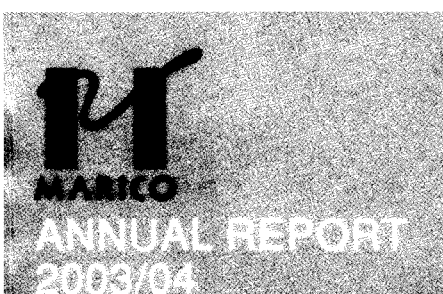


UNCOMMON SENSE



Apply conventional thinking and you'll only come up with conventional solutions. But open your mind, and you'll find a world of opportunities opening up before you.

UNCOMMON
SENSE

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COMPANY INFORMATION

BOARD OF DIRECTORS

Harsh Mariwala, Chairman & Managing Director
Bipin Shah, 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 & Manufacturing
Rakesh Pandey, Chief Executive Officer - Kaya
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

INTERNAL AUDITORS

Aneja Associates, Chartered Accountants

REGISTERED OFFICE

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

PRESENCE IN THE SUB-CONTINENT

Factories - 8
Regional Offices - 4
Depots - 30

WEBSITES

www.maricoindia.com
www.healthykhana.com

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CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

The year 2003-04 was yet another year of sustained growth in topline and bottomline. It signified continued success in your Company's journey of moving up the value chain.

As one looks back, one can see that Marico has come a long way since the early 1990s when the FMCG business of the erstwhile Bombay Oil Industries was spun off as a separate company, with just two major brands: Parachute and Saffola. Even then, we had a clear growth vision, built around improving the quality of people's lives - their personal well-being and healthy living. Over the years, our 'Uncommon Sense' has enabled us to keep delivering in that direction.

We now have 12 brands. And we continue to explore new opportunities to create new brands and businesses that add value to their consumers and to Marico. Kaya, the skin care services business, is one such example.

We have also grown from being Indian to Global. International Business, now at 9% of turnover, is an important constituent of our growth strategies. Marico's products are now present in 18 countries, with local operations in Bangladesh, and a recently acquired US-based range of ayurvedic skin care products, Sundari.

Over the past 4 years, we have etched out a solid and enviable record of consecutive quarters of year on year growth - 14 in topline and 18 in net profits. Our return on capital employed has consistently been above 30%. Operating margins as a percentage of capital employed have been moving up, leading to an increasing Economic Value Added, year after year. And payout to shareholders has risen to over 50%.

We have thus moved up - from commodity conversion to technologically superior products and services. From Low Value Add to High Value Add, Hair Oils to Personal Care - hair care and skin care, Edible Oils to Healthy Oils and Foods, and from a local to a global presence.

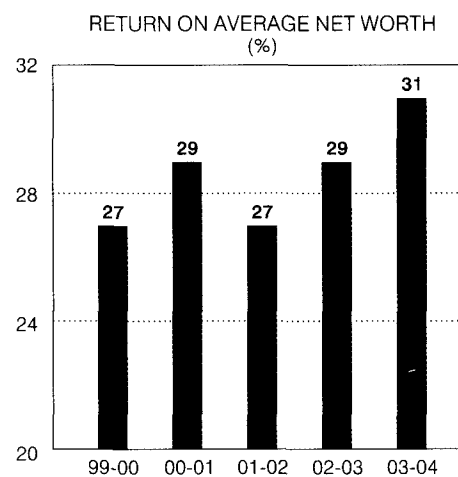
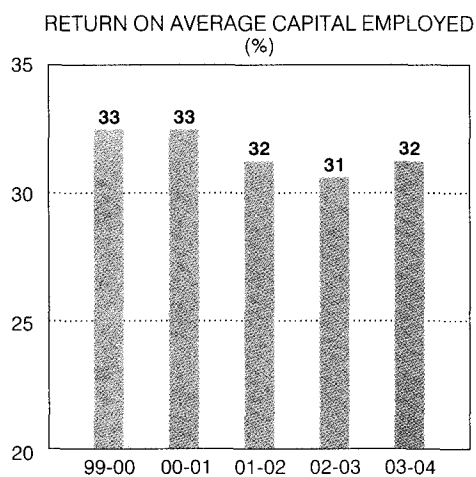
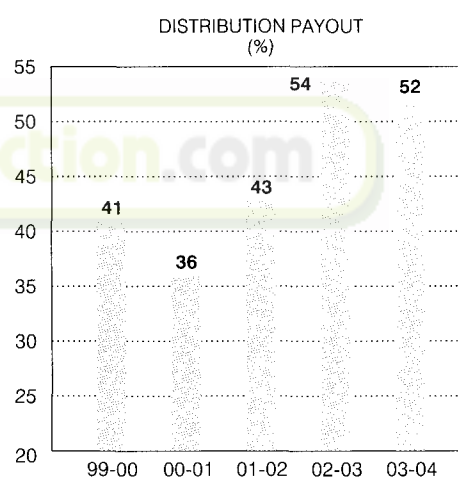
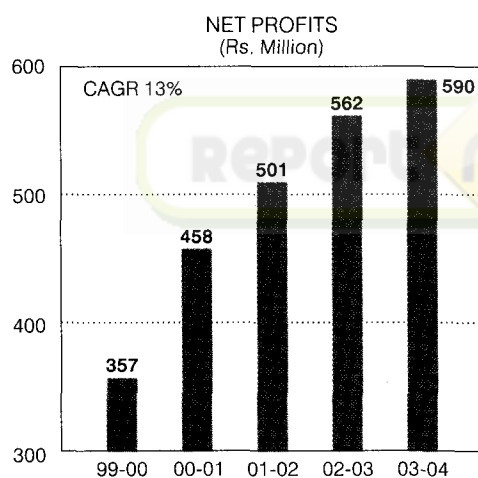
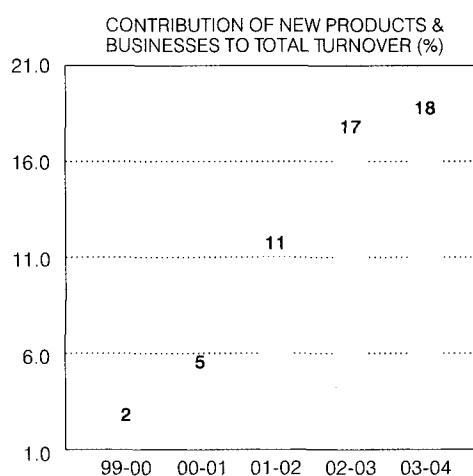
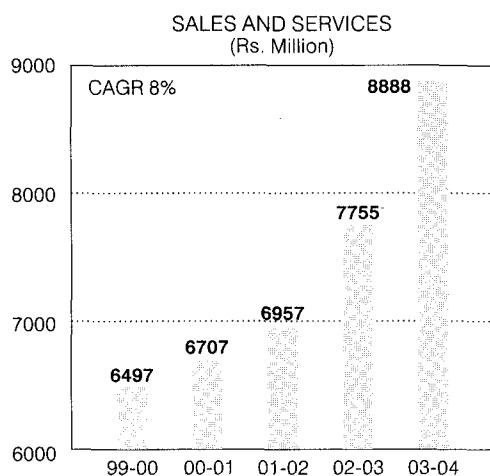
Over the years, we have built a stimulating and meritocratic work culture that empowers people, promotes team building and encourages new ideas. Your continued support to our professional management team will spur it to continuously strive to greater heights of glory, making Marico a frontrunner among India's leading global FMCG Groups.

I am sure 2004-2005 will see Marico move further ahead in its journey from Good to Great!

With warm regards.

Harsh Mariwala
Chairman and Managing Director

MARICO CONSOLIDATED PERFORMANCE AT A GLANCE

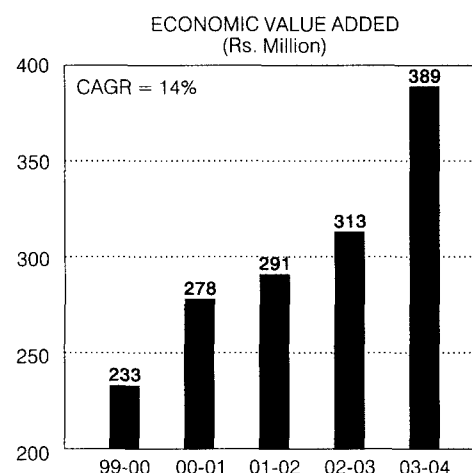


ECONOMIC VALUE ADDED ANALYSIS

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, 2004, Marico's Economic Value Added was Rs. 389 million as compared to Rs. 313 million in the previous year.

Over the past 5 years, Marico's Economic Value Added has grown at a CAGR of 14%.



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ECONOMIC VALUE ADDED - OVER THE YEARS					
	(Amount in Rs. Million)				
Year ended March 31,	2000	2001	2002	2003	2004
Average Capital Employed	1,345	1,602	1,916	2,093	2,089
Average Debt / Total Capital (%)	2.1	2.2	2.3	3.9	5.5
Cost of Equity (%)	13.2	13.1	15.0	13.0	11.0
Cost of Debt (Post Tax) (%)	7.1	6.5	-	1.0	1.1
Weighted Average Cost of Capital (%)	13.1	13.0	14.7	12.5	10.5
Profit After Tax (excl. Extraordinary Items)	375	458	530	562	591
Add : Interest Post Tax	34	27	42	12	16
Net Operating Profit After Tax	409	485	572	574	608
Less : Cost of Capital	176	208	281	261	218
Economic Value Added	233	278	291	313	389
% to Average Capital Employed	17.3	17.3	15.2	14.9	18.6

OUR BUSINESS DIRECTION 2010

We commit ourselves to improving the quality of people's lives in several parts of the world, through branded Fast Moving Consumer Products and Services in Personal and Health Care.

We shall offer brands that enhance the appeal and nourishment of hair and skin through distinctive products and services based on the goodness of coconut, other natural substances, and the underlying science of hair care and skin care.

We shall make available brands that contribute to healthy living, through, both products drawn from agriculture offered in natural and processed forms, and services.

We shall develop, in parts of the world beyond the Indian Sub-continent, a franchise for our branded products and services.

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

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

OUR 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.

CONSUMERS: For they are the reason we exist.

MEMBERSHIP: For a sense of ownership empowers us.

EXCELLENCE: For it unleashes our potential.

WEALTH: For on it hinges our growth.

INNOVATION: 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.

WHAT DOES
IT TAKE TO
CREATE A
WORLD-CLASS
CHAIN OF
SKIN CARE

YEARS OF EXPERTISE
IN HAIR OILS.



When an FMCG company known for its oils, ventures into the uncharted territory of skin care services, the reaction, predictably, is: 'It doesn't make sense'.

But apply uncommon thinking and you'll see, it makes perfect sense.

At Marico, we believe there's only one reason for a brand to exist: fulfilling a sharply-focussed consumer need.

As dominant players in hair oils, understanding consumer needs is the core of our business. Precisely why we launched advanced skin care services offered through world-class skin clinics.

We studied the consumer habits of the urban Indian woman. She had moved up from 'feel good' cosmetic creams to 'do good' high-performance skin creams. Clearly, she was seeking visible results. Skin care services seemed a natural progression.

At the same time, the world was witnessing a revolution in skin care. Internationally, there was a growing trend in skin clinics, which further reaffirmed our belief.

Here was an opportunity waiting to be tapped. And we rose to the challenge. With a clear focus on growing the nascent category of 'skin care services', a dedicated team, and a service-oriented approach, we were able to offer world-class skin care customised to Indian skin through an independent subsidiary, Kaya Skin Care Ltd.

Thanks to our uncommon sense approach, we now have a new line of business. And it's showing visible results: 10,000 satisfied customers, and 13 Kaya Skin Clinics across Mumbai, Delhi and Dubai. All in a matter of 16 months.

REPORT