



MARICO LIMITED

Registered Office: 'Rang Sharda', K. C. Marg, Bandra Reclamation, Bandra (West), Mumbai - 400050

NOTICE OF POSTAL BALLOT

{Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001}

NOTICE is hereby given that approval of the shareholders of Marico Limited (the "Company") is sought in respect of the following businesses, proposed to be passed by Postal Ballot:

Item 1

Sale of Sil Business of the Company

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT

- I. Pursuant to:
 - a) Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956 (the "Act") and rules and regulations enacted thereunder, including any statutory modification or re-enactment thereof and all other applicable laws for the time being in force;
 - b) the Memorandum and Articles of Association of the Company;
and subject to such approvals, sanctions, permissions, if any, as may be required from appropriate authorities;
- II. Consent of the Company be and is hereby accorded to the Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) :
 1. to divest, that is, to transfer, sell and/or otherwise dispose of the whole or any part of the Sil Business of the Company (as hereinafter defined), for such consideration, to such party(ies), with effect from such date and on such terms and conditions as the Board may think fit, in the best interests of the Company;
 2. to finalize, settle, execute and register such documents, deeds, writings, papers, agreements and make and accept modifications and/or amendments, if any, thereto, as may be required for the aforesaid divestment;
 3. to do all such acts, deeds and other things as may be required and/or considered necessary or expedient for giving effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard.
 4. to delegate all or any of the powers herein conferred to the Chairman and Managing Director or any other Officer(s) of the Company."

'Sil Business' means the business carried on by the Company under or in relation to the brand 'Sil' including but not limited to the Unit situated at Saswad, Pune, Maharashtra and all assets & liabilities such as land, manufacturing facilities, machinery, stocks and Intellectual Property Rights, etc., related to the brand 'Sil'.

Item 2

Increase in limits for inter-corporate investments

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT

- I. Pursuant to:
 - a) Section 372A and all other applicable provisions of the Companies Act, 1956 (the "Act") and rules and regulations enacted thereunder, including any statutory modification or re-enactment thereof and all other applicable laws for the time being in force;
 - b) the Memorandum and Articles of Association of the Company;
 - c) the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder,
and subject to such approvals, sanctions, permissions, if any, as may be required from appropriate authorities;
- II. Consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution):
 1. to make loan(s), and/or give any guarantee(s)/ provide any security(ies) in connection with loan(s) made by/to, and/or acquire by way of subscription, purchase or otherwise the securities of, any body corporate, notwithstanding that the aggregate of loan(s), guarantee(s)/security(ies) so far given or to be given to and/or investment(s) so far made or to be made in all bodies corporate may exceed the limits prescribed under the said Section by a sum not exceeding Rs. 500,00,00,000 (Rupees Five Hundred Crore Only).
 2. to finalize, settle, execute and register such documents, deeds, writings, papers, agreements as may be required and make and accept modifications and/or amendments, if any, thereto;

3. to do all such acts, deeds and other things as may be required and/or considered necessary or expedient for giving effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard;
4. to delegate all or any of the powers herein conferred to the Chairman and Managing Director or any other Officer(s) of the Company.”

Item 3

Increase in borrowing powers of the Board

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT

- I. Pursuant to:
 - a) Section 293(1)(d) and all other applicable provisions of the Companies Act, 1956 (the “Act”) and rules and regulations enacted thereunder, including any statutory modification or re-enactment thereof and all other applicable laws for the time being in force;
 - b) the Memorandum and Articles of Association of the Company;
and
 - a) subject to such approvals, sanctions, permissions, if any, as may be required from appropriate authorities;
 - b) in supersession of the resolution passed by the Company through a postal ballot, the results whereof were declared on June 15, 2006;
- II. Consent of the Company be and is hereby accorded to the Board of Directors (hereinafter called “the Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution):

1. to borrow from time to time such sum or sums of money as the Board may deem necessary for the purpose of the business of the Company, notwithstanding that the money being so borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) and remaining outstanding at any point of time may exceed the limits prescribed under the said Section by a sum not exceeding Rs. 750,00,00,000 (Rupees Seven Hundred and Fifty Crore Only);
2. to negotiate and finalise the terms and conditions of such borrowing(s), sign and execute agreements/ documents/writings as may be required in connection with the above and make and accept amendments, if any, thereto;
3. to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary and think fit to give effect to this resolution; and
4. to delegate all or any of the powers herein conferred to the Chairman and Managing Director or any other Officer(s) of the Company.”

BY ORDER OF THE BOARD OF DIRECTORS

VINOD KAMATH
Chief-Finance & IT

Place: Mumbai

Date: December 19, 2007

NOTES:

1. The explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the businesses set out above is annexed hereto.
2. Pursuant to the provisions of section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, the assent or dissent of the shareholders in respect of the resolutions under Postal Ballot Notice dated December 19, 2007 shall be determined through Postal Ballot.
3. The Board of Directors has appointed Mr. D. B. Dixit, Chartered Accountant, (proprietor of Dixit Dattatray and Associates) as the Scrutinizer for conducting the Postal Ballot process.
4. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders on the date of dispatch of the Notice.
5. Duly completed Postal Ballot form (Refer instructions to the Postal Ballot form) should be received by the Scrutinizer not later than the close of working hours on January 21, 2008. Postal ballot forms received after this date will be treated as if no reply from the shareholder has been received.
6. The self-addressed envelope attached to this Notice bears the address to which duly completed Postal Ballot form is to be sent.
7. The Board of Directors of the Company has appointed Mr. Harsh Mariwala, Chairman and Managing Director and Mr. Vinod Kamath, Chief-Finance & IT (designated as 'Compliance Officer' of the Company for complying with provisions of relevant statutes/listing agreement(s), in the absence of and until the appointment of a Company Secretary), as the persons jointly responsible for the entire Postal Ballot process.
8. The Scrutinizer will submit his final report as soon as possible after the last date of receipt for Postal Ballot to facilitate declaration of the results on the date specified below.
9. The Chairman or his authorised representative or any other Director shall announce the result of the Postal Ballot on Wednesday, January 23, 2008 at 9.00 a.m. at the Registered Office of the Company.
10. The date of declaration of the Postal Ballot Result will be taken to be the date of passing of the Resolutions proposed in this Notice.

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

Item 1

Sale of Sil Business of the Company

Over the past few years, your Company has been devoting resources increasingly towards the focus brands in its portfolio. The choice of such focus brands has been made in the light of strategic relevance of the brand to Beauty and Wellness, the potential of the brand to contribute to sustainable profitable growth and create value.

The brands which have not been so focused upon include 'Sil' – the processed foods products brand.

As part of the Company's strategy to deal with the non-focus brands, we are currently exploring the possibility of divesting the business carried on under the brand 'Sil' (defined in greater detail in the resolution as 'Sil Business'). The Sil business had a turnover of Rs. 8.3 crores (F.Y. 06-07) and Rs. 3.79 crores (half-year ended September 30, 2007), contributing 0.5% to the total turnover of the Company for both the periods. The assets at the Saswad Unit amounted to 0.44% of the total assets of the Company as on September 30, 2007.

Your Company has been advised that while Sil business is not significant in the context of the total turnover or assets of the Marico group, it may be that it would be regarded as an undertaking within the meaning of Section 293(1)(a) of the Companies Act, 1956 (the Act). Pursuant to provisions of the said Section, any proposal for sale, lease or otherwise disposing of the whole or substantially whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking is required to be placed for approval of the shareholders by way of an Ordinary Resolution.

The Board has therefore proposed to obtain shareholders' approval through the resolution at item 1, as an enabler for its divestment efforts. Subject to the aforesaid approval being received, the Board proposes to implement an appropriate divestment plan on terms which shall be in the best interests of the Company and its shareholders.

None of the Directors is in any way interested or concerned in the resolution.

Item 2

Increase in limits for inter-corporate investments

As a part of its growth and expansion plans, the Company may venture into further acquisitions through investments in other bodies corporate or other entities, in India and / or abroad. Inter-corporate transactions of making investments, granting loans, providing guarantees/securities etc., are governed by Section 372A of the Companies Act, 1956 (the Act). The Board of Directors are authorised to sanction inter-corporate transactions as aforesaid upto the higher figure of sixty percent of aggregate of paid up capital and free reserves

or hundred percent of free reserves (limits) of the Company. Transactions in excess of the said limits require prior approval of the shareholders through a Special Resolution.

As a measure of achieving greater financial flexibility and facilitating speedy implementation of various projects, it is proposed that the Board of Directors be authorised to invest in excess of the investment limits specified under the said Section of the Act, by a sum not exceeding Rs. 500,00,00,000 (Rupees Five Hundred Crore Only). The funds required for the investment(s) would be sourced through internal accruals and/or proceeds of issue of securities and/or external borrowings.

The Board has therefore proposed to obtain shareholders' approval through the resolution at item 2.

None of the Directors is in any way interested or concerned in the resolution.

Item 3

Increase in borrowing powers of the Board

In accordance with the Resolution passed by the Members of the Company through a Postal Ballot, results whereof were declared on June 15, 2006, the Board of Directors was authorised to borrow sums not exceeding Rs. 500 Crore over and above its paid up capital and free reserves. Considering the growth and expansion plans of the Company, the Company may be required to borrow amounts larger than the limit proposed in 2006.

In accordance with the provisions of Section 293(1)(d) of the Companies Act, 1956, borrowings other than temporary loans from bankers, together with borrowings already made may exceed the aggregate of paid-up capital and free reserves of the Company but only with the approval of the shareholders by way of an Ordinary Resolution.

Hence, it is proposed to seek shareholders' approval for increase in borrowing powers of the Board to Rs. 750,00,00,000 (Rupees Seven Hundred Fifty Crore Only), over and above its paid up capital and free reserves.

The Board has therefore proposed to obtain shareholders' approval through the resolution at item 3.

None of the Directors is in any way interested or concerned in the resolution.

BY ORDER OF THE BOARD OF DIRECTORS

VINOD KAMATH
Chief-Finance & IT

Place: Mumbai

Date: December 19, 2007