AUDITORS' REPORT

TO THE MEMBERS OF MARICO LIMITED

1. We have audited the attached Balance Sheet of Marico Limited ('the Company') as at March 31, 2009 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date (all together referred to as 'financial statements') annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   a. We have 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 appears from our examination of those books;

   c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

   e. On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2009 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Act;

   f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India;

      i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;

      ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

VILAS Y. RANE
Partner
Membership No:F-33220

For and on behalf of
Price Waterhouse
Chartered Accountants

Mumbai
June 19, 2009

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 3 of the Auditors' Report of even date to the members of Marico Limited on the financial statements for the year ended March 31, 2009.

(i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material.

(iii) According to information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms, or other parties covered in the register maintained under section 301 of the Act. Accordingly, paragraph 4(iii) (b), 4(iii) (c), 4(iii) (d), 4(iii) (f) and 4(iii) (g) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.

(v) (a) In our opinion and according to the information and explanations given to us and based on the disclosure of interest made by the directors of the Company, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. five lakhs in respect of any party during the year. Accordingly, paragraph 4 (v) (b) of the Order is not applicable.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under. Accordingly, paragraph 4 (vi) of the Order is not applicable.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company in respect to products where, pursuant to Rules made by the Central Government of India, the maintenance of cost records has been prescribed under section 209(1) (d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

(ix) (a) According to the information and explanations given to us and records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, investors education and protection fund, employees' state insurance, income tax, sales tax, service tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities during the year, and there were no such outstanding dues as at March 31, 2009 for a period exceeding six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of sales tax, customs duty , agricultural produce and marketing cess and employee state insurance corporation dues are as at March 31, 2009 which have not been deposited on account of dispute are as follows:

ANNEXURE TO AUDITORS' REPORT

Nature of dues	Amount (Rs. Crores)	Forum where dispute is pending
Sales tax	3.28	Appellate Authority- upto Commissioner's Level
	0.14	Appellate Authority- Tribunal
Customs duty	2.86	Commissioner of Customs and Central Excise & Service tax Appellate Tribunal
Agricultural Produce Marketing Committee cess - Goa	7.81	High Court –Mumbai (Goa bench)
Agricultural Produce Marketing Committee cess - Mumbai	1.04	Agricultural Produce Marketing Committee – Mumbai
Employees State Insurance Corporation dues	0.18	Department of Employees State Insurance Corporation.

(x) The Company has no accumulated losses as at the year end and has not incurred any cash losses during the financial year ended on that date and the immediately preceding financial year. Accordingly, paragraph 4 (x) of the Order is not applicable.

(xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank or financial institution. The Company has not obtained any borrowings by way of debentures.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, paragraph 4 (xii) of the Order is not applicable.

(xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/society are not applicable to the Company. Accordingly, paragraph 4 (xiii) of the Order is not applicable.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by subsidiary from banks during the year are not prejudicial to the interest of the Company.

(xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

(xvii) On the basis of on an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investments.

(xviii) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, paragraph 4 (xviii) of the Order is not applicable.

(xix) The Company did not have any outstanding debentures during the year. Accordingly, paragraph 4 (xix) of the Order is not applicable.

(xx) The Company has not raised any monies by way of public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

VILAS Y. RANE
Partner
Membership No:F-33220

For and on behalf of
Price Waterhouse
Chartered Accountants

Mumbai
June 19, 2009

BALANCE SHEET

	SCHEDULE	As at March 31, 2009 Rs. Crore	2008 Rs. Crore
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	A	60.90	60.90
Reserves and surplus	B	306.78	219.33
		367.68	**280.23**
LOAN FUNDS			
Secured loans	C	107.51	121.23
Unsecured loans	D	201.02	184.36
		308.53	**305.59**
		676.21	**585.82**
APPLICATION OF FUNDS			
FIXED ASSETS	E		
Gross block		262.16	228.89
Less : Depreciation, amortisation and impairment		146.25	131.90
Net block		115.91	96.99
Capital work-in-progress		45.60	49.09
Assets held for disposal		0.01	0.01
		161.52	**146.09**
INVESTMENTS	F	**112.58**	**106.52**
DEFERRED TAX ASSET (NET) (Refer Note 12 a, Schedule R)		**63.41**	**95.53**
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	G	273.69	218.59
Sundry debtors	H	61.05	41.68
Cash and bank balances	I	24.96	30.42
Loans and Advances	J	206.23	193.77
		565.93	484.46
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	K	196.36	204.15
Provisions	L	30.87	42.63
		227.23	246.78
NET CURRENT ASSETS		**338.70**	**237.68**
		676.21	**585.82**
Additional information to Accounts	Q		
Notes to Accounts	R		

As per our attached report of even date
VILAS Y. RANE
Partner
Membership No:F-33220
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : June 19, 2009

For and on behalf of the Board of Directors
HARSH MARIWALA Chairman and Managing Director
BIPIN SHAH Director and Chairman of Audit Committee
ANJU MADEKA Chief Financial Officer
RACHANA LODAYA Company Secretary & Compliance Officer

Place : Mumbai
Date : June 19, 2009

PROFIT AND LOSS ACCOUNT

	SCHEDULE	For the year ended March 31, 2009 Rs. Crore	2008 Rs. Crore
INCOME			
Sales		1,919.24	1,566.85
Less : Excise Duty		2.07	2.11
		1,917.17	1,564.74
Income from services		0.29	4.05
Total Sales and Services		**1,917.46**	**1,568.79**
Other income	M	14.53	14.53
		1,931.99	**1,583.32**
EXPENDITURE			
Cost of materials	N	1,157.03	892.89
Manufacturing and other expenses	O	510.14	479.72
Finance charges	P	28.92	19.75
Depreciation, amortisation & impairment	E	17.03	18.93
		1,713.12	**1,411.29**
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS		**218.87**	**172.03**
Exceptional Items – (Net) (Refer Note 13, Schedule R)		(47.86)	1.24
PROFIT BEFORE TAXATION		**171.01**	**173.27**
Provision for taxation : – Current Tax		18.19	19.22
– MAT Credit (entitlement)/utilisation		(23.46)	(12.46)
– Fringe benefit tax		2.06	3.61
– Deferred Tax - debit / (credit)		32.12	19.49
		28.91	**29.86**
PROFIT AFTER TAXATION		**142.10**	**143.41**
Balance brought forward as on April 1		151.88	69.48
PROFIT AVAILABLE FOR APPROPRIATION		**293.98**	**212.89**
APPROPRIATIONS			
Interim dividend		39.89	39.89
Tax on interim dividend		6.78	6.78
General Reserve		14.21	14.34
BALANCE CARRIED TO THE BALANCE SHEET		**233.10**	**151.88**
BASIC EARNINGS PER SHARE		**2.33**	**2.35**
DILUTED EARNINGS PER SHARE		**2.33**	**2.35**
(Refer Note 15 of Schedule R)			
Additional information to Accounts	Q		
Notes to Accounts	R		

As per our attached report of even date

VILAS Y. RANE
Partner
Membership No:F-33220
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : June 19, 2009

For and on behalf of the Board of Directors

HARSH MARIWALA Chairman and Managing Director
BIPIN SHAH Director and Chairman of Audit Committee
ANJU MADEKA Chief Financial Officer
RACHANA LODAYA Company Secretary & Compliance Officer

Place : Mumbai
Date : June 19, 2009

CASH FLOW STATEMENT

		For the year ended March 31, 2009 Rs. Crore	2008 Rs. Crore
A CASH FLOW FROM OPERATING ACTIVITIES			
PROFIT BEFORE TAXATION AND AFTER EXCEPTIONAL ITEMS		**171.01**	**173.27**
Adjustments for:			
Depreciation and amortisation		17.03	18.93
Provision for Impairment on assets written back (Refer Note 7, Schedule R)		(0.86)	–
Finance charges		28.92	19.75
Interest income		(4.73)	(4.46)
Loss / (Profit) on sale of assets – (Net)		0.14	(0.40)
Provision for diminution in value of Investment/Advances to subsidiary (Refer Note 13, Schedule R)		–	9.37
Advances to subsidiary written off – (Net) (Refer Note 13, Schedule R)		47.86	–
(Profit) / Loss on sale of investments		(0.01)	(0.13)
Dividend income		(2.57)	(1.49)
(Write back) / Provision for doubtful debts/advances		0.71	0.16
		86.49	41.73
Operating profit before working capital changes		**257.50**	**215.00**
Adjustments for:			
(Increase)/ Decrease in inventories		(55.11)	(22.37)
(Increase)/ Decrease in sundry debtors		(20.08)	(0.67)
(Increase)/ Decrease in loans and advances		9.05	(17.05)
Increase/(Decrease) in current liabilities and provisions		(13.18)	(102.23)
		(79.32)	(142.32)
Cash generated from operations		**178.18**	**72.68**
Taxes paid (net of refunds)		(26.52)	(25.60)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**A**	**151.66**	**47.08**
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(28.47)	(62.37)
Sale of fixed assets		0.28	5.59
(Purchase) / Sale of investments – (Net)		(12.10)	0.14
Investment in subsidiaries		–	(25.62)
Loans and advances given to subsidiaries		(45.89)	(53.39)
Dividend income received		4.07	–
Interest received		3.84	4.43
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**B**	**(78.27)**	**(131.22)**

CASH FLOW STATEMENT

			For the year ended March 31, 2009 Rs. Crore	2008 Rs. Crore
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Issue of commercial papers – (Net)		29.16	19.40
	Inter-Corporate deposits taken		5.00	–
	Other borrowings (repaid) / taken – (Net)		(31.22)	118.96
	Finance charges paid		(34.85)	(16.59)
	Equity dividend paid (Inclusive of dividend distribution tax)		(47.72)	(32.49)
	Unclaimed Preference dividend paid		(0.01)	(0.01)
	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	**C**	**(79.64)**	**89.27**
D	**NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS**	**(A+B+C)**	**(6.25)**	**5.13**
E	**Cash and cash equivalents - opening balance (as at April 1)**		**29.93**	**24.80**
F	**Cash and cash equivalents - closing balance (as at March 31)**		**23.68**	**29.93**
	Cash and cash equivalents at the year end comprise of:			
	Cash and Bank Balances		24.96	30.42
	Book Overdraft		(1.28)	(0.49)
	Total		**23.68**	**29.93**

Note :

1. The above Cash Flow statement has been prepared under the indirect method as set out in Accounting Standard 3 (AS 3) 'Cash Flow Statements' as specified in Companies (Accounting Standards) Rules, 2006.
2. The figures for the previous year have been regrouped where necessary to conform to current period's clasification.

As per our attached report of even date
VILAS Y. RANE
Partner
Membership No:F-33220
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : June 19, 2009

For and on behalf of the Board of Directors
HARSH MARIWALA Chairman and Managing Director
BIPIN SHAH Director and Chairman of Audit Committee
ANJU MADEKA Chief Financial Officer
RACHANA LODAYA Company Secretary & Compliance Officer

Place : Mumbai
Date : June 19, 2009

SCHEDULES TO BALANCE SHEET

	As at March 31, 2009 Rs. Crore	2008 Rs. Crore
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED:		
650,000,000 (650,000,000) Equity shares of Re. 1 each (Re. 1 each)	65.00	65.00
150,000,000 (150,000,000) Preference shares of Rs. 10 each (Rs.10 each)	150.00	150.00
	215.00	**215.00**
ISSUED AND SUBSCRIBED :		
609,000,000 (609,000,000) Equity shares of Re. 1 each (Re. 1 each) fully paid up	60.90	60.90
The above includes :		
(a) 290,000,000 equity shares issued as fully paid bonus shares by capitalisation of Capital Redemption Reserve.		
(b) 265,000,000 equity shares issued as fully paid bonus shares by capitalisation of General Reserve		
	60.90	**60.90**
SCHEDULE 'B'		
RESERVES AND SURPLUS		
SECURITIES PREMIUM ACCOUNT	13.50	13.50
GENERAL RESERVE		
As on April 1	53.95	39.61
Add : Transfer from Profit and Loss Account	14.21	14.34
As at the year end	68.16	53.95
FOREIGN CURRENCY TRANSLATION RESERVE (Refer Note 25, Schedule R)	(1.72)	–
HEDGE RESERVE ACCOUNT (Refer Note 14 b, Schedule R)	(6.26)	–
PROFIT AND LOSS ACCOUNT	233.10	151.88
	306.78	**219.33**
SCHEDULE 'C'		
SECURED LOANS		
From Banks :		
Term Loans	–	50.00
(Secured by hypothecation of Building)		
Working capital finance	31.41	11.40
(Secured by hypothecation of stocks in trade and debtors)		
External Commercial Borrowings	76.10	59.83
(Secured by hypothecation of Plant and Machinery)		
(Amount repayable within one year Rs 6.34 Crore (Rs Nil))		
	107.51	**121.23**

SCHEDULES TO BALANCE SHEET

	As at March 31, 2009 Rs. Crore	2008 Rs. Crore
SCHEDULE 'D'		
UNSECURED LOANS		
From Banks:		
Short term	97.47	164.97
Other term loans	50.00	–
Inter Corporate Deposits (Short term)	5.00	–
Commercial Paper:		
Face Value	50.00	20.00
Less : Deferred Interest	1.45	0.61
	48.55	19.39
(Maximum amount outstanding during the year Rs.63.28 Crore (Rs.19.66 Crore)) (The Commercial paper of Rs. 35.00 Crore would be redeemed on 29 July 2009 and Rs.15.00 Crore would be redeemed on 24 August 2009)		
	201.02	**184.36**

SCHEDULE 'E'

FIXED ASSETS

Amount in Rs. Crore

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
	As at March 31, 2008	Additions	Deductions/ Adjustments	As at March 31, 2009	As at March 31, 2008	For the year	Deductions/ Adjustments	As at March 31, 2009	Provision for impairment as at March 31 2009 (See note 2 & 3 below)	As at March 31, 2009	As at March 31, 2008
Tangible Assets											
Freehold land	0.92	–	–	0.92	–	–	–	–	–	0.92	0.92
Leasehold land	1.83	12.25	–	14.08	0.16	0.22	–	0.38	–	13.70	1.67
Buildings (Note 1)	40.65	1.11	–	41.76	12.32	1.22	–	13.54	–	28.22	28.33
Plant and machinery (Note 1)	143.53	19.36	2.01	160.88	97.14	11.85	1.70	107.29	5.29	48.30	40.24
Furniture and fittings	5.30	0.23	0.05	5.48	2.07	0.31	0.03	2.35	–	3.13	3.23
Vehicles	0.77	0.20	0.16	0.81	0.44	0.07	0.08	0.43	–	0.38	0.33
Intangible assets											
- Trademarks and copyrights (Note 4)	24.14	1.06	–	25.20	3.01	2.42	–	5.43	–	19.77	21.13
- Computer software	11.75	1.29	0.01	13.03	10.61	0.94	0.01	11.54	–	1.49	1.14
TOTAL	**228.89**	**35.50**	**2.23**	**262.16**	**125.75**	**17.03**	**1.82**	**140.96**	**5.29**	**115.91**	**96.99**
	213.87	22.24	7.22	228.89	110.45	18.74	3.44	125.75	6.15		
Capital work-in-progress (at cost) including advances on capital account										45.60	49.09
Assets held for disposal										0.01	0.01
										161.52	146.09

Notes :

1. Gross block includes:
   - Buildings Rs.0.93 Crore (Rs.0.93 Crore) where conveyance has been executed, pending registration
   - Plant and Machinery of Rs.1.92 Crore (Rs.1.92 Crore) and Rs. Rs.3.95 Crore (Rs. 3.95 Crore) being assets given on operating lease and finance lease (prior to April 1, 2001) respectively.
2. "Depreciation, amortisation and provision for impairment" includes impairment for the year Rs. Nil (Rs.0.19 Crore) and deletions/adjustments of Rs.Nil (Rs.2.38 Crore) upon discarding of the related assets.
3. Provision for Impairment as at March 31, 2009 is net of reversals of provisions no longer required Rs. 0.86 crore (Rs. Nil)
4. Trademarks of Rs. 25.20 Crore (Rs.24.14 Crore) are pending registration.

SCHEDULES TO BALANCE SHEET

	As at March 31, 2009 Rs. Crore	2008 Rs. Crore
SCHEDULE 'F'		
INVESTMENTS (Non Trade)		
LONG TERM - UNQUOTED, AT COST		
Government Securities :		
National Savings Certificates (Deposited with Government authorities)	0.01	0.01
	0.01	**0.01**
Subsidiary Companies :		
Marico Bangladesh Limited	0.86	0.86
28,350,000 (1,000,000) equity shares of Taka 10 each fully paid (of the above 27,350,000 (Nil) equity shares were issued by Marico Bangladesh Limited, as fully paid bonus shares)		
Kaya Limited (erstwhile Kaya Skin Care Ltd)	73.00	73.00
14,500,000 (14,500,000) equity shares of Rs. 10 each fully paid		
Sundari LLC		
100,000 (100,000) units of USD 18.25 each fully paid		
Cost of Investments	6.05	6.05
Less : Provision for diminution in value of Investments (Refer Note 24, Schedule R)	6.04	–
	0.01	6.05
Marico Middle East FZE	1.23	1.23
1 (1) equity share of UAE dirham 1,000,000 fully paid		
Marico South Africa Consumer Care (PTY) Limited	25.37	25.37
800 (800) equity shares of SA Rand 1.00 fully paid		
	100.47	**106.51**
CURRENT INVESTMENTS - UNQUOTED, LOWER OF COST AND FAIR VALUE		
Fidelity Ultra Short Term Debt Fund Institutional - Daily Dividend	2.00	–
2,001,098 (Nil) Units of Rs. 10 each fully paid		
Templeton India Ultra Short Bond Fund Super Institutional Plan - Dividend	5.08	–
5,073,892 (Nil) Units of Rs. 10 each fully paid		
Fortis Money Plus Institutional Plan Daily Dividend	5.02	–
5,019,130 (Nil) Units of Rs. 10 each fully paid		
	12.10	–
	112.58	**106.52**

Units of Mutual Funds purchased and sold during the year	No. of Units	
Name of the Scheme	**Purchased**	**Sold**
Fidelity Cash Fund (Institutional) - Daily Dividend	1,999,869	1,999,869
Fidelity Ultra Short Term Debt Fund Institutional - Daily Dividend	9,018,476	7,017,378
Kotak Liquid (Institutional Premium) - Daily Dividend	4,089,628	4,089,628
Kotak Flexi Debt Scheme Institutional - Daily Dividend	4,988,533	4,988,533
Kotak Floater Long Term - Daily Dividend	19,389,800	19,389,800
DWS Insta Cash Plus Fund - Institutional Plan Daily Dividend	4,995,533	4,995,533
DWS Ultra Short Term Fund - Institutional Daily Dividend	7,050,033	7,050,033

SCHEDULES TO BALANCE SHEET

SCHEDULE 'F' *(Contd.)*

INVESTMENTS (Non Trade)

Units of Mutual Funds purchased and sold during the year	No. of Units	
Name of the Scheme	Purchased	Sold
Templeton India Treasury Management Account - Super Institutional Plan - Daily Dividend Reinvestment	49,976	49,976
Templeton India Ultra Short Bond Fund Super Institutional Plan - Dividend	5,073,892	–
Fortis Money Plus Institutional Plan Daily Dividend	5,019,130	–
TATA Floater Fund - Daily Dividend	4,988,472	4,988,472
HDFC Cash Management Fund - Savings Plus Plan - Wholesale - Daily Dividend	4,997,083	4,997,083
RLF Treasury Plan - Institutional Option - Growth option	1,962,766	1,962,766
Reliance Liquid Plus Fund - Institutional Option - Daily Dividend Plan	50,028	50,028
Reliance Medium Term Fund - Daily Dividend plan	8,501,436	8,501,436

	As at March 31,	
	2009	2008
	Rs. Crore	Rs. Crore
SCHEDULE 'G'		
INVENTORIES (Refer Note 2 h, Schedule R, for basis of valuation)		
Raw materials	87.66	67.54
Packing materials	34.76	28.57
Work-in-process	50.70	36.50
Finished products	94.37	80.28
Stores, spares and consumables	4.83	3.83
By-products	1.37	1.87
	273.69	**218.59**
SCHEDULE 'H'		
SUNDRY DEBTORS		
Unsecured		
Over six months - considered doubtful	3.07	2.30
Less: Provision for doubtful debts	3.07	2.30
	–	–
Other Debts - considered good	61.05	41.68
- considered doubtful	–	0.06
	61.05	41.74
Less: Provision for doubtful debts	–	0.06
	61.05	41.68
	61.05	**41.68**

SCHEDULES TO BALANCE SHEET

	As at March 31, 2009 Rs. Crore	2008 Rs. Crore
SCHEDULE 'I'		
CASH AND BANK BALANCES		
Cash on hand	0.09	0.31
Remittances in transit	0.49	1.89
Balances with scheduled banks:		
Fixed deposits (deposited with sales tax authorities Rs.0.11 Crore (Rs.0.11 Crore))	10.10	20.69
Margin accounts (against bank guarantees)	1.49	1.49
Current accounts *	12.61	5.84
Balances with non - scheduled banks:		
Current accounts (Refer Note 9, Schedule R)	0.18	0.20
	24.96	**30.42**

* Includes balances in Unclaimed dividend account and Unclaimed Preference Share Capital Rs.0.25 Crore (Rs.0.23 Crore)

	As at March 31, 2009 Rs. Crore	2008 Rs. Crore
SCHEDULE 'J'		
LOANS AND ADVANCES		
(Unsecured-considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	29.74	40.96
Loans and Advances to subsidiaries (Refer Note 24, Schedule R)	105.90	108.24
Deposits	12.72	13.01
Balances with central excise authorities	1.23	0.27
Interest accrued on loans/deposits	0.41	0.33
Interest accrued on loans/advances to subsidiaries (Refer Note 24, Schedule R)	0.59	4.46
Income tax payments, net of provisions	5.78	–
Fringe benefit tax payments, net of provisions	0.46	0.56
MAT credit entitlement	49.40	25.94
	206.23	**193.77**

SCHEDULES TO BALANCE SHEET

	As at March 31, 2009 Rs. Crore	2008 Rs. Crore
SCHEDULE 'K'		
CURRENT LIABILITIES		
Sundry creditors		
- Due to Micro and Small Enterprises (Refer Note 22, Schedule R)	–	–
- Others	177.28	186.68
Due to subsidiaries	1.35	1.04
Other liabilities	14.04	11.17
Book overdraft	1.28	0.49
Security deposits	1.16	1.13
Interest accrued but not due on loans	1.00	3.41
Unclaimed dividend	0.22	0.20
Unclaimed Redeemed 8% Preference Share Capital	0.03	0.03
	196.36	**204.15**
SCHEDULE 'L'		
PROVISIONS		
Income tax (net of tax payments)	–	0.58
Leave encashment	5.04	6.20
Gratuity	0.54	0.12
Diminution in value of Investments / Advances to subsidiary	–	9.37
(Refer Note 13, Schedule R)		
Interim dividend	21.62	22.53
Tax on interim dividend	3.67	3.83
	30.87	**42.63**

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the year ended March 31, 2009 Rs. Crore	2008 Rs. Crore
SCHEDULE 'M'		
OTHER INCOME		
Income from current investments :		
Profit on sale of units of mutual funds	0.01	0.13
Dividend on Investment in liquid mutual funds	0.28	–
Income from long term investments :		
Dividend from subsidiaries	2.29	1.49
Interest income on loans, deposits, etc.	4.73	4.46
(Tax deducted at source Rs.0.10 Crore (Rs.0.02 Crore))		
Miscellaneous income (Refer Note 6, Schedule R)	7.22	8.45
	14.53	**14.53**
SCHEDULE 'N'		
COST OF MATERIALS		
Raw materials consumed	953.24	755.80
Packing materials consumed	168.97	141.26
Stores and spares consumed	12.54	10.07
Purchase for resale	50.07	11.00
(Increase)/Decrease in stocks		
Opening stocks		
- Work-in-process	36.50	24.93
- By-products	1.87	0.55
- Finished products	80.28	67.93
Less :		
Closing stocks		
- Work-in-process	50.70	36.50
- By-products	1.37	1.87
- Finished products	94.37	80.28
	(27.79)	**(25.24)**
	1,157.03	**892.89**

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the year ended March 31, 2009 Rs. Crore	2008 Rs. Crore
SCHEDULE 'O'		
MANUFACTURING AND OTHER EXPENSES		
Employees' costs:		
Salaries, wages and bonus	73.22	66.36
Contribution to provident fund and other funds	5.31	5.74
Welfare expenses	5.65	5.08
	84.18	77.18
Power, fuel and water	5.53	5.38
Contract manufacturing charges	65.89	57.01
Rent and storage charges	13.43	10.40
Repairs:		
Buildings	1.88	1.75
Machinery	5.03	4.06
Others	1.12	0.69
Freight, forwarding and distribution expenses	79.79	68.54
Advertisement and sales promotion	169.56	180.47
Rates and taxes	0.67	0.84
Sales tax and cess	14.40	14.75
Commission to selling agents	4.32	2.25
Bad debts	0.60	–
Provision for doubtful debts and advances	0.71	0.28
Printing, stationery and communication expenses	5.25	5.72
Travelling, conveyance and vehicle expenses	15.90	13.91
Royalty	0.44	0.46
Insurance	1.52	1.10
Auditors' remuneration:		
Audit fees	0.39	0.27
Tax Audit fees	0.08	0.08
Other services	0.24	0.04
Out of pocket expenses	0.03	–
Exchange losses – (Net)	9.44	5.68
Miscellaneous expenses	29.74	28.86
(Refer Note 7, Schedule R)		
	510.14	**479.72**
SCHEDULE 'P'		
FINANCE CHARGES		
Interest on :		
Fixed period loans	16.84	9.25
Other loans	9.20	7.05
Bank and other financial charges	2.88	3.45
	28.92	**19.75**

SCHEDULES TO PROFIT AND LOSS ACCOUNT ADDITIONAL INFORMATION

SCHEDULE 'Q'

A) Details of Production, Turnover, Opening Stock and Closing Stock

Amount in Crores

Sr No.	Particulars UNIT	Period Ended	Installed Capacity (Note I)	Opening Stock Quantity	Opening Stock Amount	Production Quantity	Purchases Quantity	Purchases Amount	Turnover Quantity	Turnover Amount	Closing Stock Quantity	Closing Stock Amount
1	**Edible Oils (Note IV) (M.T.)**	**31.03.2009**	**170000**	**8,093.04**	**56.52**	**114,709.36**	–	–	**120,156.93**	**1,438.71**	**9,320.97**	**68.34**
		31.03.2008	170000	7,365.74	51.51	107,908.35	185.98	1.20	116,643.90	1,171.75	8,093.04	56.52
2	**Hair Oils (Note II) (K.L.)**	**31.03.2009**	**24000**	**2,150.32**	**16.30**	**15,033.54**	–	–	**17,053.19**	**344.89**	**2,060.98**	**19.72**
		31.03.2008	24000	1,328.45	11.74	13,443.71	–	–	13,931.23	273.45	2,150.33	16.30
3	**Oil Seeds (M.T.)**	**31.03.2009**		–	–	–	**8,674.43**	**38.95**	**8,674.43**	**45.48**	–	–
		31.03.2008		–	–	–	–	–		–	–	–
4	**Others (Note III) (Incl processed foods and by products)**	**31.03.2009**			**9.33**			**11.12**		**88.09**		**7.68**
		31.03.2008			5.23			9.80		119.53		9.33
5	**Service Income**											
	– commission	31.03.2009								**0.29**		
		31.03.2008								4.06		
	TOTAL	**31.03.2009**			**82.15**			**50.07**		**1917.46**		**95.74**
		31.03.2008			68.48			11.00		1,568.79		82.15

I) a) The auditors have relied on the installed capacities as certified by the management on a three shift basis, being technical in nature.

b) No licenses are required for products manufactured by the company as per Government of India Notification No. S.O.477(E) . dated 25th July,1991.

II) Produced by others – KL 1930.31 (1309.40 KL)

III) The Company deals in processed foods which are not packed in homogenous units, hence it is not practicable to furnish quantitative data.

IV) The production of Edible Oils excludes processed by others 6675.50 M.T. (9276.87 M.T.)

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the year ended March 31, 2009 Quantity M.T.	2009 Amount Rs. Crore	2008 Quantity M.T.	2008 Amount Rs. Crore
SCHEDULE 'Q'				
B) RAW MATERIALS CONSUMED				
Oil seeds	121,869	478.21	146,274	410.39
Raw oils	53,021	318.63	42,200	228.53
Others	–	156.40	–	116.88
		953.24		**755.80**
	%	**Amount Rs. Crore**	**%**	**Amount Rs. Crore**
C) VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED				
Raw materials :				
Imported	6.53	62.24	2.13	16.07
Indigenous	93.47	891.00	97.87	739.73
	100	**953.24**	**100**	**755.80**
Stores, spares and chemicals :				
Imported	–	–		–
Indigenous	100	12.54	100	10.07
	100	**12.54**	**100**	**10.07**
D) VALUE OF IMPORTS ON C.I.F. BASIS				
Raw material		87.16		0.41
Packing material		11.28		9.73
Capital goods		2.48		1.71
Finished goods for resale		1.45		1.04
		102.37		**12.89**
E) EXPENDITURE IN FOREIGN CURRENCY				
Travelling and other expenses		0.14		0.29
Advertisement and sales promotion		0.52		0.40
Interest on other loans		3.57		1.74
Commission to Selling Agents		0.10		0.41
Miscellaneous expenses		0.94		21.02
		5.27		**23.86**
F) EARNINGS IN FOREIGN EXCHANGE				
F.O.B. Value of exports		125.14		71.23
Royalty		4.39		7.20
Dividend		2.06		1.49
Interest		2.21		1.52
		133.80		**81.44**

NOTES TO THE ACCOUNTS

SCHEDULE 'R'

NOTES TO ACCOUNT:

1) The Company and nature of its operations:

Marico Limited ('Marico' or 'the Company'), headquartered in Mumbai, Maharashtra, India, carries on business in Consumer Products. Marico manufactures and markets products under brands such as Parachute, Nihar, Saffola, Sweekar, Hair & Care, Revive, Shanti, Oil of Malabar, Mediker and Manjal. Marico's products reach its consumers through retail outlets serviced by Marico's distribution network comprising regional offices, carrying & forwarding agents, consignment agent, redistribution centers and distributors spread all over India.

2) Summary of significant accounting policies:

(a) Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values and are in conformity with mandatory accounting standards, as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

(b) Use of estimates

The preparation of the financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

(c) Fixed assets, intangible assets and capital work-in-progress

Fixed assets and intangible assets are stated at cost of acquisition, less accumulated depreciation and impairments, if any. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Borrowing costs attributable to acquisition, construction of qualifying asset (i.e. assets requiring substantive period of time to get ready for intended use) are capitalized in accordance with the requirements of Accounting Standard 16 (AS 16), "Borrowing Costs" mandated by Rule 3 of the Companies (Accounting Standards) Rules 2006. Other pre-operative expenses for major projects are also capitalised, where appropriate.

Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and cost of fixed assets that are not yet ready for their intended use at the year end.

(d) Depreciation and amortisation

I. Tangible assets

(i) Depreciation is provided at higher of the rates based on useful lives of the assets as estimated by the management or those stipulated in Schedule XIV to the Companies Act, 1956. The depreciation rates considered for the following items of plant and machinery are higher than the rates stipulated in Schedule XIV to the Companies Act, 1956:

a) Computer hardware and related peripherals - 33 1/3%

b) Moulds - 16.21%

(ii) Depreciation on factory building and plant and machinery (other than items specified in (i) above, which are depreciated on straight line basis at rates higher than those statutorily prescribed) is provided on written down value basis. Depreciation on all other assets is provided on straight line basis.

NOTES TO THE ACCOUNTS

(iii) Extra shift depreciation is provided on "Plant" basis.

(iv) Assets given on finance lease prior to April 1 2001 were depreciated over the primary period of the lease.

(v) Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.

(vi) Leasehold land is amortised over the primary period of the lease.

(vii) Fixtures in leasehold premises are amortised over the primary period of the lease.

(viii) 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.

II. Intangible assets

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, but not exceeding the period given here under:

Trademarks, copyrights and business & commercial rights	10 years
Computer software	3 years

(e) Assets taken on lease

(i) In respect of finance lease arrangements, the assets are capitalized and depreciated. Finance charges are charged off to the Profit and Loss account of the year in which they are incurred.

(ii) Operating lease payments are recognized as expenditure in the Profit and Loss account on straight line basis, representative of the time pattern of benefits received from the use of the assets taken on lease.

(f) Asset given on lease

The Company has given Plant and Machinery on an operating lease basis. Lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

(g) Investments

(i) Long term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognise a decline, other than temporary.

(ii) Current investments are valued at lower of cost and fair value, computed individually for each investment. In case of investments in mutual funds which are unquoted, net asset value is taken as fair value.

(h) Inventories

(i) Raw material, packing material, stores, spares and consumables are valued at cost.

(ii) Work-in-process and finished products are valued at lower of cost and net realisable value.

(iii) By-products and unserviceable / damaged finished products are valued at net realisable value.

(iv) Cost is ascertained on weighted average method and in case of work-in-process includes appropriate production overheads and in case of finished products includes appropriate production overheads and excise duty, wherever applicable.

(i) Research and Development

Capital expenditure on research and development is capitalised and depreciated as per the accounting policy mentioned in para 2(d) above. Revenue expenditure is charged off in the year in which it is incurred.

NOTES TO THE ACCOUNTS

(j) Revenue recognition

(i) Domestic sales are recognised at the point of dispatch of goods to the customers and stated net off trade discount and exclusive of sales tax but inclusive of excise duty.

(ii) Export sales are recognised based on date of bill of lading.

(iii) Revenue from services is recognized on rendering of the service.

(iv) Agency commission is recognised upon effecting sales on behalf of the principal.

(v) Interest and other income are recognised on accrual basis.

(k) Retirement benefits to employees

- 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 managed by HDFC Standard Life Insurance Limited. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Profit and Loss account in the period in which they arise.

- Superannuation

The Company makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by ICICI Prudential Life Insurance Company Limited, based on a specified percentage of eligible employees' salary.

- 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.

- Provident fund

Provident fund contributions are made to a trust administered by the Company, and are charged to the Profit and Loss account. The Company has an obligation to make good the shortfall if any, between return on investment by the trust and government administered interest rate.

(l) Foreign currency transactions

- Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Profit and Loss account, except those relating to fixed assets acquired from outside India till March 31, 2007, which were adjusted in the carrying cost of such fixed assets.
- Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates and the resultant exchange differences except those qualifying for hedge accounting are recognised in the Profit and Loss account.
- In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognized as income or expense and is amortized over the life of the contract. Exchange differences on such contracts are recognized in the Profit and Loss account in the year in which they arise.

NOTES TO THE ACCOUNTS

- 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 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 account'. The ineffective portion of the same is recognized immediately in the Profit and Loss account.
- Exchange differences taken to Hedge Reserve account are recognised in the Profit and Loss account 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.
- Non-monetary foreign currency items are carried at cost / fair value 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.
- Exchange differences arising on monetary items that in substance form part of Company's net investment in a non-integral foreign operation are accumulated in a 'Foreign Currency Translation Reserve' until the disposal of the net investment. The same is recognized in the Profit and Loss account upon disposal of the net investment.

(m) Accounting for taxes on income

(i) Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. 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 asset by crediting the Profit and Loss Account 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 seven succeeding assessment years.

(ii) Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

(n) Impairment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

(o) Employee Stock Option Plan

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, the intrinsic value of the options (excess of market value of shares over the exercise price of the option) is recognised as employee compensation cost over the vesting period.

(p) 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. A Provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year end date. Contingent Assets are not recognized or disclosed in the financial statements.

(q) Share Issue Expenses

Expenses incurred on issue of shares are adjusted against securities premium.

NOTES TO THE ACCOUNTS

3) a) Contingent liabilities not provided for in respect of:

(i) Disputed tax demands / claims:

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Sales tax	4.88	3.52
Income tax	–	3.71
Customs duty	2.86	3.48
Agricultural Produce Marketing Committee cess	7.81	7.18
Employees State Insurance Corporation	0.18	0.04

(ii) Claims against the Company not acknowledged as debts. Rs. 0.21 Crore (Rs. 0.31 Crore)

b) (i) Counter guarantees given to banks on behalf of subsidiaries Rs.46.05 Crore (Rs. 32.86 Crore)

(ii) Stand by Letter of Credit given to banks on behalf of subsidiaries Rs. 80.15 Crore (Rs. 65.01 Crore)

c) Amount outstanding towards Letters of Credit Rs.18.07 Crore (Rs. Nil)

4) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.10.38 Crore (Rs. 2.80 Crore) net of advances.

5) Borrowing costs capitalised during the year amount to Rs.3.55 Crore (Rs.Nil).

6) Miscellaneous income includes lease income Rs.0.41 Crore (Rs. 0.41 Crore), insurance claims Rs.0.07 Crore (Rs. 0.07 Crore), profit on sale / disposal of assets (net) Rs.Nil (Rs.0.40 Crore), royalty from subsidiaries Rs.4.39 Crore (Rs. 7.20 Crore).

7) Miscellaneous expenses include labour charges Rs.1.91 Crore (Rs.1.83 Crore), training & seminar expenses Rs.2.42 Crore (Rs.2.63 Crore), outside services Rs.2.37 Crore (Rs.3.60 Crore), professional charges Rs.9.61 Crore (Rs. 9.92 Crore), donations Rs.1.19 Crore (Rs. 0.68 Crore), loss on sale / disposal of assets (net) Rs.0.14 Crore (Rs. Nil) and are net of excess provisions no longer required written back Rs.5.14 Crore (Rs. 1.42 Crore) [including Impairment provision of Rs. 0.86 Crore (Rs. Nil)].

8) Research and Development expenses aggregating Rs.5.73 Crore (Rs. 5.24 Crore) have been included under the relevant heads in the Profit and Loss account.

9) Details of balances with non-scheduled banks are as under: (Rs. Crore)

Bank Name	Balance as on March 31, 2009	Balance as on March 31, 2008	Maximum balance during the year ended March 31, 2009	Maximum balance during the year ended March 31, 2008
Karur Vysya Bank	–	0.01	0.33	14.90
Janata Sahakari Bank	0.01	0.05	0.10	0.05
Lakshmi Vilas Bank	–	0.01	0.23	1.69
Standard Chartered Bank – Dubai	0.17	0.13	0.18	3.15

10) Additional information on assets taken on lease:

The Company's significant leasing arrangements are in respect of residential flats, office premises, warehouses, vehicles etc taken on lease. The arrangements range between 11 months to 3 years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements, generally refundable interest-free deposits have been given.

NOTES TO THE ACCOUNTS

In respect of assets taken on non cancelable operating lease after March 31, 2001:

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Lease rental payments for the year	0.99	0.87
Lease obligations		
Future minimum lease rental payments		
- not later than one year	0.86	0.83
- later than one year but not later than five years	0.61	0.92
Total	**1.47**	**1.75**

11) Additional information on assets given on lease:

Fixed Asset given on operating lease as at March 31, 2009 and 2008

	Cost Rs. Crore	Accumulated Depreciation Rs. Crore	Net Book Value Rs. Crore
Plant and Machinery	1.92	1.88	0.04
	(1.92)	(1.87)	(0.05)

The aggregate depreciation charged on the above during the year ended March 31,2009 amounted to Rs. 0.01 Crore (Rs. 0.02 Crore).

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Lease rental income for the year	0.41	0.41
Lease rentals		
Future minimum lease rentals		
- not later than one year	0.41	0.41
- later than one year but not later than five years	0.28	0.41
Total	**0.69**	**0.82**

12) a) Break-up of deferred tax asset:

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Deferred Tax Asset:		
Provision for doubtful debts / advances that are deducted for tax purposes when written off	1.09	0.80
On Intangible assets adjusted against Capital Redemption Reserve and Securities Premium Account under the Capital Restructuring scheme implemented in an earlier year	65.78	94.44
Liabilities that are deducted for tax purposes when paid	2.70	3.03
Total Deferred tax asset	69.57	98.27
Deferred Tax Liability:		
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates	6.16	2.74
Total Deferred tax liability	6.16	2.74
Deferred Tax Asset (net)	**63.41**	**95.53**

b) MAT credit includes Rs. 7.78 Crore (Rs. Nil) on acccount of prior year adjustments

13) The Exceptional items stated in the Profit and Loss account are as under:

- Profit on Slump Sale of Sil business, including manufacturing unit at Saswad Rs.Nil (Rs.10.61 Crore)
- Provision for diminution in the value of investment/ advances in Sundari LLC, Rs. Nil (R. 9.37 Crore) (Refer Note 24 below).

NOTES TO THE ACCOUNTS

- Advances to subsidiary written off Rs. 47.86 Crore (Rs. Nil) (Net off. Rs. 3.33 Crore withdrawn from provisions made in earlier year (Refer note 24, below)

14) Derivative transactions:

(a) The total derivative instruments outstanding as on March 31, 2009 are Plain Forwards, Plain Vanilla Option contracts and Interest rate swap:

	March 31, 2009		March 31, 2008	
	Amount in Foreign currency	Amount in Rs. Crore	Amount in Foreign currency	Amount in Rs. Crore
Forward contracts outstanding				
- in USD *	30,159,544	153.00	13,925,000	55.54
- in AUD *	400,000	1.40	–	–
Option Contract outstanding				
- in USD	4,600,000	23.34	–	–

* Out of the above, USD 12,827,524 and AUD 400,000, having fair value of Rs. 66.93 Crore as at the year end have been designated as Cash Flow hedges.

The Company has entered into Interest rate swap of USD 5,000,000, for hedging its interest rate exposure on borrowings in foreign currency.

The Cash flow are expected to occur and impact the Profit and Loss account within the period of 1 year.

All the derivative contracts entered by the Company were for hedging purpose and not for any speculative purpose.

The Net foreign currency exposures not hedged as at the year end are as under:

	March 31, 2009			March 31, 2008		
	Foreign Currency		Rs. Crore	Foreign Currency		Rs. Crore
	Curr.	Amount	Amount	Curr.	Amount	Amount
a. Amount receivable in foreign currency on account of following :						
- Export of goods	AED	4988	0.01	–	–	–
b. Amount (payable)/ receivable in foreign currency on account of following :						
(i) Import of goods and services	AED	50,153	0.07	AED	62,059	0.07
	AUD	4,909	0.02	AUD	57,520	0.21
	EUR	49,551	0.33	EUR	178,579	1.13
	GBP	(359)	(0.01)	GBP	807	0.01
	USD	(812,245)	(3.89)	USD	(42,517)	(0.17)
				MYR	1,500	0.01
				SGD	(450)	(0.01)
				BHD	1,200	0.01
(ii) Capital imports	USD	1,395	0.01	–	–	–
	GBP	800	0.01	–	–	–
(iii) Loan payables	USD	* (554,973)	(2.82)	USD	(15,000,000)	(59.83)
c. Bank Balances	AED	105	0.01	AED	105	0.01
	USD	62,239	0.32	USD	5,141	0.02
d. Other receivables	AUD	4,050	0.01	–	–	–
	BHD	1,200	0.01	–	–	–
	GBP	500	0.01	–	–	–
	SGD	1,000	0.01	–	–	–
	USD	11,233	0.06	–	–	–
	ZAR	4,918	0.01	–	–	–
e. Other Advances to Subsidiaries	AED	2,662,215	3.67	AED	2,604,132	2.82
	BDT	44,303,431	3.25	BDT	62,127,829	3.61
	EGP	3,350,148	3.02	EGP	6,150,516	4.50
	USD	2,188,088	11.10	USD	8,202,472	32.72
	ZAR	60,641,286	32.37	–	–	–
			47.58			**(14.89)**

*excludes Loans payable of Rs. 76.10 Crore (USD 15,000,000) assigned to hedging relationship against highly probable forecast sales. The Cash flow are expected to occur and impact the Profit and Loss account within the period of 1 to 5 years.

NOTES TO THE ACCOUNTS

(b) Pursuant to the Announcement of the Institute of Chartered Accountants of India's (ICAI) "Accounting for Derivatives" on encouraging the early adoption of Accounting Standard 30 (AS 30), "Financial Instruments: Recognition and Measurement", the Company has decided on early adoption of AS 30 to the extent it does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company Law and other regulatory requirements. In respect of derivative instruments and foreign currency loans which qualify for hedge accounting, the net unrealized loss aggregating Rs.6.26 Crore has been recognized in 'Hedge Reserve Account', which would be recognized in the Profit and Loss account when the underlying transaction or forecast revenue arises, as against the earlier practice of recognizing the same in the Profit and Loss account.

Had the Company adopted the earlier practice, exchange loss charged to the Profit and Loss account would have been higher and the Profit before tax for the year would have been lower by Rs.6.26 Crore.

15) Earnings per share:

	March 31, 2009	March 31, 2008
Profit after taxation/ Profit available to equity share holders (Rs. Crore)	142.10	143.41
Equity shares outstanding as at the year end	609,000,000	609,000,000
Weighted average number of equity shares used as denominator for calculating basic earnings per share	609,000,000	609,000,000
Weighted average number of equity shares used as denominator for calculating diluted earnings per share	609,005,757	609,213,468
Nominal value per equity share	Re. 1	Re. 1
Basic and diluted earnings per equity share*	Rs.2.33	Rs. 2.35

*Diluted EPS has been calculated after taking into account options granted to certain eligible employees as referred in note 17 below.

16) Segment Information:

The Company has only one reportable segment in terms of Accounting Standard 17 (AS 17) 'Segment Reporting' mandated by Rule 3 of the Companies (Accounting Standard) Rules 2006, which is manufacturing and sale of consumer products.

17) Employee Stock Option Scheme 2007:

The Corporate Governance Committee of the Board of Directors of Marico Limited has granted Stock Options to certain eligible employees pursuant to the Marico 'Employees Stock Options Scheme 2007'. Each option represents 1 equity share in the Company. The vesting period and the exercise period both range from 1 year to 5 years. The options outstanding as on the Balance Sheet date correspond to about 1.37% (1.48%) of the current paid up equity capital of the Company.

Number of options granted, excercised, and forfeited	March 31, 2009	March 31, 2008
Options outstanding at beginning of the year	8,996,000	–
Granted	1,048,200	8,996,000
Less : Exercised	–	–
Forfeited / Lapsed	1,704,600	–
Options outstanding at the end of the year	8,339,600	8,996,000

The Company has applied the intrinsic value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted Rs.0.07 Crore (Rs.0.01 Crore) under the 'intrinsic value' method. Had the Company considered 'fair value' method for accounting of compensation cost, the Company's net income and Basic and Diluted earnings per share as reported would have reduced to the pro-forma amounts as indicated:

NOTES TO THE ACCOUNTS

Particulars	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Net Profit as reported	142.10	143.41
Less : Stock-based employee compensation expense	4.78	6.24
Adjusted pro-forma	137.32	137.17
Basis earnings per share as reported	Rs. 2.33	Rs. 2.35
Pro forma basic earnings per share	Rs. 2.26	Rs. 2.25
Diluted earnings per share as reported	Rs. 2.33	Rs. 2.35
Pro forma diluted earnings per share as reported	Rs. 2.26	Rs. 2.25

18) Related Party disclosures:

a) Subsidiary: Marico Bangladesh Limited (100% holding by Marico Limited)

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions		
Transactions during the year		
1) Sales	70.07	32.18
2) Royalty income	1.93	1.16
3) Dividend income	2.29	1.49
4) Guarantee commission	0.07	0.22
5) Sale of assets	0.09	–
Balances		
1) Debtors	0.73	1.81
2) Investments	0.86	0.86
3) Loans and advances	3.45	3.71
Maximum balance	5.88	3.85
4) Corporate guarantees given to a bank	38.05	29.91

b) Subsidiary: Marico Middle East FZE (100% holding by Marico Limited)

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions		
Transactions during the year		
1) Sales	49.66	33.73
2) Royalty income	2.46	1.58
3) Guarantee commission	0.04	1.11
4) Interest income	1.46	0.51
5) Stand by Letter of Credit charges	0.59	–
6) Loans and advances repaid	14.81	13.89
7) Loans and advances given	23.17	–
Balances		
1) Debtors	13.54	6.77
2) Investments	1.23	1.23
3) Loans and advances	14.00	1.56
Maximum balance	41.09	24.76
4) Interest accrued on loans	0.21	–
Maximum balance	1.11	4.23
5) Other receivables	3.35	–
6) Stand by Letter of Credit	50.73	53.84

NOTES TO THE ACCOUNTS

c) Subsidiary: Kaya Limited (erstwhile Kaya Skin Care Ltd) (100% holding by Marico Limited)

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions		
Transactions during the year		
1) Expenses incurred by subsidiary	–	0.01
2) Payments made on behalf of subsidiary	6.36	5.27
3 Loans and advances repaid	0.75	0.60
4) Loans and advances given	13.20	25.05
5) Corporate Guarantee given	5.05	–
Balances		
1) Investments	73.00	73.00
2) Loans and advances	54.71	35.90
Maximum balance	54.71	35.90
3) Corporate guarantees given to a bank	8.00	2.95

d) Subsidiary: Kaya Middle East FZE. (100% subsidiary of Marico Middle East FZE)

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions		
Transactions during the year		
1) Loans and advances given	–	0.53
2) Loans and advances repaid	0.03	0.11
3) Payments made on behalf of Subsidiary	0.01	0.37
Balances		
1) Loans and advances	1.08	0.91
Maximum balance	1.26	1.07

e) Subsidiary: Sundari LLC. (100% holding by Marico Limited)

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions		
Transactions during the year		
1) Expenses incurred on behalf of Subsidiary	0.05	0.02
2) Expenses incurred by Subsidiary	0.01	–
3) Interest accrued on loans	–	0.72
4) Investments	–	0.24
5) Loans and advances given	11.97	4.85
6) Trademark purchased from subsidiary	1.06	–
7) Provision for diminution in investments and advances	–	9.37
8) Advances to subsidiary written off *	47.86	–
Balances		
1) Investments *	0.01	6.05
2) Loans and advances *	–	28.13
Maximum balance	45.89	35.96
3) Interest accrued on loans and Advances *	–	3.68
Maximum balance	3.68	4.67
* Refer note 13 above and 24 below		

NOTES TO THE ACCOUNTS

f) Subsidiary : MEL Consumer Care (100% holding by Marico Middle East FZE)

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions		
Transactions during the year		
1) Royalty income	–	0.57
2) Stand by Letter of Credit charges	0.40	–
3) Stand by Letter of Credit given	15.22	11.17
Balances		
1) Loans and advances	0.40	0.43
Maximum balance	0.61	1.12
2) Stand by Letter of Credit	29.42	11.17

g) Subsidiary: Marico Egypt Industries Company (erstwhile Pyramid for Modern Industries) (100% holding by MEL Consumer Care SAE)

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions		
Transactions during the year		
1) Purchases	0.30	0.26
2) Royalty income	–	2.21
Balances		
1) Loans and advances	–	2.23
Maximum balance	3.42	2.28
2) Creditors	0.27	0.26

h) Subsidiary: MBL Industries Limited (100% holding by Marico Middle East FZE)

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions		
Transactions during the year		
1) Sales	1.82	–
2) Corporate Guarantee Commission	0.07	0.15
Balances		
1) Loan and advances	0.26	0.14
Maximum balance	0.30	0.14
2) Debtors	0.15	–

i) Subsidiary: Egyptian American Investment & Industrial Development Company (100 % holding by Marico Middle East FZE)

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions		
Transactions during the year		
1) Royalty income	–	1.67
2) Purchases	1.15	1.08
Balances		
1) Loans and advances	–	1.42
Maximum balance	2.38	1.67
2) Creditors	1.08	0.79

NOTES TO THE ACCOUNTS

j) Subsidiary: Marico South Africa Consumer Care (pty) Ltd (100 % holding by Marico Limited)

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions		
Transactions during the year		
1) Interest income	1.75	0.78
2) Loan given	–	34.58
3) Investments	–	25.37
Balances		
1) Investments	25.37	25.37
2) Loans and advances	32.00	33.80
Maximum balance	33.80	33.80
3) Interest receivable	0.38	0.78
Maximum balance	1.18	0.78

k) Subsidiary: Wind Company (99% holding by MEL Consumer Care SAE)

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions		
Transactions during the year		
1) Sales	0.01	–
2) Sale of Assets	0.07	–
3) Purchases	0.01	–
There are no balances as at the year end		

Key management personnel and their relatives:

l) Whole-time director: Harsh Mariwala, Chairman and Managing Director

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions:		
Remuneration for the year	2.27	1.94

m) Employee: Rajvi Mariwala, daughter of Harsh Mariwala (employee upto 31st January, 2009)

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions:		
Remuneration for the year	0.09	0.12

n) Employee: Rishabh Mariwala, son of Harsh Mariwala

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Nature of transactions:		
Remuneration for the year	0.11	0.08

19) Managerial Remuneration:

	March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
Payments and provisions on account of remuneration to Chairman and Managing Director included in the profit and loss account:		
Salary	1.64	1.42
Contribution to provident and pension funds	0.19	0.17
Other perquisites	–	0.05
Annual performance incentives	0.44	0.30
	2.27	1.94
Remuneration to non-whole time directors (including Sitting fees)	0.15	0.24

NOTES TO THE ACCOUNTS

Notes:

1. The above remuneration to Chairman and Managing Director does not include contribution to Gratuity Fund and provision for Leave encashment, as these are lump sum amounts for all relevant employees based on actuarial valuation.
2. Since no commission is payable during the year, computation of net profits for the year under section 198 of the Companies Act, 1956 has not been given.

20) The Following table sets forth the funded status of the plan and the amounts relating to gratuity and Leave encashment recognized in the Company's Financials as at March 31, 2009:

A. Gratuity benefits :

		March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
I.	**Actuarial assumptions :**		
	Discount rate	6.75%	8%
	Rate of return on plan assets	8.50%	8%
	Future salary rise	10%	17%
	Attrition rate	17%	18%
II.	**Changes in benefit obligations :**		
	Liability at the beginning of the year	9.17	7.79
	Interest cost	0.89	0.67
	Current service cost	2.10	0.98
	Past service cost (non vested benefit)	–	–
	Past service cost (vested benefit)	–	–
	Benefits paid	(0.28)	(0.39)
	Actuarial (gain)/loss on obligations	(2.32)	0.12
	Liability at the end of the year	9.56	9.17
III.	**Fair value of plan assets :**		
	Fair value of plan assets at the beginning of the year	9.05	5.01
	Expected return on plan assets	0.71	0.37
	Contributions	–	3.65
	Benefits paid	(0.28)	(0.39)
	Actuarial gain/(loss) on plan assets	(0.46)	0.41
	Fair value of plan assets at the end of the year	9.02	9.05
	Total Actuarial (gain)/loss to be recognized	(1.86)	(0.29)
IV.	**Actual return on plan assets :**		
	Expected return on plan assets	0.71	0.37
	Actuarial gain/(loss) on plan assets	(0.46)	0.41
	Actual return on plan assets	0.25	0.78
V.	**Liability recognised in the Balance Sheet :**		
	Liability at the end of the year	9.56	9.17
	Fair value of plan assets at the end of the year	9.02	9.05
	Difference	0.54	0.12
	Unrecognised past service cost	–	–
	Liability recognised in the Balance Sheet	0.54	0.12
VI.	**Percentage of each category of plan assets to total fair value of plan assets :**		
	Administered by HDFC Standard Life Insurance	93.97%	93.79%
	Special deposit scheme, Fixed deposit scheme and others	6.03%	6.21%

NOTES TO THE ACCOUNTS

		March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
	VII. Expenses recognised in the Profit and Loss Account :		
	Current service cost	2.10	0.98
	Interest cost	0.89	0.67
	Expected return on plan assets	(0.71)	(0.37)
	Net actuarial (gain)/loss to be recognized	(1.86)	(0.29)
	Past service cost (non vested benefit) recognized	–	–
	Past service cost (vested benefit) recognized	–	–
	Expense recognised in the Profit and Loss account	0.42	0.99
	VIII. Balance Sheet reconciliation :		
	Opening net liability	0.12	2.78
	Expense as above	0.42	0.99
	Employers contribution	–	3.65
	Closing net liability	0.54	0.12
B.	**Leave encashment :**		
	I. Actuarial assumptions :		
	Discount rate	6.75%	8%
	Rate of return on plan assets	0%	0%
	Future salary rise	10%	17%
	Attrition rate	17%	18%
	II. Changes in benefit obligations :		
	Liability at the beginning of the year	6.20	6.81
	Interest cost	0.52	0.55
	Current service cost	1.35	1.01
	Past service cost (non vested benefit)	–	–
	Past service cost (vested benefit)	–	–
	Benefit paid	(1.09)	(0.89)
	Actuarial (gain)/loss on obligations	(1.94)	(1.28)
	Liability at the end of the year	5.04	6.20
	III. Fair Value of plan assets :		
	Fair value of plan assets at the beginning of the year	–	–
	Expected return on plan assets	–	–
	Contributions	1.09	0.89
	Benefit paid	(1.09)	(0.89)
	Actuarial (gain)/loss on plan assets	–	–
	Fair value of plan assets at the end of the year	–	–
	Total actuarial (gain)/loss to be recognized	(1.94)	(1.28)
	IV. Actual Return on plan assets :		
	Expected return on plan assets	–	-
	Actuarial (gain)/loss on plan assets	–	–
	Actual return on plan assets	–	–
	V. Amount recognised in the Balance Sheet :		
	Liability at the end of the year	5.04	6.20
	Fair value of plan assets at the end of the year	–	–
	Difference	5.04	6.20
	Unrecognised past service cost	–	–
	Liability recognised in the balance sheet	5.04	6.20

NOTES TO THE ACCOUNTS

		March 31, 2009 Rs. Crore	March 31, 2008 Rs. Crore
VI.	**Expenses recognised in the Profit and Loss Account :**		
	Current service cost	1.35	1.01
	Interest cost	0.52	0.55
	Expected return on plan assets	–	–
	Net actuarial (gain)/loss to be recognized	(1.94)	(1.28)
	Past service cost (non vested benefit) recognized	–	–
	Past service cost (vested benefit) recognized	–	–
	(Excess provision)/ expense recognised in the Profit and Loss account	(0.07)	0.28
VII.	**Balance Sheet reconciliation :**		
	Opening net liability	6.20	6.81
	Expense as above	(0.07)	0.28
	Employers contribution	(1.09)	(0.89)
	Closing net liability	5.04	6.20

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.

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.

21) The Guidance Note on Implementing Accounting Standard 15 (AS 15), Employee benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer-established provident funds, which require interest shortfalls to be recompensed, are to be considered as defined benefit plans. Pending the issuance of the guidance note from the Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly, the Company has accounted for the same as a defined contribution plan.

22) There are no Micro and Small Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

23) As at March 31, 2009, the Company holds 100 % of the Equity Capital of Kaya Limited (erstwhile Kaya Skin Care Limited) (Kaya) at a cost of Rs.73.00 Crore (Rs.73.00 Crore). The Company has also advanced loans to Kaya of Rs.54.71 Crore (Rs.35.90 Crore). Based on the audited financials of Kaya, there has been erosion in the value of investments in Kaya.

Since the incorporation of Kaya during 2002-03, its business has been in a development and later in an expansion phase. Encouraged by the consumer response to Kaya's pioneering offerings in products and services in the skin care category, it has focused on building the brand "Kaya" through setting up of a large number of Clinics at several locations. In the process, Kaya has incurred significant set up costs including advertisement and sales promotion, leading to losses. There were significant improvements in operations during the year. Kaya will continue with its growth phase with focus on profitability through consumer acquisition.

Based on the fundamentals of Kaya and its future business plans, the management is of the opinion that it is strategically desirable for Marico to continue to support Kaya through funding (including equity / debt infusion), through either fresh funds or conversion of existing loans into equity. Having regard to this, the management perceives the erosion in the value of investment in Kaya as only a temporary diminution in value. Hence, no provision for diminution in value is considered necessary in respect of the Company's investment in Kaya or of the loans and advances given to Kaya.

24) The Company had, in February 2003, acquired the spa products business under the brand "Sundari" through the acquisition of the controlling interest in Sundari LLC ("Sundari"), a company domiciled in the United States. Over the years the Company increased its shareholding and in October 2007 made Sundari a wholly owned subsidiary. The Company had been working upon making improvements in the business model and the business had shown some positive signs of recovery.

NOTES TO THE ACCOUNTS

However, during the year under review, the economic ambience turned for the worse across the globe creating uncertainties, more so in the USA. The Company therefore decided to focus on its prioritized geographies of Asia and Africa and consequently decided to divest its stake in Sundari. It entered into documentation with a US based company that envisaged sale of Marico's interests in Sundari LLC at a consideration which is based on a valuation report from an independent agency and rendering Sundari free of all liabilities (including the amounts advanced by Marico) on or before the date of the actual sale of its interests in Sundari LLC.

Accordingly, Marico initiated necessary steps in March 2009 to comply with applicable FEMA regulations for divestment of its stake in Sundari LLC and write off of Loans and advances (including interest accured thereon). Upon completion of necessary compliances under FEMA regulations on June 8, 2009 the Company divested its stake in Sundari LLC, which ceased to be subsidiary of the Company from the said date.

Consequent to the completion of compliance formalities under FEMA, the Company has during the year written off Loans and advances (including interest accrued thereon) of Rs. 47.86 Crore (net of amount of Rs. 3.33 Crore withdrawn from provision made in earlier year) which is reflected as Exceptional items in the Profit and Loss account. Provision made in the earlier year is retained to the extend of Rs.6.04 Crore towards diminution in the value of investments. (Refer Note 13, above)

Based on legal advice received, the loss on account of write off of the non-recoverable advances and interest accrued thereon has been treated as business loss for the purposes of computation of income tax provision for year ended March 31, 2009.

25) The Company had advanced long tem loan of Rs.33.80 Crore to its wholly owned subsidiary Marico South Africa Consumer Care (pty) Limited which was denominated in Indian rupees. With effect from October 1, 2008, terms of loan had been modified and loan is denominated in South African Rand (ZAR). The operations of the said subsidiary are classified as 'Non – integral foreign operations'. Accordingly, as per the requirements of Accounting Standard 11(AS 11) 'The effect of changes in Foreign Exchange Rates', exchange loss of Rs.1.72 Crore arising on revaluation of the said loan is accumulated in 'Foreign Currency Translation Reserve', to be recognized as income or expenses in the Profit and Loss Account upon disposal of the net investment in said subsidiary.

26) There are no dues payable to the Investor Education and Protection Fund as at March 31, 2009.

27) (a) The figures in brackets represent those of the previous year.

(b) The figures for the previous year have been regrouped where necessary to conform to current period's classification.

Signatures to Schedules A to R

For and on behalf of the Board of Directors

HARSH MARIWALA	Chairman and Managing Director
BIPIN SHAH	Director and Chairman of Audit Committee
ANJU MADEKA	Chief Financial Officer
RACHANA LODAYA	Company Secretary & Compliance Officer

Place: Mumbai

Date: June 19, 2009

NOTES TO THE ACCOUNTS

29) Information pursuant to Part IV of Schedule VI to the Companies Act, 1956 :

a) **Registration details :**

Registration No. : 11-49208

Balance Sheet Date : March 31, 2009

b) **Capital raised during the year :**

Public Issue	Nil
Bonus Issue	Nil
Bonus Preference Shares	Nil
Rights Issue	Nil
Private placement	Nil

c) **Position of mobilisation and deployment of funds :**

Total Liabilities – Rs.676.21 Crore

Total Assets – Rs.676.21 Crore

Sources of Funds (Amount in Rs. Crore)		**Application of Funds** (Amount in Rs. Crore)	
Paid up Capital	60.90	Net Fixed Assets	161.52
Reserves & Surplus	306.78	Investments	112.58
Secured Loans	107.51	Net Current Assets	338.70
Unsecured Loans	201.02	Deferred Tax Asset	63.41
Deferred Tax Liability			
Accumulated losses			
Total Sources	**676.21**	**Total Application**	**676.21**

d) **Performance of the Company** (Amount in Rs. Crore)

Turnover (Sales & Other Income)	Rs. 1,931.99
Total Expenditure	Rs. 1,760.98
Profit before Tax	Rs. 171.01
Profit after Tax	Rs. 142.10
Earnings per share (in Rs.)	Rs. 2.33
Dividend rate (%)	65.5%

e) **Generic names of the three principal products/services of the Company :**

Item Code No. (I.T.C. Code)	Product Description
1513 11 00	Coconut Oil
1512 19 10	Sunflower Oil
1512 19 30	Safflower Oil

Signatures to Schedules A to R

For and on behalf of the Board of Directors

HARSH MARIWALA	Chairman and Managing Director
BIPIN SHAH	Director and Chairman of Audit Committee
ANJU MADEKA	Chief Financial Officer
RACHANA LODAYA	Company Secretary & Compliance Officer

Place: Mumbai

Date: June 19, 2009