

marico
make a difference

ANNUAL REPORT 2016-17



Our PEOPLE Our PRIDE



ROBUST PERFORMANCE

4%

Volume Growth (Y-o-Y growth)

23%

of revenue from International Business

HIGHER SHAREHOLDER VALUE INCREASE

21%

increase in shareholder value during the year

64%

Dividend Pay-out Ratio increased from 19% in FY 2013

ROBUST BALANCE SHEET

522^{Cr}

Net cash surplus on books

47%

ROCE up from 24% in FY 2013

HIGHER PROFITABILITY

52%

Gross margins 309 bps expansion for the year

24.3%

India business operating margins in FY 2017

37%

RONW up from 25% in FY 2013

12%

EVA (Y-o-Y growth) with a 5 year CAGR of 23%

16.5%

International business operating margins in FY 2017

19.5%

Operating margins 208 bps expansion for the year FY 2017

0.13

Debt/Equity Ratio

AA⁺

Long-term Credit Rating upgraded to Positive from AA+ Stable

12%

PAT (Y-o-Y growth) with a 5 year CAGR of 18%

STRONG PORTFOLIO

4%

Volume Growth (Y-o-Y growth) in Parachute Coconut Oil (Coconut Oil Market Share down – from 59% LY to 58%)

8%

Volume Growth (Y-o-Y growth) in the Saffola Edible Oil Category (Market Share Up – from 63% LY to 66%)

4%

Volume Growth (Y-o-Y growth) in the Value Added Hair Oils Segment (Market Share Up – from 32% LY to 33%)



marico
make a difference

Our people make us different.

We take pride in the significant contributions that come from the diversity of individuals and ideas.

At Marico, we are passionate about making a measurable impact in everything we do. It is the power of our people, our unique culture and our innovative approach which helps us deliver enduring results. Marico celebrates and empowers the individuality of each of its members and their unique strengths that have led to the success it has reached today.

Strategic Report

2	The World of Marico
6	Marico Brands - India
8	Marico Brands - International
10	Key Performance Indicators
12	Consolidated Quarterly Financials
13	Economic Value Creation & Sustainable Wealth Creation
14	Chairman's Lettter
16	MD & CEO's Message
18	Our People. Our Pride
30	Brand Campaigns
36	Sustainable & Social Purpose
42	Board of Directors
44	Awards & Accolades

Statutory Reports

46	Management Discussion & Analysis
66	Business Responsibility Report
80	Board's Report
118	Corporate Governance Report

Financial Statements

141	Consolidated Financial Statements
230	Standalone Financial Statements



THE WORLD OF MARICO

25+

Years of
Rich Experience

25+

countries presence across
emerging markets
of Asia & Africa

25%+

total Shareholder
Return since listing
in 1996

PARACHUTE

is the world's largest
coconut oil brand

1 OUT OF EVERY 3

Indians' lives are
touched by Marico

1 OUT OF EVERY 10

coconuts grown in India
are used by Marico

17%

topline CAGR
growth since inception

25%

bottomline CAGR
growth since inception

16

manufacturing units
(9 in India and
7 in Overseas)

11

acquisitions
in 11 years

95%

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

150 Million

packs sold
every month

170 Million

households touched
every month

4.6 Million

retail outlets serviced
by its nationwide
distribution network

>10,000

population town mostly
covered by Marico's
distribution network

47%

of the total workforce
are millennials

50%

of our talent in consumer
facing functions
of Technology and
Marketing are women

35%

of our leadership talent in
consumer facing functions
of Technology and
Marketing are women

MARICO AT A GLANCE

About Marico

Marico Limited is one of India's leading consumer products companies operating in the beauty and wellness space. Present in over 25 countries across emerging markets of Asia and Africa, Marico has nurtured multiple brands in the categories of hair care, skin care, edible oils, health foods, male grooming, and fabric care. In India, Marico is used by 1 in every 3 Indian and is available through its gamut of household brands like Parachute, Parachute Advanced, Saffola, Hair & Care, Nihar, Nihar Naturals, Livon, Set Wet, Mediker and Revive. In the international market, Marico is represented by brands like Parachute, HairCode, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men and Thuan Phat that are localised to fulfil the lifestyle needs of our international consumers.

CORE VALUES

Our values form the base of the unique culture we have at Marico. It is the guiding force behind our actions.



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.

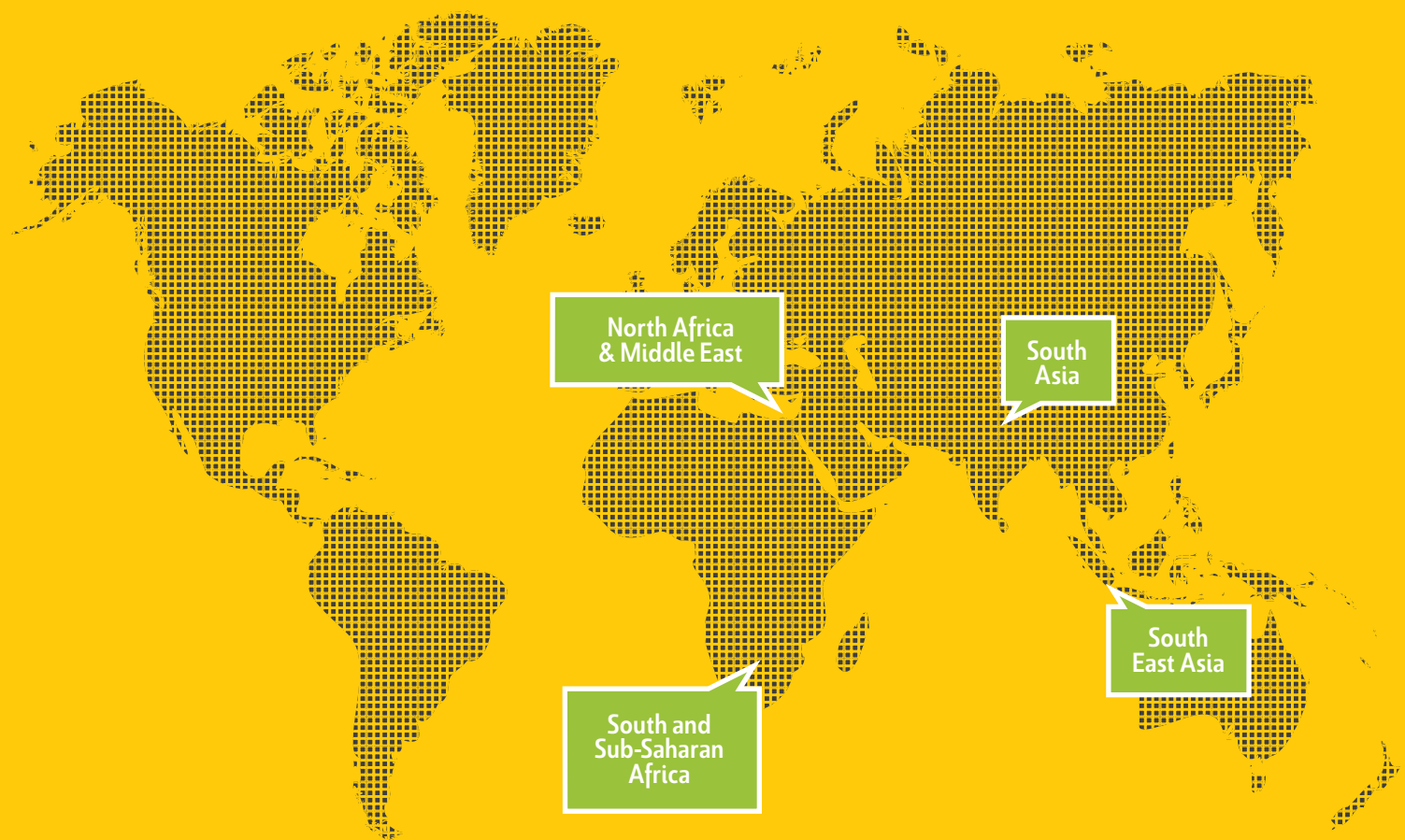


Marico will continue to focus on creating winning brands, winning culture and a winning talent pool to create a virtuous cycle of great talent and an enabling culture, driving innovation driven growth.

**OUR
PEOPLE
OUR
PRIDE**

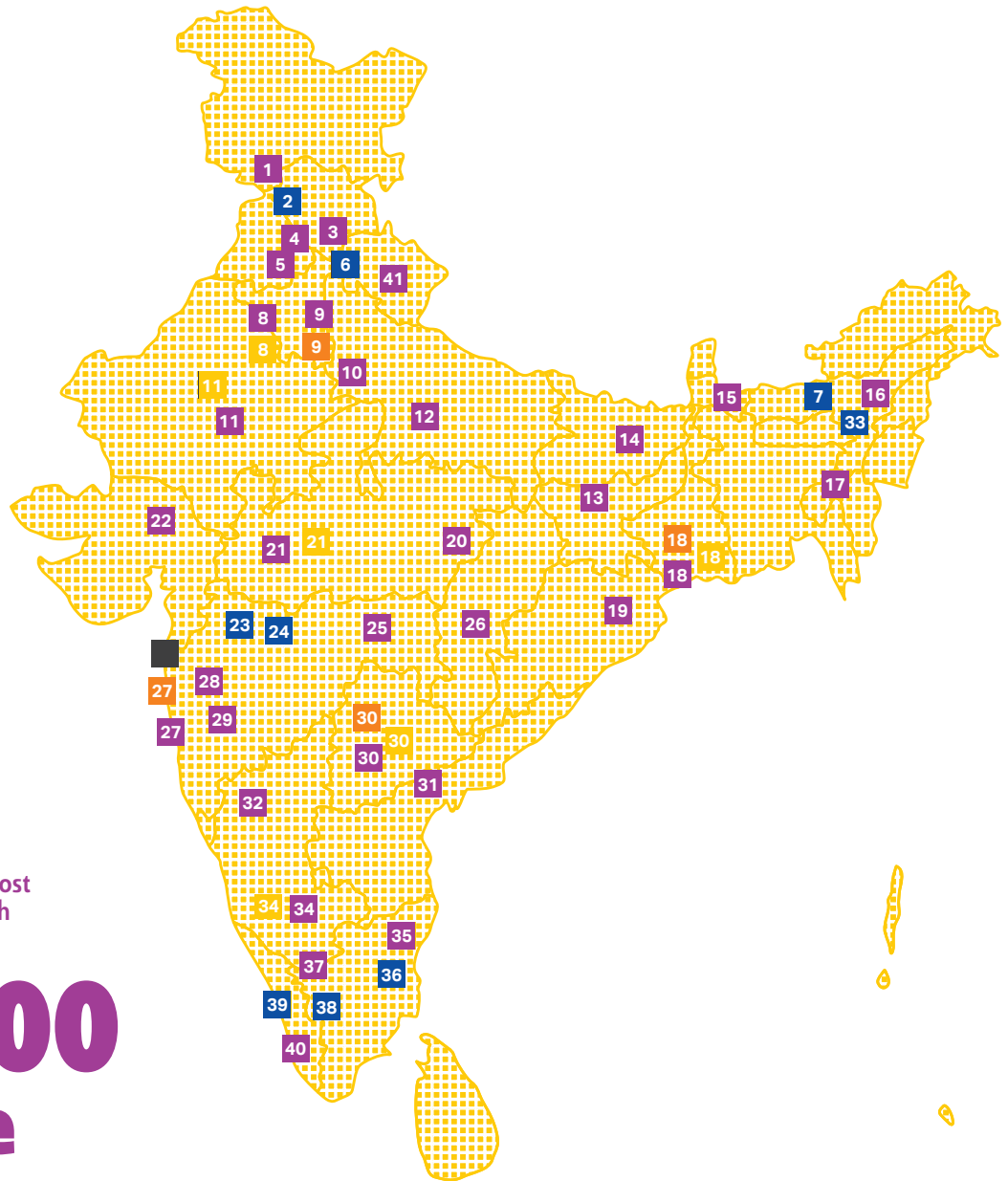
GEOGRAPHICAL PRESENCE

With a presence in over 25 countries, Marico is expanding in emerging markets across Asia & Africa.



Marico aspires to be a leading emerging MNC with a leadership position in two core categories of nourishment and male grooming in its chosen markets of Asia and Africa.

DOMESTIC PRESENCE: INDIA



Marico reaches to almost every Indian town with a population of over

10,000 People

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

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

MARICO BRANDS

Our India business has nurtured various trusted household brands such as Parachute, Parachute Advanced, Saffola, Hair & Care, Nihar, Nihar Naturals, Livon, Set Wet, Mediker and Revive that are not just bought by our consumers but also add value to their lives. Marico today touches the lives of 1 out of every 3 Indians.

DOMESTIC BRANDS

Hair Oil

- Nihar Naturals Sarson Kesh Tel
- Nihar Naturals Shanti Amla Badam Hair Oil
- Parachute Advanced Deep Conditioning Hot Oil
- Parachute Advanced Aloe Vera Enriched Coconut Hair Oil
- Parachute Advanced Coconut Hair Oil
- Parachute Advanced Jasmine Hair Oil
- Hair & Care Fruit Oils
- Nihar Naturals Coconut Hair Oil



Coconut Oil

- Parachute Coconut Oil
- Nihar Naturals Coconut Oil
- Nihar Naturals Uttam Coconut Oil



Hair Serum

- Livon Silky Potion Hair Serum
- Hair & Care Silk n Shine Hair Serum



Anti-Hairfall

- Livon Hair Gain Tonic
- Parachute Advanced Ayurvedic Hair Oil
- Parachute Advanced Ayurvedic Gold Hair Oil
- Parachute Advanced Scalp Therapie Hair Oil



Male Grooming & Styling

- Parachute Advanced Men's Hair Cream Range
- Set Wet Beard Styling Gel
- Set Wet Deodorants
- Set Wet Styling Gel



Wellness

- Saffola Oils
- Saffola Aura - Olive & Flaxseed Oil
- Saffola Masala Oats
- Saffola Multigrain Flakes



Skincare

- Parachute Advanced Body Lotion



This section covers Marico's marque brands, but is not exhaustive

23% of Marico's revenues are generated from the international markets and the organisation is growing its footprint across South Asia, South East Asia, South and Sub-Saharan Africa and North Africa & Middle East.

INTERNATIONAL BRANDS

BANGLADESH

Hair Care

- Parachute Advanced Cooling Hair Oil
- Parachute Advanced Extra Care Hair Oil
- Nihar Shanti Amla Badam Hair Oil
- Parachute Advanced Ayurvedic Gold Hair Oil
- Parachute Advanced Beliphool Hair Oil
- Parachute Advanced Enriched Hair Oil
- Hair Code Hair Dye



Skincare

- Parachute Advanced Body Lotion



Male Grooming/Styling

- Set Wet Deodorants
- Set Wet Styling Gel



Coconut Oil

- Parachute Coconut Oil



Wellness

- Saffola Masala Oats
- Saffola Oils



MIDDLE EAST

Hair Care

- Parachute Gold Range



MALAYSIA

Male Grooming

- Code 10

