

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Members of Marico Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Marico Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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 Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") 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 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 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 financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

AUDITORS' REPORT

8. As required by Section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act 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;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Uday Shah

Partner

Membership Number 46061

Place : Mumbai

Date : April 30, 2014

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 7 of the Auditors' Report of even date to the members of Marico Limited on the financial statements for the year ended March 31, 2014.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted/taken any loans, secured or unsecured, to from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d) / (f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act, accordingly our commenting on transactions made in pursuance of such contracts or arrangement does not arise.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax and customs duty as at March 31, 2014 which have not been deposited on account of a dispute, are as follows;

ANNEXURE TO AUDITORS' REPORT

Name of the Statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act and Local Sales Tax Acts	Sales tax including interest and penalty as applicable	2.13	Various years	Additional Commissioner - Sales tax Appeals
		0.92	Various years	Deputy Commissioner - sales tax Appeals.
		11.77	Various years	Joint Commissioner - Sales Tax Appeals
		5.04	Various years	Sales tax Tribunal
		0.11	Various years	High Court - U.P.
		0.57	Various years	Assistant Commissioner - Sales Tax Appeals
The Indian Customs Act,1962	Export cess	0.09	2004	Deputy Commissioner of Customs - Kolkatta
The Indian Customs Act,1962	Redemption fine and penalty	0.30	2002 to 2004	Customs Excise and Service Tax Appellate Tribunal - Mumbai
The Indian Customs Act,1962	Custom duty	0.01	2008	Assistant Commissioner of Customs - Mumbai
Income Tax Act,1961	Income tax	12.57	2009-10	Commissioner of Income Tax (Appeals)
		12.27	2010-11	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Service Tax	0.17	2005-10	Commissioner of Customs, Central Excise and Service Tax

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.

ANNEXURE TO AUDITORS' REPORT

- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company had issued Unsecured Redeemable Non- Convertible Debentures which was outstanding as at the year end, in respect of which it is not required to create security or charge.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Uday Shah

Partner

Membership Number : 46061

Place : Mumbai

Date : April 30, 2014

BALANCE SHEET

		As at March 31,	
	Note	2014 Rs. Crore	2013 Rs. Crore
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	64.49	64.48
Reserves and surplus	4	<u>1,908.85</u>	<u>1,926.95</u>
		1,973.34	1,991.43
Non-current liabilities			
Long-term borrowings	5	251.54	376.83
Deferred tax liabilities (Net)	6	12.75	3.04
Other long term liabilities	7	-	0.97
		<u>264.29</u>	<u>380.84</u>
Current liabilities			
Short-term borrowings	8	156.59	279.36
Trade payables	9	320.64	310.08
Other current liabilities	10	387.07	152.37
Short-term provisions	11	41.65	54.19
		<u>905.95</u>	<u>796.00</u>
TOTAL		<u>3,143.58</u>	<u>3,168.27</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12 (A)	483.24	322.76
Intangible assets	12 (B)	10.90	12.47
Capital work-in-progress		<u>2.06</u>	<u>145.34</u>
		496.20	480.57
Non-current investments	13	1,132.93	1,087.05
Long-term loans and advances	14	67.82	139.28
Other non-current assets	15	<u>154.92</u>	<u>135.34</u>
		1,851.87	1,842.24
Current assets			
Current investments	16	233.83	229.42
Inventories	17	663.96	708.98
Trade receivables	18	148.45	123.85
Cash and bank balances	19	128.95	22.03
Short-term loans and advances	20	89.63	233.41
Other current assets	21	<u>26.89</u>	<u>8.34</u>
		1,291.71	1,326.03
TOTAL		<u>3,143.58</u>	<u>3,168.27</u>

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

STATEMENT OF PROFIT AND LOSS

	Note	For the year ended March 31,	
		2014 Rs. Crore	2013 Rs. Crore
Revenue from operations (Gross)	22	3,689.18	3,409.90
Less : Excise duty		6.69	2.80
Revenue from operations (Net)		3,682.49	3,407.10
Other income	23	234.38	50.20
Total Revenue		3,916.87	3,457.30
Expenses:			
Cost of materials consumed	24 (A)	1,842.16	1,760.09
Purchases of stock-in-trade	24 (B)	138.42	202.61
Changes in inventories of finished goods, work-in-progress and stock-in-trade - (increase) / decrease	24 (C)	24.15	(132.70)
Employee benefits expenses	25	171.34	155.69
Finance costs	26	30.43	43.68
Depreciation, amortisation and impairment	27	46.20	33.13
Other expenses	28	946.89	899.31
Total Expenses		3,199.59	2,961.81
Profit before exceptional items and tax		717.28	495.49
Exceptional items - income	36	-	46.50
Profit before tax		717.28	541.99
Tax expense:			
Current tax		153.00	103.95
Less: MAT credit (entitlement) / utilisation		(22.65)	(13.31)
Net current tax		130.35	90.64
Deferred tax charge		9.71	22.26
Profit for the year		577.22	429.09
Earnings per equity share (Nominal value per share Re. 1 (Re. 1))	38		
Basic		Rs. 8.95	Rs. 6.69
Diluted		Rs. 8.95	Rs. 6.69
The Company and nature of its operations	1		
Summary of significant accounting policies	2		

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

CASH FLOW STATEMENT

	For the year ended March 31,	
	2014 Rs. Crore	2013 Rs. Crore
A CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	717.28	541.99
Adjustments for:	-	
Depreciation, amortisation and impairment	46.20	33.13
Surplus on change in method of depreciation (Refer Note 36(a))	-	(37.45)
Reversal of impairment loss on "Fiancee" trade mark (Refer Note 36 (b))	-	(9.05)
Finance costs	30.43	43.68
Interest income	(6.89)	(10.59)
Loss / (Profit) on sale of assets - (net)	(0.46)	1.35
(Profit) / Loss on sale of investments (net)	(9.82)	(4.73)
Dividend income	(208.32)	(26.35)
Employees stock option charge/ (reversal)	-	(0.02)
Stock appreciation rights expenses (Refer note 25)	2.81	2.37
Provision for doubtful debts, advances, deposits and others written back	(0.29)	1.14
	<u>(146.34)</u>	<u>(6.52)</u>
Operating profit before working capital changes	570.94	535.47
Adjustments for:		
(Increase)/ Decrease in inventories	45.02	(178.95)
(Increase)/ Decrease in trade receivables	(24.71)	(23.13)
(Increase)/ Decrease in loans and advances, other current and non-current assets and other bank balances	(205.45)	103.13
Increase/(Decrease) in current liabilities and provisions	27.77	95.02
Changes in Working Capital	(157.37)	(3.93)
Cash generated from Operations	413.57	531.54
Taxes paid (net of refunds)	(157.22)	(87.18)
NET CASH GENERATED FROM OPERATING ACTIVITIES	256.35	444.36
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(59.67)	(192.42)
Sale of fixed assets	3.59	0.19
Purchase of investment property	-	(18.83)
Purchase of investments	(243.32)	(156.33)
Sale of investments	48.80	281.07
Investment in Subsidiary	(34.44)	(745.80)
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
Loans and advances repaid by related parties	74.32	76.15
Loans and advances given to related parties	68.50	(202.06)
Dividend income received	208.32	26.35
Interest received	7.94	10.14
NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES	109.17	(953.06)

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 (net of Share issue expenses)	0.56	499.19
Issue / (Redemption) of commercial papers (net)	(42.50)	42.50
Issue of Debentures / (redemption)	(50.00)	100.00
Other borrowings (repaid) / taken (net)	(91.75)	(10.87)
Finance charges paid	(30.66)	(43.32)
Equity dividend paid (inclusive of dividend distribution tax)	(154.41)	(66.05)
NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES	(368.76)	521.45
D NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(3.24)	12.75
E Cash and cash equivalents – opening balance (as at April 1) (Note 19)	18.71	5.96
F Cash and cash equivalents – closing balance (as at March 31) (Note 19)	15.47	18.71

Notes

- 1 The above Cash Flow statement has been prepared under the indirect method as set out in Accounting Standard 3 (AS 3) ' Cash Flow Statements' as specified in Companies (Accounting Standards) Rules, 2006.
- 2 The figures for the previous year have been regrouped where necessary to conform to current year's classification.
- 3 For significant non-cash financial and investing activities refer Note 44.

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTES TO THE FINANCIAL STATEMENTS

1. The Company and nature of its operations:

Marico Limited ('Marico' or 'the Company'), headquartered in Mumbai, Maharashtra, India, carries on business in branded consumer products. Marico manufactures and markets products under brands such as Parachute, Nihar, Saffola, Hair & Care, Revive, Mediker, Livon and Set-wet etc. Marico's products reach its consumers through retail outlets serviced by Marico's distribution network comprising regional offices, carrying & forwarding agents, redistribution centers and distributors spread all over India.

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) 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 provision for 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.

c) 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.

d) Depreciation and amortization

I. Tangible assets

- i) Depreciation 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:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Asset	Rates (p.a.)
Computer hardware and related peripherals	33.33%
Moulds	16.21%
Office equipment	10% to 50%
Furniture and fixtures	12.50%
Vehicles	20%

- ii) Extra shift depreciation is provided on "Plant" basis.
- iii) Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.
- iv) Leasehold land is amortised over the primary period of the lease.
- v) Fixtures in leasehold premises are amortised over the primary period of the lease.
- vi) 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.
- vii) During the year ended March 31, 2013, the Company had changed the method of depreciation on certain assets (Refer note 36 (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:

Asset	Rates (p.a.)
Trademarks, copyrights and business and commercial rights	10%
Computer software	33.33%

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.

e) 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 recognized as expenditure in the Statement of Profit and Loss as per the terms of the respective lease agreement.

f) Assets given on lease

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

g) Investments

- i) Long term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognise a decline 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 which are unquoted, net asset value is taken as fair value.
- iii) Investment property: Investment in buildings that are not intended to be occupied substantially for use by, or in the operations of, the Company, is classified as investment property. Investment properties are carried at cost less accumulated amortization and impairment loss, if any.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

h) Inventories

- i) Raw materials, packing materials, stores and spares 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-progress, 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 estimated net realizable value.
- iv) Cost is ascertained on weighted average method and in case of work-in-progress includes appropriate production overheads and in case of finished goods includes appropriate production overheads and excise duty, wherever applicable.
- 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.

i) Research and Development

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

j) Revenue recognition

Revenue is recognized 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 recognized:

- i) Domestic sales are recognized 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 recognized based on the date of bill of lading which is when substantial risks and rewards of ownership are passed to the customers.
- iii) Revenue from services is recognized on rendering of services.
- iv) Interest and other income are recognized on accrual basis.
- v) Income from export incentives such as premium on sale of import licenses, duty drawback etc. are recognized on accrual basis to the extent the ultimate realization is reasonably certain.
- vi) Dividend income is recognized if right to receive dividend is established by the reporting date.
- vii) Revenue from royalty income is recognized on accrual basis.

k) Retirement and other benefits to employees

i) Gratuity

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the period in which they arise.

ii) 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.

iii) Leave encashment / Compensated absences

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

iv) Provident fund

Provident fund contributions are made to a trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the Company is additionally provided for. Actuarial losses and gains are recognized in the Statement of Profit and Loss in the year in which they arise.

l) Foreign currency transactions

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

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

iv) In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognized as income or expense and is amortised over the life of the contract. Exchange differences on such contracts are recognized 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 recognized as income or expense for the period.

v) The Company uses forward and options contracts to hedge its risks associated with foreign currency transactions relating to certain firm commitments and forecasted transactions. The Company also uses Interest rates swap contracts to hedge its interest rate risk exposure. The Company designates these as cash flow hedges. These contracts are marked to market as at the year end and resultant exchange differences, to the extent they represent effective portion of the hedge, are recognized directly in 'Hedge Reserve'. The ineffective portion of the same is recognized immediately in the Statement of Profit and Loss.

vi) Exchange differences taken to Hedge Reserve account are recognized in the Statement of Profit and Loss upon crystallization of firm commitments or occurrence of forecasted transactions or upon discontinuation of hedge accounting resulting from expiry / sale / termination of hedge instrument or upon hedge becoming ineffective.

vii) Exchange differences arising on monetary items that in substance form part of Company's net investment in a non-integral foreign operation are accumulated in a 'Foreign Currency Translation Reserve' until the disposal of the net investment. The same is recognized in the Statement of Profit and Loss upon disposal of the net investment.

m) Accounting for taxes on income

i) Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an asset by crediting the 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 recognized 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 recognized 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 recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

n) 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.

o) Employee Stock Option Plan

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

p) Employee Stock Appreciation Rights Scheme

In respect of Employee Stock Appreciation Rights (STAR) 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 recognized as Employee compensation cost over the vesting period after adjusting amount recoverable from the Trust (Refer Note 41).

q) 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 recognized or disclosed in the financial statements.

r) Utilization of Securities Premium Reserve

The Securities Premium Reserve is utilized 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 off premium on redemption of any redeemable preference shares or debentures of the Company.

s) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including demand 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.

t) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

3 Share capital

	As at March 31,	
	2014	2013
	Rs. Crore	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 43)	-	-	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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

d) Shares reserved for issue under options :

The Corporate Governance Committee of the Board of Directors of Marico Limited had 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 reversed Rs. Nil (Rs. 0.02 Crore) as compensation cost under the 'intrinsic value' method (Refer note 25). 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)	577.22	429.09
Less : Stock-based employee compensation expense (Rs. Crore)	-	0.31
Adjusted pro-forma (Rs. Crore)	577.22	428.78
Basic earnings per share as reported	Rs. 8.95	Rs. 6.69
Pro-forma basic earnings per share	Rs. 8.95	Rs. 6.69
Diluted earnings per share as reported	Rs. 8.95	Rs. 6.69
Pro-forma diluted earnings per share	Rs. 8.95	Rs. 6.69

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

	As at 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%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

4 Reserves and surplus

	As at March 31,	
	2014 Rs. Crore	2013 Rs. Crore
Securities Premium Reserve		
Balance as at the beginning of the year	542.28	46.54
Add : Receipt on issue of shares on preferential allotment basis (Refer note 43)	-	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)	-	(3.10)
Less: Premium on redemption of Debentures [net of tax effect of Rs. 3.04 Crore (Previous year 0.31 Crore)]	(5.89)	(0.66)
Add : Transferred from Employee Stock Options outstanding	-	0.02
Less: Adjusted upon de-merger of Kaya business (Refer note 44)	(297.27)	-
Balance as at the end of the year	239.67	542.28
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	20.86	21.30
Less: Amount transferred to General Reserve on redemption	(50.00)	-
Balance as at the end of the year	13.83	42.97
Employee Stock Options Outstanding Account (Refer note 3 (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	229.76	186.85
Add : Transferred from Surplus in the Statement of Profit and Loss	57.72	42.91
Add : Amount transferred from Debenture Redemption Reserve on redemption	50.00	-
Balance as at the end of the year	337.48	229.76
Hedge Reserve (Refer note 37 (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	(18.21)	(18.57)
Balance as at the end of the year	(76.30)	(52.49)
Foreign Currency Translation Reserve (Refer note (a) below)		
Balance as at the beginning of the year	1.59	6.04
Exchange gain/(loss) on translation during the year	(1.59)	(4.45)
Balance as at the end of the year	-	1.59
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,162.84	835.43
Add : Profit during the year	577.22	429.09
Less: Appropriations :		
Equity dividend	257.94	32.24
Tax on Equity dividend [net of tax on dividend received from a foreign subsidiary of Rs. 34.47 Crore (Previous year Nil)]	9.37	5.23
Transfer to Debenture Redemption Reserve	20.86	21.30
Transfer to General Reserve	57.72	42.91
Balance as at the end of the year	1,394.17	1,162.84
Total	1,908.85	1,926.95

Note :

- a) The long term loans advanced to its wholly owned subsidiary, Marico South Africa Consumer Care (pty) Limited, was recovered during the year. The operations of the said subsidiary are classified as 'Non - integral foreign operations'. Accordingly, as per the requirements of Accounting Standard 11 'The effect of changes in Foreign Exchange Rates', exchange gain of Rs. 1.59 Crore arising on revaluation of the said loan was accumulated in 'Foreign Currency Translation Reserve', and has been recognized as income in the Statement of Profit and Loss during the current year.

Further, during the year the Company has infused additional equity of Rs. 34.44 Crore in its wholly owned subsidiary, Marico South Africa Consumer Care (pty) Limited.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

5 Long-term borrowings (net)

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Secured		
Term loans		
From banks		
External commercial borrowing from The Hongkong and Shanghai Banking Corporation Limited	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 and (iii) Mortgage on land and building situated at Andheri, Mumbai). The loan is repayable over a period of 6 years commencing from February 11, 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 below and note 10).		
	251.54	276.83
Unsecured		
Debentures		
1,000, Rated, Listed Unsecured, Zero Coupon Redeemable Non-convertible debentures of face value of Rs. 10,00,000/- each	-	100.00
Nil (The above debentures were issued on February 22, 2013 at Par and are redeemable 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 exercising the put/call option on debentures, it has been disclosed under Other current liabilities as current maturities of long term debt (Refer note below and note 10).		
	-	100.00
Total	251.54	376.83
Note:		
The scheduled maturity of long term borrowings is summarized as under:		
Within one year (Refer note 10 - Current maturities of long term debt)	153.90	66.28
After 1 year but within 2 years	89.84	148.85
After 2 year but within 5 years	161.70	227.98
Total	405.44	443.11

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

6 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		1.00	1.10
On intangible assets adjusted against Capital Redemption Reserve and Securities Premium Reserve under the Capital Restructuring scheme implemented in an earlier year (Refer note 12(b))		16.26	21.73
Liabilities / provisions that are deducted for tax purposes when paid		8.36	6.65
Other timing Differences		1.73	3.62
Deferred Tax assets	(A)	27.35	33.10
Deferred tax liability:			
Additional depreciation/amortisation on fixed assets for tax purposes due to higher tax depreciation rates.		40.10	36.14
Deferred tax liability	(B)	40.10	36.14
Total	(A-B)	12.75	3.04

7 Other Long Term Liabilities

		As at March 31,	
		2014	2013
		Rs. Crore	Rs. Crore
Premium on redemption of Debentures		-	0.97
Total		-	0.97

8 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)			
	(A)	51.17	12.74
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
Nil (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).			

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
- Export Packing credit in INR (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)).	5.00	-
- Other term loans in foreign currency Nil (Previous year loans have been availed for a term of 12 months and carry interest rate of 3 months LIBOR plus spread of 2.3% per annum).	-	54.28
- Cash credit	82.45	92.31
	105.42	224.12
From others :		
- Commercial papers Nil (Commercial papers were borrowed for a term of 12 months and carried interest rate ranging from 8% to 10% per annum.)	-	45.00
Less: Deferred interest	-	2.50
	-	42.50
	(B) 105.42	266.62
Total	(A+B) 156.59	279.36

9 Trade payables

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Trade Payables (Refer note below)	320.64	310.08
Total	320.64	310.08

Note:

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

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	7.81	9.58
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.01	0.04
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-
Interest due and payable towards suppliers registered under MSMED Act for payments already made.	-	-
Further interest remaining due and payable for earlier years.	0.04	0.09
Total	7.86	9.71

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

10 Other current liabilities

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Current maturities of long- term debt (Refer note 5(a))	153.90	66.28
Due to related parties	0.22	-
Interest accrued but not due on borrowings	1.30	1.56
Interest accrued and due on borrowings	0.03	-
Unclaimed dividend	0.20	0.17
Unpaid dividend	112.88	-
Premium on redemption of Debentures	9.90	-
Other Payables		
Provision for contractual liabilities	43.09	32.42
Advance from customers	11.26	5.64
Statutory dues, including provident fund and tax deducted at source	18.69	14.25
Forward/derivative contracts payables	2.54	5.22
Creditors for capital goods	3.00	2.11
Security deposits from customers and others	0.24	0.30
Employee benefits payable	29.59	24.14
Others	0.23	0.28
Total	387.07	152.37

11 Short term provisions

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Provision for employee benefits:		
Gratuity (Refer note 42 (A))	1.26	2.12
Leave entitlement (Refer note 42(B))	4.41	8.37
Provision for Employee Stock Appreciation Rights Scheme (Refer notes 41 (b) and 41 (d))	2.56	17.71
Less : Accretion in amounts recoverable from the Trust	(2.53)	10.03
	0.03	7.68
Income tax - (net of advance tax and other tax payments for various years Rs. 553.95 Crore (Previous year Rs. 396.72 Crore))	10.80	18.05
Disputed indirect taxes (Refer notes (a) and (b) below)	25.15	17.97
Total	41.65	54.19

- 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.
- b) Movement in provision for disputed indirect taxes:

	As at March 31,	
	2014	2013
	Rs. Crore	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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

12 Fixed Assets

(A) Tangible assets

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			IMPAIRMENT		NET BLOCK			
	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	As at April 1, 2013	For the Year	Deductions	Adjustment	As at March 31, 2014	Charge / (Reversal) for the year	As at March 31, 2014	As at March 31, 2013
Tangible assets												
Freehold land	2.49	-	-	1.72	-	-	-	-	-	-	1.72	2.49
Leasehold land	28.90	0.08	(0.50)	28.48	1.73	0.41	-	-	2.14	-	26.34	27.17
Buildings (Refer notes (a), (d) and (e) below)	137.71	145.60	(0.72)	266.10	19.08	5.55	(0.19)	(7.35)	17.09	0.02	248.98	118.61
Plant and equipment (Refer note (f) below)	300.34	55.79	(4.79)	351.34	125.87	21.98	(3.32)	-	144.53	6.43	191.47	168.04
Furniture and fixtures	8.77	7.83	(2.21)	14.39	5.81	1.57	(2.17)	-	5.21	-	9.18	2.96
Vehicles	1.27	-	-	1.27	0.91	0.21	-	-	1.12	-	0.15	0.36
Office equipment	7.00	4.18	(0.50)	10.68	4.48	2.47	(0.48)	-	6.47	0.01	4.18	2.51
Leasehold improvements	0.65	0.73	-	1.38	0.03	0.13	-	-	0.16	-	1.22	0.62
Total (A)	487.13	214.21	(8.72)	675.36	157.91	32.32	(6.16)	(7.35)	176.72	8.94	15.40	322.76
Previous Year	423.80	80.04	16.71	487.13	180.05	31.48	16.17	(37.45)	157.91	5.67	6.46	322.76

(B) Intangible asset

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			IMPAIRMENT		NET BLOCK			
	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	As at April 1, 2013	For the Year	Deductions	Adjustment	As at March 31, 2014	Charge / (Reversal) for the year	As at March 31, 2014	As at March 31, 2013
Intangible assets												
Trademarks and copyrights (Refer note (b) below)	24.14	-	-	24.14	15.09	2.41	-	-	17.50	-	-	6.64
Computer software	20.15	3.73	(0.86)	23.02	16.73	2.33	(0.30)	-	18.76	-	-	3.42
Total (B)	44.29	3.73	(0.86)	47.16	31.82	4.74	(0.30)	-	36.26	-	-	10.90
Previous Year	43.01	2.97	1.69	44.29	41.00	0.55	0.68	(9.05)	31.82	-	-	12.47
Total (A)+(B)	531.42	217.94	(9.58)	722.52	189.73	37.06	(6.46)	(7.35)	212.98	6.46	15.40	494.14
Total Previous Year	466.81	83.01	18.40	531.42	221.05	32.03	16.85	(46.50)	189.73	5.67	6.46	335.23

- 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) 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 36(b)).
- d) During the year ended March 31, 2014, building appearing in investment property of net book value Rs. 6.37 Crore (Gross block Rs. 6.47 Crore less accumulated depreciation Rs. 0.10 Crore) has been reclassified as office building.
- e) During the year ended March 31, 2014, Freehold land of cost of Rs. 0.77 Crore and Building of net book value of Rs. 15.50 (Gross block of Rs. 22.96 Crore and accumulated depreciation of Rs. 7.46 Crore) has been reclassified as assets held for disposal.
- f) For assets given on lease refer note 35 (b).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

13 Non current investments

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Investment Property (at cost less accumulated depreciation and amortisation) [Refer Note 35 (b)]		
Cost of building (Refer Note 12(d))	12.36	18.83
Less: Amortised upto previous year	(0.20)	-
Less: Amortisation during the year	(0.20)	(0.31)
Net block	11.96	18.52
Long term Trade investments (valued at cost unless stated otherwise)		
Investments in equity instruments :		
Investment in Subsidiaries		
Quoted		
Marico Bangladesh Limited 28,350,000 (28,350,000) equity shares of Bangladesh taka 10 each fully paid (Quoted on Dhaka Stock exchange and Chittagong Stock exchange).	0.86	0.86
Unquoted		
Marico Middle East FZE (wholly owned) 22 (22) equity share of UAE dirham 1,000,000 (1,000,000) fully paid	27.99	27.99
Marico South Africa Consumer Care (Pty) Limited (wholly owned) 1,247 (800) equity shares of SA Rand 1.00 fully paid (Refer Note (4a))	59.81	25.37
International Consumer Products Corporation 9,535,495 (9,535,495) equity shares of VND 10,000 fully paid	254.98	254.98
Marico Consumer Care Limited (wholly owned) (Refer Note 43) 74,615,000 (74,615,000) equity shares of Rs. 10 each fully paid	745.70	745.70
	1,089.34	1,054.90
Other Investments :		
Investments in Government Securities		
Unquoted		
National Savings Certificates (Deposited with the Government authorities)	0.01	0.01
Investment in Bonds		
Quoted		
Power Finance Corporation Limited (28,479 (28,479) Secured, Redeemable, Tax free Non-convertible Bonds, 8.20% , face value of Rs. 1,000/- each, redeemable on 1st February, 2022).	2.85	2.85
Indian Railway Finance Corporation (21,751 (21,751) Secured, Redeemable, Tax free Non-convertible Bonds , 8.00% , face value of Rs. 1,000/- each, redeemable on 23rd February, 2022).	2.18	2.18
National Highways Authority of India (24,724 (24,724) Secured, Redeemable, Tax free Non-convertible Bonds , 8.20% , face value of Rs. 1,000/- each, redeemable on 25th January, 2022).	2.47	2.47
Rural Electrification Corporation Limited (61,238 (61,238) Secured, Redeemable, Tax free Non-convertible Bonds , 8.12% , face value of Rs. 1,000/- each, redeemable on 29th March, 2027).	6.12	6.12
Rural Electrification Corporation Limited (50 (NIL) Secured, Redeemable, Tax free Non-convertible Bonds , 8.46% , face value of Rs. 10,00,000/- each, redeemable on 29th August, 2028).	5.00	-
Housing & Urban Development Corporation Ltd 500 (NIL) Secured, Redeemable, Tax free Non-convertible Bonds , 8.56% , face value of Rs. 1,00,000/- each, redeemable on 2nd September, 2028).	5.00	-
Investments in Mutual Funds		
Quoted		
LIC Nomura MF Fixed Maturity Plan Series 77-396 Days-Growth 8,000,000 (NIL) units of Rs. 10 each fully paid	8.00	-
	31.63	13.63
Total	1,132.93	1,087.05
Aggregate amount of quoted investments	32.48	14.49
Market Value of quoted investments	2,499.38	707.46
Aggregate amount of unquoted investments	1,100.45	1,072.56

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

14 Long terms loans and advances

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Unsecured, considered good unless stated otherwise		
Capital Advances	5.27	20.27
Loans and advances to related parties - Subsidiaries (Refer note 40 (c))	9.41	46.45
Other loans and advances :		
Deposits with public bodies and others		
Considered good	7.41	7.85
Considered doubtful	-	0.50
	7.41	8.35
Less: Provision for doubtful deposits	-	0.50
	7.41	7.85
Loans to employees	3.64	2.48
Prepaid expenses	0.20	0.13
Balance with statutory/government authorities	13.99	15.09
Advances to vendors	2.12	1.28
Inter corporate deposits	-	10.00
Loans and advances to Welfare of Mariconians Trust (Refer note 41 (c))	26.48	36.54
Less: Provision for doubtful loan (Refer note 41 (e))	(0.70)	(0.81)
	25.78	35.73
Total	67.82	139.28

15 Other non current Assets

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Fringe benefit tax payments (net of provisions of Rs. 5.85 crore (previous year Rs. 5.85 (crore))	0.48	0.48
MAT credit entitlement	153.80	131.15
Long term deposits with banks with maturity period of more than twelve months (Refer note below)	0.64	3.71
Total	154.92	135.34

Long term deposits with bank include Rs. 0.25 Crore (Rs. 0.13 Crore) deposited with sales tax authorities and Rs. 0.39 Crore (Rs. 3.58 Crore) held as lien by banks against guarantees issued on behalf of the Company.

16 Current investments

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Current portion of long term investments		
Unquoted		
Investment in subsidiary (Trade investment)		
Kaya Limited (Refer note 44)	-	181.84
Nil (17,848,975) equity shares of Rs. 10 each fully paid		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	As at March 31,	
	2014 Rs. Crore	2013 Rs. Crore
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, redeemed on 22nd January, 2014).	-	10.08
Current investments (At lower of cost and fair value)		
Unquoted		
Investment in subsidiaries (Trade investment)		
Investment in Marico Kaya Enterprises Limited (wholly owned) (Refer note 44) Nil (100,000) equity shares of Rs. 10 each	-	0.10
Investments in Mutual Funds		
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
JM High Liquidity Fund-Regular Plan-Bonus Option Nil (3,979,357) Units of Rs. 10 each fully paid	-	3.90
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 (1,184,290) 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	2.25	8.50
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 Maturity 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 Plan-Bonus Option-Bonus Units 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	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	As at March 31,	
	2014 Rs. Crore	2013 Rs. Crore
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	-
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. 1,000 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	-
Sundaram 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	-
Total	233.83	229.42
Aggregate amount of quoted investments	-	10.08
Market Value of quoted investments	-	9.99
Aggregate amount of unquoted investments	233.83	219.34
Aggregate net asset value of unquoted investment in mutual funds	236.26	37.46

17 Inventories

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

	As at March 31,	
	2014 Rs. Crore	2013 Rs. Crore
Raw materials	215.96	248.98
Work-in-progress	131.25	175.57
Finished goods (Includes in-transit - NIL (Previous year Rs. 0.06 Crore))	232.98	199.03
Stock - in - trade (Traded goods)	13.91	28.46
Stores and spares	6.43	6.46
Others :		
Packing materials	60.98	48.80
By-products	2.45	1.68
Total	663.96	708.98

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

18 Trade receivables

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	1.00	3.04
Considered doubtful	2.64	3.24
	3.64	6.28
Less: Provision for doubtful debts	(2.64)	(3.24)
	1.00	3.04
Outstanding for a period less than six months from the date they are due for payment		
Considered good	147.45	120.81
Considered doubtful	-	-
	147.45	120.81
Total	148.45	123.85

Refer note 40 (c) for amounts receivable from subsidiaries

19 Cash and bank balances

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Cash and cash equivalents :		
Cash on hand	0.23	0.21
Remittance in-transit	0.18	0.44
Cheques on hand	3.52	6.04
Bank balances in current accounts	11.54	12.02
	15.47	18.71
Other bank balances :		
Fixed deposits with maturity more than three months but less than twelve months	-	3.00
Unclaimed dividend account	0.20	0.17
Unpaid Dividend account	112.88	-
Demand deposits with maturity upto three months	0.40	0.15
Total	128.95	22.03

20 Short term loans and advances

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Unsecured, considered good (unless otherwise stated)		
Loans and advances		
to related parties (Refer note 40 (C))	30.59	142.18
	30.59	142.18
Others :		
Loans and advances to Welfare of Mariconians Trust (Refer note 41 (c))	9.83	40.71
Advances to vendors and others	19.79	27.14
Loans and advances to employees	2.40	3.06
Prepaid expenses	6.76	5.17
Deposits/Balances with Government authorities/Others	5.26	6.85
Deposit with Leave Encashment plan	-	8.30
Inter corporate deposits	15.00	-
	59.04	91.23
Total	89.63	233.41

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

21 Other current assets

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Unsecured, considered good (unless stated otherwise)		
Interest accrued and due on loans / deposits (receivable from subsidiary Rs. 0.10 Crore (Rs. 0.90 Crore))	1.81	2.84
Insurance receivables	0.05	0.05
Accrued export incentives	2.04	0.73
Assets held for disposal (Refer note 12 (e))	16.27	0.01
Others	6.72	4.71
Total	26.89	8.34

22 Revenue from operations

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Sale of products:		
Finished goods	3,418.43	3,120.44
Traded goods	182.34	203.06
By-product sales	80.70	78.13
	3,681.47	3,401.63
Less:		
Excise duty	6.69	2.80
	3,674.78	3,398.83
Other operating revenues:		
Export incentives	3.99	4.47
Sale of scraps	3.72	3.80
	7.71	8.27
Total	3,682.49	3,407.10

a) Details of Sales (Finished goods)

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Edible oils	2,195.97	2,116.59
Hair oils	904.73	759.70
Personal care	227.26	180.81
Others	90.47	63.34
Total	3,418.43	3,120.44

b) Details of Sales (Traded goods)

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Oil seeds (Copra)	69.18	83.22
Personal care	82.31	95.69
Others	30.85	24.15
Total	182.34	203.06

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

23 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	2.98	0.69
On loans, deposits, etc.	2.13	8.77
	6.89	10.59
Dividend Income		
On current investments	5.33	7.64
On Non current investments (from a subsidiary)	202.99	18.71
	208.32	26.35
Net gain on sale of current investments	9.82	4.73
Other non-operating income :		
Lease rental income	1.02	1.43
Royalty income	6.78	6.08
Profit on sale of assets (net)	0.46	-
Miscellaneous income	1.09	1.02
Total	234.38	50.20

24 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 (Refer notes (a) and (c) below)		
Raw materials consumed		
Opening Inventories	248.98	203.91
Add : Purchases (net)	1,449.27	1,496.72
Less : Inventories at the end of the year	215.96	248.98
Cost of raw materials consumed during the year	1,482.29	1,451.65
Packing materials consumed		
Opening Inventories	48.80	48.80
Add : Purchases (net)	372.05	308.44
Less : Inventories at the end of the year	60.98	48.80
Cost of packing materials consumed during the year	359.87	308.44
Total	1,842.16	1,760.09
B Purchases of Stock-in-trade (refer note (b) below)	138.42	202.61
C Changes in inventories of finished goods, work-in-progress and stock-in-trade - (increase) / decrease		
Opening inventories		
Work-in-progress	175.57	87.77
Finished goods	199.03	168.43
By-products	1.68	3.64
Stock-in-trade	28.46	12.20
Total	(I) 404.74	272.04
Less: Closing inventories		
Work-in-progress	131.25	175.57
Finished goods	232.98	199.03
By-products	2.45	1.68
Stock-in-trade	13.91	28.46
Total	(II) 380.59	404.74
(Increase) / decrease in inventories	(I-II) 24.15	(132.70)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

a) Details of Raw materials consumed

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Oil seeds (Copra and Kardi seeds)	558.70	662.52
Raw oils (other than Copra and Kardi seeds)	634.07	507.87
Others	289.52	281.26
Total	1,482.29	1,451.65

b) Details of Purchases of Stock-in-trade

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Oil seeds (Copra)	64.14	69.18
Personal care	53.59	119.87
Others	20.69	13.56
Total	138.42	202.61

c) Value of imported and indigenous Raw Materials consumed

	For the year ended March 31,			
	2014	%	2013	%
	Rs. Crore		Rs. Crore	
Imported	154.04	10.39	123.15	8.48
Indigenous	1,328.25	89.61	1,328.50	91.52
Total	1,482.29	100.00	1,451.65	100.00

25 Employee benefit expenses

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Salaries, wages and bonus	148.36	132.34
Contribution to provident and other funds (Refer notes 42)	9.55	10.30
Employees stock option charge/ (reversal) (Refer note 3 (d))	-	(0.02)
Stock appreciation rights expenses (Refer note 41 (d)):		
STAR Grant Expenses	5.34	12.40
Less: Accretion in amounts recoverable from the Trust	(2.53)	(10.03)
	2.81	2.37
Staff welfare expenses	10.62	10.70
Total	171.34	155.69

26 Finance costs

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Interest on:		
Long term borrowings	11.69	14.10
Short term borrowings	11.88	17.92
Other borrowing costs	0.18	0.27
Bank and other financial charges	1.90	3.00
Applicable net loss on foreign currency transactions and translation	4.78	8.39
Total	30.43	43.68

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

27 Depreciation, amortisation and impairment

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Depreciation on tangible assets (Refer note 2(d) (I))	32.32	31.48
Amortisation on intangible assets (Refer note 2(d) (II))	4.74	0.55
Provisions for Impairment of capitalised assets	8.94	0.79
Amortisation of Investment Property (Refer note 13)	0.20	0.31
Total	46.20	33.13

28 Other Expenses

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Consumption of stores and spare parts (refer note (a) below)	9.69	9.68
Power, fuel and water	28.18	33.82
Contract manufacturing charges	132.57	125.31
Rent and storage charges	27.94	30.25
Repairs to:		
Building	6.11	5.25
Machinery	12.02	10.89
Others	1.64	2.01
Freight, forwarding and distribution expenses	164.76	150.71
Advertisement and sales promotion	409.71	382.18
Rates and taxes	41.32	41.92
Commission to selling agents	1.15	5.92
Communication expenses	5.26	5.29
Printing and stationery	1.69	1.65
Travelling, conveyance and vehicle expenses	23.79	23.21
Royalty	5.34	1.51
Insurance	3.74	2.96
Payments to the auditor as:		
Statutory audit fees (including Limited Review under the Listing Agreement)	0.88	0.79
Tax audit fees	0.06	0.06
for other services as statutory auditors	0.15	0.21
for reimbursement of expenses	0.01	0.01
Net loss on foreign currency transactions and translation (other than considered as finance cost)	2.02	5.69
Commission to Non-executive directors	0.94	0.96
Provision for doubtful debts and advances	0.15	0.33
Add: Bad debts written off	0.71	-
Less: Provision for doubtful advances no longer required written back	(0.75)	-
	0.11	0.33
Miscellaneous expenses (Refer note (b) below)	67.81	58.69
Total	946.89	899.31

a) There is no consumption of imported stores and spares during the current year and the previous year.

b) Miscellaneous expenses include :

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Labour charges	11.45	11.75
Training & seminar expenses	3.82	5.06
Outside services	3.50	3.14
Legal & professional charges	29.60	24.26
Donation	8.08	3.41
Loss on sale of assets (net)	-	1.35

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

29 Contingent liabilities:

	As at March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Disputed tax demands / claims :		
Sales tax	28.83	24.99
Income tax	41.50	9.54
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
Service Tax	0.17	0.17
Excise duty on CNO dispatches (Refer note below)	443.23	364.09
Claims against the Company not acknowledged as debts	0.19	0.42
Corporate guarantees given to banks on behalf of group companies for credit and other facilities granted by banks. (Credit and other facilities availed by the subsidiaries as at the year end - Rs. 0.67 Crore (Rs. 70.77 Crore))	8.00	113.03
Stand by Letter of Credit issued by the Company's banks on behalf of subsidiaries for credit and other facilities granted by banks. (Credit and other facilities availed by the subsidiaries as at the year end - Rs. 119.95 Crore (Rs. 81.56 Crore))	129.24	181.30
Letter of credit	23.39	37.22
Total	685.36	741.33

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:

This 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.

30 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)	194.44	75.72
Total	194.44	75.72

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

31 CIF value of imports

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Raw materials	140.00	149.22
Packing materials	5.46	1.18
Capital goods	3.59	0.36
Stock - in - trade (Traded goods)	1.37	0.15
Total	150.42	150.91

32 Expenditure in foreign currency

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Travelling and other expenses	0.65	0.50
Advertisement and sales promotion	6.10	5.19
Interest on other loans	11.48	11.19
Miscellaneous expenses	2.07	2.19
Total	20.30	19.07

33 Earnings in foreign currency

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
FOB value of exports	162.76	138.59
Royalty	6.78	6.08
Dividend	202.99	18.71
Interest	1.49	4.10
Reimbursement of corporate guarantee commission	0.74	0.70
Total	374.76	168.18

34 Research and Development expenses aggregating Rs. 4.09 Crore for food and edible items and Rs. 12.47 Crore for others have been included under the relevant heads in the Statement of Profit and Loss. (Previous year aggregating Rs. 15.08 Crore)

35 a) Additional information on assets taken on lease:

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

	For the year ended March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Lease rental payments recognized in the Statement of Profit and Loss.	23.26	25.81
In respect of assets taken on non-cancellable operating lease:		
Lease obligations		
Future minimum lease rental payments		
- not later than one year	10.21	8.63
- later than one year but not later than five years	12.14	10.74
- later than five years	0.04	-
Total	22.39	19.37

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- b) Additional information on assets given on lease:

	March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
Lease rental Income recognised in the Statement of Profit and Loss.	1.02	1.43

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 12(A))	2.03	2.03	0.06	(0.16)	1.85	1.79	0.18	0.24
Investment Property (refer note 13)	12.36	18.83	0.20	0.31	0.40	0.31	11.96	18.52

Depreciation for the year ended March 31, 2013 is including 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.

36 Details of Exceptional Items are as under:

	March 31,	
	2014	2013
	Rs. Crore	Rs. Crore
a) Surplus on change in method of depreciation (Refer Note (a) below)	-	37.45
b) Reversal of impairment loss on "Fiancee" trade mark (Net of amortisation) (Refer Note (b) below)	-	9.05
Total	-	46.50

- 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 a surplus of Rs. 37.45 Crore 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 Crore (Rs. 2.96 Crore) and the profit before tax would have been lower by an equivalent amount.

- b) During the year ended March 31, 2011, the Company had recognised an impairment loss of Rs. 13.88 Crore 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 had provided depreciation of Rs. 4.83 Crore for the year ended March 2012 and March 2013. Net reversal reflected under exceptional item after adjusting for depreciation was Rs. 9.05 Crore.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

37 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:

	Currency	March 31, 2014		March 31, 2013	
		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:

	Currency	March 31, 2014		March 31, 2013	
		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:

	Currency	March 31, 2014		March 31, 2013	
		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 3 years).
- All the derivative contracts entered by the Company were for hedging purpose and not for any speculative purpose.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

	Currency	March 31, 2014		March 31, 2013	
		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) Amount (payable) / receivable in foreign currency on account of following :					
i) Import of goods and services	MYR	(128,000)	(0.23)	-	-
	AUD	627,191	3.48	27,007	0.15
	EUR	112,862	0.93	190	-
	GBP	(25,147)	(0.25)	(36,093)	(0.30)
	SGD	121	0.01	587,441	2.57
ii) Capital imports	CHF	680	0.01	680	0.01
	GBP	800	0.01	-	-
	EUR	9,977	0.08	-	-
	USD	12,102	0.07	-	-
iii) Export of goods	AED	4,988	0.01	4,988	0.01
b) Bank balances	USD	38,144	0.23	38,264	0.21
	VND	254,291	0.01	584,291	0.01
c) Other receivable / (payable)	BDT	27,000	0.01	-	-
	USD	20,158	0.12	14,032	0.08
	AED	2,580	0.01	(468)	(0.01)
	SGD	(60)	(0.01)	-	-
	MYR	2,130	0.01	-	-
	AUD	-	-	2,400	0.01
d. Loans and Advances to Subsidiaries including interest accrued	AED	980,461	1.60	1,146,839	1.69
	TAKA/ BDT	173,062,263	13.36	230,286,170	16.00
	USD	3,297,670	19.75	78,626	0.43
	ZAR	172,353	0.10	61,588,238	36.30
	EGP	787,845	0.68	577,178	0.46

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 3 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. 76.30 Crore as at March 31, 2014 (Rs. 52.49 Crore 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

38 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)	577.22	429.09
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. 8.95	Rs. 6.69
*Diluted earnings per equity share	Rs. 8.95	Rs. 6.69

*Diluted EPS has been calculated after taking into account options granted to certain eligible employees as referred in note 3(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

39 Segment Information

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

40 Related Party disclosures :

a) Name of related parties and nature of relationship:

i) Subsidiary companies

Name of the Company	Effective date for Acquisition / Incorporation	Holding Company	Country of incorporation	Percentage of ownership interest
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)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Name of the Company	Effective date for Acquisition / Incorporation	Holding Company	Country of incorporation	Percentage of ownership interest
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 (MCCCL)	April, 20 2012	Marico Ltd	India	100 (100)
Halite Personal Care Private Limited (A Company under Voluntary Liquidation)	May 29, 2012	MCCL	India	Nil (100)
Kaya Limited (upto 31/03/2013 - Refer Note (a) below)	March 27, 2003	Marico Ltd	India	Nil (100)
Derma - Rx International Aesthetics Pte. Ltd. (DIAL) (upto 31/03/2013 - Refer Note (a) below)	May 22, 2010	Kaya Limited	Singapore	Nil (100)
Kaya Middle East FZE (KME) (upto 31/03/2013 - Refer Note (a) below)	December 25, 2005	DIAL	UAE	Nil (100)
The DRx Clinic Pte. Ltd. (DCPL) (upto 31/03/2013 - Refer Note (a) below)	May 25, 2010	DIAL	Singapore	Nil (100)
The DRx Medispa Pte. Ltd. (DMSPL) (upto 31/03/2013 - Refer Note (a) below)	May 25, 2010	DIAL	Singapore	Nil (100)
DRx Investments Pte. Ltd. (DIPL) (upto 31/03/2013 - Refer Note (a) below)	May 25, 2010	DIAL	Singapore	Nil (100)
DRx Aesthetics Sdn. Bhd. (DASB) (upto 31/03/2013 - Refer Note (a) below)	May 25, 2010	DIAL	Malaysia	Nil (100)
Marico Kaya Enterprises Limited (MaKe) (upto 31/03/2013 - Refer Note 44)	January 19, 2013	Marico Ltd	India	Nil (100)
Marico Innovation Foundation (Refer Note (b) below)	March 15, 2013	Marico Ltd	India	N.A. (N.A.)

Percentage in bracket relate to previous year.

Note

- a) 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 44). In accordance with the scheme, following companies are no longer subsidiaries of Marico Limited in the current year:

- 1) Kaya Limited
- 2) Derma - Rx International Aesthetics Pte. Ltd (DIAL)
- 3) Kaya Middle East FZE (KME)
- 4) The DRx Clinic Pte. Ltd. (DCPL)
- 5) The DRx Medispa Pte. Ltd. (DMSPL)
- 6) DRx Aesthetics Sdn. Bhd. (DASB)
- 7) Marico Kaya Enterprises Limited (MaKe)
- 8) DRx Investments Pte. Ltd. (DIPL)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

b) The Board of Directors of the Company at their meeting held on March 15, 2013, approved Marico Limited becoming a member of 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 and MIF became a wholly owned subsidiary of the Company with effect from the said date. Marico Limited controls the composition of the Board of MIF and has accordingly appointed two directors as its nominees.

ii) Subsidiary firm :

Wind Company. (Through MELCC)

iii) Key management personnel (KMP) :

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

iv) Relative of Key management personnel :

Rishabh Mariwala, son of Harsh Mariwala

v) Others - Entities in which KMP has significant influence and transactions have taken place:

The Bombay Oil Private Limited

Marico Kaya Enterprises Limited (w.e.f. April 1, 2013) (Refer Note 44)

Kaya Limited (w.e.f. April 1, 2013) (Refer Note 44)

Derma Rx International Aesthetics PTE Ltd (w.e.f. April 1, 2013) (Refer Note 44)

Kaya Middle East FZE (w.e.f. April 1, 2013) (Refer Note 44)

b) Transactions during the year

(Rs. Crore)

Particulars	Subsidiaries		KMP and their relative		Others	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Sale of goods	118.94	109.91	-	-	-	-
Marico Bangladesh Limited	71.70	84.53	-	-	-	-
Marico Middle East FZE	40.74	22.63	-	-	-	-
Others	6.50	2.75	-	-	-	-
Purchase of goods	0.72	73.82	-	-	-	-
Marico Egypt Industries Company	-	0.16	-	-	-	-
Egyptian American Investment & Industrial Development Company	0.27	-	-	-	-	-
Halite Personal Care India Private Limited	-	73.66	-	-	-	-
Wind Company	0.45	-	-	-	-	-
Royalty income	6.78	6.08	-	-	-	-
Marico Bangladesh Limited	4.43	3.73	-	-	-	-
Marico Middle East FZE	1.64	1.79	-	-	-	-
Others	0.72	0.56	-	-	-	-
Dividend income	202.99	18.71	-	-	-	-
Marico Bangladesh Limited	202.99	18.71	-	-	-	-
Interest income	1.49	4.10	-	-	-	-
Marico South Africa Consumer Care (pty) Ltd.	1.49	4.10	-	-	-	-
Corporate guarantee commission	-	0.70	-	-	0.74	-
Derma Rx International Aesthetics Pte. Ltd.	-	0.70	-	-	0.74	-
Expenses paid on behalf of subsidiaries	14.86	21.13	-	-	12.66	-
Marico Bangladesh Limited	2.83	1.63	-	-	-	-
Marico Egypt Industries Company	3.51	1.03	-	-	-	-
Marico Middle East FZE	3.39	2.26	-	-	-	-
Kaya Limited	-	12.71	-	-	12.25	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Subsidiaries		KMP and their relative		Others	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
International Consumer Products Corporation	4.41	0.77	-	-	-	-
Others	0.71	3.76	-	-	0.41	-
Expenses paid by subsidiary on behalf of Marico Limited	-	0.06	-	-	0.06	-
Marico Egypt Industries Company	-	0.06	-	-	-	-
Kaya Middle East FZE	-	-	-	-	0.06	-
Lease Rental Income	-	1.02	-	-	0.83	-
Kaya Limited	-	1.02	-	-	0.82	-
Others	-	-	-	-	0.01	-
Royalty Expenses	5.16	1.27	-	-	-	-
Halite Personal Care India Pvt. Ltd.	-	1.15	-	-	-	-
Marico Consumer Care Limited	5.16	0.06	-	-	-	-
Others	-	0.06	-	-	-	-
Claims Settled	-	11.09	-	-	0.06	-
Kaya Middle East FZE	-	-	-	-	0.06	-
Halite Personal Care India Pvt. Ltd.	-	11.09	-	-	-	-
Remuneration	-	-	4.99	4.64	-	-
Harsh Mariwala	-	-	4.98	4.64	-	-
Others	-	-	0.01	-	-	-
Loans and advances given	-	170.53	-	-	-	-
Kaya Limited	-	165.37	-	-	-	-
Others	-	5.16	-	-	-	-
Loan Recovered	57.25	76.15	-	-	17.07	-
Kaya Limited	-	56.71	-	-	15.39	-
Marico Bangladesh Limited	8.98	-	-	-	-	-
Marico South Africa Consumer Care (Pty) Ltd.	38.09	6.21	-	-	-	-
Others	10.18	13.23	-	-	1.68	-
Conversion of loans into equity share	-	108.84	-	-	-	-
Kaya Limited	-	108.84	-	-	-	-
Investments made during the year	34.44	745.80	-	-	-	-
Marico Consumer Care Limited	-	745.70	-	-	-	-
Marico South Africa Consumer Care (Pty) Ltd.	34.44	-	-	-	-	-
Others	-	0.10	-	-	-	-
Rent paid	-	-	-	-	-	0.08
The Bombay Oil Private Limited	-	-	-	-	-	0.08
Donation Given	2.92	1.71	-	-	-	-
Marico Innovation Foundations	2.92	1.71	-	-	-	-
Purchase of Fixed Assets	-	13.15	-	-	0.48	-
Kaya Limited	-	13.15	-	-	0.48	-
Sale of Fixed Assets	0.55	0.11	-	-	0.02	-
Marico Bangladesh Limited	-	0.11	-	-	-	-
Marico Egypt for Industries Company	0.55	-	-	-	-	-
Others	-	-	-	-	0.02	-
Stand by Letter of Credit issued to banks	69.65	69.48	-	-	-	-
Marico Middle East FZE	61.09	69.48	-	-	-	-
Marico Malaysia Sdn. Bhd.	8.56	-	-	-	-	-
Stand by Letter of Credit discharged	103.41	25.44	-	-	23.88	-
Marico Middle East FZE	100.42	25.44	-	-	-	-
Kaya Middle East FZE	-	-	-	-	23.88	-
Others	2.99	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Subsidiaries		KMP and their relative		Others	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Corporate guarantee discharged	-	-	-	-	105.03	-
Derma Rx International Aesthetics Pte. Ltd.	-	-	-	-	105.03	-
Corporate guarantee given to banks	-	17.51	-	-	-	-
Derma Rx International Aesthetics Pte. Ltd.	-	17.51	-	-	-	-
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	Subsidiaries		KMP and their relative		Others	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Investment	1,089.34	1,236.84	-	-	-	-
International Consumer Products Corporation	254.98	254.98	-	-	-	-
Marico Consumer Care limited	745.70	745.70	-	-	-	-
Others	88.67	236.16	-	-	-	-
Trade payable	0.18	0.22	-	-	-	-
Egyptian American Investment & Industrial Development Company	0.18	0.05	-	-	-	-
Marico Egypt Industries Company	-	0.17	-	-	-	-
Amounts Payable	0.22	-	-	-	-	0.02
Marico Consumer Care Limited	0.22	-	-	-	-	-
Others	-	-	-	-	-	0.02
Trade receivable	23.64	17.79	-	-	-	-
Marico Bangladesh Limited	7.25	7.42	-	-	-	-
Marico Middle East FZE	14.31	8.79	-	-	-	-
Others	2.08	1.58	-	-	-	-
Short term loans and advances	28.28	142.18	-	-	2.31	-
Kaya Limited	-	117.16	-	-	1.97	-
Marico Bangladesh Limited	18.22	17.85	-	-	-	-
Marico Middle East FZE	3.74	2.71	-	-	-	-
Others	6.32	4.46	-	-	0.34	-
Long term loans and advances	9.41	46.45	-	-	-	-
Marico South Africa Consumer Care (Pty) Ltd	9.41	46.45	-	-	-	-
Interest accrued on loans and advances	0.10	0.90	-	-	-	-
Marico South Africa Consumer Care (Pty) Ltd	0.10	0.90	-	-	-	-
Corporate guarantees given to banks	8.00	113.03	-	-	8.00	-
Derma Rx International Aesthetics Pte. Ltd.	-	105.03	-	-	-	-
Kaya Limited	8.00	8.00	-	-	8.00	-
Stand-by Letter of Credit given to banks	129.24	181.30	-	-	-	-
Marico Middle East FZE	117.38	151.44	-	-	-	-
Kaya Middle East FZE	-	23.88	-	-	-	-
Others	11.86	5.98	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

d) Disclosure for loans and advances in terms of Clause 32 of Equity Listing Agreement :

Loans and advances in the nature of loans to subsidiaries /entity in which KMP has significant influence :

	March 31, 2014 Rs. Crore	March 31, 2013 Rs. Crore
Loans to subsidiary: Kaya Limited*		
Balance as at the year end	-	113.28
Maximum amount outstanding at any time during the year	-	113.28
*Interest free and without any repayment schedule		
Loans to subsidiary: Marico South Africa Consumer Care (pty) Limited		
Balance as at the year end	9.51	47.35
Maximum amount outstanding at any time during the year	47.35	56.02
Advances to Marico Innovation Foundation		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	1.14

The subsidiaries do not hold any shares in the holding company.

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. There are three live schemes under the Plan with different vesting periods. Scheme I got matured on September 30, 2013. 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	
Grant Price (Rs.)	129.15		148.53		213.91		213.91	
Vesting Date	September 30, 2013		November 30, 2014		November 30, 2014		November 30, 2015	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
Number of grants outstanding at the beginning of the year	2,292,700	2,661,100	815,900	949,900	156,800	-	1,482,800	-
Add : Granted during the year	-	-	-	-	8,900	156,800	6,700	1,489,800
Less : Forfeited during the year	10,400	137,700	236,700	59,000	26,100	-	560,000	7,000
Less : Exercised during the year*	2,282,300	230,700	42,500	75,000	-	-	-	-
Number of grants at the end of the year	-	2,292,700	536,700	815,900	139,600	156,800	929,500	1,482,800

*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,	
	2014	2013	2014	2013	2014	2013	2014	2013
Total Provision	-	17.71	2.56	2.33	-	-	-	-
Less: Accretion in amounts recoverable from the Trust (Also refer note (c) and (d) below)	-	10.03	2.53	2.33	-	-	-	-
Net Provision	-	7.68	0.03	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- 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. 2.37 Crore) has been charged to the Statement of Profit and Loss. The total provision of Rs. 0.03 Crore (Rs. 7.68 Crore) maturing within next 12 months has been disclosed under Short Term provision (Refer Note 11).
- e) As at the year end, 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 provided an amount of Rs. 0.70 Crore (Rs. 0.81 Crore) to the Statement of Profit and Loss (Refer Note 14).
- 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 Disclosures in terms of Accounting Standard 15 : "Employee Benefits" :

- a) Defined Benefit plan:

I. Actuarial assumptions :	Provident Fund		Gratuity	
	March 31, 2014 Rs. Crore	March 31, 2013 Rs. Crore	March 31, 2014 Rs. Crore	March 31, 2013 Rs. Crore
Discount rate	9.03%	8.00%	9.03%	8.00%
Rate of return on Plan assets*	8.75%	8.50%	8.70%	8.70%
Future salary rise**	-	-	10.00%	12.00%
Attrition rate	17.00%	17.00%	17.00%	17.00%
Mortality	Published notes under the IC (1994-96) Mortality tables		Published notes under the IC (1994-96) Mortality tables	

*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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

II. Changes in defined benefit obligations:	Provident Fund		Gratuity	
	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	14.61	11.81
Interest cost	6.28	5.18	1.16	1.01
Current service cost	6.37	5.45	0.78	0.73
Employee contribution	7.94	6.87	-	-
Liability Transferred in	2.11	1.47	-	-
Liability Transferred out	(6.00)	(0.54)	-	-
Benefits paid	(6.89)	(7.16)	(2.08)	(1.40)
Actuarial (gain)/loss on obligations	-	-	(0.07)	2.46
Liability at the end of the year	81.82	72.02	14.40	14.61

III. Change in fair value of plan assets :	Provident Fund		Gratuity	
	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	3.26	1.11
Transfer from other Company	2.11	1.47	-	-
Transfer to other Company	(6.00)	(0.54)	(0.72)	-
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	82.59	72.02	13.14	12.49
Total Actuarial (gain)/loss to be recognized	-	-	-	-

IV. Actual return on plan assets :	Provident Fund		Gratuity	
	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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

V. Amount recognized in the Balance Sheet	Provident Fund				Gratuity		
	March 31,		March 31,		March 31,		2010
	2014 Rs. Crore	2013 Rs. Crore	2014 Rs. Crore	2013 Rs. Crore	2012 Rs. Crore	2011 Rs. Crore	Rs. Crore
Liability at the end of the year	-	-	14.40	14.61	11.81	11.64	10.57
Fair value of plan assets at the end of the year	82.59	72.02	13.14	12.49	11.64	11.46	11.39
Present value of benefit obligation as at the end of the period	(81.82)	(72.02)	0.00	-	-	-	-
Difference	0.76	-	1.26	2.12	0.17	0.18	(0.82)
Unrecognized past service Cost	(0.76)	-	-	-	-	-	-
(Assets) / Liability recognized in the Balance Sheet	-	-	1.26	2.12	0.17	0.18	(0.82)

VI. Percentage of each category of plan assets to total fair value of plan assets	Provident Fund		Gratuity	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Insurance managed funds	-	-	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%

VII. Expenses recognized in the Statement Profit and Loss	Provident Fund		Gratuity	
	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	0.78	0.73
Interest cost	6.28	5.18	1.16	1.01
Expected return on plan assets	(6.28)	(5.18)	(1.09)	(1.00)
Net actuarial (gain)/loss to be recognised	-	-	0.83	2.32
(Income) / Expense recognised in the Statement of Profit and Loss	6.37	5.45	1.68	3.06

VIII. Balance Sheet reconciliation	Provident Fund		Gratuity	
	March 31, 2014 Rs. Crore	March 31, 2013 Rs. Crore	March 31, 2014 Rs. Crore	March 31, 2013 Rs. Crore
Opening net liability	-	-	2.12	0.17
(Income) / Expense as above	6.37	5.45	1.68	3.06
Transfer to other Company	-	-	0.72	-
Employers contribution	(6.37)	(5.45)	(3.26)	(1.11)
Closing net liability	-	-	1.26	2.12

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Gratuity				
IX. Experience Adjustments	March 31, 2014 Rs. Crore	March 31, 2013 Rs. Crore	March 31, 2012 Rs. Crore	March 31, 2011 Rs. Crore
On Plan liability (gain) / loss	14.67	1.33	(0.80)	0.17
On plan asset (loss) / gain	(8.98)	0.13	(0.38)	(0.16)

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)	8.37	6.20
Present value of compensated absences (As per actuary valuation) as at the year end (b)	4.41	8.37
Short term compensated absences payable included in other current liabilities calculated on arithmetical basis (c)	3.78	-
(Excess)/ Unfunded liability of Compensated Absences recognized in the Statement of Profit and Loss for the year (a-b-c)	0.18	(2.17)

The privileged leave liability is not funded.

- c) Defined contribution plan :

The Company has recognized 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 informatoin in respect of Provident Fund is provided to the extent of available with the Company.

- 43** 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.

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.

- 44** a) The Kaya Business, earlier a part of Marico Limited, 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. The carrying value of assets and liabilities relating to Kaya business as at March 31, 2013 was Rs. 298.29 Crore and Rs. 1.02 Crore, respectively. In accordance with the scheme approved by the Hon'ble High Court of Bombay, the excess of book value of assets over liabilities has been adjusted against Securities Premium Reserve (Refer Note 4) and all the shares held by Marico in MaKE were cancelled without any payment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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.

- b) Details of assets and liabilities relating to the Kaya business are as follows:

Rs. Crore	
Assets	As at March 31, 2013
Investment	181.84
Loan & Other Receivable	113.28
Loan to Employee deputed to Kaya	0.17
Balance in fixed deposit	3.00
Total Asset	298.29

Rs. Crore	
Liabilities	As at March 31, 2013
Leave Encashment	0.49
Provision for Star Grant Scheme	0.53
Total Liabilities	1.02

- c) The cash flows pertaining to the Kaya Business for the year ended March 31, 2014 are as follows.

Rs. Crores	
Particulars	For the year ended March 31, 2013
Cash flows from Operating activities	(2.23)
Cash flows from Investing activities	(123.00)
Cash flows from Financing activities	-

- d) The Board of Directors of Kaya Ltd, at their meeting held on March 1, 2013 had approved the conversion of the entire loan due to Marico Limited as on February 28, 2013, aggregating to Rs. 108.84 Crore, into equity capital. In consideration of the conversion of the outstanding loan, Kaya Ltd had issued 3,348,975 Equity Shares of face value of Rs. 10 each at a premium of Rs. 315 per share on a rights basis to Marico Ltd vide a board resolution passed on March 18, 2013.

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 43) and demerger of Kaya business (Refer Note 44) 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