



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.



BOUNDARYLESSNESS

Seeking support and influencing others beyond the function and organisation to achieve a better outcome/decision without diluting one's accountability.



OPPORTUNITY SEEKING

Identifying early opportunity signals in the environment to generate growth options.



INNOVATION

Experimentation and calculated risk taking to increase success probability of radical/pioneering ideas to get quantum results.



TRANSPARENCY & OPENNESS

Allowing diversity of opinion by listening without bias, giving, and receiving critique, with mutual respect and trust for the other.



CONSUMER CENTRIC

Keeping consumer as the focus and a partner in creating and delivering solutions.



BIAS FOR ACTION

Preference for quick thoughtful action as opposed to delayed action through analysis.



EXCELLENCE

Continuous improvement of performance standards and capability building for sustained long-term success.



GLOBAL OUTLOOK

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

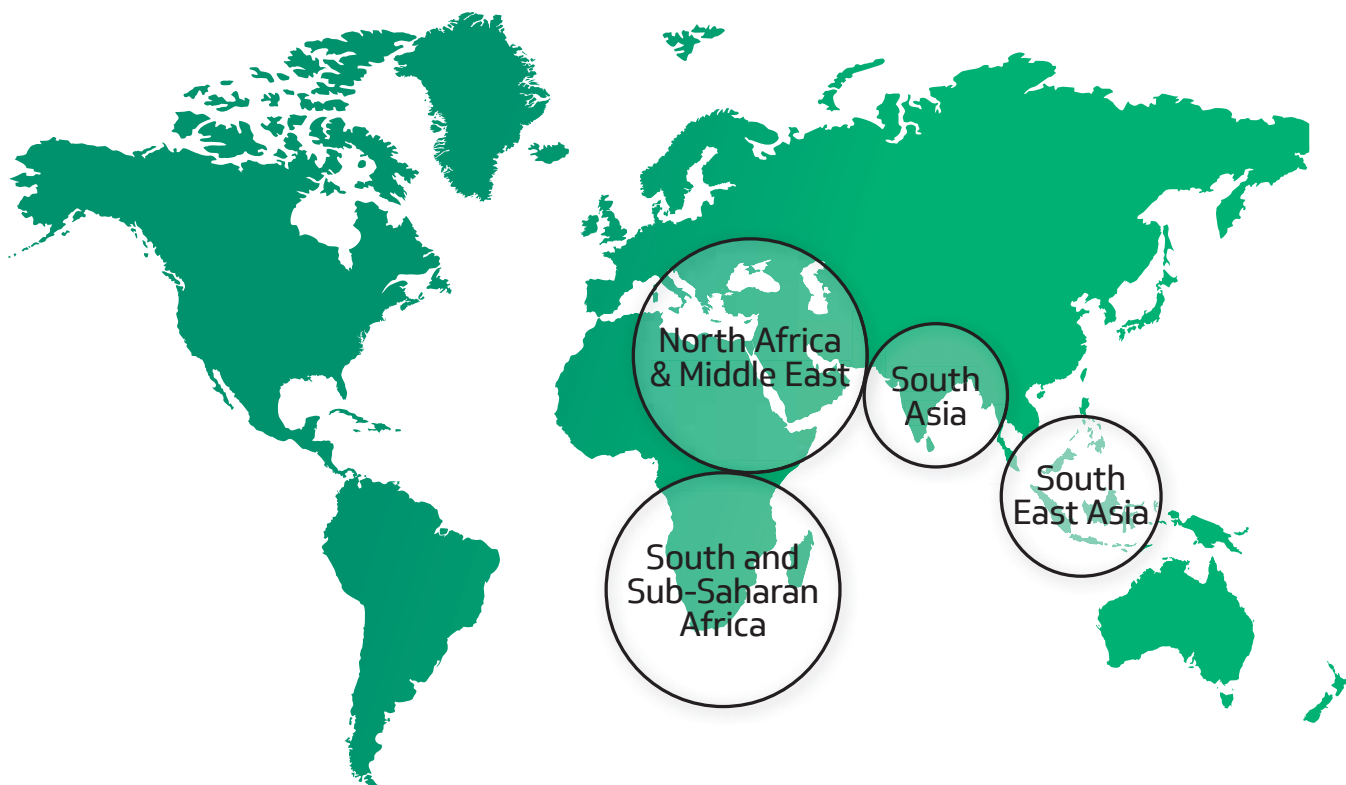
and Food Safety Systems. Our Manufacturing Plant is designed in-line with international standards of GMP and Food Safety system. Each batch of final product undergoes stringent testing and complies with all applicable laws and our own high standards of quality and safety. Our manufacturing units are 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.

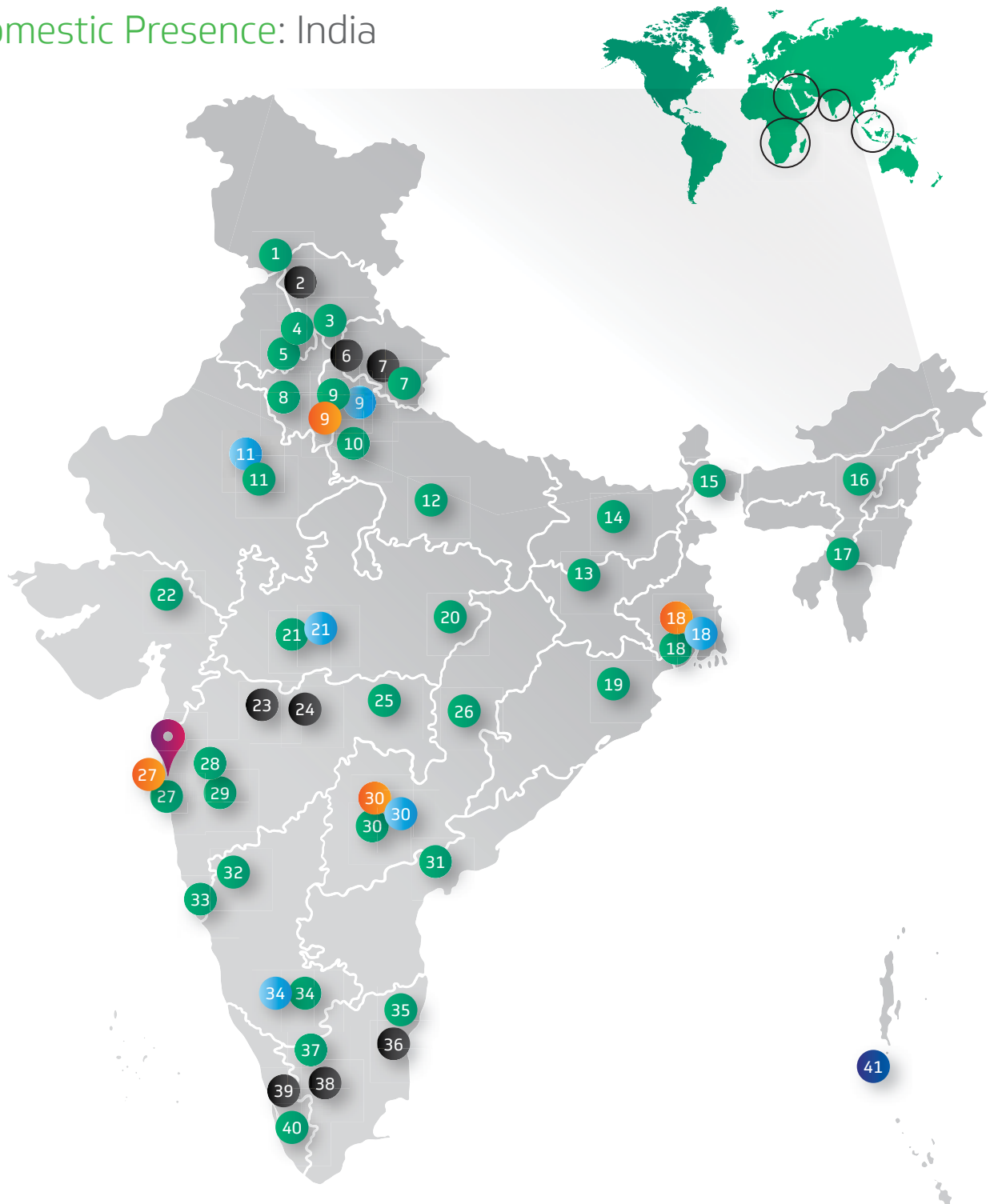
Taking the quality journey a step forward to its business associates, the Company has designed and implemented the Warehouse Quality & Safety certification model. It encompasses FSSAI schedule IV requirements & ISO22000 compliance.

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

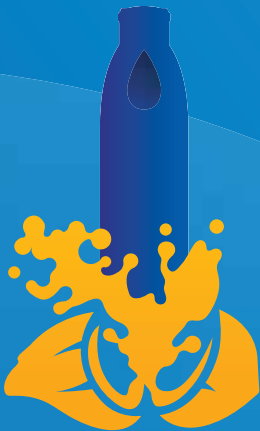
HARSH ENVISIONS A BRANDED FMCG MARKET FOR COCONUT AND REFINED EDIBLE OILS IN SMALL CONSUMER PACKS AND SETS UP A NATIONAL DISTRIBUTION NETWORK FOR PARACHUTE.



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.

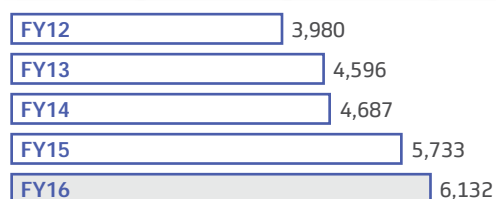
A firm's purpose is the glue that holds the organisation together, the amniotic fluid that nourishes the life force of the organisation.



Consolidated Financial Performance FY16

Sales & Services

(₹ in Crores)



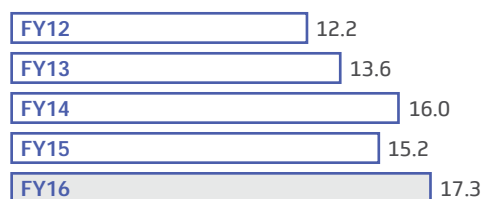
Share of International FMCG Business

(%)



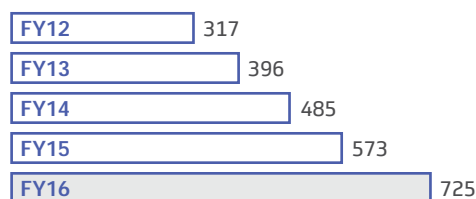
EBITDA Margin

(%)



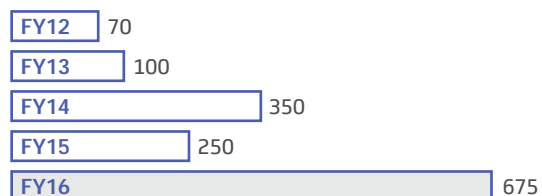
Net Profit

(₹ in Crores)



Dividend Declared

(%)



Cash Profit

(₹ in Crores)

