

Company information & contents

Board of Directors

Harsh Mariwala, Chairman & Managing Director
 Bipin Shah, Director & Chairman of Audit Committee
 Kishore Mariwala
 Nikhil Khattau
 Atul Choksey
 Rajeev Bakshi

Top Management Team

Harsh Mariwala, Chairman & Managing Director
 Pradeep Mansukhani, Chief Executive Officer – Sales
 Rakesh Pandey, Chief Human Resources Officer
 Milind Sarwate, Chief Financial Officer
 Shyam Sutaria, General Manager – International Business Group

General Manager - Legal & Company Secretary

Dev Bajpai

Bankers

State Bank of Saurashtra
 Citibank N.A.
 Standard Chartered Bank
 ICICI Bank Ltd.
 HDFC Bank Ltd.

Auditors

RSM & Co., Chartered Accountants

Registered Office

Rang Sharda, Krishnachandra Marg,
 Bandra Reclamation, Bandra (West),
 Mumbai 400 050

Websites

www.maricoindia.com
 www.healthykhana.com



Marico

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We commit ourselves to improving the quality of people's lives, in as many parts of the world, through fast moving branded consumer goods - primarily in Nature Care and Health Care.

In the Nature Care Business: we would offer brands that enhance the appeal and nourishment of hair and skin through distinctive products, largely based on the goodness of coconut and other natural substances.

In the Health Care Business : we would make available a variety of branded products needed for healthy living; drawn from agriculture and offered both in natural and processed forms.

In the International Business : we would develop a franchise for our brands, in parts of the world beyond the Sub-Continent.

We will aim to be a leader in each of the businesses; by heightened sensitivity to consumer needs, setting new standards in the delivery and quality of products and through processes of continuous learning and improvement.

We will share our prosperity amongst members, shareholders and associates who contribute in improving Marico's Equity and Market Value. We will acquire the stature of a friendly corporate citizen, contributing to the betterment of neighbourhood communities, where we are significantly present.

Values

Our values are preferred practices that will be employed
in pursuit of our Business Direction, captured in the acronym

COME WIN.

On one hand, it is an invitation to excel.

On the other, it sums up the philosophy that will guide our success.

C O N S U M E R S

For they are the reason we exist.

M E M B E R S H I P

For a sense of ownership empowers us.

E X C E L L E N C E

For it unleashes our potential.

W E A L T H

For on it hinges our growth.

I N N O V A T I O N

For it gives wings to ideas.

CONSUMERS

The wealth of the Company is created by the patronage of consumers. The primary focus of our efforts will be to understand what adds greatest value to them. We will understand and respond to changing needs and desires of the consumer; and translate these into marketable products and an ever-expanding base of loyal consumers, with speed and a quality of response that surpasses the competition.

MEMBERSHIP

Wholesome membership is when a person brings his or her entire being into the organisation. We will allow space for diversity and encourage genuine expression of feelings, opinions and view points. Equally important is the ability to listen without bias and alter one's view based on soundness. Inter-personal transactions will be characterised by trust, empathy, faith, fairness and respect. Membership gives each member a role in articulating and shaping the destiny of the organisation which in turn builds commitment and ownership. We will encourage teamwork and a shared approach to results as it promotes synergy, removes communication barriers and improves the overall quality of decisions and performance. Public acknowledgement creates recognition and also spurs others. We will spontaneously recognise and appreciate both individuals and teams for their contributions reflected in rising standards of performance.

EXCELLENCE

We will focus on policies and practices where people produce consistently superior performance and where people are encouraged to discover their untapped potential. Competent members will be careered through increased and varied role responsibilities. They will be attractively compensated based on personal and collective accomplishment.

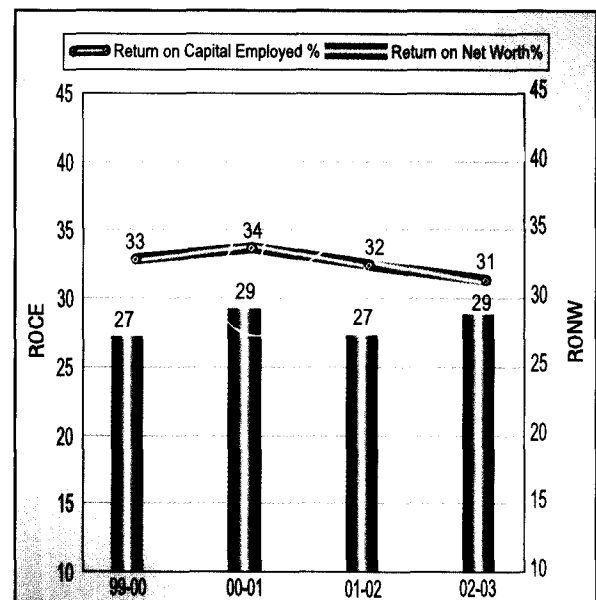
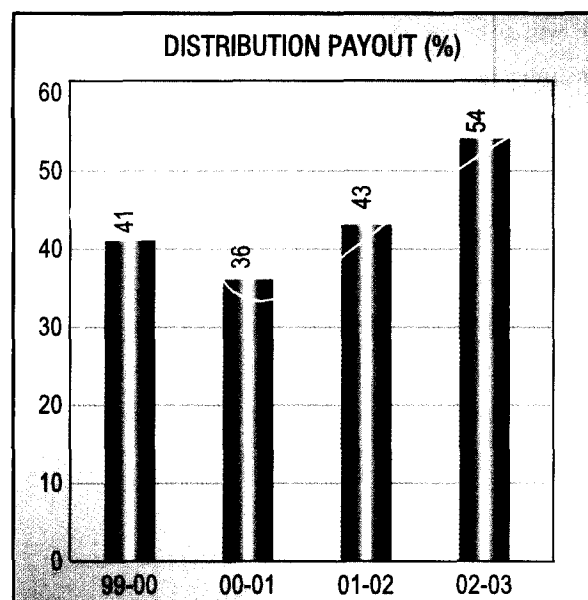
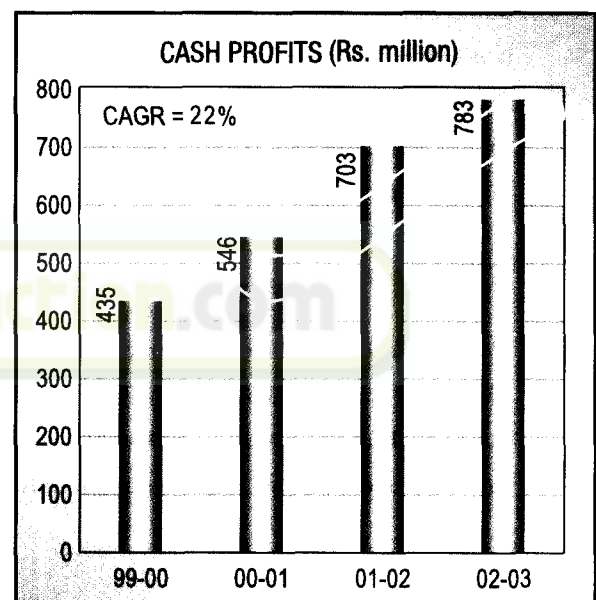
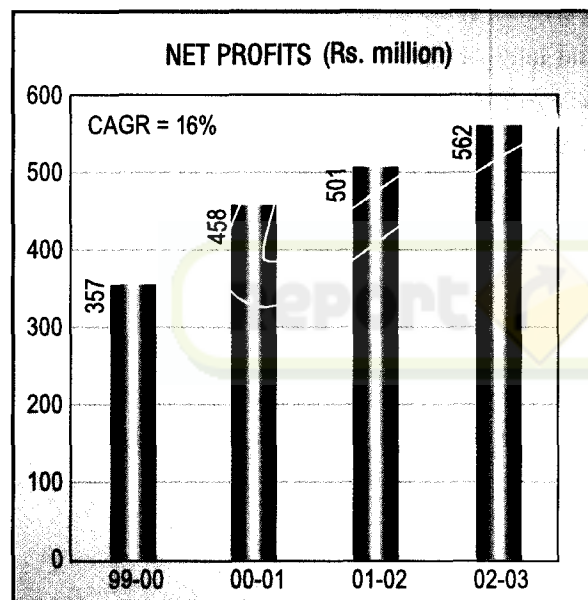
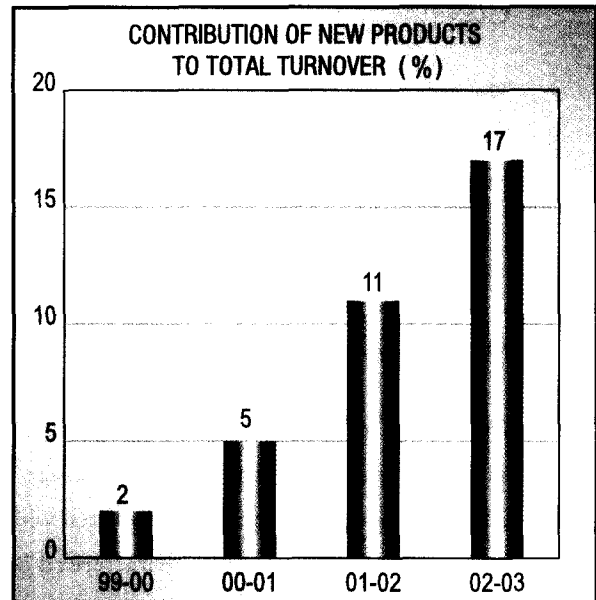
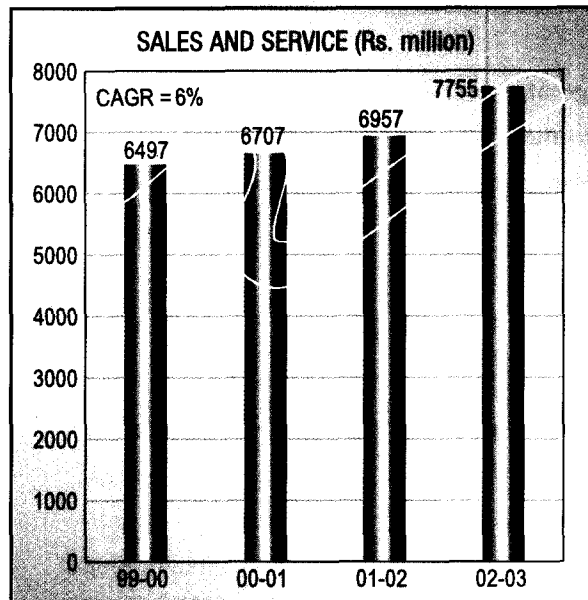
WEALTH

All our efforts must culminate in the creation of wealth. We will do so by continuously adding value in everything we do through a variety of methods. We will use resources productively, eliminate waste, reduce cycle times and costs and enhance the consumer base.

INNOVATION

The future of our organisation rests on our willingness to experiment, push in new and untested directions, think in uncommon ways and take calculated risks. Continuous improvement should be a part of everyday work. We must also innovate to achieve dramatic results. Members will be encouraged to experiment and take calculated risks where necessary. We acknowledge that failure is inherent in any new initiative. We will commit resources for experimentation and invest in processes for reviewing and sharing of learning.

Performance at a glance

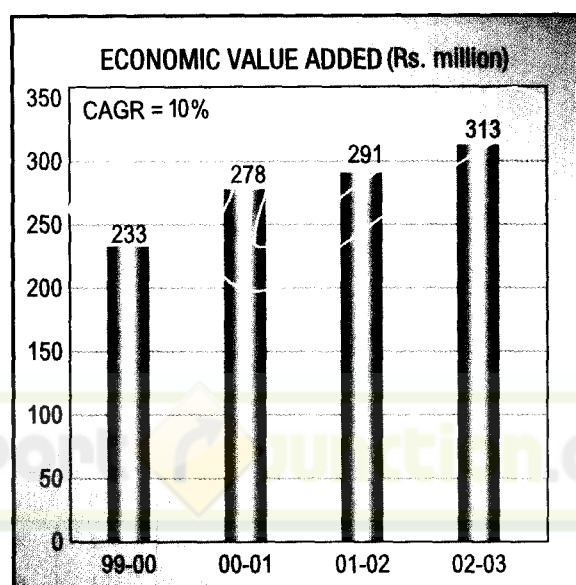


ECONOMIC VALUE ADDED ANALYSIS

Economic Value Added represents the value added by a business enterprise to its shareholders by generating operating profits in excess of the cost of capital employed in the business. This concept is increasingly being deployed to understand and evaluate financial performance.

For the year ended March 31, 2003, Marico's Economic Value Added was Rs. 313 million as compared to Rs. 291 million in the previous year.

Over the past 4 years Marico's Economic Value Added has grown at a CAGR of 10%.



(Amount in Rs. million)

Year ended March 31st	99-00	00-01	01-02	02-03
a Average Capital Employed	1,345	1,602	1,916	2,093
b Average Debt / Total Capital (%)	2.1	2.2	2.3	3.9
c Cost of Equity (%)	13.2	13.1	15.0	13.0
d Cost of Debt (Post Tax)(%)	7.1	6.5	—	1.0
e Weighted Average Cost of Capital (%)	13.1	13.0	14.7	12.5
f Profit After Tax (excl. extraordinary items)	375	458	530	562
g Add : Interest Post Tax	34	27	42	12
h Net Operating Profit After Tax	409	485	572	574
i Less : Cost of Capital	176	207	281	261
j Economic Value Added	233	278	291	313
k % to Capital Employed	17.3	17.3	15.2	14.9

10 Years' highlights

The highlights pertain to the financial performance of Marico Consolidated

Amount in Rs. Million

Year ended March 31st	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Sales & Services	2,364	2,833	3,486	4,097	4,900	5,512	6,497	6,707	6,957	7,755
Profit before Interest & Tax (PBIT)	207	252	364	353	424	477	458	537	619	651
Operating Profit before Tax	149	191	268	277	365	440	426	501	578	640
Extraordinary / Exceptional items	-	-	29	14	-	-	(18)	-	-	-
Profit before Tax (PBT)	149	191	297	291	365	440	408	501	578	640
Profit after Tax (PAT)	64	118	212	215	300	375	357	458	501	562
Cash Profits (PAT + Depreciation)	81	150	238	246	340	427	435	546	703	783
Economic Value Added										
(Refer Management Discussion)	48	90	125	87	188	230	233	278	291	313
Net Fixed Assets	167	270	404	453	605	694	953	1,274	1,413	1,027
Investments	7	22	23	8	-	-	-	-	-	139
Net Current Assets	159	230	634	524	463	540	502	475	669	934
Miscellaneous Expenditure	-	-	-	-	-	-	-	-	-	4
Total Capital Employed	333	522	1,061	985	1,068	1,235	1,455	1,749	2,082	2,104
Equity Share Capital	45	45	145	145	145	145	145	145	145	290
Preference Share Capital	-	-	-	-	-	-	-	-	-	290
Reserves	140	252	515	653	834	1,065	1,277	1,568	1,827	1,350
Net Worth	185	297	660	798	979	1,210	1,422	1,713	1,972	1,930
Borrowed Funds	148	225	401	187	89	25	33	36	50	114
Deferred Tax Liability	-	-	-	-	-	-	-	-	60	61
Total Funds Employed	333	522	1,061	985	1,068	1,235	1,455	1,749	2,082	2,104
Profit before Tax to Turnover (%)	6.3	6.7	8.5	7.1	7.4	8.0	6.3	7.5	8.3	8.3
Profit after Tax to Turnover (%)	2.7	4.2	5.2	4.9	6.1	6.8	5.5	6.8	7.2	7.3
Return on Net Worth (%)										
(PAT / Average Net Worth)	41.0	49.0	44.3	29.5	33.8	34.3	27.1	29.2	27.2	28.8
Return on Capital Employed (%)										
(PBIT* / Average Total Capital Employed)	70.4	58.9	46.0	34.5	41.3	41.5	32.7	33.5	32.3	31.1
Net Cash Flow from Operations per share										
(Rs.) (Refer Cash Flow Statement) ##	-	17	1.8	19.7	28.7	15.4	30.6	37.7	45.1	22.3
Earning per Share (EPS) (Rs.)										
(PAT / No. of Equity Shares) ##	14.1	26.3	12.6	13.9	20.7	25.9	24.6	31.6	34.5	19.0
Economic Value Added per share (Rs.)										
(Refer Management Discussion) ##	10.7	20.0	8.6	6.0	13.0	15.8	16.1	19.2	20.1	10.8
Dividend per share (Rs.) ##	1.2	1.5	2.5	5.0	7.5	9.0	9.0	10.0	14.0	4.8
Debt / Equity	0.80	0.76	0.61	0.23	0.09	0.02	0.02	0.02	0.03	0.06
Book Value per share (Rs.)										
(Net Worth / No. of Equity Shares) ##	41.1	66.0	45.5	55.0	67.5	83.4	98.1	118.1	136.0	66.5
Sales to Average Capital Employed @	7.1	5.4	3.3	4.2	4.6	4.8	4.8	4.2	3.6	3.7
Sales to Average Net Working Capital #	15.6	14.6	8.1	7.1	9.9	11.0	12.5	13.8	12.2	9.7

* PBIT includes extraordinary items

@ Average Capital Employed = (Opening Capital Employed + Closing Capital Employed)/2

Average Net Working Capital = (Opening Net Current Assets + Closing Net Current Assets)/2

Per share information for 2002-03 is calculated on enhanced equity share capital of Rs. 290 million (29 million shares)

Consolidated quarterly financials

2002-03

(Amount in Rupees Million)

Particulars	Three Months Ended				Annual
	Jun. 30, 02	Sep. 30, 02	Dec. 31, 02	Mar. 31, 03	FY 03
Total Revenue	1,822	1,962	2,063	2,020	7,867
Total Expenditure	1,614	1,762	1,776	1,845	6,997
Finance Charges	5	4	3	(1)	11
Gross Profit after Finance Charges but before Depreciation and Taxation	203	196	283	176	859
Depreciation	37	36	113	33	219
Profit before Tax	167	160	170	143	640
Provision for Taxation (Current)	18	13	22	25	78
Profit after Tax (Current)	149	147	148	118	562
Provision for Taxation (Deferred Taxation)	15	17	9	(40)	1
Excess income tax provision of earlier year written back	-	-	-	1	1
Profit after Tax	135	130	139	158	562
Dividend on Redeemable Preference Share Capital	-	-	12	-	12
Profit after Tax after preference dividend	135	130	128	158	550
Equity Share Capital	145	290	290	290	290
Earnings per Share -Annualised (Rs.)	37.2	18.0	17.6	21.8	19.0
Interim Dividend declared per share (Rs.)*	0.75	1.00	1.00	-	2.75
Final Dividend declared per share (Rs.)	-	-	-	2.00	2.00
Total Dividend declared per share (Rs.)	0.75	1.00	1.00	2.00	4.75

* The first interim dividend of Rs. 1.5 per share was declared on the pre-bonus equity share capital of Rs. 145 million. In order to facilitate correct comparison, the dividend per share for this first interim dividend has been worked out with reference to the enhanced equity share capital of Rs. 290 million.

2001-02

(Amount in Rupees Million)

Particulars	Three Months Ended				Annual
	Jun. 30, 01	Sep. 30, 01	Dec. 31, 01	Mar. 31, 02	FY 02
Total Revenue	1,529	1,721	1,837	1,883	6,970
Total Expenditure	1,357	1,539	1,643	1,669	6,208
Finance Charges	8	13	12	8	41
Gross Profit after Finance Charges but before Depreciation and Taxation	164	169	182	206	721
Depreciation	27	32	32	52	143
Profit before Tax	137	137	150	154	578
Provision for Taxation (Current)	11	11	13	14	49
Profit after Tax (Current)	126	126	137	140	529
Provision for Taxation (Deferred Taxation)	15	15	15	15	60
Excess income tax provision of earlier year written back	-	-	-	31	31
Profit after Tax	112	111	122	156	501
Equity Share Capital	145	145	145	145	145
Earnings per Share -Annualised (Rs.)	31.0	30.6	33.5	43.0	34.5
Interim Dividend declared per share (Rs.)	2.5	3.0	3.5	5.0	14.0

Presence in the sub-continent

