



# MAKING A DIFFERENCE FOR 25 YEARS

ANNUAL REPORT 2015-16

## Robust Performance

**7% ↑**

Revenue  
(Y-o-Y growth)

**7% ↑**

Volume Growth  
(Y-o-Y growth)

**22%**

of revenue from  
International Business

## Strong Portfolio

**7% ↑**

Volume Y-o-Y  
growth in Parachute  
Coconut Oil (Market  
Share - 59%)

**9% ↑**

Volume Y-o-Y growth  
in Saffola Edible Oil  
Category (Market  
Share - 63%)

**14% ↑**

Volume Y-o-Y growth  
in the Value Added  
Hair Oils Segment  
(Market Share - 32%)

**1 Billion**

Mark crossed by  
Oats category within  
4 years of launch  
and is now the most  
distributed Oats  
brand in the country

## Higher Profitability

**50.1% ↑**

Gross margins  
448 bps expansion  
for the year

**17.7% ↑**

International  
business operating  
margins in FY16  
Circa 10% expansion  
in 3 years

**17.3% ↑**

Operating margins  
215 bps expansion for  
the year

**26% ↑**

PAT (Y-o-Y growth)  
with a 5 year CAGR  
of 19%

## Robust Balance Sheet

**₹466  
Crores**

Net cash surplus  
on books

**45%**

ROCE in FY16

**21% ↑**

EVA (Y-o-Y growth)

**0.2**

Debt/Equity Ratio

## Higher Shareholder Value

**69%**

Dividend Payout Ratio  
in FY16, increased  
from 19% in FY13

**25% ↑**

Increase in shareholder value  
over the year



**Marico Limited** is one of India's leading consumer products companies operating in the beauty and wellness space. Empowered with freedom and opportunity, we work to *make a difference* to the lives of all our stakeholders - members, associates, consumers, investors, and society at large.

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# The World of Marico

**25+**  
YEARS OF RICH  
EXPERIENCE

**25+**

countries present in  
across emerging  
markets



**25%+**

total shareholder return  
since listing



**Largest**

coconut oil brand  
in the world -  
Parachute



**1 out of  
every 10**

coconuts grown in India  
is used by Marico



**1 out of  
every 3**

Indians' lives are touched  
by Marico

**18%**

topline CAGR growth  
since inception



**26%**

bottomline CAGR growth  
since inception



**10**

acquisitions in  
10 years



**95%**

of our portfolio enjoys  
market leadership  
(No.1 or No.2)



**80%**

portfolio with consistent  
market share gains Y-o-Y



**>20,000**

population town mostly  
covered by Marico's  
distribution network

**7.5 Crores**

packs sold every  
month



**7.5 Crores**

households touched  
every month

**4.6 Million**

retail outlets serviced by  
nationwide distribution  
network










**We have presence in 25 countries across emerging markets of Asia and Africa. Marico has nurtured multiple brands in the categories of hair care, skin care, health foods, male grooming, and fabric care. Marico's India business markets household brands that add value to the life of 1 in every 3 Indians.**

The International business offers unique brands that are localised to fulfil the lifestyle needs of our international consumers. Marico's sustainable growth story rests on an empowering work culture that encourages our members to take complete ownership and make a difference to the entire business ecosystem.

## Core Values

Our values guide our actions and how we behave in our everyday business. They have enabled us to create a unique culture at Marico. Our values are the DNA of our organisation, immersed in every member across hierarchies and geographies.

	<b>BOUNDARYLESSNESS</b>	Seeking support and influencing others beyond the function and organisation to achieve a better outcome/decision without diluting one's accountability.
	<b>OPPORTUNITY SEEKING</b>	Identifying early opportunity signals in the environment to generate growth options.
	<b>INNOVATION</b>	Experimentation and calculated risk taking to increase success probability of radical/pioneering ideas to get quantum results.
	<b>TRANSPARENCY &amp; OPENNESS</b>	Allowing diversity of opinion by listening without bias, giving, and receiving critique, with mutual respect and trust for the other.
	<b>CONSUMER CENTRIC</b>	Keeping consumer as the focus and a partner in creating and delivering solutions.
	<b>BIAS FOR ACTION</b>	Preference for quick thoughtful action as opposed to delayed action through analysis.
	<b>EXCELLENCE</b>	Continuous improvement of performance standards and capability building for sustained long-term success.
	<b>GLOBAL OUTLOOK</b>	Sensitivity and adaptability to cultural diversity and learning from different cultures.

## Quality Certifications

Marico adopts stringent Quality Systems, good Manufacturing Practices and robust Food Safety systems for its products across the value chain.

All our Foods & Edible Oils units are FSSC 22000 certified plant for Food Safety systems including ISO 22000:2005, ISO/TS 22002-1 and additional FSSC 22000 requirements. Our manufacturing plants are also ISO 9001, 14000, 18000, 22716 GMP Certified. Each of the units has a sophisticated state-of-art analytical and testing laboratory, which is certified by NABL (National Accreditation Board for Testing & Calibration Laboratories). Our Marico Consumer Cell is ISO 10002 certified which emphasises on Quality Management system for Consumer Response Management process.

All Raw and Packaging Material goes through stringent food safety and quality control checks during the incoming stage. All the material vendors are periodically audited for compliance to specifications and Quality

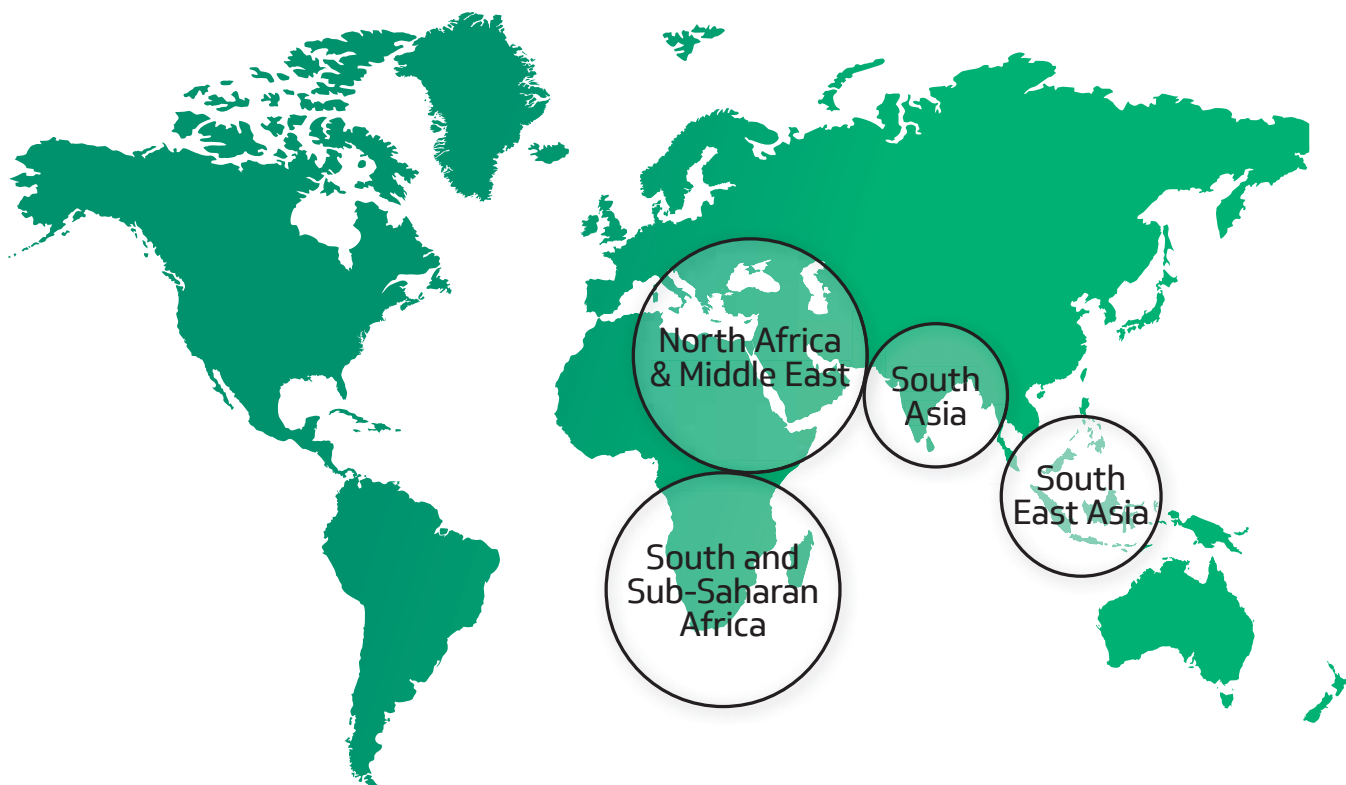
and Food Safety Systems. Our Manufacturing Plant is designed in-line with international standards of GMP and Food Safety system. Each batch of final product undergoes stringent testing and complies with all applicable laws and our own high standards of quality and safety. Our manufacturing units are assessed by team of trained assessors on Q-Cert and Marico Manufacturing Excellence models.

As a part of its journey towards Business Excellence, Marico has now adopted the 'Business Excellence' and has received prestigious awards like 'IMC Ramakrishna Bajaj National Quality Award', 'The International Asia Pacific Quality Award' and 'Rajiv Gandhi National Quality Award' for some of its manufacturing units and business associates.

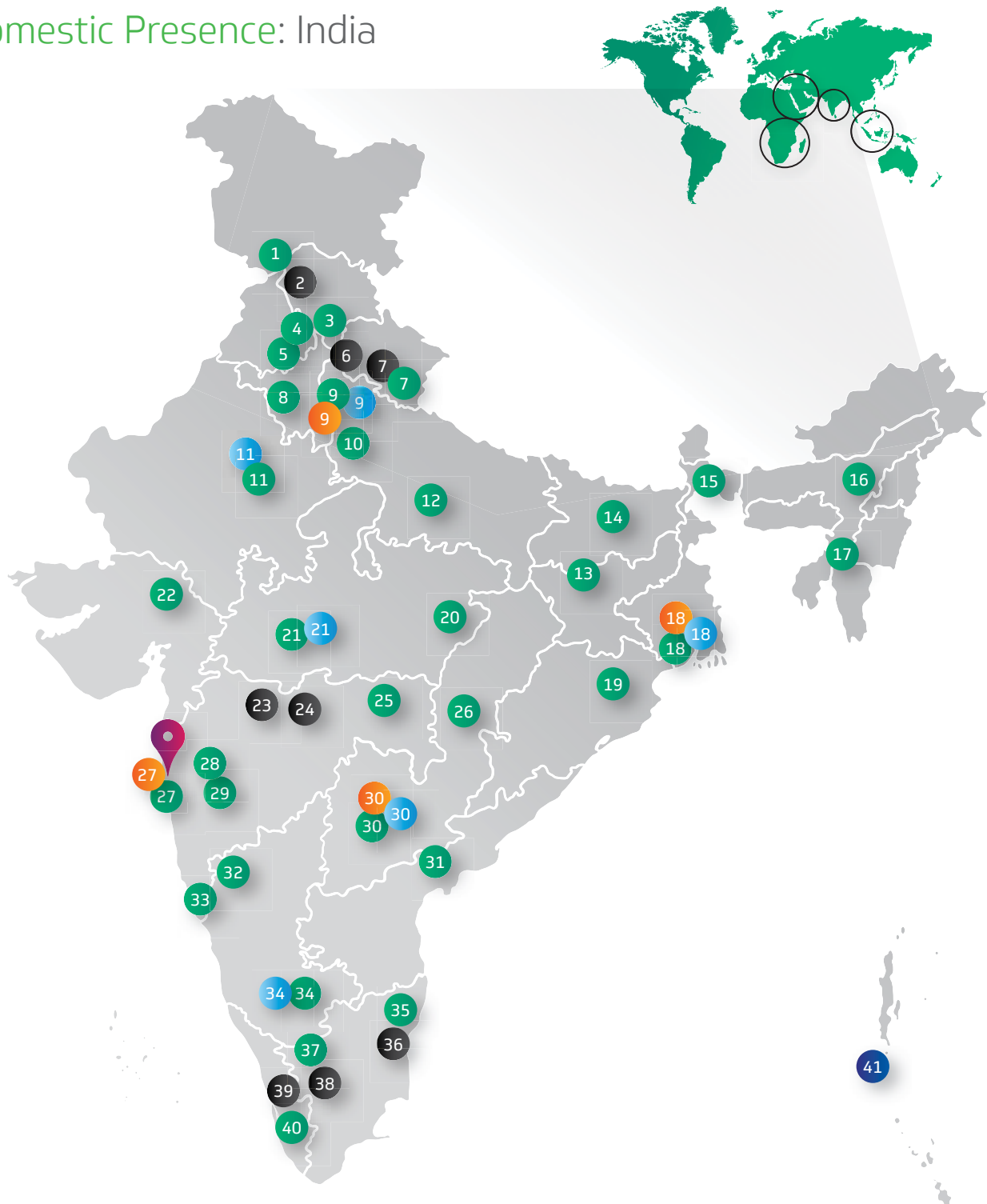
Taking the quality journey a step forward to its business associates, the Company has designed and implemented the Warehouse Quality & Safety certification model. It encompasses FSSAI schedule IV requirements & ISO22000 compliance.

## Global Presence

We strive to make a difference with our presence in over 25+ countries across emerging markets.



## Domestic Presence: India



- |                |              |              |                |               |
|----------------|--------------|--------------|----------------|---------------|
| 1 Jammu        | 10 Ghaziabad | 19 Cuttack   | 28 Bhiwandi    | 37 Coimbatore |
| 2 Baddi        | 11 Jaipur    | 20 Jabalpur  | 29 Pune        | 38 Perundurai |
| 3 Parwanoo     | 12 Lucknow   | 21 Indore    | 30 Hyderabad   | 39 Kanjikode  |
| 4 Zirakpur     | 13 Ranchi    | 22 Ahmedabad | 31 Vijaywada   | 40 Cochin     |
| 5 Chandigarh   | 14 Patna     | 23 Paldhi    | 32 Hubli       | 41 Port Blair |
| 6 Paonta Sahib | 15 Siliguri  | 24 Jalgaon   | 33 Goa         |               |
| 7 Dehradun     | 16 Guwahati  | 25 Nagpur    | 34 Bangalore   |               |
| 8 Rohtak       | 17 Agartala  | 26 Raipur    | 35 Chennai     |               |
| 9 NCR          | 18 Kolkata   | 27 Mumbai    | 36 Pondicherry |               |

- Factories
- Depots
- Regional Offices
- Redistribution Centres
- Consignment Sales Agent
- Head Office

# 1971

HARSH MARIWALA, A YOUNG GRADUATE, JOINS BOMBAY OIL INDUSTRIES, THE FAMILY BUSINESS.



# 1974

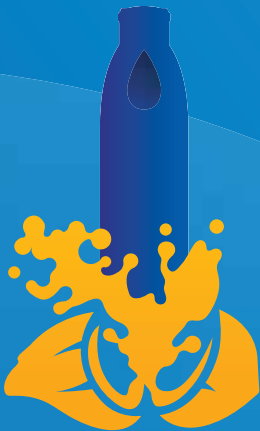
HARSH ENVISIONS A BRANDED FMCG MARKET FOR COCONUT AND REFINED EDIBLE OILS IN SMALL CONSUMER PACKS AND SETS UP A NATIONAL DISTRIBUTION NETWORK FOR PARACHUTE.



# 1980s

THE UBIQUITOUS PARACHUTE BLUE BOTTLE MAKES ITS FIRST APPEARANCE IN THE 1980s – HARSH'S FIRST INNOVATION.

TRADITIONAL TIN PACKS ARE REPLACED BY PLASTIC PACKS, PIONEERING AN INDUSTRY WIDE SHIFT.




2ND APRIL

# 1990

THE JOURNEY CALLED MARICO BEGINS!







# Purpose is the reason we exist

## PURPOSE STATEMENT

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

- › Marico is today more than just a business.
- › We have the responsibility of defining, creating and distributing value.
- › Being a principal agent of social change.

Business has a much broader positive impact on the world when it is based on a higher purpose that goes beyond only generating profits and creating shareholder value. Purpose is a reason a company exists. A compelling sense of higher purpose creates an extraordinary degree of engagement

among all stakeholders and catalyzes creativity, innovation and organisation, commitment.

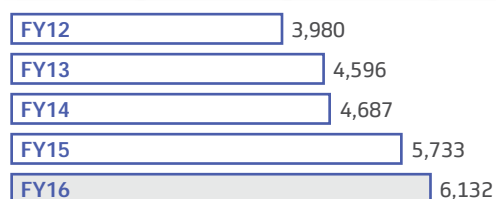
A firm's purpose is the glue that holds the organisation together, the amniotic fluid that nourishes the life force of the organisation.



# Consolidated Financial Performance FY16

## Sales & Services

(₹ in Crores)



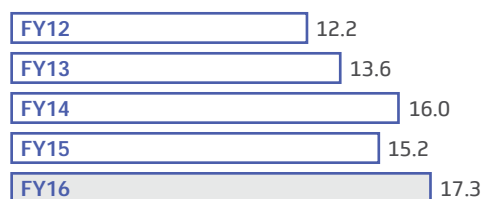
## Share of International FMCG Business

(%)



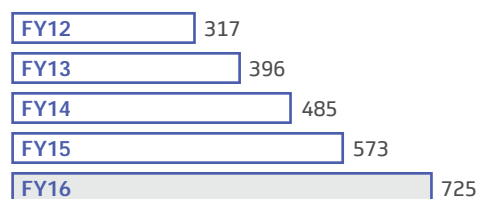
## EBITDA Margin

(%)



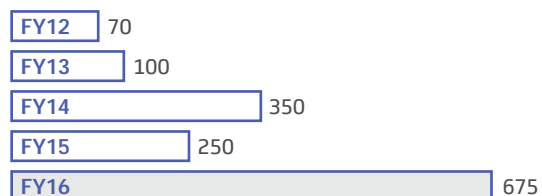
## Net Profit

(₹ in Crores)



## Dividend Declared

(%)



## Cash Profit

(₹ in Crores)

