Marico had followed the issuance of its Information Update earlier today with a conference call on the restructuring of its businesses, corporate entities and organization, effective April 1, 2013. During the call, participants sought clarifications. This addendum seeks to provide further clarity on those.

The Scheme envisages partitioning the balance sheet of Marico Consolidated into FMCG and Kaya.

Capital Employed- a Broad snapshot

Given below is an estimated picture of the Kaya Business balance sheet as on March 31, 2013 that is virtually on the Effective Date of the demerger that is April 1, 2013. Amounts are in Rs. Crore.

Capital Employed by the Group in Kaya Business	Estimated as on	31-03-2013
Direct Capital employed as per Segment Results		179
Allocated Indirect Capital (Rough Estimate)- largely common assets		26
Losses of Kaya till date since inception in FY 2003		145
Total Application of Funds		**350**

Funding of Capital Employed in Kaya Business	Estimated as on	31-03-2013
Equity Capital (put in by Marico Limited in Kaya Limited)	73	
Funding by Marico Limited	108	
Allocated Indirect Capital (Rough Estimate)- largely common assets	21	
Loan taken by Kaya Middle East From Marico Middle East	59	
Intra-Marico Group Debt		261
Loan From Standard Chartered Bank	16	
Loan taken by Singapore Business from Citi Bank	73	
External Debt		89
Total Sources of Funds		**350**

Funding of Marico Kaya Enterprises Limited (MaKE)	**Rough Estimates** as on	31-03-2013
Equity capital	13	
Share Premium & Capital Reserves	250	
Net Worth		263
Loan From Standard Chartered Bank	16	
Loan taken by Singapore Business from Citi Bank	71	
External Debt		87
Total Sources of Funds		**350**

The Capital employed of Kaya business as on September 30, 2012 is not materially different as compared to the estimated position shown above. There could be some variation in the actual position on March 31, 2013 compared with the one projected here.
You will observe that the debt raised by the Kaya Business entities from within the Marico Group will effectively be the Net worth of MaKE, the listed entity of the Kaya Business. The external debts raised by the Kaya Business will continue. MaKE's Debt : Equity Ratio is expected to be 0.33:1.

Impact of the Restructuring on Marico's Profit & Loss Account:

The costs of executing the proposed Scheme are about Rs. 2.5 crore. These would be adjusted against Share Premium account and hence will not affect Marico's Profit & Loss Account.

Conversion of intra-Group debt into equity for MaKE will involve entries only on capital account, such as the loans given or equity invested in being adjusted against net worth of the investor company as a part of the Court approved Demerger Scheme. These will therefore not impact any Profit & Loss account.

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About Marico

Marico is a leading Indian Group in Consumer Products & Services in the Global Beauty and Wellness space. Marico's Products and Services in Hair care, Skin Care and Healthy Foods generated a Turnover of about INR 40 billion (about USD 740 Million) during 2011-12. Marico markets well-known brands such as Parachute, Saffola, Hair & Care, Nihar, Shanti, Mediker, Revive, Manjal, Setwet, Zatak, Livon, Kaya, Derma Rx, Aromatic, Fiancée, HairCode, Caivil, Black Chic, Code 10, Ingwe, X-Men, L'Ovite and Thuan Phat. Marico's brands and their extensions occupy leadership positions with significant market shares in most categories - Coconut Oil, Hair Oils, Post wash hair care, Hair Gels/Creams, Deodorants, Anti-lice Treatment, Premium Refined Edible Oils, niche Fabric Care, Male grooming etc. Marico is present in the Skin Care Solutions segment through 107 Kaya Skin Clinics and Derma Rx clinics in India, The Middle East, Bangladesh, Singapore and Malaysia. Marico's branded products are present in Bangladesh, other SAARC countries, the Middle East, Egypt, South Africa, Singapore, Malaysia and Vietnam.

Marico's own manufacturing facilities in India are located at Goa, Kanjikode, Jalgaon, Pondicherry, Dehradun, Daman, Poanta Sahib and Baddi and are supported by subcontracting units. Marico's subsidiaries, Marico Bangladesh Limited, Egyptian American Investment and Industrial Development Corporation, Marico Egypt Industries Company (erstwhile Pyramid for Modern Industries), Marico South Africa Pty Ltd., and International Consumer Products Corporation have their manufacturing facilities at Mouchak and Shirir Chala, near Gazipur in Bangladesh, 6th October City, Egypt, Salheya City, Egypt, Sadaat City, Egypt, Mobeni in Durban, South Africa and Ho Chin Min City, Vietnam respectively.

Marico was incorporated in 1988 and during 1990 took over the then 40-year old consumer products business of The Bombay Oil Industries Limited. It made its initial public offer for equity shares in March 1996. Marico has consistently sought to broad base its brand basket. The new products dealt in by the Company during last 5 years have now assumed a critical mass. In the process, Marico's dependence on Parachute has consistently been reducing. From a share in the range of 70% - 75% in early 90's, Parachute coconut oil in India today contributes about 30% to the top line of Marico. Its share in profits too has come down.