CONSOLIDATED AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Marico Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Marico Limited ("the Company") and its subsidiaries; hereinafter referred to as the "Group" (refer Note 2 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, notified under Section 211(3C) of the Companies Act, 1956 read with the General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute to Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act.

7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 9 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

   (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

   (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

CONSOLIDATED AUDITORS' REPORT

Emphasis of Matter

8. We draw attention to Note 35 to the Consolidated Financial Statements for the year ended March 31, 2014, regarding the adjustment of intangible assets aggregating Rs.723.72 Crores, against the Share capital to the extent of Rs. 53.96 Crores and securities premium to the extent of Rs. 669.76 Crores pursuant to the Honourable High Court of Bombay order dated June 21, 2013, approving a Scheme of Capital Reduction pertaining to the Company's wholly owned subsidiary company, Marico Consumer Care Limited. Consequently, in the consolidated financial statements of the Company, intangible assets to the extent of Rs. 723.72 Crores have been adjusted against Reserves and Surplus.

   Our opinion is not qualified in respect of this matter.

Other Matter(s)

9. We did not audit the financial statements of nine subsidiaries and one firm included in the consolidated financial statements, which constitute total assets of Rs. 691.74 Crores and net assets of Rs. 290.47 Crores as at March 31, 2014, total revenue of Rs. 1122.96 Crores, net profit of Rs. 123.12 Crores and net cash flows amounting to Rs 58.10 Crores for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number 46061

Mumbai
April 30, 2014

CONSOLIDATED BALANCE SHEET

	Note	As at March 31, 2014 Rs. Crore	2013 Rs. Crore
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	64.49	64.48
Reserves and surplus	5	1,296.14	1,917.02
		1,360.63	1,981.50
Minority Interest		35.79	35.14
Non-current liabilities			
Long-term borrowings	6	251.54	432.63
Deferred tax liabilities (Net)	7	9.62	5.79
Other Long-term liabilities	8	0.01	0.98
Long-term provisions	9	3.31	10.47
		264.48	449.87
Current liabilities			
Short-term borrowings	10	274.35	358.08
Trade payables	11	502.52	478.47
Other current liabilities	12	444.81	293.63
Short-term provisions	13	82.37	110.54
		1,304.05	1,240.72
TOTAL		**2,964.95**	**3,707.23**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	14 (A)	594.90	461.18
Intangible assets	14 (B)	38.46	813.58
Capital work-in-progress		4.39	147.68
		637.75	1,422.44
Goodwill on consolidation	15	254.25	395.52
Non-current investments	16	49.86	38.03
Long-term loans and advances	17	60.93	119.39
Other non-current assets	18	155.03	142.62
		1,157.82	2,118.00
Current assets			
Current investments	19	260.67	113.60
Inventories	20	796.24	862.69
Trade receivables	21	223.19	196.55
Cash and bank balances	22	406.40	266.75
Short-term loans and advances	23	86.47	136.08
Other current assets	24	34.16	13.56
		1,807.13	1,589.23
TOTAL		**2,964.95**	**3,707.23**

The notes are an integral part of these financial statements.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place : Mumbai
Date : April 30, 2014

For and on behalf of the Board of Directors

HARSH MARIWALA	Chairman
SAUGATA GUPTA	Managing Director and CEO
VIVEK KARVE	Chief Financial Officer
HEMANGI GHAG	Company Secretary & Compliance Officer

Place : Mumbai
Date : April 30, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	Note	For the year ended March 31, 2014 Rs. Crore	2013 Rs. Crore
Revenue from operations (Gross)	25	4,693.21	4,598.98
Less : Excise duty		6.69	2.80
Revenue from operations (Net)		**4,686.52**	**4,596.18**
Other income	26	57.90	37.53
Total Revenue		**4,744.42**	**4,633.71**
Expenses:			
Cost of materials consumed	27 (A)	2,242.48	2,220.79
Purchases of stock-in-trade	27 (B)	111.47	116.60
Changes in inventories of finished goods, work-in-progress and stock-in-trade - (increase) / decrease	27 (C)	45.21	(127.46)
Employee benefits expenses	28	284.71	370.29
Finance costs	29	34.45	58.02
Depreciation, amortisation and impairment	30	76.86	86.62
Other expenses	31	1,254.66	1,390.18
Total Expenses		**4,049.84**	**4,115.04**
Profit before exceptional items and tax		**694.58**	**518.67**
Exceptional items - (expenses) / income	39	-	33.21
Profit before tax		**694.58**	**551.88**
Consists of:			
- Discontinuing operations		-	(34.12)
- Continuing operations		694.58	586.00
		694.58	551.88
Tax expense:			
Current tax		201.94	131.87
Less: MAT credit (entitlement) / utilisation		(22.65)	(13.31)
Net current tax		179.29	118.56
Deferred tax charge		11.19	27.63
		190.48	146.19
Profit after tax and before Minority interest		**504.10**	**405.69**
Consists of:			
- Discontinuing operations		-	(38.04)
- Continuing operations		504.10	443.73
		504.10	405.69
Less: Minority interest		(18.72)	(9.83)
Profit for the year		**485.38**	**395.86**
Earnings per equity share (Nominal value per share Re. 1 (Re. 1))	42		
Basic		Rs. 7.53	Rs. 6.18
Diluted		Rs. 7.53	Rs. 6.17

The notes are an integral part of these financial statements.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place : Mumbai
Date : April 30, 2014

For and on behalf of the Board of Directors

HARSH MARIWALA Chairman
SAUGATA GUPTA Managing Director and CEO
VIVEK KARVE Chief Financial Officer
HEMANGI GHAG Company Secretary & Compliance Officer

Place : Mumbai
Date : April 30, 2014

CONSOLIDATED CASH FLOW STATEMENT

		For the year ended March 31, 2014 Rs. Crore	2013 Rs. Crore
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE TAX	**694.58**	**551.88**
	Adjustments for:		
	Depreciation, amortisation and impairment	76.86	86.62
	Provision for impairment relating to skin clinics in India / Middle East (Refer note 39(b))	–	17.45
	Surplus on change in method of depreciation (Refer Note 39(a))	–	(37.45)
	Reversal of impairment loss on “Fiancee” trade mark (Refer Note 39 (d))	–	(9.05)
	Finance costs	34.45	58.02
	Interest income	(37.42)	(22.91)
	(Profit) / Loss on sale of assets - (net)	(1.58)	0.39
	Profit on sale of investments (net)	(9.90)	(4.74)
	Dividend income	(5.86)	(8.46)
	Employees stock option reversal	–	(0.02)
	Stock appreciation rights expenses (Refer note 28)	2.81	4.59
	Provision for doubtful debts, advances, deposits and no longer others written back	(0.17)	0.76
		59.19	85.20
	Operating profit before working capital changes	**753.77**	**637.08**
	Adjustments for:		
	(Increase)/ Decrease in inventories	41.29	(142.47)
	(Increase)/ Decrease in trade receivables	(27.87)	10.97
	Increase/(Decrease) in loans and advances, other current and non-current assets and other bank balances	3.65	(113.13)
	Increase/(Decrease) in trade payables and other current and non-current liabilities and provisions	70.72	149.40
	Changes in Working Capital	**87.79**	**(95.23)**
	Cash generated from Operations	**841.56**	**541.85**
	Taxes paid (net of refunds)	(181.09)	(109.99)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**660.47**	**431.86**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets	(77.41)	(991.51)
	Sale of fixed assets	5.16	21.17
	Effect of translation differences on fixed assets	(10.64)	(7.92)
	(Purchase) / Sale of investments (net)	(197.17)	148.43
	Goodwill on consolidation	–	(0.02)
	Inter-corporate deposits placed	(5.00)	–
	(Advance to) / Refund received from WEOMA Trust	40.13	(56.52)
	Refund / (deposit) in escrow account for acquisition	–	25.00
	Dividend income received	5.86	8.46
	Interest received	34.86	20.58
	NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(204.21)**	**(832.33)**

CONSOLIDATED CASH FLOW STATEMENT

		For the year ended March 31, 2014 Rs. Crore	2013 Rs. Crore
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of Share capital (ESOP + Preferencial allotment) after adjusting share issue expenses	0.56	497.94
	Issue / (redemption) of commercial papers (net)	(42.50)	42.50
	Issue / (redemption) of debentures	(50.00)	50.00
	Other borrowings (repaid) / taken (net)	(52.67)	(24.00)
	Increase / (decrease) in Minority interest	(18.06)	0.41
	Finance charges paid	(34.63)	(57.59)
	Equity dividend paid (inclusive of dividend distribution tax)	(142.02)	(67.01)
	NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES	**(339.32)**	**442.25**
D	**Effect of exchange difference on translation of foreign currency cash and cash equivalents**	27.45	2.45
E	**NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C+D)**	**144.39**	**44.23**
F	**Cash and cash equivalents - opening balance (as at April 1) (Refer note 22)**	104.97	60.74
	Less: Cash and bank balances adjusted upon demerger of Kaya business	(25.19)	-
G	**Cash and cash equivalents - closing balance (as at March 31) (Refer note 22)**	**224.17**	**104.97**

Notes

a) 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.

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

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place : Mumbai
Date : April 30, 2014

For and on behalf of the Board of Directors

HARSH MARIWALA	Chairman
SAUGATA GUPTA	Managing Director and CEO
VIVEK KARVE	Chief Financial Officer
HEMANGI GHAG	Company Secretary & Compliance Officer

Place : Mumbai
Date : April 30, 2014

NOTES TO THE FINANCIAL STATEMENTS

1. The Group and nature of its 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, Nihar, Saffola, Hair & Care, Revive, Mediker, Livon and Set-wet. Marico's international portfolio includes brands such as Fiancée, Hair Code, Caivil, Hercules, Black Chic, Ingwe, Code 10, X-men, L'Ovite and Thuan Phat.

2. Summary of significant accounting policies:

a) Basis of preparation of Financial Statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair values. Pursuant to circular number 15/2013 dated September 13, 2013 read with circular number 08/2014 dated April 04, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act and other relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

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 Revised Schedule VI to the Companies Act, 1956.

b) Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements relate to the Company and its subsidiaries and have been prepared on the following basis:

i) In respect of Subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transaction and resulting unrealised profits / losses as per Accounting Standard (AS 21) "Consolidated Financial Statements". The results of subsidiaries are included from the date of acquisition of a controlling interest.

ii) In case of foreign subsidiaries, being Non-Integral Foreign Operations, revenue items are consolidated at the average rate prevailing during the year. All asset and liabilities are converted at the rate prevailing at the end of the year. The resultant translation gains and losses are shown separately as 'Foreign Currency Translation Reserve' under 'Reserves and Surplus'.

iii) The excess of cost to the Group of its investments in subsidiary companies over its share of equity and reserves of its subsidiary companies at the dates, on which investments are made, is recognised in the financial statements as Goodwill, which is tested for impairment at every Balance Sheet date. The excess of Group's share of equity and reserves of its subsidiary companies over the cost of acquisition is treated as Capital Reserve.

iv) Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

v) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements, except in case of Marico Middle East FZE, Marico Malaysia Sdn.

Bhd., where costs of inventories are ascertained on FIFO instead of weighted average basis. These inventories represent 0.15% (0.20%) of the total consolidated inventories of the Group as at the year end.

c) Use of estimates

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. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, the useful lives and impairment 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.

d) Tangible assets, intangible assets and capital work-in-progress

Tangible assets and intangible assets are stated at cost of acquisition, less accumulated depreciation/amortisation 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 are capitalised until such time as the assets are substantially ready for their intended use. Other pre-operative expenses for major projects are also capitalised, where appropriate.

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

e) Depreciation and amortisation

I. Tangible assets

i) Depreciation in respect of assets of Indian entities viz, Marico Limited and Marico Consumer Care Limited is provided on a straight line basis 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 are higher than the rates stipulated in Schedule XIV to the Companies Act, 1956:

Asset	Rates (p.a.)
Computer hardware and related peripherals	33.33%
Moulds	16.21%
Office equipment	10 % - 50%
Technologically advanced machinery	14.29% - 33.33%
Furniture and fixtures (including leasehold improvements)	11.11% - 12.50%
Vehicles	20%

ii) 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:

Asset	Rates (p.a.)
Factory & office buildings	4% - 20%
Plant and machinery	6.67% - 50%
Furniture and fixtures (including leasehold improvements)	6.67% - 50%
Vehicles	10% - 33%

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

iv) Leasehold land, including land use right included under the head Investment Property, is amortised over the primary period of the lease.

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

vi) During the previous year ended March 31, 2013 the company had changed the method of depreciation on certain assets. (Refer note 39 (a)).

II. Intangible assets

Intangible assets are amortised on a straight line basis at the rates based on estimated useful lives of respective assets, but not exceeding the rates given here under:

Assets	Rates (p.a.)
Trademarks, copyrights and business and commercial rights and other intangibles	10% to 14.28%
Computer software	33.33% to 50%

A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management.

f) Assets taken on lease

i) The assets taken on finance lease are capitalised at the inception of the lease at the lower of the fair value of the leased asset and present value of the minimum lease payments. The corresponding amount is shown as lease liabilities. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the Statement of Profit and Loss.

ii) Operating lease payments are recognised as expenditure in the Statement of Profit and Loss as per the terms of the respective lease agreement. Initial direct costs incurred by the Company for operating lease arrangements are amortised over a non-cancellable period of the agreement.

g) Assets given on lease

In respect of Plant and equipment given on operating lease basis, lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

h) Investment property

Investment in land use right and buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as Investment property. Investment properties are carried at cost less amortization or impairment loss, if any.

i) 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 in value, 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, net asset value is taken as fair value.

j) Inventories

i) Raw materials, packing materials, stores and spares and consumables are valued at lower of cost and net realizable value. However, these items are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

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

iii) By-products and unserviceable / damaged finished goods are valued at net realizable 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 goods includes appropriate production overheads and excise duty, wherever applicable. In case of Marico Middle East FZE and Marico Malaysia Sdn. Bhd. costs of inventories are ascertained on FIFO instead of weighted average basis.

v) Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

k) Research and development

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

l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

i) Domestic sales are recognised at the point of dispatch of goods to the customers, which is when substantial risks and rewards of ownership are passed to the customers, and are stated net of trade discounts, rebates, sales tax, value added tax and excise duty.

ii) Export sales are recognised based on the date of bill of lading, except sales to Nepal, which are recognised when the goods cross the Indian Territory, which is when substantial risks and rewards of ownership are passed to the customers.

iii) Revenue from services is recognised on rendering of the services and is recorded net of discount and service tax.

iv) Interest and other income are recognised on accrual basis.

v) Income from export incentives such as premium on sale of import licences, duty drawback etc. are recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

vi) Dividend income is recognised if right to receive dividend is established by the reporting date.

m) Retirement and other 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. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise. Gratuity liability in respect of Marico Limited is funded and in respect of other subsidiaries gratuity liability is unfunded.

- Superannuation

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

- 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 unutilised 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. 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 size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses and gains are recognised in the Statement of Profit and Loss in the year in which they arise.

n) Foreign currency transactions

i) Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

ii) 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 Statement of Profit and Loss.

iii) 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 recognised as income or expense and is amortised over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which they arise. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.

iv) 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 recognised directly in 'Hedge Reserve'. The ineffective portion of the same is recognised immediately in the Statement of Profit and Loss.

v) Exchange differences taken to Hedge Reserve account are recognised 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.

o) Accounting for taxes on income

i) Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. For Marico Ltd and its Indian subsidiaries, 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 recognised as an 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 ten succeeding assessment years.

ii) Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

p) Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds the recoverable amounts are written down to the Recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

q) 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 at the date of grant) is recognised as Employee compensation cost over the vesting period.

r) Employee Stock Appreciation Rights Scheme

In respect of Employee Stock Appreciation Rights granted pursuant to the Company's Employee Stock Appreciation Rights Plan, 2011, the intrinsic value of the rights (excess of market value as at the year end and the Grant price) is recognised as Employee compensation cost over the vesting period after amounts adjusting for the difference between the amounts due from the Trust and the loan advanced to the Trust. (Refer Note 41)

s) Utilization of Securities Premium Reserve

The Securities Premium Reserve is utilised for paying up unissued shares of the Company to be issued as fully paid bonus shares, writing off preliminary expenses, writing off expenses on issue of shares or debentures and writing of premium on redemption of any redeemable preference shares or debentures of the Company.

t) 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.

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 recognised or disclosed in the financial statements.

u) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of 3 months or less and short term highly liquid investment with an original maturity of three months or less.

v) Earnings Per Share

Basic earnings per share, is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3 Subsidiaries considered in these Consolidated Financial Statements:

i) List of subsidiary companies:

Name of the Company	Effective date for Acquisition / Incorporation	Holding Company	Country of incorporation	Percentage of ownership interest as at 31st March 2014
Marico Bangladesh Limited (MBL)	September 6, 1999	Marico Ltd	Bangladesh	90 (90)
Marico Middle East FZE (MME)	November 8, 2005	Marico Ltd	UAE	100 (100)
-MBL Industries Limited (MBLIL)	August 2, 2003	MME	Bangladesh	100 (100)
-Egyptian American Investment & Industrial Development Company (EAIIDC)	December 19, 2006	MME	Egypt	100 (100)
-Marico Malaysia Sdn. Bhd. (MMSB)	December 4, 2009	MME	Malaysia	100 (100)
-MEL Consumer Care SAE (MELCC)	October 1, 2006	MME	Egypt	100 (100)
-Marico Egypt Industries Company (MEIC)	January 1, 2008	MELCC	Egypt	100 (100)
Marico South Africa Consumer Care (Pty) Limited (MSACC)	October 17, 2007	Marico Ltd	South Africa	100 (100)
-Marico South Africa (Pty) Limited (MSA)	November 1, 2007	MSACC	South Africa	100 (100)
International Consumer Products Corporation (ICP)	February 18, 2011	Marico Ltd	Vietnam	85 (85)
-Beaute Cosmetique Societe Par Actions (BCS)	February 18, 2011	ICP : 99% equity held by ICP (Previous Year : 99%)	Vietnam	84.15 (84.15)
-Thuan Phat Foodstuff Joint Stock Company (TPF)	February 18, 2011	ICP : 99.73% equity held by ICP (Previous Year: 98.6%)	Vietnam	84.77 (84.77)
Marico Consumer Care Limited (MCCL) (Refer Note (iii) below & Note 35(a))	April, 20 2012	Marico Ltd	India	100 (100)
Halite Personal Care India Private Limited (A Company under Voluntary Liquidation) (Refer Note (iii) below & Note 35 (b))	May 29, 2012	MCCL	India	Nil (100)
Marico Innovation Foundation (Refer Note (iv) below)	March 15, 2013	Marico Ltd	India	N.A. (N.A.)

ii) List of Subsidiary firm:

Name of the Firm	Effective date for acquisition	Holding Company	Country of incorporation	Percentage of ownership interest
Wind Company	May 16, 2005	MELCC	Egypt	99 (99)

iii) The effect of the subsidiaries formed / acquired during the year is as under:

Rs. Crore

Name of the Subsidiaries	Net Profit		Net Assets	
	FY14	FY13	FY14	FY13
Marico Consumers Care Limited (Refer note 35(a))	–	3.29	–	747.67
Halite Personal Care India Private Limited *	–	9.39	–	0.49

* Consolidated upto March 31, 2013 (Refer note 35 (b))

iv) 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 wholly owned subsidiary of the Company with effect from March 15, 2013. Since MIF cannot transfer funds to Marico Limited, it has not been considered for consolidation in accordance with Accounting Standard 21 (AS 21) 'Consolidated Financial Statements'.

v) The effect of the subsidiaries divested / de-merged during the year is as under:

The Kaya Business, earlier a part of Marico Limited, has been demerged effective October 17, 2013, with April 1, 2013 as the Appointed Date (Refer Note 36). Accordingly, following companies have not been considered for the Consolidated Financial Statments for the year ended March 31, 2014 in accordance with Accounting Standard 21 (AS 21) 'Consolidated Financial Statements'. However the same were part of Consolidated financial statements for the year ended March 31, 2013. Refer Note 36 for the effect of demerger :

Name of the Company	Effective date for Acquisition / Incorporation	Holding Company	Country of incorporation	Percentage of ownership interest as at 31st March 2014
Kaya Limited	March 27, 2003	Marico Ltd	India	Nil (100)
Derma – Rx International Aesthetics Pte. Ltd. (DIAL)	May 22, 2010	Kaya Limited	Singapore	Nil (100)
Kaya Middle East FZE (KME)	December 25, 2005	DIAL	UAE	Nil (100)
The DRx Clinic Pte. Ltd. (DCPL)	May 25, 2010	DIAL	Singapore	Nil (100)
The DRx Medispa Pte. Ltd. (DMSPL)	May 25, 2010	DIAL	Singapore	Nil (100)
DRx Investments Pte. Ltd. (DIPL)	May 25, 2010	DIAL	Singapore	Nil (100)
DRx Aesthetics Sdn. Bhd. (DASB)	May 25, 2010	DIAL	Malaysia	Nil (100)
Marico Kaya Enterprises Limited (Refer Note 36)	January 19, 2013	Marico Ltd	India	Nil (100)

4 Share capital

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Authorised		
1,150,000,000 (1,150,000,000) equity shares of Re. 1/- each	115.00	115.00
100,000,000 (100,000,000) preference shares of Rs. 10/- each	100.00	100.00
Total	**215.00**	**215.00**
Issued, subscribed and paid-up		
644,872,999 (644,771,799) equity shares of Re. 1/- each fully paid-up	64.49	64.48
Total	**64.49**	**64.48**

a) Reconciliation of number of shares

Equity Shares :

Particulars	As at March 31,			
	2014		2013	
	Number of shares	Rs. Crore	Number of shares	Rs. Crore
Balance as at the beginning of the year	644,771,799	64.48	614,934,387	61.49
Shares Issued during the year – ESOP (Refer note (d) below)	101,200	0.01	425,648	0.05
Shares issued on Preferential allotment basis (Refer note 35 (a))	–	–	29,411,764	2.94
Balance as at the end of the year	**644,872,999**	**64.49**	**644,771,799**	**64.48**

b) Rights, preferences and restrictions attached to shares :

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

c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at March 31,			
	2014		2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Re. 1/- each fully paid-up				
HARSH C MARIWALA (As a representative of Valentine Family Trust)	73,376,000	11.38	73,376,000	11.38
HARSH C MARIWALA (As a representative of Aquarius Family Trust)	73,376,000	11.38	73,376,000	11.38
HARSH C MARIWALA (As a representative of Taurus Family Trust)	73,376,000	11.38	73,376,000	11.38
HARSH C MARIWALA (As a representative of Gemini Family Trust)	73,376,000	11.38	73,376,000	11.38
First State Investments (along with Persons acting in concert)	51,789,164	8.03	39,224,461	6.08
Arisaig Partners (Asia) Pte Ltd	35,353,269	5.48	35,353,269	5.48

d) Shares reserved for issue under options :

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' ("Scheme"). 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 Scheme is administered by the Corporate Governance Committee comprising independent Directors. The Scheme closed on February 1, 2013.

During the year the Company approved Marico Employee Stock Option Scheme 2014 ("Marico ESOS 2014") for grant of 300,000 employee stock options to the Chief Executive Officer of the Company at an exercise price of Re. 1 per option. This does not have any impact on current financial statement as the grant date is April 1, 2014.

	As at March 31,	
	2014	**2013**
Weighted average share price of options exercised	55.74	57.85
Number of options granted, exercised, and forfeited		
Balance as at beginning of the year	352,665	778,313
Granted during the year	–	–
Less : Exercised during the year	101,200	425,648
Forfeited / lapsed during the year	38,865	–
Balance as at end of the year	**212,600**	**352,665**
Percentage to current paid-up equity share capital	**0.03%**	**0.05%**

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. Nil (Rs. (0.02) Crore) as compensation cost under the 'intrinsic value' method (Refer note 28). 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:

Particulars	For the year ended March 31,	
	2014	**2013**
Net Profit after tax as reported (Rs. Crore)	485.38	395.86
Less : Stock-based employee compensation expense (Rs. Crore)	–	0.31
Adjusted pro-forma (Rs. Crore)	485.38	395.55
Basic earnings per share as reported	Rs. 7.53	Rs. 6.18
Pro-forma basic earnings per share	Rs. 7.53	Rs. 6.17
Diluted earnings per share as reported	Rs. 7.53	Rs. 6.17
Pro-forma diluted earnings per share	Rs. 7.53	Rs. 6.17

The following assumptions were used for calculation of fair value of grants:

	For the year ended March 31,	
	2014	**2013**
Risk-free interest rate - Vest 1 (%)	6.61%	6.61%
Risk-free interest rate - Vest 2 (%)	7.27%	7.27%
Expected life of options (years)	5 years	5 years
Expected volatility - Vest 1 (%)	35.32%	35.32%
Expected volatility - Vest 2 (%)	36.92%	36.92%
Dividend yield	1.20%	1.20%

5 Reserves and surplus

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Securities Premium Reserve		
Balance as at the beginning of the year (Refer Note 35 (a))	556.84	62.53
Add : Receipt on issue of shares on preferntial allotment basis	–	497.06
Add : Receipt on exercise of Employees Stock Options	0.55	2.42
Less: Amount adjusted towards share issue expenses (Previous year net of tax effect of Rs. 0.18)	–	(4.53)
Less : Premium on redemption of Debentures [net of tax effect of Rs. 3.03 Crore (Previous year Rs. 0.31 Crore)]	(5.89)	(0.66)
Less: Adjusted towards demerger of Kaya business (Refer Note 36)	(138.35)	–
Add : Transferred from Employee Stock Options outstanding	–	0.02
Balance as at the end of the year	413.15	556.84
Debenture Redemption Reserve		
Balance as at the beginning of the year	42.97	21.67
Add : Amount transferred from Surplus in the Statement of Profit and Loss	20.87	21.30
Less: Amount transferred to General Reserve on redemption	(50.00)	–
Balance as at the end of the year	13.84	42.97
Employee Stock Options Outstanding Account (Refer note 4 (d))		
Balance as at the beginning of the year	–	0.02
Less : Transferred to Securities Premium Reserve on exercise of stock options	–	0.02
Balance as at the end of the year	–	–
General Reserve		
Balance as at the beginning of the year	230.48	186.85
Add : Amount transferred from Surplus in the Statement of Profit and Loss	57.72	43.63
Add: Amount transferred from Debenture redemption reserve on redemption	50.00	–
Balance as at the end of the year	338.20	230.48
Hedge Reserve (Refer note 40 (c))		
Balance as at the beginning of the year	(52.49)	(33.92)
Add / (Less) : Transferred to the Statement of Profit and Loss	(5.60)	-
Adjustments during the year	(18.20)	(18.57)
Balance as at the end of the year	(76.29)	(52.49)
Foreign Currency Translation Reserve		
Balance as at the beginning of the year	(11.19)	(13.62)
Adjusted upon demerger of Kaya business (Refer Note 36)	25.39	-
Exchange gain/(loss) on translation during the year (Refer Note 2(b)(ii))	26.86	2.43
Balance as at the end of the year	41.06	(11.19)
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,150.41	857.99
Add : Profit for the year	485.38	395.86
Less: Appropriations		
Equity dividend	257.93	32.24
Tax on equity dividend (net of tax on dividend received from foreign subsidiary of Rs. 34.47 Crore)	9.37	6.27
Transfer to Debenture Redemption Reserve	20.87	21.30
Transfer to General reserve	57.72	43.63
Balance as at the end of the year	1,289.90	1,150.41
Adjustment pursuant to the Scheme of Capital Reduction of MCCL (Ref er Note 35(c))	(723.72)	–
Total	**1,296.14**	**1,917.02**

6 Long-term borrowings

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Secured		
Term loans		
From banks		
External commercial borrowing from Hongkong Shanghai Banking Corporation	251.54	276.83
(Loan carries interest @ LIBOR plus 2.1% (Previous year LIBOR plus 2.1%) and is secured by (i) Pledge of shares of International Consumer Products Corporation (a Subsidiary company) (ii) First ranking pari passu charge over all current and future plant and machinery of the Company and (iii) Mortgage on land and building situated at Andheri, Mumbai.)		
The loan is repayable over a period of 6 years commencing from February 28, 2011 as under:-		
1st installment - USD 3 million - payable at the end of 36 months		
2nd installment - USD 3 million - payable at the end of 42 months		
3rd installment - USD 6 million - payable at the end of 48 months		
4th installment - USD 6 million - payable at the end of 54 months		
5th installment - USD 9 million - payable at the end of 60 months		
6th installment - USD 12 million - payable at the end of 66 months		
7th installment - USD 15 million - payable at the end of 72 months		
Total Amount - USD 54 million		
Loan amount outstanding of USD 9 million (Rs. 153.90 Crore) [(Previous year USD 3 million (Rs. 16.28 Crore)] as at March 31, 2014 has been disclosed under Other current liabilities as current maturities of long term debt (Refer note (a) below and note 12).		
Term loan from Citibank N.A.	–	55.80
(Loan carries interest @ 'Swap Offer Rate' plus 3% on quarterly basis and is secured by (i) fixed charge over all the fixed property and assets of one of the subsidiaries, namely, Derma – RX International Aesthetics Pte Ltd. (DIAL) including all machinery and equipment of its subsidiaries; (ii) shares held by DIAL in each of its subsidiaries; (iii) shares held by Kaya Limited in DIAL and (iv) Corporate guarantee of Marico Limited) (Original loan amount of SGD 17 million was outstanding as at March 31, 2012 which was payable in 20 equal quarterly installments of SGD 0.85 million each commencing from March 22, 2013 and ending on December 15, 2017. Loan amount outstanding of SGD Nil (SGD 3.40 million as at March 31, 2013) has been disclosed under Other current liabilities as Current maturities of long term debt) (Refer note (a) below and note 12) (Refer note 36).		
	251.54	332.63
Unsecured		
Debentures		
1,000, 8.95%, Rated Taxable Unsecured Zero Coupon Redeemable Non-convertible debentures of face value of Rs. 10,00,000/- each	–	100.00
(The above debentures were issued on February 22, 2013 at Par and are reedeemable at premium after 3 years from the date of issue i.e. by February 22, 2016 with a put/call option at the end of 2 years i.e. February 20, 2015. The debentures are listed on National Stock Exchange. The yield on redemption is 8.95% p.a. on XIRR basis).		
Considering the probability of exercing the put/call option on debentures, it has been disclosed under Other current liabilities as current maturities of long term debt (Refer note (a) below and note 12).	–	100.00
Total	**251.54**	**432.63**

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

	As at March 31,	
	2014	**2013**
	Rs. Crore	**Rs. Crore**
Within one year (Refer Note 12 - Current Maturities of Long Term Debt)	153.90	81.16
After 1 year but within 2 years	89.84	163.73
After 2 year but within 5 years	161.70	268.90
Total	**405.44**	**513.79**

7 Deferred tax liabilities (net)

		As at March 31,	
		2014	**2013**
		Rs. Crore	**Rs. Crore**
Deferred tax assets:			
Provision for doubtful debts / advances that are deducted for tax purposes when written off		1.28	1.17
On intangible assets adjusted against Capital Redemption Reserve and Securities Premium Reserve under the Capital Restructuring scheme implemented in an earlier year (Refer note 14 (b) and(c))		16.26	21.73
Liabilities / provisions that are deducted for tax purposes when paid		6.77	12.71
Other Timing Differences		8.36	1.48
	(A)	32.67	37.09
Deferred tax liability:			
Additional depreciation/amortisation on fixed assets for tax purposes due to higher tax depreciation rates		42.29	42.88
	(B)	42.29	42.88
Total	**(A-B)**	**9.62**	**5.79**

8 Other long-term liabilities

	As at March 31,	
	2014	**2013**
	Rs. Crore	**Rs. Crore**
Advances from customers	0.01	0.01
Premium on redemption of debentures	-	0.97
Total	**0.01**	**0.98**

9 Long term provisions

	As at March 31,	
	2014	**2013**
	Rs. Crore	**Rs. Crore**
Provision for employee benefits:		
Leave entitlement (Refer note 37 (B))	0.50	0.59
Gratuity (Refer note 37 (A))	2.17	5.46
Long Service award	0.64	-
Employee Stock Appreciation Rights Scheme (Refer Note 41)	-	1.09
	3.31	7.14
Others:		
Provision for equalisation of rent expenses (Refer note (a) below)	-	2.26
Provision for site restoration cost (Refer note (b) below)	-	1.07
	-	3.33
Total	**3.31**	**10.47**

a) Provision for equalisation of rent expenses represents provision made towards additional liability created to recognise rent expenses on straight line basis over the lease period.

b) Movement in Provision for site restoration cost

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Balance as at the beginning of the year	1.60	1.50
Additions during the year	-	0.22
Unused amounts reversed	-	(0.12)
Less : Adjusted upon demerger of Kaya business	(1.60)	-
Balance as at the end of the year	-	1.60
Classified as Non-current:	-	1.07
Classified as current: (Refer Note 13)	-	0.53
Total	**-**	**1.60**

Provision for site restoration cost represents estimates made for probable liability towards the restoration of leased premises, at the end of the lease period.

10 Short-term borrowings

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Secured		
From banks :		
Cash credit	12.17	12.74
Export Packing Credit in INR	39.00	-
(These borrowings are for a term of one month to eight months and carry interest rate of Bank Base rate plus applicable spread less interest subvention, ranging from 7.00% to 7.45% per annum (Previous year NIL)). (Secured by hypothecation of inventory and debtors)		
Working Capital demand loan	13.91	7.00
(These are loans taken for a terms of upto twelve months and carry interest rate of LIBOR plus applicable spread ranging from 0.05% to 1.5% per annum (previous year Nil)).		
(Secured by hypothecation of inventory and debtors in Marico Limited)		
	65.08	19.74
Unsecured		
From banks:		
- Buyers' credit in foreign currency	17.97	17.82
(These borrowings are for a term of twelve months from the date of shipment of goods and carry interest rate of LIBOR plus applicable spread, ranging from 0.50% to 1.50% per annum (Previous year 0.05% to 1.50% per annum)).		
- Pre-shipment credit in foreign currency	-	59.71
(These borrowings were for a term of six months and carried interest rate of LIBOR plus applicable spread, ranging from 1.30% to 2% per annum).		
- Export Packing credit in INR	5.00	-
(These borrowings are for a term of one month to Eight months and carry interest rate of Bank Base rate plus applicable spread less interest subvention, ranging from 7.00% to 7.45% per annum (Previous year NIL)).		

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
- Working capital demand loan	75.94	126.00
(These are loans taken for a terms of upto twelve months and carry interest rate of LIBOR plus applicable spread ranging from 0.05% to 1.5% (previous year 0.70% to 2.30% per annum.)		
- Cash credit	110.36	92.31
	209.27	295.84
From others :		
- Commercial papers	–	45.00
(Commercial papers have been borrowed for a term of 12 months and carry interest rate ranging from 8% to 10% per annum.)		
Less: Deferred interest	–	2.50
	–	42.50
	209.27	338.34
Total	**274.35**	**358.08**

11 Trade payables

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Trade Payables	502.52	478.47
Total	**502.52**	**478.47**

12 Other current liabilities

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Current maturities of long-term debt (Refer note 6 (a))	153.90	81.16
Interest accrued but not due on borrowings	0.12	1.63
Interest accrued and due on borrowings	1.33	-
Unclaimed dividends	0.20	0.17
Unpaid dividend	112.88	-
Book overdraft	3.14	2.42
Premium on redemption of debentures	9.90	-
Other payables:		
Provision for contractual liabilities	47.52	38.57
Advances from customers	17.49	93.19
Statutory dues including provident fund and tax deducted at source	48.31	25.22
Forward / derivative contracts payables	2.54	5.22
Creditors for capital goods	3.57	4.89
Security deposits from customers and others	0.26	0.30
Employee benefits payable	42.45	39.73
Others	1.20	1.13
Total	**444.81**	**293.63**

13 Short term provisions

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Provision for employee benefits:		
Gratuity (Refer note 37 (A))	1.63	2.47
Leave entitlement (Refer note 37 (B))	6.28	13.09
Employee Stock Appreciation Rights Scheme (Refer note 41)	0.40	9.46
Others	0.56	1.19
	8.87	26.21
Others:		
Income tax - (net of advance tax)	48.35	30.82
Disputed indirect taxes (Refer note (a) below)	25.15	17.97
Provision for contingent consideration (Refer note (c) below)	-	34.57
Provision for equalisation of rent expenses (Refer note 9(a))	-	0.38
Provision for lease termination cost (Refer note (b) below)	-	0.06
Provision for site restoration cost (Refer note 9(b))	-	0.53
Total	**82.37**	**110.54**

a) Provision for disputed indirect taxes represents claims against the Company not acknowledged as debts, where management has assessed that unfavourable outcome of the matter is more than probable.

Movement in provision for disputed indirect taxes

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Balance as at the beginning of the year	17.97	11.78
Add: Additions during the year	7.54	6.19
Less: Unused amounts reversed during the year	(0.36)	-
Balance as at the end of the year	**25.15**	**17.97**

b) Provision for lease termination cost represent estimates made for probable liability arising on account of closure of Kaya Life operations and close down of seven clinics of Kaya Skin in the earlier years.

Movement in provision for lease termination cost

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Balance as at the beginning of the year	0.06	0.13
Less: Amounts used during the year	-	(0.07)
Less : Adjusted upon demerger of Kaya business	(0.06)	-
Balance as at the end of the year	**-**	**0.06**

c) During the year ended March 31, 2011, the Group acquired the Kaya business of Derma Rx in Singapore and Malaysia. As per the agreement, the total contingent consideration of Rs. 56.60 Crore (SGD 16,000,000 converted at the exchange rate as at March 31, 2011), is payable over the three years period commencing from May 25, 2010 upon achievement of certain milestones such as turnover, profits etc.

Based on the assessment of the performance of Derma Rx business since the acquisition, the management had assessed that it is more than probable that a consideration of Rs. 45.99 Crore (SGD 13,000,000 converted at the exchange rate as at March 31, 2011) would be payable. Accordingly, the Group had considered the provision of the said amount during the year ended March 31, 2011.

Based on the actual achievement of turnover and profit milestones as envisaged for each year after the acquisition, the company paid the following amounts as consideration :

For the year ended:	SGD	Rs. Crore
March 31, 2012	2,500,000	9.54
March 31, 2013	3,000,000	12.69

During the year ended March 31, 2013 the company had estimated the final payment for year three at 7,900,000 SGD and had therefore provided an additional amount of Rs. 1.75 crores (400,000 SGD converted at the year end exchange rate) towards the consideration payable. (Refer note 36)

Movement in Provision for contingent consideration

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Balance as at the beginning of the year	34.57	42.87
Add: Provision made during the year	-	1.75
Less: Provision utilised during the year	-	(12.69)
Add: Net exchange loss on transaction and translation	-	2.64
Less : Adjusted upon demerger of Kaya business (Refer note 36)	(34.57)	–
Balance as at the end of the year	**-**	**34.57**

13 (A) Tangible assets

Rs. Crore

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTISATION/IMPAIRMENT											NET BLOCK	
	As at April 1, 2013	Acquisition / Demerger	Additions	Deductions / Adjustments (Refer note (j) below)	As at March 31, 2014	As at April 1, 2013	Acquisition / Demerger	For the Year	Adjustments (Refer note 39 (a))	Deductions	As at March 31, 2014	Impairment as at April 1, 2013	Charge / (Reversal) for the year	Adjustment for Demerger	Deductions	Impairment as at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible assets																		
Freehold land (Refer note (h) below)	15.30	-	0.16	0.62	16.08	-	-	-	-	-	-	-	-	-	-	-	16.08	15.30
Leasehold land	35.39	-	0.08	0.13	35.60	2.26	-	0.58	-	0.05	2.89	-	-	-	-	-	32.71	33.13
Buildings (Refer note (a), (g) and (h) below)	180.76	(3.79)	151.86	(13.72)	315.11	31.14	(3.78)	10.51	-	(6.68)	31.19	0.02	0.01	-	-	0.03	283.89	149.60
Plant and equipment	488.79	(109.62)	69.53	(0.07)	448.63	223.72	(71.90)	36.86	-	(3.49)	185.19	24.17	9.23	(13.22)	0.50	20.68	242.76	240.90
Furniture and fixtures	61.31	(44.30)	9.06	(2.81)	23.26	37.16	(25.42)	3.24	-	(2.97)	12.01	12.26	-	(12.26)	-	-	11.25	11.89
Vehicles	7.21	(0.42)	-	0.19	6.98	4.28	(0.25)	1.37	-	0.03	5.43	-	-	-	-	-	1.55	2.93
Office equipment	15.69	(5.65)	5.31	(0.98)	14.37	11.25	(4.54)	3.14	-	(0.95)	8.90	1.11	0.02	(1.10)	-	0.03	5.44	3.33
Leasehold improvements	4.60	(3.95)	0.73	-	1.38	0.38	(0.35)	0.13	-	-	0.16	0.12	-	(0.12)	-	-	1.22	4.10
TOTAL (A)	**809.05**	**(167.73)**	**236.73**	**(16.64)**	**861.41**	**310.19**	**(106.24)**	**55.83**	**-**	**(14.01)**	**245.77**	**37.68**	**9.26**	**(26.70)**	**0.50**	**20.74**	**594.90**	**461.18**
Previous Year	**705.42**	**0.73**	**149.10**	**(46.20)**	**809.05**	**313.67**	**-**	**65.57**	**(37.45)**	**(31.60)**	**310.19**	**18.99**	**1.87**	**17.45**	**(0.63)**	**37.68**	**461.18**	

14 (B) Intangible assets

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTISATION/IMPAIRMENT											NET BLOCK	
	As at April 1, 2013	Acquisition / Demerger	Additions	Deductions / Adjustments (Refer note (j) below)	As at March 31, 2014	As at April 1, 2013	Acquisition / Demerger	For the Year	Adjustments (Refer note 39 (a))	Deductions	As at March 31, 2014	Impairment as at April 1, 2013	Charge / (Reversal) for the year	Adjustment for Demerger	Deductions	Impairment as at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Intangible assets																		
Trademarks and copyrights (Refer note (e) and (i) below)	864.68	(61.71)	-	(729.34)	73.63	54.56	(17.54)	8.06	-	(6.08)	39.00	1.21	0.50	-	(0.05)	1.66	32.97	808.91
Other intangibles	0.10	-	-	(0.05)	0.05	2.06	(1.96)	-	-	(0.05)	0.05	-	-	-	-	-	-	(1.96)
Computer software	27.03	(2.40)	4.41	(0.70)	28.34	20.33	-	2.71	-	(0.19)	22.85	0.07	-	(0.07)	-	-	5.49	6.63
TOTAL (B)	**891.81**	**(64.11)**	**4.41**	**(730.09)**	**102.02**	**76.95**	**(19.50)**	**10.77**	**-**	**(6.32)**	**61.90**	**1.28**	**0.50**	**(0.07)**	**(0.05)**	**1.66**	**38.46**	**813.58**
Previous year	**159.36**	**1,345.90**	**4.37**	**(617.82)**	**891.81**	**54.18**	**-**	**19.86**	**-**	**(1.88)**	**72.16**	**16.27**	**(1.00)**	**(9.05)**	**(0.15)**	**6.07**	**813.58**	**-**
Total (A)+(B)	**1,700.86**	**(231.84)**	**241.14**	**(746.73)**	**963.43**	**387.14**	**(125.74)**	**66.60**	**-**	**(20.33)**	**307.67**	**38.96**	**9.76**	**(26.77)**	**0.45**	**22.40**	**633.36**	**1,274.76**
Total Previous year	**864.78**	**1,346.63**	**153.47**	**(664.02)**	**1,700.86**	**367.85**	**-**	**85.43**	**(37.45)**	**(33.48)**	**382.35**	**35.26**	**0.87**	**8.40**	**(0.78)**	**43.75**	**1,274.76**	

Notes:

a) Gross block of Buildings include Rs. 13.42 Crore (Rs. 13.42 Crore) where conveyance has been executed, pending registration.

b) During the year ended March 31, 2007, the Company carried out financial restructuring scheme ('Scheme') under the relevant provisions of the Companies Act, 1956 which was approved by the shareholders on February 8, 2007 and subsequently by the Hon'ble High Court vide its order dated March 23, 2007. In terms of the Scheme, the Company adjusted the carrying value of Rs. 448.15 Crore of intangible assets such as trademarks, copyrights, business and commercial rights as on January 31, 2007 and related deferred tax adjustment of Rs. 139.06 Crore (net adjustment of Rs. 309.09 Crore) against the balance in Securities Premium Reserve of Rs. 129.09 Crore and Capital Redemption Reserve of Rs. 180 Crore.

c) During the year ended March 31, 2007, Kaya Limited, subsidiary of the Company, had carried out financial restructuring scheme ('Scheme') under the relevant provisions of the Companies Act, 1956, which was approved by the shareholders on February 7, 2007 and subsequently by the Hon'ble High Court vide its order dated April 16, 2007. In terms of the Scheme, Kaya Limited adjusted the carrying value of Rs.7.08 Crore of Plant and equipment, Rs. 11.57 Crore of Furniture and fixture, related deferred tax liability of Rs. 0.18 Crore and accumulated loss of Rs. 24.00 Crore against the balance in Securities Premium Reserve.

d) Acquisitions in Gross block and Depreciation / amortisation represents original costs and accumulated depreciation, respectively for assets of group acquired during the previous year.

e) During the year ended March 31, 2014, Capital Reduction scheme pertaining to Marico Consumer Care Limited ("MCCL") for adjustment of intangible assets aggregating Rs. 723.72 Crore, was duly approved and given effect to (Refer Note 35(c)).

f) Impairment reversal for the previous year Rs. 13.88 Crore towards brand "Fiancee". The amount of Rs. 9.05 Crore which is net of depreciation charge of Rs. 4.83 Crore was reflected as "Exceptional items" in the Statement of Profit and Loss (Refer note 39(d)).

g) During the year ended March 31, 2014, one of the office building appearing in Investment property of net book value Rs. 6.37 Crore has been reclassified as Building.

h) During the year ended March 31, 2014, Freehold land and Buildiing of net book value of Rs. 0.77 Crore and Rs. 15.50 Crore has been reclassified as assets held for disposal.

i) Trademarks of Rs. 30.05 Crore (Rs. 820.17 Crore) are pending registration / recording in name of the Company, in certain countries .

j) Deductions / adjustment of Gross block, depreciation and provision for impairment includes translation difference of Rs. 10.64 Crore (Rs. 7.92 Crore).

k) For additional information on assets given on operating lease refer note 38(b).

15 Goodwill on consolidation

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Balance as at the beginning of the year	395.52	395.49
Add : Arising on acquisition (Refer note 35 (a))	–	110.63
Less : Adjustments on liquidation (Refer note 35 (b))	–	(110.60)
Less : Adjustments pursuant to the Demerger of Kaya business (Refer note 36)	(141.27)	–
Balance as at the end of the year	**254.25**	**395.52**

16 Non current investments

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Non-trade investments (valued at cost unless stated otherwise)		
Investment Property (at cost less accumalated depreciation / amortisation)		
Cost of land use right and building	19.13	24.86
Less : Accumulated depreciation / amortisation	(0.90)	(0.46)
Net block	18.23	24.40
Other Investments :		
Investments in Government Securities		
Unquoted		
National Savings Certificates (Deposited with the Government authorities)	0.01	0.01
Others		
Quoted		
Power Finance Corporation Limited	2.85	2.85
(28,479 (28,479) Secured, Redeemable, Tax free Non-convertible Bonds, 8.20% , face value of Rs. 1,000/- each, redeemable on February 01, 2022)		
Indian Railway Finance Corporation	2.18	2.18
(21,751 (21,751) Secured, Redeemable, Tax free Non-convertible Bonds, 8.00% , face value of Rs. 1,000/- each, redeemable on February 23, 2022)		
National Highways Authority of India	2.47	2.47
(24,724 (24,724) Secured, Redeemable, Tax free Non-convertible Bonds, 8.20% , face value of Rs. 1,000/- each, redeemable on January 25, 2022)		
Rural Electrification Corporation Limited	6.12	6.12
(61,238 (61,238) Secured, Redeemable, Tax free Non-convertible Bonds, 8.12% , face value of Rs. 1,000/- each, redeemable on March 29, 2027)		
Rural Electrification Corporation Limited	5.00	–
(50 (NIL) Secured, Redeemable, Tax free Non-convertible Bonds , 8.46% , face value of Rs. 10,00,000/- each, redeemable on August 29, 2028)		
Housing & Urban Development Corporation Ltd	5.00	–
(500 (Nil) Secured, Redeemable, Tax free Non-convertible Bonds , 8.56% , face value of Rs. 1,00,000/- each, redeemable on September 02, 2028)		
Investments in Mutual Funds		
Unquoted		
LIC Nomura MF Fixed Matuirity Plan Series 77-396 Days-Growth	8.00	–
8,000,000 (NIL) units of Rs. 10 each fully paid		
	31.63	13.63
Total	**49.86**	**38.03**
Aggregate amount of quoted investments	23.62	13.62
Market Value of quoted investments	24.08	14.39
Aggregate amount of unquoted investments	26.24	24.41
Aggregate net asset value of unquoted investment in mutual funds	8.08	–

17 Long-term loans and advances

	As at March 31,	
	2014	**2013**
	Rs. Crore	**Rs. Crore**
Unsecured, considered good unless stated otherwise		
Capital Advances	5.74	26.30
Other loans and advances:		
Deposits with public bodies and others	8.73	23.59
Considered doubtful	–	0.50
	8.73	24.09
Less : Provision for doubtful deposits	–	(0.50)
	8.73	23.59
Loans to employees	3.63	2.52
Prepaid expenses	0.26	0.87
Balance with statutory/government authorities	13.99	15.09
Advances to vendors	2.41	1.28
Inter-corporate deposits	–	10.00
Loans and advances to Welfare of Mariconions Trust (Refer note 41(c))	26.48	36.54
Less: Provision towards doubtful loan (Refer Note 41 (e))	(0.70)	(0.81)
	25.78	35.73
Advance income tax (net of provision)	0.39	4.01
Total	**60.93**	**119.39**

18 Other non current assets

	As at March 31,	
	2014	**2013**
	Rs. Crore	**Rs. Crore**
Security deposits	0.02	0.02
Fringe benefit tax payments (net of provisions of Rs. 5.85 Crore (previous year Rs. 5.85 Crore))	0.48	0.55
MAT credit entitlement	153.80	131.15
Long term deposits with banks with maturity period of more than twelve months (Refer note below)	0.73	10.83
Interest accrued on long-term deposits with banks	–	0.07
Total	**155.03**	**142.62**

Long term deposits with bank include Rs. 0.25 Crore (Rs. 0.13 Crore) deposited with sales tax authorities and Rs. 0.45 Crore (Rs. 3.57 Crore) held as lien by banks against guarantees issued on behalf of the Company.

19 Current investments

	As at March 31, 2014 Rs. Crore	2013 Rs. Crore
Current portion of long term investments		
Quoted		
Indian Infrastructure Finance Company Ltd, (Nil (1,000) Unsecured, 6.85% Non-convertible, tax-free Bonds of face value of Rs. 1,00,000/- each, guaranteed by the Government of India, redeemable on 22nd January, 2014).	–	10.08
	–	10.08
Current investments (At lower of cost and fair value)		
Unquoted		
Investment in subsidiaries		
Investment in Marico Kaya Enterprises Limited (wholly owned) (Refer Note 36) Nil (100,000) equity shares of Rs. 10 each	–	0.10
Investments in Mutual Funds		
Baroda Pioneer Treasury Advantage Fund- Plan A-Growth 12,041 (NIL) units of Rs. 1,000 each fully paid	1.76	–
Birla Sun Life Fixed Term Plan-Series JN (368 Days) 6,000,000 (NIL) units of Rs. 10 each fully paid	6.00	–
DWS Ultra Short Term Fund-SIP-Growth 9,569,990 (NIL) units of Rs. 10 each fully paid	14.64	–
DWS Fixed Matuirity Plan Series 62-Reg Plan-Growth 20,000,000 (NIL) units of Rs. 10 each fully paid	20.00	–
HDFC FMP 396 Days March 2014(3) Series 29-Regular-Growth 20,000,000 (NIL) units of Rs. 10 each fully paid	20.00	–
HDFC Floating Rate Income Fund-STP-WO-Growth 4,911,345 (NIL) units of Rs. 10 each fully paid	10.75	–
ICICI Prudential FMP Series 73-368 D-Plan M-Cumulative 10,000,000 (NIL) units of Rs. 10 each fully paid	10.00	–
JM Money Manager Fund-Super Plus Plan-Bonus Option-Bonus Units 3,748,072 (NIL) units of Rs. 10 each fully paid	3.78	–
JM Money Manager Fund-Super Plus Plan-Growth 4,524,192 (NIL) units of Rs. 10 each fully paid	4.43	–
JM Money Manager Fund-Super Plus Plan-Growth 976,112 (NIL) units of Rs. 10 each fully paid	1.77	–
JP Morgan India Treasury Fund-SIP-Growth 9,930,359 (NIL) units of Rs. 10 each fully paid	16.68	–
Kotak Flexi Debt Scheme Plan A-Growth 971,164 (NIL) units of Rs. 10 each fully paid	1.53	–
Kotak FMP Series 111 - Growth 9,000,000 (NIL) units of Rs. 10 each fully paid	9.00	–

	As at March 31, 2014 Rs. Crore	2013 Rs. Crore
Kotak Banking & PSU Debt Fund -Growth 176,035 (NIL) units of Rs. 10 each fully paid	0.50	–
Peerless Ultra Short Term Fund-Super Instl-Growth 10,809,928 (NIL) units of Rs. 10 each fully paid	15.25	–
Reliance Money Manager Fund-Growth Plan 58,597 (NIL) units of Rs. 1000 each fully paid	10.29	–
Religare Invesco FMP-Series XIX-Plan F(370 Days)-Growth Plan 9,000,000 (NIL) units of Rs. 10 each fully paid	9.00	–
Religare Invesco FMP-Sr.23 -Plan F(367 Days)- Reg Growth Plan 20,000,000 (NIL) units of Rs. 10 each fully paid	20.00	–
SBI Debt Fund Series-366 Days-Reg-Growth 10,000,000 (NIL) units of Rs. 10 each fully paid	10.00	–
Sundraram Ultra Short Term Fund-Regular-Growth 8,201,076 (NIL) units of Rs. 10 each fully paid	14.41	–
Tata Floater Fund - Plan A-Growth 6,581 (NIL) units of Rs. 1,000 each fully paid	1.28	–
Templeton India Ultra Short Term Bond Fund-SIP-Growth 300,671 (NIL) units of Rs. 10 each fully paid	0.51	–
UTI Fixed Term Income Fund Series XVIII-IV(366 Days)-Growth 30,000,000 (NIL) units of Rs. 10 each fully paid	30.00	–
Birla Sun Life Fixed Term Plan-Series HS (366 Days) -Gr.Regular 5,000,000 (Nil) units of Rs. 10 each fully paid	5.00	–
HDFC FMP 371D July 2013 Series 26-Regular-Growth 10,000,000 (Nil) units of Rs. 10 each fully paid	10.00	–
JP Morgan India Liquid Fund-SIP-Growth 20,80,609 (Nil) units of Rs. 10 each fully paid	3.35	–
LIC Nomura MF Fixed Matuirity Plan Series 73 - 366 Days - Growth Plan 2,500,000 (Nil) units of Rs. 10 each fully paid	2.50	–
Reliance Interval Fund I-Half Yearly Interval Fund-Series 2-Growth Plan 5,000,000 (Nil) units of Rs. 10 each fully paid	5.00	–
Reliance Fixed Horizon Fund-XXVI-Series 2-Growth Plan 1,000,000 (Nil) units of Rs. 10 each fully paid	1.00	–
Birla Sunlife Dynamic Bond Fund-Retail-Growth Nil (1,306,807) Units of Rs. 10 each fully paid	–	2.50
DSP Blackrock FMP-Series 81-12M-Growth Nil (10,000,000) Units of Rs. 10 each fully paid	–	10.00
HDFC Income Fund-Growth Nil (1,908,040) Units of Rs. 10 each fully paid	–	5.00

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Kotak Bond Scheme Plan A - Growth Nil (1,514,623) Units of Rs. 10 each fully paid	–	5.00
Reliance Short Term Fund-Growth Nil (1,184,289) Units of Rs. 10 each fully paid	–	2.50
SBI Magnum Insta Cash Fund Liquid Floater-Reg-Growth 10,281 (42,728) Units of Rs. 1,000 each fully paid	2.24	8.50
JM High Liquidity Fund-Growth Option Nil (462) Units of Rs. 10 each fully paid [Rs.Nil (Previous year Rs. 14,687)]	–	–
JM High Liquidity Fund-Regular Plan-Bonus Option Nil (3,979,357) Units of Rs. 10 each fully paid	–	3.90
Peerless Ultra Short Term Fund Super Institutional Growth Nil (15,463,480) Units of Rs. 10 each fully paid	–	20.00
ICICI Prudential Ultra Short Term Regular Plan Growth Nil (16,918,086) Units of Rs. 10 each fully paid	–	20.02
Baroda Pioneer Liquid Fund Plan A daily dividend reinvestment Nil (67,024) Units of Rs. 1,000 each fully paid	–	9.00
Kotak Liquid Scheme Plan A-Growth Nil (4) units of Rs. 1,000 each, fully paid [Rs. Nil (Previous year Rs. 10,050)]	–	–
Peerless Liquid Fund-SI-Growth Nil (784) units of Rs. 10 each, fully paid [Rs.Nil (Previous year Rs. 10,049)]	–	–
Reliance Liquid Fund-Treasury Plan Growth Nil (24,546) Units of Rs. 1.000 each fully paid	–	7.00
JP Morgan India Liquid Fund Super Institutional Growth Nil (2,304,551) Units of Rs. 10 each fully paid	–	3.50
JP Morgan India Treasury Fund Super Institutional Growth Nil (3,960,009) Units of Rs. 10 each fully paid	–	6.50
Religare Liquid Fund - Growth Nil (6) units of Rs. 1,000 each, fully paid [Rs. Nil (Previous year Rs. 10,051)]	–	–
UTI Money Market Fund-Institutional Plan–Growth Nil (8) units of Rs. 1,000 each, fully paid [Rs. Nil (Previous year Rs. 10,052)]	–	–
	260.67	103.52
Total	**260.67**	**113.60**
Aggregate amount of quoted investments	–	10.08
Market Value of quoted investments	–	9.89
Aggregate amount of unquoted investments	260.67	103.52
Aggregate net asset value of unquoted investment in mutual funds	264.53	62.00

20 Inventories

(Refer note 2 (j), for basis of valuation)

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Raw materials (includes in-transit: Rs. 12.64 Crore (Rs. 10.26 Crore))	279.68	308.07
Work-in-progress	139.62	184.96
Finished goods (includes in-transit: Rs. 0.08 Crore (Rs. 0.08 Crore))	272.46	249.44
Stock – in – trade (Traded goods)	17.32	41.17
Stores and spares	7.19	7.55
Others :		
Packing materials	77.24	69.73
By-products	2.73	1.77
Total	**796.24**	**862.69**

21 Trade receivables

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	1.03	7.95
Considered doubtful	2.64	3.66
	3.67	11.61
Less: Provision for doubtful debts	(2.64)	(3.66)
	1.03	7.95
Outstanding for a period less than six months from the date they are due for payment		
Considered good	222.16	188.60
Considered doubtful	0.26	3.73
	222.42	192.33
Less: Provision for doubtful debts	(0.26)	(3.73)
	222.16	188.60
Total	**223.19**	**196.55**

22 Cash and Bank balances

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Cash and cash equivalents :		
Cash on hand	0.83	1.84
Remittance in-transit	0.18	0.44
Bank balances		
- In current accounts	21.56	41.35
- Cheques on hand	3.52	6.04
- Demand deposits (less than 3 months maturity)	198.08	55.30
	224.17	104.97
Other bank balances :		
Fixed deposits with maturity more than three months but less than twelve months	69.15	161.61
Unclaimed dividend account	0.20	0.17
Unpaid Dividend	112.88	–
Total	**406.40**	**266.75**

23 Short term loans and advances

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Unsecured, considered good (unless otherwise stated)		
Loans and advances to related parties (Refer note 44)	2.32	0.11
	2.32	0.11
Others :		
Advances to vendors and others	29.55	42.04
Loans and advances to employees	6.15	7.56
Prepaid expenses	8.63	14.63
Balances with statutory/government authorities	14.49	13.87
Deposits with public bodies and others	0.50	8.39
Loans and advances to Welfare of Mariconions Trust (Refer note 41(c))	9.83	40.71
Deposit with Leave Encashment plan	–	8.30
Inter-corporate deposits	15.00	–
Other	–	0.47
	84.15	135.97
Total	**86.47**	**136.08**

24 Other current assets

	As at March 31, 2014 Rs. Crore	As at March 31, 2013 Rs. Crore
Unsecured, considered good (unless otherwise stated)		
Interest accrued and due on loans / deposits	9.08	6.51
Insurance receivables	0.05	0.06
Accrued export incentives	2.04	0.73
Assets held for disposal	16.27	0.64
Others	6.72	5.62
Total	**34.16**	**13.56**

25 Revenue from operations

	For the year ended March 31, 2014 Rs. Crore	For the year ended March 31, 2013 Rs. Crore
Sale of products:		
Finished goods *	4,590.60	4,233.60
By-product sales	92.28	89.58
	4,682.88	4,323.18
Less:		
Excise duty	6.69	2.80
	4,676.19	4,320.38
Sale of services	–	263.96
Other operating revenues:		
Export incentives	5.76	7.79
Sale of scraps	4.57	4.05
	10.33	11.84
Total	**4,686.52**	**4,596.18**

* Including traded goods

26 Other income

	For the year ended March 31, 2014 Rs. Crore	2013 Rs. Crore
Interest Income :		
On Non current investments	1.78	1.13
On current investments	3.00	0.69
On loans, deposits, etc.	32.64	21.09
	37.42	22.91
Dividend Income		
On current investments	5.86	8.46
	5.86	8.46
Net gain on sale of current investments	9.90	4.74
Other non-operating income :		
Lease rental income	1.26	0.41
Profit on sale of assets (net)	1.58	–
Miscellaneous income	1.88	1.01
	4.72	1.42
Total	**57.90**	**37.53**

27 Cost of materials consumed, Purchases of stock in trade, Changes in inventories of finished goods, work-in-progress and stock-in-trade - (increase) / decrease

			For the year ended March 31, 2014 Rs. Crore	2013 Rs. Crore
A	**Cost of materials consumed**			
	Raw materials consumed			
	Opening Inventories		308.07	290.55
	Add : Purchases (net)		1,739.80	1,852.05
	Less : Inventories at the end of the year		279.68	308.07
	Cost of raw materials consumed during the year		1,768.19	1,834.53
	Packing materials consumed			
	Opening Inventories		69.73	71.17
	Add : Purchases (net)		481.80	384.82
	Less : Inventories at the end of the year		77.24	69.73
	Cost of packing materials consumed during the year		474.29	386.26
	Total		**2,242.48**	**2,220.79**
B	**Purchases of Stock-in-trade**		**111.47**	**116.60**
C	**Changes in inventories of finished goods, work-in-progress and stock-in-trade - (increase) / decrease**			
	Opening inventories			
	Work-in-progress		184.96	113.24
	Finished goods		249.44	220.06
	By-products		1.77	3.73
	Stock-in-trade		41.17	12.85
	Total	A	477.34	349.88
	Less: Closing inventories			
	Work-in-progress		139.62	184.96
	Finished goods		272.46	249.44
	By-products		2.73	1.77
	Stock-in-trade		17.32	41.17
	Total	B	432.13	477.34
	(Increase) / decrease in inventories	**(A-B)**	**45.21**	**(127.46)**

28 Employee benefit expenses

	For the year ended March 31, 2014 Rs. Crore	2013 Rs. Crore
Salaries, wages and bonus	253.93	324.82
Contribution to provident and other funds	10.40	15.82
Employees stock option charge/ (reversal) (Refer note 4 (d))	–	(0.02)
Stock appreciation rights expenses (Refer note 41 (d)):		
Star Grant Expenses - Gross	5.34	14.69
Less: Accretion in amounts recoverable from the Trust	(2.53)	(10.10)
	2.81	4.59
Staff welfare expenses	17.57	25.08
Total	**284.71**	**370.29**

29 Finance costs

	For the year ended March 31, 2014 Rs. Crore	2013 Rs. Crore
Interest cost :		
Long term borrowings	11.69	16.62
Short term borrowings	13.89	21.03
Other borrowing costs	1.20	3.65
Bank and other financial charges	2.89	8.24
Applicable net loss on foreign currency transactions and translation	4.78	8.48
Total	**34.45**	**58.02**

30 Depreciation, amortisation and impairment

	For the year ended March 31, 2014 Rs. Crore	2013 Rs. Crore
Depreciation on tangible assets	55.83	65.57
Amortisation on intangible assets	10.77	19.86
Amortisation on investment property	0.50	0.32
Impairment loss	9.76	0.87
Total	**76.86**	**86.62**

31 Other Expenses

	For the year ended March 31, 2014 Rs. Crore	2013 Rs. Crore
Consumption of stores and spare parts	9.61	31.48
Power, fuel and water	33.01	42.92
Contract manufacturing charges	174.27	167.00
Rent and storage charges	39.42	80.00
Repairs to:		
Building	6.81	12.86
Machinery	13.86	17.51
Others	3.18	4.27
Freight, forwarding and distribution expenses	196.88	186.81
Advertisement and sales promotion	561.17	597.94
Rates and taxes	44.28	47.10

	For the year ended March 31,	
	2014	**2013**
	Rs. Crore	**Rs. Crore**
Commission to selling agents	4.59	9.28
Communication expenses	7.57	11.34
Printing and stationery	2.60	2.94
Travelling, conveyance and vehicle expenses	38.73	42.87
Royalty	0.42	0.30
Insurance	5.18	4.56
Net loss on foreign currency transactions and translation (other than considered as finance cost)	3.00	7.17
Commission to Non-executive directors	0.94	0.96
Provision for doubtful debts and advances (net)	0.12	0.76
Add: Bad debts written off	–	0.28
	0.12	1.04
Miscellaneous expenses (Refer note below)	109.02	121.83
Total	**1,254.66**	**1,390.18**

Miscellaneous expenses includes :

	For the year ended March 31,	
	2014	**2013**
	Rs. Crore	**Rs. Crore**
Labour charges	19.75	23.79
Training and seminar expenses	6.71	8.82
Outside services	4.76	4.41
Legal and professional charges	46.32	40.83
Donation	8.09	3.47
Payments to consultants (Skin care)	–	13.58
Net Loss on sale of assets	–	0.39

32 Contingent liabilities:

	As at March 31,	
	2014	**2013**
	Rs. Crore	**Rs. Crore**
Disputed tax demands / claims :		
Sales tax	34.23	30.16
Income tax	41.50	12.51
Service tax	0.17	0.55
Customs duty	0.40	0.40
Agricultural produce marketing cess	9.69	9.58
Employees state insurance corporation	0.18	0.18
Excise duty on subcontractors	0.54	0.41
Excise duty on CNO dispatches (Refer note below)	443.23	364.09
Claims against the Company not acknowledged as debts	0.19	0.79
Corporate guarantees given to banks on behalf of group companies for credit and other facilities granted by banks.	8.00	–
Bank guarantees given to statutory authorities	0.05	–
Amount outstanding towards Letters of Credit	51.73	82.75
Total	**589.91**	**501.42**

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

Note:

The contingent liability pertains to a possible excise duty obligation in respect of pure coconut oil packs up to 200 ml. This claim has been contested and a legal opinion in the matter has been obtained. Based on the legal opinion and in its assessment, the management believes that the probability of success in the matter is more likely than not and accordingly, the possible excise obligation has been treated as a contingent liability in accordance with requirements of Accounting Standard (AS) 29 "Provisions, Contingent Liability and Contingent Asset". The possible excise duty obligation of Rs. 321.46 Crore (Rs. 242.32 Crore) for the clearances made after June 3, 2009 (i.e. the date of issue of Board circular) till March 31, 2014 and Rs. 121.77 Crore (Rs. 121.77 Crore) for clearances made prior to June 3, 2009 has been disclosed as contingent liability to the extent of the time horizon covered by show cause notices issued by the excise department within the normal period of one year (from the date of clearance) as per the excise laws.

The Company will continue to review this matter during the coming accounting periods based on the developments on the outcome in the pending cases and the legal advice, that it may receive from time to time.

33 Capital and other commitments

Capital commitments :

	As at March 31,	
	2014	**2013**
	Rs. Crore	**Rs. Crore**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	194.77	76.11
Contingent consideration for acquisition of Kaya business of Derma Rx. (Refer note 13(c))	–	11.38
Total	**194.77**	**87.49**

other commitments

	As at March 31,	
	2014	**2013**
	Rs. Crore	**Rs. Crore**
Lease termination cost - representing lock-in-period rental under rental agreements.	3.53	11.10
Total	**3.53**	**11.10**

34 The consolidated financial statements for the year ended March 31, 2014 comprise the audited financial statements of Marico Limited, Marico Bangladesh Limited, Marico Middle East FZE, Marico South Africa (Pty) Limited, Marico Malaysia Sdn. Bhd., Egyptian American Investment & Industrial Development Company, Marico Egypt Industries Company, Wind Company, International Consumer Products Corporation, Beauté Cosmétique Societé Par Actions and Thuan Phat Foodstuff Joint Stock Company, Marico Consumer Care Limited and Halite Personal Care India Private Limited and unaudited financial statements of MBL Industries Limited, Marico South Africa Consumer Care (Pty) Limited and MEL Consumer Care SAE which have been approved by the respective Board of Directors of these companies.

35 a) On May 29, 2012, the Company concluded the effective acquisition of the personal care business of Paras Pharmaceuticals Limited ("PPL") for a consideration of Rs. 745.60 Crore. The acquisition was effected through Marico Consumer Care Limited ("MCCL"), a wholly owned subsidiary of the Company. MCCL was incorporated on April 20, 2012 and it acquired 100 % equity stake in Halite Personal Care India Private Limited ("Halite") from Halite's erstwhile owners. As a result, the financial results for the year ended March 31, 2013 included the performance of this business only for a part of the year while the financial results for the year ended March 31, 2014 includes the performance of this business for the entire year.

The shareholders of the Company, at their meeting held on May 2, 2012, approved issue of equity shares on preferential allotment basis aggregating Rs. 500 Crore at a price of Rs. 170 per equity share to two overseas investors for funding a part of the Halite acquisition. Subsequently, the Company allotted 29,411,764 equity shares of face value Re. 1 each at a share premium of Rs. 169 each to these investors on May 16, 2012. This resulted in increase of Equity share capital by Rs. 2.94 Crore and Securities premium reserve by Rs. 497.06 Crore. The proceeds of the issue together with internal accruals were infused by Marico as equity investment in MCCL. MCCL utilized the equity proceeds for acquiring 100% equity stake in Halite on May 29, 2012.

b) The shareholders of Halite Personal Care Private Limited ("Halite") vide a special resolution at their extra ordinary general meeting held on January 18, 2013, resolved that the company be voluntarily liquidated. The shareholders also appointed a liquidator. In view of the liquidation, the liquidator, on March 25, 2013, distributed the assets of Halite to MCCL, being the sole shareholder of Halite. MCCL took over assets of Halite at fair values, determined by an independent valuer, as applicable. On distribution, MCCL received assets in excess of its Equity investment in Halite, resulting in profit of Rs. 5.91 Crore as mentioned below, which was shown as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2013.

During the year, a final meeting of the shareholders of Halite was held on January 15, 2014 to approve the Statement of Accounts (stating the manner in which liquidation was conducted) prepared by the Liquidator. Further assets were distributed on the said date as below. The liquidation proceedings are now pending with the Official Liquidator.

	As at March 31,	
	2014	**2013**
	Rs. Crore	**Rs. Crore**
Tangible assets (net)	–	0.73
Intangible assets	–	729.80
Distribution of other assets and liabilities (net)	0.03	–
Cash and bank balance	0.45	20.98
Total	**0.48**	**751.51**
Less: Value of equity investments in Halite in books of MCCL	–	(745.60)
Excess of assets taken over on investment	**0.48**	**5.91**
Classified as exceptional item (Refer Note 39)	–	5.91
Classified as Miscellaneous income	0.48	–

c) Pursuant to the Scheme of Capital Reduction in accordance with the provisions of Section 78 (read with Sections 100 to 103) of the Companies Act, 1956, pertaining in the Company's wholly owned subsidiary, Marico Consumer Care Limited as approved by Hon'ble High Court of Bombay vide its order dated June 21, 2013, intangible assets aggregating Rs. 723.72 Crore, have been adjusted against the Share capital to the extent of Rs. 53.96 Crore and securities premium to the extent of Rs. 669.76 Crore. Consequently, in the consolidated financial statements of Marico, intangible assets to the extent of Rs. 723.72 Crore have been adjusted against Reserves and Surplus.

36 The Kaya Business, earlier a part of Marico, has been demerged effective October 17, 2013, with April 1, 2013 as the Appointed Date. Pursuant to the demerger Scheme, the transfer of Kaya Business to Marico Kaya Enterprises Limited ("MaKE") has been accounted by the Company by recording the transfer of the relevant assets and liabilities of the Kaya Business at their book values as of the appointed date. In accordance with the scheme approved by Hon'ble High Court of Bombay, the excess of book value of assets over liabilities has been adjusted against Securities Premium Reserve and all the shares held by Marico in MaKE were cancelled without any payment.

Further pursuant to the scheme, as on the Record Date i.e. November 5, 2013, every shareholder holding 50 fully paid equity shares with a face value of Re. 1 each in Marico Limited has been allotted 1 fully paid equity share with a face value of Rs. 10 each of MaKE.

Accordingly, the financial statements of the Kaya Business does not form part of these Consolidated financial statements for the year ended March 31, 2014.

Carrying amounts as at March 31, 2013 of the total assets and total liabilities in respect of Kaya business:

(Rs. Crore)

Particulars	**As at March 31, 2013**
Total assets	349.92
Total liabilities	236.96

Amount of results attributable to the Kaya business:

(Rs. Crore)

Particulars	For the year ended March 31, 2013
Net Sales / Income from Operations	336.01
Profit from ordinary activities before tax	(34.12)
Profit from ordinary activities after tax	(38.04)

Amounts of net cash flows attributable to Kaya business:

(Rs. Crore)

Particulars	For the year ended March 31, 2013
Cash flows from Operating activities	25.58
Cash flows from Investing activities	(47.48)
Cash flows from Financing activities	32.14

37 Table (A) & (B) below set forth the funded status of the plan and the amounts relating to provident fund, gratuity and leave encashment recognized in the Consolidated financial statements:

a) Defined Benefit plan:

	Provident Fund		Gratuity	
I. Actuarial assumptions :	**March 31, 2014**	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**
Discount rate	9.03%	8.00%	9.03% - 12.5%	8% - 15.5%
Rate of return on Plan assets*	8.75%	8.50%	0-8.7%	0-8.7%
Future salary rise**	–	–	5-12%	8-14%
Attrition rate	17.00%	17.00%	5.25% - 17.5%	0% - 45%

*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 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.

	Provident Fund		Gratuity	
II. Changes in defined benefit obligations:	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**
Liability at the beginning of the year	72.02	60.75	20.42	16.15
Interest cost	6.28	5.18	1.49	1.10
Current service cost	6.37	5.45	2.22	1.50
Employee contribution	7.94	6.87	–	–
Liability Transferred in	2.11	1.47	–	–
Liability Transferred out	(6.00)	(0.54)	(3.42)	–
Past service cost (non vested benefit)	–	–	(0.50)	–
Benefits paid	(6.89)	(7.16)	(2.89)	–
Actuarial (gain)/loss on obligations	–	–	1.04	1.67
Liability at the end of the year	**81.83**	**72.02**	**18.36**	**20.42**

	Provident Fund		Gratuity	
III. Change in fair value of plan assets	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**
Fair value of plan assets at the beginning of the year	72.02	60.75	12.49	11.64
Expected return on plan assets	6.28	5.18	1.09	1.00
Contributions	14.31	12.32	3.32	1.25
Transfer from other Company	2.11	1.47	–	–
Transfer to other Company	(6.00)	(0.54)	(0.78)	(0.14)
Benefits paid	(6.89)	(7.16)	(2.08)	(1.40)
Actuarial gain/(loss) on plan assets	0.76	–	(0.90)	0.14
Fair value of plan assets at the end of the year	**82.58**	**72.02**	**13.14**	**12.49**

	Provident Fund		Gratuity	
IV. Actual return on plan assets	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**
Expected return on plan assets	6.28	5.18	1.09	1.00
Actuarial gain/(loss) on plan assets	0.76	–	(0.90)	0.14
Actual return on plan assets	**7.04**	**5.18**	**0.19**	**1.14**

	Provident Fund		Gratuity	
V. Amount recognised in the Balance Sheet	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**
Liability at the end of the year	–	–	18.36	20.42
Fair value of plan assets at the end of the year	82.58	72.02	13.14	12.49
Present value of benefit obligation as at the end of the period	(81.82)	(72.02)	–	–
Difference	0.76	–	5.22	7.93
Unrecognized past service Cost	(0.76)	–	1.42	–
(Assets) / Liability recognized in the Balance Sheet	**–**	**–**	**3.80**	**7.93**

	Provident Fund		Gratuity	
VI. Percentage of each category of plan assets to total fair value of plan assets	**March 31, 2014**	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**
Administered by HDFC Standard Life Insurance / Kotak Gratuity Group plan	–	–	95.95%	95.15%
Special deposit scheme, Fixed deposit scheme and others	–	2.92%	4.05%	4.85%
Central Government securities	24.76%	23.27%	–	–
State loan/State government Guaranteed Securities	18.79%	16.43%	–	–
Public Sector Units	46.93%	48.72%	–	–
Private Sector Units	7.22%	7.00%	–	–
Others	2.30%	1.66%	–	–
Total	**100%**	**100%**	**100%**	**100%**

	Provident Fund		Gratuity	
VII. Expenses recognised in the Statement Profit and Loss	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**
Current service cost	6.37	5.45	2.22	1.50
Interest cost	6.28	5.18	1.49	1.10
Expected return on plan assets	(6.28)	(5.18)	(1.09)	(1.00)
Net actuarial (gain)/loss to be recognised	–	–	1.04	1.53
Past service cost (non vested benefit) recognised	–	–	0.15	–
Past service cost (vested benefit) recognized	–	–	–	–
(Income) / Expense recognised in the Statement of Profit and Loss	**6.37**	**5.45**	**3.81**	**3.13**

	Provident Fund		Gratuity	
VIII. Balance Sheet reconciliation	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**
Opening net liability	–	–	7.93	6.05
(Income) / Expense as above	6.37	5.45	3.81	3.13
Employers contribution	(6.37)	(5.45)	(3.32)	(1.25)
Transfer to other Company	–	–	0.72	–
Unrecognized past service Cost	–	–	(1.42)	–
Liability Transferred out	–	–	(3.92)	–
Closing net liability	**–**	**–**	**3.80**	**7.93**

	Gratuity	
IX. Experience Adjustments	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**
On Plan liability (gain) / loss	1.94	1.53
On plan asset (loss) / gain	0.76	0.13

As per actuarial valuation report, expected employer's contribution in next year is Rs. 2.15 Crore (Rs. 2.89 Crore) for gratuity and Rs. 8.00 Crore (Rs. 7.17 Crore) for provident fund.

b) Privileged leave (Compensated absence for employees):

Amount recognised in the Balance Sheet and movements in net liability:

Particulars	**March 31, 2014 Rs. Crore**	**March 31, 2013 Rs. Crore**
Opening balance of compensated absences (a)	11.72	9.97
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	6.78	13.68
Short term compensated absences payable included in other current liabilities calculated on arithmatical basis (c)	3.78	–
(Excess)/ Unfunded liability of Compensated Absences recognized in the Statement of Profit and Loss for the year (b-a+c)	(1.16)	3.71

The privileged leave liability is not funded.

c) Defined contribution plan :

The Company has recognised Rs. 7.27 Crore (Rs. 6.32 Crore) towards contribution to provident fund, Rs. 0.34 Crore (Rs. 0.41 Crore) towards contribution to superannuation fund and Rs. 0.15 Crore (Rs. 0.39 Crore) towards employee state insurance plan in the Statement of Profit and Loss.

The information in respect of provident fund is provided to the extent available with the Company.

38 a) Additional information on assets taken on lease:

The Group'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 9 years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been given.

	As at March 31, 2014 Rs. Crore	2013 Rs. Crore
Lease rental payments recognised in the Statement of Profit and Loss.	34.08	72.62
In respect of assets taken on non cancellable operating lease:		
Lease obligations		
Future minimum lease rental payments payable		
not later than one year	16.64	42.69
later than one year but not later than five years	19.04	73.13
later than five years	0.04	10.42
Total	**35.72**	**126.24**

b) Additional information on assets given on lease:

	As at March 31, 2014 Rs. Crore	2013 Rs. Crore
Lease rental Income recognised in the Statement of Profit and Loss.	1.26	0.41

Rs. Crore

Asset	Cost as at March 31		Depreciation for the year ended March 31		Accumulated Depreciation as at March 31		Net Book Value as at March 31	
	2014	2013	2014	2013	2014	2013	2014	2013
Plant and equipment (refer note 14)	2.03	2.03	0.06	(0.16)	1.85	1.79	0.18	0.24
Investment Property	12.36	18.83	0.20	0.31	0.40	0.31	11.96	18.52

Depreciation for the previous year ended March 31, 2013 includes reversal of depreciation due to change of method of depreciation from WDV to SLM of Rs. 0.18 Cr which is shown as exceptional items.(Refer Note 39)

39 Details of Exceptional items disclosed in the Statement of Profit and Loss are as under:

	As at March 31, 2014 Rs. Crore	2013 Rs. Crore
Surplus on change in method of depreciation (Refer Note (a) below)	–	37.45
Impairment loss relating to Kaya Skin Clinics in India / Middle East (Refer Note (b) below)	–	(17.45)
Incremental provision towards contingent consideration (Refer Note 13(c))	–	(1.75)
Profit on distribution of assets by Halite to MCCL on voluntary liquidation (Refer Note (c) below)	–	5.91
Reversal of impairment loss on "Fiancee" trademark (Refer Note (d) below)	–	9.05
Total	**–**	**33.21**

a) During the previous year, effective January 1, 2013, the Company had retrospectively changed its method of providing depreciation on Factory Building and Plant & Machinery from the 'Written Down Value Method' to 'Straight Line Method' at the rates prescribed in Schedule XIV to the Companies Act, 1956. Accordingly, the Company had recognised the surplus of Rs. 37.45 Crores arising from this retrospective change.

Had the previous method of depreciation been followed, depreciation charge for the year ended March 31, 2014 would have been higher by Rs. 8.21 Crores (Rs. 2.96 Crore) and the profit before tax would have been lower by of an equivalent amount.

b) The management had, in the previous year, carried out impairment assessment in respect of Kaya business at the clinic level, which the management had considered as the relevant cash generating unit. This resulted in an impairment provision of Rs. 17.45 Crore, which is included in "Exceptional Items" in the Statement of Profit and Loss.

c) During the year ended March 31, 2013, under voluntary liquidation, Halite distributed its assets to MCCL, its sole shareholder. MCCL had taken over these assets of Halite at fair values. Excess of assets received by MCCL over its Equity investment in Halite, had resulted in profit of Rs. 5.91 Crore, which is shown as an "Exceptional Items" in the Statement of Profit and Loss. (Refer Note 35 (b))

d) During the year ended March 31, 2011, the Company had recognised an impairment loss of Rs. 13.88 Crores towards brand "Fiancee". During the previous year, the Company had reassessed the value in use and accordingly reversed an impairment loss of Rs. 13.88 Crore. The company has provided depreciation of Rs. 4.83 Crore for the year ended March 2012 and March 2013. Net reversal reflected under "Exceptional Items" after adjusting for depreciation is Rs. 9.05 Crore.

40 Derivative transactions

a) The total derivative instruments outstanding as on year end March 31, 2014 are Plain Forwards, Plain Vanilla Put Option, Cross currency swap and Interest rate swap:

		March 31, 2014		March 31, 2013	
	Currency	**Notional Amount in Foreign Currency**	**Equivalent Amount in Rs. at the year end * (Rs. Crore)**	**Notional Amount in Foreign currency**	**Equivalent Amount in Rs. at the year end * (Rs. Crore)**
Forward contracts outstanding					
Exports:	USD	5,425,824	32.50	7,739,273	42.01
Foreign currency loans (including Interest)	USD	3,000,000	17.97	15,182,985	82.41
Creditors	USD	5,071,095	30.37	18,049,383	97.97
Creditors	AUD	611,578	3.39	760,000	4.30
Loan to subsidiary:	ZAR	16,544,500	9.41	18,749,500	11.02
Options Contracts outstanding					
Exports	USD	4,817,444	28.85	5,993,000	32.53
Creditors	USD	3,430,000	20.54	1,059,500	5.75
Creditors	AUD	664,998	3.69	–	–
Currency Swap	USD	–	–	10,000,000	54.28

* Converted into the exchange rate at the year end.

Out of the above, the following have been designated as cash flow hedges :

		March 31, 2014		March 31, 2013	
	Currency	**Amount in Foreign Currency**	**Fair Value (Rs. Crore)**	**Amount in Foreign Currency**	**Fair Value (Rs. Crore)**
Forward contracts	USD	10,496,919	64.02	2,57,88,656	106.77
Forward contracts	AUD	611,578	3.41	760,000	4.31
Options contract	AUD	664,998	0.20	–	–
Options contract	USD	8,247,444	1.40	7,052,500	0.49

Details of Interest rate swaps which the Company has entered into for hedging its interest rate exposure on borrowings in foreign currency :

		March 31, 2014		March 31, 2013	
	Currency	**Amount in Foreign Currency**	**Fair Value (Rs. Crore)**	**Amount in Foreign Currency**	**Fair Value (Rs. Crore)**
Borrowings in Foreign currency	USD	25,500,000	1.77	27,000,000	3.08

– The Cash flows are expected to occur and impact the Statement of Profit and Loss within the period of 1 year except interest rate swap, in respect of which Cash flows are expected to occur and impact the Statement of Profit and Loss within the period of 3 years (1 to 4 years).

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

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

			March 31, 2014		March 31, 2013	
		Currency	**Amount in Foreign Currency**	**Equivalent Amount in Rs. at the year end * (Rs. Crore)**	**Amount in Foreign currency**	**Equivalent Amount in Rs. at the year end * (Rs. Crore)**
a.	**a. Amount receivable in foreign currency on account of following :**					
	- Export of goods	AED	4,988	0.01	4,988	0.01
		USD	5,890,404	35.28	5,061,074	27.47
b.	**Amount (payable) / receivable in foreign currency on account of following :**					
	(i) Import of goods and services	AUD	627,191	3.48	27,007	0.15
		MYR	(128,000)	(0.23)	–	–
		EUR	84,990	0.70	(56,339)	(0.39)
		GBP	(32,227)	(0.32)	(36,094)	(0.30)
		USD	(13,419,226)	(80.37)	(4,390,145)	(23.83)
		SGD	121	0.01	587,441	2.57
	(ii) Capital imports	CHF	680	0.01	680	0.01
		USD	12,102	0.07	–	–
		EUR	9,977	0.08	–	–
		GBP	800	0.01	–	–
	(iii) Loan payables *	USD	(18,658,161)	(111.74)	(14,000,000)	(75.99)

			March 31, 2014		March 31, 2013	
		Currency	**Amount in Foreign Currency**	**Equivalent Amount in Rs. at the year end * (Rs. Crore)**	**Amount in Foreign currency**	**Equivalent Amount in Rs. at the year end * (Rs. Crore)**
c.	**Bank balances**	USD	1,467,667	8.79	1,176,291	6.38
		IDR	10,741,257	0.01	–	–
		GBP	7,080	0.07	–	–
		EUR	409	0.01	–	–
		VND	254,291	0.01	584,291	0.01
d.	**Other receivable / (payable)**	USD	(94,139)	(0.56)	18,355	0.10
		AED	2,580	0.01	(469)	(0.01)
		BDT	27,000	0.01	–	–
		SGD	(60)	(0.01)	–	–
		MYR	2,130	0.01	–	–
		IDR	(377,230,626)	(0.20)	–	–
		AUD	–	–	2,400	0.01
		EUR	12,453	0.10	55,159	0.38
		THB	118,503	0.02	95,147	0.02
		GBP	–	–	9,703	0.08

* Excludes Loans payable of Rs. 305.44 Crore [USD 51,000,000] (Rs. 293.11 Crore [USD 54,000,000]) assigned to hedging relationship against highly probable forecast sales. The Cash flows are expected to occur and impact the Statement of Profit and Loss within the period of 3 years (1 to 4 years).

c) The Company had, opted for early adoption of Accounting Standard 30 "Financial Instruments: Recognition and Measurement" to the extent it does not conflict with existing mandatory accounting standards and other authoritative pronouncements. Accordingly, the net unrealised loss of Rs. 76.29 Crore as at March 31, 2014 (Rs. 52.49 Crores as at March 31, 2013) in respect of outstanding derivative instruments and foreign currency loans at the period end which qualify for hedge accounting, stands in the 'Hedge Reserve', which is being recognised in the Statement of Profit and Loss on occurrence of the underlying transactions or forecast revenue.

41 a) The Corporate Governance 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 formula as defined in the Plan. During the year, Scheme I got vested & settled on vesting date September 30, 2013. There are three live schemes under the Plan with different vesting period. Under the Plan, the respective employees are entitled to receive a STAR Value which is the excess of the maturity price over the grant price subject to fulfillment of certain conditions. The Plan is administered by Corporate Governance Committee comprising independent directors.

b) Details of Star Scheme:

	STAR I		STAR II				STAR III				STAR IV	
Grant Date	March 28, 2011		December 1, 2011		December 1, 2012		December 1, 2012		December 2, 2013		December 2, 2013	
Grant Price (Rs.)	129.15		148.53		213.91		213.91		208.96		208.96	
Vesting Date	September 30, 2013		November 30, 2014		November 30, 2014		November 30, 2015		November 30, 2016		November 30, 2016	
	As at March 31		As at March 31		As at March 31		As at March 31		As at March 31		As at March 31	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Number of grants outstanding at the beginning of the year	2,665,700	3,051,600	977,100	1,095,000	191,400	-	1,739,900	-	-	-	-	-
Add : Granted during the year	-	360,000	-	38,100	-	200,300	-	1,746,900	202,300	-	1,079,000	-
Less : Forfeited during the year	53,200	515,200	272,100	81,000	40,200	8,900	665,700	7,000	-	-	21,400	-
Less : Exercised during the year	2,612,500	*230,700	*84,400	*75,000	-	-	-	-	-	-	-	-
Number of grants at the end of the year	-	2,665,700	620,600	977,100	151,200	191,400	1,074,200	1,739,900	202,300	-	1,057,600	-

*Pursuant to a resolution passed by the Corporate Governance Committee approving vesting in respect of certain employees.

Rs. in Crore

	STAR I		STAR II				STAR III				STAR IV	
	As at March 31		As at March 31		As at March 31		As at March 31		As at March 31		As at March 31	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Total Provision	–	17.23	2.93	3.42	–	-	–	-	-	-	–	-
Less: Accretion in amounts recoverable from the Trust (Also refer note (c) and (d) below)	–	7.77	2.53	2.33	–	-	–	-	-	-	–	-
Net Provision	**–**	**9.46**	**0.40**	**1.09**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Classified as long-term	–	–	–	1.09	–	–	–	–	–	–	–	–
Classified as short-term	–	9.46	0.40	-	–	–	–	–	–	–	–	–

c) 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 Rs. 36.31 Crore (Rs. 77.25 Crore) to the Trust for purchase of the Company's shares under the Plan, of which Rs. 26.48 Crore (Rs. 36.54 Crore) is included under "Long term loans and advances" (Refer Note 17) and Rs. 9.83 Crore (Rs. 40.71 Crore) under "Short term loans and advances" (Refer Note 23). 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, shall utilize the proceeds towards meeting its STAR Value obligation.

d) The difference between the market price of the Company's shares as at the year end and the grant price after adjusting for the difference between the amounts due from the Trust and the loan advanced to the Trust is recognized as an expense over the vesting period and accordingly an amount of Rs. 2.81 Crore (Rs. 4.59 Crore) is charged in the Statement of Profit and Loss (Refer Note 28). The total provision of Rs. 0.40 Crore (Rs. 9.46 Crore) as at March 31, 2014 which relates to STAR Scheme II maturing on November 30, 2014 has been disclosed under Short Term provision (Refer Note 13).

e) As on March 31, 2014, the market price of the Company's shares on the stock exchanges was lower than the average price at which the Trust had bought the shares under one of the STAR schemes. This has resulted in diminution in the recoverable value of loan advanced to the Trust. Accordingly, the Company has charged an amount of Rs. 0.70 Crore (Rs. 0.81 Crore) to the Statement of Profit and Loss (Refer Note 17).

f) The Securities and Exchange Board of India (SEBI) in January 2013 amended the SEBI (ESOS and ESPS) Guidelines 1999, vide which it mandated that no ESOS/ESPS schemes shall involve acquisition of securities of the Company from the secondary market. Accordingly such existing schemes need to comply with the amended guidelines by June 30, 2014. Considering the proposals in the consultative papers issued by SEBI on implementation of new guidelines, the effect of compliance with new guidelines is not likely to be material on these financial statements.

42 Earnings per share:

	March 31, 2014	March 31, 2013
Profit for the year as per the Statement of Profit and Loss/ Profit available to equity shareholders (Rs. Crore)	**485.38**	**395.86**
Equity shares outstanding as at the year end	644,872,999	644,771,799
Weighted average number of equity shares used as denominator for calculating basic earnings per share	644,843,409	640,971,596
Weighted average number of equity shares used as denominator for calculating diluted earnings per share	645,002,031	641,232,987
Nominal value per equity share	Re. 1	Re. 1
Basic earnings per equity share	**Rs. 7.53**	**Rs. 6.18**
***Diluted earnings per equity share**	**Rs. 7.53**	**Rs. 6.17**

*Diluted EPS has been calculated after taking into account options granted to certain eligible employees as referred in note 4(d).

Reconciliation of Basic and Diluted Shares used in computing earnings per share

	March 31, 2014	March 31, 2013
Number of shares considered as basic weighted average shares outstanding	644,843,409	640,971,596
Add: Effect of dilutive stock options	158,622	261,391
Number of shares considered as weighted average shares and potential shares outstanding	645,002,031	641,232,987

43 Segment Information

Pursuant to the De-merger of Kaya Business (Refer Note 36), the Consolidated financial statements of Marico have only one reportable segment- "Consumer Products" - in terms of Accounting Standard 17 "Segment Reporting" mandated by Rule 3 of the Companies ("Accounting Standards") Rules, 2006. The Group has identified following geographical markets as the Secondary segment.

Geographical Segments	Composition
India	All over India
International (others)	Primarily Middle East, SAARC countries, Egypt, Malaysia, South Africa, Singapore (for FY 12-13) and Vietnam.

(Rs. Crore)

	India		International (others)		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Revenue	3,563.55	3,435.64	1,122.97	1,160.54	4,686.52	4,596.18
Carrying amount of assets	2,015.39	2,620.43	949.56	1,086.80	2,964.95	3,707.23
Capital expenditure	74.67	93.09	23.31	60.38	97.98	* 153.47

* excludes assets acquired on acquisition of new subsidiaries

44 Related Party disclosures

a) Name of related parties and nature of relationship:

i) Subsidiary companies (Refer note 3)

Marico Innovation Foundation (w.e.f. March 15, 2013)

Marico Kaya Enterprises Limited (upto March 31, 2013)

ii) Key management personnel (KMP) :

Harsh Mariwala, Chairman and Managing Director upto March 31; effective April 1, 2014, Mr. Harsh Mariwala has been re-designated as Chairman and Non-Executive Director.

iii) Relatives of Key management personnel:

Rishabh Mariwala, son of Harsh Mariwala

iv) Others - Entities in which KMP has significant influence & transactions have taken place:

The Bombay Oil Private Limited

Marico Innovation Foundation (upto March 14, 2013)

Marico Kaya Enterprises Limited (w.e.f. April 1, 2013)

Kaya Limited (w.e.f. April 1, 2013)

Kaya Middle East FZE (w.e.f. April 1, 2013)

Derma Rx International Aesthetics PTE Ltd (w.e.f. April 1, 2013)

b) Transactions during the year

(Rs. Crore)

Particulars	KMP and their relative		Subsidiaries		Others	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Remuneration	**4.99**	**4.64**	**–**	**–**	**–**	**–**
Harsh Mariwala	4.98	4.64	–	–	–	–
Others	0.01	0.01	–	–	–	–
Rent paid	**–**	**–**	**–**	**–**	**–**	**0.08**
The Bombay Oil Private Limited	–	–	–	–	–	0.08
Investments made during the year	**–**	**-**	**–**	**0.10**	**–**	**–**
Marico Kaya Enterprises Limited	–	–	–	0.10	–	–
Expenses paid on behalf of subsidiary	**–**	**–**	**–**	**–**	**12.66**	**–**
Kaya Limited	–	–	–	–	12.25	–
Others	–	–	–	–	0.41	–
Purchase of Fixed Assets	**–**	**–**	**–**	**–**	**0.48**	**–**
Kaya Limited	–	–	–	–	0.48	–
Sale of Fixed Assets	–	–	–	–	**0.02**	–
Kaya Limited	–	–	–	–	0.02	–
Lease Rental Income	**–**	**–**	**–**	**–**	**0.83**	**–**
Kaya Limited	–	–	–	–	0.82	–
Others	–	–	–	–	0.01	–
Loans and Advances Recovered	**–**	**–**	**–**	**–**	**17.07**	**–**
Kaya Limited	–	–	–	–	15.39	–
Others	–	–	–	–	1.68	–
Donation Given	**–**	**–**	**2.92**	**1.71**	**–**	**–**
Marico Innovation Foundation	–	–	2.92	1.71	–	–
Expenses paid by subsidiary on behalf of Marico Limited	**–**	**–**	**–**	**–**	**0.06**	**–**
Kaya Middle East FZE	–	–	–	–	0.06	–
Claim Settled	**–**	**–**	**–**	**–**	**0.06**	**–**
Kaya Middle East FZE	–	–	–	–	0.06	–
Stand by Letter of Credit Discharged	**–**	**–**	**–**	**–**	**23.88**	**–**
Kaya Middle East FZE	–	–	–	–	23.88	–
Coporate Guarantee Commission	**–**	**–**	**–**	**–**	**0.74**	**–**
Derma Rx International Aesthetics PTE Ltd	–	–	–	–	0.74	–
Coporate Guarantee Discharged	**–**	**–**	**–**	**–**	**105.03**	**–**
Derma Rx International Aesthetics PTE Ltd	–	–	–	–	105.03	–
Loans and advances given	**–**	**–**	**–**	**0.11**	**–**	**–**
Marico Kaya Enterprises Limited	–	–	–	0.11	–	–
Transfer of Assets and Liabilities on de-merger of Kaya business	**–**	**–**	**–**	**–**	**297.27**	**–**
Marico Kaya Enterprises Limited	–	–	–	–	297.27	–

c) **Balances as at the year end**

(Rs. Crore)

Particulars	KMP and their relative		Subsidiaries		Others	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Investments	**-**	**-**	**-**	**0.10**	**-**	**-**
Marico Kaya Enterprises Limited	-	-	-	0.10	-	-
Dues payable	**-**	**-**	**-**	**-**	**-**	**0.02**
The Bombay Oil Private Limited	-	-	-	-	-	0.02
Loans and advances	**-**	**-**	**-**	**0.11**	**2.32**	**-**
Kaya Limited	-	-	-	-	1.97	-
Marico Kaya Enterprises Limited	-	-	-	0.11	0.32	-
Others	-	-	-	-	0.03	-
Corporate guarantees given to banks	**-**	**-**	**-**	**-**	**8.00**	**8.00**
Kaya Limited	-	-	-	-	8.00	8.00

45 Previous year figures

a) Previous year figures have been re-grouped and reclassified wherever necessary to conform to this year's classification

b) In view of the acquisition of personal care business of PPL (Refer Note 35) and demerger of Kaya business (Refer Note 36) previous year figures are not comparable.

c) The figures in brackets represent those of the previous year.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

UDAY SHAH
Partner
Membership No. 46061

Place : Mumbai
Date : April 30, 2014

For and on behalf of the Board of Directors

HARSH MARIWALA Chairman
SAUGATA GUPTA Managing Director and CEO
VIVEK KARVE Chief Financial Officer
HEMANGI GHAG Company Secretary & Compliance Officer

Place : Mumbai
Date : April 30, 2014