.00
	Part II	5.27%	4 years	24.39%	1.71%	112.20
	Part III	5.42%	3 years 6 months	25.08%	1.88%	107.30
Scheme XVII	Part I	5.27%	4 years 4 months	24.22%	1.71%	452.40
Scheme XVIII	Part I	5.27%	4 years 4 months	24.22%	1.71%	116.20
Scheme XIX	Part I	5.73%	4 years 6 months	24.14%	1.88%	479.60
Scheme XX	Part I	5.73%	4 years 6 months	24.14%	1.88%	123.10
Scheme XXI	Part I	5.13%	2 years 10 months	25.03%	1.88%	494.80
Scheme XXII	Part I	5.13%	2 years 10 months	25.02%	1.88%	93.60
Scheme XXIII	Part I	7.00%	3 years 5 months	25.30%	1.90%	519.80
Scheme XXIV	Part I	7.00%	3 years 5 months	25.30%	1.90%	519.80
Scheme XXV	Part I	7.00%	4 years 5 months	25.30%	1.90%	519.80
Scheme XIX	Part II	7.00%	4 years 1 months	25.50%	1.90%	519.18
Scheme XX	Part II	7.00%	4 years 1 months	25.50%	1.90%	519.80
Scheme XXI	Part II	7.00%	3 years 5 months	25.30%	1.90%	519.80
Scheme XXVI	Part I	7.00%	4 years 6 months	25.40%	2.06%	510.45
Scheme XXVII	Part I	7.00%	4 years 6 months	25.40%	2.06%	510.45
Scheme XXVIII	Part I	7.00%	3 years 10 months	25.36%	2.06%	510.45
Scheme XXIX	Part I	7.00%	3 years 10 months	25.36%	2.06%	510.45
Scheme XXII	Part II	7.00%	2 years 10 months	26.41%	2.06%	510.45
Scheme XX	Part III	7.00%	3 years 6 months	25.75%	2.06%	510.45
Scheme XIX	Part III	7.00%	3 years 6 months	25.75%	2.06%	510.45

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

(₹ in Crore)

(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 VII 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 (₹)	Vesting Date	As at March 31 2023							As at March 31 2022						
				Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (₹ in Crore)		Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (₹ 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 IX	4-Dec-18	346.47	30-Nov-21	-	-	-	-	-	-	-	364,910	-	58,720	306,190	-	-	-
	6-May-19	357.51	30-Nov-21	-	-	-	-	-	-	-	16,620	-	10,410	6,210	-	-	-
	20-Dec-19	346.04	30-Nov-21	-	-	-	-	-	-	-	54,240	-	9,710	44,530	-	-	-
STAR X	20-Dec-19	346.04	30-Nov-22	**295,280**	-	**37,430**	**257,850**	-	-	-	375,500	-	76,360	3,860	295,280	-	3
	23-Jun-20	330.38	30-Nov-22	**45,230**	-	**5,870**	**39,360**	-	-	-	45,230	-	-	-	45,230	-	1
	1-Dec-20	372.1	30-Nov-22	**31,820**	-	**25,690**	**6,130**	-	-	-	31,820	-	-	-	31,820	-	1
STAR XI	1-Dec-20	372.1	30-Nov-22	**552,910**	-	**122,500**	-	**430,410**	-	4	672,520	-	115,920	3,690	552,910	3	-
	26-May-21	451.56	30-Nov-23	**94,255**	-	**5,664**	-	**88,591**			-	94,255	-	-	94,255	0	-
	7-Dec-21	545.34	30-Nov-23	**95,534**	-	**40,253**	-	**55,281**			-	95,534	-	-	95,534	0	-
STAR XII	7-Dec-21	545.34	30-Nov-24	**726,106**	-	**149,482**	-	**576,624**	1	-	-	736,634	10,528	-	726,106	1	-
	5-May-22	520.96	30-Nov-24	-	**46,185**	**6,595**	-	**39,590**			-	-	-	-	-	-	-
	7-Dec-22	498.25	30-Nov-25	-	**35,038**	-	-	**35,038**			-	-	-	-	-	-	-
STAR XIII	7-Dec-22	498.25	30-Nov-25	-	**551,002**	**23,263**	-	**527,739**	0	-	-	-	-	-	-	-	-
Total				1,841,135	632,225	416,747	303,340	1,753,273	2	4	1,560,840	926,423	281,648	364,480	1,841,135	4	5

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 ₹ 50 Crore as at March 31, 2023 (₹ 47 Crore as at March 31, 2022) 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 Group. The Group, after adjusting the loan advanced and interest thereon (on loan advanced after April 01, 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:

(₹ in Crore)

Particulars	31st March,2023	31st March, 2022
Share price at measurement date (₹ per share)	479.8	503.7
Expected volatility (%)	19.5%-23.2%	22.9%-26.2%
Dividend yield (%)	2.10%	1.90%
Risk-free interest rate (%)	6.9%-7.1%	4.3% - 5.4%

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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

(₹ in Crore)

Particulars	Year Ended 31st March,2023	Year Ended 31st March, 2022
Employee stock option plan	19	10
Stock appreciation rights	2	13
Total employee share based payment expense	**21**	**23**

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.

(₹ in Crore)

Particulars	Year Ended 31st March,2023	Year Ended 31st March, 2022
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the company (in ₹)	10.08	9.50
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the company (in ₹)	10.05	9.49
(c) Earnings (₹ in Crores) used in calculating earnings per share	1,302	1,225
(d) Weighted average number of equity shares used as denominator		
Weighted average number of equity shares outstanding	1,292,942,177	1,291,882,131
Shares held in controlled trust (refer note ii below)	(1,398,033)	(1,249,564)
Weighted average number of equity shares in calculating basic earnings per share	1,291,544,144	1,290,632,567
Options	3,942,599	1,547,035
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	**1,295,486,743**	**1,292,179,602**

(e) Information concerning the classification of securities

(i) Options

Options granted to employees under 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.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Parent:																
Marico Limited*	92.93%	89.52%	3,677	3,048	89.21%	64.16%	1,179	1,164	-0.47%	37.80%	0	2	91.40%	64.06%	1,179	1,166
Subsidiaries:																
Indian																
Zed Lifestyle Private Limited	0.05%	0.24%	2	8	-0.46%	0.13%	(6)	0	0.00%	0.00%	-	-	-0.48%	0.01%	(6)	0
Apcos Naturals Private Limited	0.45%	0.00%	18	9	-0.87%	0.00%	(12)	(4)	-0.22%	0.00%	0	(0)	-0.89%	0.00%	(11)	-
HW Wellness Solutions Private Limited	1.30%	0.00%	52	-	-1.11%	0.00%	(15)	-	0.13%	0.00%	(0)	-	-1.14%	0.00%	(15)	-
Foreign																
Marico Bangladesh Limited	7.09%	6.94%	280	236	24.05%	41.40%	318	310	-4.51%	-47.45%	1	2	24.75%	41.07%	319	313
Marico Bangaldesh 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	-5.96%	-6.24%	(236)	(212)	-0.44%	-12.31%	(6)	(2)	-1.38%	1.56%	0	0	-0.41%	-0.14%	(5)	(2)
MEL Consumer Care SAE	-1.03%	-1.63%	(41)	(55)	-0.58%	-0.03%	(8)	(2)	0.00%	0.00%	-	-	-0.59%	-0.15%	(8)	(2)
Marico Egypt Industries Company	-0.02%	-0.05%	(1)	(2)	0.04%	-0.02%	1	(0)	0.00%	0.00%	-	-	0.04%	-0.00%	1	(0)
Egyptian American Company for Investment and Industrial Development SAE	-0.02%	-0.04%	(1)	(1)	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-
Marico South Africa Consumer Care (Pty) Limited	0.93%	1.23%	37	42	-0.00%	-1.56%	(0)	(0)	0.00%	0.00%	-	-	-0.00%	-0.00%	(0)	(0)
Marico South Africa (Pty) Limited	1.43%	1.61%	56	55	0.62%	0.30%	8	7	0.00%	0.00%	-	-	0.63%	0.54%	8	7
Marico for Consumer Care Products SAE	-0.59%	-0.75%	(23)	(25)	-0.75%	-0.02%	(10)	0	0.00%	0.00%	-	-	-0.77%	0.00%	(10)	0
Marico Malaysia Sdn Bhd	-0.00%	0.00%	(0)	0	-0.00%	-0.00%	(0)	(0)	0.00%	0.00%	-	-	-0.00%	-0.00%	(0)	(0)
Marico South East Asia Corporation	3.45%	1.76%	137	60	5.39%	4.21%	71	41	0.00%	0.00%	-	-	5.52%	3.17%	71	41
Marico Lanka Private Limited	-0.24%	-0.16%	(9)	(6)	-0.27%	-0.15%	(4)	(4)	0.00%	0.00%	-	-	-0.28%	0.00%	(4)	(4)
Marico Gulf LLC	0.21%	0.02%	8	1	0.56%	-0.15%	7	0	0.00%	0.00%	-	-	0.58%	0.00%	7	-
Subtotal			3,956	3,158			1,525	1,510			2	4			1,527	1,519
Intercompany Elimination & Consolidation Adjustments	0.01%	7.26%	0	247	-15.38%	4.02%	(203)	(254)	106.45%	108.09%	(34)	30	-18.36%	4.42%	(237)	(224)
Grand total:			3,957	3,405			1,322	1,256			(32)	34			1,290	1,295
Minority Interest in all subsidiaries	3.98%	1.67%	157	57	1.51%	2.27%	20	30	-0.48%	0.34%	0	0	1.56%	2.32%	20	30

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

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 The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act , 2013 or Section 560 of the Companies Act , 1956 during the financial year.

40 No transactions to report against the following disclosure requirements as notified by MCA pursuant to ammendment to Schedule III :

a) Crypto currency or Virtual currency

b) Benami property held under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

c) Registration of charges or satisfaction with Registrar of Companies

d) relating to borrowed funds -

i) Wilful defaulter

ii) Utilisation of borrowed funds or Share Premium

iii) Borrowings obtained on basis of security of current assets

iv) Descripencies on utilisation of borrowings

v) Current maturities of long term borrowings

41 (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

(ii) The Group has not received any fund from any party (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

42 (a) Acquisition of Subsidiary

a. HW Wellness Solutions Private Limited

On May 23, 2022, the Company has acquired 53.98% stake and gained control of HW Wellness Solutions Private Limited ("True Elements") as a subsidiary for a consideration of ₹ 168 crore as subsidiary.

At May 23, 2022, the fair value of assets and liabilities acquired have been determined by the Company and accounted for in accordance with IND AS 103 – "Business Combination".

Taking control of HW Wellness Solutions Private Limited, which owns the brand True Elements, a clean label, digital-first brand playing in the rapidly growing healthy breakfast and snacks segment in India, that will enable the Group to expand its total addressable market in the healthy foods segment.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

a. Details of purchase consideration, net assets acquired and goodwill

Acquisition related cost

The Group incurred acquisition related cost of ₹ 5 crore on legal fees. These costs have been included in "other expenses".

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(₹ in Crore)

Particulars	Amount
ASSETS	
Non-current assets	
Property, Plant and Equipment	2
Right of use assets	1
Intangible assets	218
Financial assets	
(i) Other financial assets	1
Current Tax Assets (Net)	0
Total non-current assets	**222**
Current assets	
Inventories	4
Financial assets	
(i) Investments	0
(ii) Trade receivables	5
(iii) Cash and cash equivalents	64
(iv) Bank balances other than cash & cash equivalents	-
(vi) Other Financial Assets	2
Other current assets	3
Total current assets	79
Fair value of assets acquired	**301**

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

LIABILITIES	
Non-current liabilities	
Provisions	0
Total Non-current liabilities	**0**
Current liabilities	
Financial Liabilities	
(i) Borrowings	2
(ii) Lease Liabilities	1
Total outstanding dues of micro enterprises and small enterprises	3
Total outstanding dues of creditors other than micro enterprises and small enterprises	6
(iii) Trade Payble	
(iv) Other financial liabilities	1
Other current liabilities	3
Provisions	1
Total current liabilities	**17**
Fair value of liabilities acquired	17
Deferred Tax on acquisition	57
Total Identifiable net assets / (liabilities) acquired	**227**

Note: The fair value of Trade receivable and other receivables is the same as mentioned in above table

b. Goodwill

(₹ in Crore)

Particulars	Amount
Consideration transferred	168
Non-controlled interest in the acquired entity, based on their proportionate interest in the recognised amounts of identifiable net assets of True Elements	104
Less: Net Identifiable assets acquired	227
Goodwill	**45**

The goodwill is mainly attributable to the synergies expected to be achieved from integrating the True Elements business into the Group's existing business. The goodwill is not expected to be deductible for tax purposes.

c. Disclosure of the revenue and profit for current reporting period.

(₹ in Crore)

Particulars	Amount	
	Revenue	(Loss)
i. Since the acquisition date	51	(14)
ii. Had it been at the beginning of the reporting period	58	(18)

d. Liability towards obligation to acquire non-controlling interest

Pursuant to the acquisition, the Company has an obligation to acquire the non-controlling interest contingent on achievement of certain business milestones at a future date. The obligation has been accounted for as a liability in the consolidated financial statements on the acquisition date at its present value of ₹ 248 crore with a corresponding debit to other equity.

Notes

To Consolidated Financial Statements for the year ended 31st March, 2023

42 (b) Acquisition of Subsidiary

b. Beauty X Joint Stock Company

On January 31, 2023, Marico South-East Asia Corporation (MSEA),the wholly owned subsidiary of Marico Ltd, has acquired 100 % stake and gained control of Beauty X Joint Stock Company, in Vietnam for a consideration of ₹ 173 crore as subsidiary.

The acquisition has been accounted for as a business combination in accordance with IND AS 103 – "Business Combination" as at the acquisition date January 31, 2023. The fair value of assets and liabilities acquired have been accounted for at the acquisition date of which some have been determined by the Company on a provisional basis.

Taking control of Beauty X Joint Stock Company, which owns the female personal care brands "Purité de Prôvence" and "Ôliv" will enable the Group to further expand and strengthen product portfolio into the personal care categories in Vietnam.

a. Details of purchase consideration, net assets acquired and goodwill

Acquisition related cost

The Group incurred acquisition related cost of ₹ 3 crore on legal fees. These costs have been included in "other expenses".

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(₹ in Crore)

Particulars	Amount
ASSETS	
Non-current assets	
Intangible assets	47
Total non-current assets	**47**
Current assets	
Cash and cash equivalents	0
Other current assets	0
Total current assets	**0**
Fair value of assets acquired	**47**
LIABILITIES	
Fair value of liabilities acquired	**-**
Deferred Tax on acquisition	9
Total Identifiable net assets / (liabilities) acquired	**38**

Note :

(i) Acquired receivables: The fair value of Trade receivable and other receivables is the same as mentioned in above table.

(ii) Fair values measured on a provisional basis: The fair value of True Elements' intangible assets (brand, customer relationships and know-how) have been measured provisionally, pending completion of an independent valuation. If new information is obtained within a period of one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, then the accounting for the acquisition will be revised.

b. Goodwill

(₹ in Crore)

Particulars	Amount
Consideration transferred	173
Less: Net Identifiable assets acquired	38
Goodwill	**135**

The goodwill is mainly attributable to the synergies expected to be achieved from integrating the acquiree's business into the Group's existing business. The goodwill is expected to be deductible for tax purposes.

c. Disclosure of the revenue and profit for current reporting period.

(₹ in Crore)

Particulars	Amount	
	Revenue	(Loss)
i. Since the acquisition date	-	0
ii. Had it been at the beginning of the reporting period	0	0

43 Information with regards to other matters in the Companies Act are either Nil or Not applicable to the Company.

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 & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 05, 2023

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2023

Independent Auditor's Report

To the Members of Marico Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Marico Limited (the "Company") and its and employee welfare trust which comprise the standalone balance sheet as at March 31, 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 note (d) of Significant Accounting Policies and Note 18 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue is recognised based on the arrangement with customers.	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:
Revenue is recognised when control of the underlying products has been transferred to the customer. There is a risk of revenue being overstated due to the pressure management may feel to achieve performance targets.	• Evaluated appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards. • Tested design, implementation and operating effectiveness of the Company's general IT controls and key IT/ manual application controls over the Company's systems which govern recording of revenue in the general ledger accounting system. • Performed substantive testing by selecting samples of revenue transactions recorded, and verifying the underlying documents i.e. sales invoices and shipping documents. • Inspected, on a sample basis, key customer contracts to identify terms and conditions for sale. • Tested manual journals posted to revenue to identify unusual items. • Performed analytical procedures on sales such as trend analysis to identify any unusual fluctuations.

Uncertain Tax Position

Refer note (g) of Significant Accounting Policies and Note 25 and 31 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company operates in a complex tax jurisdiction with certain tax exemptions/ deductions that may be subject to challenges and audits by tax authorities. There are significant open tax matters under litigation with tax authorities	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:
Judgement is required in assessing the level of provisions and disclosure of contingent liabilities required in respect of uncertain tax position that reflects management's best estimates of the most likely outcome based on the facts available.	i. For uncertain tax positions, inspected select correspondences with tax authorities. ii. Evaluated management's judgment regarding the expected resolution of matters with various tax authorities, based on external tax expert/counsel opinions and the use of past experience, where available with the tax authorities. iii. Involved tax specialists to evaluate the status of ongoing tax litigations and judgemental 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. iv. Evaluated the adequacy of financial statement disclosures in respect of the tax provision /adjustments and contingencies.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under relevant laws and regulations.

Management's and Board of Directors'/Board of Trustees' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company 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 responsiblity also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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/Board of Trustees are responsible for overseeing the financial reporting process of each company/trust.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- 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 the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone 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 Company's ability to continue as a going concern. 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 standalone 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 report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central

   Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of [report/reports] of the other [auditor/auditors] on separate/consolidated financial statements of such joint operation(s)/employee welfare trust(s) as [was/were] audited by other [auditor/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.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone 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 Company as on March 31, 2023 taken on record by the Board of Directors of the Company , none of the directors of the Company is disqualified as on March 31, 2023 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

   a. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its standalone financial statements - Refer Note 14 and Note 31 to the standalone financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d (i) The management of the Company has represented to us that, to the best of its knowledge and belief, other than as disclosed in the Note 37 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management of the Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 37 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

   e. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act

   f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the 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) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Place: Mumbai Membership No.: 048648
Date: May 05, 2023 ICAI UDIN: 23048648BGWAND9800

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Marico Limited for the year ended 31st March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided security or granted any advances in the nature of loans to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investments in companies, in respect of which the information is as below. The Company has not made any investments in firms, limited liability partnerships or any other parties during the year. The Company has provided guarantees in favour of companies and granted loans to employees during the year, in respect of which the requisite information is as below. The Company has not granted loans to any companies, firms and limited liability partnership. The Company has not provided any guarantees or security to firms, limited liability partnership and other parties.

Particulars	Guarantees	Loans
Aggregate amount during the year Subsidiaries*	538	8
Others **		
Balance outstanding as at balance sheet date	545	6
Subsidiaries*		
Others **		

*As per the Companies Act, 2013

** represents loans given to employees based on the Company's policies

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantees provided, and the terms and conditions of the grant of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security to which the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") apply. In respect of the investments made, loans given and guarantees provided by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 01, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as mentioned in Enclosure 1 to this Annexure:

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN: 23048648BGWAND9800

Place: Mumbai
Date: May 05, 2023

Annexure

Enclosure I to Annexure A to the Independent Auditors' Report – 31st March 2023

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the Amount relates	Amount under dispute (₹ in crore)	Amount paid under protest (₹ in crore)
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	High Court	Various years	7	0*
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Additional Commissioner - Sales tax	Various years	11	1
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Joint Commissioner - Sales tax	Various years	13	2
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Deputy Commissioner - Sales tax	Various years	1	1
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Assistant Commissioner – Sales tax	Various years	0*	0*
The Central Sales Tax Act and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	Tribunal	Various years	10	2
The Central Excise Act	Excise Duty (including penalty if applicable)	Customs, Excise and Service Tax Appellate Tribunal	Various years	33	3
Service Tax, (Finance Act, 1994)	Service Tax (including penalty if applicable)	Customs, Excise and Service Tax Appellate Tribunal	2006-2012	0*	0*
Income Tax Act, 1961	Income Tax	Commissioner of Income tax (Appeals)	AY 2010- 11 to AY 2013- 2014 and AY 2017-18 to 2018-19	38	-

* less than ₹ 0.50 crore

Annexure B to the Independent Auditor's Report on the standalone financial statements of Marico Limited for the year ended 31st March 2023

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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Marico Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company 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 and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN: 23048648BGWAND9800

Place: Mumbai
Date: May 05, 2023

Balance Sheet

as at 31st March 2023

(₹ in Crore)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	533	497
Capital work-in-progress	3(c)	32	27
Right of use assets	3(b)	132	124
Investment properties	4	15	21
Intangible assets	5	24	25
Investment in subsidiaries	6(a)	732	544
Financial assets			
(i) Investments	6(a)	518	187
(ii) Loans	6(c)	4	4
(iii) Other financial assets	6(f)	11	13
Deferred tax assets (net)	7	118	171
Non current tax assets (net)	16	64	54
Other non-current assets	8	32	25
Total non-current assets		**2,215**	**1,692**
Current assets			
Inventories	9	895	1,093
Financial assets			
(i) Investments	6(a)	575	641
(ii) Trade receivables	6(b)	838	555
(iii) Cash and cash equivalents	6(d)	11	31
(iv) Bank balances other than (iii) above	6(e)	138	264
(v) Loans	6(c)	3	4
(vi) Other financial assets	6(g)	206	38
Current Tax Asset (net)		1	1
Other current assets	10	200	177
Assets classified as held for sale	11	7	0
Total current assets		**2,874**	**2,804**
Total assets		**5,089**	**4,496**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	129	129
Share application money pending allotment		0	-
Other equity			
Reserves and surplus	12(b)	3,548	2,920
Other reserves	12(c)	0	0
Total equity attributable to owners		**3,677**	**3,049**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease Liabilities		78	75
Employee benefit obligations (net)	15	13	14
Total non-current liabilities		**91**	**89**
Current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	59	95
(ii) Trade payables	13(c)		
Total outstanding dues of micro enterprises and small enterprises		64	74
Total outstanding dues of creditors other than micro enterprises and small enterprises		942	926
(iii) Lease Liabilities		29	29
(iv) Other financial liabilities	13(b)	9	18
Other current liabilities	17	138	154
Provisions	14	17	16
Employee benefit obligations (net)	15	43	37
Current tax liabilities (net)	16	20	9
Total current liabilities		**1,321**	**1,357**
Total liabilities		**1,412**	**1,446**
Total equity and liabilities		**5,089**	**4,496**

Significant accounting policies 1
Critical estimates and judgements 2

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

As per our report of even date attached

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 05, 2023

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2023

Statement of Profit and Loss

for the year ended 31st March 2023

(₹ in Crore)

Particulars	Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue:			
Revenue from operations	18	7,478	7,500
Other income	19	328	357
Total Income		**7,806**	**7,857**
Expenses:			
Cost of materials consumed	20(a)	3,822	4,367
Purchases of stock-in-trade		466	410
Changes in inventories of finished goods, stock-in-trade and work-in progress	20(b)	176	(86)
Employee benefit expense	21	409	372
Finance costs	24	36	30
Depreciation and amortization expense	22	109	97
Other expenses	23	1,296	1,254
Total expenses		**6,314**	**6,444**
Profit before tax		**1,492**	**1,413**
Income tax expense for current year			
Current tax	25	259	246
Deferred tax charge/(credit)	7	54	4
Total tax expense		**313**	**250**
Profit for the year (A)		**1,179**	**1,163**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements gain on post employment benefit obligations	15	0	3
Income tax relating to items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements gain on post employment benefit obligations	7	(0)	(1)
Total		**0**	**2**
Items that will be reclassified to profit or loss in subsequent periods			
Change in fair value of hedging instruments	12 (c)	(0)	1
Income tax relating to items that will be reclassified to profit or loss in subsequent periods			
Change in fair value of hedging instruments	7	0	(0)
Total		**(0)**	**1**
Other comprehensive income for the year (B)		**(0)**	**3**
Total comprehensive income for the year (A+B)		**1,179**	**1,166**
Earnings per equity share (in ₹)	34		
Basic earnings per share		9.13	9.02
Diluted earnings per share		9.10	9.01

Significant accounting policies 1
Critical estimates and judgements 2

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date attached

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 05, 2023

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2023

Statement of Changes in Equity

For the year ended 31st March, 2023

A. Equity Share Capital

Balance as at April 01, 2022	Changes in equity share capital during the year due to prior period errors.	Restated balance as at April 01, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
129	-	129	0	129

Balance as at April 01, 2021	Changes in equity share capital during the year due to prior period errors.	Restated balance as at April 01, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
129	-	129	0	129

* Refer note 12(a)

B. Other Equity

(₹ in Crore)

Particular	Note	Attributable to owners								
		Reserves and surplus							Other reserves	
		Securities Premium (note a)	Retained earnings (note b)	General reserve (note c)	Share based option outstanding account (note d)	Treasury shares (note e)	Amalgamation Adjustment Deficit Account (note g)	WEOMA reserve (note e)	Effective portion of cash flow hedge (note f)	Total other equity
Balance as at April 01, 2021		**258**	**2,904**	**298**	**29**	**(40)**	**(621)**	**78**	**(0)**	**2,905**
Profit for the year		-	1,163	-	-	-	-	-	-	1,163
Other comprehensive income for the year	12 (c)	-	2	-	-	-	-	-	1	3
Total comprehensive income for the year	**-**	**-**	**1,166**	**-**	**-**	**-**	**-**	**-**	**1**	**1,167**
(Purchase)/sale of treasury shares by the trust during the year (net)	12 (b)	**-**	**-**	**-**	**-**	(18)	**-**	**-**	**-**	(18)
Dividend paid on equity shares	12 (b)	-	(1,195)	-	-	-	-	-	-	(1,195)
Income of the trust for the year	12 (b)	-	-	-	-	-	-	10	-	10
Exercise of employee stock options	12 (b)	-	-	-	-	-	-	-	-	-
Share based payment expense	12 (b)	53	-	-	-12	-	-	-	-	41
Balance as at March 31, 2022		**311**	**2,874**	**298**	**27**	**(58)**	**(621)**	**88**	**0**	**2,920**
Balance as at April 01, 2022		**311**	**2,874**	**298**	**27**	**(58)**	**(621)**	**88**	**0**	**2,920**
Profit for the year		-	1,179	-	-	-	-	-	-	1,179
Other comprehensive income for the year	12 (c)	-	0	-	-	-	-	-	(0)	(0)
Total comprehensive income for the year		**-**	**1,179**	**-**	**-**	**-**	**-**	**-**	**-0**	**1,179**
(Purchase)/sale of treasury shares by the trust during the year (net)	12 (b)	-	-	-	-	(2)	-	-	-	(2)
Dividend paid on equity shares	12 (b)	-	(582)	-	-	-	-	-	-	(582)
Income of the trust for the year	12 (b)	-	-	-	-	-	-	6	-	6
Exercise of employee stock options	12 (b)	12	-	-	(3)	-	-	-	-	9
Share based payment expense	12 (b)	-	-	-	19	-	-	-	-	19
Balance as at March 31, 2023		**323**	**3,471**	**298**	**43**	**(60)**	**(621)**	**94**	**0**	**3,548**

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

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 profits that the Company has 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 33 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) Amalgamation Adjustment Deficit Account

Pursuant to the Scheme, the difference between the net assets of the merged undertaking transferred to the Company (adjusted for intercompany balance eliminations) aggregating ₹ 24 crore and the then carrying cost of the investment in the share capital of MCCL aggregating ₹ 642 crore, was adjusted in Other Equity. Of this, the retained earnings (accumulated loss) of MCCL of was accounted under the Retained earnings of the Company, and the remaining amount aggregating ₹ 621 crore was accounted in a separate reserve account termed as Amalgamation Adjustment Deficit Account.

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 05, 2023

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2023

Statement of Cash Flows

For the year ended 31st March, 2023

(₹ in Crore)

	Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE INCOME TAX	1,492	1,413
	Adjustments for:		
	Depreciation and amortization expense	109	97
	Finance costs	36	30
	Dividend income from subsidiary	(220)	(248)
	Interest income from financial assets	(29)	(44)
	(Gain)/ Loss on disposal of property, plant and equipment and Right of Use asset	(0)	(0)
	Net fair value changes in financial assets and profit on sale of investments	(50)	(30)
	Employees stock option charge	16	10
	Provision for doubtful debts	0	8
		1,353	**1,236**
	Change in operating assets and liabilities:		
	(Increase) / Decrease in inventories	198	(220)
	(Increase) / Decrease in trade receivables	(283)	(252)
	(Increase) / Decrease in other financials assets	24	(7)
	(Increase) / Decrease in other non-current assets	(0)	0
	(Increase) / Decrease in other current assets	(23)	16
	(Increase) / Decrease in loans	1	(0)
	(Decrease) / Increase in provisions	1	(0)
	(Decrease) / Increase in employee benefit obligations	6	(13)
	(Decrease) / Increase in other current liabilities	(16)	(13)
	(Decrease) / Increase in trade payables	7	158
	(Decrease) / Increase in other financial liabilities	(7)	4
	Changes in working capital	**(93)**	**(327)**
	Cash generated from operations	**1,260**	**909**
	Income taxes paid (net of refunds)	(258)	(253)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**1,002**	**656**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment for property, plant and equipment and intangible assets	(129)	(97)
	Proceeds from sale of property, plant and equipment	0	1
	(Payment for) / Proceeds from purchase/sale of investments (net)	(127)	(146)
	Investment in Subsidiaries	(188)	(55)
	(Given to)/Repayment of loan from Subsidiaries	-	58
	(Purchase)/ Redemption of Inter-corporate deposits (net)	(90)	215
	(Investment) in/Redemption of Bank deposits (having original maturity more than 3 months) (net)	129	359
	Dividend income from subsidiary	32	248
	Interest received	27	43
	NET CASH GENERATED FROM / (UTILISED IN) INVESTING ACTIVITIES (B)	**(346)**	**626**

(₹ in Crore)

	Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of share capital	9	41
	Purchase of investments by WEOMA trust (net)	4	(8)
	Other borrowings (repaid) / taken (net) (refer note 1 below)	(36)	(47)
	Interest paid (refer note 1 below)	(27)	(22)
	Repayment of Principal portion of lease liabilities (refer note1 below)	(36)	(28)
	Interest paid on lease liabilities (refer note 1 below)	(8)	(8)
	Dividends paid to company's shareholders	(582)	(1,195)
	Net cash utilised in financing activities (C)	**(676)**	**(1,267)**
D	**NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)**	**(20)**	**15**
E	Cash and cash equivalents at the beginning of the financial year	31	16
F	**Cash and cash equivalents at end of the year (Refer note 6 (d))**	**11**	**31**

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.

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

Note 1 : Reconciliation of the movements liabilities to cash flow arising from financing activities

(₹ in Crore)

Particulars	Year ended 31st March, 2023			Year ended 31st March, 2022		
	Lease Liabilities	Borrowings	Total	Lease Liabilities	Borrowings	Total
Balance at April 1,	104	95	199	127	142	269
Changes from financing cash flows						
Repayment of lease liabilities - principal portion	(36)	-	(36)	(28)	-	(28)
Payment of interest on lease liabilities	(8)	-	(8)	(8)	-	(8)
Other borrowings (repaid) / taken (net)	-	(36)	(36)	-	(47)	(47)
Payment of interest on borrowings from banks and financial institutions	-	(27)	(27)	-	(22)	(22)
Total changes from financing cash flows	**(44)**	**(63)**	**(107)**	**(36)**	**(69)**	**(105)**
Other changes						
New leases net off closures/disposals	38	-	38	5	-	5
Interest expense on lease liabilities	8	-	8	8	-	8
Interest expense on borrowings from banks and financial institutions	-	27	27	-	22	22
Total changes	**46**	**27**	**73**	**13**	**22**	**35**
Balance at March 31, 2023	**106**	**59**	**165**	**104**	**95**	**199**

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 05, 2023

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2023

Notes

To Financial Statements for the year ended 31st March, 2023

Background and operations

Marico Limited ("Marico" or 'the Company'), headquartered in Mumbai, Maharashtra, India, carries on business in branded consumer products. Marico manufactures and markets products under the brands such as Parachute, Parachute Advansed, Nihar, Nihar Naturals, Saffola, Hair & Care, Revive, Mediker, Livon, Set-wet, etc. Marico's products reach its consumers through retail outlets serviced by Marico's distribution network comprising regional offices, carrying & forwarding agents, redistribution centers & distributors spread all over India.

Note 1: Significant accounting policies:

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

The financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 5th May, 2023.

a) Basis of preparation:

i. Compliance with IND AS:

These 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 as amended from time to time and other relevant provisions of the Act.

ii. 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 26);
- 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

iii. Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's 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 Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

b) Segment Reporting:

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

c) Foreign currency transactions:

i) Functional and presentation currencies:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian National Rupee ("₹") which is the functional and presentation currency for Marico Limited.

ii) Transactions & 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. 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 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.

Notes

To Financial Statements for the year ended 31st March, 2023

d) Revenue recognition:

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at a point in time i.e. at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

The Company 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 Company's activities as described below. The Company 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 & 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 the service is performed and there are no unfulfilled obligations.

e) 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 Company 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 profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

iii. Revenue from royalty income is recognized on accrual basis.

f) 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 Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss 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.

g) 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.

Notes

To Financial Statements for the year ended 31st March, 2023

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. 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 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

h) 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 Company 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. 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 Company 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 & 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 residual values, over their estimated useful lives.

As per technical evaluation of the Company, 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 & 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.

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 included in profit or loss within other income.

j) Intangible Assets:

i. 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:

Asset	Useful Life (Year)
Computer software	3

ii. Intangible assets with indefinite useful life:

The Intangible assets with indefinite useful life comprises of Trademark and Copyrights.

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.

iii. Research & Development:

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

j) Investment property

Property land or a building—or part of a building—or both that is held for long term rental yields or for capital appreciation or both, rather than for:

(i) use in the production or supply of goods or services or for administrative purposes; or

(ii) 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 assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company 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 "h" 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.

Notes

To Financial Statements for the year ended 31st March, 2023

k) Non-Current Asset held for Sale:

Non-current assets are classified as Non-Current asset 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 is recognised at the date of sale of the asset.

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.

l) Lease

As a lessee

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Equipment. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i) the contract involves the use of an identified asset

ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Lease income from operating leases where the Company 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.

Notes

To Financial Statements for the year ended 31st March, 2023

m) Investment & financial assets:

i. Classification:

The Company 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 Company'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 Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement:

At initial recognition, the Company 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. However, trade receivables are measured at transaction price.

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 is included in finance income.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cashflows & for selling the financial assets, where the assets 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 the Statement of Profit and Loss. 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 Company subsequently measures all equity investments at fair value. Where the Company'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 profit or loss as other income when the Company's right to receive the dividend is established.

iii. Impairment of financial assets:

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

Notes

To Financial Statements for the year ended 31st March, 2023

iv. Derecognition of financial assets:

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- the Company 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 Company 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 Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

n) 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 Company designates certain derivatives as either:

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

The Company 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 Company 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

o) 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. 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.

p) Trade Receivables:

Trade receivables are recognised initially at transaction price and subsequently measured at cost less provision made for doubtful receivables 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 Company.

q) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company 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.

r) 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.

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.

s) 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.

t) 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 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. Provident Fund:

Provident fund 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. 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 Company provides for the encashment of leave with pay subject to certain rules. The employees

Notes

To Financial Statements for the year ended 31st March, 2023

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 recognised in the Statement of Profit and Loss.

iv. Share based payments:

a Employee Stock Option Plan:

The fair value of options granted under the Company'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 holding 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.

b Employee Stock Appreciation Rights Scheme:

Liability for the Company's Employee Stock Appreciation Rights (STAR), granted pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011, shall be 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, be 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.

vi 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 Company 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 Company 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

Notes

To Financial Statements for the year ended 31st March, 2023

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.

u) 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.

v) 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.

w) Impairment of assets:

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 group 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.

x) 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 Company is treated as an exceptional item and disclosed as such in the financial statements.

y) Investment in subsidiaries and joint ventures:

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

z) Earnings Per Share:

(i) Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- 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.

Notes

To Financial Statements for the year ended 31st March, 2023

(ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- 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.

aa) 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.

ab) 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 Company. 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 Company 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.

Business combinations arising from transfers of interests in entities that are under common control of the shareholder that controls the Company and the acquired entity are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to Other equity in a separate reserve account.

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) Rounding off:

All amounts disclosed in the 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 Company have been reflected as "0" in the relevant notes in these financial statements.

ae) Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

a. Ind AS 1 – Presentation of Financial Statements.

The amendments require companies to disclose their material accounting policies rather than their

Notes

To Financial Statements for the year ended 31st March, 2023

significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

b. Ind AS 12 – Income Taxes.

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

c. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes
To Financial Statements for the year ended 31st March, 2023

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 Company'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 Company 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 27)

(b) Estimation of defined benefit obligations (Note 15)

(c) Estimation of current tax expenses and payable (Note 25)

(d) Estimated impairment of intangible assets with indefinite useful life (Note 5)

(e) Estimation of provisions and contingencies (Note 14 and 31)

(f) Recognition of deferred tax assets including MAT credit (Note 7)

(g) Lease Accounting (Note 3 b)

(h) Impairment of investment in subsidiaries (Note 6 a)

(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 requires use of assumptions.

Allowance for doubtful trade 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 company as well as forward looking estimates at the end of each reporting period.

(b) Estimation of defined benefit obligations

The liabilities of the company 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 Company'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 company operates. Any difference between the estimates and final tax assessments will impact the income tax as well as the resulting assets and liabilities.

Notes
To Financial Statements for the year ended 31st March, 2023

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

The Intangible assets with indefinite useful life comprises of Trademark and Copyrights

Impairment testing for Intangible assets with indefinite useful life is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount is determined based on the fair value (less) cost of disposal which has been measured using discounted cash flow projections, that require the use of assumptions.

The below intangible assets with indefinite useful life held by the Company, are considered significant in terms of size & sensitivity to assumptions used. No other intangible assets with indefinite useful life are considered significant in this respect.

31st March 2023 (₹ in Crore)

CGU	Intangible assets with indefinite useful life
Code 10	15
Fiancee	4
Others	4
Total	**23**

Particulars	Fiancee	Code 10
Period of Cash flow projections	5 years	9 years
Avg Sales Growth (%)	22.0%	16.0%
Avg Gross Margins %	32.0%	37.0%
Terminal Sales Growth %	7%	2%
Post tax discount rate	16.8%	12.8%

31st March 2022 (₹ in Crore)

CGU	Intangible assets with indefinite useful life
Code 10	15
Fiancee	4
Others	4
Total	**23**

Particulars	Fiancee	Code 10
Period of Cash flow projections	10 years	10 years
Avg Sales Growth (%)	11.6%	25.0%
Avg Gross Margins %	36.0%	40.3%
Terminal Sales Growth %	7%	2%
Post tax discount rate	16.8%	12.8%

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

Based on sensitivity analyses performed around the base assumptions, there were no reasonably possible changes in key assumptions that would cause the carrying amount to exceed the recoverable amount.

Notes

To Financial Statements for the year ended 31st March, 2023

(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 company. The Company 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.

(i) Recognition of MAT credit entitlements:

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 Company 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 Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company 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 Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company 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 Company 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 Company has considered leases with term up to 12 (Twelve) months as short term leases. Also leases where the value of asset is less than ₹ 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.

(h) Impairment of investment in subsidiaries

Impairment testing of investment in subsidiaries is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of the individual investment is determined based on value-in-use calculations which requires use of assumptions.

Notes

To Financial Statements for the year ended 31st March, 2023

3(a) Property, Plant and Equipment

(₹ in Crore)

Particulars	Free-hold land	Buildings	Plant and equip-ment	Furniture and fix-tures	Vehicles	Office Equipment	Leasehold improve-ments	Total
Year ended March 31, 2022								
Gross carrying amount								
Opening gross carrying amount	**2**	**278**	**478**	**21**	**5**	**13**	**19**	**816**
Additions	-	7	68	3	-	2	0	82
Disposals / write off	-	(0)	(18)	(0)	-	(1)	-	(20)
Closing gross carrying amount	**2**	**285**	**528**	**24**	**5**	**14**	**19**	**877**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**57**	**241**	**13**	**2**	**11**	**7**	**331**
Depreciation charge during the year	-	9	51	3	1	1	2	67
Disposals / write off	-	(0)	(18)	(0)	-	(0)	-	(18)
Closing accumulated depreciation	**-**	**66**	**274**	**16**	**3**	**12**	**9**	**380**
Net carrying amount	**2**	**219**	**254**	**8**	**2**	**2**	**10**	**497**
Year ended 31st March, 2023								
Gross carrying amount								
Opening gross carrying amount	**2**	**285**	**528**	**24**	**5**	**14**	**19**	**877**
Additions	-	25	84	3	-	1	2	116
Disposals / write off	-	(0)	(28)	(0)	-	(0)	-	(28)
Reclassified as Assets held for sale	(2)	-	-	-	-	-	-	(2)
Closing gross carrying amount	**0**	**310**	**584**	**27**	**5**	**15**	**21**	**963**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**66**	**274**	**16**	**3**	**12**	**9**	**380**
Depreciation charge during the year	-	17	54	3	1	1	2	78
Disposals / write off	-	(0)	(28)	(0)	-	(0)	-	(28)
Closing accumulated depreciation	**-**	**83**	**301**	**18**	**4**	**13**	**11**	**430**
Net carrying amount	**0**	**227**	**283**	**9**	**1**	**2**	**10**	**533**

(i) Contractual obligations

Refer to Note 32 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(ii) Buildings

Buildings include Nil (March 31, 2022: Nil) being the value of shares in co-operative housing societies.

Notes

To Financial Statements for the year ended 31st March, 2023

3(b) Right of Use Assets

(₹ in Crore)

Particulars	Leasehold land	Buildings	Plant and equipment	Total
Year ended March 31, 2022				
Gross carrying amount				
Opening gross carrying amount	**48**	**188**	**5**	**240**
Additions	-	5	1	6
Disposals / transfers	-	(16)	-	(16)
Closing gross carrying amount	**48**	**177**	**6**	**231**
Accumulated depreciation				
Opening accumulated depreciation	**4**	**90**	**0**	**94**
Depreciation charge during the year	1	26	0	27
Disposals / write off	-	(14)	-	(14)
Closing accumulated depreciation	**5**	**102**	**0**	**107**
Net carrying amount	**43**	**75**	**5**	**124**
Year ended March 31, 2023				
Gross carrying amount				
Opening gross carrying amount	**48**	**177**	**6**	**231**
Additions	-	32	16	48
Disposals / write off	-	(40)	-	(40)
Closing gross carrying amount	**48**	**169**	**22**	**239**
Accumulated depreciation				
Opening accumulated depreciation	**5**	**102**	**0**	**107**
Depreciation charge during the year	1	27	2	30
Disposals / write off	-	(29)	-	(29)
Closing accumulated depreciation	**6**	**100**	**2**	**107**
Net carrying amount	**42**	**69**	**20**	**132**

i) 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.

Notes

To Financial Statements for the year ended 31st March, 2023

3(c) Capital work-in-progress

(₹ in Crore)

March 31, 2022					
Particulars	**Amount in CWIP for a period of**				**Total**
	< 1 Year	**1 - 2 Year**	**2 - 3 Year**	**> 3 Years**	
Project in Progress	27	0	-	-	**27**
Projects temporarily suspended	-	-	-	-	-
Total	**27**	**0**	**-**	**-**	**27**

March 31, 2023					
Particulars	**Amount in CWIP for a period of**				**Total**
	< 1 Year	**1 - 2 Year**	**2 - 3 Year**	**> 3 Years**	
Project in Progress	31	0	0	-	**32**
Projects temporarily suspended	-	-	-	-	-
Total	**31**	**0**	**0**	**-**	**32**

For capital-work-in progress, whose completion is overdue compared to its original plan

March 31, 2022					
Project	**To be Completed in**				**Total**
	< 1 Year	**1 - 2 Year**	**2 - 3 Year**	**> 3 Years**	
Jalgaon plant - Saffola Oodles New Capacity	9	-	-	-	**9**
Pondicherry plant - Packing design optimization/transition for Parachute	3	-	-	-	**3**
Guwahati plant 1 - Packing design optimization/transition for Value added Hair oil	3	-	-	-	**3**
Guwahati plant 2 - Capacity Planning FY22	1	-	-	-	**1**
3P unit - FOODS Capacity Augment	1	-	-	-	**1**
Sanand plant - Saffola Masala Oats	3	-	-	-	**3**
Peundurai plant - Replacement of Expeller	2	-	-	-	**2**
Total	**22**	**-**	**-**	**-**	**22**

March 31, 2023					
Project	**To be Completed in**				**Total**
	< 1 Year	**1 - 2 Year**	**2 - 3 Year**	**> 3 Years**	
Capacity Expansion Jalgaon PSI	12	-	-	-	**12**
Oats TDC-Saffola Masala Otas	0	-	-	-	**0**
Infra Improvement	1	-	-	-	**1**
CNO LTCP	1	-	-	-	**1**
Total	**14**	**-**	**-**	**-**	**14**

Note: There were no material projects, which have exceeded their original plan cost as on March 31, 2023 and March 31, 2022.

Notes

To Financial Statements for the year ended 31st March, 2023

4 Investment Properties

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gross carrying amount		
Opening gross carrying amount	**89**	**11**
Additions	-	-
Reclassified to held for Sale (refer note 11 (i))	(72)	-
Reclassified from held for Sale	-	78
Closing gross carrying amount	**17**	**89**
Accumulated Depreciation		
Opening accumulated Depreciation	68	0
Depreciation charge	0	0
Reclassified to held for Sale (refer note 11 (i))	(66)	-
Reclassified from held for Sale	-	68
Closing accumulated depreciation	**2**	**68**
Net carrying amount	**15**	**21**

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

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Rental income	1	1
Direct operating expenses	0	0
Profit from investment properties before depreciation	1	1
Depreciation	(0)	(0)
Profit from investment properties	1	1

(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:

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within one year	1	1
Later than one year but not later than 5 years	1	0
Later than 5 years	-	-

Notes

To Financial Statements for the year ended 31st March, 2023

(iii) Fair value

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investment properties	28	45

Estimation of fair value

(iv) The company obtains independent valuations for its investment properties at least annually.

The fair values of investment properties have been determined by a Registered Valuer in terms of Section 247 of the Companies Act, 2013. The Main inputs used are stamp duty ready recknor rates of the location where the properties are situated and other features of the respective property such as the built up area, the age of the property, Estimated future life, structural features e.t.c.

5 Intangible Assets

(₹ in Crore)

Particulars	Trademarks and copyrights (Refer note (i) below)	Computer software	Total
Year ended March 31, 2022			
Gross carrying amount			
Opening gross carrying amount	**23**	**18**	**41**
Additions	-	1	1
Deletions	-	0	0
Closing gross carrying amount	**23**	**19**	**42**
Accumulated amortisation			
Opening accumulated amortisation	**-**	**15**	**15**
Amortisation charge for the year	-	2	2
Deletions	-	0	0
Closing accumulated amortisation	**-**	17	17
Closing net carrying amount	**23**	**2**	**25**
Year ended 31st March 2023			
Gross carrying amount			
Opening gross carrying amount	**23**	**19**	**42**
Additions	-	1	1
Deletions	-	0	0
Closing gross carrying amount	**23**	**20**	**43**
Accumulated amortisation			
Opening Accumulated amortisation	**-**	17	17
Amortisation charge for the year	-	1	1
Deletions	-	0	0
Closing accumulated amortisation	**-**	**19**	**19**
Closing net carrying amount	**23**	**1**	**24**

Notes

To Financial Statements for the year ended 31st March, 2023

6(a) Investments

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non current investment		
I. Investment in subsidiaries		
Equity instruments		
(A) Quoted		
Subsidiaries	1	1
(B) Unquoted		
Subsidiaries	731	543
Total Investment in Subsidiaries (A+B)	**732**	**544**
II Other investments		
(A) Quoted		
Tax free bonds (at amortised cost)	17	17
	17	**17**
(B) Unquoted		
Equity instruments		
Others (at FVTPL)	1	1
Bonds (at amortised cost)	223	
Debentures (at FVTPL)	-	110
Bonds (ETF) (at FVTPL)	226	59
Intercorporate deposits (at amortised cost)	50	-
Government securities (at amortised cost)	0	0
	501	**170**
Total Non-current Other Investments (A+B)	**518**	**187**
Current Investment		
(C) Unquoted		
Intercorporate deposits (at amortised cost)	155	112
Debentures (at FVTPL)	-	107
Bonds (at amortised cost)	51	-
Mutual Funds (at FVTPL)	369	422
Total Current Investments (C)	**575**	**641**
Non-current Investments		
Investment in equity instruments (fully paid-up)		
Quoted at cost		
In Subsidiary company		
Marico Bangladesh Limited	1	1
28,350,000 (March 31, 2022 : 28,350,000) equity shares of Bangladesh taka 10 each fully paid		
(Quoted on Dhaka Stock exchange and Chittagong Stock exchange).		

Notes

To Financial Statements for the year ended 31st March, 2023

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unquoted at cost		
In Subsidiary companies		
Marico Middle East FZE (wholly owned)	28	28
22 (March 31, 2022 : 22) equity share of UAE dirham 1,000,000 fully paid		
Marico South Africa Consumer Care (Pty) Limited (wholly owned)	74	74
1,569 (March 31, 2022 : 1,569) equity shares of SA Rand 1.00 fully paid		
Less: Provision for impairment in value of investment	(27)	(27)
	47	**47**
Marico South East Asia Corporation (wholly owned)	255	255
9,535,495 (March 31, 2022 : 9,535,495) equity shares of VND 10,000 fully paid		
Marico Lanka Private Limited (wholly owned)	1	1
6,46,402 (March 31, 2022 : 6,46,402) equity shares of LKR 10 fully paid		
Zed Lifestyle Private Limited	157	157
12,534 (March 31, 2022 : 12,534) equity shares of ₹ 10 each fully paid		
APCOS Naturals Private Limited (refer note (i) below)	75	55
11,539 (March 31, 2022 : 8463) equity shares of ₹ 10 each fully paid		
HW Wellness Solutions Private Limited (refer note (ii) below)	168	-
12,121 (March 31, 2022 : Nil) equity shares of ₹ 10 each fully paid		
Total investment in subsidiaries	**732**	**544**
Aggregate carrying amount of quoted investments	18	18
Market value/ Net asset value of quoted investments	5,385	5,888
Aggregate carrying amount of unquoted investments	1,807	1,353
Aggregate amount of Provision for impairment in the value of investments	27	27

(i) During the year ended March 31, 2023, the Company has acquired the 53.98% stake for a consideration of ₹ 168 crores in HW Wellness Solutions Private Limited.

(ii) During the year ended March 31, 2023, the Company has acquired additional shares for consideration of ₹ 20 crores in APCOS Naturals Private Limited to increase it's stake to 60% from 52.38% held as on March 31, 2022.

Notes

To Financial Statements for the year ended 31st March, 2023

6(b) Trade Receivables

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables	798	529
Less: Allowance for doubtful debts	(16)	(16)
	782	513
Receivables from related parties (refer note 30)	56	42
Total receivables	**838**	**555**
Current portion	838	555
Non-current portion	-	-
Break up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	838	555
Trade receivables which have significant increase in credit risk	16	16
Less: Allowance for doubtful debts	(16)	(16)
Trade receivables - Credit impaired	-	-
Less: Allowance for doubtful debts	-	-
Total	**838**	**555**

Note: For credit risk and provision for loss allowance refer note 27(A)

Trade Receivables ageing schedule

(₹ in Crore)

March 31, 2022

Particular	Outstanding for following periods from due date of payment: Not Due	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables – considered good	306	205	22	10	7	5	555
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0	0	11	1	1	15
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – Considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	1	1
(vi) Disputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
Total	**306**	**206**	**22**	**21**	**8**	**8**	**571**
Less: Allowance for doubtful debts		0	0	11	1	3	16
Total	**306**	**205**	**22**	**10**	**7**	**5**	**555**

Notes

To Financial Statements for the year ended 31st March, 2023

March 31, 2023

Particular	Outstanding for following periods from due date of payment: Not Due	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables – considered good	509	286	16	15	11	1	838
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	0	-	-	0	0
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	2	0	0	11	4	16
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**509**	**288**	**16**	**15**	**22**	**5**	**854**
Less: Allowance for doubtful debts	-	2	0	0	11	4	16
Total	**509**	**286**	**16**	**15**	**11**	**1**	**838**

6(c) Loans

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non current		
Unsecured, considered good		
Loans to employees (refer note (ii) below)	4	4
Total non current loans	**4**	**4**
Current		
Unsecured, considered good		
Loan to employees (refer note (ii) below)	3	4
Total current loans	**3**	**4**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance	-	58
Loan given during the year	-	-
Repayment during the year	-	58
Closing balance	**-**	**-**

(i) Loans to employees 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.

Notes

To Financial Statements for the year ended 31st March, 2023

6(d) Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Bank balances in current accounts	10	30
Deposits with original maturity of less than three months	1	1
Cash on hand	0	0
Total cash and cash equivalents	**11**	**31**

6(e) Bank balances other than cash and cash equivalents

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed deposits with maturity more than 3 months but less than 12 months	137	263
Balances with banks for unclaimed dividend (Refer note below)	1	1
Total bank balance other than cash and cash equivalents	**138**	**264**

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, 2023	As at 31st March, 2022
Security deposits with public bodies and others	11	12
Considered good	1	1
Considered doubtful	12	13
	(1)	(1)
Less: Provision for doubtful deposits	11	12
Fixed deposits-maturing after 12 months (refer note below)	0	1
Total other non current financial assets	**11**	**13**

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

Notes

To Financial Statements for the year ended 31st March, 2023

6(g) Other Current Financial Assets

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Derivatives		
Foreign exchange forward contracts and options.	1	2
	1	**2**
(ii) Others		
Receivable from related parties (refer note 30)	205	36
Security deposits	0	0
	205	**36**
Total other current financial assets	**206**	**38**

7 Deferred Tax Asset (Net)

The balance comprises temporary differences attributable to :

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax assets :		
Liabilities / provisions that are deducted for tax purposes when paid	19	17
On Intangible assets adjusted against capital redemption reserve and securities premium account under the capital restructuring scheme (refer note (i) below)	1	2
MAT credit entitlement	131	172
	152	**192**
Other items:		
On hedge reserve	0	-
Lease assets	7	11
Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off	1	1
Other temporary differences	3	4
	10	16
Total deferred tax assets	**162**	207
Deferred tax liabilities :		
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	34	28
Financial assets at fair value through Profit and loss	10	8
Other temporary differences	0	0
Total deferred tax liabilities	**(44)**	**(36)**
Net deferred tax assets	**118**	**171**

Notes

To Financial Statements for the year ended 31st March, 2023

Movement in deferred tax assets

(₹ in crore)

Particulars	Liabilities / provisions that are deducted for tax purposes when paid	On Intangible assets (Note 1)	MAT Credit entitlement	Other items	Total deferred tax assets
As at April 01, 2021	**16**	**2**	**169**	**15**	**202**
(Charged)/credited :					
to Profit and Loss	1	0	3	1	5
to other comprehensive income	-	-	-	-	-
Tax adjustment for earlier years	-	-	-	-	-
MAT Credit generated	-	-		-	-
As at March 31, 2022	**17**	**2**	**172**	**16**	**207**
(Charged)/credited :					
to Profit and loss	2	(1)	(41)	(6)	(46)
to other comprehensive income	-	-	-	-	-
Tax adjustment for earlier years	-	-	-	-	-
As at March 31, 2023	**19**	**1**	**131**	**10**	**162**

Movement in deferred tax liabilities

Particulars	Property plant and equipment and Investment property	Change in fair value of hedging instruments	Other items	Total deferred tax liabilities
As at April 01, 2021	**24**	**2**	**-**	**26**
Charged/(credited) :				
to Profit and loss	4	5	0	**9**
to other comprehensive income	-	1	-	**1**
As at 31 st March 2022	**28**	**8**	**0**	**36**
Charged/(credited) :				
to Profit and loss	6	2	-	**8**
to other comprehensive income	-	(0)	-	**(0)**
As at 31 st March 2023	**34**	**10**	**0**	**44**

(i) 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, 2023	As at 31st March, 2022
Capital advances	18	11
Deposits with statutory/government authorities	13	13
Prepaid expenses	1	1
Total other non-current assets	**32**	**25**

9 Inventories

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw materials:		
In stock	291	304
Packing materials	67	74
Work-in-progress	188	274
Finished goods:		
In stock	287	387
In transit	1	0
Stock in Trade	45	36
By-products	4	4
Stores and spares	12	14
Total Inventories	**895**	**1,093**

Refer note 1(o) for basis of valuation

Amounts recognised in profit or loss

During the year an amount of ₹ 33 crores (March 31, 2022: ₹ 31 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 ₹ Nil. (March 31, 2022 : Nil)

10 Other Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances to vendors	65	47
Prepaid expenses	15	11
Balances with government authorities	59	47
Input tax credit receivable	61	72
Total other current assets	**200**	**177**

11 Assets classified as held for sale

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Land and building	6	0
Plant and Machinery	1	-
Total assets classified as held for sale	**7**	**0**

Notes

To Financial Statements for the year ended 31st March, 2023

Non-recurring fair value measurements

i. During the year ended March 31, 2023 following asset held for sale was reclassified from Investment property:
Plant and Machinery - ₹ 1 Crore
Building - ₹ 4 Crores

ii. During the year ended March 31, 2023 following asset held for sale was reclassified from Property, Plant and Equipments:
Building - ₹ 2 Crores

iii. The valuation of assets held for sale of the Company, is determined basis the details obtained from "The Ready Reckoner", location factor and physical verification of the property.

12 (a) Equity Share Capital

Particulars	No. of shares (in Crore)	Amount (₹ in crore)
Authorised share capital		
As at March 31, 2022		
Equity shares of ₹ 1/- each	150	150
Equity shares of ₹ 10/- each	8	80
Preference shares of ₹ 10/- each	7	65
Total	**165**	**295**
As at March 31, 2023		
Equity shares of ₹ 1/- each	150	150
Equity shares of ₹ 10/- each	8	80
Preference shares of ₹ 10/- each	7	65
Total	**165**	**295**
Issued, subscribed and paid-up as at March 31, 2022		
1,292,787,278 equity shares of ₹ 1/- each fully paid-up	129	129
Total	**129**	**129**
Issued, subscribed and paid-up as at March 31, 2023		
1,293,084,378 equity shares of ₹ 1/- each fully paid-up	129	129
Total	**129**	**129**

(i) Movements in equity share capital

Particulars	No. of shares (in crore)	Equity Share capital (par value)
As at April 01, 2021	**129**	**129**
Increases during the year		
Shares issued during the year - ESOP (refer note 33(a))	0	0
As at March 31, 2022	**129**	**129**
Increases during the year		
Shares issued during the year - ESOP (refer note 33(a))	0	0
As at March 31, 2023	**129**	**129**

Notes

To Financial Statements for the year ended 31st March, 2023

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

Equity Shares: The authorised share capital of the Company comprises of 150 Crores equity share of ₹ 1 each and 8 Crores equity shares of ₹ 10 each.

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, forfeited and lapsed during the Financial Year and options outstanding at the end of the reporting period, is set out in note 33 (a).

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

Name of Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 1/- each fully paid-up				
Harsh C Mariwala with Kishore V Mariwala (For Valentine Family Trust)	143,884,950	11.13	143,884,950	11.13
Harsh C Mariwala with Kishore V Mariwala (For Aquarius Family Trust)	143,871,950	11.13	143,871,950	11.13
Harsh C Mariwala with Kishore V Mariwala (For Taurus Family Trust)	143,890,750	11.13	143,890,750	11.13
Harsh C Mariwala with Kishore V Mariwala (For Gemini Family Trust)	143,886,350	11.13	143,886,350	11.13
First State Investments Services (UK) Ltd (along with Persons acting in concert)	86,084,065	6.66	89,703,735	6.94

(v) For the period of preceding five years as on the Balance Sheet date, Issued, Subscribed and Paid-up Share Capital includes:

i. Aggregate of Nil (upto March 31, 2022: Nil) Equity shares of ₹ 1 each allotted as fully paid-up bonus , issued in year 2016

ii. Aggregate of 22,19,980 (March 31, 2022: 23,16,080) Equity shares allotted under the Employee stock option plan schemes as consideration for services rendered by employees for which only exercise price has been received in cash.

Notes

To Financial Statements for the year ended 31st March, 2023

Shares held by Promoters at the end of the year i.e. March 31, 2023

Sr. No.	Promoter Name	No. of shares as on March 31, 2023	% of total shares as on March 31, 2023	No. of shares as on March 31, 2022	% of total shares as on March 31, 2022	Difference (i.e. March 31, 2023 - March 31, 2022)	% of change during the year
1	Harsh C Mariwala with Kishore V Mariwala for Taurus Family Trust	143,890,750	11.1%	143,890,750	11.1%	-	0.0%
2	Harsh C Mariwala with Kishore V Mariwala for Gemini Family Trust	143,886,350	11.1%	143,886,350	11.1%	-	0.0%
3	Harsh C Mariwala with Kishore V Mariwala for Valentine Family Trust	143,884,950	11.1%	143,884,950	11.1%	-	0.0%
4	Harsh C Mariwala with Kishore V Mariwala for Aquarius Family Trust	143,871,950	11.1%	143,871,950	11.1%	-	0.0%
5	Rajvi H Mariwala	28,408,000	2.2%	28,408,000	2.2%	-	0.0%
6	Harsh C Mariwala	28,102,900	2.2%	28,102,900	2.2%	-	0.0%
7	Rishabh H Mariwala	24,976,500	1.9%	24,976,500	1.9%	-	0.0%
8	Archana H Mariwala	16,966,600	1.3%	16,966,600	1.3%	-	0.0%
9	Ravindra K Mariwala	22,423,410	1.7%	20,503,540	1.6%	1,919,870	0.1%
10	Hema K Mariwala	0	0.0%	7,679,480	0.6%	(7,679,480)	-0.6%
11	Paula R Mariwala	12,383,470	1.0%	10,463,600	0.8%	1,919,870	0.1%
12	Anjali R Mariwala	14,254,440	1.1%	11,914,700	0.9%	2,339,740	0.2%
13	Rishabh Mariwala with Priyanjali Mariwala For Valley of Light Trust	5,400,000	0.4%	5,400,000	0.4%	-	0.0%
14	Rishabh Mariwala with Priyanjali Mariwala For Valour Trust	5,400,000	0.4%	5,400,000	0.4%	-	0.0%
15	Rajendra K Mariwala	7,681,400	0.6%	7,681,400	0.6%	-	0.0%
16	Kishore V Mariwala	2,489,220	0.2%	2,489,220	0.2%	-	0.0%
17	Pallavi Jaikishan Panchal	1,832,000	0.1%	1,832,000	0.1%	-	0.0%
18	Malika Chirayu Amin	1,800,000	0.1%	1,800,000	0.1%	-	0.0%
19	Kishore V Mariwala for Anandita Trust	6,700	0.0%	6,700	0.0%	-	0.0%
20	Kishore V Mariwala for Arnav Trust	6,700	0.0%	6,700	0.0%	-	0.0%
21	Kishore V Mariwala for Vibhav Trust	6,700	0.0%	6,700	0.0%	-	0.0%
22	Kishore V Mariwala for Taarika Trust	6,700	0.0%	6,700	0.0%	-	0.0%
23	Sharrp Ventures Capital Private Limited (Foremrly The Bombay Oil Private Limited)	18,297,000	1.4%	18,297,000	1.4%	-	0.0%
24	Vibhav Ravindra Mariwala	2,000	0.0%	2,000	0.0%	-	0.0%
25	Anandita Arjun Kothari	1,000,000	0.1%	250,000	0.0%	750,000	0.1%
26	Taarika Rajendra Mariwala	1,000,000	0.1%	250,000	0.0%	750,000	0.1%
27	Preeti Gautam Shah	400,000	0.0%	1,050,000	0.1%	(650,000)	-0.1%
	Total	**768,377,740**	**59.4%**	**769,027,740**	**59.5%**	**(650,000)**	**-0.1%**

Notes

To Financial Statements for the year ended 31st March, 2023

12 (b) Reserves & Surplus

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Securities premium	323	311
General reserve	298	298
Share based option outstanding account	43	27
Treasury shares	(60)	(58)
WEOMA reserve	94	88
Retained earnings	3,471	2,874
Amalgamation Adjustment Deficit Account	(621)	(621)
Total reserve & surplus	**3,548**	**2,920**

(i) Securities premium

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	311	258
Add: Exercise of employee stock options	12	53
Closing Balance	**323**	**311**

(ii) General reserve

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	298	298
Closing Balance	**298**	**298**

(iii) Share based option outstanding account (Refer Note 33)

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance	27	29
Exercise of employee stock options	(3)	(12)
Add : Share based payment expense	19	10
Closing Balance	**43**	**27**

(iv) Treasury Shares

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	(58)	(40)
Add : (Purchase) /sale of treasury shares by the Trust during the year (net)	(2)	(18)
Closing Balance	**(60)**	**(58)**

Notes

To Financial Statements for the year ended 31st March, 2023

(v) WEOMA reserve

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	88	78
Add : Income of the trust for the year	6	10
Closing Balance	**94**	**88**

(vi) Retained earnings

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	2,874	2,904
Net Profit for the year	1,179	1,163
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	0	2
Less: Dividend	(582)	(1,195)
Closing balance	**3,471**	**2,874**

12(c) Other Reserves

(₹ in Crore)

Hedge Reserve

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance	(0)	(0)
Changes in fair value of hedging instruments	(0)	(0)
Reclassified to statement of profit and loss	0	1
Deferred tax on above	0	(0)
Closing Balance	**(0)**	**0**

Notes

To Financial Statements for the year ended 31st March, 2023

13(a) Borrowings

Current Borrowings:

(₹ in Crore)

Particulars	Maturity Date	Terms of repayment	Coupon / Interest rate	As at 31st March, 2023	As at 31st March, 2022
Unsecured					
From banks					
Working capital demand loan (refer note (i) below)	March 31, 2023 : Loan Repayable from Apr 2023 to June 2023 - ₹ 12 Crores, Jan 2024 to Mar 2024 ₹ 30 Crores, (FY23 Repaid with interest from May 2022 to July 2022 - ₹ 12 Crores, Jan 2022 to March 2022 ₹ 83 Crores)	For a term of six months to twelve months	FY23 Bank Base rate/relevant Benchmark Rate plus applicable spread per annum (FY22 Bank Base rate/ relevant Benchmark Rate plus applicable spread per annum)	42	95
Export packing credit (refer note (i) below)	March 31, 2023 : Loan Repayable from July 2023 to Sept 2023 - ₹ 17 Crores (FY23 - Repaid from January to March, 2023 ₹ 15 Crores)	For a term of six months	(FY23 - Bank Base rate/Relevant Benchmark rate plus applicable spread less Interest Subvention of 2.00% per annum).	17	-
Total current borrowings				**59**	**95**
Less: Interest accrued not due on borrowings (refer note 13(b))				0	0
Current borrowings as per balance sheet				**59**	**95**

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, 2023	As at 31st March, 2022
Current		
Interest accrued but not due on borrowings (refer note 13(a))	0	0
Creditors for capital goods	5	7
Salaries, bonus and other benefits payable to employees	2	9
Derivatives liability	0	0
Trade Deposits from customers and other	1	1
Unclaimed Dividend (refer note below)	1	1
Others	0	0
Total other current financial liabilities	**9**	**18**

Note : As at March 31, 2023, 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.

Notes

To Financial Statements for the year ended 31st March, 2023

13(c) Trade Payables

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current		
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	64	74
Total outstanding dues of creditors other than micro enterprises and small enterprises	934	924
Dues to related parties (refer note 30)	8	2
Total Trade Payable	**1,006**	**1,000**

Note: The Company 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, 2023	As at 31st March, 2022
I . The Principal amount remaining unpaid to any supplier as at the end of accounting year included in trade payable	64	74
II. Interest due thereon	0	0
Trade Payables due to micro and small enterprises	**65**	**74**
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	-	0
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)	0	0
The amount of interest accrued and remaining unpaid at the end of accounting year	0	0
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	-	3

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

Notes

To Financial Statements for the year ended 31st March, 2023

Trade Payables ageing schedule

(₹ in Crore)

March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Un-billed	Not Due	< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues - MSME	-	20	53	1	0	0	**74**
(ii) Undisputed dues - Others	443	154	313	11	3	2	**926**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**443**	**174**	**366**	**11**	**4**	**2**	**1,000**

March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Un-billed	Not Due	< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues - MSME		24	37	2	0	-	**64**
(ii) Undisputed dues - Others	417	-	407	86	23	9	**942**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**417**	**24**	**444**	**88**	**24**	**9**	**1,006**

14 Provisions

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current		
Disputed indirect taxes (refer note (a) & (b) below)	17	16
Total current provisions	**17**	**16**

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 state of West Bengal, where the Govt of West Bengal has preferred an appeal before Division Bench, Hon'ble Court-Kolkata, which is pending before the Court. The matter is sub judice, it is not practicable to state the timing of the judgement & final outcome. Therefore, The company has retained the provision pending final adjudication of the matter.

Notes

To Financial Statements for the year ended 31st March, 2023

(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, 2023	As at 31st March, 2022
Balance as at the beginning of the year	16	16
Add: Provision/reclassified recognised during the year	1	0
Less: Amount utilised/reversed during the year	(0)	(0)
Balance as at the end of the year	**17**	**16**

During the previous year ended March 31,2022, the Company has settled various open indirect tax litigations under the "Vivad Se Vishwas" scheme, which has resulted in the utilizations of provision and consequent reduction in outstanding balance.

15 Employee Benefit Obligation non Current

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Leave encashment/ compensated absences (refer note (iii) below)	10	11
Share-appreciation rights (refer note (iv) below)	3	3
Total employee benefit obligations non current	**13**	**14**

Employee benefit obligation current

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gratuity (refer note (i) below)	4	2
Leave encashment/compensated absences (refer note (iii) below)	2	2
Share-appreciation rights (refer note (iv) below)	1	4
Incentives / bonus	35	29
Total employee benefit obligations current	**43**	**37**

Notes:-

(i) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years and more are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is funded through gratuity trust and the company makes contributions to the trust.

(ii) Provident fund

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 March 31, 2023 and March 31, 2022.

(iii) Leave Encashment/Compensated absences.

The Company 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. Current leave obligations expected to be settled within the next 12 months.

Notes

To Financial Statements for the year ended 31st March, 2023

(iv) Share-appreciation rights

In respect of Employee Stock Appreciation Rights (STAR) granted pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011, the liability is measured, initially and at the end of each reporting period until settled, at the fair value of the share 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 33).

(a) Balance sheet amounts - Gratuity

(₹ in Crore)

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
Balance as on April 01, 2021	**38**	**34**	**4**
Current service cost	5	-	5
Interest expense	2	2	0
Total amount recognised in profit or loss	**7**	**2**	**5**
Remeasurements			
(Gain)/loss from change in demographic assumptions	(0)	-	(0)
(Gain)/loss from change in financial assumptions	0	-	0
Experience (gains)/ losses	(3)	0	(3)
Total amount recognised in other comprehensive income	**(3)**	**0**	**(3)**
Employer contributions	-	4	(4)
Benefit Payments	(4)	(4)	-
Balance as on March 31, 2022	**38**	**36**	**2**
Balance as on April 01, 2022	**38**	**36**	**2**
Current service cost	5	-	5
Interest expense	2	2	0
Total amount recognised in profit or loss	**7**	**2**	**5**
Remeasurements			
(Gain)/loss from change in demographic assumptions	(1)	-	(1)
(Gain)/loss from change in financial assumptions	(1)	-	(1)
Experience (gains)/ losses	1	(0)	1
Total amount recognised in other comprehensive income	**(1)**	**(0)**	**(1)**
Employer contributions	-	2	(2)
Benefit Payments	(5)	(5)	-
Balance as on March 31, 2023	**39**	**35**	**4**

Notes

To Financial Statements for the year ended 31st March, 2023

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

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Present value of funded obligations	39	38
Fair value of plan assets	(35)	(36)
Deficit of gratuity plan	**3**	**2**

The significant actuarial assumptions were as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Discount rate	7.39%	6.41%
Rate of return on Plan assets*	7.39%	6.41%
Future salary rise**	10.00%	10.00%
Attrition rate	20% & 25%	16% & 15%
Mortality	Indian Assured Lives Mortality (2012-14) Urban	

* 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, 2023	As at 31st March, 2022
Projected benefit obligation on current assumptions	39	38
Delta effect of +1% change in rate of discounting	(1)	(2)
Delta effect of -1% change in rate of discounting	1	2
Delta effect of +1% change in rate of salary increase	1	1
Delta effect of -1% change in rate of salary increase	(1)	(1)
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 has been performed based on reasonably possible changes to 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.

Notes

To Financial Statements for the year ended 31st March, 2023

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.

The major categories of plans assets are as follows :

(₹ in Crore)

Particulars	31st March, 2023		31st March, 2022	
	Amount	in %	Amount	in %
Special deposit scheme	1	1.58%	1	1.53%
Insurer Managed funds	32	94.06%	33	96.72%
Other	1	4.37%	1	1.74%
Total	**34**	**100.00%**	**35**	**100.00%**

Defined benefit liability and employer contributions

The weighted average duration of the gratuity is 6 years as at March 31, 2023 and March 31, 2022.

The expected employers contribution towards gratuity for the next year is ₹ 9 crores

(b) Provident Fund

(₹ in Crore)

Amount recognised in the Balance Sheet	As at 31st March, 2023	As at 31st March, 2022
Liability at the end of the year		
Fair value of plan assets at the end of the year	265	244
Present value of benefit obligation as at the end of the period	(242)	(238)
Difference	23	6
Unrecognized past service Cost	(23)	(6)
(Assets) / liability recognized in the Balance Sheet	-	-

Changes in defined benefit obligations:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Liability at the beginning of the year	238	205
Opening balance adjustment	(0)	(0)
Interest cost	2	18
Current service cost	15	13
Employee contribution	19	18
Liability Transferred in	13	7
Liability Transferred out	(31)	(13)
Benefits paid	(13)	(10)
Liability at the end of the year	**242**	**238**

Notes

To Financial Statements for the year ended 31st March, 2023

Changes in fair value of plan assets:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fair value of plan assets at the beginning of the year	244	211
Expected return on plan assets	2	18
Contributions	34	31
Transfer from other Company	13	7
Transfer to other Company	(31)	(13)
Benefits paid	(13)	(10)
Actuarial gain/(loss) on plan assets	16	-
Fair value of plan assets at the end of the year	**265**	**244**

Expenses recognised in the Statement of Profit and Loss :

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Current service cost	15	13
Interest cost	2	18
Expected return on plan assets	(2)	(18)
(Income) / Expense recognised in the Statement of Profit and Loss	**15**	**13**

The major categories of plan assets are as follows :

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Amount	in %	Amount	in %
Central Government securities	11	4.15%	11	4.62%
State loan/State government Guaranteed Securities	4	1.62%	7	3.07%
Government Securities debt instruments	110	41.46%	97	39.65%
Public Sector Units	8	3.00%	81	33.03%
Private Sector Units	2	0.85%	14	5.61%
Debt Securities	98	36.88%	-	0.00%
Equity / Insurance Managed Funds	25	9.28%	3	1.30%
Special Deposit	1	0.42%	1	0.45%
Cash & Cash Equivalents	1	0.28%	21	8.48%
Others	6	2.08%	9	3.78%
Total	**265**	**100.00%**	**244**	**100.00%**

Notes

To Financial Statements for the year ended 31st March, 2023

The Significant actuarial assumptions were as follows :

Particulars	As at 31st March, 2023	As at 31st March, 2022
Discount rate	7.39%	6.41%
Rate of return on plan assets*	8.15%	8.10%
Future salary rise**	10.00%	10.00%
Attrition rate	20%-25%	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) Leave Encashment (Privileged leave - Compensated absences for employees):

Amount recognized in the Balance Sheet and movements in net liability:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance of compensated absences (a)	12	13
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	12	12

The privileged leave liability is not funded.

(d) Employee State Insurance Corporation

The Company has recognised ₹ 0 Crore (₹ 0 Crore for the year ended March 31, 2022) 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 have 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.

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.

Notes

To Financial Statements for the year ended 31st March, 2023

Defined benefit liability and employer contributions

The weighted average duration of the gratuity for the Company ranges from 5 to 10 years as at March 31, 2023 and March 31, 2022.

The expected maturity analysis of gratuity is as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within the next 12 months	8	5
Between 2 and 5 years	23	19
Between 6 and 10 years	13	15
Total	**43**	**39**

16 Tax assets and liabilities

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non current tax assets (net)	64	54
Current tax liabilities (net)	20	9

17 Other current liabilities

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Statutory dues (including provident fund, tax deducted at source and others)	22	21
Deferred income on government grants (refer note below)	3	2
Contractual & Constructive obligation	88	114
Advance from customer	24	17
Others	0	0
Total other current liabilities	**138**	**154**

The Company is eligible for government grants which are conditional upon construction of new factories in North East region. 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.

Notes

To Financial Statements for the year ended 31st March, 2023

18 Revenue From Operations

The company derives the following types of revenue:

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of products	7,404	7,441
Other operating revenue:		
Incentives (includes government grant, export incentives, budgetary support and others)	65	51
Sale of scrap	9	8
Total Revenue	**7,478**	**7,500**
Details of sales		
Edible oils	4,602	4,884
Hair oils	1,690	1,596
Personal care	412	291
Others	700	670
Sale of Products	**7,404**	**7,441**
Reconciliation of Revenue from sale of products with the contracted price		
Contracted Price	8,393	8,246
Less: Discounts	989	805
Sale of Products	**7,404**	**7,441**

19 Other Income

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Other income		
Lease rental income	1	1
Dividend income from subsidiaries	220	248
Interest income from financial assets at amortised cost	29	45
Royalty income	19	17
Others	13	16
Total	**282**	**327**
(b) Other gains/(losses):		
Net gain on disposal of property, plant and equipment	0	0
Net gain on financial assets mandatorily measured at fair value through profit or loss and net gain on sale of investments	50	30
Net foreign exchange gain/(loss)	(5)	0
Total	**46**	**30**
Total other income	**328**	**357**

Notes

To Financial Statements for the year ended 31st March, 2023

20(a) Cost of Materials Consumed

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Raw materials consumed	3,320	3,907
Packing materials consumed	502	459
Total cost of materials consumed	**3,822**	**4,367**

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

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening inventories		
Finished goods	387	437
Work-in-progress	274	144
By-products	4	2
Stock-in-trade	36	32
	701	**615**
Closing inventories		
Finished goods	288	387
Work-in-progress	188	274
By-products	4	4
Stock-in-trade	45	36
	525	**701**
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**176**	**(86)**

21 Employee Benefit Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries, wages and bonus	349	315
Contribution to provident and other funds (refer note 15)	23	22
Share based payment expense (refer note 33)	18	19
Staff welfare expenses	19	16
Total employee benefit expense	**409**	**372**

Notes

To Financial Statements for the year ended 31st March, 2023

22 Depreciation and Amortization Expense

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation on property, plant and equipment (refer note 3)	78	67
Depreciation on investment properties (refer note 4)	0	0
Amortisation of intangible assets (refer note 5)	1	2
Depreciation on Lease assets (refer note 3b)	30	28
Total Depreciation and amortization Expense	**109**	**97**

23 Other Expenses

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Advertisement and sales promotion	462	467
Freight, forwarding and distribution expenses	267	264
Processing and Other Manufacturing Charges	194	203
Rent and storage charges	12	13
Legal & Professional Charges	86	63
Outside Services	45	46
Repairs and Maintenance	50	43
Power, fuel and water	29	27
Travelling, conveyance and vehicle expenses	35	19
Consumption of stores, spare and consumables	14	12
Provision for doubtful debts	0	8
Payments to the auditor as :		
- Statutory audit fees (including Limited Review)	1	1
- for other services as statutory auditors	0	0
- for reimbursement of expenses	0	0
Miscellaneous expenses (refer note (a) below)	101	88
Total	**1,296**	**1,254**

(a) Miscellaneous expenses include printing and stationery, communication, rates and taxes, insurance and other expenses.

Notes

To Financial Statements for the year ended 31st March, 2023

(b) Corporate social responsibility expenditure.

(₹ in Crore)

Particulars		Year ended 31st March, 2023	Year ended 31st March, 2022
I.	Amount required to be spent as per the section 135 of the Act	22	22
II.	Amount spent during the year on		
	(i) Construction/acquisition of an asset	-	-
	(ii) On purposes other than (i) above	22	22
III.	Shortfall at the end of the year	NIL	NIL
IV.	Total of previous years shortfall	Not applicable	Not applicable
V.	Reason for shortfall	Not applicable	Not applicable

VI. Nature of CSR activities include promoting education, health care including preventive health care , economic, empowerment, farmer livelihood enhancement, community and ecological sustenance.

VII. Above includes ₹ 11.8 Crs (FY2021-22 ₹ 7 Crs) -

Contribution amounting to ₹ 4.4 Crs (FY2021-22 ₹ 0.5 Crs) made to Marico Innovation Foundation (MIF), a subsidiary of the Company, which is a Section 25 registered Company under Companies Act, 1956, with the main objectives of fuelling innovation in India. The focus of the foundation is to work with people who have scalable ideas and help them scale it to benefit India in a direct way. MIF has already done work in the areas of renewable energy, waste management, employability, livelihoods and healthcare.

Contribution amounting to ₹ 7.4 Crs (FY2021-22 ₹ 6.7 Crs), made to Parachute Kalpavriksha Foundation (PKF), a subsidiary of the Company, which is also Section 8 registered Company under Companies Act, 2013, with the main objectives of undertaking/channelizing the CSR activities of the Company towards community and ecological sustenance.

VIII. The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

(c) Research and Development expenses aggregating to ₹ 32 Crore have been included under the relevant heads in the Statement of Profit and Loss. (Previous year ended March 31, 2022 aggregating ₹ 29 Crore). Further Capital expenditure pertaining to this of ₹1 Crore have been incurred during the year (Previous year ended March 31, 2022 aggregating ₹ 1 Crore).

24 Finance Costs

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest expenses on financial liabilities at amortised cost	6	5
Other borrowing costs	0	0
Bank and other financial charges	21	17
Lease finance cost	9	8
Finance costs expensed in profit or loss	**36**	**30**

Notes

To Financial Statements for the year ended 31st March, 2023

25 Income Tax Expense recognised in Profit or Loss

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Income tax expense		
Current tax on profits for the year	259	246
Deferred tax charge/(credit)	54	4
Total income tax expenses during the year recognised in profit or loss	**313**	**250**

Reconciliation of tax expense and accounting profit multiplied by India tax rate:

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit before tax (a)	1,492	1,413
Income tax rate as applicable (b)	34.944%	34.944%
Calculated taxes based on above without any adjustment for deductions/allowance/disallowances [(a) * (b)]	**521**	**494**
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Permanent tax differences due to:		
Effect of Income that is exempt from taxation	(1)	(1)
Effect of Income which is taxed at special rate	(84)	(89)
Effect of expenses that are not deductible in determining taxable profit	15	15
Effect of expenses that are deductible in determining taxable profit	(0)	(0)
Income tax Incentives	(141)	(169)
Others	3	0
Income tax expense for the current year recognised in profit or loss	**313**	**250**

Notes

To Financial Statements for the year ended 31st March, 2023

26 Fair Value Measurements

(a) Financial Instruments by category

(₹ in Crore)

	Note	31st March, 2023 FVTPL	31st March, 2023 FVOCI	31st March, 2023 Amortized Cost	31st March, 2022 FVTPL	31st March, 2022 FVOCI	31st March, 2022 Amortized Cost
Financial Assets							
Investments							
Equity Instruments	6(a)	1	-	-	1	-	-
Bonds, debentures and Commercial Papers (including interest accrued)	6(a)	226	-	291	276	-	17
Mutual funds	6(a)	369	-	-	422	-	-
Government securities	6(a)	-	-	0	-	-	0
Trade receivables	6(b)	-	-	838	-	-	555
Inter corporate deposits (including interest accrued)	6(a)	-	-	205	-	-	112
Loans to employees	6(c)	-	-	7	-	-	8
Derivative financial assets	6(g)	-	1	-	2	-	-
Security deposits	6(f),6(g)	-	-	11	-	-	12
Cash and cash equivalent	6(d)	-	-	10	-	-	30
Bank balances for unclaimed dividend	6(e)	-	-	1	-	-	1
Fixed deposits	6(d),6(e)&6(f)	-	-	138	-	-	265
Receivable from Related parties	6(f),6(g)	-	-	205	-	-	36
Total financial assets		**596**	**1**	**1,707**	**701**	**-**	**1,037**
Financial Liabilities							
Borrowings (including interest accrued)	13(a)	-	-	59	-	-	95
Derivative financial liabilities	13(b)	-	0	-	(0)	-	-
Trade payables	13(c)	-	-	1,006	-	-	1,000
Capital creditors	13(b)	-	-	5	-	-	7
Lease Liabilities		-	-	107	-	-	104
Others	13(b)	-	-	4			11
Total financial liabilities		**-**	**0**	**1,181**	**(0)**	**-**	**1,217**

Notes

To Financial Statements for the year ended 31st March, 2023

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised. 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 at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	1	1
Mutual funds	6(a)	-	369	-	369
Bonds (Quoted)	6(a)	-	226	-	226
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	1	-	1
Total financial assets		**-**	**596**	**1**	**597**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	0	-	0
Total financial liabilities		**-**	**0**	**-**	**0**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Equity Instruments	6(a)	-	-	1	1
Mutual funds	6(a)	-	422	-	422
Debentures (Quoted)	6(a)	-	276	-	276
Derivative designated as hedges					
Foreign exchange forward contracts, options and interest rate swaps	6(f)	-	-	-	-
Total financial assets		**-**	**698**	**1**	**699**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	-	-	-
Total financial liabilities		-	-	-	-

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 instruments that have a quoted price in active market. The fair value of all instruments valued based on level 1 inputs is determined using the closing price as at the reporting period.

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

Notes

To Financial Statements for the year ended 31st March, 2023

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 forward contracts is valued based on Mark to Market statements from banks, the mutual funds are valued using the closing NAV pubhlished by mutual fund etc

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).

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.

27 Financial Risk Management

Financial Risks

In the course of its business, the Company 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 Company's objectives, policies and processes for managing its financial risk and capital.

Board of Directors of the Company has approved Risk Management Framework through policies regarding Investment, Borrowing and Foreign Exchange Management policy. 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 & classify risk, by category of transaction, specific approval, execution and monitoring procedures.

In accordance with the aforementioned policies, the company 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 company. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments the company 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 company 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 & approval processes. Due to large geographical base & number of customers, the Company 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 asset depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

The gross carrying amount of trade receivables is ₹854 Crores as at March 31, 2023 and ₹ 571 Crores as at March 31, 2022.

Notes

To Financial Statements for the year ended 31st March, 2023

Reconciliation of loss allowance provision- trade receivables

(₹ in Crore)

Particular	31st March 2023	31st March 2022
Loss allowance at the beginning of the year	16	8
Add : Changes in loss allowances	0	8
Loss allowance at the end of the year	**16**	**16**

Security deposits are interest free deposits given by the company 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 ₹12 Crores as at March 31, 2023 and ₹13 Crores as at March 31, 2022.

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

Reconciliation of loss allowance provision- other financial assets

(₹ in Crore)

Particular	31st March 2023	31st March 2022
Loss allowance at the beginning of the year	1	1
Add : Changes in loss allowances due to provision/(reversal/write off)	-	-
Loss allowance at the end of the year	**1**	**1**

(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, company treasury maintains flexibility in funding by maintaining availability of committed credit lines.

The current ratio of the company as at March 31, 2023 is 2.18 (as at March 31, 2022 is 2.07) whereas the liquid ratio of the company as at March 31, 2023 is 1.49 (as at March 31, 2022 is 1.18).

Maturities of financial liabilities

(₹ in Crore)

Contractual maturities of financial liabilities 31st March 2023	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	13(a)	59	-	-	-	**59**
Trade Payables	13(c)	1,006	-	-	-	**1,006**
Lease Liabilities	13(b)	29	25	19	34	**107**
Other Financial Liabilities	13(b)	9	-	-	-	**9**
Total Non-derivative liabilities		**1,103**	**25**	**19**	**34**	**1,181**
Derivative						
Foreign exchange forward contracts	13(b)	0	-	-	-	**0**
Principal swap		-	-	-	-	-
Total derivative liabilities		**0**	**-**	**-**	**-**	**0**

Notes

To Financial Statements for the year ended 31st March, 2023

Contractual maturities of financial liabilities March 31, 2022	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	13(a)	95	-	-	-	**95**
Trade payables	13(c)	983	11	4	2	**1,000**
Lease Liabilities	13(b)	29	29	19	27	**104**
Other financial liabilities	13(b)	18	-	-	-	**18**
Total Non- derivative liabilities		**1,124**	**41**	**23**	**29**	**1,217**
Derivative (Net- Settled)						
Foreign exchange forward contracts	13(b)	-	-	-	-	-
Principal swap		-	-	-	-	-
Total derivative liabilities		-	-	-	-	-

Apart from the above, the company also has an exposure of corporate guarantees given to banks on behalf of subsidiaries for credit and other facilities granted by banks (refer note 31). It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above corporate guarantees.

(C) Market Risk

The Company 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 Company 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 company's specific business needs through the use of currency forwards and options.

The company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ as on March 31, 2023.

(₹ in Crore)

	AED	AUD	BDT	CAD	EGP	GBP	USD	VND	LKR
Financial assets									
Foreign currency debtors for export of goods	-			1			77		
Bank balances							0	0	
Receivables from subsidiaries	6		177		0		29	1	0
Derivative asset									
Foreign exchange forward contracts sell foreign currency				-					
							(93)		
Foreign exchange option contracts sell option									
							(75)		
Net Exposure to foreign currency risk (assets)	**6**	**-**	**177**	**1**	**0**	**-**	**(62)**	**1**	**0**

Notes

To Financial Statements for the year ended 31st March, 2023

	AED	AUD	BDT	EUR	GBP	THB	ZAR	SGD	USD
Financial liabilities									
Foregin currency Creditors for Import of goods and services		0	0		0	0	0	0	3
Derivative liabilities									
Foreign exchange forward contracts buy foreign currency				(0)	(4)				(118)
Foreign exchange Option contracts buy option					(4)				(1)
Net Exposure to foreign currency risk (liabilities)	-		**0**	**(0)**	**(8)**	**0**	**0**	**0**	**(116)**

The company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ (in crores) as on March 31, 2022.

(₹ in Crore)

	AED	AUD	BDT	CAD	EGP	GBP	USD	VND	LKR
Financial assets									
Foreign currency debtors for export of goods	0	-	-	0	-		59	-	-
Bank balances	-	-	-	-	-	-	0	0	-
Receivables from subsidiaries	5	-	11	-	0	-	18	1	0
Derivative asset									
Foreign exchange forward contracts sell foreign currency	-	-	-	(0)	-	-	(67)	-	-
Foreign exchange option contracts sell option	-	-	-	-	-	-	(67)	-	-
Net Exposure to foreign currency risk (assets)	**5**	**-**	**11**	**0**	**0**	**-**	**(57)**	**1**	**0**

	AED	BDT	EUR	GBP	VND	MYR	SGD	USD
Financial liabilities								
Foregin currency Creditors for Import of goods and services	-	0	1	2	0	0	0	2
Derivative liabilities								
Foreign exchange forward contracts buy foreign currency	-	-	2	-	-	-	-	(63)
Foreign exchange Option contracts buy option	-	-	-	-	-	-	-	(39)
Net Exposure to foreign currency risk (liabilities)	**-**	**0**	**2**	**2**	**0**	**0**	**0**	**(100)**

Particular	**Impact on profit after tax**	
	31st March, 2023	**31st March, 2022**
USD Sensitivity		
INR/USD Increase by 6%	4	3
INR/USD Decrease by 6%	(4)	(3)
AUD Sensitivity		
INR/AUD Increase by 6%	0	-
INR/AUD Decrease by 6%	(0)	-
BDT Sensitivity		
INR/AUD Increase by 6%	8	0
INR/AUD Decrease by 6%	(8)	(0)

Notes

To Financial Statements for the year ended 31st March, 2023

ii) Interest rate risk

The Company is exposed primarily to fluctuation in interest rates in domestic market.

The Company manages its cash flow interest rate risk on long term borrowing, if any, by using floating-to-fixed interest rate swaps. Under these swaps, the company 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 Company's fixed rate borrowings, if any, 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 company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Variable rate borrowings	59	95
Fixed rate borrowings	-	-
Total borrowings (including interest accrued)	**59**	**95**

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

(₹ in Crore)

Particulars	31st March 2023			31st March 2022		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loans	6.47%	59	100.00%	3.57%	95	100.00%
Interest rate Swaps (Notional principal amount)	-	-	-	-	-	-
Net Exposure to Cash Flow Interest rate Risk	-	**59**	-	-	**95**	-

Interest bearing Financial assets classified at amortized cost , such as Fixed Deposit balances with Banks , Inter Corporate Deposits, Commercial Papers, Bonds, debentures etc (except Loan given to subsidiary) have fixed interest rate. Hence, the Company is not subject to interest rate risk on such financial assets.

The exposure of the company's to variable interest rate changes in respect of Loan given to subsidiary at the end of the reporting period are as follows:

(₹ in Crore)

Particulars	31st March, 2023	31st March, 2022
Variable rate	-	-

Notes

To Financial Statements for the year ended 31st March, 2023

Sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

(₹ in Crore)

Sensitivity impact on interest rate changes on borrowings	Impact on profit after tax	
	31st March, 2023	31st March, 2022
Interest rates - Increase by 50 basis point (50 bps)	(0)	(0)
Interest rates - decrease by 50 basis point (50 bps)	0	0

iii) Price risk

Mutual fund , market linked debentures and exchange traded 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 ₹ 5 Crores on the overall portfolio as at March 31, 2023 and ₹ 4 Crores as at March 31, 2022.

Impact of hedging activities

Derivate Asset and Liabilites through Hedge Accounting

Derivative Financial Instruments

The Company's derivatives mainly consist of currency forwards and options.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 Profit and Loss statement unless they are in a qualifying hedging relationship.

Hedge Accounting

The Company 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) and highly probable forecast transactions (cash flow hedges).The effectiveness of such hedges is assessed at inception and verified at regular intervals.

Cash flow Hedges

The Company 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.

Notes

To Financial Statements for the year ended 31st March, 2023

31st March 2023 (₹ in Crore)

Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio	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	91	122	(0)	0	April 2023 -March 2024	1:1	USD=82.42 EUR=89.38 GBP= 98.51	(0)	0
Foreign Exchange Options Contracts	75	6	1	0	April 2023 -March 2024	1:1	USD=81.43	(1)	1
Net Investment Hedge									

31st March 2022 (₹ in Crore)

Type of hedge and risks	Nominal value		Carrying amount of Hedging Instrument		Maturity date	Hedge ratio	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	68	65	1	(0)	April 2022-March 2023	1:1	USD=77.57 EUR=86.54	0	(0)
Foreign Exchange Options Contracts	67	39	0	1	April 2022-March 2023	1:1	USD=75.31	1	(1)

Disclosure of effects of Hedge Accounting on Financial Performance

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, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	
Cash Flow							
Foreign Exchange Risk	(0)	(0)	-	-	0	1	Other expenses

Notes

To Financial Statements for the year ended 31st March, 2023

28 Capital Management

(a) Risk management

Capital management is driven by company'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 Company's capital. The Management monitors the capital structure and the net financial debt at individual level currency. Net financial debt is defined as current and non current borrowings.

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

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

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Net debt	59	95
Total equity	3,677	3,049
Net debt to equity ratio	**0.02**	**0.03**

(b) Dividends

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Equity shares		
Interim dividend for the year	**582**	**1,195**

29 Segment Information

(i) In accordance with Indian Accounting Standard IND AS 108, the Company has disclosed Consolidated Segment information in Consolidated Financial statement

(ii) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. 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 Company. The Company operates only in one business segment i.e. manufacturing and sale of consumer products within India, hence does not have any reportable segment as per Indian Accounting Standard 108 "operating segments" in Standalone. The company while presenting the consolidated financial statements has disclosed the segment information as required under Indian Accounting Standard 108 "operating segments".

(iii) The amount of the company's revenue from external customers broken down by each product and service is shown in the table below.

Notes

To Financial Statements for the year ended 31st March, 2023

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Edible	4,602	4,884
Hair oils	1,690	1,596
Personal care	412	291
Others	700	670
Total	**7,404**	**7,441**

(iv) The Company's assets located outside India are not material. Further, the Company does not have revenue more than 10% of total revenue from single customer.

30 Related Party Transactions

I Name of related parties and nature of relationship:

(a) Subsidiaries

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, 2023	31st March, 2022	31st March, 2023	31st March, 2022
		%	%	%	%
Subsidiary companies:					
Marico Bangladesh Limited (MBL)	Bangladesh	90	90	10	10
Marico Bangladesh Industries Limited (MBLIL)	Bangladesh	100	100	0	0
Marico Middle East FZE (MME)	UAE	100	100	0	0
Marico Gulf LLC (MLLC)	UAE	100	100	0	0
Marico Malaysia Sdn. Bhd. (MMSB)	Malaysia	100	100	0	0
Egyptian American Investment and Industrial Development Company S.A.E (EAIIDC)	Egypt	100	100	0	0
MEL Consumer Care SAE (MELCC)	Egypt	100	100	0	0
Marico Egypt Industries Company (MEIC)	Egypt	100	100	0	0
Marico for Consumer Care Products SAE	Egypt	100	100	0	0
Marico South Africa Consumer Care (Pty) Limited (MSACC)	South Africa	100	100	0	0
Marico South Africa (Pty) Limited (MSA)	South Africa	100	100	0	0
Marico South East Asia Corporation (MSEA)	Vietnam	100	100	0	0
Beauty X Joint stock Company* (BX)	Vietnam	100	NA	0	NA
Marico Lanka (Private) Limited	Sri Lanka	100	100	0	0
Halite Personal Care India Private Limited (A Company under Voluntary Liquidation)	India	100	100	0	0
Marico Innovation Foundation (MIF)	India	NA	NA	0	0
Parachute Kalpavriksha Foundation (PKF)	India	NA	NA	0	0
Zed Lifestyle Private Limited (ZED)	India	100	100	0	0
Apcos Naturals Private Limited** (APCOS)	India	60.00	52.38	40	47.62
HW Wellness Solutions Private Limited*** (HWW)	India	53.98	NA	46.02	NA

* Beauty X Joint Stock Company has became a step down subsidiary of Marico Limited, pursuant to completion of acquisition by MSEA on January 31, 2023 as per the closing conditions and terms of the definitive agreement between the parties

** Apcos Naturals Private Limited has became subsidiary of Marico Ltd. w.e.f. July 21, 2021. During the year, Company acquired additional shares to increase the stake to 60%

*** During the year, the Company has acquired 53.98% stake in HW Wellness Solutions Private Limited, and accordingly it has become a subsidiary of Marico Limited w.e.f. May 23, 2022.

The 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 subsidiary of the Company with effect from March 15, 2013.

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 December 27, 2018.

Notes

To Financial Statements for the year ended 31st March, 2023

(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

Ms. Hema Ravichandar, Independent Director

Mr. Nikhil Khattau, Independent Director

Mr. Rajendra Mariwala, Non-Executive Director

Ms. Apurva Purohit, Independent Director (appointed with effect from April 07, 2022)

Ms. Nayantara Bali, Independent Director (appointed with effect from April 07, 2022)

Mr. Milind Barve, Independent Director

Mr. Rajeev Vasudeva, Independent Director

Mr. Rishabh Mariwala, Non-Executive Director

Mr. Pawan Agrawal, Chief Financial Officer

Mr. Vinay M A, Company Secretary & Compliance Officer

(c) Individual holding directly / indirectly an interest in voting power & 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, Non-Executive Director and son of Mr. Harsh Mariwala, Chairman and Non-Executive Director

(d) Post employment benefit controlled trust

Marico Limited Employees Provident Fund

Marico Limited Employees Gratuity Fund

Marico Limited Pension Scheme

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

Ascent India Foundation

Kaya Limited

Mariwala Health Foundation

Sharrp Ventures Capital Private Limited (Formerly known as The Bombay Oil Private Limited)

Leap India Private Limited

Surfboats Solutions Private Limited

Koyla-Ki Pyrolysers Private Limited

Harsh Mariwala Enterprises LLP

Notes

To Financial Statements for the year ended 31st March, 2023

II Transactions with related parties

The following transactions occurred with related parties:

Key management personnel compensation

(₹ in Crore)

Particulars	31st March, 2023	31st March, 2022
Employee share-based payment	-	23
Short-term employee benefits	28	16
Post-employment benefits	0	1
Total compensation	**28**	**40**
Remuneration / sitting fees to Chairman	**3**	**4**
Remuneration / sitting fees to Non-Executive and Independent Directors (Excluding the Chairman)	4	3

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 & STAR grant accrued annually are included in the KMP's remuneration in the year in which the same are excercised.

Contribution to post employment benefit controlled trust

(₹ in Crore)

Particulars	31st March, 2023	31st March, 2022
Marico Limited Employees Provident Fund	34	31
Marico Limited Employees Gratuity Fund	2	4
	36	35

Notes

To Financial Statements for the year ended 31st March, 2023

Dividend paid on equity shares held by KMPs and Promoter group - ₹ 346 crores (March 31, 2022 : ₹ 711 crores)

(₹ in Crore)

Particulars	Subsidiaries (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (e) above) For the year ended	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Sale of goods	**142**	**140**	**-**	**-**
Marico Bangladesh Limited	25	20	-	-
Marico Middle East FZE	80	88	-	-
Marico South East Asia Corporation	9	27	-	-
Marico Gulf LLC	26	-	-	-
Others	3	5	-	-
Sale of assets	**0**	**0**	**-**	**-**
Marico Bangladesh Limited	0	0	-	-
Marico for Consumer Care Products SAE	0	-	-	-
Purchases of goods	**17**	**6**	**-**	**0**
Marico South East Asia Corporation	-	0	-	-
Zed Lifestyle Private Limited	16	5	-	-
Apcos Naturals Private Limited	0	1	-	-
Soap Opera	-	-	-	0
Others	1	0	-	-
Other transactions				
Royalty income	**19**	**17**	**-**	**-**
Marico Bangladesh Limited	11	11	-	-
Marico Middle East FZE	4	5	-	-
Marico South East Asia Corporation	1	1	-	-
Marico Gulf LLC	2	-	-	-
Others	0	1	-	-
Dividend income	**220**	**248**	**-**	**-**
Marico Bangladesh Limited	220	198	-	-
Marico South East Asia Corporation	-	50	-	-
Interest income	**-**	**1**	**-**	**-**
Marico Middle East FZE	-	1	-	-
Marketing Fees	**1**	**0**	**-**	**-**
Marico Middle East FZE	1	0	-	-
Expenses paid on behalf of related parties	**14**	**7**	**1**	**1**
Marico Bangladesh Limited	5	3	-	-
Marico Middle East FZE	3	1	-	-
Kaya Limited	-	-	1	0
Marico South East Asia Corporation	3	2	-	-
Marico Lanka Private Limited	0	0	-	-
Others	3	1	0	0

Notes

To Financial Statements for the year ended 31st March, 2023

(₹ in Crore)

Particulars	Subsidiaries (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (f) above) For the year ended	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Expenses paid by related parties on behalf of Marico Limited	**2**	**4**	**-**	**-**
Marico South East Asia Corporation	0	0	-	-
Marico Middle East FZE	2	3	-	-
Others	0	-	-	-
Lease rental income	**-**	**-**	**1**	**1**
Kaya Limited	-	-	1	1
Others	-	-	0	0
Royalty expense	**-**	**-**	**-**	**0**
Kaya Limited	-	-	-	0
Other Income	**-**	**0**	**-**	**-**
Marico Bangladesh Limited	-	0	-	-
Investments made during the year	**95**	**10**	**-**	**-**
HW Wellness Solutions Private Limited	75	-	-	-
Apcos Naturals Private Limited	20	10	-	-
Donation given / CSR activities	**12**	**9**	**-**	**-**
Marico Innovation Foundations	4	1	-	-
Parachute Kalpavriksha Foundation	7	8	-	-
Agency commission for copra procurement	**-**	**2**	**-**	**-**
Marico Middle East FZE	-	2	-	-
Corporate guarantee commission	**2**	**2**	**-**	**-**
Marico Middle East FZE	2	2	-	-
Marico South Africa (Pty) Limited	0	0	-	-
Others	0	0	-	-
Advertising Expense	**-**	**-**	**-**	**0**
Bright Lifecare Private Limited	-	-	-	0
Expense reimbursement	**-**	**-**	**-**	**0**
Soap Opera	-	-	-	0
Towards adjustment of reimbursement charged	**-**	**-**	**-**	**0**
Soap Opera	-	-	-	0
Ascent India Foundation	-	-	-	0
Aqua Centric Private Limited	-	-	-	0
Mariwala Health Foundation	-	-	-	0
Harsh Mariwala Enterprises LLP	-	-	-	0
Others	-	-	-	0

Notes

To Financial Statements for the year ended 31st March, 2023

Particulars	Subsidiaries (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (f) above) For the year ended	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Purchase of Fixed assets	**-**	**-**	**-**	**0**
Soap Opera	-	-	-	0
Purchase returns	**0**	**-**	**-**	**-**
Apcos Naturals Private Limited	0	-	-	-
Other Services	**-**	**-**	**2**	**3**
Leap India Private Limited	-	-	2	2
Centum Learning Limited	-	-	0	1
Delhivery Limited (formally known as Delhivery Private Limited)	-	-	-	0
Others	-	-	0	0
Repayment of Loan by related party	**-**	**58**	**-**	**-**
Marico Middle East FZE	-	58	-	-
Corporate guarantee given	**538**	**4**	**-**	**-**
Zed Lifestyle Private Limited	30	3	-	-
Marico Lanka Private Limited	2	1	-	-
Marico Middle East FZE	341	-	-	-
Marico South East Asia Corporation	164	-	-	-
Intra group service arrangement	**11**	**10**	**-**	**-**
Marico Bangladesh Limited	3	5	-	-
Marico South East Asia Corporation	1	1	-	-
Marico Middle East FZE	2	1	-	-
Marico For Consumer Care Products S.A.E	1	0	-	-
Zed Lifestyle Private Limited	4	4	-	-
Others	0	0	-	-

Notes

To Financial Statements for the year ended 31st March, 2023

III Outstanding balances

(₹ in Crore)

Particulars	Subsidiaries (Referred in I (a) and (b) above) For the year ended		Others (Referred in I (e) above) For the year ended	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties				
Investments	**639**	**544**	**-**	**-**
Marico South East Asia Corporation	255	255	-	-
Zed Lifestyle Private Limited	157	157	-	-
Apcos Naturals Private Limited	75	55	-	-
HW Wellness Solutions Private Limited	75	-	-	-
Others	78	78	-	-
Trade payables (purchases of goods and services)	**8**	**2**	**-**	**0**
Marico for Consumer Care Products SAE	-	-	-	0
Marico South East Asia Corporation	0	0	-	-
Marico Middle East FZE	2	-	-	-
Zed Lifestyle Private Limited	4	2	-	-
Apcos Naturals Private Limited	1	-	-	-
Others	0	0	-	0
Trade receivables (sale of goods and services)	**56**	**46**	**-**	**0**
Marico Middle East FZE	33	19	-	-
Marico Bangladesh Limited	2	15	-	-
Marico South East Asia Corporation	1	6	-	-
Marico Gulf LLC	11	-	-	-
Zed Lifestyle Private Limited	6	3	-	-
Others	4	3	-	0
Other receivables	**205**	**36**	**-**	**0**
Marico Bangladesh Limited	195	26	-	-
Marico Middle East FZE	6	6	-	-
Marico South East Asia Corporation	2	2	-	-
Others	2	2	-	0
Loan to related party	**-**	**-**	**-**	**-**
Marico Middle East FZE	-	-	-	-
Marketing Fees Payable	**-**	**0**	**-**	**-**
Marico Middle East FZE	-	0	-	-
Corporate guarantee	**545**	**287**	**-**	**-**
Marico Middle East FZE	341	246	-	-
Marico South East Asia Corporation	164	-	-	-
Marico South Africa (Pty) Limited	-	34	-	-
Others	39	7	-	-

Notes

To Financial Statements for the year ended 31st March, 2023

Terms and conditions of transaction with related parties for Transfer Pricing regulations

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended March 31 2022. Management believes that the Company's international transactions with related parties post March 31, 2022 continue to be at arm's length and that the transfer pricing legislation will not have any material impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2021-22: Nil). This assessment is undertaken each Financial Year through examining the financial position of the related party and the market in which the related party operates.

31 Contingent liabilities:

The company had contingent liabilities in respect of :

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Disputed tax demands / claims		
Sales tax/GST	43	110
Income tax	289	289
Employees state insurance corporation	0	0
Excise duty	33	33
Service Tax	-	0
Guarantees excluding financial guarantees:		
Corporate guarantees given to banks on behalf of Broadcast Audience Research Council (BARC)	1	1
Credit and other facilities availed by subsidiaries from banks as at year-end against the corporate guarantee given by the Company	403	244

Note:

1. The Company 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.
2. The Company has ongoing disputes with tax authorities. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives and allowances. The Company has contingent liability of ₹ 289 crore and ₹ 289 crore as at March 31, 2023 and March 31, 2022 respectively, in respect of tax demands which are being contested by the Company based on the management evaluation and advice of tax consultants.
3. The Company periodically receives notices and inquiries from income tax authorities. The Company has assessed these notices and inquiries and has estimated that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

32 Commitments

(₹ in Crore)

Particulars		As at 31st March, 2023	As at 31st March, 2022
(A)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	20	2
(B)	Corporate guarantees given to banks against which no credit facilities are availed at the year end	141	43

Notes

To Financial Statements for the year ended 31st March, 2023

33 Share-Based Payments

(a) Employee stock option plan

Marico ESOP 2016

During the year ended March 31, 2017, the Company 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 August 05, 2016, enabling grant of stock options to the eligible employees of the Company and its subsidiaries not exceeding in the aggregate 0.6% of the issued share equity share capital of the Company as on the commencement date of the Plan i.e. August 05, 2016. Further, the stock options to any single employee under single scheme under the Plan shall not exceed 0.15% of the issued equity share capital of the Company as on the commencement date (mentioned above). The Marico ESOP 2016 envisages to grant stock options to eligible employees of the Company and it's subsidiaries through 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 Company notified below schemes under the Plan:

(₹ in Crore)

As at March 31 2023						Number of options granted, exercised and forfeited					
Scheme	**Part**	**Options outstanding as at March 31, 2023**	**Exercise price**	**Vesting date**	**Weighted average share price of options exercised**	**Balance as at beginning of the year**	**Granted during the year**	**Less : Exer-cised 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 IV	Part I	5,080	256.78	30-Nov-19	-	83,340	-	78,260	-	5,080	-
	Part II	-	302.34	30-Nov-19	-	6,200	-	6,200	-	-	-
	Part III	-	307.77	30-Nov-19	-	7,570	-	7,570	-	-	-
Scheme VI	Part III	740	1.00	30-Nov-20	-	740	-	-	-	740	0.33
Scheme VII	Part I	86,140	307.77	30-Nov-20	-	138,780	-	47,440	5,200	86,140	0.33
	Part II	11,880	316.53	30-Nov-20	-	13,760	-	1,880	-	11,880	0.33
	Part III	15,920	346.47	30-Nov-20	-	22,570	-	6,650	-	15,920	0.33
Scheme IX	Part I	10,290	1.00	30-Nov-21	-	15,290	-	5,000	-	10,290	0.83
	Part II	-	1.00	30-Nov-21	-	8,100	-	8,100	-	-	0.83
Scheme X	Part I	242,010	346.47	30-Nov-21	-	335,440	-	86,540	6,890	242,010	0.83
	Part II	6,210	357.51	30-Nov-21	-	11,200	-	4,990	-	6,210	0.83
	Part III	28,890	346.00	30-Nov-21	-	37,280	-	5,830	2,560	28,890	0.83
Scheme XI	Part I	222,700	357.65	31-Mar-22	-	222,700	-	-	-	222,700	1.00
Scheme XII	Part I	386,380	357.65	31-Mar-22	-	386,380	-	-	-	386,380	1.00
Scheme XIII	Part I	324,050	346.00	30-Nov-22	-	717,540	-	28,690	364,800	324,050	1.33
	Part II	16,220	330.38	30-Nov-22	-	45,230	-	6,260	22,750	16,220	1.33
	Part III	103,420	372.10	30-Nov-22	-	109,550	-	-	6,130	103,420	1.33
Scheme XIV	Part I	425,100	330.38	31-Mar-23	-	425,100	-	-	-	425,100	1.50
Scheme XV	Part I	38,840	1.00	30-Nov-23	-	65,040	-	-	26,200	38,840	2.17
	Part II	6,548	1.00	30-Nov-23	-	6,548	-	-	-	6,548	2.17
Scheme XVI	Part I	496,350	372.10	30-Nov-23	-	695,890	-	3,690	195,850	496,350	2.17
	Part II	75,548	451.56	30-Nov-23	-	87,435	-	-	11,887	75,548	2.17
	Part III	105,613	545.34	30-Nov-23	-	145,866	-	-	40,253	105,613	2.17
Scheme XVII	Part I	52,080	1.00	31-Mar-24	-	52,080	-	-	-	52,080	2.50
Scheme XVIII	Part I	297,940	451.56	31-Mar-24	-	297,940	-	-	-	297,940	2.50
Scheme XIX	Part I	48,046	1.00	30-Nov-24	-	54,196	-	-	6,150	48,046	3.17
	Part II	15,794	1.00	30-Nov-24	-	-	15,794	-	-	15,794	3.17
	Part III	5,311	1.00	30-Nov-24	-	-	5,311	-	-	5,311	3.17
Scheme XX	Part I	705,295	545.34	30-Nov-24	-	839,114	-	-	133,819	705,295	3.17
	Part II	106,300	520.96	30-Nov-24	-	-	112,859	-	6,559	106,300	3.17
	Part III	103,843	498.25	30-Nov-24	-	-	103,843	-	-	103,843	3.17
	Part IV	4,428	505.15	30-Nov-24	-	-	4,428	-	-	4,428	3.17
	Part II	44,935	1.00	31-Mar-24	-	-	44,935	-	-	44,935	2.50

Notes

To Financial Statements for the year ended 31st March, 2023

As at March 31 2023						Number of options granted, exercised and forfeited					
Scheme	**Part**	**Options outstanding as at March 31, 2023**	**Exercise price**	**Vesting date**	**Weighted average share price of options exercised**	**Balance as at beginning of the year**	**Granted during the year**	**Less : Exer-cised 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 XXII	Part I	24,017	545.34	31-Mar-24	-	24,017	-	-	-	24,017	2.50
	Part II	585,443	498.25	31-Mar-24	-	-	585,443	-	-	585,443	2.50
Scheme XXIII	Part I	86,601	1.00	31-Mar-24	-	-	86,601	-	-	86,601	2.50
Scheme XXIV	Part I	575,837	520.96	31-Mar-24	-	-	575,837	-	-	575,837	2.50
Scheme XXV	Part I	40,147	1.00	31-Mar-25	-	-	40,147	-	-	40,147	3.50
Scheme XXVI	Part I	99,072	1.00	30-Nov-25	-	-	99,072	-	-	99,072	4.17
Scheme XXVII	Part I	748,562	498.25	30-Nov-25	-	-	762,976	-	14,414	748,562	4.17
Scheme XXVIII	Part I	12,604	1.00	31-Mar-25	-	-	12,604	-	-	12,604	3.50
Scheme XXIX	Part I	272,856	498.25	31-Mar-25	-	-	272,856	-	-	272,856	3.50
Total		**6,437,040**				**4,854,896**	**2,722,706**	**297,100**	**843,462**	**6,437,040**	

As at March 31 2022						Number of options granted, exercised and forfeited					
Scheme	**Part**	**Options outstanding as at March 31, 2022**	**Exercise price**	**Vesting date**	**Weighted average share price of options exercised**	**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 II		-	280.22	31-Mar-19	-	939,700	-	939,700	-	-	-
Scheme III	Part I	-	1.00	30-Nov-19	-	-	-	-	-	-	-
	Part II	-	1.00	30-Nov-19	-	-	-	-	-	-	-
	Part III	-	1.00	30-Nov-19	-	1,910	-	1,910	-	-	0.33
Scheme IV	Part I	83,340	256.78	30-Nov-19	-	222,770	-	139,430	-	83,340	0.33
	Part II	6,200	302.34	30-Nov-19	-	16,930	-	10,730	-	6,200	0.33
	Part III	7,570	307.77	30-Nov-19	-	19,500	-	11,930	-	7,570	0.33
Scheme VI	Part I	-	1.00	30-Nov-20	-	21,320	-	21,320	-	-	0.83
	Part III	740	1.00	30-Nov-20	-	740	-	-	-	740	0.83
Scheme VII	Part I	138,780	307.77	30-Nov-20	-	263,980	-	123,060	2,140	138,780	0.83
	Part II	13,760	316.53	30-Nov-20	-	32,770	-	19,010	-	13,760	0.83
	Part III	22,570	346.47	30-Nov-20	-	29,390	-	6,820	-	22,570	0.83
Scheme IX	Part I	15,290	1.00	30-Nov-21	-	59,310	-	34,880	9,140	15,290	1.33
	Part II	8,100	1.00	30-Nov-21	-	8,100	-	-	-	8,100	1.33
Scheme X	Part I	335,440	346.47	30-Nov-21	-	513,760	-	95,590	82,730	335,440	1.33
	Part II	11,200	357.51	30-Nov-21	-	52,180	-	29,000	11,980	11,200	1.33
	Part III	37,280	346.00	30-Nov-21	-	45,420	-	3,900	4,240	37,280	1.33
Scheme XI		222,700	357.65	31-Mar-22	-	222,700	-	-	-	222,700	1.50
Scheme XII		386,380	357.65	31-Mar-22	-	526,890	-	-	140,510	386,380	1.50
Scheme XIII	Part I	717,540	346.00	30-Nov-22	-	855,800	-	-	138,260	717,540	2.17
	Part II	45,230	330.38	30-Nov-22	-	45,230	-	-	-	45,230	2.17
	Part III	109,550	372.10	30-Nov-22	-	109,550	-	-	-	109,550	2.17
Scheme XIV		425,100	330.38	31-Mar-23	-	425,100	-	-	-	425,100	2.50
Scheme XV	Part I	65,040	1.00	30-Nov-23	-	82,970	-	-	17,930	65,040	3.17
	Part II	6,548	1.00	30-Nov-23	-	-	6,548	-	-	6,548	3.17
Scheme XVI	Part I	695,890	372.10	30-Nov-23	-	838,510	-	-	142,620	695,890	3.17
	Part II	87,435	451.56	30-Nov-23	-	-	87,435	-	-	87,435	3.17
	Part III	145,866	545.34	30-Nov-23	-	-	145,866	-	-	145,866	3.17
Scheme XVII		52,080	1.00	31-Mar-24	-	-	52,080	-	-	52,080	3.50
Scheme XVIII		297,940	451.56	31-Mar-24	-	-	297,940	-	-	297,940	3.50
Scheme XIX		54,196	1.00	30-Nov-24	-	-	62,868	-	8,672	54,196	4.17
Scheme XX		839,114	545.34	30-Nov-24	-	-	868,446	-	29,332	839,114	4.17
Scheme XXI		-	1.00	31-Mar-24	-	-	6,083	-	6,083	-	3.50
Scheme XXII		24,017	545.34	31-Mar-24	-	-	79,032	-	55,015	24,017	3.50
Total		**4,854,896**				**5,334,530**	**1,606,298**	**1,437,280**	**648,652**	**4,854,896**	

Notes

To Financial Statements for the year ended 31st March, 2023

Particulars	2023	2022
Aggregate of all stock options outstanding as at the year end to current paid-up equity share capital (percentage)	0.50%	0.38%

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 II	Part I	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 VI	Part I	6.75%	3 years 6 months	25.50%	1.07%	298.18
	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	22.54%	1.29%	79.70
Scheme IX	Part I	7.39%	3 years 6 months	23.40%	1.29%	341.70
	Part II	7.04%	3 years 1 months	22.47%	1.29%	325.60
Scheme X	Part I	7.39%	3 years 6 months	23.40%	1.29%	98.20
	Part II	7.04%	3 years 1 months	22.47%	1.29%	69.20
	Part III	6.35%	3 years 6 months	22.14%	1.29%	74.50
Scheme XI	Part I	6.86%	3 years 5 months	23.13%	1.29%	89.50
Scheme XII	Part I	6.86%	3 years 5 months	23.13%	1.29%	89.50
Scheme XIII	Part I	6.42%	4 years 6 months	22.94%	1.29%	89.40
	Part II	4.90%	3 years 11 months	24.68%	1.71%	80.79
	Part III	4.65%	3 years 6 months	24.83%	1.71%	80.90
Scheme XIV	Part I	4.90%	4 years 3 months	24.47%	1.71%	83.53
Scheme XV	Part I	4.98%	4 years 6 months	24.51%	1.71%	345.30
	Part II	5.42%	3 years 5 months	25.08%	1.88%	488.70
Scheme XVI	Part I	4.98%	4 years 6 months	24.51%	1.71%	93.00
	Part II	5.27%	4 years	24.39%	1.71%	112.20
	Part III	5.42%	3 years 6 months	25.08%	1.88%	107.30
Scheme XVII	Part I	5.27%	4 years 4 months	24.22%	1.71%	452.40
Scheme XVIII	Part I	5.27%	4 years 4 months	24.22%	1.71%	116.20
Scheme XIX	Part I	5.73%	4 years 6 months	24.14%	1.88%	479.60
Scheme XX	Part I	5.73%	4 years 6 months	24.14%	1.88%	123.10
Scheme XXI	Part I	5.13%	2 years 10 months	25.03%	1.88%	494.80
Scheme XXII	Part I	5.13%	2 years 10 months	25.02%	1.88%	93.60
Scheme XXIII	Part I	7.00%	3 years 5 months	25.30%	1.90%	519.80
Scheme XXIV	Part I	7.00%	3 years 5 months	25.30%	1.90%	519.80
Scheme XXV	Part I	7.00%	4 years 5 months	25.30%	1.90%	519.80

Notes

To Financial Statements for the year ended 31st March, 2023

Scheme	Part	Risk-free interest rate (%)	Expected life of options (years)	Expected volatility (%)	Dividend yield (%)	Fair value of the option
Scheme XIX	Part II	7.00%	4 years 1 months	25.50%	1.90%	519.18
Scheme XX	Part II	7.00%	4 years 1 months	25.50%	1.90%	519.80
Scheme XXI	Part II	7.00%	3 years 5 months	25.30%	1.90%	519.80
Scheme XXVI	Part I	7.00%	4 years 6 months	25.40%	2.06%	510.45
Scheme XXVII	Part I	7.00%	4 years 6 months	25.40%	2.06%	510.45
Scheme XXVIII	Part I	7.00%	3 years 10 months	25.36%	2.06%	510.45
Scheme XXIX	Part I	7.00%	3 years 10 months	25.36%	2.06%	510.45
Scheme XXII	Part II	7.00%	2 years 10 months	26.41%	2.06%	510.45
Scheme XX	Part III	7.00%	3 years 6 months	25.75%	2.06%	510.45
Scheme XIX	Part III	7.00%	3 years 6 months	25.75%	2.06%	510.45

(b) Share appreciation rights

The Nomination and Remuneration Committee has granted Stock Appreciation Rights ("STAR") to certain eligible employees pursuant to the Company'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 VII 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 (₹)	Vesting Date	As at March 31 2023							As at March 31 2022						
				Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (₹ in Crore)		Number of grants outstanding (Nos)					Carrying amount of liability - included in employee benefit obligation (₹ 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 IX	04-Dec-18	346.47	30-Nov-21	-	-	-	-	-		-	273,460	-	24,800	248,660	-	-	-
	06-May-19	357.51	30-Nov-21	-	-	-	-	-		-	16,620	-	10,410	6,210	-	-	-
	20-Dec-19	346.04	30-Nov-21	-	-	-	-	-		-	33,820	-	2,720	31,100	-	-	-
STAR X	20-Dec-19	346.04	30-Nov-22	238,790	-	33,630	205,160	-		-	298,010	-	55,360	3,860	238,790	-	3
	23-Jun-20	330.38	30-Nov-22	39,740	-	17,260	22,480	-		-	39,740	-	-	-	39,740	-	1
	01-Dec-20	372.10	30-Nov-22	6,130	-	-	6,130	-		-	6,130	-	-	-	6,130	-	0
STAR XI	01-Dec-20	372.10	30-Nov-22	443,440	-	94,230	-	349,210		3	529,400	6,220	88,490	3,690	443,440	3	-
	26-May-21	451.56	30-Nov-23	66,852	-	5,664	-	61,188			-	66,852	-	-	66,852	0	-
	07-Dec-21	545.34	30-Nov-23	49,365	-	40,253	-	9,112			-	49,365	-	-	49,365	0	-
STAR XII	07-Dec-21	545.34	30-Nov-24	571,252	-	120,877	-	450,375	1	-	-	581,780	10,528	-	571,252	1	-
	05-May-22	520.96	30-Nov-24	-	19,945	704	-	19,241			-	-	-	-	-	-	-
	07-Dec-22	498.25	30-Nov-25	-	28,624	-	-	28,624			-	-	-	-	-	-	-
STAR XIII	07-Dec-22	498.25	30-Nov-25	-	413,509	14,510	-	398,999	0	-	-	-	-	-	-	-	-
	Total			1,415,569	462,078	327,128	233,770	1,316,749	1	3	1,197,180	704,217	192,308	293,520	1,415,569	3	4

The Company 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 Company under the Plan. The Company has advanced ₹ 50 Crore as at March 31, 2023 (₹ 47 Crore as at March 31, 2022) 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 April 01, 2013), shall utilize the proceeds towards meeting its STAR Value obligation.

Notes

To Financial Statements for the year ended 31st March, 2023

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:

(₹ in Crore)

Particulars	31st March, 2023	31st March, 2022
Share price at measurement date (₹ per share)	479.8	503.7
Expected volatility (%)	19.5%-23.2%	22.9%-26.2%
Dividend yield (%)	2.10%	1.90%
Risk-free interest rate (%)	6.9%-7.1%	4.3% - 5.4%

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

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Employee stock option plan	16	10
Stock appreciation rights	2	9
Total employee share based payment expense	**18**	**19**

34 Earnings per share

Basic EPS amounts are calculated by dividing the profit after tax for the year attributable to equity holders of the Company 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.

(₹ in Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Basic earnings per share		
Basic earnings per share (in ₹)	9.13	9.02
(b) Diluted earnings per share		
Diluted earnings per share (in ₹)	9.10	9.01
(c) Earnings (₹ in Crores) used in calculating earnings per share	1,179	1,163
(d) Weighted average number of equity shares used as denominator		
Weighted average number of equity shares outstanding	1,292,942,177	1,291,882,131
Shares held in controlled trust (refer note ii below)	(1,398,033)	(1,249,564)
Weighted average number of equity shares in calculating basic earnings per share	1,291,544,144	1,290,632,567
Dilutive impact of Share Options	3,942,599	1,547,035
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	**1,295,486,743**	**1,292,179,602**

Notes

To Financial Statements for the year ended 31st March, 2023

(e) Information concerning the classification of securities

(i) Share Options

Options granted to Employees under Marico Employee Stock 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 33.

(ii) Treasury shares

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

35 The Company 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).

36 Financial ratios

	Ratio	Items included in numerator and denominator for computing	As at 31st March 2023	As at 31st March 2022	% Variance	Reason for variation
(a)	Current Ratio,	Current Assets / Current Liabilities	2.18	2.07	5%	
(b)	Debt-Equity Ratio,	Total Borrowings/Shareholders' Funds (Share Capital + Reserves & surplus)	0.02	0.03	-48%	Decrease on account of repayment of Working capital loan
(c)	Debt Service Coverage Ratio,	Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. /Debt service = Interest & Lease Payments + Principal Repayments	4.25	3.84	11%	
(d)	Return on Equity Ratio,	Net Profit after tax/ average Shareholders' Funds (opening + closing)/2)	35.1%	38.2%	-8%	
(e)	Inventory turnover Ratio,	Cost of Revenue from Operation / Average Inventory Cost of Revenue from Operation = Cost of materials consumed + purchase of stock-in-trade + change in Inventory (FG; WIP and Stock in trade) Average Inventory = (Opening Inventory + Closing Inventory)/2	4.49	4.77	-6%	
(f)	Trade Receivables turnover ratio	Revenue from Operations/ Average Trade Receivable Average Trade Receivable = (Opening Trade Receivable + Closing Trade Receivable)/2	10.74	17.34	-38%	Mainly increase due to higher sales skew in March 23 as compared to March 22 & higher mix of MT/Ecom
(g)	Trade payables turnover Ratio	Cost of materials consumed + purchase of stock-in-trade + change in Inventory (FG; WIP and Stock in trade)+other expenses/ Average Trade Payable Average Trade Payable = (Opening Trade Payable + Closing Trade Payable)/2	5.74	6.45	-11%	

Notes

To Financial Statements for the year ended 31st March, 2023

	Ratio	Items included in numerator and denominator for computing	As at 31st March 2023	As at 31st March 2022	% Variance	Reason for variation
(h)	Net capital turnover ratio	Revenue from Operations / Working Capital working Capital = Currnet Assets - Current Liabilities	4.82	5.18	-7%	
(i)	Net profit ratio	Net Profit after tax/ Revenue from Operations	16%	16%	2%	
(j)	Return on Capital employed	Net Profit before interest and tax/ Capital Employed Capital Employed = Shareholders' Funds + Total debt + deferred tax liability	41%	46%	-11%	
(k)	Return on investment.	Income from Investment / Average Investment Average Investment = (Opening Investment + Closing Investment)/ 2	8%	9%	-6%	

37 (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

(ii) The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

38 Information with regards to other matters in the Companies Act are either Nil or Not applicable to the Company.

As per our report of even date attached

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

SADASHIV SHETTY
Partner
Membership No. 048648

Place : Mumbai
Date : May 05, 2023

For and on behalf of the Board of Directors

HARSH MARIWALA
Chairman
[DIN 00210342]

SAUGATA GUPTA
Managing Director and CEO
[DIN 05251806]

PAWAN AGRAWAL
Chief Financial Officer

VINAY M A
Company Secretary
[Membership No. FCS 11362]

Place : Mumbai
Date : May 05, 2023

Performance Trends

Consolidated Quarterly Financials

₹ in Crore

Particulars (2022-23)	Three Months Ended 30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	Annual FY23
Revenue from Operations	2,558	2,496	2,470	2,240	9,764
Total Expenditure	2,030	2,063	2,014	1,847	7,954
Profit before Finance Cost, Tax, Depreciation and Amortisation	**528**	**433**	**456**	**393**	**1,810**
Other Income	17	19	40	68	144
Finance Cost	10	15	14	17	56
Depreciation and Amortisation	36	37	39	43	155
Profit before Share of Profit/(Loss) of Joint Ventures, Exceptional Items and Tax	**499**	**400**	**443**	**401**	**1,743**
Share of Profit/(Loss) of Joint Ventures	-	-	-	-	-
Exceptional Items	-	-	-	-	-
Profit before Tax	**499**	**400**	**443**	**401**	**1,743**
Tax Expense	122	93	110	96	421
Profit after Tax	**377**	**307**	**333**	**305**	**1,322**
Minority Interest	6	6	5	3	20
Net Profit attributable to Owners of the Company	**371**	**301**	**328**	**302**	**1,302**
Equity Share Capital	129	129	129	129	129
Earning per Share - (₹)	**2.9**	**2.3**	**2.5**	**2.3**	**10.1**

₹ in Crore

Particulars (2021-22)	Three Months Ended 30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22	Annual FY22
Revenue from Operations	2,525	2,419	2,407	2,161	9,512
Total Expenditure	2,044	1,996	1,976	1,815	7,831
Profit before Finance Cost, Tax, Depreciation and Amortisation	**481**	**423**	**431**	**346**	**1,681**
Other Income	27	25	22	24	98
Finance Cost	8	10	10	11	39
Depreciation and Amortisation	33	33	36	37	139
Profit before Share of Profit/(Loss) of Joint Ventures, Exceptional Items and Tax	**467**	**405**	**407**	**322**	**1,601**
Share of Profit/(Loss) of Joint Ventures	-	-	-	-	-
Profit before Tax	**467**	**405**	**407**	**322**	**1,601**
Tax Expense	102	89	90	65	346
Profit after Tax	**365**	**316**	**317**	**257**	**1,255**
Minority Interest	9.0	7.0	7.0	6.0	30.0
Net Profit attributable to Owners of the Company	**356**	**309**	**310**	**251**	**1,225**
Equity Share Capital	129	129	129	129	129
Earning per Share - (₹)	**2.8**	**2.4**	**2.4**	**1.9**	**9.5**

*Profit after Tax for the three months ended 31-March-22 excludes the impact of one-offs.

EVA analysis

₹ in Crore

	FY18	FY19	FY20	FY21	FY22	FY23
Average Capital Employed	2,736	3,111	3,363	3,534	3,775	4,367
Average Debt / Total capital (%)	10	11	10	10	9	9
Profit After Current Tax (excluding one-offs)	833	926	1,056	1,175	1,258	1,366
Add: Interest Post Tax	12	18	38	27	31	42
Net Operating Profit After Tax	845	944	1,094	1,202	1,289	1,408
Less: Cost of Capital	294	355	390	357	394	498
Economic Value Added	**551**	**589**	**704**	**845**	**894**	**910**

Sustainable Wealth Creation

Investment	Through	Shares	Value (in ₹)	Indexed Value
April 1996 - Original Purchase	IPO	100	17,500	100
August 2002	Bonus (Equity 1:1)	200	-	-
September 2002	Bonus (Preference 1:1)	200	-	-
May 2004	Bonus (Equity 1:1)	400	-	-
February 2007	Share Split (10:1)	4000	-	-
December 2015	Bonus (Equity 1:1)	8000	-	-
Holdings and Cost as on March 31, 2023		**8,000**	**17,500**	**100**

Return	Through	Shares	Value (in ₹)	Indexed Value
March 31, 2023	Market value	8000	38,38,400	21,934
March 2004	Redemption proceeds of Bonus Preference shares	200	2,000	11
April 1996 - March 2022	Dividend Received*#		4,07,899	2,331
Gross Returns			**42,48,299**	**24,276**
Compound Annual Return since IPO			**23%**	**23%**

* Dividends are inclusive of those received on Bonus Preference Shares

Subject to taxes as applicable

ASSURANCE STATEMENT

DNV

INDEPENDENT VERIFICATION STATEMENT

Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Marico Limited ('Marico' or 'the Company', Corporate Identity Number L15140MH1988PLC049208) to carry out a limited level of verification of its environmental data related to its energy, greenhouse gas (GHG) emissions, fresh water consumption and waste disposed disclosures that shall form part of its non-financial disclosures under natural capital section of its Integrated Report 2022-23 prepared by Marico based on the <IR> framework.

This customised verification engagement has been carried out in accordance with DNV's verification methodology VeriSustain™ [1], which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. This verification provides a limited level of verification and applies a ±5% materiality threshold for errors and omissions.

Marico is responsible for the collection, analysis, aggregation and presentation of data and information related to its environmental data which has been prepared by the Company based on a)The Marico's GHG emission inventorisation SOP (Standard operational procedure) (SOP/Marico/GHGInventory/FY21/001; dated: April 2021), b)World Resources Institute's/ World Business Council on Sustainable Development's (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) and c)The Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2006) d)GRI standards on energy and emissions (GRI 302: Energy 2016[#], GRI 305: Emissions 2016[#]) e) GRI standards on water and waste (GRI 303: Water and Effluents 2018[#],GRI 306: Waste 2020[#]) and ISO14064-1 'Greenhouse Gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals'.

Our responsibility of performing this work is to the management of Marico only and in accordance with scope of work agreed with the Company. The verification engagement is based on the assumption that the data and information provided to us is complete, sufficient and true. We disclaim any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out during March 2023 - July 2023 by a team of qualified sustainability and GHG assessors.

Scope, Boundary and Limitations of Verification

The scope of work agreed upon with Marico includes the following:

- The verification of energy consumption, energy intensity and reduction in energy consumption, GHG (Scope 1, Scope 2 and selected categories of Scope 3) emissions, GHG intensity and reduction in GHG emissions, Fresh water consumption, Water intensity, Hazardous and Non-hazardous waste disposal covering the period 1st April 2022 to 31st March 2023.
- Verification of consolidated environmental indicators from Marico's manufacturing locations in India, ie Perundurai in Tamil Nadu, Puducherry, Baddi in Himachal Pradesh, Jalgaon in Maharashtra, Guwahati NER 1 and NER 2 (North East Region) in Assam comprising of:
  - Scope 1 emissions due to a) Fossil Fuels used in manufacturing processes; b) Fossil Fuels used like diesel in generators and boilers; c) LPG consumption, d) Fossil Fuels used in mobile sources like company owned vehicles and e) Refrigerants release in air conditioners and refrigerators, f) CO_2 release due to use of fire extinguishers.
  - Scope 2 emissions due to use of purchased electricity from the grid.
  - Scope 3 emissions currently monitored and declared by Marico, comprising emissions due to a) Purchased goods and services; b) Capital goods; c) Fuel and energy related activities; d) Upstream transportation of products; e) Waste generated in operations; f) Business travel; g) Employee commute; h) Upstream leased assets; i) Downstream transportation & distribution; j) End of life treatment; k) Investments
  - Biogenic emissions due to consumption of biomass briquets and rice husk for the boiler operations.

---

[1] The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience; and is available on request from www.dnv.com

[#] GRI 302: Energy 2016- 302-1, 302-3; GRI 305: Emissions 2016- 305-1, 305-2, 305-3, 305-4; GRI 306: Waste 2020- 306-5; GRI 303: Water and Effluents 2018- 303-3

PRJN-537617-2023-AST-IND *Page 1 of 4*

DNV

- Water withdrawal from the surface water sources like municipal water, tanker water, harvested rainwater, water consumption, water consumption (Product) and water discharge
- Disposal of Hazardous and Non-hazardous waste.

During the verification process, we did not come across limitations to the scope of the agreed verification engagement. Our verification was limited to the reported environmental data presented in the Natural capital section of the Integrated Report 2022-23.

Verification Methodology

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our limited verification opinion. As part of the verification process, we

- Obtained an understanding of the systems used to generate, aggregate and report energy data at the sites visited by us;
- Onsite verification performed to sample manufacturing locations in India ie. Perundurai and Pondicherry(coconut oil expelling), Sanand (value added hair oils) to verify the Company's internal protocols, processes, and controls related to the collection and collation of its energy and GHG emissions assertions.
- Desk review was conducted for all the manufacturing locations to review the systems for energy and GHG data management.
- Obtained an understanding of energy and GHG data management systems and the Completeness, Accuracy and Reliability of the data;
- Examined and reviewed the following environmental performance data on a sample basis:
  - Direct Energy and fuel sources in the process at various sites.
  - Indirect energy by purchased electricity consumption at various sites.
  - Scope 3 emission categories and basis of estimations.
  - Reductions achieved through energy conservation and consequent emission reductions.
  - Water withdrawal, Water consumption (Utilities and operations), Water consumption (product), Water discharge.
  - Generation and disposal of Hazardous and Non-hazardous waste.
- Procedures and practices for GHG, energy and fuel consumption, measurement, monitoring and review.
- Evaluated the environmental performance data using the reliability principle together with Marico's methodology on data analysis, aggregation, and measurement and reporting.

Conclusions

On the basis of the work undertaken, nothing has come to our attention to suggest that the GHG and energy performance data of Marico for the year 2022-23 brought out below are not materially correct. Some data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected.

Emissions:

Performance Indicator	Factors	Value for FY 2022-23
Scope 1 Emissions	a) Fossil Fuel used in Stationary equipment's - manufacturing processes and standby diesel generators, furnace oil used in boilers b) Fossil Fuel used in Mobile equipment's - company owned vehicles, c) Fugitive emissions - CO_2 release due to use of fire extinguishers and Refrigerants release in air conditioners and refrigerators.	779.88 tCO_2e
Scope 2 Emissions	Purchased electricity from the grid (Location Based)	11,775.82 tCO_2e
	Total Scope 1 & Scope 2 Emissions	12,555.70 tCO_2e
Scope 3 Emissions	a) Purchased goods and services; b) Capital goods; c) Fuel and energy related activities; d) Upstream transportation of products; e) Waste generated in operations; f) Business travel#; g) Employee commute; h) Upstream leased assets; i) Downstream transportation & distribution; j) Investments	5,47,125.66 tCO_2e
	Total Scope 1, Scope 2 & Scope 3 Emissions	5,59,681.37 tCO_2e
Other Scope 1 Emissions	Biogenic emissions@ released from use of Biomass (Briquette) in boilers	9,240.64 tCO_2e
GHG Emission Intensity	**GHG Emission Intensity** (Total Scope 1 & 2 emissions/ Total revenue for the year)	1.76

PRJN-537617-2023-AST-IND Page 2 of 4

DNV

Energy:

Performance Indicator	Factors	Value for FY 2022-23
Energy Consumption within Marico	*Non-renewable sources:* fuel used in manufacturing processes, diesel generators, furnace oil used in boilers, purchased electricity from the grid	58,984.83 GJ
	Renewable sources: Biomass used in boilers, electricity from solar and wind energy	1,15,384.61 GJ
Energy Intensity	**Energy Intensity ratio** (Total Energy consumption in GJ/ Total revenue for the year)	24.42

Baseline Energy (Restatement due to factor difference/error):

Performance Indicator	Factors	Value for FY 2012-13
Energy Consumption within Marico	*Non-renewable sources:* fuel used in manufacturing processes, diesel generators, furnace oil used in boilers, purchased electricity from the grid	224931.46 GJ
	Renewable sources: Biomass used in boilers	69,815.01 GJ
Energy Intensity	**Energy Intensity ratio** (Total Energy consumption in GJ/ Total revenue for the year)	90.61

Water Consumption:

Performance Indicator	Factors	Value for FY 2022-23
Surface water withdrawal	*Collected or harvested rainwater*	5041.00 KL
Ground water withdrawal	*Underground water- borewell*	16336.61 KL
Third party water withdrawal	*Municipal Supply & Taker water*	107453.60 KL
Total water withdrawal	*Surface water + Ground water + Third party water*	128831.20 KL
Total Water Discharge	*Water discharge outside the operational boundary*	0.00 KL
Total water consumption	*Total water withdrawal -Total water Discharge*	128831.20 KL
Water consumption for utility & operations (excluding surface water intake)	*Total water consumption- Product water consumption- rain water*	114662.23 KL
Water consumption intensity For utility & operations	*Water consumption for utility & operations / revenue*	16.06 KL
Total water recycled	*STP/ ETP treated water used for gardening & domestic purposes*	41067.34 KL

PRJN-537617-2023-AST-IND Page 3 of 4

DNV

Waste Disposed:

Performance Indicator	Factors	Value for FY 2022-23
Waste disposed	*Hazardous waste disposed:* such as ETP sludge, Spent oil, Oil soaked cotton waste, Ink sludge, E-Waste, Waste containing oil	79,035.50 KG's
	Non-Hazardous waste disposed: General Waste, Boiler Ash, Metal Waste, Paper waste, Plastic Waste, Wood waste, Glass Waste, Scrap Oil - Non Edible, Scrap Oil – CNO, Scrap Cake – CNO, Gunny bag	41,83,446.70 KG's

Note 1: Scope 2 emissions of Purchased grid electricity emission factor is sourced from Central Electricity Authority (CEA) CO2 Baseline Database for the Indian Power Sector (Version 18 dated September 2022) and considers the weighted average factor. GJ conversion factors are based on KWH to GJ which is 0.0036

Note 2: Scope 3 Emissions are sourced from GaBi database 2020 LCI documentation

Note 3: Biogenic Emission factors considered for Briquette 101.93 KgCO2e/GJ

Note 4: The denominator of energy and emission intensity, company has considered total revenue for the year as INR 7141 crore (71410 million) as per the unaudited financials

Note 5: For the baseline year 2012-13 Fugitive emissions caused due to consumption of refrigerants and Co2 based fire extinguishers are not accounted or monitored

Note 6: Emission Factors used are sourced from IPCC 2006 National Greenhouse Gas Inventories.

Note 7: Global Warming Potential (GWP) used in the emissions calculation are sourced from IPCC Assessment Report 5.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct[2] during the verification engagement and maintain independence where required by relevant ethical requirements as detailed in DNV VeriSustain. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data except for this Verification Statement, the GHG, Water and Waste Verification Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. We did not provide any services to Marico Limited in the scope of assurance during FY 2022-23 that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited,

Digitally signed by Lankalapalli, Bhargav Date: 2023.07.04 15:10:22 +05'30' Bhargav Lankalapalli Lead Verifier DNV Business Assurance India Private Limited, India	Digitally signed by Aravind, Arun Date: 2023.07.04 13:59:44 +05'30' Arun Aravind Technical Reviewer DNV Business Assurance India Private Limited, India.

Mumbai, India, 4th July 2023.

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

[2] The DNV Code of Conduct is available on request from www.dnv.com (https://www.dnv.com/about/in-brief/corporate-governance.html)

ASSURANCE STATEMENT

DNV

INDEPENDENT VERIFICATION STATEMENT

Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Marico limited, India ('Marico' or 'the Company', Corporate Identity Number: L15140MH1988PLC049208) to carry out a Customised Data verification of assertions related to Greenhouse Gases ('GHG') emissions and carbon offsets, towards its declaration of Carbon Neutrality of its Perundurai Plant for the period 1st April 2022 to 31st March 2023 ('financial year (FY) 2022-23').

This customised verification engagement has been carried out in accordance with DNV's verification methodology VeriSustain™[1], which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. This verification provides a limited level of verification and applies a ±5% materiality threshold for errors and omissions.

Marico has prepared the Perundurai Plant's GHG assertions in a spreadsheet as per: a) the Marico's GHG emission inventorisation SOP (SOP/Marico/GHGInventory/FY21/001; dated: April 2021), b) World Resources Institute's/ World Business Council on Sustainable Development's (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) and c) the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2006). Marico is responsible for the collection, analysis, aggregation and presentation of data and information in the spreadsheet including information related to Carbon offsets purchased for carbon neutrality.

Our responsibility of performing this work is to the management of Marico only and in accordance with terms of reference agreed with the Company. The verification engagement is based on the assumption that the data and information provided to us is complete, sufficient and true. disclaims any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out in March- July 2023.

Scope, Boundary and Limitations of Verification

The scope of work agreed upon with Marico includes the following:

- Verification of the GHG emissions (Scope 1 and Scope 2) for the period FY 2021-22 for its Perundurai Plant;
- Remote assessment is conducted at Marico's Perundurai Plant (Tamil Nadu, India) and review of data to verify the Company's internal protocols, processes, and controls related to the collection and collation of the GHG emissions data;
- Emissions from Marico's Perundurai plant comprising of
  - Scope 1 emissions due to
    - Diesel consumption in Diesel Generator (DG) sets,
    - Release of Refrigerants,
    - CO_2 release due to use of Fire extinguishers,
    - LPG consumption
  - Scope 2 emissions due to use of purchased electricity from the grid;
  - Biogenic emissions through combustion of biomass briquettes;
- Review of disclosures and assertions declaring the Plant's Carbon Neutrality.

The operational boundary as set out by Marico is its Coconut Oil manufacturing plant at Perundurai (Tamil Nadu, India), as set out in the agreed scope of work. During the verification process, we did not come across limitations to the scope of the agreed engagement.

Verification Methodology

We adopted a risk-based approach and conducted the remote verifications of the qualitative and quantitative information and data presented to us by the Company. We have conducted onsite assessment at the Perundurai

[1] *The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience; and is available on request from www.dnv.com*

\# GRI 305:1,2,3,4;

site, as part of the assessment we have examined and reviewed documents, records and other information made available to by Marico.

As part of the verification process we:

- Obtained an understanding of the systems used to generate, aggregate and report GHG emissions data at the plant;
- Obtained an understanding of the GHG activity data capturing and recording mechanisms at the plant and the completeness, accuracy and reliability of the reported activity data;
- Examined and reviewed the following:
  - Aggregation of data related to diesel consumption in DG sets, release of refrigerants and CO_2 from the use of CO_2 fire extinguishers at the plant on a sampling basis;
  - Data related to purchased grid electricity consumption (electricity invoice, log records from energy meters) on a sampling basis;
  - Data related to consumption of biomass briquets for combustion to boiler;
  - Procedures and practices for measurement, monitoring and review of GHGs, energy and fuel consumption.
  - Purchase carbon offsets (VERs) by Marico, to offset emissions from its Perundurai plant for FY 2022-23;
- Evaluated the GHG emissions data using the principles of completeness, accuracy and reliability in line with the Company's methodologies on data analysis, aggregation, and measurement and reporting.

Conclusion

On the basis of the work undertaken, nothing has come to our attention to suggest that the GHG emission assertions and carbon offsets of Marico's Perundurai Plant for FY 2022-23, as mentioned below are not materially correct and are not a fair representation of its GHG assertions. A few data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected.

GHG Data Assertions of Marico - Perundurai Plant:

Scope	Source	GHG Emissions / Offset (tCO_2e) for FY 2022-23
Scope 1	• Diesel consumption in Diesel Generator (DG) sets • Refilling of Refrigerants • CO_2 release due to use of fire extinguishers • LPG consumption	27.51 tCO2e
Scope 2	Purchased electricity from grid	551.74 tCO2e
Total GHG emissions of Scope 1 & Scope 2		**579.25 tCO2e**
Other Biogenic Emissions from combustion of Briquettes		1966.70 tCO2e
Total GHG emissions of Perundurai Plant		**2545.94 tCO2e**
Total GHG offsets (VERs/Carbon offsets purchased bearing serial number: GS1-1-IN-GS7572-2-2021-22226-133655-134254)		**600 tons**
Carbon Neutrality: **Marico Perundurai has offset its GHG emissions for FY 2022-23 by purchasing carbon credits for its residual GHG footprint.**		

Notes:
1. Emission Factors used are sourced from IPCC Guidelines for National Greenhouse Gas Inventories (2006).
2. Global Warming Potential (GWP) used in the emissions calculation are sourced from IPCC's Assessment Report 5.

3. Scope 1 GHG emissions do not include direct CO_2 emissions associated with the combustion of 7815.31 MT of biomass (briquettes) in Boiler as per IPCC guidelines "CO_2 emissions from biomass combustion are not included in national totals (National total is calculated by summing up emissions and removals for each gas) but are recorded as an information item for cross-checking purposes as well as avoiding double counting", as these emissions are from biologically sequestered carbon. However, emissions through release of N_2O and CH_4 by burning of briquettes are considered for calculation at a emission factor of 0.0047.
4. Based on the power purchase agreement with Clover Energy Private Limited (Wind) and Amplus Shams Private Limited (Solar), avoided GHG emissions from the purchase of 6868605.0 kWh of wind and solar electricity do not form part of the above GHG emissions calculation. The associated transmission and distribution (T&D) losses are to be included in Scope 3 emissions.
***Purchased grid electricity emission factor of 0.81 is sourced from Central Electricity Authority (CEA) CO_2 Baseline Database for the Indian Power Sector (Version 18 dated December 2022) and considers the weighted average factor.*

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct[2] during the verification engagement and maintain independence where required by relevant ethical requirements as detailed in DNV VeriSustain. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data except for this Verification Statement, the GHG, Water and Waste Verification Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. We did not provide any services to Marico Limited in the scope of assurance during FY 2022-23 that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited,

Digitally signed by Lankalapalli, Bhargav Date: 2023.07.04 15:09:39 +05'30' Bhargav Lankalapalli Lead Verifier DNV Business Assurance India Private Limited, India.	Digitally signed by Aravind, Arun Date: 2023.07.04 13:58:50 +05'30' Arun Aravind Technical Reviewer DNV Business Assurance India Private Limited, India.

Mumbai, India, 4th July 2023.

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

[2] The DNV Code of Conduct is available on request from www.dnv.com (https://www.dnv.com/about/in-brief/corporate-governance.html)

TEN YEARS' FINANCIAL

highlights

(₹ in Crore)

Year ended March 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Income from Operations	4,687	5,733	6,024	5,936	6,333	7,334	7,315	8,048	9,512	9,764
EBITDA	748	870	1,051	1,159	1,138	1,326	1,469	1,591	1,681	1,810
Profit before Interest & Tax (PBIT)	729	845	1,050	1,166	1,133	1,298	1,453	1,546	1,640	1,799
Profit before Tax (PBT)	695	822	1,029	1,149	1,117	1,257	1,374	1,523	1,601	1,743
"Net Profit attributable to Owners of the Company"	485	573	711	799	814	926	1,043	1,162	1,225	1,280
Cash Profits (Profit after Current Tax + Depreciation + Amortisation)	592	668	873	947	922	1,057	1,167	1,327	1,397	1,521
Economic Value Added	**332**	**419**	**558**	**610**	**550**	**589**	**704**	**845**	**894**	**910**
Goodwill on consolidation	254	489	497	479	486	503	538	613	654	862
Net Fixed Assets	638	590	620	616	801	842	916	1,023	1,145	1,451
Investments	311	284	513	608	543	450	733	854	828	1,096
Net Current Assets	671	749	655	846	1,105	1,420	1,094	1,034	1,056	1,286
Net Non Current Assets	213	163	35	41	(82)	(68)	(63)	(20)	(11)	34
Deferred Tax Asset (Net)	-	-	65	10	20	202	159	186	187	146
Total Capital Employed	**2,086**	**2,274**	**2,386**	**2,600**	**2,873**	**3,349**	**3,377**	**3,690**	**3,859**	**4,875**
Equity Share Capital	64	65	129	129	129	129	129	129	129	129
Reserves	1,296	1,760	1,888	2,197	2,394	2,846	2,894	3,111	3,219	3,670
Net Worth	**1,361**	**1,825**	**2,017**	**2,326**	**2,523**	**2,975**	**3,023**	**3,240**	**3,348**	**3,799**
Minority interest	36	14	14	13	12	12	13	18	57	157
Borrowed Funds	680	428	331	239	309	349	335	348	345	475
Deferred Tax Liability	10	8	23	22	29	13	6	84	109	178
Other Financial Liabilities										266
Total Funds Employed	**2,086**	**2,274**	**2,386**	**2,600**	**2,873**	**3,349**	**3,377**	**3,690**	**3,859**	**4,875**
EBITDA Margin (%)	16.0	15.2	17.5	19.5	18.0	18.1	20.1	19.8	17.7	18.5
Profit before Tax to Turnover (%)	14.8	14.3	17.1	19.4	17.6	17.1	18.8	18.9	16.8	17.8
Profit after Tax to Turnover (%)	10.4	10.0	11.8	13.5	12.9	12.6	14.3	14.4	12.9	13.3
Return on Net Worth (%) (PAT / Average Net Worth $)	**30.1**	**36.0**	**37.0**	**36.8**	**33.5**	**33.7**	**34.8**	**37.1**	**37.2**	**36.4**
Return on Capital Employed (PBIT / Average Total Capital Employed @)	**30.4**	**38.7**	**45.1**	**46.8**	**41.3**	**42.0**	**42.4**	**44.3**	**44.6**	**44.0**
Net Cash Flow from Operations per share (₹) (Refer Cash Flow Statement)	10.2	10.3	6.5	5.0	4.0	8.2	9.4	15.5	7.9	11.0
Earning per Share (EPS) (₹) (PAT / No. of Equity Shares)	**7.5**	**8.9**	**5.5**	**6.2**	**6.3**	**7.2**	**8.1**	**9.0**	**9.5**	**10.1**
Economic Value Added per share (₹)	5.1	6.5	4.3	4.7	4.3	4.6	5.5	6.5	6.9	7.0
Dividend per share (₹)	3.5	2.5	3.4	3.5	4.3	4.8	6.8	7.5	9.3	4.5
Debt / Equity	**0.5**	**0.2**	**0.2**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
Book Value per share (₹) (Net Worth / No. of Equity Shares)	**21.1**	**28.3**	**15.6**	**18.0**	**19.5**	**23.0**	**23.4**	**25.1**	**25.9**	**29.4**
Sales to Average Capital Employed @	2.0	2.6	2.6	2.4	2.3	2.4	2.2	2.3	2.5	2.2
Sales to Average Net Working Capital #	6.6	8.1	8.6	7.9	6.5	5.8	5.8	7.6	9.1	8.3

@ Average Capital Employed = (Opening Capital Employed + Closing Capital Employed)/2

$ Average Net Worth = (Opening Net Worth + Closing Net Worth)/2

Average Net Working Capital = (Opening Net Current Assets + Closing Net Current Assets)/2

Note 1: FY14 onwards, financials do not include Kaya as it has been demerged from Marico Group effective April 1,2013.

Note 2: FY16 onwards, per share numbers are calculated on the post bonus number of shares

Note 3: FY16 onwards, financials are as per IND - AS and hence not comparable with earlier years.

Note 4: P&L for FY19, FY20, FY21, FY22 and FY23 and Balance Sheet for FY19, FY20, FY21, FY22 and FY23 are as per Ind-AS 116 and hence not comparable with earlier years.

marico
make a difference

Purpose Statement

To transform in a sustainable manner, the lives of those we touch,
by nurturing and empowering them to maximise their true potential.

Registered Office
Marico Limited
7th floor, Grande Palladium
175, CST Road, Kalina, Santacruz (East)
Mumbai 400 098

www.facebook.com/MaricoCampusConnections
www.facebook.com/MaricoLimited/

www.youtube.com/user/Marico Limited

www.linkedin.com/company/maricolimited

@maricocareers