

Equity Research Report

Marico LTD



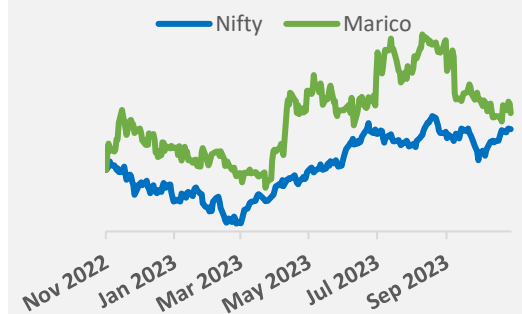
marico

Recommendation : Sell
CMP : INR 523.35
Target Price : INR 485

Stock data(as on November 25,2023)

NIFTY :19794.70
 52 Weeks H/L(INR) :595/462.7
 Market Cap(INR Crores) :67,744
 Outstanding Shares(Crs) :129.10
 Dividend Yield(%) :.86%
 NSE Code :MARICO

Relative Stock Performance-1y



Absolute Returns

1 Year :7.650%
 3 Year :42.41%
 5 Year :47.56%

Share Holding Pattern(as on November 25,2023)

Promoters :59.4%
 FIIs :25.9%
 DIIs :9.80%
 Public :4.80%
 Others :0.10%

Financial Summary

In INR Crs	FY23	FY24E	FY25E
Net Revenue	9,764.0	10,252.0	11,316.0
YoY Growth%	2.60%	5.00%	10.38%
EBITDA	1,810.0	2,112.0	2,376.0
EBITDA Margins(%)	19.0%	20.6%	21.0%
PAT	1322	1480	1647
YoY Growth %	5.34%	12.0%	11.3%
ROE	23.8%	36.8%	39.8%
EPS(in INR)	10.2	11.5	13.2
EV/EBITDA	18.39x	32.60x	28.50x

About the company

Marico Limited (ML), a leading Fast Moving Consumer Goods (FMCG) player was incorporated on 13th October 1988 under the name of Marico Foods Limited. Marico Limited, headquartered in Mumbai, Maharashtra, carries on business in branded consumer products. Marico manufactures and markets products with the brands such as Parachute, Parachute Advansed, Nihar, Nihar Naturals, Saffola, Hair & Care, Revive, Mediker, Livon, Set-wet, etc. The Company's products reach its consumers through retail outlets serviced by its distribution network comprising regional offices, carrying & forwarding agents, redistribution centers & distributors spread all over India.

Marico has 25 depots,5 redistribution centres,4 regional offices and 7 manufacturing units in India. Marico is also present in the international markets of Egypt, Middle East, Bangladesh, Vietnam, Myanmar and South Africa ,as of 31st March 2023 Marico derives 75.28% of its share of revenue from Indian markets and rest 24.72% from international markets, out of which 48% is contributed by Bangladesh,24% by South-East Asia, 14% by (MENA), 7% BY South Africa and 7% by New Country Development & export

KEY HIGHLIGHTS

- Consolidated revenue stood at \$9264(USD 1.2Billion),up 3% from the previous year
- The underlying domestic volume growth for the year was 1% and the constant currency growth in international business was 13%(YoY basis)
- The business delivered operating profit of \$1,810 Crores, up 8% over the last year
- Reported consolidated net profit after tax was at \$1,302 Crores, up 6% over the last year.
- Foods delivered 20% growth in FY23 to close near the H 600 crore revenue mark, led by strong growth in core Oats franchises and traction building up in some of the newer launches during the year.
- The Saffola Oats franchise consolidate its No. 1 position with ~43% value market share in the overall Oats category on a MAT basis (Mar'23).
- Saffola Edible Oils posted a muted performance due to unprecedented volatility in global edible oil prices, which led to a cautious trade sentiment during the year
- Volume growth was modest at 1%, owing to persistent retail inflation weakening consumption trends, especially in the rural sector

Valuation View

Marico reported its highest gross margin in 26 quarters, with stable volume growth, in Q2FY24. Aggressive promotional activities, new product launches and demand recovery will aid in volume growth. Low input costs combined with effective cost management techniques are expected boost margins. With the company's key focus being portfolio diversification and margin improvement, we remain optimistic about its performance in future.

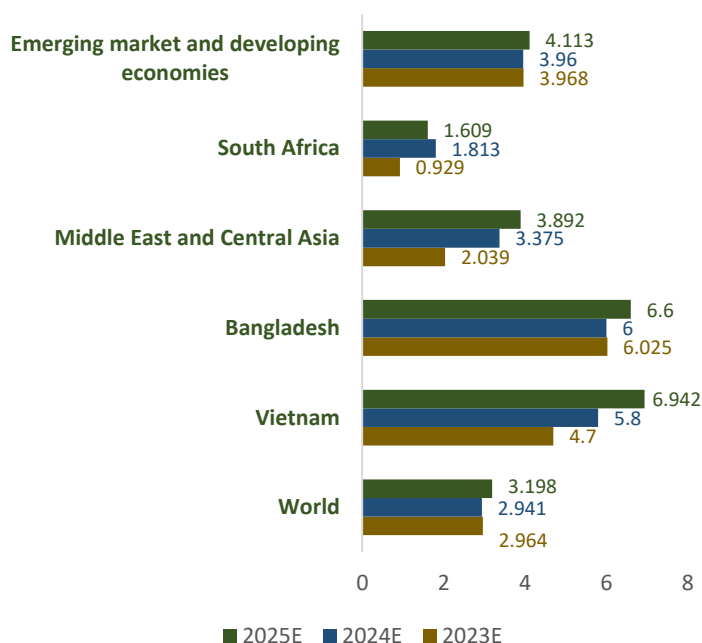
Global and Indian Economy



Global Economy

In 2022, the global economy faced challenges, growing at 3.4%, with a projected slowdown to 2.8% in 2023, below the long-term average. Advanced Economies grew 2.7% in 2022, but 2023 growth is expected at a lackluster 1.3% due to high inflation. Emerging Markets and Developing Economies grew at 4% in 2022, with an expected 3.9% growth in 2023, impacted by China's slowdown and domestic pressures. Inflation is projected to decrease in 80% of economies in 2023, reflecting weakened global demand. The IMF anticipates a global growth recovery to 3% in 2024, but risks persist, including central bank tightening, geopolitical tensions, and recent financial turmoil. Bangladesh GDP grew 7.1% in FY2021-22, with inflation at 6.2%. Asian Development Outlook 2023 projects growth to moderate to 5.3% in FY2022-23, rebounding to 6.5% in FY2023-24. Vietnam had Impressive 8% GDP growth in CY2022, ADB projects a slight moderation to 6.5% in CY2023 and 6.8% in CY2024. Post-Russia-Ukraine, Egypt's growth estimated to moderate to 3.7% in FY2022-23. MENA region projected to moderate to 3.1% and 3.4% in CY2023 and CY2024. South Africa is projected to grow at 0.1% in CY2023, rebounding to 1.8% in CY2024.

Exhibit 1.1: Global GDP Growth Projections



SOURCE-IMF, World Bank

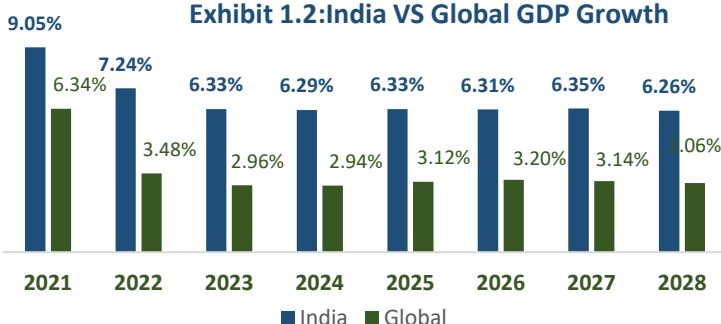
India Economy

The Indian economy is projected to have grown at 5.9% in FY23, with an anticipated improvement to 6.3% in FY24, as per IMF estimates. Post-pandemic recovery, led by private consumption and government spending, exceeded expectations. The National Infrastructure Pipeline's \$1.7 trillion investment (FY2019-25) supports employment, logistics, and energy independence.

Persistent inflation challenges, with headline inflation above the RBI's tolerance band in 2022, impact living costs and reduce private consumption. Despite some commodity price moderation, Brent crude remains high at \$80+/bbl. Economic indicators, including consumer confidence and unemployment rates, indicate medium-term resilience. Union Budget 2023 emphasizes fiscal consolidation, with a ₹10 trillion capital investment outlay and a ₹20 trillion subsidized agriculture credit target.

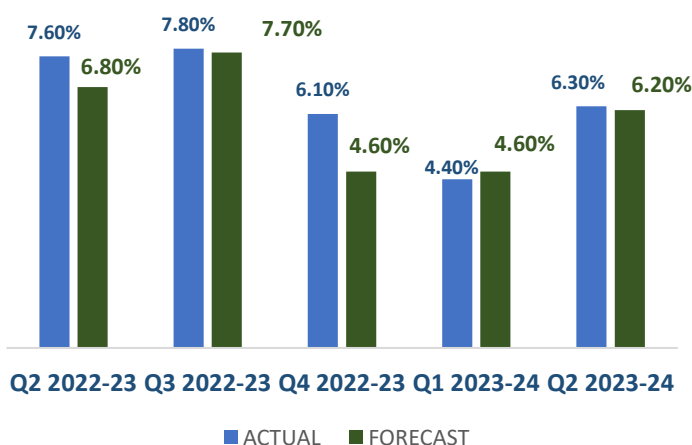
The agricultural sector is anticipated to drive rural demand, manufacturing shows signs of recovery, and services maintain momentum as the COVID-19 impact diminishes. Positive sentiments among businesses and consumers, combined with robust credit growth and resilient financial markets, position the Indian economy for acceleration, surpassing many peer economies.

Exhibit 1.2: India VS Global GDP Growth



SOURCE-IMF, World Bank

Exhibit 1.3 India Quarterly GDP Growth-Actual VS Forecast



Source-RBI

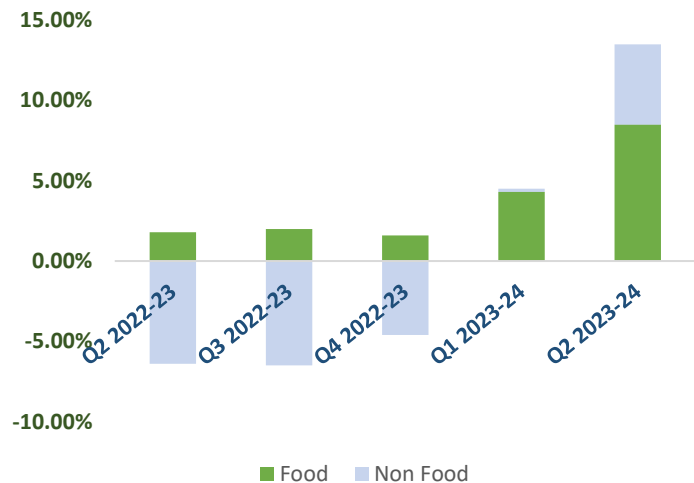
Global & Indian FMCG Sales



Global FMCG Sales

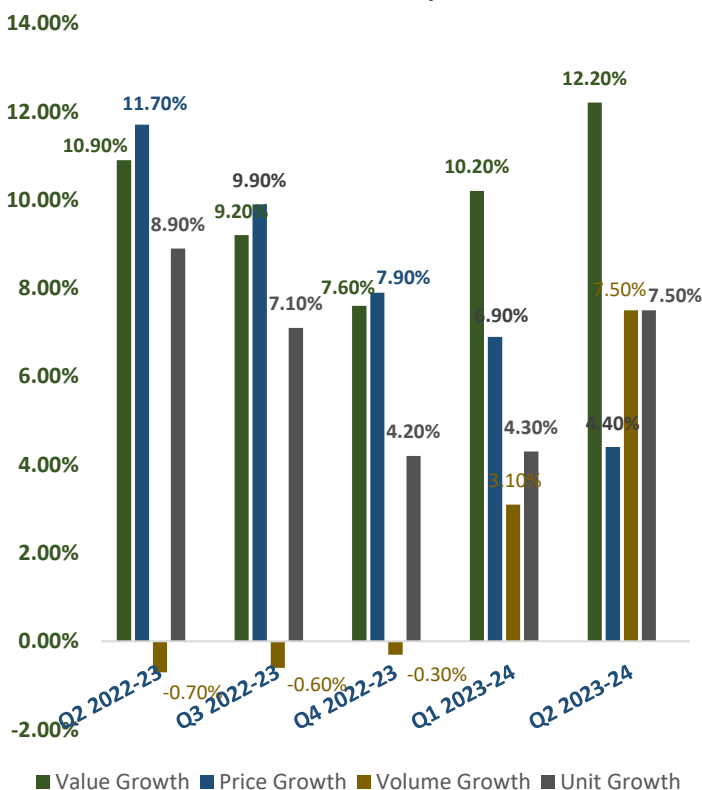
The FMCG industry is on track to experience significant growth, with a projected increase of \$310.5 billion from 2022 to 2026, fueled by the rising demand for ready-to-eat food products and factors like population growth, product innovations, and increased disposable incomes. Despite this positive trajectory, challenges persist, including geopolitical uncertainties, evolving consumer preferences, and the lingering impacts of COVID-19. The chocolate confectionery market stands out with a promising future, expected to reach \$265.9 billion by 2028, driven by a growing preference for premium and healthier options. Consumers now seek transparency in chocolate ingredients, propelling the demand for clean-label, organic, and dark chocolate products with higher cocoa content. Notably, the awareness of labor rights is predicted to elevate the demand for fair-trade chocolate in the coming years. However, the global economic landscape introduces complexities, with inflation and post-COVID recovery challenges affecting growth. According to the United Nations WESP 2022, the global output is projected to grow by 4.0% in 2022 and 3.5% in 2023, highlighting the delicate balance between recovery and emerging economic headwinds.

Exhibit 1.4: Volume Growth Food VS Non Food (Urban+Rural)



Source-NIQ, Company Analysis

Exhibit 1.5: India FMCG Sector Growth (Rural+ Urban)



Indian FMCG Sales

In Q2 2023, India's FMCG industry witnessed a robust 12.2% growth, the highest in 8 quarters, propelled by a 7.5% consumption surge nationwide. Rural markets demonstrated a 4% uptick, while urban markets excelled with an impressive 10.2% growth. This positive trajectory was fueled by reduced inflationary rates and diminished price increases, notably in food categories like staples and impulse items, contributing to an 8.5% consumption rise. Modern trade recorded a substantial 21.2% consumption growth, while traditional trade improved from 1.9% to 6.2%. The prevalence of smaller pack sizes played a pivotal role in driving this growth across segments. Non-food categories also displayed improvement, with a 5.4% consumption increase, led by home care in rural markets. Small manufacturers dominated both value and volume growth in the overall FMCG sector, particularly in rural areas. The optimistic outlook for India's FMCG sector persists, with both urban and rural markets poised for growth in the second half of the year, buoyed by a softening inflationary rate and enhanced consumer confidence, especially in anticipation of the upcoming festive season.

Quarterly Result Analysis

Quarter 1 Financial Year 2023-24

Newer Product

The company has made progress towards achieving its diversification target, with Foods and Premium Personal Care portfolios contributing approximately 20% to domestic revenues. The Foods segment experienced mid-twenties growth, driven by expansion in core Oats and strong performance in newer categories like Honey, Plant-based protein, Spreads, and Munchiez. The company's strategic expansion into value-added foods and nutrition includes the addition of the 'Plix' brand, emphasizing clean, plant-based nutrition. Plix's commitment to "Making Nutrition Fun" aligns with evolving consumer preferences, offering non-GMO, vegan, gluten-free products with eco-friendly packaging. With an ARR of ~Rs.150cr+ and minimal cash burn, Plix demonstrates strong business fundamentals and sustainable growth. The move positions the company as a strategic investor of choice, attracting founders focused on profitable and sustainable growth. This acquisition taps into the growing market for clean nutrition, enhancing the company's revenue diversification and market presence. The dual focus on consumer needs and financial prudence signifies a comprehensive strategy for long-term success.

Premium Personal Care & Digital First Brands

The Premium Personal Care portfolio, including Livon Serums, Set Wet Male Grooming, and Digital-First brands, has demonstrated consistent performance, aiming to contribute around 10% to domestic revenues in FY24. Concurrently, as certain Foods and Digital-first franchises scale up, the company is strategically focusing on enhancing profitability and substantially reducing cash burn rates within the Digital business.

International Business

The company's International business showcases resilience, with Bangladesh maintaining steady growth and Vietnam overcoming challenges. Consistent performance in MENA, South Africa, and NCD segments signals stability. Strategic investments for growth align with a positive outlook, anticipating double-digit constant currency growth in FY24. Analysts should monitor potential risks, such as currency fluctuations, for a comprehensive evaluation.

Company Guidance

The management is Confident about improving in the trajectory of topline and earnings growth throughout the year, it aims to Continue the investments in A&P to maintain a strong market presence. The company Anticipates operating margins to exceed 20% in FY24, surpassing earlier expectations. The management expects the pricing deflation in the domestic portfolio to stabilize, leading to positive revenue growth in the second half of the year. Furthermore the Premium Personal category is expected to contribute 10% of the domestic revenue by FY24

The company also foresees a positive shift in volume growth starting from Q2, driven by robust offtakes and approximately 85% of the portfolio either gaining or maintaining market share and penetration on a moving annual total (MAT) basis.

Volume Growth:

The growth in volume for the FMCG sector was positive for the second quarter led by the steady growth in the urban parts of the country, however the volume growth in the rural parts of India were still not positive owing to the erratic weather patterns however the monsoon in the south and Western part of India looks good. Further adding to that the drop of Inflation to sub-5% levels, late monsoon, hike in kharif crop MSP give hopes for recovery in the rural demand

FMCG companies are taking pricing cuts due to Cooling off inflation so the growth in revenue in the coming quarters will be likely lead by volume growth rather than price growth

The volume growth in coconut oil categories and value added hair oil categories were subdued in Q1 due to the muted rural segment but the company expects it to improve in the coming quarters

The volume growth for the domestic business was 3% lower than expected due to one-off reasons pertaining to channel inventory adjustments. The first reason was pertaining to the fall in vegetable oil prices which lead to lowering of the inventory by the channel partners, the company has countered this by taking various price cuts (30%YoY) to counter this. The second reason is the final phase of trade scheme rationalization, by which the company aims to counter its skewed first quarter revenues of its domestic business, in order to manage its below the line and supply chain spending more efficiently

Revenue Growth

Q1 consolidated revenue growth was impacted by pricing interventions in domestic portfolios and currency headwinds in some international markets. Analysts anticipate a rebound in the second half as pricing deflation in the domestic portfolio stabilizes, expecting positive revenue growth.

Profitability Growth

In Q1, the company exceeded internal expectations with expanded gross and operating margins, driven by softer input costs and strategic brand-building investments. Continued investment in advertising and a focus on maintaining a strong market presence is expected to contribute to operating margins.

Quarterly Result Analysis



Quarter 2 Financial Year 2022-23

FMCG Sector

Q2 exhibited varied demand trends, starting positively in July but faltering in rural areas due to deficient rainfall and rising food prices in August. Despite the setback, recovery has been observed since late September, with optimism for heightened consumption during the festive season. The sector faced challenges from smaller local players, but pricing cuts by major FMCG companies are poised to drive recovery and stimulate volume growth in the upcoming quarters.

Personal Care

Parachute reported a subdued quarter, falling just below the medium target range with a four-year volume CAGR of 4%. Despite the challenging environment, the franchise gained 35 basis points in market share on a Moving Annual Total (MAT) basis. Anticipating a rise in copra prices during the off-season, the company foresees a gradual shift from loose to branded products, leveraging their cost advantage to drive near-term volume growth. As the impact of price cuts anniversaries, the expectation is for value growth to closely align with volume growth in the second half (H2). The Value-Added Hair Oils portfolio reflected the muted trends. The Value-Added Hair Oils portfolio faced sluggish trends, primarily influenced by lackluster performance in mass personal care categories, exacerbated by subdued rural sentiment and heightened competition from local players. The lower economic segments of this category are awaiting a recovery in rural areas. Despite this, the strategic focus remains on securing market share in the mid segment and expanding into premium segments through innovative product offerings. This approach seeks to navigate challenges by emphasizing competitiveness in specific market segments and fostering growth opportunities in higher-value segments through continuous innovation.

Consolidated Revenue

Consolidated revenue growth encountered challenges stemming from pricing cuts in the domestic sector and currency headwinds in specific international operations. The majority, around two-thirds, of the impact was a result of pricing cuts, while the remaining third was influenced by currency translation effects.

International Business

The international business sustained robust momentum with double-digit constant currency growth, overcoming macroeconomic challenges in some regions. While Bangladesh showed resilience amid current macro issues, there's an anticipation of economic improvement early next year, though currency depreciation may persist. Vietnam demonstrated steady performance, particularly in the HPC and Food categories. The MENA region experienced consistent strong growth, driven by expanding presence in hair oils, notably in Egypt. South Africa and NCD business exceeded expectations. With solid fundamentals in portfolio, GTM, cost structure, and leadership across overseas geographies, confidence is high in maintaining strong growth momentum.

Volume Growth

In Q2, the India business saw modest single-digit growth in core categories, with positive trends in offtakes, market share, and franchise penetration. The reported divergence between volume and offtake growth is attributed to lower realizations affecting distributor ROIs, leading to reduced credit for retailers. This, in turn, resulted in a decline in retail inventory levels or Sell-Through Rate (STR). This was also evident in channel-wise growth trends where GT declined with a low single digit on aY-o-Y basis while MT and E-com witnessed 20% plus growth.

Premium Personal Care

Premium Personal Care delivered double-digit growth. The Digital-First brand, headed by Beardo and Just Herbs, achieved an impressive Rs. 350 crores Annual Run Rate (ARR) in Q2. Notably, there's a substantial reduction in cash burn, positioning the brand as best-in-class compared to other standalone digital brands. With the scaling of these businesses, the company is actively pursuing synergies between the brands to structurally enhance the margin profile and drive increased profitability.

FOODS

The Foods segment is demonstrating a steady trajectory, with indications that the company is on course to achieve its FY24 revenue goals. The Oats portfolio achieved double-digit growth, while Honey and Soya products have successfully scaled up, approaching an annual run rate of Rs. 100 crores. Recent product launches, including Peanut Butter, Mayonnaise, and Munchiez, are performing well. Emphasizing sustainable and profitable growth, the company aims to enhance cost structures, refine the supply chain, and improve go-to-market capabilities. Following these optimizations, there is an intent to accelerate Foods growth beyond 30% in the next year. This strategic approach reflects a focus on balanced and sustainable expansion in the Foods segment.

In Saffola Edible Oils, the company reported low single-digit volume growth, stabilizing on a high base. The four-year CAGR for volume growth was in the high single digits, aligning with the company's medium-term growth objectives. Despite some volatility in edible oil prices, trade inventory remains low. Healthy offtakes are observed, and the company aims to balance growth and profitability in the near term.

Quarterly Result Analysis



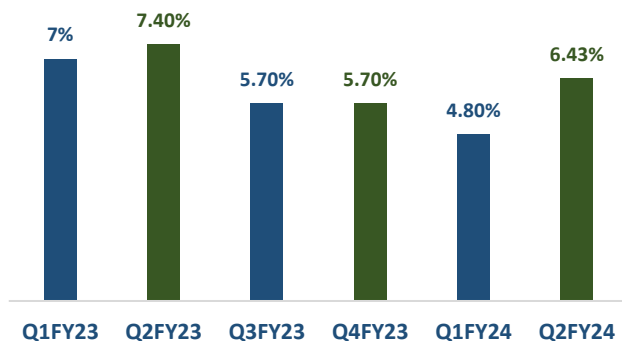
Management Guidance

The Q2 2023-24 management guidance in the context of channel performance, with General Trade (GT) experiencing a low single-digit YoY decline, in contrast to the robust 20% plus growth observed in Modern Trade (MT) and E-commerce reveals that the company commits to systematically addressing GT challenges. In the Parachute segment, an expected increase in copra prices during the off-season may drive gradual volume growth through loose to branded conversions, which would be favorable for the company because of its cost structure advantage. The Premium Personal Care (PPC) segment is expected to contribute 10% to FY24 domestic revenue, with Rs.350 crores ARR in Q2. The company also signals about various acquisitions it is willing to make in this segment as the brands gradually scale up.

With respect to the value added hair oils, the management emphasizes on the fact that it is focusing on expanding market share in premium and mid segment and awaits the demand in the rural parts of India to pick up gradually. Financially, the company targets a 350 to 400 bps gross margin expansion, a 9.5%+ A&P as a percentage of sales, and a 200 bps operating margin expansion in FY24. Despite challenges in mass personal care categories, the company maintains an optimistic outlook, with Foods and PPC already contributing 20% in Q2 toward the FY24 revenue goal, the management expects the revenue growth to move into positive territory in the second half of the year as the price deflation tapers off. The overall strategy emphasizes sustainable, profitable growth and operational excellence.

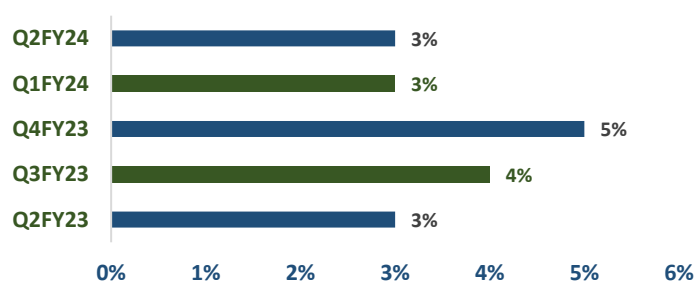
Source-Con-Call Analysis

Exhibit 1.6: Retail Inflation Trends



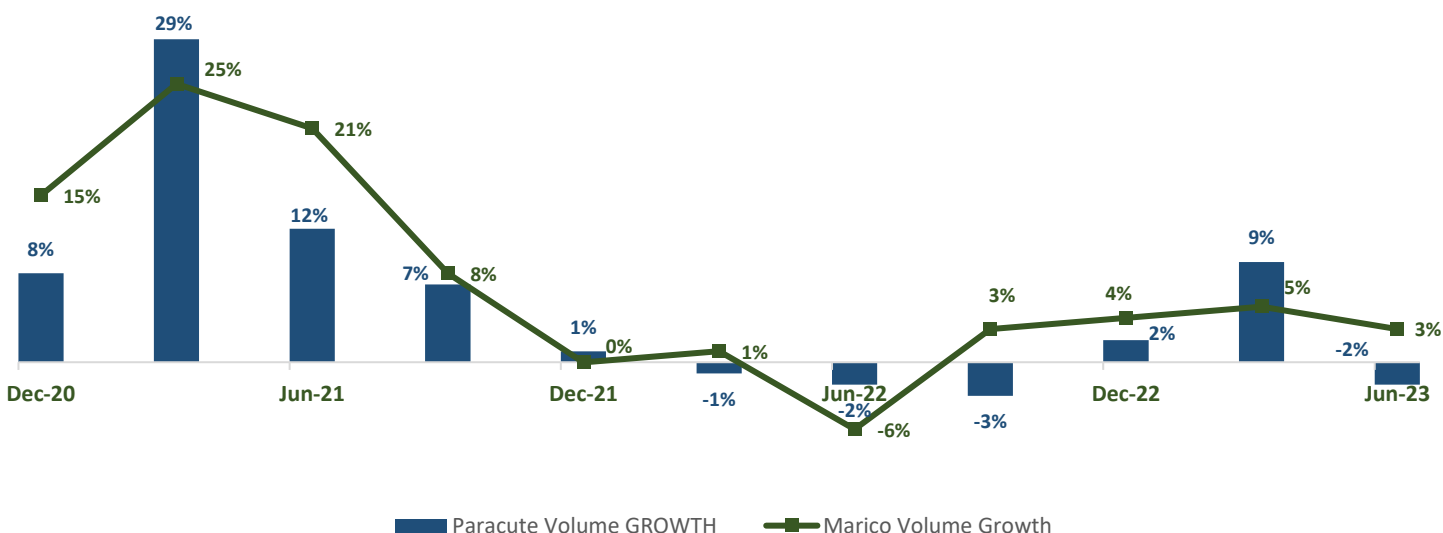
SOURCE-Investor Presentation

Exhibit 1.7: Domestic Volume Growth



SOURCE-COMPANY ANALYSIS

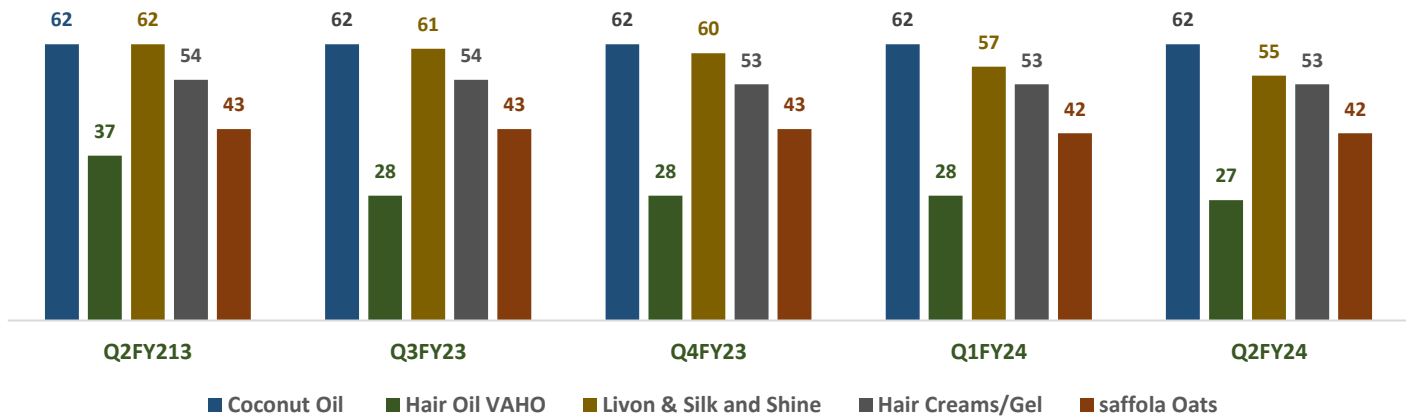
Exhibit 1.8: Parachute VS Marico Volume Growth



SOURCE-Company Analysis, Annual Report

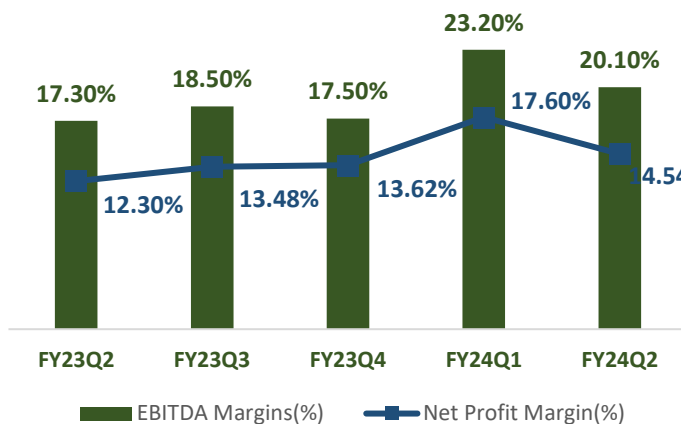
Quarterly Result Analysis

Exhibit 1.9:Market Share(%)



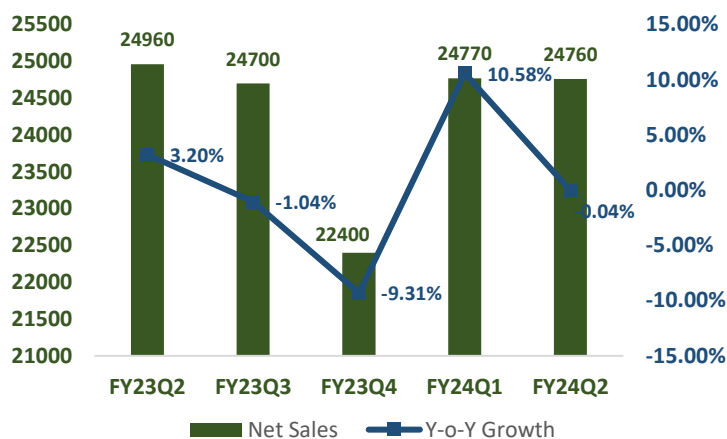
Source-con-call presentations, equity research report(Motilal Oswal)

Exhibit 2.0:EBITDA Margins VS Net Profit Margins



Source-Company Analysis,Annual report

Exhibit 2.1:Revenue VS Y-o-Y Growth(R)



Source-Company Analysis

Exhibit 2.2:Rainfall Distribution

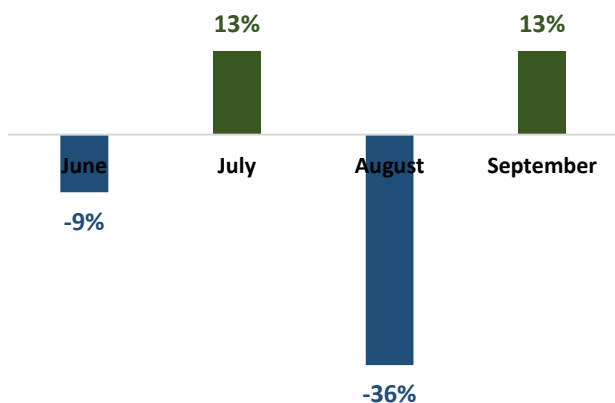
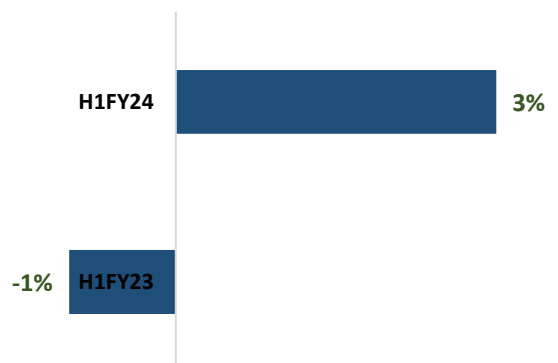


Exhibit 2.3:Volume Growth Trends



Source-Earning presentation

Management Analysis

Leadership

Below are the details & analysis of the qualification of management

S No.	NAME	DESIGNATION	QUALIFICATION	COMMENTS
1	SAUGATA GUPTA	MD & CEO	Saugata is an alumnus of IIM Bangalore and holds a chemical engineering degree from IIT Kharagpur. Outside Marico, Saugata is on the board of Ashok Leyland as Independent Director and is a member of Audit Committee, Nomination and Remuneration Committee and ESG Committee. He is also associated with Delhivery as an Independent Director	Saugata Gupta appears to be a highly suitable candidate for the role of Managing Director and CEO of Marico Limited, a consumer packaged goods (CPG) company. His extensive experience with Marico, spanning almost two decades, and his progressive leadership journey within the organization indicate a deep understanding of the company's operations, culture, and market dynamics.
2	PAWAN AGRAWAL	CHIEF FINANCIAL OFFICER	Holds a Chartered Accountant qualification since 2000 and earned his B.Com (Hons) degree in 1999 from St. Xavier's College, Calcutta has about 2 decades of leadership experience across various finance verticals like Financial Planning & Analysis, Corporate Finance, Treasury, Investor Relations, Taxation & Commercial functions in the FMCG domain.	Pawan, with a Chartered Accountant qualification and B.Com (Hons) from St. Xavier's College, offers over two decades of leadership in finance at Marico. His diverse expertise across FMCG finance verticals and successful stints in Business Finance make him well-suited for the role of CFO, showcasing a strong foundation, strategic insight, and proven leadership in financial management.
3	SOMASREE BOSE AWASTHI	CHIEF MARKETING OFFICER	Somasree Bose Awasthi, currently the Chief Marketing Officer (CMO) at Marico Limited, holds a Bachelor's degree in Industrial Engineering from RCOEM, Nagpur, and an MBA from Xavier Institute of Management, Bhubaneshwar. With over 19 years of marketing experience, she began her career with Godrej Sara Lee and continued with Godrej Consumer Product post-merger. Notably, she served as the Chief Marketing Officer at Godrej Consumer Products (GCPL)	Somasree Bose Awasthi's 19 years of diverse marketing experience as Chief Marketing Officer at Godrej Consumer Products, positions her as a highly suitable candidate for the CMO role at Marico. Her proven track record in brand turnaround, successful product launches, and innovative market strategies align well with Marico's consumer-focused business. With recognitions such as The Economic Times Women Ahead and Impact's Top 50, Somasree brings both expertise and industry influence to drive Marico's marketing initiatives effectively.
4	Dr Shilpa Vora	Chief R&D Officer	Dr. Shilpa Vora, Marico Limited's Chief R&D, has over 24 years of R&D experience in Personal Care, Beverages, and Home Care. Her career includes roles at Unilever, where she began as a Research Scientist and later became the Global R&D Director for Hygiene and Tea. Dr. Shilpa holds a Ph.D. in Immunology from the University of Cincinnati (1994) and served as a Post-Doctoral Fellow at Children's Hospital Research Foundation, Cincinnati (1995-1997).	Dr. Shilpa Vora's extensive 24-year R&D background, notably at Unilever, positions her as a highly suitable Chief R&D Officer for Marico Limited. Her leadership in scaling up Lifebuoy to a \$1 billion brand and her experience in launching COVID-relevant products showcase a strategic and adaptive approach. With a Ph.D. in Immunology and a strong track record in diverse sectors, Dr. Shilpa brings valuable expertise to drive innovation and product development at Marico.
5	Sanjay Mishra	Chief Operating Officer (COO) - India Business & CEO - New Business	Sanjay Mishra, the Chief Operating Officer (COO) - India Business & CEO - New Business at Marico Limited, he has held leadership positions at Pepsico, serving as the Market Unit General Manager and Senior Director - GTM and Sales Capability for Pepsico AMENA. Earlier, Sanjay was the Vice President of Merchandising at Spencers Retail Limited and played a key role in expanding its footprint. He initiated ventures, including introducing the international retail food chain "Au Bon Pain" to India. Sanjay started his career with Dunlop India in 1995. He holds a Bachelor's degree in Science from City College, Kolkata, and completed his Business Management from the Institute of Management Technology, Ghaziabad, in 1995.	Sanjay Mishra, as the Chief Operating Officer at Marico, demonstrates dynamic leadership with over 20 years of diverse experience in consumer goods and retail. His strategic role in driving Manufacturing, Supply Chain, and overseeing new business verticals aligns with Marico's growth objectives. With a track record of successfully leading GTM transformations at Pepsico and contributing to Spencers Retail's expansion, Sanjay brings valuable expertise to Marico's operational and business development strategies. His extensive leadership background positions him as a suitable executive to steer Marico's operational excellence and growth initiatives.

Source-Company Analysis

Management Analysis



S No.	NAME	DESIGNATION	QUALIFICATION	COMMENTS
6	Amit Bhasin	Chief Legal Officer and Group General Counsel	Amit Bhasin, Marico Limited's Chief Legal Officer and Group General Counsel, has 19 years of experience in Corporate Legal, Legal Business Partnering, Corporate Compliances, and Governance. His career includes over 13 years as the General Manager – Legal and Corporate Secretarial at Hindustan Unilever Limited. Amit is a Law Graduate, a certified Chartered Secretary from ICSI, and holds a post-graduation certification in Sustainable Business from the University of Cambridge, earned in 2011.	Amit Bhasin, Marico's Chief Legal Officer, boasts over 19 years of legal expertise, honed at Hindustan Unilever Limited. His proficiency in Corporate Legal, Governance, and M&A transactions enhances Marico's legal functions. Active in industry advocacy, Amit's qualifications as a Law Graduate and certified Chartered Secretary, with a post-graduation certification in Sustainable Business, fortify Marico's legal landscape navigation.
7	Amit Prakash	Chief Human Resources Officer	Amit Prakash, Marico's Chief Human Resources Officer (CHRO) has 20 years of experience, joined in 2015 after establishing the Corporate HR function at Hindustan Coca Cola Beverages. His expertise spans performance management, talent planning, and organizational improvement, and he holds a Bachelors' degree from Hansraj College and an MPM (HR) from Symbiosis Institute of Business Management.	Amit Prakash, Marico's CHRO with 20 years of HR expertise, notably established Corporate HR at Hindustan Coca Cola Beverages. His well-rounded skills in talent management and organizational improvement, coupled with a commitment to culture-building, align with steering Marico's HR strategies. Holding an MPM (HR) from Symbiosis Institute of Business Management, he contributes to Marico's sustained growth.
8	Ashish Goupal	CEO – International Business	Ashish Goupal, Marico's CEO for International Business, started in 2006, climbed the ranks, and served as MD of Marico Bangladesh. With 18+ years, he has expertise in Revenue Management, Brand Management, and New Product Development. Under his leadership, Marico Bangladesh crossed the 1000 Crores business mark.	Ashish Goupal, Marico's CEO for International Business, leverages 18+ years of leadership, driving growth in Revenue Management, Brand Management, and New Product Development. His pivotal role in Marico Bangladesh's expansion and reaching the 1000 Crores business mark showcases strategic acumen. Armed with a degree from the Jamnalal Bajaj Institute of Management Studies, Ashish is aptly positioned to lead Marico's global business growth and innovation.
9	Vaibhav Banchawat	Chief Operating Officer, India & Foods Business	Vaibhav, Marico's COO for India & Foods Business since 2020, previously served as COO for South East Asia and South Africa. Possesses over 23 years of experience in healthcare & FMCG, he notably contributed to GSK Consumer Healthcare, reaching the position of General Manager, Indochina & Myanmar. Vaibhav holds a Bachelor's in Mechanical Engineering from the University of Pune and an MBA in Marketing from Symbiosis Institute of Business Management, Pune, class of 2000.	Vaibhav, as the Chief Operating Officer for India & Foods Business at Marico, brings over 23 years of strategic leadership, particularly in consumer healthcare and FMCG. His successful revamp of the South East Asia business demonstrates a proven track record in driving business transformation and diversification of product portfolios. His academic background, including a Bachelor's in Mechanical Engineering and an MBA in Marketing, further enhances his capability to navigate the consumer packaged goods landscape.
10	Vrijesh Nagathan	Chief Information & Digital Technology Officer	Vrijesh Nagathan, Marico's Chief Information & Digital Technology Officer since 2022, possesses over 20 years of IT leadership and business transformation expertise. He previously worked at Unilever for 11 years, progressing to the global Head of IT for B2B Commerce Platforms. Vrijesh Nagathan has a Bachelor's in Mechanical Engineering from NIT Karnataka and an MBA in Operations Management from Symbiosis.	Vrijesh Nagathan, Marico's Chief Information & Digital Technology Officer, leverages over two decades of IT leadership, notably at Unilever and Coca Cola. With a proven track record in global IT initiatives, he aligns strategically with Marico's digital transformation goals, emphasizing sustainability and technology adoption. His educational background in Mechanical Engineering and Operations Management enhances his capabilities in steering Marico's digital advancements.

Management Analysis

Independent directors

Below are the details & analysis of the qualification of Board of Directors

SL NO.	NAME	DSIGNATION	QUALIFICATION	COMMENTS
1	Harsh C. Mariwala	Chairman of Marico Limited	Harsh C. Mariwala, Chairman of Marico Limited, founded the Marico Innovation Foundation in 2003 and ASCENT Foundation in 2012. He is also Chairman & Managing Director of Kaya Limited and established the Mariwala Health Initiative in 2015. Harsh was honored with the EY Entrepreneur of the Year award in 2020.	Harsh C. Mariwala, with his extensive experience and leadership in transforming Marico into a prominent consumer products company, is well-suited for the role of Chairman. His entrepreneurial vision, coupled with strategic initiatives, has been instrumental in Marico's success. Mariwala's commitment to innovation and social responsibility aligns with the consumer-packaged goods sector, reinforcing his suitability for guiding Marico's growth trajectory.
2	Hema Ravichandar	Independent Director	Hema Ravichandar possesses 37 years of experience, serving as the Senior Vice President and Global Head of HR at Infosys Group. He Holds a Bachelor of Arts (Economics) from the University of Chennai and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad, she provides Strategic HR Advisory to multinational and Indian organizations. A Director at Marico since July 26, 2005.	Hema Ravichandar, with 37 years of experience, including key roles at Infosys and Motor Industries, is a valuable Independent Director for Marico. Her expertise in Human Resources, Corporate Governance, and Change Management, particularly during Infosys' significant growth, brings strategic insights to Marico's board.
3	Nikhil Khattau	Independent Director	Nikhil Khattau, a Fellow of the Institute of Chartered Accountants in England and Wales, has led Mayfield's investments since 2007 and served as the founding CEO of SUN F&C. With a background in investment banking at EY in London and New York, he focuses on food, online brands, and consumer financial services.	Nikhil Khattau's extensive experience in investments, entrepreneurship, and board roles makes him a valuable Independent Director for Marico. His proven track record, particularly as the founding CEO of SUN F&C, aligns well with Marico's market, bringing valuable financial perspectives to the board.
3	Ananth Narayanan	Independent Director	Ananth Narayanan is an Investor and Entrepreneur. He founded the Mensa Brands. Formerly he was the Co-Founder and CEO of Medlife. Ananth's has leadership positions at Myntra, McKinsey & Company.	Ananth Narayanan's appointment as an independent director at Marico adds significant value, bringing entrepreneurial and e-commerce expertise. His success in scaling businesses and driving digital transformations aligns well with Marico's objectives.
4	Rishabh Mariwala	Non -Executive Director	Rishabh, a second-generation family business entrepreneur, is a graduate from Zarb School of Business, Hofstra University, New York, USA, has diverse experience from Kaya Skin Care to launching "Soap Opera" and introducing "PureSense". He is the founder of Sharrp Ventures, where he oversees public markets, private equity, and startups.	Rishabh Mariwala, with a degree from Zarb School of Business, Hofstra University, brings entrepreneurial expertise and diverse business experience. His strategic insights from roles at Kaya Skin Care, Soap Opera, PureSense, and leadership at Sharrp Ventures align with Marico's consumer-focused goals.
5	Rajendra Mariwala	Non-Executive (Promoter)	Rajendra Mariwala has done his Masters in Chemical Engineering from Cornell University, USA. He is currently the Managing Director of Eternis Fine Chemicals Limited, a leading exporter of specialty chemicals -	Rajendra Mariwala's strong foundation in chemical engineering, complemented by over 16 years in specialty chemicals, makes him a valuable non-executive promoter for Marico. His international education and long-standing board membership bring diverse perspectives to strategic decision-making, contributing to Marico's sustainable growth and innovation.
6	Milind Barve	Independent Director	Milind Barve, a chartered accountant with a commerce degree, served as the former Managing Director of HDFC Asset Management Company (HDFC AMC). With over two decades of experience, he played a key role in pioneering socially oriented mutual fund schemes and has been recognized for excellence in business leadership.	Milind Barve, a chartered accountant and commerce graduate, served as the former Managing Director of HDFC Asset Management Company. His financial acumen, leadership experience, and commitment to socially oriented initiatives make him a valuable Independent Director for Marico.

Management Analysis

SL NO.	NAME	DSIGNATION	QUALIFICATION	COMMENTS
7	Rajeev Vasudeva	Independent Director	Rajeev Vasudeva has over two decades of global experience, including a 25-year career with Egon Zehnder International, where he served as the global CEO. He is currently the Chairman of Centum Learning Ltd and serves on the Boards of Brookfield Infrastructure Partners and Pidilite Industries Limited. Vasudeva holds an MBA from the Ross School of Business, University of Michigan, along with qualifications in law from the University of Delhi and a Bachelor's in Economics from St. Stephens College.	Rajeev Vasudeva, former global CEO of Egon Zehnder International, offers valuable insights into leadership and governance with a strong background in advising global boards and CEOs. His extensive experience in management consulting and presence on diverse corporate boards positions him as a potentially valuable asset for Marico's strategic decisions.
8	Rajan Bharti Mittal	Independent Director	Rajan Bharti Mittal, Vice-Chairman of Bharti Enterprises, graduated from Panjab University and is an alumnus of Harvard Business School. He has extensive experience overseeing diverse ventures within Bharti Enterprises and holds leadership roles in industry associations and policymaking bodies. Mr. Mittal served as the President of ICC India, FICCI, and AUSPI, receiving awards such as the "Indian Business Leader of the Year Award 2011" and the "Leonardo International Prize 2012."	Rajan Bharti Mittal's background primarily in telecommunications and conglomerates raises questions about his direct suitability as an independent director for Marico, a consumer packaged goods company. His expertise may be more aligned with sectors outside the FMCG industry, and a critical evaluation of his specific relevance to Marico's needs is crucial before confirming his effectiveness in this role.
9	Nayantara Bali	Independent Director	Nayantara Bali, has over 28 years of FMCG experience, notably at Procter & Gamble, where she held key roles driving business growth across Asia Pacific. With a PGDM from the Indian Institute of Management, Ahmedabad, and a B.A in Economics from Stella Maris, Chennai, she played instrumental roles in launching brands like Whisper, Ariel, Pampers, Pantene, H&S, and Gillette Guard. Additionally, Nayantara holds directorial positions in publicly listed boards and is a Director/Co-owner of ANV Consulting Pte, specializing in PE advisory, data analytics, and business/marketing strategy.	Nayantara Bali's extensive FMCG experience and directorial roles in prominent companies make her a valuable Independent Director for Marico. With a stellar career at Procter & Gamble, she has a proven track record of driving business growth and successfully launching brands. Her strategic insights, diverse geographic experience, and leadership roles in global councils enhance her suitability to contribute to Marico's strategic direction. Her notable positions on various boards showcase her acumen in steering companies, making her a beneficial addition to Marico's governance.

Source-Company Analysis

Management Analysis

Commentary

The diverse and experienced individuals in Marico's leadership and Board of Directors bring a wealth of knowledge and expertise from various industries, enhancing the company's strategic capabilities. The blend of executives and independent directors with extensive backgrounds in FMCG, finance, technology, and entrepreneurship provides a well-rounded perspective. Noteworthy is the focus on corporate governance, evident in the board members' involvement in prestigious institutions and their leadership roles in various industries. The board's commitment to sustainability and diverse initiatives aligns with contemporary business practices. Overall, Marico's management and Board reflect a strong foundation for steering the company through innovation, growth, and responsible corporate practices.

Shareholding Pattern

The promoters stood as the highest shareholder in the company as on quarter ended September 2023, the next group of shareholders having the highest shareholding were the FIIs, having 25.91% of shareholding. The % of shares pledged by the promoters was .13% and was stable from the quarter ended 22-December.

Though the promoter shareholding has been gradually decreasing it is not significant to conclude managements exit from the business

Exhibit 2.4-Quarterly Shareholding Pattern

	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23
Promoters	59.61%	59.61%	59.61%	59.52%	59.51%	59.49%	59.48%	59.48%	59.48%	59.42%	59.41%	59.40%
FIIs	24.16%	24.04%	24.98%	25.92%	25.55%	25.11%	25.16%	25.00%	25.07%	24.97%	24.96%	25.91%
DIIIs	9.99%	10.06%	9.57%	8.50%	8.59%	8.76%	8.67%	9.86%	9.78%	9.99%	10.20%	9.50%
Government	0.18%	0.18%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.10%	0.10%	0.10%	0.10%
Public	5.95%	6.01%	5.66%	5.87%	6.17%	6.45%	6.49%	5.46%	5.46%	5.43%	5.20%	4.99%
Others	0.10%	0.10%	0.10%	0.10%	0.10%	0.11%	0.11%	0.11%	0.09%	0.11%	0.11%	0.11%

Exhibit 2.5-Annual Shareholding Pattern

	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Sep-23
Promoters	59.72%	59.71%	59.71%	59.60%	59.61%	59.49%	59.42%	59.40%
FIIs	28.89%	27.42%	26.56%	22.69%	24.04%	25.11%	24.97%	25.91%
DIIIs	4.00%	6.38%	5.47%	10.51%	10.06%	8.76%	9.99%	9.50%
Government	0.15%	0.13%	0.17%	0.23%	0.18%	0.09%	0.10%	0.10%
Public	7.02%	6.22%	8.01%	6.89%	6.01%	6.45%	5.43%	4.99%
Others	0.22%	0.15%	0.08%	0.08%	0.10%	0.11%	0.11%	0.11%

Source-Company Analysis,trendlyne

Exhibit 2.6:Quarterly FII Shareholding Pattern

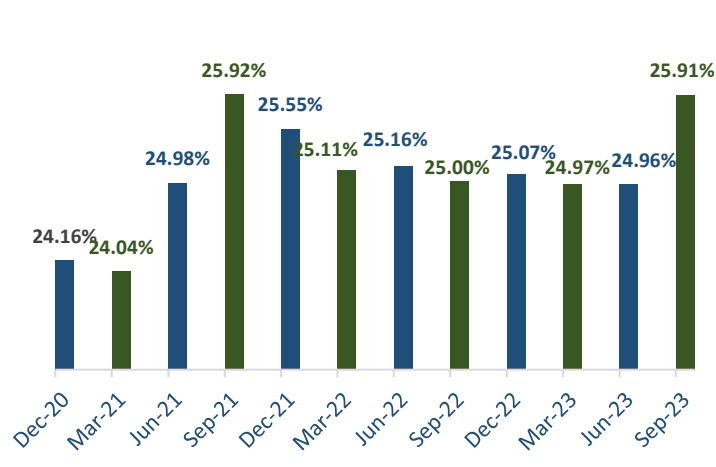
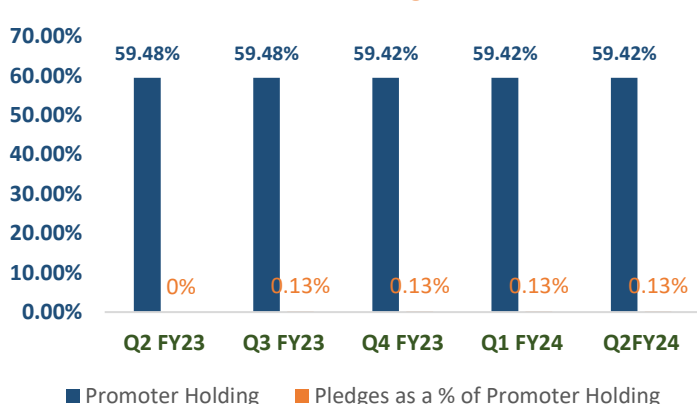


Exhibit 2.7:Promoter Holding VS % Promoter Shares Pledged



Source-Company Analysis,trendlyne

Management Analysis

Commentary

Management Remuneration

Exhibit 2.8-Ratio of Remuneration of each Director to the median remuneration of all the employees and details of percentage increase in the remuneration of each Director for the financial year 2022-23

Name	Designation	Remuneration for FY 2022-23(₹)	Remuneration for FY 2021-22(₹)	Ratio of remuneration to median employee compensation	% Increase/(Decrease) in remuneration
Mr Harsh Mariwala	Chairman & Non Executive Director	2,80,44,000	4,00,25,000	22.02	-29.93%
Mr Saugata Gupta	Managing Director & CEO	25,10,75,800	36,10,03,928	197.07	-30.45%
Mr Ananth S	Independent Director	46,00,000	41,50,000	3.61	10.84%
Ms Apurva Purohit	Independent Director	43,91,667	NA	3.45	NA
Ms Hema Ravichandar	Independent Director	53,00,000	50,00,000	4.16	6%
Ms Nayantara Bali	Independent Director	41,41,667	NA	3.25	NA
Mr Nihil Khattau	Lead Independent Director	78,30,000	54,31,644	6.15	44.16%
Mr Milind Barve	Independent Director	46,50,000	27,79,338	3.65	NA
Mr Rajeev Vasudeva	Independent Director	43,00,000	16,08,333	3.38	NA
Mr Rajendra Mariwala	Non -Executive Director	42,30,000	43,80,000	3.32	-3.42%
Mr Rishab Mariwala	Non -Executive Director	41,00,000	40,00,000	3.22	2.50%

Source-Company Analysis, Annual Report

Exhibit 2.9-Comparison of average percentage increase in remuneration of all employees other than KMP and the percentage increase in the remuneration of KMP

Name	Designation	FY 2022-23 (In ₹ Crores)	FY 2021-22 (In ₹ Crores)	Increase/(Decrease)%	Ratio to median employee remuneration	% Growth in sales	% increase Net Profit
Mr Saugata Gupta	Managing director and CEO	25,10,75,800	36,10,03,928	-30.45%	197.17	2.65%	5.34%
Mr Pawan Agrawal	Chief Financial officer	2,72,39,476	2,74,99,255	-0.94%	22	2.65%	5.34%
Mr Vinay M A	Company Secretary & Compliance officer	59,10,652	26,60,071	NA	5	2.65%	5.34%

Source-Company Analysis, Annual Report

The ratio of remuneration of managing director to the median employee salary for Marico stood at 197.17:1 where as the median ratio for the peers stood at 206.5:1, the ratio for the Chief Financial officer stood at 22 where as for the peers it was 55:1, similarly the ratio was 5:1 for Marico where as the median ratio for the peers was 17:1

We have observed a deviation between growth in sales, net profit and growth in remuneration of Mr.Saugata Gupta & Mr Pawan Agarwal. The most likely reason for that was due to the exercise of stock options worth ₹22,47,42,836 in the FY 2021-22 by Mr.Saugata Gupta (no such transaction occurred in 2022-23) and perquisite value of stock options exercised similarly by Mr Pawan Agrawal(although no information of the perquisite value was provided by the company and no such transaction occurred in 2022-23) . Mr. Vinay M A was appointed as the Company Secretary & Compliance Officer with effect from October 28, 2021. Accordingly, his remuneration for the financial year 2022-23 is not comparable with the previous financial year.

Management Analysis

Board Efficacy

Based on our research the BOD has adequate representation of Independent Directors, industry xpers, finance and legal experts as required by the statute

The Efficacy of the board can be gauged by the various contributions made by them in the Board Meetings of FY23 the details of which are given below

Exhibit 3.0- Details on attendance of the board meeting by the members of the Board of Directors

Name	Designation	Attendance at Board Meetings	Attendance at Last AGM held on August 5, 2022
Mr. Harsh Mariwala	Chairman & Non-Executive	6 of 6	Yes
Mr. Saugata Gupta	Managing Director & CEO	6 of 6	Yes
Mr. Ananth S	Independent	6 of 6	Yes
Ms. Apurva Purohit	Independent	5 of 5	Yes
Ms. Hema Ravichandar	Independent	6 of 6	Yes
Mr. Milind Barve	Independent	6 of 6	Yes
Ms. Nayantara Bali	Independent	5 of 5	Yes
Mr. Nikhil Khattau	Independent	6 of 6	Yes
Mr. Rajeev Vasudeva	Independent	5 of 6	Yes
Mr. Rajendra Mariwala	Non-Executive	6 of 6	Yes
Mr. Rishabh Mariwala	Non-Executive	6 of 6	Yes

Source-Company Analysis,Annual Report

Quarterly & Annual Snapshots

Exhibit 3.1-Quarterly Performance Overview

Particulars(INR millions)	FY23Q2	FY23Q3	FY23Q4	FY24Q1	FY24Q2	FY24Q4E	FY25Q1E
Net Sales	24,960	24,700	22,400	24,770	24,760	27,466	24,621
Gross Profit	10,890	11,100	10,620	12,380	12,500	13,074	11,551
Gross Margin(%)	43.6	44.9	47.4	50	50.5	47.6	46.9
EBITDA	4,330	4,560	3,930	5,740	4,970	5,274	4,643
EBITDA Margins(%)	17.3	18.5	17.5	23.2	20.1	19.2	18.9
Depreciation	370	390	430	360	390	435	468
Interest	150	140	170	170	200	175	181
Other Income	190	400	680	460	380	320	304
Profit Before Tax	4,000	4,430	4,010	5,670	4,760	4,984	4,297
Tax	930	1,100	960	1,310	1,160	1,206	1,055
Net Profit	3,070	3,330	3,050	4,360	3,600	3,778	3,242
<i>Net Profit Margin(%)</i>	12.30%	13.48%	13.62%	17.60%	14.54%	13.76%	13.17%

Source-Company Analysis,P/L,Screener

Exhibit 3.2-Annual Performance Overview

Particulars (INR millions)	FY-19	FY20	FY21	FY-22	FY-23	FY24E	FY25E
Sales	73,340	73,150	80,480	95,120	97,640	104,348	113,160
<i>YoY change (%)</i>	16.00%	-0.30%	10.00%	18.20%	2.60%	6.90%	8.40%
Material Cost	35,042	32,120	38,027	48,759	47,404	50,087	54,317
Manufacturing Cost	8,617	8,858	7,992	9,122	9,627	10,435	11,316
Employee Cost	4,657	4,777	5,698	5,859	6,532	7,304	7,921
Other Cost	11,771	12,699	12,869	14,572	15,984	15,652	18,106
Total Expenses	60,090	58,460	64,590	78,310	79,540	83,478	91660
Total Expenses % Sales	81.90%	79.90%	80.30%	82.30%	81.50%	80.00%	81.00%
EBITDA	13,250	14,690	15,890	16,810	18,100	20,870	21,500
<i>EBITDA Margin (%)</i>	<i>18.00%</i>	<i>20.00%</i>	<i>20.00%</i>	<i>18.00%</i>	<i>19.00%</i>	<i>20.00%</i>	<i>19.00%</i>
Depreciation	1,310	1,400	1,390	1,390	1,550	1,676	1,924
EBIT	11,940	13,290	14,500	15,420	16,550	19,194	19,576
<i>EBIT Margin (%)</i>	<i>16.30%</i>	<i>18.20%</i>	<i>18.00%</i>	<i>16.20%</i>	<i>17.00%</i>	<i>18.40%</i>	17%
Interest	400	500	340	390	560	671	656
Other Income -	1,030	950	1,070	980	1,440	1,494	1,587
Profit before tax & Extraordinary Item	12,570	13,740	15,230	16,010	17,430	20,017	20,507
Extraordinary Items	70	-290	130	0	280	0	0
TAX	1,260	3,310	3,240	3,460	4,210	4,851	5,447
Profit after tax	11,310	10,430	11,990	12,550	13,220	15,166	15,060

Source-Company Analysis,P/L,Screener

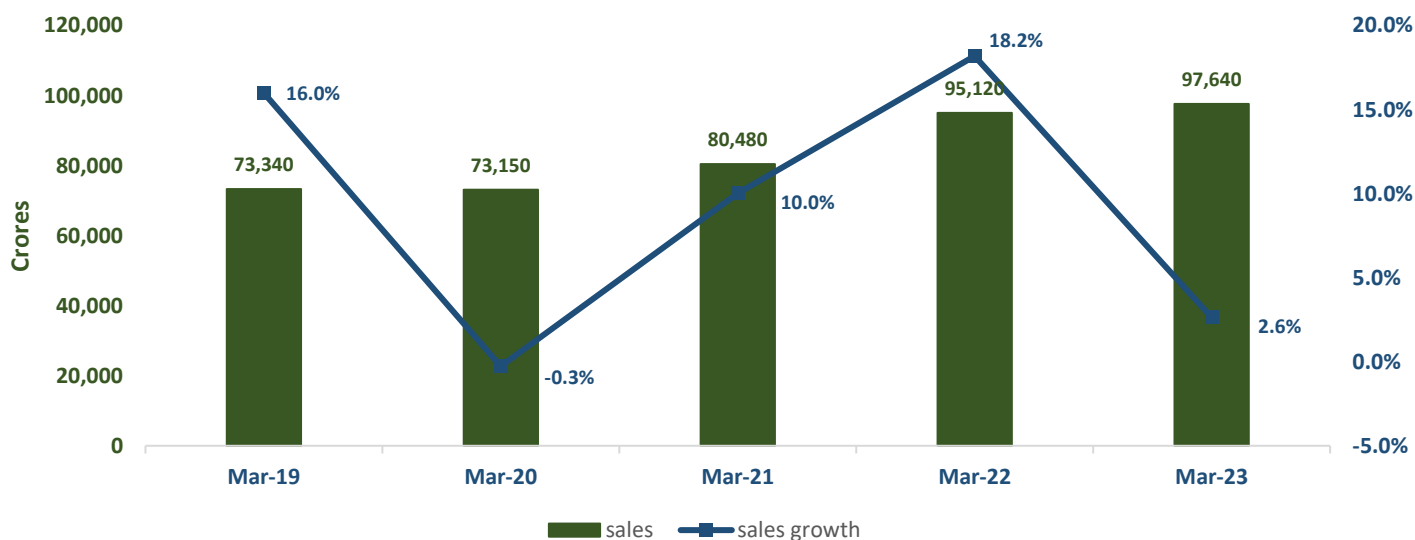
Commentary



Revenue

In the recent quarterly results the company posted a revenue of 24760 millions on a consolidated basis, down 10 millions from the previous quarter and 20 millions on a Q-o-Q basis. The company alluded the reason of currency depreciation(contributing about 2/3) in international and pricing cuts(contributing about 1/3) in the domestic business for the subdued performance. The company expects to achieve a positive revenue growth in the second half of the year as the deflation gradually tapers off.

Exhibit 3.3: Sales vs Sales Growth



Margins

The company posted a robust margin of 20.1% for the second quarter of FY2024, higher than the previous quarter with a significant expansion of 280 Bp on a Y-o-Y basis, owing to the softening of raw material prices. The company expects to maintain this positive run for the rest of the year and expects a 350 to 400 bps of **gross margin expansion on a full-year basis**. The company has increased its a&P expenditure this quarter from 212 in the last quarter to 268 making it 10.82% of sales and it aims to maintain it above 9.5% for FY24. Taking this into consideration and in the light of the recent H1 results the company expects to provide a 200 Bp expansion in operating margins for FY24

Exhibit 3.4: EBITDA VS EBITDA Margins

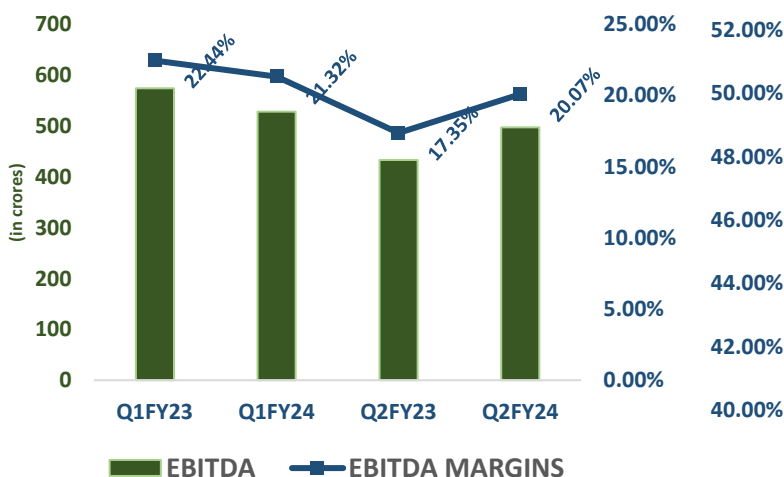
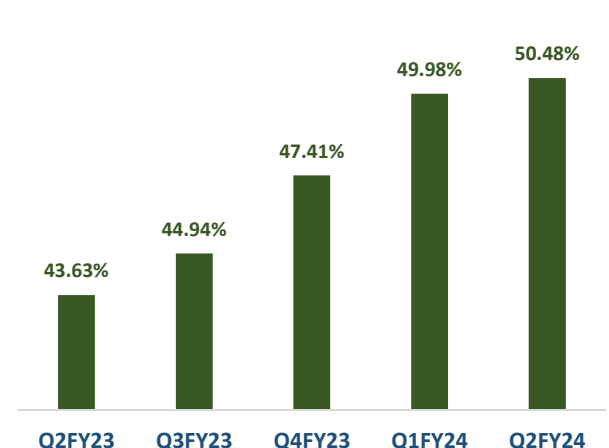


Exhibit 3.5: Gross Margins



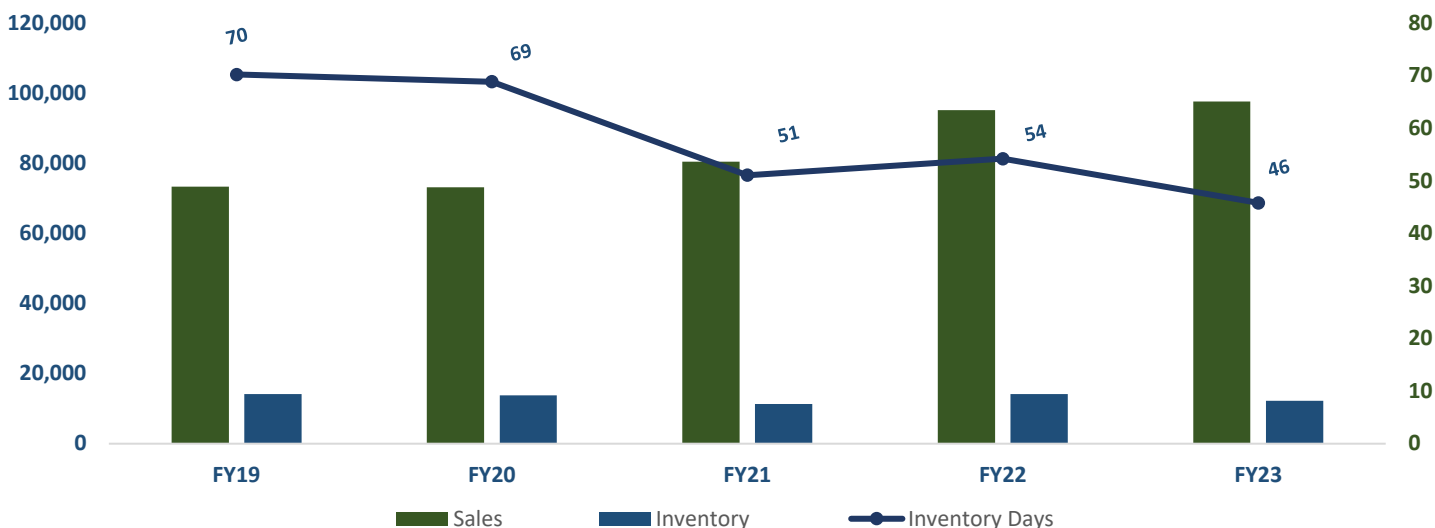
Commentary



Inventory

The trend in the sales growth when compared to the lowering of inventory days show a positive picture of inventory management by the company, the inventory days have been on a declining trend from the FY19 and currently stand at 46 days, down from 54 days in FY22. The company inventory days also stands in line with the median inventory days of the industry, 47 days (lowest 22 days & highest 49 days)

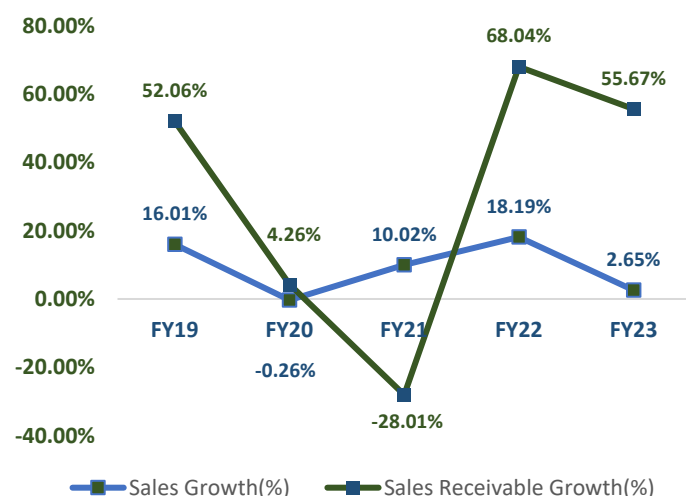
Exhibit 3.6: Sales VS Inventory VS Inventory Days



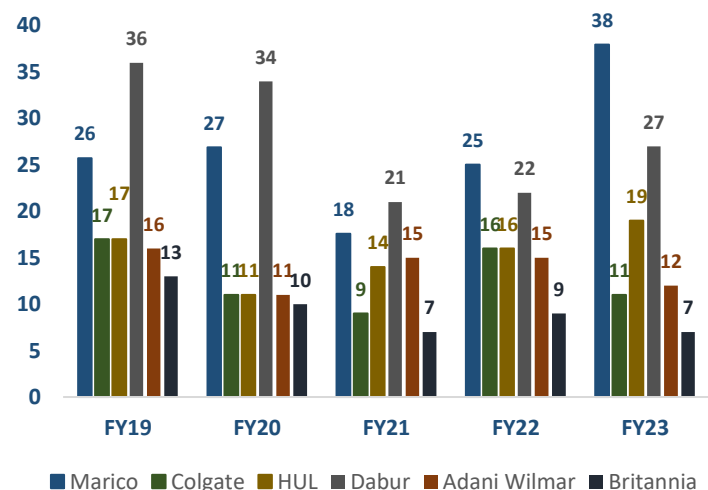
Debtors

The recent growth in the trade receivables in comparison with sales is a bit alarming, as the trade receivables have grown at a CAGR of 61% and the sales growth has been lower and tapering off in FY23. The company has clarified that the sudden rise in the debtor days in the FY23 is temporary and is due to the increase in **contribution of the general trade channel** in the distribution mix, which had poor revenue growth due to deflation, and because of which the company had to provide extended credit to **selective retailers** in order to maintain their ROI. The company expects these credits to come down in the second half of the FY23.

Exhibit 3.7: Sales VS Sales Receivable Growth



Debtor Days





Du-Pont Analysis

Exhibit 3.9: Decomposition of the components of Return on Equity

	Return on Equity (ROE)						
(Millions)	FY-17	FY18	FY19	FY20	FY21	FY22	FY23
Net Profit	7,985.90	8,140.00	1,114.00	1,021.00	1,172.00	1,225.00	1,302.00
Average Shareholder Equity	21,715.25	24,343.40	27,590.00	29,990.00	31,315.00	32,940.00	35,735.00
Return on Equity	37%	33%	40%	34%	37%	37%	36%
	ROE - Dupont Equation						
	FY-17	FY18	FY19	FY20	FY21	FY22	FY23
Net Profit	7,985.90	8,140.00	11,140.00	10,210.00	11,720.00	12,250.00	13,020.00
Revenue	59,177.90	63,220.00	73,340.00	73,150.00	80,480.00	95,120.00	97,640.00
Net Profit Margin (A)	13%	13%	15%	14%	15%	13%	13%
Revenue	59,177.90	63,220.00	73,340.00	73,150.00	80,480.00	95,120.00	97,640.00
Average Total Asset	34,907.70	38,476.05	44,840.00	49,300.00	51,950.00	55,515.00	62,385.00
Asset Turnover Ratio (B)	1.7x	1.6x	1.6x	1.5x	1.5x	1.7x	1.6x
Average Total Asset	34,907.70	38,476.05	44,840.00	49,300.00	51,950.00	55,515.00	62,385.00
Average Shareholder Equity	21,715.25	24,343.40	27,590.00	29,990.00	31,315.00	32,940.00	35,735.00
Equity Multiplier (C)	1.6x	1.6x	1.6x	1.6x	1.7x	1.7x	1.7x
Return on Equity (A*B*C)	37%	33%	40%	34%	37%	37%	36%
	Return on Asset						
	FY-17	FY18	FY19	FY20	FY21	FY22	FY23
Net Profit	7,985.90	8,140.00	11,140.00	10,210.00	11,720.00	12,250.00	13,020.00
Average Total Asset	34,907.70	38,476.05	44,840.00	49,300.00	51,950.00	55,515.00	62,385.00
Return on Asset	23%	21%	25%	21%	23%	22%	21%
	ROA - Dupont Equation						
	FY-17	FY18	FY19	FY20	FY21	FY22	FY23
Net Profit	7,985.90	8,140.00	11,140.00	10,210.00	11,720.00	12,250.00	13,020.00
Revenue	59,177.90	63,220.00	73,340.00	73,150.00	80,480.00	95,120.00	97,640.00
Net Profit Margin (A)	13%	13%	15%	14%	15%	13%	13%
Revenue	59,177.90	63,220.00	73,340.00	73,150.00	80,480.00	95,120.00	97,640.00
Average Total Asset	34,907.70	38,476.05	44,840.00	49,300.00	51,950.00	55,515.00	62,385.00
Asset Turnover Ratio (B)	1.7x	1.6x	1.6x	1.5x	1.5x	1.7x	1.6x
Return on Asset (A*B)	23%	21%	25%	21%	23%	22%	21%

Source-Company Analysis, The Valuation School

The trend of return on equity has been more or less stable over the period from FY17-FY23 as a consequence of stable net profit margin and return on asset turnover. There has been a consistent rise in total assets and a slight increase in the leverage, overall the company looks in a stable shape

Du-Pont Analysis

Exhibit 4:Revenue

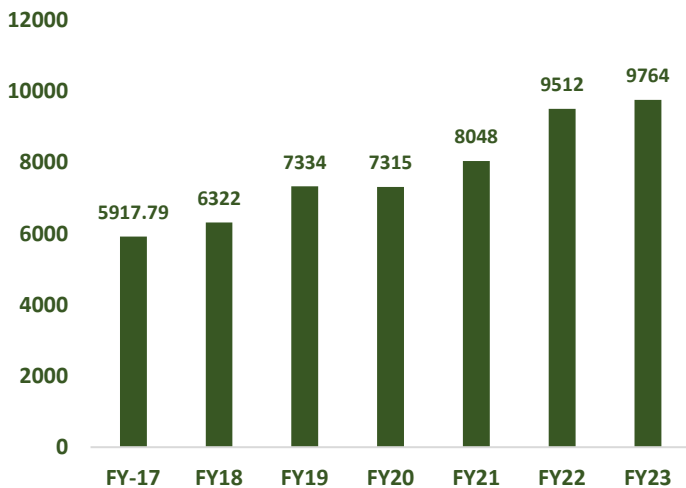


Exhibit 4.1:Net Profit

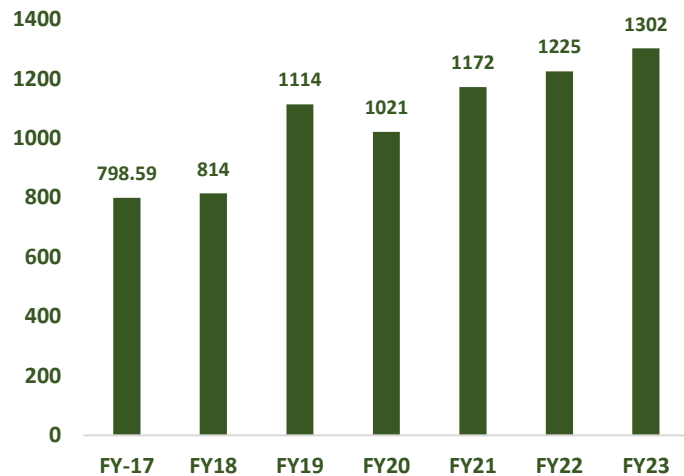


Exhibit 4.2:Average Total Asset

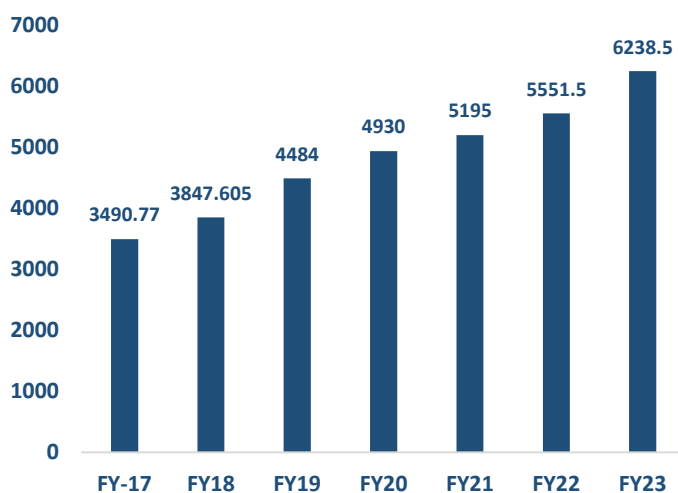


Exhibit 4.3:Return on Equity

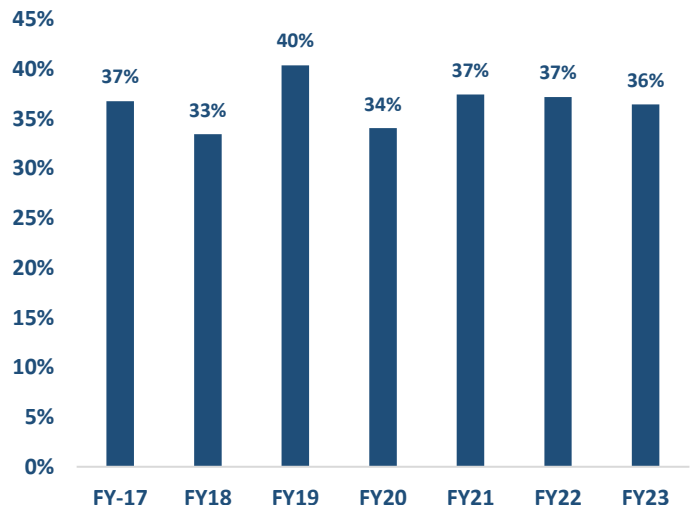


Exhibit 4.4:Return on Asset

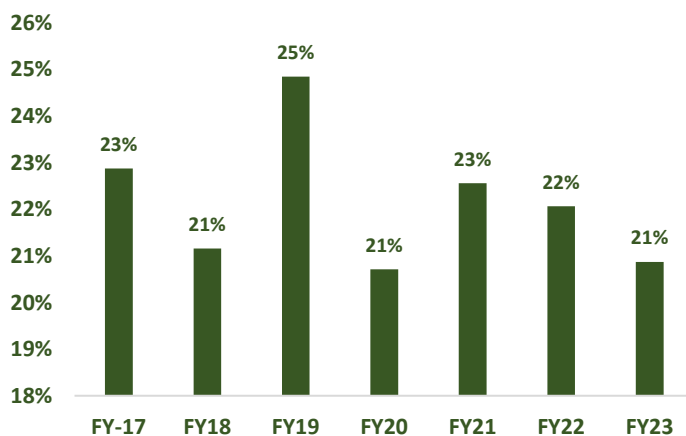
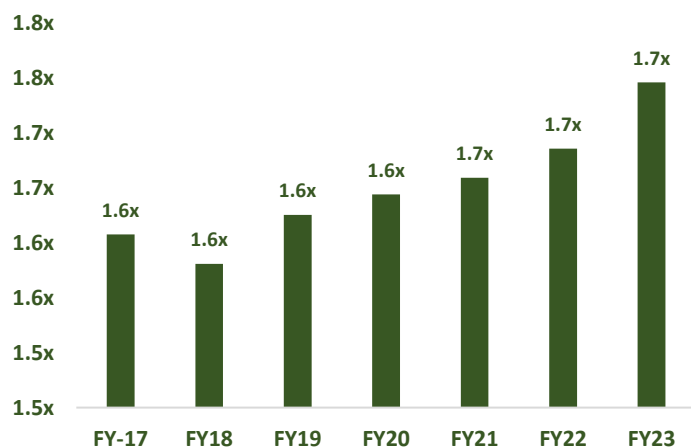


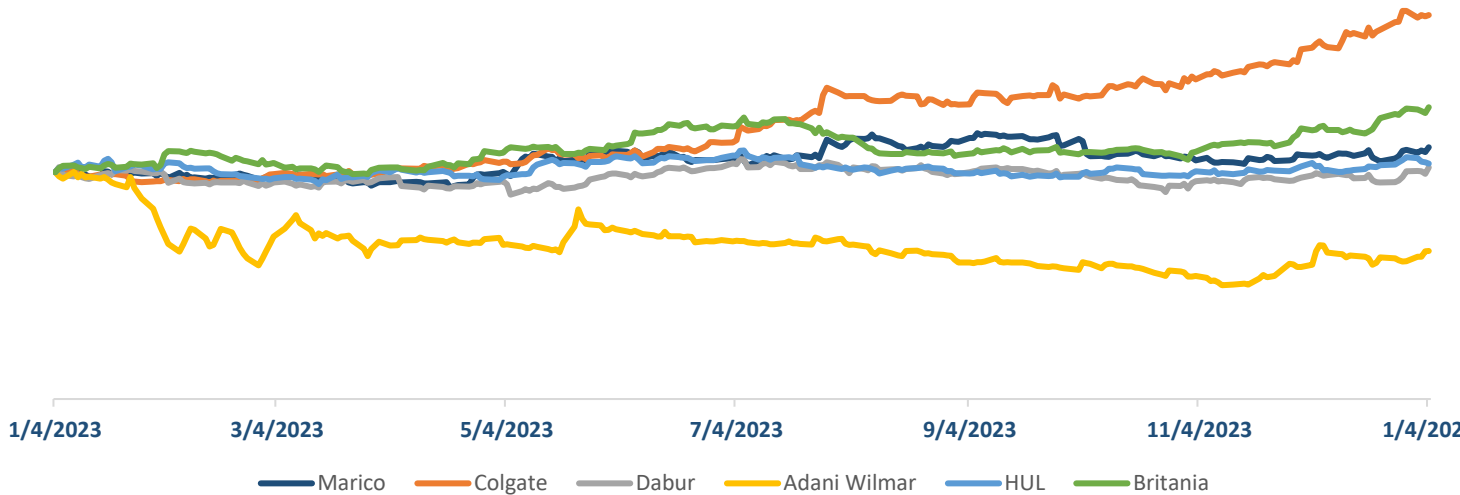
Exhibit 4.5:Equity Multiplier



Peer Comparison



Exhibit 4.6:Relative Stock Performance



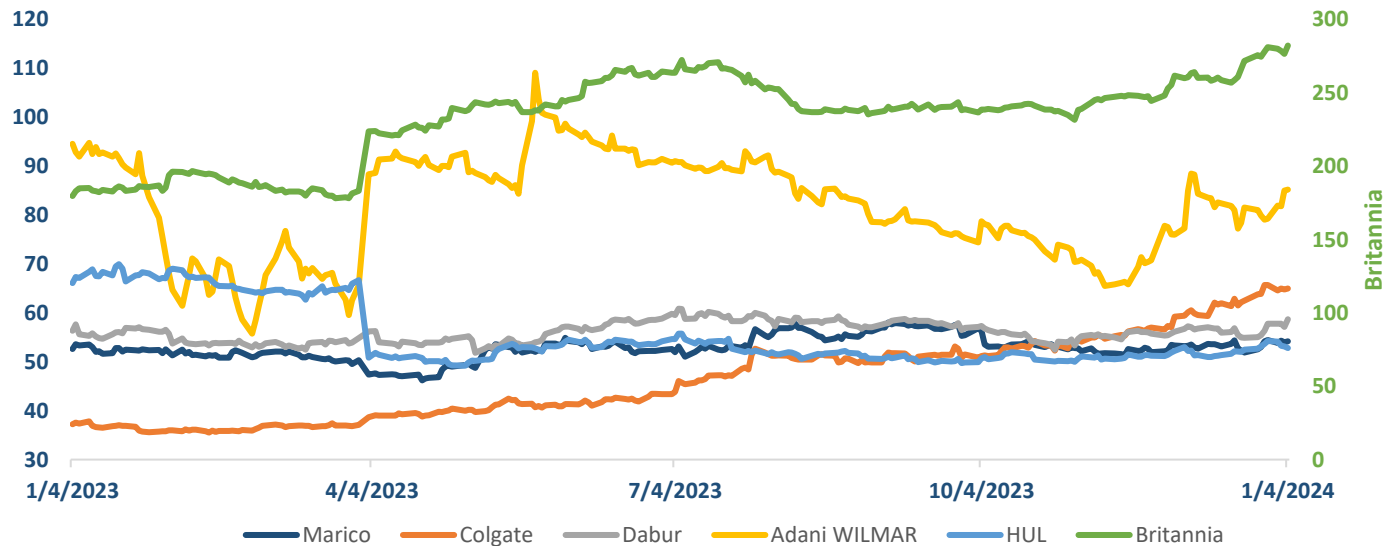
Source-Company Analysis,screener

Exhibit 4.7-Relative Analysis

S No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	ROCE %	Int Coverage	Debt(cr)	ROE %	CFO/EBITDA
1	Dabur India	557.2	57x	98,737	22.73	23x	1,489.05	19.46	49x
2	Colgate	2529.7	58x	68,804	79.13	360x	68.67	61.15	43x
3	Hind. Unilever	2,663.95	61x	6,25,919	26.65	72x	1,272	20.47	224x
4	Britannia Inds.	5,338.45	58x	1,28,586	48.59	17x	2,778.39	66.62	34x
5	Adani Wilmar	378.25	270x	49,582	15.01	1.34x	3,834.01	7.41	36x
6	Marico	548.5	50x	70,967	41.93	29x	493	35.85	30x

Source-Company Analysis,screener

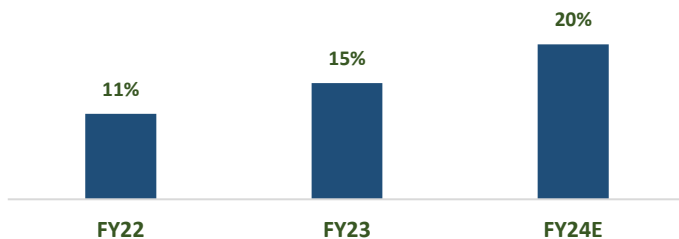
Peer Price-Earning Ration Compariosion



Source-Company Analysis,screener

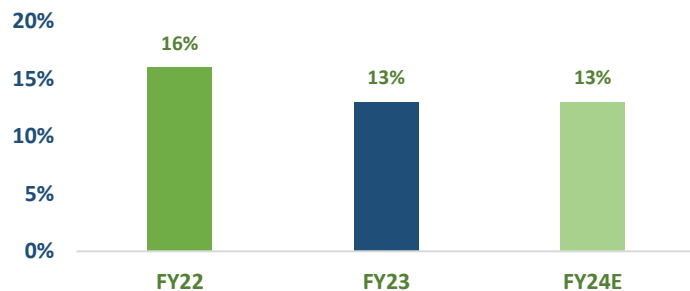
Quick Gauge

Exhibit 4.8:Share of Foods & Premium Personal Care products



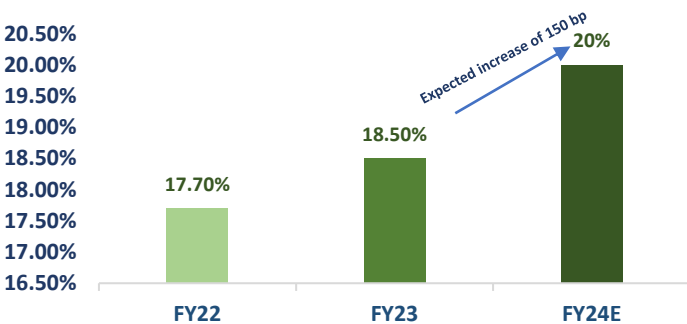
Source-Company Analysis,screener,Annual Report

Exhibit 4.9:International Buisness



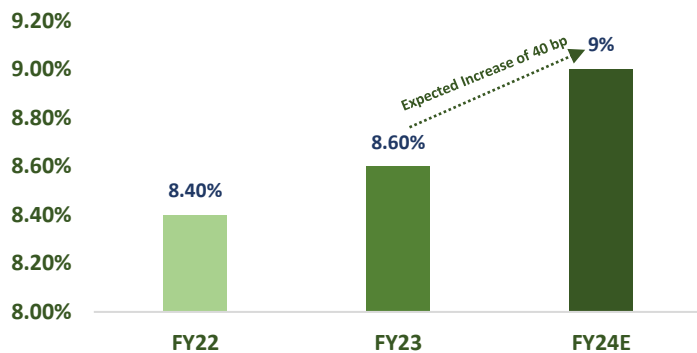
Source-Company Analysis,screener,Annual Report

Exhibit 5.0:Operating Margin Trends



Source-Company Analysis,screener,Annual Report

Exhibit 5.1:A&P as a % of Sales



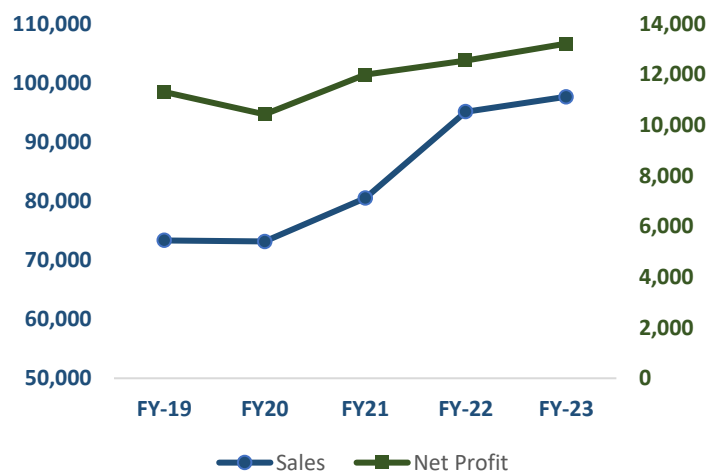
Source-Company Analysis,screener,Annual Report

PE Ratio



Source-Company Analysis,screener

Sales VS Net Profit



Source-Company Analysis,screener

Analyst Coverage Universe



Exhibit 4.7-Analyst Ratings & Targets

Date	Research Houses	Rating	TARGET	Price at RECO
8-Nov-23	Geojit BNP Paribas	Buy	581	520.35
31-Oct-23	Target	Accumulate	650	533.54
31-Oct-23	HDFC Securities	Buy	650	536.55
31-Oct-23	ICICI Securities Limited	Buy	640	532.2
30-Oct-23	Motilal Oswal	Hold	556	536.55
9-Aug-23	Prabhudas Lilladhar	Buy	667	532.2
31-Jul-23	Hem Securities	Buy	646	585.15
30-Jul-23	BOB Capital Markets Ltd.	Buy	690	560.55
29-Jul-23	Motilal Oswal	Accumulate	585	574.35
29-Jul-23	HDFC Securities	Accumulate	610	574.35
28-Jul-23	ICICI Securities Limited	Buy	645	574.35
28-Jul-23	Sharekhan	Hold	581	557.7
16-May-23	Prabhudas Lilladhar	Buy	598	574.35
9-May-23	Geojit BNP Paribas	Buy	645	536.15
6-May-23	Sharekhan	Accumulate	565	536.9
6-May-23	HDFC Securities	Buy	590	493.6
6-May-23	Motilal Oswal	Accumulate	560	493.6
6-May-23	ICICI Securities Limited	Buy	570	493.6
5-May-23	ICICI Direct	Buy	645	493.6
18-Feb-23	Sharekhan	Accumulate	560	530.7

Source-Trendlyne

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