

# BE MORE. EVERY DAY.

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Annual Report 2010-11





# COMPANY INFORMATION

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## BOARD OF DIRECTORS

Harsh Mariwala, Chairman & Managing Director  
Nikhil Khattau, Chairman of Audit Committee  
Rajeev Bakshi  
Atul Choksey  
Anand Kripalu  
Rajen Mariwala  
Hema Ravichandar  
B. S. Nagesh (w.e.f. July 16, 2010)

## MANAGEMENT TEAM

Harsh Mariwala, Chairman & Managing Director  
Saugata Gupta, Chief Executive Officer,  
Consumer Products Business  
Ajay Pahwa, Chief Executive Officer - Kaya  
Milind Sarwate, Group Chief Financial Officer  
& Chief Human Resources Officer  
Vijay Subramanian, Chief Executive Officer,  
International Business

## COMPANY SECRETARY

Hemangi Wadkar

## AUDIT COMMITTEE

Nikhil Khattau, Chairman  
Rajen Mariwala, Member  
Hema Ravichandar, Member  
B. S. Nagesh, Member (w.e.f. July 16, 2010)  
Hemangi Wadkar, Secretary to the Committee  
Harsh Mariwala, Permanent Invitee

## CORPORATE GOVERNANCE COMMITTEE

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

## SHAREHOLDERS' COMMITTEE

Nikhil Khattau, Chairman  
Rajen Mariwala, Member  
Hemangi Wadkar, Secretary to the Committee

## BANKERS

Axis Bank Limited  
Barclays Bank PLC  
Citibank N.A.  
HDFC Bank Limited  
ICICI Bank Limited  
Kotak Mahindra Bank Limited  
Standard Chartered Bank  
State Bank of India  
HSBC Limited

## AUDITORS

Price Waterhouse, Chartered Accountants

## INTERNAL AUDITORS

Aneja Associates, Chartered Accountants

## REGISTERED OFFICE

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


## OUR PRESENCE

Factories - 15 (8 in India and 7 overseas)  
Regional Offices – 4 in India  
Depots – 32 in India

## WEBSITES

[www.marico.com](http://www.marico.com)  
[www.maricobd.com](http://www.maricobd.com)  
[www.kayaclinic.com](http://www.kayaclinic.com)  
[www.parachuteadvanced.com](http://www.parachuteadvanced.com)  
[www.parachutearabia.com](http://www.parachutearabia.com)  
[www.saffolalife.com](http://www.saffolalife.com)  
[www.haircodeworld.com](http://www.haircodeworld.com)  
[www.icpvn.com](http://www.icpvn.com)  
[www.maricoinnovationfoundation.org](http://www.maricoinnovationfoundation.org)





TO TRANSFORM IN  
A SUSTAINABLE MANNER,  
THE LIVES OF  
ALL THOSE WE TOUCH,  
BY NURTURING  
AND EMPOWERING THEM  
TO MAXIMIZE THEIR  
TRUE POTENTIAL.

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# CHAIRMAN'S LETTER TO SHAREHOLDERS

## A PERSONAL MESSAGE

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Dear Shareholders,

We have just closed a rather challenging year for FMCG companies, including Marico. FY11 witnessed high inflation, particularly food inflation, unprecedented cost push, especially in one of your Company's key input materials - copra, a rise in interest rates and strengthening of the Indian Rupee against the US Dollar. In addition, there was political unrest in North Africa and the Middle East region – one of the key markets for your Company's international business operations.

Notwithstanding the challenges of the year, I am happy to state that your Company turned in a good performance. Revenue during the year grew by 18% over FY10 and Net Profit was higher by 24%. This makes it a 5-year CAGR of 22% in Revenue and 27% in Net Profits.

Growth in Marico's top line was supported by robust volume growths across its franchises of coconut oil, value added hair oil and premium refined edible oils in India as well as its international FMCG business. In the Kaya business, whilst there was a same clinic sales decline in the first half of the year, this trend was reversed to deliver same clinic sales growth in the second half. Your Company, therefore, has stayed the course of franchise expansion across its businesses. In addition to this organic growth, Marico made acquisitions during the year, adding new franchises to its portfolio. Your Company has expanded the footprint of its skin aesthetics business to Singapore through the acquisition of Derma Rx. In South Africa, it made a bolt-on acquisition, adding the Ingwe range of immuno boosters, to complement the existing Hercules business. In February 2011, Marico took up 85% stake in International Consumer Products Corporation, a leading FMCG company in Vietnam, operating primarily in the male grooming segment of the Vietnamese market. In line with its strategy to execute its plans for the wellness segment in India through Saffola, your Company rationalized its portfolio by divesting the non-focus refined edible oil brand 'Sweekar'.

Marico continued on its journey to live its purpose – its reason to exist beyond making profit – by focusing on sustainable profitable growth, it has enhanced shareholder value. Saffola launched a campaign, 'know your heart's age', around World Heart Day this year, to raise awareness about heart health amongst consumers. The Company facilitated lifestyle management programs for its employees, many of whom have benefited by feeling healthier and being more productive. Your Company continues to work with its associates through initiatives such as improving productivity of safflower farmers and providing inputs to distributors to enhance their returns on investment. Marico has been contributing towards propagating innovation in India, through the Marico Innovation Foundation. Your Company's 'Think Fresh Be Green' initiative aims to ensure it behaves responsibly with respect to the environment and institutionalizes a 'green mindset' amongst its members. The Company would continue to aim at managing the mutual interests of all its interdependent stakeholders.

Thank you for placing faith in the Company. I wish to thank all members of the Marico team and all our business associates for their contribution to Marico's success. I look forward to your continued support and co-operation.

With warm regards,



**Harsh Mariwala**  
**Chairman and Managing Director**

OUR CONSUMERS  
ALWAYS THANK US FOR THEIR  
GREAT HAIR AND SKIN.  
BUT WHAT'S  
EVEN MORE BEAUTIFUL,  
IS THEIR CONFIDENCE.

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Our premium hair and skin care brands  
do just what they should: make a consumer's confidence shine.







