



Uncommon sense

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**Annual Report
2008-09**

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.

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COMPANY INFORMATION

BOARD OF DIRECTORS

Harsh Mariwala, Chairman and Managing Director
Bipin Shah, Chairman of Audit Committee
Rajeev Bakshi
Atul Choksey
Nikhil Khattau
Anand Kripalu
Jacob Kurian
Rajen Mariwala
Hema Ravichandar

MANAGEMENT TEAM

Harsh Mariwala, Chairman and Managing Director
Saugata Gupta, Chief Executive Officer
- Consumer Products Business
Anju Madeka, Chief Financial Officer
Rakesh Pandey, Chief Executive Officer - Kaya
Milind Sarwate, Chief - HR and Strategy
Vilas Shirhatti, Chief - Technology
Vijay Subramaniam, Chief Executive Officer
- International Business

COMPANY SECRETARY

Rachana Lodaya

AUDIT COMMITTEE

Bipin Shah, Chairman
Nikhil Khattau, Member
Rajen Mariwala, Member
Hema Ravichandar, Member
Rachana Lodaya, Secretary to the Committee
Harsh Mariwala, Permanent Invitee

CORPORATE GOVERNANCE COMMITTEE

Hema Ravichandar, Chairperson
Rajeev Bakshi, Member
Jacob Kurian, Member
Milind Sarwate, Secretary to the Committee
Harsh Mariwala, Permanent Invitee

SHAREHOLDERS' COMMITTEE

Nikhil Khattau, Chairman
Rajen Mariwala, Member
Rachana Lodaya, Secretary to the Committee

BANKERS

Citibank N.A.
HDFC Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
Standard Chartered Bank
State Bank of India

AUDITORS

Price Waterhouse, Chartered Accountants

INTERNAL AUDITORS

Aneja Associates, Chartered Accountants

REGISTERED OFFICE

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

OUR PRESENCE

Factories - 11 (In India - 6 | Overseas - 5)
Regional Offices - 4
Depots - 32

WEBSITES

www.marico.com
www.kayaclinic.com
www.parachuteadvanced.com
www.saffolalife.com
www.maricobd.com
www.haircodeworld.com
www.maricoinnovationfoundation.org

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CHAIRMAN'S LETTER TO SHAREHOLDERS A PERSONAL MESSAGE

Dear Shareholders,

Four years ago, we had set ourselves a target of growing your Company from Rs.1000 crore to Rs.2000 crore in revenues. It gives me great pleasure to state that your Company has comfortably achieved this target and is well set to continue on its growth journey.

Over the last 3 years, your Company has maintained a top line CAGR of 24% and a sustainable bottom line CAGR of 28%. FY09 witnessed a high degree of turbulence in the environment with the global financial crisis, sharply rising and falling input costs and fluctuating foreign exchange markets. Marico nevertheless turned in a good performance with a top line growth of 25% and net profit growth, before extraordinary items, of 21%. A large segment of the Company's business is in items of daily consumption and it is less likely to be impacted by the economic slowdown.

Today, India suffers from a very high incidence of heart-related ailments, but awareness has been low. Saffola has played an important role in increasing the awareness amongst consumers in India and urging them to adopt a healthy lifestyle. The brand has also facilitated this lifestyle modification by introducing efficacious and innovative products. Marico's agri-extension and contract farming efforts include educating farmers with best farming practices and making high yielding varieties of the crop available. This has helped farmers improve productivity and earnings from their land while improving the sources of supply for your Company.

At its Jalgaon factory where Marico produces Saffola, the Company makes continuous efforts to preserve the environment. The Jalgaon factory has received awards for its efforts in water and energy conservation. All these efforts have resulted in building a sustainable and profitable franchise for the brand, thus creating wealth for shareholders.

Across all its brands, Marico has transformed in a sustainable manner, the lives of all those it touches - shareholders, consumers, members, associates and society at large.

Your Company's efforts have been recognized for the remarkable work done across its value chain. It was voted one of the most Innovative Companies by the Business Today - Monitor Group Innovation Study. Marico also won the Smart Workplace Award presented by the Economic Times in association with Acer and Intel, and the IMC Ramakrishna Bajaj National Quality Award.

Today, Marico is more than just a business. It is a principal agent of social change. We have the responsibility of defining, creating and distributing value to each of our stakeholders, by maximizing their potential through the brands we create and services we offer in the beauty and wellness space.

I believe the purpose of an organization has to go beyond functionality and profits, to define why we really exist for each of our stakeholders. It is something that's true to our culture, unique to our DNA, yet profitable to our business. It is something we live by every single day.

This year, we have given a voice to this purpose: Be more. Every day.

Thank you for placing your faith in the company. I look forward to your continued support and co-operation.

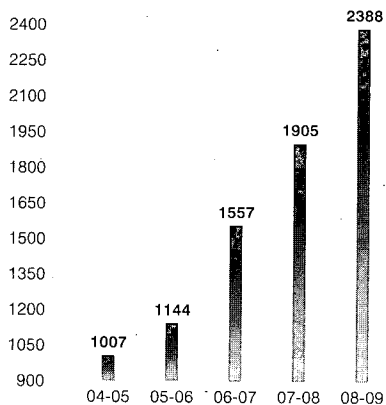
With warm regards



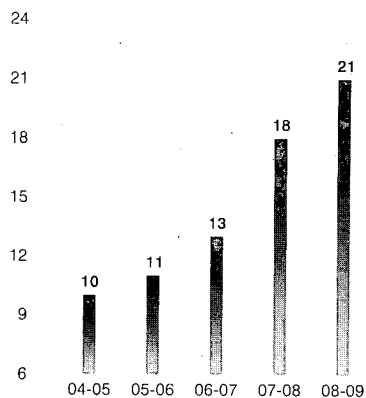
Harsh Mariwala
Chairman and Managing Director

MARICO CONSOLIDATED PERFORMANCE AT A GLANCE

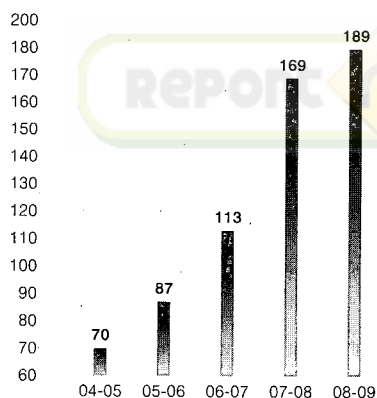
SALES AND SERVICES
(Rs. Crore)



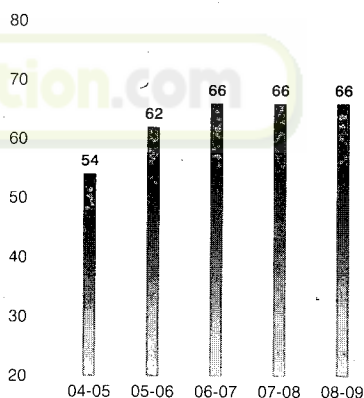
SHARE OF INTERNATIONAL BUSINESS
IN GROUP TURNOVER (%)



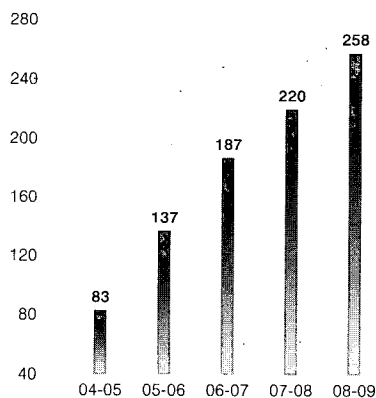
NET PROFITS
(Rs. Crore)



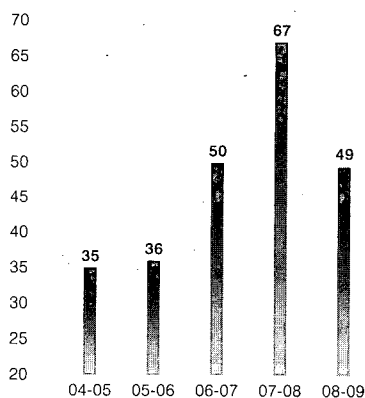
DIVIDEND DECLARED
(%)



CASH PROFITS
(Rs. Crore)



RETURN ON AVERAGE NET WORTH
(%)



ECONOMIC VALUE ADDED ANALYSIS

Economic Value Added (EVA) represents the value added by a business enterprise to its shareholders by generating post tax operating profits in excess of the cost of capital employed in the business.

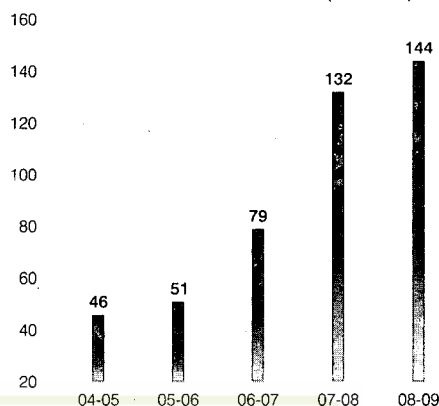
EVA is based on the idea that a business must cover both the operating costs and the capital costs. EVA is an estimate of true 'economic' profit, that is, the amount by which the operating earnings exceed or fall short of the required minimum rate of return for shareholders and lenders at comparable risk.

This concept is increasingly being deployed to understand and evaluate financial performance of companies the world over.

For the year ended March 31, 2009, Marico's Economic Value Added was Rs.144 crore as compared to Rs.132 crore in the previous year.

Over the past 5 years, Marico's Economic Value Added has grown at a compounded annual growth rate (CAGR) of 33%.

ECONOMIC VALUE ADDED (Rs. Crore)



SUSTAINABLE WEALTH CREATION

Investment	Through	Shares	Value (in Rs.)	Indexed Value
April 1996 - Original Purchase	IPO	100	17,500	100
August 2002	Bonus (Equity 1:1)	100	-	-
September 2002	Bonus (Preference 1:1)	200	-	-
May 2004	Bonus (Equity 1:1)	200	-	-
February 2007	Share Split (10:1)	4000	-	-
Holdings and Cost as on March 31, 2009		4,000	17,500	100
Return	Through	Shares	Value (in Rs.)	Indexed Value
March 31, 2009	Market value	4000	269,000	1,537
March 2004	Redemption proceeds of Bonus Preference shares	200	4,000	23
April 1996 - March 2009	Dividend Received*#		21,058	120
Gross Returns			294,058	1,680
Compound Annual Return since IPO			27%	27%

* Dividends are inclusive of those received on Bonus Preference Shares

Subject to taxes as applicable

OUR PURPOSE

Be more. Every day.

To transform in a sustainable manner,
the lives of all those we touch,
by nurturing and empowering them
to maximise their true potential.

Marico today is more than just a business.

It is a principal agent of social change.

We have the responsibility of defining,
creating and distributing value to each of our
stakeholders: Shareholders, Consumers, Members,
Associates and Society.

Our purpose addresses why we exist for
each of our stakeholders, and how we impact
their lives. It is something that's true to our culture,
unique to our DNA, yet profitable to our business.

It is something we live by every single day.

OUR STAKEHOLDERS

