



CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

We are pleased to inform you that we have ended yet another successful year with strong results. Despite the increasingly challenging environment, we continue to grow our business profitably. The Consolidated top line grew 10% on the back of an underlying volume growth of 6%. The consolidated profit after tax (excluding exceptional items) grew 19% compared to last year.

This year, your Company embarked on a brand new journey with key changes in organization structure, demerger of our services business and movement to our new Corporate Office in Mumbai. The demerger of Kaya business into a separate entity (Marico Kaya Enterprises Limited) and unification of India and International FMCG business under one leadership is expected to further enhance and accelerate your Company's growth trajectory in the coming years.

During the year, our India business grew by 8% with an underlying volume growth of 6%. Although the economy witnessed further softening in consumer sentiments, we continued to expand our franchise reflecting the strong equity of our brands. Although the growth rates of various categories have come down, we continue to grow faster than the market and gain market shares. The India business operating margins were at 18.7% (before corporate overheads) reflecting efficient cost management in an environment where raw material prices have witnessed unprecedented increase.

The international business grew by 16% with a structural shift in the operating margins from 10-11% a few years back to over 16% for the year. I expect the long term operating margins to stabilize in the range of 13-14%. All the international geographies grew steadily and the GCC region is on the path of sustained recovery.


Going forward, the India and international businesses will witness higher interaction facilitated by unified leadership. I am looking forward to yet another exciting phase of growth in your Company's journey.

Your Company has always done business with a keen realization and recognition that we are part of an economic ecosystem with many interdependent participants. A compelling sense of higher purpose creates an extraordinary degree of engagement among all stakeholders and fosters creativity, innovation, and commitment. During the year, we took new initiatives to reduce the harmful impact on environment and keep our commitment for greater good of society. I would encourage you to read our first Sustainability Report which is a part of this year's annual report.

Just as the year started with some organizational changes, the year has ended with a change in my role in the organization. Mr. Saugata Gupta, the CEO of the unified FMCG business, has also taken over as the Managing Director and I will continue as the Chairman of your Company. Under Mr. Gupta's leadership and my guidance, the management team will continue working towards fulfilling our responsibilities towards all stakeholders. I would also like to take this opportunity to thank all our consumers, members, shareholders and business associates for their constant encouragement.

I look forward to receiving your continued trust and support.

With warm regards,



Harsh Mariwala
Chairman