marico

MARICO LIMITED

AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2009

Particulars	Year Ended March 31 (Audited)	
	2009	2008
1. Net Sales / Income from Operations	192,184.75	157,597.89
2. Expenditure		
a. (Increase) / decrease in stock in trade and work in progress	(2,778.68)	(2,523.87)
b. Consumption of raw materials	95,323.92	75,579.86
c. Consumption of Packing Materials	16,897.06	14,125.99
d. Purchase of traded goods	5,006.86	1,099.86
e. Employees cost	8,417.80	7,718.47
f. Advertisement & Sales Promotion	16,955.75	18,046.76
g. Depreciation (Note 4)	1,702.74	1,892.84
h. Other expenditure	26,891.60	23,213.15
i. Total	**168,417.05**	**139,153.06**
3 Profit from Operations, before Interest & Exceptional Items (1-2)	**23,767.70**	**18,444.83**
4 Other Income	1,013.78	733.99
5 Profit before Interest & Exceptional Items (3+4)	**24,781.48**	**19,178.82**
6 Interest	2,891.83	1,975.52
7 Profit after Interest but before Exceptional Items (5-6)	**21,889.65**	**17,203.30**
8 Exceptional items (Notes 3 and 5)	(4,786.48)	123.81
9 Profit before Tax (7+8)	**17,103.17**	**17,327.11**
10 Tax expense	2,890.83	2,985.77
11 Net Profit from Ordinary Activities after Tax (9-10)	**14,212.34**	**14,341.34**
12 Extraordinary item (net of tax)	-	-
13 Net Profit for the period / year (11-12)	**14,212.34**	**14,341.34**
14 Paid-up Equity Share Capital (Face value Re.1 per share)	6,090.00	6,090.00
15 Reserves excluding Revaluation Reserves (as per balance sheet) of previous accounting year	30,681.62	21,934.21
16 Earnings Per Share (EPS) Not Annualised		
(a) Basic and diluted EPS before Extraordinary items for the period / year	2.33	2.35
(b) Basic and diluted EPS after Extraordinary items for the period / year	2.33	2.35
17 Public Shareholding		
- Number of Shares	222,443,480	222,593,480
'- Percentage of Shareholding	36.53	36.55
18 Promoters & Promoter Group Shareholding		
(a) Pledged / Encumbered		
- Number of Shares		
- Percentage of Shares (as a % of total shareholding of promoters and promoter group)	-	-
- Percentage of Shares (as a % of total share capital of the company)		
(b) Non-encumbered		
- Number of Shares	386,556,520	386,406,520
- Percentage of Shares (as a % of total shareholding of promoters and promoter group)	100	100
- Percentage of Shares (as a % of total share capital of the company)	63.47	63.45

GROUP HIGHLIGHTS

Turnover Up - 25%
Consumer Products Business - India Up - 19.5%
International FMCG Business Up - 43%
Kaya Business Up - 57%

Q4FY09 : - consecutive quarter of Y-o-Y

Growth in Turnover - 34

Growth in Profits - 38

Notes to Standalone financial results:

1 The above financial results for the year ended March 31, 2009 are extracted from the audited standalone financial statements, which were reveiwed by the audit committee and approved by the Board of Directors at their meeting held on June 19, 2009. There are no qualifications in the Auditors' Report.

2. Pursuant to the Institute of Chartered Accountants of India's (ICAI) Announcement "Accounting for Derivatives" encouraging the early adoption of Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement", the Company has decided on early adoption of AS-30 to the extent it does not conflict with existing mandatory Accounting Standards ('Standards') and other authoritative pronouncements, companies law and other regulatory requirements. In accordance with the said Standard, during the year, in respect of derivative instruments and foreign currency loans which qualify for hedge accounting, the net unrealized loss aggregating Rs.625.77 lacs has been accounted for as a hedging reserve to be recognized in the profit and loss account when the underlying transaction or forecast revenue arises, as against the earlier practice of recognizing the same in the Profit and Loss Account.

3. The Company had, in February 2003, acquired the spa products business under the brand "Sundari" through the acquisition of the controlling interest in Sundari LLC ("Sundari"), a company domiciled in the United States. Over the years the Company increased its shareholding and in October 2007 made Sundari a wholly owned subsidiary. The Company had been working upon making improvements in the business model and the business had shown some positive signs of recovery.

   However, during the year under review, the economic ambience turned for the worse across the globe creating uncertainties, more so in the USA. The Company therefore decided to focus on its prioritized geographies of Asia and Africa and consequently decided to divest its stake in Sundari. It entered into documentation with a US based company that envisaged sale of Marico's interests in Sundari LLC at a consideration which is based on a valuation report from an independent agency and rendering Sundari free of all liabilities (including the amounts advanced by Marico) on or before the date of the actual sale of its interests in Sundari LLC.

   Accordingly, Marico initiated necessary steps in March 2009 to comply with applicable FEMA regulations for divestment of its stake in Sundari LLC and write off of Loans and advances (including interest accrued thereon). Upon completion of necessary compliances under FEMA regulations on June 8, 2009, the Company divested its stake in Sundari LLC which ceased to be subsidiary of Marico from the said date.

   Consequent to the completion of compliance formalities under FEMA, the Company has during the year written off Loans and advances (including interest accrued thereon) of Rs. 4786.48 lacs (net of amount of Rs 332.07 lacs withdrawn from provision made in the earlier year) which is reflected as Exceptional items in the financial results of FY09. Provision made in the earlier year is retained to the extent of Rs.604.65 lacs towards diminution in the value of Investments.

   Based on legal advice received, the loss on account of write off of the non-recoverable advances and interest accrued thereon has been treated as business loss for the purposes of computation of income tax provision for year ended March 31, 2009.

4. During the previous year, the Company changed its method of accounting depreciation on factory building from Straight Line basis to Written Down Value basis. As a result of this change, additional depreciation of Rs. 406 lacs in respect of earlier years and Rs. 32 lacs for the year ended March 31, 2008 was charged to the Profit and Loss account and included under "Depreciation, amortisation and impairment" of the previous periods. Consequently, the figures for current year ended March 31, 2009 are not comparable with the corresponding previous year figures.

5. Exceptional items for the year ended March 31,2008 comprise:

   a. Profit of Rs. 1,060.53 Lacs on sale of Sil business on slump sale basis, including manufacturing unit at Saswad.

   b. provision of Rs.936.72 Lacs towards diminution in the value of Marico's Investment / advances in its wholly owned subsidiary (WOS) Sundari LLC (Sundari).

6. The Company has only one reportable segment in terms of Accounting Standard 17 "Segment Reporting" mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006, which is manufacturing and sale of consumer products.

7. 4 investor complaints were pending at the beginning of the quarter and have been duly resolved during the quarter. 6 investor complaints were received and 6 were resolved during the quarter. There were no complaints lying unresolved as at March 31, 2009.

8. Previous year figures have been regrouped / restated wherever necessary.

9. These Financial Results and other related useful information are available on Marico's website - http://www.marico.com

Place : Mumbai
Date : June 19, 2009

Harsh C. Mariwala
Chairman & Managing Director

Marico is a leading Indian Group in Consumer Products & Services in the Global Beauty and Wellness space. Marico's Products and Services in Hair care, Skin Care and Healthy Foods generated a Turnover of about Rs. 23.9 billion (about USD 478 Million) during 2008-09. Marico markets well-known brands such as Parachute, Saffola, Sweekar, Hair & Care, Nihar, Shanti, Mediker, Revive, Manjal, Kaya, Aromatic, Fiancee, HairCode, Caivil and Black Chic. Marico's brands and their extensions occupy leadership positions with significant market shares in most categories- Coconut Oil, Hair Oils, Post wash hair care, Anti-lice Treatment, Premium Refined Edible Oils, niche Fabric Care etc. Marico is present in the Skin Care Solutions segment through Kaya Skin Clinics (85 in India and The Middle East) and its soap franchise (in India and Bangladesh).

Marico's branded products are present in Bangladesh, other SAARC countries, the Middle East, Egypt and South Africa. The Overseas Sales franchise of Marico's Consumer Products (whether as exports from India or as local operations in a foreign country) is one of the largest amongst Indian Companies and is entirely in branded products and services.

Marico was rated as one of the most innovative companies by Business Today-Monitor Group Innovation Study in 2008.
Marico has also won various other Awards, such as the following:

- Marico won 4 Awards for excellence in Employer branding & Advertising to Talent at the Remmy Awards 2009
- Saffola won Media Abby Gold for the World Heart Day Radio entry - "Radio goes silent" at the Goa Fest 2009
- Marico was awarded the IMC Ramkrishna Bajaj National Quality Award in Manufacturing Category by the Indian Merchants' Chamber
- Parachute won the Asia Star Award for the Parachute bottle warmer awarded by Asia Packaging Federation
- Parachute ranked 6th Most Trusted Brand in Bangladesh by The Bangladesh brand forum - an affiliate of the Global Brand Forum, Singapore in 2008
- Parachute won the Outstanding Marketing Achievement Award – Silver in 2008

"Every month, over 70 Million consumer packs from Marico reach approximately 130 Million consumers in about 23 Million households, through a widespread distribution network of more than 2.5 Million outlets in India and overseas.

Marico's focus on sustainable profitable growth is manifest through its consistent financial performance – a CAGR of 24% in Turnover and 27% in Profits over the past 5 years- while setting a record of several consecutive quarters of year on year growth- 38 for Profits and 34 for Sales.

The Marico scrip is listed on the Bombay Stock Exchange (BSE) (Code 531642) & on the National Stock Exchange (NSE) (Code "MARICO").

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AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2009

(Rs. Lacs)

	Particulars	Year Ended March 31 (Audited)	
		2009	2008
1.	**Net Sales / Income from Operations**	**238,842.15**	**190,503.79**
2.	**Expenditure**		
	a. (Increase) / decrease in stock in trade and work in progress	(3,717.48)	(2,589.21)
	b. Consumption of raw materials	111,738.41	83,256.42
	c. Consumption of Packing Materials (Note 8)	18,683.66	15,515.67
	d. Purchase of traded goods (Note 8)	1,082.10	1,904.62
	e. Employees cost	16,477.13	12,679.40
	f. Advertisement & Sales Promotion	25,041.51	24,411.12
	g. Depreciation	3,580.31	3,074.75
	h. Other expenditure	39,136.46	30,701.42
	i. Total	**212,022.10**	**168,954.19**
3	**Profit from Operations, before Interest & Exceptional Items (1-2)**	**26,820.05**	**21,549.60**
4	Other Income	1,220.24	955.50
5	**Profit before Interest & Exceptional Items (3+4)**	**28,040.29**	**22,505.10**
6	Interest	3,573.33	3,052.94
7	**Profit after Interest but before Exceptional Items (5-6)**	**24,466.96**	**19,452.16**
8	Exceptional items (Notes 4 and 6)	(1,503.16)	1,060.53
9	**Profit before Tax (7+8)**	**22,963.80**	**20,512.69**
10	Tax expense	4,092.94	3,595.15
11	**Net Profit from Ordinary Activities after Tax (9-10)**	**18,870.86**	**16,917.54**
12	Extraordinary item (net of tax)	-	-
13	**Net Profit for the period before Minority Interest (11-12)**	**18,870.86**	**16,917.54**
14	Minorities Interest	(0.71)	10.43
15	**Net Profit for the period (13-14)**	**18,871.57**	**16,907.11**
16	Paid-up Equity Share Capital	6,090.00	6,090.00
	(Face Value Re.1 per share)		
17	Reserves excluding Revaluation Reserves	39,258.96	25,371.46
18	**Earnings Per Share (EPS)**		
	(a) Basic and diluted EPS before Extraordinary items for the period	3.10	2.78
	(b) Basic and diluted EPS after Extraordinary items for the period	3.10	2.78
19	**Public shareholding**		
	- Number of shares	222,443,480	222,593,480
	- Percentage of shareholding	36.53	36.55
20	**Promoters & Promoter Group Shareholding**		
	(a) Pledged / Encumbered		
	- Number of Shares		
	- Percentage of Shares (as a % of total shareholding of promoters and promoter group)	-	-
	- Percentage of Shares (as a % of total share capital of the company)		
	(b) Non-encumbered		
	- Number of Shares	386,556,520	386,406,520
	- Percentage of Shares (as a % of total shareholding of promoters and promoter group)	100	100
	- Percentage of Shares (as a % of total share capital of the company)	63.47	63.45

SEGMENT - WISE

(Rs. Lacs)

	Particulars	Year Ended March 31 (Audited)	
		2009	2008
1.	**Segment Revenue (Note 5)**		
	(a) Consumer Products	222,014.69	179,376.96
	(b) Others	16,827.46	11,126.83
	Sub - total	**238,842.15**	**190,503.79**
	Less: Inter Segment revenue	-	-
	Net Sales / Income from Operations	**238,842.15**	**190,503.79**
2.	**Segment Result (Note 5)**		
	(Profit before Interest and Tax and exceptional items)		
	(a) Consumer Products	28,586.69	22,932.04
	(b) Others	(1,115.16)	(714.37)
	Sub - total	**27,471.53**	**22,217.67**
	Less: Interest (net)	3,004.58	2,765.51
	Less: Other un-allocable expenditure (net of un-allocable income)	-	-
	Less: Minority Interest	(0.71)	10.43
	Total Profit after Minority Interest before Tax and Exceptional Items	**24,467.66**	**19,441.73**
3.	**Capital Employed** (Segment Assets - Segment Liabilities)		
	(a) Consumer Products	14,367.27	6,215.84
	(b) Others	14,353.57	13,992.66
	Add: Unallocated Capital Employed	16,628.12	11,252.96
		45,348.96	**31,461.46**

Notes to Consolidated financial results:

1 The above financial results for the year ended March 31, 2009 are extracted from the audited consolidated financial statements, which were reveiwed by the audit committee and approved by the Board of Directors at their meeting held on June 19, 2009. There are no qualifications in the Auditors' Report.

2. The Consolidated financial results for the year ended March 31, 2009 comprise Marico Limited ('the Company'), Kaya Limited, Marico Bangladesh Limited, MBL Industries Limited, Marico Middle East FZE, Kaya Middle East FZE, Marico South Africa Consumer Care (Pty) Limited, Marico South Africa (Pty) Limited, CPF International (Pty) Limited, MEL Consumer Care SAE, Egyptian American Investment & Industrial Development Company, Marico Egypt Industries Company (erstwhile Pyramid for Modern Industries), Wind CO and Sundari LLC. All the aforesaid entities are collectively called 'Marico'.

3. The Consolidated Financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of the Consolidated Financial Statement as set out in the Accounting Standard 21 on Consolidated Financial statements mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006, the provisions of Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India.

4. The Company had, in February 2003, acquired the spa products business under the brand "Sundari" through the acquisition of the controlling interest in Sundari LLC ("Sundari"), a company domiciled in the United States. Over the years the Company increased its shareholding and in October 2007 made Sundari a wholly owned subsidiary. The Company had been working upon making improvements in the business model and the business had shown some positive signs of recovery.
However, during the year under review, the economic ambience turned for the worse across the globe creating uncertainties, more so in the USA. The Company therefore decided to focus on its prioritized geographies of Asia and Africa and consequently decided to divest its stake in Sundari. It entered into documentation with a US based company that envisaged sale of Marico's interests in Sundari LLC at a consideration which is based on a valuation report from an independent agency and rendering Sundari free of all liabilities (including the amounts advanced by Marico) on or before the date of the actual sale of its interests in Sundari LLC.

Accordingly, the Company initiated necessary steps in March 2009 to comply with applicable FEMA regulations for divestment of its stake in Sundari LLC and write off of Loans and advances (including interest accrued thereon). Upon completion of necessary compliances under FEMA regulations on June 8, 2009, the Company divested its stake in Sundari LLC, which ceased to be subsidiary of Marico from the said date.
Further, to give effect to the said disinvestment, net assets value of Sundari aggregating to Rs. 1550.36 lacs as consolidated has been impaired for the purpose of consolidation. Sundari has also taken steps to settle all its liabilities other than those due to the Company and has credited a net amount of Rs. 47.20 lacs in its Profit and Loss account towards these settlements. These items aggregating to Rs. 1503.16 lacs have been disclosed separately as 'Exceptional items' in the consolidated financial results.

Based on legal advice received, the loss on account of write off of the non-recoverable advances and interest accrued thereon (in stand alone financial statement) has been treated as business loss for the purposes of computation of income tax provision for year ended March 31, 2009.

5. The primary reporting of Marico is based on two business segments namely Consumer Products and Others which comprise Skin care and Global Ayurvedics.

6. Exceptional items for previous year ended March 31, 2008 comprise Profit of Rs. 1,060.53 lacs on sale of Sil business on slump sale basis, including manufacturing unit at Saswad.

7. With reference to note 2 under Marico Limited results, there is no additional impact on consolidated financial results other than as stated in Marico Limited.

8. The Consumption of Packing Materials and Purchase of Traded goods is net of effect of impairment of inventory of Sundari LLC to the extent of Rs. 317.70 lacs and Rs.368.36 lacs respectively, which is included in the Exceptional items (Refer note 4 above).

9. Previous year figures have been regrouped / restated wherever necessary.

10. These Financial Results and other related useful information are available on Marico's website - http://www.marico.com

Place : Mumbai

Harsh C. Mariwala

Date : June 19, 2009

Chairman & Managing Director