



MARICO LIMITED

Regd. Office: 7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098.

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COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF MARICO LIMITED

Day	:	Tuesday
Date	:	30 th July, 2013
Time	:	10.00 a.m.
Venue	:	Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai – 400050

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EXTRA-ORDINARY GENERAL MEETING OF THE EQUITY SHAREHOLDERS OF MARICO LIMITED

Day	:	Tuesday
Date	:	30 th July, 2013
Time	:	11.00 a.m. or immediately after the conclusion of the Court Convened Meeting of the Equity Shareholders, whichever is later
Venue	:	Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai – 400050

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 505 OF 2013**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Marico Limited ("Marico" or "the Demerged Company")

AND

Marico Kaya Enterprises Limited ("Marico Kaya" or "the Resulting Company")

AND

their Respective Shareholders and Creditors

MARICO LIMITED, a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098) Applicant Company

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF MARICO LIMITED, THE APPLICANT COMPANY

To,

The Equity Shareholders of Marico Limited ('Marico' or 'the Applicant Company'),

TAKE NOTICE that by an Order made on 21st June, 2013, in the above Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of the Applicant Company be convened and held on Tuesday, 30th July, 2013 at 10.00 a.m. at Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai 400050, for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed arrangement embodied in the Scheme of Arrangement between Marico Limited and Marico Kaya Enterprises Limited and their Respective Shareholders and Creditors ('Scheme').

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of Marico Limited, the Applicant Company will be convened and held on Tuesday, 30th July, 2013 at 10.00 a.m. at Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400050, which you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at 7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098 not later than 48 hours before the said meeting.

The Hon'ble High Court has appointed Mr. Harsh Mariwala, Chairman and Managing Director of the Applicant Company or failing him Mr. Rajendra Mariwala, Non Executive Director of the Applicant Company or failing him Mr. Atul Choksey, Non-Executive Independent Director of the Applicant Company to be the Chairperson of the said meeting.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, Scheme of Arrangement, Complaints Report, Observation Letters issued by the National Stock Exchange of India Limited and BSE Limited, a Form of Proxy and Attendance Slip are enclosed.

Harsh Mariwala
Chairperson appointed for the meeting of
Equity Shareholders of the Applicant Company

Dated 1st July, 2013

Registered Office:

7th Floor, Grande Palladium,
175 CST Road, Kalina,
Santacruz (East),
Mumbai 400098

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorized Representative) at the Equity Shareholders meeting. The authorized representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors under Section 187 of the Companies Act, 1956 or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.

Encl.: As above

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 505 OF 2013**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Marico Limited ("Marico" or "the Demerged Company")

AND

Marico Kaya Enterprises Limited ("Marico Kaya" or "the Resulting Company")

AND

their Respective Shareholders and Creditors

MARICO LIMITED, a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098) Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an Order dated 21st June, 2013 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, a meeting of the Equity Shareholders of Marico Limited, the Applicant Company is being convened and held on Tuesday, 30th July, 2013 at 10.00 a.m. at Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400050 for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Marico Limited and Marico Kaya Enterprises Limited and their Respective Shareholders and Creditors ('the Scheme' or 'this Scheme'). The resolution to be submitted at the said meeting will read as follows:-

"RESOLVED THAT pursuant to Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 ("the Act"), Rules 67 to 87 of the Companies (Court) Rules, 1959 ("the Rules"), (including any statutory modification or re-enactment thereof, for time being in force) and other applicable provisions, if any, of the Act and the Rules and subject to sanction by the Hon'ble High Court of Judicature at Bombay and other requisite consents and approvals, if any, being obtained, and subject to such terms and conditions and modifications as may be imposed, prescribed or suggested by the Hon'ble High Court or other appropriate authorities or by the Board of Directors of respective companies, the Scheme of Arrangement between Marico Limited and Marico Kaya Enterprises Limited and their respective Shareholders and Creditors in terms of the Scheme of Arrangement laid before the meeting be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors, the Committee comprising Mr. Harsh Mariwala, Chairman & Managing Director, Mr. Nikhil Khattau, Chairman of the Audit Committee and Mr. Milind Sarwate, Group Chief Financial Officer, hereinafter referred to as the "Project Resurgence Committee", Mr. Suresh M. S. Jagirdar, Executive Vice President & Head Legal, Mr. Vivek Karve, Executive Vice President & Head Corporate Finance, Mr. Ravin Mody, Head Direct Tax & Secretarial, Mr. Vishal Barot, Head – Corporate Accounts and Treasury, Ms. Hemangi Ghag, Company Secretary & Compliance Officer, Ms. Bhavika Ranparia, Assistant Company Secretary or such other person as may be authorised by the Board of Directors or the Project Resurgence Committee in this regard, be and are hereby severally authorized

to sign, seal and deliver all documents, agreements and deeds and perform all acts, matters and things and to take all such steps as may be necessary or desirable to give effect to this resolution.”

2. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, inter alia, providing for the demerger of the skin care business of Kaya housed in Marico Limited (hereinafter also referred to as 'Kaya Business') into Marico Kaya Enterprises Limited which has been approved by Board of Directors of the Applicant Company at its meeting held on 7th January, 2013, is attached to this explanatory statement and forms part of this statement.
3. In this statement, **MARICO LIMITED** is hereinafter referred to as 'Marico' or 'the Demerged Company' or 'the Applicant Company' and **MARICO KAYA ENTERPRISES LIMITED** is hereinafter referred to as 'Marico Kaya' or 'the Resulting Company'. The other definitions contained in the Scheme shall apply to this Explanatory Statement also.
4. The background of Marico Limited is as under:

a. The Applicant Company was incorporated on 13th October, 1988 under the provisions of the Companies Act, 1956 (hereinafter referred to as the "Act") under the name and style of "Marico Foods Limited" with the Registrar of Companies, Maharashtra at Mumbai. Subsequently, the name of the Applicant Company was changed to "Marico Industries Limited" and fresh certificate of incorporation consequent upon the change of name was issued by the Registrar of Companies on 31st October, 1989. Further, the name of the Applicant Company was changed to "Marico Limited" on 25th April, 2005.

b. The main objects of the Applicant Company to be pursued by the Company on its incorporation are:

1. *To carry on the business of manufacturers, exporters, importers, dealers and merchants of vegetable products, oils, stearine, fatty acids, acetylene, gas, starch, glucose, margarine, 'shortening' compounds, cooking mediums, salad oils, refined oils, and all other allied products and by products and preparation of all or any of the said products or substances and for that purpose to maintain, erect, and work oil mills and factories.*
2. *To carry on the business of extracting or manufacturing or producing synthetic edible, inedible or vegetable oil either by crushing or by chemical or any other process from copra, cottonseed, linseed, castor seed, groundnuts, til or any other nut or seed or any other oil bearing substance whatsoever.*
3. *To carry on the business of boiling oil of any description whatsoever.*
4. *To carry on the business of manufacturers, importers and exporters of and dealers and merchants in copra, cottonseed, linseed, castor seed, groundnuts, til or any other seed or oil bearing substance whatsoever and oil cakes.*
5. *To carry on the business of manufacturers, producers, buyers, sellers and processors of and dealers in milk products and milk preparations, biscuits, breads, chapattis, chutnies, masala mixes, cakes, pastries, confectionery, sweets, chocolates, toffees, breakfast foods, proteins, foods cereal products, wheat flakes, provisions, poultry products, sea foods, vegetable fruits and fruit products.*

c. The Registered Office of the Applicant Company is situated at 7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098.

d. The authorised, issued, subscribed and paid-up share capital of the Applicant Company as on 31st March, 2013 is as under:

Share Capital	Amount in INR
Authorised Share Capital	
115,00,00,000 Equity shares of INR 1/- each	115,00,00,000
10,00,00,000 Preference shares of INR 10/- each	100,00,00,000
TOTAL	2,15,00,00,000
Issued, subscribed and paid-up Share Capital	
64,47,71,799 Equity shares of INR 1/- each, fully paid up	64,47,71,799
TOTAL	64,47,71,799

Subsequent to the above date and till the date of filing the Scheme with the Hon'ble High Court there has been no change in the authorised share capital of Marico. However, the issued, subscribed and paid up capital has undergone a change due to allotment of 42,800 equity shares towards the stock options exercised by the eligible

employees pursuant to Marico Employees Stock Option Scheme, 2007. The issued, subscribed and paid up capital of Marico as on the date of filing the Scheme with the Hon'ble High Court is as under:

Share Capital	Amount in INR
Authorised Share Capital	
115,00,00,000 Equity shares of INR 1/- each	115,00,00,000
10,00,00,000 Preference shares of INR 10/- each	100,00,00,000
TOTAL	2,15,00,00,000
Issued, subscribed and paid-up Share Capital	
64,48,14,599 equity shares of INR 1/- each fully paid-up	64,48,14,599
TOTAL	64,48,14,599

5. The Applicant Company mainly operates in the Fast Moving Consumer Goods and Skin Care Products Segment and is one of the leading companies in the global beauty and wellness space. The Applicant Company through its subsidiaries operates, its skin care solutions segment through Kaya skin clinics in India and Middle East and also through Derma Rx clinics in Singapore and Malaysia. The Kaya Business mainly includes solutions for skin, beauty, skin concerns, laser hair reduction and anti-ageing.
6. The shares of Marico are listed on the National Stock Exchange of India Limited and BSE Limited.
7. The background of Marico Kaya Enterprises Limited is as under:
 - a. Marico Kaya Enterprises Limited ('Marico Kaya') was incorporated on 19th January, 2013 under the provisions of the Companies Act, 1956, under the name and style of "Marico Kaya Enterprises Limited"
 - b. The main objects of Marico Kaya to be pursued by it on its incorporation are:
 1. "To carry on the business whether directly or through subsidiaries or otherwise, of providing Health Care, Aesthetics, Beauty and Personal Care services in India and abroad including but not limited to medical services; import, export, sale and/or otherwise dealing in technologically advanced medical and surgical Equipment such as surgical lasers, skin treatment appliances, equipment and appliances for treatment of snoring, treatment of acne, etc.; manufacture, sale and provision of skin treatment products and services using Indian systems of medicine or otherwise or both, development of clinical protocols for services to be offered; and creating franchisees, clinics and other medical outlets, whether in India or abroad, for the purposes including but not limited to enhancement and rejuvenation of skin, hair and the body and to address diseases such as hirsutism and other cutaneous diseases using technical know-how and the requisite equipment.
 2. To carry on the business whether directly or through subsidiaries or otherwise, of manufacturing, developing, improving, buying, selling and dealing in cosmetics and medicaments of any kind.
 3. To carry on the business whether directly or through subsidiaries or otherwise, to purchase, sell, stock, distribute, import, export, manufacture, pack, replace, develop, refine, manipulate or otherwise deal in all types of talcum powders, face powders, baby powders, prickly heat powders, face creams, face foundations, skin powders, tooth powders, tooth paste, tooth brushes, hair dyes, pigments, shaving soaps, shaving creams, shaving brushes, blades, razors, eyeliners, eye shadows, mascaras, kajals, nail polish, nail enamel, nail polish removers, nail hardners, lip sticks, lip gloss, blush on, eyelash curlers, perfumes, hair sprays, shampoos, conditioners, after shave lotions, after shave soaps, medicated soaps, lather soaps, moisturising soaps, moisturising creams, abrasives, cleansing milk creams, hair removers, waxes, sprays, hair oils, hair creams, tissue papers, kerchiefs, cosmetics and toiletries of any kind.
 - c. The Registered Office of Marico Kaya is situated at Rangsharda, Krishnachandra Marg, Bandra Reclamation, Bandra (West), Mumbai 400050.
 - d. The authorised, issued, subscribed and paid-up share capital of Marico Kaya as on 31st March, 2013 is as under:

Share Capital	Amount in INR
Authorised Share Capital	
1,40,00,000 Equity Shares of INR 10/- each	14,00,00,000
TOTAL	14,00,00,000
Issued, Subscribed and Paid-up Share Capital	
100,000 Equity Shares of INR 10/- each, fully paid up	10,00,000
TOTAL	10,00,000

Subsequent to the above date and till the date of filing the Scheme with the Hon'ble High Court, there has been no change in the authorised, issued, subscribed and paid-up share capital of Marico Kaya. Further, Marico owns 100% of the equity share capital of Marico Kaya.

8. Rationale for the Scheme of Arrangement:- The management of Marico is of the view that segregation of the Kaya Business from Marico, inter-alia, would lead to following benefits:
 - (a) Efficient and focused management of Kaya Business segment;
 - (b) Unlocking value for the shareholders of Marico; and
 - (c) Increased flexibility for value extraction and fund raising.
9. The Proposed Scheme was placed before the Board of Directors of the Applicant Company and Marico Kaya on 7th January, 2013 and 21st January, 2013 respectively, wherein the Share Entitlement Report of M/s. Grant Thornton India LLP, an Independent valuer, and Fairness Opinion on the said Share Entitlement Report issued by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker, were also placed before the respective Boards.
10. Pursuant to the Scheme, there would be no change in the promoter and public shareholding of the Applicant Company. The promoters and the public shareholders would continue to hold the same percentage of shares in the Applicant Company, pre and post the demerger of the Kaya Business of Marico into Marico Kaya.
11. The salient features of the Scheme are as follows:
 - (a) The Scheme envisages the demerger of Kaya Business from Marico into Marico Kaya pursuant to Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 on a going concern basis in the manner provided for in the Scheme.
 - (b) Appointed date is 1st April, 2013.
 - (c) Upon coming into effect of the Scheme and in consideration for the transfer and vesting of the Kaya Business into Marico Kaya, Marico Kaya shall, without any further application or deed, issue and allot equity shares of face value of INR 10 each at a premium of INR 200 per share, credited as fully paid up, to the members of Marico whose names appear in the Register of Members of Marico as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner.

“1 (One) fully paid-up Equity Share of INR 10 (Rupees Ten) each of Marico Kaya shall be issued and allotted for every 50 (Fifty) fully paid-up Equity Shares of INR 1 (Rupee One) each held in Marico”

No shares shall be allotted in respect of fractional entitlements, if any, by Marico Kaya to which the members of Marico may be entitled on allotment of shares. The Board of Directors of Marico Kaya shall, instead consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a Director or an officer of Marico Kaya or such other person as the Board of Directors of Marico Kaya shall appoint in this behalf who shall hold the shares in trust on behalf of the members of Marico entitled to fractional entitlements with the express understanding that such Director or officer or person shall sell the same in the market at such time or times and at such price or prices in the market and to such person, as he deems fit, and pay to Marico Kaya, the net sale proceeds thereof, whereupon Marico Kaya shall distribute such net sale proceeds, subject to tax deductions as applicable, to the members of Marico in proportion to their respective fractional entitlements.
 - (d) All costs, charges, taxes including duties, levies and all other expenses arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by Marico. Stamp Duty payable in relation to issue of shares pursuant to the Scheme shall be borne by Marico Kaya.
 - (e) On the Scheme becoming effective, Marico shall account for the demerger in its books as under:
 - Marico shall reduce the book value of assets and liabilities pertaining to the Kaya Business as on the Appointed Date i.e. 1st April, 2013, from its books of account.
 - All existing shares held by Marico in Marico Kaya, i.e. 1,00,000 equity shares of INR 10 each aggregating to INR 10,00,000, shall stand cancelled, without any further act or deed as an integral part of this Scheme.
 - The loss on cancellation shall be debited to Profit and Loss Account of Marico.
 - The difference, being the excess of book value of assets over the book value of liabilities of the Kaya Business, transferred to Marico Kaya shall be adjusted against the Securities Premium Account of Marico in the standalone and consolidated accounts.
 - (f) On the Scheme becoming effective, Marico Kaya shall account for the demerger in its books as under:
 - Marico Kaya to record the assets and liabilities, pertaining to the Kaya Business, at the respective book values as appearing in the books of Marico, as on the Appointed Date; i. e. 1st April, 2013;

- Marico Kaya to credit to its share capital account, the aggregate face value of the equity shares issued by it and to its Securities Premium Account the premium of INR 200 per share on equity shares issued by it;
 - The difference, being the excess of value of Net Assets Value of the Kaya Business transferred from Marico and recorded by Marico Kaya, over the amount credited as Share Capital and Securities Premium Account and after adjusting the reduction in the capital of Marico Kaya, shall be credited to Capital Reserve of Marico Kaya. Deficit, if any, shall be debited to Goodwill Account of Marico Kaya.
- (g) The utilisation of Securities Premium Account of Marico shall be effected as a part of the Scheme and the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital.
- (h) The Scheme is and shall be conditional upon and subject to:
- The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors of Marico and the members and / or creditors of Marico Kaya as may be directed by the Hon'ble High Court of Judicature at Bombay or any other competent authority, as may be applicable;
 - The Scheme being sanctioned by the Hon'ble High Court of Judicature at Bombay or any other authority under Sections 391 to 394 read with Sections 78, 100 to 103 of the Act;
 - Certified or authenticated copies of the Orders of the Hon'ble High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by Marico and Marico Kaya; and
 - Sanctions and approvals including but not limited to in principle approvals, sanctions of any person or any governmental authority or any stock exchanges as may be required by law or under contract in respect of this Scheme being obtained.

The features set out above being only the salient features of the Scheme of Arrangement; the Equity Shareholders are requested to read the entire text of the Scheme of Arrangement annexed hereto to get fully acquainted with the provisions thereof.

12. All shareholders in the Applicant Company on the record date would become shareholders in the Resulting Company and would be issued equity shares of the Resulting Company in the ratio 50:1 i.e. 1 equity share of Marico Kaya will be issued for every 50 equity shares in Marico. After such issuance, each shareholder would, for every 50 shares held in Marico :-
- Continue to hold 50 equity shares of Marico of Face Value of INR 1 each fully paid up and
 - Be allotted 1 equity share of Marico Kaya of INR 10 each fully paid up.
13. Pursuant to Clause 24(h) of the Listing Agreement and based on the shareholding pattern as on 31st March, 2013, the expected pre and post Scheme shareholding pattern of the Applicant Company i.e. Marico is given below herein:

SN	Description	Pre-Demerger Shareholding		Post-Demerger Shareholding	
		Equity Shares	%	Equity Shares	%
A	Promoter and Promoter Group				
1	Indian				
a	Individuals/ HUF	37,62,96,520	58.36	37,62,96,520	58.36
b	Central Government/State Government(s)	0	0	0	0
c	Bodies Corporate	88,22,000	1.37	88,22,000	1.37
d	Financial Institutions / Banks	0	0	0	0
e	Any Other (specify)	0	0	0	0
2	Foreign				
a	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0
b	Bodies Corporate	0	0	0	0
c	Institutions	0	0	0	0
d	Qualified Foreign Investors	0	0	0	0
e	Any Other (specify)	0	0	0	0

SN	Description	Pre-Demerger Shareholding		Post-Demerger Shareholding	
		Equity Shares	%	Equity Shares	%
	Sub-Total (A)	38,51,18,520	59.73	38,51,18,520	59.73
B	Public shareholding				
1	Mutual Funds/UTI	84,83,720	1.32	84,83,720	1.32
2	Financial Institutions / Banks	11,970	0.00	11,970	0.00
3	Central Government/State Government(s)	0	0	0	0
4	Venture Capital Funds	0	0	0	0
5	Insurance Companies	47,09,092	0.73	47,09,092	0.73
6	Foreign Institutional Investors	18,05,01,050	27.99	18,05,01,050	27.99
7	Foreign Venture Capital Investors	2,20,58,823	3.42	2,20,58,823	3.42
8	Qualified Foreign Investors	0	0	0	0
9	Any Other (specify)	0	0	0	0
	Sub-Total (B)	21,57,64,655	33.46	21,57,64,655	33.46
C	Non-institutions				
1	Bodies Corporate	1,87,04,704	2.90	1,87,04,704	2.90
2	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	1,96,49,742	3.05	1,96,49,742	3.05
3	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	35,52,566	0.55	35,52,566	0.55
4	Qualified Foreign Investors	0	0	0	0
	Sub-Total (C)	4,19,07,012	6.50	4,19,07,012	6.50
D	Others				
1	NRI	18,10,435	0.28	18,10,435	0.28
2	Clearing Member	9,11,77	0.02	9,11,77	0.02
3	Trusts	80,000	0.01	80,000	0.01
	Sub-Total (D)	19,81,612	0.31	19,81,612	0.31
	Grand Total (A+B+C+D)	64,47,71,799	100.00	64,47,71,799	100.00

14. The pre-scheme shareholding pattern of Marico Kaya and its post-scheme shareholding pattern based on the shareholding pattern of Marico as on 31st March, 2013 is as under:

S N	Description	Pre-Demerger Shareholding		Post-Demerger Shareholding	
		Equity Shares	%	Equity Shares	%
A	Promoter and Promoter Group				
1	Indian				
a	Individuals/ HUF	--	--	75,25,930	58.36
b	Central Government/State Government(s)	--	--	0	0
c	Bodies Corporate	1,00,000	100.00	1,76,440	1.37
d	Financial Institutions / Banks	--	--	0	0
e	Any Other (specify)	--	--	0	0
2	Foreign	--	--		
a	Individuals (Non-Resident Individuals/Foreign Individuals)	--	--	0	0
b	Bodies Corporate	--	--	0	0
c	Institutions	--	--	0	0
d	Qualified Foreign Investors	--	--	0	0
e	Any Other (specify)	--	--	0	0

S N	Description	Pre-Demerger Shareholding		Post-Demerger Shareholding	
		Equity Shares	%	Equity Shares	%
	Sub-Total (A)	1,00,000	100.00	77,02,370	59.73
B	Public shareholding				
1	Mutual Funds/UTI	--	--	1,69,674	1.32
2	Financial Institutions / Banks	--	--	240	0
3	Central Government/State Government(s)	--	--	0	0
4	Venture Capital Funds	--	--	0	0
5	Insurance Companies	--	--	94,182	0.73
6	Foreign Institutional Investors	--	--	36,10,021	27.99
7	Foreign Venture Capital Investors	--	--	4,41,176	3.42
8	Qualified Foreign Investors	--	--	0	0
9	Any Other (specify)	--	--	0	0
	Sub-Total (B)	0	0	43,15,293	33.46
C	Non-institutions				
1	Bodies Corporate	--	--	3,74,094	2.90
2	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	--	--	3,92,995	3.05
3	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	--	--	71,051	0.55
4	Qualified Foreign Investors	--	--	0	0
	Sub-Total (C)	0	0	838,140	6.50
D	Others				
1	NRI	--	--	36,209	0.28
2	Clearing Member	--	--	1,824	0.02
3	Trusts	--	--	1,600	0.01
	Sub-Total (D)	0	0	39,633	0.31
	Grand Total (A+B+C+D)	1,00,000	100.00	1,28,95,436	100.00

15. The Directors of the Applicant Company and of Marico Kaya may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said Directors are common Directors in the companies, or to the extent the said Directors are the partners, Directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies. Save as aforesaid, none of the Directors of the Companies have any material interest in the proposed Scheme.
16. (a) The extent of the shareholding of the Directors of Marico in Marico and Marico Kaya either singly or jointly or as nominees as on 31st March, 2013 is as under:

Sr No	Name of the Director	Designation	Equity shares in Marico	Equity shares in Marico Kaya
1	Mr. Harsh Mariwala	Chairman & Managing Director	1,12,54,600	Nil
	Mr. Harsh Mariwala as a Trustee of Valentine Family Trust	----	7,33,76,000	Nil
	Mr. Harsh Mariwala as a Trustee of Aquarius Family Trust	----	7,33,76,000	Nil
	Mr. Harsh Mariwala as a Trustee of Taurus Family Trust	----	7,33,76,000	Nil

Sr No	Name of the Director	Designation	Equity shares in Marico	Equity shares in Marico Kaya
	Mr. Harsh Mariwala as a Trustee of Gemini Family Trust	----	7,33,76,000	Nil
	Mr. Harsh Mariwala as a Karta of Harshraj C Mariwala (HUF)	----	61,20,000	Nil
2	Mr. Rajendra Mariwala	Non-Executive Director	34,43,200	Nil
3	Mr. Rajeev Bakshi	Non-Executive Independent Director	Nil	Nil
4	Mr. Atul Choksey	Non-Executive Independent Director	25,268	Nil
5	Mr. Nikhil Khattau	Non-Executive Independent Director	Nil	Nil
6	Mr. Anand Kripalu	Non-Executive Independent Director	Nil	Nil
7	Mr. B. S. Nagesh	Non-Executive Independent Director	Nil	Nil
8	Ms. Hema Ravichandar	Non-Executive Independent Director	Nil	Nil

- (b) The extent of the shareholding of the Directors of Marico Kaya in Marico Kaya and Marico either singly or jointly or as nominees as on 31st March, 2013 is as under:

Sr No	Name of the Director	Designation	Equity shares in Marico Kaya	Equity shares in Marico
1	Mr. Harsh Mariwala	Director	Nil	1,12,54,600
	Mr. Harsh Mariwala as a Trustee of Valentine Family Trust	----	Nil	7,33,76,000
	Mr. Harsh Mariwala as a Trustee of Aquarius Family Trust	----	Nil	7,33,76,000
	Mr. Harsh Mariwala as a Trustee of Taurus Family Trust	----	Nil	7,33,76,000
	Mr. Harsh Mariwala as a Trustee of Gemini Family Trust	----	Nil	7,33,76,000
	Mr. Harsh Mariwala as a Karta of Harshraj C Mariwala (HUF)	----	Nil	61,20,000
2	Mr. Milind Sarwate	Director	1 (as a nominee of Marico)	Nil
3	Mr. Chaitanya Deshpande	Director	Nil	1,50,800

17. In accordance with the Circular no. CIR/CFD/DIL/5/2013 issued by the Securities and Exchange Board of India ("SEBI") on 4th February, 2013, the Audit Committee of the Board of Directors of Applicant Company ("Audit Committee") vide a resolution duly passed by circulation on 14th February, 2013, recommended the proposed Scheme inter-alia taking into account;
- The Share Entitlement Report issued by M/s. Grant Thornton India LLP, an Independent valuer for issue of shares pursuant to the Scheme;
 - The Fairness Opinion issued by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker on the fairness of the Share Entitlement Report;
 - The Certificate issued by M/s. Price Waterhouse, statutory auditors of the Applicant Company on the accounting treatment prescribed in the Scheme;

In view of the above, a report by the Audit Committee recommending the proposed Scheme was furnished to the National Stock Exchange of India Limited and BSE Limited on 20th February, 2013.

18. The Applicant Company has obtained the Approval to the Scheme in the terms of Clause 24(f) of the Listing Agreement from the National Stock Exchange of India Limited and BSE Limited vide its letters dated 13th May, 2013 and 14th May, 2013 respectively.
19. The financial position of the Applicant Company will not be adversely affected by the Scheme. Further, the rights and interests of the creditors of the Applicant Company will not be prejudicially affected by the Scheme as the Applicant Company; post the Scheme will be able to meet its liabilities as they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of the Applicant Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
20. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 and the like of the Companies Act, 1956 in respect of the Applicant Company.
21. In the event of any of the said sanctions and approvals referred to in the Scheme not being obtained and / or the Scheme not being sanctioned by the High Court or such other competent authority and / or the order or orders not being passed as aforesaid before 30th September, 2013 or such other date as may be agreed by the respective Board of Directors of Marico and Marico Kaya, the Scheme shall become null and void, and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.
22. Inspection of the following documents may be had by the Equity Shareholders of the Applicant Company at the Registered Office of Marico up to one day prior to the date of the meeting between 11:00 am and 1:00 pm on all working days (except Saturdays):
 - (a) Copy of the Order dated 21st June, 2013 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 505 of 2013 directing the convening of the meeting of the Equity Shareholders of the Applicant Company.
 - (b) Scheme of Arrangement between Marico Limited and Marico Kaya Enterprises Limited and their Respective Shareholders and Creditors.
 - (c) Memorandum and Articles of Association of the Applicant Company and of Marico Kaya.
 - (d) The Audited Financial Statements of the Applicant Company for last three financial years ended 31st March, 2011, 31st March 2012 and March 31st March, 2013.
 - (e) The Audited Financial Statements of Marico Kaya as on 31st March, 2013.
 - (f) Observation Letters for the Scheme issued by the National Stock Exchange of India Limited and BSE Limited on 13th May 2013 and 14th May 2013 respectively.
 - (g) Share Entitlement Report issued by M/s. Grant Thornton India LLP, an Independent valuer.
 - (h) Fairness Opinion issued by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker.

This statement may be treated as an Explanatory Statement under Section 393 read with Section 173 of the Companies Act, 1956. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Applicant Company and/or at the office of the Advocates M/s. Rajesh Shah & Co, 16, Oriental Building, Nagindas Master Road, Flora Fountain, Mumbai 400001.

Harsh Mariwala
Chairperson appointed for the meeting of
Equity Shareholders of the Applicant Company

Dated 1st July, 2013

Registered office:

7th Floor, Grande Palladium,
175 CST Road, Kalina,
Santacruz (East),
Mumbai 400098

SCHEME OF ARRANGEMENT
UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 78, 100 TO 103
OF THE COMPANIES ACT, 1956
BETWEEN
MARICO LIMITED
AND
MARICO KAYA ENTERPRISES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(A) PREAMBLE

This Scheme of Arrangement ('Scheme') is presented under Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 for the demerger of the Kaya Business (as defined hereinafter) from Marico Limited ('Marico') to Marico Kaya Enterprises Limited ('Marico Kaya'), on a going concern basis, pursuant to the relevant provisions of the Companies Act, 1956. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(B) RATIONALE FOR THE SCHEME

Marico mainly operates in the Fast Moving Consumer Goods and Skin Care Segment and is one of the leading companies in the global beauty and wellness space. Marico operates its skin care solutions segment through Kaya skin clinics in India and Middle East and through Derma Rx clinics in Singapore and Malaysia. The Kaya Business mainly includes solutions for skin beauty, skin concerns, laser hair reduction and anti-ageing. The management of Marico is of the view that segregation of the Kaya Business from Marico, inter alia, would lead to following benefits:

- (a) Efficient and focused management of Kaya business segment;
- (b) Unlocking value for the shareholders of Marico; and
- (c) Increase flexibility for value extraction and fund raising;

(C) PARTS OF THE SCHEME:

This Scheme of Arrangement is divided into the following parts:

- (i) **PART I** deals with the definitions and share capital;
- (ii) **PART II** deals with demerger of Kaya Business of Marico into Marico Kaya;
- (iii) **PART III** deals with general terms and conditions applicable to this Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

1) DEFINITIONS

In this Scheme (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1. **“Act” or “The Act”** means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force.
- 1.2. **“Appointed Date”** means 1st day of April 2013 or such other date as may be fixed or approved by the High Court.
- 1.3. **“Court” or “High Court”** means the High Court of Judicature at Bombay or such other Authority having jurisdiction in the matter and shall include the National Company Law Tribunal, if and when applicable.
- 1.4. **“Effective Date”** means the last of the dates on which the certified copy or authenticated copy of the Order sanctioning this Scheme passed by the High Court is filed by Marico and Marico Kaya with the Registrar of Companies, Mumbai, Maharashtra. Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.
- 1.5. **“Kaya Business”** means the business of providing skin care services and solutions under the brand name of Kaya and Derma Rx in India and abroad including but not limited to medical services of Marico on a going concern basis and shall without limitation include the following:
 - (i) all properties and assets, whether moveable or immovable, including all rights (whether freehold, leasehold or license), title, interest, cash and bank balances, bills of exchange, covenant and undertakings of Marico pertaining to Kaya Business;
 - (ii) all assets (whether moveable or immovable, real or personal, corporeal or incorporeal, in possession, or in reversion, leasehold or otherwise, present, future, contingent, tangible or intangible) including investments of Marico pertaining to Kaya Business and not limited to the plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits including deposits or outstandings in litigations or paid under protest, provisions, advances, receivables, funds, leases, licences, tenancy rights, premises, hire purchase and lease arrangements including benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licences, registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested into or granted in favour of or held for the benefit of or enjoyed by Marico pertaining to Kaya Business;
 - (iii) all debts, borrowings, obligations and liabilities, whether present or future, whether secured or unsecured, of Marico pertaining to the Kaya Business comprising of:
 - (a) all the debts, duties, obligations and liabilities, including contingent liabilities which arise out of the activities or operations of Marico pertaining to the Kaya Business;
 - (b) the specific loans or borrowings raised, incurred and utilised solely for the activities and operations of Marico pertaining to the Kaya Business; and
 - (c) liabilities other than those referred to in sub-clauses (a) and (b) above and not directly relatable to the Kaya Business, being the amounts of any general or multipurpose borrowings of Marico as stand in

the same proportion which the value of assets transferred under this Clause of Kaya Business bears to the total value of the assets of Marico immediately before the Appointed Date;

- (iv) all intellectual property rights, including patents, trademarks and copyrights of Marico pertaining to Kaya Business;
- (v) all books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to Kaya Business;
- (vi) all employees of Marico engaged in Kaya Business;
- (vii) all earnest monies, security deposits, or other entitlements, if any, in connection with or relating to Marico pertaining to Kaya Business;

Any question that may arise as to whether a specific asset (tangible or intangible) or any liability pertains or does not pertain to the Kaya Business or whether it arises out of the activities or operations of the Kaya Business or not, shall be decided by the Board of Directors of Marico or any committee thereof.

1.6. “Marico Kaya” or “the Resulting Company” means Marico Kaya Enterprises Limited, a company incorporated under the Companies Act, 1956, and having its Registered Office at Rang Sharda, Krishnachandra Marg, Bandra Reclamation, Bandra (West), Mumbai, Maharashtra 400050.

1.7. “Marico” or “the Demerged Company” means Marico Limited, a company incorporated under the Companies Act, 1956, and having its Registered Office at 7th Floor, Grande Palladium, 175 CST Kalina Road, Santacruz (East), Mumbai, Maharashtra 400098.

1.8. “Record Date” means, in respect of demerger of the Kaya Business of Marico into Marico Kaya, the date to be fixed jointly by the Board of Directors of Marico and Marico Kaya for the purposes of determining the shareholders of Marico to whom shares would be issued in accordance with Clause 5 of this Scheme.

1.9. “Remaining Business of Marico” means all the undertakings, businesses, activities and operations of the Demerged Company other than the Kaya Business;

1.10. “Scheme” or “the Scheme” or “this Scheme” means this Scheme of Arrangement in its present form as submitted to the Honorable High Court of Judicature of Bombay or this Scheme with such modification(s), if any made, as per Clause 15 of the Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2) DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature of Bombay, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3) SHARE CAPITAL

3.1. The authorized, issued, subscribed and paid-up share capital of Marico as on 30th September, 2012 is as under:

Share Capital	Amount in Rupees
Authorized Share Capital	
115,00,00,000 Equity shares of Re. 1/- each	115,00,00,000
10,00,00,000 Preference shares of Rs. 10/- each	100,00,00,000
TOTAL	2,15,00,00,000
Issued, subscribed and paid-up Share Capital	
64,45,55,299 equity shares of Re. 1/- each fully paid-up	64,45,55,299
TOTAL	64,45,55,299

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of Marico, Marico has issued further shares on account of exercise of ESOP's. The revised issued, subscribed and paid up capital of Marico is as under:

Share Capital	Amount in Rupees
Authorized Share Capital	
115,00,00,000 Equity shares of Re. 1/- each	115,00,00,000
10,00,00,000 Preference shares of Rs. 10/- each	100,00,00,000
TOTAL	2,15,00,00,000
Issued, subscribed and paid-up Share Capital	
64,47,07,599 equity shares of Re. 1/- each fully paid-up	64,47,07,599
TOTAL	64,47,07,599

The shares of Marico are listed on the BSE Limited and National Stock Exchange of India Limited.

3.2. The authorized, issued, subscribed and paid-up share capital of Marico Kaya as on the date of its incorporation shall be as under:

Share Capital	Amount in Rupees
Authorized Share Capital	
1,40,00,000 equity shares of Rs.10 each	14,00,00,000
Total	14,00,00,000
Issued, Subscribed and Paid-up Share Capital	
1,00,000 equity shares of Rs.10 each	10,00,000
Total	10,00,000

Marico Kaya is a wholly owned subsidiary of Marico.

PART II

DEMERGER OF KAYA BUSINESS OF MARICO INTO MARICO KAYA

4) TRANSFER AND VESTING OF KAYA BUSINESS OF MARICO INTO MARICO KAYA

4.1. With effect from the Appointed Date and upon the Scheme becoming effective, Kaya Business shall, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, 1961, and without any further act, instrument, deed, matter or thing, stand transferred to and vested into, as a going concern, into Marico Kaya, as of the Appointed Date and all the estate and interest of Marico therein shall consequently vest into Marico Kaya with effect from the Effective Date.

4.2. Without prejudice to the generality of Clause 4.1, in respect of such of the assets of Kaya Business as are moveable in nature or are otherwise capable of transfer and vesting by manual delivery or by endorsement and/or delivery or by physical possession including plant, machinery and equipment, the same may be transferred to and vested into Marico Kaya, as follows:

- (i) All the moveable assets capable of being transferred and vested by delivery, including plant and machinery, shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to Marico Kaya along with such other documents as may be necessary towards the end and intent that the property therein passes to Marico Kaya on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of Marico Kaya accordingly. The investments held in dematerialized form will be transferred to Marico Kaya by issuing appropriate delivery instructions to the depository participant with whom Marico has an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of Marico and Marico Kaya, being a date after the sanction of the Scheme by the High Court.
- (ii) The moveable assets, other than those specified in Clause 4.2 (i) above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of Marico Kaya. Marico Kaya may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of Marico Kaya to recover or realise the same is in substitution of the right of Marico and that appropriate entry should be passed in their respective books to record the aforesaid charges.

4.3. With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of Kaya Business, shall, under the provisions of Sections 391 to 394 of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to Marico Kaya so as to become, from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of Marico Kaya and it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.

4.4. The transfer and vesting of the Kaya Business, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of Kaya Business.

Provided however, any reference in any security documents or arrangements to which Marico is a party, shall be construed as reference only to the assets pertaining to Kaya Business as are vested into Marico Kaya by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Marico.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Marico in relation to Kaya Business by virtue of this Scheme and Marico Kaya shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

4.5. Subject to Applicable Law any undertaking of Marico, which is binding on Marico as on the date of the Appointed Date of this Scheme, to give a guarantee to any person in respect of any obligation of Kaya Business shall continue in full force and effect against Marico.

4.6. Where any of the liabilities and obligations attributed to Kaya Business on the Appointed Date has been discharged by Marico on behalf of Kaya Business after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of Marico Kaya.

- 4.7. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory or other licences, permissions or approvals or consents held by Marico in relation to the Kaya Business shall stand transferred to or vested into Marico Kaya, without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory or other authorities concerned therewith in favour of Marico Kaya. The benefit of all statutory and regulatory permissions including the statutory or other licences, tax registrations, permits, permissions or approvals or consents required to carry on the operations of Kaya Business shall vest into and become available to Marico Kaya pursuant to this Scheme.
- 4.8. Marico in relation to Kaya Business may be entitled to various benefits under incentive schemes and policies in relation to Kaya Business and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies pertaining to Kaya Business shall be transferred to and vested into Marico Kaya and all benefits, entitlements and incentives of any nature whatsoever including benefits under income tax, excise (including modified value added tax, central value added tax), sales tax (including deferment of any tax), service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to Kaya Business, to the extent statutorily available, shall be claimed by Marico Kaya.

5) ISSUE OF SHARES BY MARICO KAYA

- 5.1 Upon coming into effect of the Scheme and in consideration for the transfer and vesting of the Kaya Business into Marico Kaya, Marico Kaya shall, without any further application or deed, issue and allot equity shares of face value of INR 10 each at a premium of INR 200 per share, credited as fully paid up, to the members of Marico whose name appear in the Register of Members of Marico as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner:
- 5.2 "1 (One) fully paid-up Equity Share of INR 10 (Rupees Ten) each of Marico Kaya shall be issued and allotted for every 50 (Fifty) fully paid-up Equity Shares of INR 1 (Rupee One) each held in Marico"
- 5.3 The Equity Shares to be issued to the members of Marico under Clause 5.1 shall be subject to the terms of the Memorandum and Articles of Association of Marico Kaya and shall rank pari passu with the existing equity shares of Marico Kaya in all respects including, but subject to the provisions of Section 205 of the Act, dividend (including interim dividend) for the financial year starting from the Appointed Date. The holders of the equity shares of Marico Kaya and Marico shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members for the financial year upto the Appointed Date. It is clarified that the aforesaid provision in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any member of Marico Kaya or Marico to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Marico Kaya and Marico and subject to the approval of the shareholders of Marico Kaya and Marico.
- 5.4 No shares shall be allotted in respect of fractional entitlements, if any, by Marico Kaya to which the members of Marico may be entitled on allotment of shares as per Clause 5.1. The Board of Directors of the Marico Kaya shall, instead consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a director or an officer of Marico Kaya or such other person as the Board of Directors of Marico Kaya shall appoint in this behalf who shall hold the shares in trust on behalf of the members of Marico entitled to fractional entitlements with the express understanding that such director or officer or person shall sell the same in the market at such time or times and at such price or prices in the market and to such person, as he deems fit, and pay to Marico Kaya, the net sale proceeds thereof, whereupon Marico Kaya shall distribute such net sale proceeds, subject to tax deductions as applicable, to the members of Marico in proportion to their respective fractional entitlements.
- 5.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Marico, the Board of Marico shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in Marico, after the effectiveness of this Scheme.

- 5.6 The equity shares to be issued by Marico Kaya to the members of Marico pursuant to Clause 5.1 of this Scheme, in respect of any shares in Marico which are held in abeyance under the provisions of Section 206A of the Act or otherwise, pending allotment or settlement of dispute, by order of Court or otherwise, be held in abeyance by Marico Kaya.
- 5.7 The equity shares shall be issued in dematerialized form to those shareholders who hold shares of Marico in dematerialized form, in to the account in which Marico shares are held or such other account as is intimated by the shareholders to Marico and / or its Registrar before the Record Date. All those shareholders who hold shares of Marico in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Marico and / or its Registrar before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.
- 5.8 The Board of Directors of Marico Kaya shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of Marico pursuant to clause 5.1 of the Scheme.
- 5.9 The equity shares to be issued to the members of Marico pursuant to clause 5.1 of this Scheme will be listed and/or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 on all the Stock Exchanges on which shares of Marico are listed on the Effective Date. Marico Kaya shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for Marico Kaya with the formalities of the said Stock Exchanges. The equity shares of Marico Kaya allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange(s). There shall be no change in the shareholding pattern or control in Marico Kaya between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges.
- 5.10 Marico Kaya shall, if necessary and to the extent required, increase its authorized share capital to facilitate issue of equity shares under this Scheme.
- 5.11 Approval of this Scheme by the shareholders of Marico Kaya shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Marico Kaya to the shareholders of Marico, as provided in this Scheme.
- 5.12 The approval of this Scheme by the shareholders of both the companies under Sections 391 and 394 of the Act shall be deemed to have the approval under Sections 16, 31, 372A and other applicable provisions of the Act and any other consents and approvals required in this regard.

6 REDUCTION OF THE EXISTING EQUITY SHARE CAPITAL OF MARICO KAYA

- 6.1 Upon the Scheme becoming effective and upon the issue of shares by Marico Kaya in accordance with Clause 5 above, the existing 1,00,000 (One Lac) equity shares of INR 10/- each of Marico Kaya held by Marico, as on the Record Date shall, without any application or deed, stand cancelled without any payment.
- 6.2 The cancellation of the existing equity shares of INR 10 each amounting to INR 10,00,000 (Ten Lac Only) of Marico Kaya as mentioned in Clause 6.1 above shall be effected as an integral part of this Scheme without having to follow the process under Sections 100 to 103 of the Act separately and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and hence the provisions of Section 101 of the Act will not be applicable. Further, Marico Kaya shall not be required to add the words “and reduced” as a suffix to its name consequent upon such reduction.

7 ACCOUNTING TREATMENT IN THE BOOKS OF MARICO AND MARICO KAYA

7.1 IN THE BOOKS OF MARICO KAYA

- 7.1.1 Marico Kaya shall record the assets and liabilities, pertaining to the Kaya Business, at the respective book values as appearing in the books of Marico, as on the Appointed Date.
- 7.1.2 Marico Kaya shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to Clause 5.1 of this Scheme. Further, Marico Kaya shall credit to its Securities Premium Account, the aggregate premium on equity shares issued by it pursuant to Clause 5.1 of this Scheme.
- 7.1.3 The difference, being the excess of value of Net Assets Value of the Kaya Business transferred from Marico and recorded by Marico Kaya in terms of Clause 7.1.1 above, over the amount credited as share capital and Securities Premium Account as per Clause 7.1.2, and after adjusting the reduction in the capital of Marico Kaya pursuant to clause 6 above, shall be credited to Capital Reserve of Marico Kaya. Deficit, if any, shall be debited to Goodwill Account of Marico Kaya which shall be tested for impairment on an annual basis.
- 7.1.4 If considered appropriate for the purpose of application of uniform accounting methods and policies between Marico and Marico Kaya, Marico Kaya may make suitable adjustments and adjust the effect thereof in Securities Premium Account.

Explanation:

“**Net Assets Value**” shall be computed as the book value of the assets of Marico pertaining to the Kaya Business transferred to Marico Kaya less the book value of the liabilities pertaining to the Kaya Business becoming liabilities of Marico Kaya.

7.2 IN THE BOOKS OF MARICO

- 7.2.1 Upon the Scheme becoming effective, Marico shall reduce the book value of assets and liabilities pertaining to the Kaya Business from its books of account.
- 7.2.2 The difference, being the excess of book value of assets over the book value of liabilities of the Kaya Business, transferred to Marico Kaya shall be adjusted against the Securities Premium Account of Marico in the standalone and consolidated accounts.
- 7.2.3 The utilization of the Securities Premium Account of Marico as mentioned in Clause 7.2.2 above shall be effected as an integral part of this Scheme without having to follow the process under Section 78 read with Sections 100 to 103 of the Act separately and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and hence the provisions of Section 101 of the Act will not be applicable. Marico shall not be required to add the words “and reduced” as a suffix to its name consequent upon such reduction.
- 7.2.4 In line with Clause 6, all existing shares held by Marico in Marico Kaya, i.e. 1,00,000 equity shares of Rs 10 each aggregating to INR 10,00,000, shall stand cancelled, without any further act or deed as an integral part of this Scheme. The loss on such cancellation shall be debited to Profit and Loss Account of Marico.

8 CONDUCT OF KAYA BUSINESS

Upon filing the Scheme with the Hon’ble High Court of Judicature at Bombay and upto and including the Effective Date:

- 8.1 Marico shall be deemed to have been carrying on and shall carry on the Kaya Business and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for Marico Kaya. Marico hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

- 8.2 Marico shall carry on the business and activities of the Kaya Business with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of Marico Kaya, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any business or part thereof.
- 8.3 With effect from the Appointed Date, all the profits or income accruing or arising to Marico or expenditure or losses arising or incurred or suffered by Marico, in relation to the Kaya Business, shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of Marico Kaya.
- 8.4 Marico shall not vary the terms and conditions of any agreements or contracts in relation to the Kaya Business except in the ordinary course of business or without the prior consent Marico Kaya or pursuant to any pre-existing obligation undertaken by them, as the case may be.
- 8.5 Marico and Marico Kaya shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

9 EMPLOYEES

- 9.1 On the Scheme becoming effective all staff, workmen and employees of Marico pertaining to the Kaya Business who are in service as on the Effective Date shall become staff, workmen and employees of Marico Kaya without any break in their service and on the basis of continuity of service. Marico Kaya agrees that the services of all such employees with Marico, up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible as on the Effective Date. Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to the Kaya Business shall be mutually decided by Board of Directors of Marico and Marico Kaya or committee(s) thereof.
- 9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts (hereinafter collectively referred as 'Funds') created for the benefit of the staff, workmen and employees of the Kaya Business shall, with the approval of the concerned authorities, become Funds of Marico Kaya, or shall be transferred to or merged with other similar funds of Marico Kaya for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions of respective Trust Deeds or other agreements, if any, to the end and intent that all rights, duties, powers and obligations of Marico in relation to such Funds shall become those of Marico Kaya. It is clarified that the services of the staff, workmen and employee will be treated as having been continuous for the purpose of the said Funds. It is further provided that where all or any of the employees of Kaya Business transferred to Marico Kaya are subsequently transferred to any of the subsidiaries of Marico Kaya, the Funds created for the benefit of such employees shall also be transferred to the said subsidiaries and the provisions of this sub Clause 9.2 shall mutatis mutandis shall apply in relation to such transfer of such employees.
- 9.3 In respect of stock options outstanding under the Marico Employee Stock Option Scheme 2007 in the hands of the employees of Kaya Business, it is hereby clarified that the said options which have been vested in the employees of Kaya Business shall lapse if the same are not exercised before the Effective Date.

10 LEGAL PROCEEDINGS

- 10.1 Upon the Scheme becoming effective, all suits, appeals, legal, administrative or other proceedings of whatsoever nature, by or against Marico in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority pending and/or arising on or after the Appointed Date and relating to Kaya Business, shall be continued and enforced by or against Marico Kaya only to the exclusion of Marico in the manner and to the same extent as would have been continued and enforced by or against Marico. Marico shall not be liable to pay any amounts arising out of such proceedings including interest, penalties, damages, costs etc and the same shall be paid only by Marico Kaya.

10.2 After the Appointed Date, if any proceedings are taken against Marico in respect of the matters referred to in the Clause 10.1 above, Marico shall defend the same at the cost of Marico Kaya and Marico Kaya shall reimburse and indemnify Marico against all liabilities and obligations incurred by Marico in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc which Marico may be called upon to pay or secure in respect of any liability or obligation relating to Kaya Business.

10.3 Marico Kaya undertakes to have all legal or other proceedings initiated by or against Marico referred to in Clause 10.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against Marico Kaya to the exclusion of Marico to the extent legally permissible after the Scheme being effective. To the extent such proceedings cannot be taken over by Marico Kaya, the proceedings shall be pursued by Marico for and on behalf of Marico Kaya as per the instructions of and entirely at the cost and expenses of Marico Kaya.

11 CONTRACTS, DEEDS, ETC.

11.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Kaya Business, which is subsisting as on the Effective Date, shall be in full force and effect against or in favour of Marico Kaya, and may be enforced by or against Marico Kaya as fully and effectually as if, instead of Marico, Marico Kaya had been a party thereto.

11.2 Marico Kaya shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Marico will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. Marico Kaya shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Marico and to implement or carry out all formalities required on the part of Marico to give effect to the provisions of this Scheme.

11.3 Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to Kaya Business which Marico owns or to which Marico is a party, cannot be transferred to Marico Kaya for any reason whatsoever, Marico shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Marico Kaya, in so far as it is permissible so to do, till such time as the transfer is effected.

12 SAVING OF CONCLUDED TRANSACTIONS

The vesting of the Kaya Business into Marico Kaya under Clause 4 above and the continuance of proceedings by or against Marico in relation to the Kaya Business shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that Marico Kaya accepts and adopts all acts, deeds and things done and executed by or on behalf of Marico Kaya.

PART III

GENERAL TERMS AND CONDITIONS

13 REMAINING BUSINESS OF MARICO

13.1 The Remaining Business of Marico and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Marico.

13.2 All legal and other proceedings by or against Marico under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of Marico (including those relating to any property, right, power, liability, obligation or duty of Marico in respect of the Remaining Business of Marico) shall be continued and enforced by or against Marico.

13.3 With effect from the Appointed Date and including the Effective Date –

- (a) Marico shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of Marico for and on its own behalf;
- (b) all profit accruing to Marico thereon or losses arising or incurred by it relating to the Remaining Business of Marico shall, for all purposes, be treated as the profit, or losses, as the case may be, of Marico

14 APPLICATION TO HIGH COURT

Marico and Marico Kaya shall with all reasonable efforts dispatch and make all necessary applications under Sections 391 to 394 read with Sections 78 and 100 to 103 of the Act and other applicable provisions of the Act to the High Court for seeking approval of the Scheme.

15 MODIFICATION OR AMENDMENTS TO THE SCHEME

Marico and Marico Kaya by their respective Boards of Directors ('the Board', which term shall include Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). Marico and Marico Kaya by their respective Board are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

16 CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 16.1 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 16.2 The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors of Marico and Marico Kaya as may be directed by the High Court.
- 16.3 The sanction of the High Court under Sections 391 to 394 read with Sections 78 and 100 to 103 of the said Act in favour of Marico and Marico Kaya under the said provisions and to the necessary Order under Section 394 of the said Act being obtained.
- 16.4 Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by Marico and Marico Kaya as may be applicable.

17 EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the High Court or such other competent authority and / or the Order not being passed as aforesaid before September 30, 2013 or within such further period or periods as may be agreed upon between Marico and Marico Kaya by their respective Board of Directors or any committee thereof (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

18 COSTS, CHARGES & EXPENSES

- 18.1 All costs, charges, taxes including duties, levies and all other expenses if any (save as expressly otherwise agreed) and except as provided in sub-clause 18.2, of Marico and Marico Kaya arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by Marico.
- 18.2 Stamp duty payable in relation to issue of shares pursuant to Scheme shall be borne by Marico Kaya.



Ref: NSE/LIST/203868-Q

May 13, 2013

The Company Secretary & Compliance Officer
Marico Limited
Rang Sharda, K.C. Marg,
Bandra Reclamation, Bandra (West),
Mumbai – 400050.

Kind Attn.: Ms. Hemangi Ghag

Dear Madam,

Sub: Observation letter for Scheme of Arrangement between Marico Limited and Marico Kaya Enterprises Limited

We are in receipt of the draft Scheme of Arrangement under Sections 391 to 394 read with Section 78, 100 to 103 of the Companies Act, 1956 between Marico Limited and Marico Kaya Enterprises Limited and their respective shareholders and creditors.

We have perused the draft Scheme of Arrangement and the related documents/details submitted by Marico Limited including the confirmation of the Company Secretary that the scheme so submitted does not in any way violate, over-ride or circumscribe the provisions of the Securities Laws or the Stock Exchange requirements.

Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013, the Exchange had forwarded the said draft scheme to SEBI for their comments. SEBI has vide letter dated May 09, 2013, has commented as follows:

“a. The Company shall duly comply with various provisions of the Circular and

b. The Company to display on their website the information submitted with respect to percentage of net worth, turnover and PAT of the demerged undertaking of the company and information submitted with respect to CA certificate of net worth of demerged undertaking and updated financials of listed company.”

Accordingly, we do hereby convey our ‘no-objection’ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the scheme with Hon’ble High Court.

However, the listing of equity shares of Marico Kaya Enterprises Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013. Further, Marico Kaya Enterprises Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

2/1



Ref: NSE/LIST/203868-Q

May 13, 2013

The Company should also fulfill the Exchange's criteria for listing such company and also comply with other applicable statutory requirements. However, the listing of shares of Marico Kaya Enterprises Limited is at the discretion of the Exchange.

The listing of Marico Kaya Enterprises Limited, pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Marico Kaya Enterprises Limited and its group companies in line with the disclosure requirements applicable for public through website of the Company.
2. To publish an advertisement in the newspaper containing all the information about Marico Kaya Enterprises Limited in line with the details required as per SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all material information about Marico Kaya Enterprises Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosure about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - (b) "There shall be no change in the shareholding pattern or control in Marico Kaya Enterprises Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

Yours faithfully,
For National Stock Exchange of India Ltd.

Vishal Patelia

Vishal Patelia
Manager
Encl : a/a

Ref: DCS/AMAL/PS/24(f)/047/2013-14

May 14, 2013

The Company Secretary
Marico Limited
Rang Sharda, Krishnachandra Marg,
Bandra Reclamation, Bandra (West),
Mumbai, Maharashtra – 400 050.

Dear Sir/Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Marico Limited and Marico Kaya Enterprises limited

We refer to your draft Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between Marico Limited (ML) (Transferor Company / Demerged Company) and Marico Kaya Enterprises Limited (MKEL) (Transferee Company / Resulting Company) and their respective shareholders and creditors inter alia involving the demerger of Kaya Business of ML into MKEL.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013, SEBI has vide its letter dated May 9, 2013 given the following comments on the draft scheme of arrangement:

"the company shall duly comply with various provisions of the aforesaid SEBI circular."

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

However, the listing of equity shares of Marico Kaya Enterprises Limited (MKEL) on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013. Further, MKEL shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of MKEL is at the discretion of the Exchange. In addition to the above, the listing of MKEL pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

...2/-

1. To submit the Information Memorandum containing all the information about MKEL and its group companies in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information about MKEL in line with the details required as per the aforesaid SEBI circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about MKEL to BSE on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - (a) The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - (b) "There shall be no change in the shareholding pattern in MKEL between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,



Jayesh Ashtekar
Manager



Bhuvana Sriram
Dy. Manager

Annexure I

Complaints Report as on March 25, 2013

Part A

Sr. No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock exchanges	Nil
3	Total Number of complaints/comments received (1+2)	Nil
4	Number of complaints resolved	Nil
5	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
1	-----	-----	-----
2	-----	-----	-----
3	-----	-----	-----

For Marico Limited


Hemangi Ghag
Company Secretary &
Compliance Officer



Marico Limited
Regd Office: Rang Sharda
Krishnachandra Marg
Bandra Reclamation, Bandra (W)
Mumbai 400 050, India
Tel: (91-22) 6648 0480
Fax: (91-22) 6649 0113 / 4

www.marico.com



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 505 OF 2013**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Marico Limited ("Marico" or "the Demerged Company")

AND

Marico Kaya Enterprises Limited ("Marico Kaya" or "the Resulting Company")

AND

their Respective Shareholders and Creditors

MARICO LIMITED, a Company incorporated under the provisions of the)
Companies Act, 1956 and having its Registered Office at 7th Floor, Grande)
Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098) Applicant Company

FORM OF PROXY

I/ We, the undersigned, being the Equity Shareholder(s) of Marico Limited, the Applicant Company do hereby appoint Mr./ Ms. of and failing him/her of as my/our proxy, to act for me/us at the meeting of the Equity Shareholders to be held at Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400050 on Tuesday, 30th July, 2013 at 10.00 a.m. for the purpose of considering and, if thought fit, approving, with or without modification, the arrangement embodied in the proposed Scheme of Arrangement between Marico Limited and Marico Kaya Enterprises Limited and their Respective Shareholders and Creditors and at such meeting, and any adjournment / adjournments thereof, to vote, for me/ us and in my/ our name(s) (herein, if 'for' insert 'FOR', if 'against' insert 'AGAINST' and in the latter case strike out the words "either with or without modifications" after the word "Arrangement" below) the said arrangement embodied in the Scheme of Arrangement either with or without modifications as my/our proxy may approve.

*Strike out what is not necessary.

Dated this _____ day of _____, 2013

Name _____

Address _____

Regd. Folio No.: _____ DP ID: _____ Client ID No. _____ No. of Shares held: _____

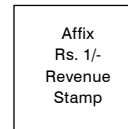
Signatures of Shareholder(s)

Sole / First Holder : _____

Second Holder : _____

Third Holder : _____

Signature of Proxy: _____



Signature across the Stamp

Notes:

- (1) The proxy need not be a member of Marico Limited
- (2) All alterations made in the form of Proxy should be initialed.
- (3) The Proxy must be deposited at the Registered Office of the Company at 7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098 at least 48 hours before the time for holding the meeting.
- (4) In case of multiple proxies, the proxy later in time shall be accepted.



MARICO LIMITED

Regd. Office: 7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098.

Tel: 022-6648 0480 **Fax:** 2654 2636. **Website:** www.marico.com

ATTENDANCE SLIP

COURT CONVENED MEETING OF EQUITY SHAREHOLDERS ON TUESDAY, 30th JULY, 2013

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I/We hereby record my/our presence at the Meeting of the Equity Shareholders of the Applicant Company, convened pursuant to the Order dated 21st June, 2013 of the Hon'ble High Court of Judicature of Bombay on 30th July, 2013 at 10.00 a.m. at Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai 400050.

Name and Address of Member (IN BLOCK LETTERS):	
Reg.Folio No/ Client ID*	
D.P. I.D.*	
No. of Equity Shares held	
Name of the Proxy holders/ Authorised Representative [#]	
Signature of Equity Shareholder/Proxy	

* *Applicable for shareholders holding shares in dematerialized form.*

[#] *I hereby certify that I am a registered shareholder / proxy for the authorised shareholder of the Applicant Company.*

Note:

1. Equity Shareholders attending the Meeting in person or by Proxy or through authorized representative are requested to complete and bring the Attendance Slip and hand it over at the entrance of the meeting hall.
2. Joint shareholders may obtain additional attendance slip at the venue of the meeting.



MARICO LIMITED

Regd. Office: 7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098.

Tel: 022-6648 0480 **Fax:** 2654 2636. **Website:** www.marico.com

NOTICE OF THE EXTRA-ORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extra-ordinary General Meeting of the Equity Shareholders of Marico Limited will be held at Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400050 on Tuesday, 30th July, 2013 at 11.00 a.m. or immediately after the conclusion of the Court Convened Meeting of the Equity Shareholders to be held on the directions of Hon'ble High Court of Judicature at Bombay for approving the Scheme of Arrangement between Marico Limited and Marico Kaya Enterprises Limited and their respective shareholders and creditors ('Scheme') whichever is later, for the purpose of transacting the following Special Business:

1. UTILIZATION OF SECURITIES PREMIUM ACCOUNT

To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 78 read with Sections 100 to 103 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), and Article 3 of the Articles of Association of the Company and subject to sanction of the Scheme of Arrangement between Marico Limited and Marico Kaya Enterprises Limited and their respective shareholders and creditors ("the Scheme") by the Hon'ble High Court of Judicature at Bombay under Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions, if any, of the Act, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble High Court of Judicature at Bombay or by any of the regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded for utilizing the Securities Premium Account of the Company for adjusting the difference, being the excess of book value of assets over the book value of liabilities of the Kaya Business of Marico being demerged into Marico Kaya.

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution and for removal of any difficulties or doubts, the Board, Mr. Milind Sarwate, Group Chief Financial Officer, Mr. Suresh M. S. Jagirdar, Executive Vice President & Head Legal, Mr. Vivek Karve, Executive Vice President & Head Corporate Finance, Mr. Ravin Mody, Head Direct Tax & Secretarial, Mr. Vishal Barot, Head – Corporate Accounts and Treasury, Ms. Hemangi Ghag, Company Secretary & Compliance Officer, Ms. Bhaveka Ranparia, Assistant Company Secretary or such other person as may be authorised by the Board in this regard, be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper."

NOTE:

- (a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business set out above is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (c) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on any working days between 11.00 am and 1.00 pm excluding Saturdays upto one day prior to the date of the Extra-ordinary General Meeting.

By order of the Board of Directors
For **Marico Limited**

Date : 1st July, 2013
Place : Mumbai

Harsh Mariwala
Chairman & Managing Director

Registered office:

7th Floor, Grande Palladium,
175 CST Road, Kalina,
Santacruz (East),
Mumbai 400098.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT,1956

1. The Board of Directors of Marico Limited ('Marico' or 'the Demerged Company') at their meeting held on 7th January, 2013 had approved the Scheme of Arrangement between Marico Limited ('Marico' or 'the Demerged Company') and Marico Kaya Enterprises Limited ('Marico Kaya' or 'the Resulting Company') and their Respective Shareholders and Creditors ('the Scheme' or 'this Scheme') a copy whereof is attached to the explanatory statement under Section 393 of the Companies Act, 1956 and annexed to the Notice of Court convened meeting of the Equity Shareholders of the Company simultaneously sent to you along with this Notice.
2. Marico along with its nominees hold 100% of the equity share capital of Marico Kaya.
3. The proposed Scheme provides for the demerger of Kaya Business of Marico into Marico Kaya and cancellation of Marico's investment in Marico Kaya.
4. The Appointed date for the Scheme is April 1, 2013.
5. In terms of Clause 7 of the Scheme, Marico would adjust the difference, between the excess of book value of assets over the book value of liabilities of the Kaya Business as at the Appointed date, transferred to Marico Kaya against the Securities Premium Account of Marico in the standalone and consolidated accounts.
6. Since the Scheme would result in utilization of the Securities Premium Account of the Company, the approval of the equity shareholders by a Special Resolution would be required in terms of Section 78, 100 to 103 of the Companies Act, 1956.
7. The utilization of the Securities Premium Account as above shall be effected as an integral part of this Scheme without having to follow the process under Section 78 read with Sections 100 to 103 of the Act separately and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and hence the provisions of Section 101 of the Act will not be applicable. Marico shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.
8. The proposed restructuring will not cause any prejudice to the creditors of the Company, since it does not involve any financial outlay/outgo on the part of the Company. For the sake of clarity, it is specified that the reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. Further, the proposed restructuring would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or to pay its debts in the ordinary course of business.
9. The above restructuring will have no impact on the shareholding pattern and the capital structure of the Company. The pre and post restructuring share capital of the Company as on 31st March, 2013 is captured in the table below which would remain the same.

SN	Description	Pre-Demerger Shareholding		Post-Demerger Shareholding	
		Equity Shares	%	Equity Shares	%
A	Promoter and Promoter Group				
1	Indian				
a	Individuals/ HUF	37,62,96,520	58.36	37,62,96,520	58.36
b	Central Government/State Government(s)	0	0	0	0
c	Bodies Corporate	88,22,000	1.37	88,22,000	1.37
d	Financial Institutions / Banks	0	0	0	0
e	Any Other (specify)	0	0	0	0
2	Foreign				
a	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0
b	Bodies Corporate	0	0	0	0
c	Institutions	0	0	0	0
d	Qualified Foreign Investors	0	0	0	0
e	Any Other (specify)	0	0	0	0
	Sub-Total (A)	38,51,18,520	59.73	38,51,18,520	59.73

SN	Description	Pre-Demerger Shareholding		Post-Demerger Shareholding	
		Equity Shares	%	Equity Shares	%
B	Public shareholding				
1	Mutual Funds/UTI	84,83,720	1.32	84,83,720	1.32
2	Financial Institutions / Banks	11,970	0.00	11,970	0.00
3	Central Government/State Government(s)	0	0	0	0
4	Venture Capital Funds	0	0	0	0
5	Insurance Companies	47,09,092	0.73	47,09,092	0.73
6	Foreign Institutional Investors	18,05,01,050	27.99	18,05,01,050	27.99
7	Foreign Venture Capital Investors	2,20,58,823	3.42	2,20,58,823	3.42
8	Qualified Foreign Investors	0	0	0	0
9	Any Other (specify)	0	0	0	0
	Sub-Total (B)	21,57,64,655	33.46	21,57,64,655	33.46
C	Non-institutions				
1	Bodies Corporate	1,87,04,704	2.90	1,87,04,704	2.90
2	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	1,96,49,742	3.05	1,96,49,742	3.05
3	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	35,52,566	0.55	35,52,566	0.55
4	Qualified Foreign Investors	0	0	0	0
	Sub-Total (C)	4,19,07,012	6.50	4,19,07,012	6.50
D	Others				
1	NRI	18,10,435	0.28	18,10,435	0.28
2	Clearing Member	9,11,77	0.02	9,11,77	0.02
3	Trusts	80,000	0.01	80,000	0.01
	Sub-Total (D)	19,81,612	0.31	19,81,612	0.31
	Grand Total (A+B+C+D)	64,47,71,799	100.00	64,47,71,799	100.00

10. The members are requested to read the entire text of the Scheme to get better acquainted with the provisions thereof.
11. The Applicant Company has obtained the Approval to the Scheme in the terms of Clause 24(f) of the Listing Agreement from the National Stock Exchange of India Limited and BSE Limited vide its letters dated 13th May, 2013 and 14th May, 2013 respectively.
12. The Resolution is subject to the confirmation of the Hon'ble High Court of Judicature at Bombay and / or appropriate authority as may be applicable. After obtaining approval of the shareholders, the Company would approach the Hon'ble High Court of Judicature at Bombay for its confirmation.
13. The resolution as set out in the notice will be placed before the meeting for the approval of the shareholders.
14. The Board recommends the approval of proposed resolution by the Shareholders.
15. None of the Directors of the Company are interested in the proposed Resolutions except to the extent of their shareholding as set out in Clause 16 (a) of the Explanatory Statement under Section 393 of the Companies Act, 1956.

By order of the Board of Directors
For **Marico Limited**

Date : 1st July, 2013

Place : Mumbai

Registered office:

7th Floor, Grande Palladium,
175 CST Road, Kalina,
Santacruz (East),
Mumbai 400098.

Harsh Mariwala
Chairman & Managing Director



MARICO LIMITED

Regd. Office: 7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098.

Tel: 022-6648 0480 **Fax:** 2654 2636. **Website:** www.marico.com

FORM OF PROXY

I/We, _____ the undersigned Equity Shareholder/s of Marico Limited do hereby appoint Mr./ Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Company to be held at Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai 400050 on Tuesday, 30th July, 2013 at 11.00 a.m. or immediately after the conclusion of the Court Convened Meeting of the Equity Shareholders, whichever is later, for the purpose of considering, and, if thought fit, approving with or without modification, the resolutions as set forth in the Notice of Extra Ordinary General Meeting and at any adjournment /adjournments thereof, to vote for me/us and in my/our name _____, (here if for , insert "for" if against, insert "against" and in the latter case, strike out the words either 'with or without modification' before the word resolutions), the said resolutions as my/ our proxy may approve.

*Strike out what is not necessary

Dated this _____ day of _____, 2013

Name : _____

Address : _____

Reg. Folio No. : _____

Client ID No. : _____

DP ID No. : _____

No. of shares : _____

Signatures of Shareholder(s) Sole / First Holder : _____

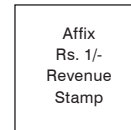
Second Holder : _____

Third Holder : _____

Signature of Proxy Proxy : _____

Notes:

- The Proxy must be deposited at the Registered Office of the Company at 7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098 at least 48 hours before the time for holding the meeting. The proxy need not be a member of Marico Limited.
- All alterations made in the form of Proxy should be initialed.
- In case of multiple proxies, the proxy later in time shall be accepted.



Signature across the Stamp



MARICO LIMITED

Regd. Office: 7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098.

Tel: 022-6648 0480 **Fax:** 2654 2636. **Website:** www.marico.com

ATTENDANCE SLIP

EXTRA-ORDINARY GENERAL MEETING, 30th JULY, 2013

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I/We hereby record my/our presence at the EXTRA-ORDINARY GENERAL MEETING of the Equity Shareholders of the Company to be held at Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai 400050 on Tuesday, 30th July, 2013 at 11 a.m. or immediately after the conclusion of the Court Convened Meeting of the Equity Shareholders, whichever is earlier

Name and Address of Member (IN BLOCK LETTERS):	
Reg.Folio No/ Client ID*	
D.P. I.D.*	
No. of Equity Shares held	
Name of the Proxy holders/ Authorised Representative [#]	
Signature of Equity Shareholder/Proxy	

* Applicable for shareholders holding shares in dematerialized form.

[#] I hereby certify that I am a registered shareholder / proxy for the authorised shareholder of the Company.

Note:

1. Equity Shareholders attending the Meeting in person or by Proxy or through authorized representative are requested to complete and bring the Attendance Slip and hand it over at the entrance of the meeting hall.
2. Joint shareholders may obtain additional attendance slip at the venue of the meeting.

