our long-term strategy," says Gupta.

Marico has since successfully transitioned from a family-run commoditised business to an institutionalised FMCG giant.

At Marico, the process of handing over the baton was methodical after Mariwala decided to give up control of the day-to-day operations at the company. Gupta, formerly a marketing officer with ICICI Prudential in India, was just three years with Marico when he was made CEO of its consumer product business. Mariwala codified both his and Gupta's roles in the new scheme of things. "Saugata and I wrote down what we thought our roles should be and then we compared notes before presenting it to the board," says Mariwala, who is 24th on the 2019 Forbes India Rich List with a net worth of $4.6 billion (around ₹29,500 crore).

MIXED BAG OF ACQUISITIONS

Apart from Nihar, Marico picked up more brands along the way. It bought out Vietnamese ICP company's X-Men brands in 2011 followed by Paras's personal care brands Set Wet, Livon and Zatak from Reckitt Benckiser in 2016. In 2017, it made a strong presence in the male grooming space by acquiring Beardo from Zed Lifestyle and also South African hair styling brand Isoplus.

About 22 percent of Marico's revenues comes from its global business, led by Bangladesh (46 percent share) and Vietnam (22 percent). Marico Bangladesh is a listed entity at the Dhaka and Chittagong stock exchanges. Its success there is a result of the market shifting from loose oil to branded coconut oil. Marico manufactures and sells Parachute, Parachute Advansed, Set Wet, Saffola and Livon brands there. In Vietnam, Marico continues to grow through personal care and male grooming X-Men products and Thuan Phat sauces.

Marico's expansions into the Middle East, South Africa and Egypt, however, have not met with the same success. Its share of the Middle East and North Africa markets—an organic expansion where Parachute and its value-added brand extensions are sold—has more than halved from 33 percent in FY10 to 15 percent in FY19. South Africa also cuts a sorry figure, with an 8 percent share, more than 12 years after Marico acquired the Caivil, Black Chic, Hercules and Just for Kids brands. "It has been difficult to make money [there]", admits Gupta, alluding to slow demand for consumer goods and high inflation in those regions.

Gupta, along with Marico's Chief Operating Officer Ashish Joshi (who also heads the Africa and Middle East businesses), will need to take a tough call soon. "Mergers and acquisitions cannot be a substitute or escape button for organic growth," says Gupta.

PRASHANTH VISHWANATHAN / GETTY IMAGES

Marico is looking to add volume to its premium personal care and male grooming products

TOUGH CALLS

The CEO concedes that the company won't aim to make so much money that the profit pool becomes attractive for others. "We ensured that for Parachute... it is unprofitable for others to enter," says Gupta. But he needs to stay on guard. Parachute sales fell by 1 percent in volume terms and 4 percent in value terms in the September-ended quarter, owing to supply chain disruptions due to floods in several Indian states. Marico's total revenues were also flattish, down by 0.4 percent year-on-year in Q2 FY20.

Marico is in the process of determining fresh pricing for Parachute to make it attractive for regular users who [in a weak demand environment] would have switched from branded to cheaper, unbranded products.

Rural demand was most hit in the North and East India regions, where the company is a bit "under-indexed". But this is also the region

MARICO FINANCIALS

	FY16	FY17	FY18	FY19	Q1 FY20	Q2 FY20
Total Revenue (₹cr)	6,024	5,936	6,333	7,334	2,166	1,829
Net Profit (₹cr)	711	799	814	930	320	247
EBITDA margins (%)	17.5	19.5	18	17.5	26	16
ROCE (%)	45.1	46.8	41.3	41.1	NA	28.3*

SOURCE Investor presentations, company information updates

* Figure is for H1 FY20