

MARICO KAYA ENTERPRISES LIMITED

Registered Office: Rangsharda, Krishnachandra Marg, Bandra Reclamation, Bandra (West), Mumbai - 400050

Dated: November 18, 2013

FOR THE ATTENTION OF COMPANY'S SHAREHOLDERS

The Hon'ble High Court of Judicature at Bombay has vide its order dated September 27, 2013 sanctioned the Scheme of Arrangement under section 391 and 394 read with section 78, 100 to 103 of the Companies Act, 1956 between Marico Limited ('Marico' or 'the Demerged Company') and Marico Kaya Enterprises Limited ('Marico Kaya' or 'the Resulting Company') and their respective Shareholders and Creditors ('the Scheme'). As per the said Scheme, the assets and liabilities relating to the Kaya Skin Care Business housed in Marico have been transferred at book value to Marico Kaya with effect from the Appointed Date i.e. April 1, 2013.

We wish to inform the shareholders the date of acquisition and the proportionate cost of acquisition of the equity shares of Marico Kaya vis-à-vis the cost of acquisition of the equity shares of Marico for the purpose of computing the capital gain / loss as per the Provisions of the Income Tax Act, 1961 ('the Act')

The cost of acquisition in respect of each shareholder will be different and is relevant only in cases where shares were acquired / bought before the record date i.e. November 5, 2013.

Applicable Statutory Provisions: Section 49 (2C) and (2D) of the Act.

1. Cost of Acquisition of Resulting Company's Shares	Original cost of acquisition X net book value of assets transferred by the Demerged Company as on the appointed date net worth of the Demerged Company immediately before demerger
2. Cost of Acquisition of shares of Demerged Company	Original Cost of Acquisition of shares of the Demerged Company less Cost of Acquisitions of Resulting Company's Shares (as computed under 1 above)

The net book value of assets which relate to the Kaya Business as on the appointed date (i.e. April 1, 2013) was INR 297.27 Crores and the net worth of Marico immediately before demerger was INR 1,991.43 Crores. Thus, the proportion of net book value of the assets of Marico transferred vis-à-vis the net worth of Marico immediately before such demerger will be 14.93%. Accordingly, **the Cost of Acquisition of equity shares of Marico Kaya will be 14.93% of the total cost of acquisition of the original equity share in Marico prior to such demerger.**

To determine post Demerger cost of acquisition of Equity Shares of Marico and Marico Kaya in accordance with the provisions of Income Tax Act, 1961, the shareholders are advised to apportion their pre-demerger cost of equity shares of Marico in the following manner:-

Name of the Company	% of Cost of Acquisition of Marico's Shares
Marico Limited	85.07
Marico Kaya Enterprises Limited	14.93
Total	100.00

For example: A shareholder holds 100 shares of Re. 1 each in Marico before the record date i.e. November 5, 2013, the cost of acquisition of the same is Rs. 200 per share and such Shareholder will be allotted 2 fully paid up equity shares of Rs. 10 each of Marico Kaya and will also continue to hold 100 shares in Marico.

The proportionate cost of acquisition of 2 shares of Rs. 10 each in Marico Kaya will be Rs. 2,986 (Rs. 20,000*14.93%) and that of 100 shares of Marico will be Rs. 17,014 (Rs. 20000*85.07%). Accordingly, the cost of acquisition of each share of Marico Kaya would be Rs. 1,493 and the cost of acquisition of each share of Marico would be Rs. 170.14.

As regards the equity shares of Marico Kaya credited to your demat account / share certificate received by you, as the case may be, the date of acquisition for the purpose of capital gains/loss will be the date of acquisition of the original shares of

Marico for each shareholder as per clause (g) in Explanation 1 to section 2(42A) of the Income Tax Act, 1961. Kindly consult your tax advisors, having regard to the facts of your case.

Further, according to the provisions of Section 47(vi)(d) of the Act, the issue of shares by a Resulting Company to the shareholders of the Demerged Company, pursuant to a Scheme of Arrangement, is not a transfer and hence not taxable in the hands of the shareholder.

We trust this explains the position clearly and would help you to compute the cost of acquisition per share individually for Marico and Marico Kaya, both, pre and post demerger, if and when the shares are sold attracting capital gains/loss under the Act. The shareholders are advised to seek legal opinion, should they feel it necessary.

This communication is merely for the general guidance of the shareholders, and Marico Limited /Marico Kaya Enterprises Limited takes no express or implied liability in relation to this guidance.

Please note that if there is a change, including change having a retrospective effect in the statutory laws and regulations, the comments expressed in this communication would necessarily have to re-evaluated in light of the changes. Marico Limited /Marico Kaya Enterprises Limited do not take the responsibility of updating this communication at any time in future.

Thanking You,

Yours faithfully
For **Marico Kaya Enterprises Limited**

Sd/-

Almas Badar
Company Secretary & Compliance Officer