AMBIT
Acumen at work

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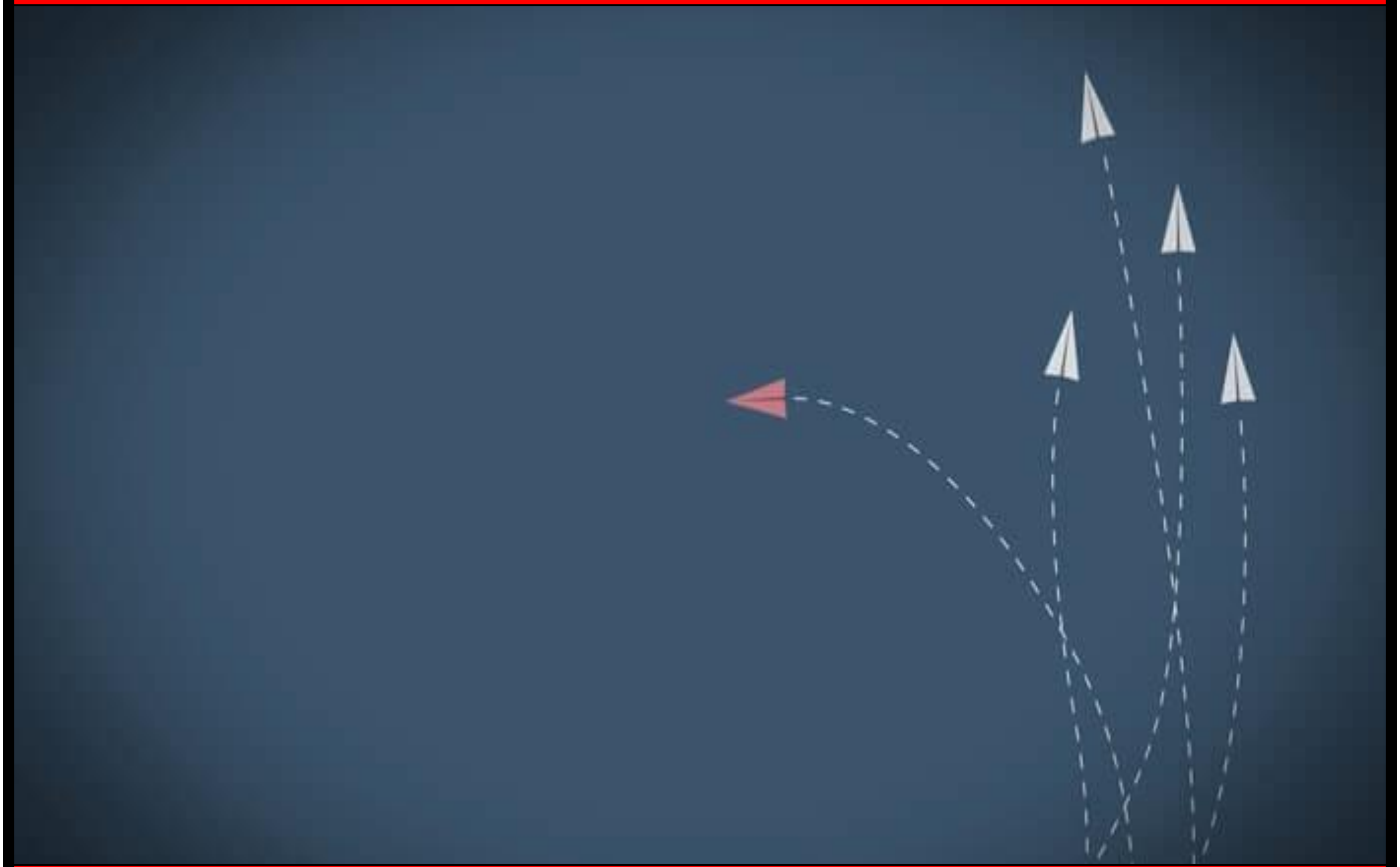

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Disruption is inevitable: We are prepared

We at Ambit are constantly trying to stay ahead of the curve by drowning out the noise and looking ahead. In keeping with our long term investment thesis, we like to stay up to date with not just the present impediments faced by your portfolio companies but also long term disruptions which can hit these companies. Hence we will regularly come out with our thoughts on disruptions in your portfolio companies/ sectors and for the fourth write up of this series we have chosen Marico.

A disruptive technology/ innovation is one that helps create a new market and value network, and eventually goes on to disrupt an existing market and value network (over a few years or decades), displacing conventional wisdom or technology. This note takes a closer look at Marico with a focus on (1) Its rich heritage and success so far (2) What lies in store for the future…

Marico: Rich foundation, built to last!

Marico Then!

The story of Marico can be traced to 1971, when Harsh Mariwala joined Bombay Oil as a 20-year-old commerce graduate, a third-generation addition to the family business. The company was purely family run where everything was managed by the Mariwalas: Harsh's father, three uncles, four cousins and Harsh. There were no professionals in what was then a B2B company with roots in the spice trade. Appointment letters or staff policies were non-existent. Harsh spent the next 15 years creating and popularizing consumer brands for the company's key commodity of coconut and edible oils. By the mid-1980s, the consumer product branch was contributing 80% of Bombay Oil's turnover but to become truly big in the FMCG sector, it would have to become a separate, autonomous entity. It took 3 years before Harsh finally convinced his family to hive off the consumer products division of Bombay Oil before Marico as we know today was born.

Fun fact: *Marico was named after its founder Harsh Mariwala whose grandfather Vallabhdas Vasanji-came to be known as Mariwala for his expertise in pepper (mari) trading.*

Marico Now!

Marico Ltd is one of India's leading consumer products companies operating in the beauty and wellness space. Currently present in 25 countries across emerging markets of Asia and Africa, Marico has nurtured multiple brands in categories of hair care, skin care, edible oils, health foods, male grooming and fabric care. Marico's India business markets household brands such as Parachute, Parachute advanced, Saffola, Hair & care, Nihar, Nihar naturals, Livon, Set wet, Mediker and Revive among others that add value to the life of 1 in every 3 Indians. The international business offers unique brands such as Parachute, Haircode, Fiancee, Caivil, Hercules, Black chic, Isoplus, Code 10, Ingwe, X-Men and Thuan Phat that are localized to fulfil the lifestyle needs of its international consumers.

Innovation and Marico!

The FMCG industry is no stranger to innovation and why should it be? After all it is one of the most competitive market segments in India. Marico, through its history, has been a leader in innovation. Marico has ingeniously created a brand for itself in a commodity product like coconut oil. Today its parachute hair oil is so well recognized by every Indian that it would be hard to imagine buying coconut hair oil if it were not sold to you in the iconic blue Parachute bottle (that you just thought about). The company also made great strides in its cooking oil segment (Saffola) by bringing heart-care at the center of the consumers cooking oil purchase decision.

Eg.1: Consult with the experts: Early Innovations included hiring of consultants (notably Clarion, the agency to run the Parachute advertising campaign, IIM-A professor Labdhi Bhandari for marketing advice and Homi Mulla, HR head at Monsanto for hiring early decisions) to improve business performance when it was fashionable for promoter run companies to seek advice/guidance and look for talent exclusively from the existing family members.

Eg.2: Oh Rats!: Plastic bottles had a better aesthetic appeal and were a much lighter packaging alternative to sell coconut hair oil products. However not everyone may know that Rats loved coconut oil and plastic bottles is like an invitation to feast for these animals-which leads to huge amount of damage, hygiene issues and unwillingness to hold inventory. Harsh Mariwala hired RV Bindumadhavan, a professional working at Ranbaxy and a plastics expert to overcome this problem and that he did. It turns out that although rats could easily bite through square shaped low quality plastic bottles their teeth were no match against higher quality circular plastic bottles due to their shape. The iconic consumer friendly packaging and look helped the oil stand out.

Fun fact: *Marico was one of the first few FMCG companies to reward dealers with foreign vacations on meeting high sales targets.*

Eg.3: Marcio vs HUL: In those days (1990's) HUL was a huge FMCG giant (still is) while Marico was a successful but small company. When HUL acquired Tata oil mills in 1993 it came into ownership Nihar natural's hair oil, a direct competitor of Marico. After Marico's refusal to accept a takeover offer from then HUL chairman Keki Dadiseth, a huge brand war began. Marico took a variety of steps to protect its market share including widening distribution, improvement in packaging and acquisition of a smaller hair oil company to compete with HUL on the lower price point products. It was not until 2005 that HUL finally bowed out and not surprisingly Nihar was sold to the last man standing. (Sold to Marico for Rs 2.2bn giving it 80% market share in the perfumed oils category).In our next section we go on to explore how the industry is changing and what might be the disruptions that Marico faces.

What's next? The long & short…

Long term: Vectors of growth according to the company

1. **Premiumisation in hair nourishment**- Value added hair oil (VAHO), Creme oil; True roots are some key areas of focus.
2. **Male Grooming-** Drive penetration and participation in broader range of products
3. **Foods-**Post Masala oats success, Marico has gone into a number of food items
4. **Kaya Youth-** Leveraging the Kaya brand in Mumbai and through ecommerce to make products from Kaya in an affordable and targeted way towards a slightly younger audience.

"If our aspiration is to grow 13% to 15% top line over the next four-five years, our core business can deliver a 10% growth.

Therefore, the new set of businesses has to grow every year at around 15% to 20% plus for the growth aspiration to be reached over next four to five years."

-Saugata Gupta

MD & CEO, Marico (Pre-covid interview)

Short term: Challenges on slowdown will be assisted by (these points might now evolve/change post Covid 19 pandemic)

- Continued benign raw material environment over the next 12-15 months (Copra accounts for 40-50% of material costs.
- Healthier domestic volume growth outlook in key segments; and with it the international business (unlike other FMCG peers) continuing healthy momentum.
- Noteworthy traction witnessed on new product development.

Potential disruptors: Growth is key

1. Black swan events every decade seem to be a norm now

- In the wake of the Covid-19 pandemic, disruptions on account of force majeure, epidemic/pandemic, natural disasters have come to the forefront. In 2017 demonetization was a "Black swan" before that the financial crisis of 2008 was considered to be one as well. These occurrences have only become more frequent over history. This has also made us think further on these lines and led us to believe disruptions of the future can arise not only from the above but also from major political instability in the country; periods of hyperinflation or times when banking operations can be suspended due to any reason. Businesses need to be built not only to grow but also to withstand pain when it comes. Companies like Marico are well prepared to weather these periods of pain and come out on top.

2. Hair Oil segment: Hair oil may fade but not hair nourishment!

- **Hair oil as a segment may recede** over the next decade as the younger customers no longer use hair oil and older customers use it less. This will be one of the single biggest disruptors for hair oil companies. Successful extensions to the dominating brands and their categories ensure companies stay ahead of the curve here. (Ref Exhibit 1,2 & 3)
- **Shorter term focus will be:** Companies have come up with extensions to their strong brands in this space riding on popularity of dominant brands and popular trends for instance Marico launched Parachute jasmine/aloe vera/hot oil and more as an extension to the traditionally strong parachute.
- **Longer term focus will be:** Companies will move towards hair care extensions which is a growing market as opposed to hair oil (stagnating). This includes all sorts of products including Hair serum, pre wash nourisher, shampoo, skin care and the like. In the past Marico has remained relevant as it has continuously been able to think ahead of its peers in its dominant categories. The company continues to focus on innovation and the future and this is evident from its entry into hair tonics (True roots), Shampoo (Parachute creme), skin care products (Kaya youth) and male grooming products (brands like Beardo, X-men, Code 10)

Exhibit 1: All the large hair oil brands are looking to move beyond traditional hair oil segment- Marico is investing in brand development and acquisitions to grow

Company	Traditionally strong in	Some Oil Extensions	Some Hair care Extensions
Marico	Parachute	Parachute jasmine/aloe Vera/hot oil	Set Wet/Anti hair fall/ Livon /Men's grooming products
Bajaj Corp	Almond oil	Brahmi Amla	Kailash Parbat Hair oil
Dabur	Dabur Amla	Vatika	Amla Shampoo
Emami	Emami Navratna	Navratna cool	Kesh King

Source: Ambit Asset Management

Exhibit 2: Marico is engaging not only in brand extensions…

Source: Ambit Asset Management

Exhibit 3: …but also innovations through category extensions to stay ahead

Source: Ambit Asset Management

3. Edible Oil segment-What after Saffola?

Cooking oil is a tricky business the key factors for growth have been Taste, Quality, Health and value for money traditionally. While Saffola has been a hugely popular brand in the Marico stable, it did so by initially differentiating itself as a healthy choice for Indian consumer's at least a decade before anyone else did. This got a good response from customers especially in a country like India where diseases like diabetes and hypertension are quite common.

- As a logical next step, edible oil players all made extensions to their dominant brands be it where Fortune launched extensions Like Groundnut/Rice bran or Saffola launched Aura/Gold and others.
- However leading players differ in the edible category extensions that they have opted for while Fortune has Basmati rice, Saffola has oats (& newer food launchs) and Agrotech has Act 2 popcorn/peanut butter. (Ref Exhibit 4 & 5)
- Mario's position in the edible oil segment has not stopped it from growing on its success through band extensions and product extensions. How these moves will play out for the company, only time will tell. What we can say presently is that the ability: (1) To innovate and grow (2) To admit mistakes and course correct and (3) To withstand competition (specially from Adani's Fortune-which has been a formidable competitor in oils) is what gives us comfort on Marico's long term prospects. Needless to say there exist short term challenges that need to be overcome.

Exhibit 4: All the large edible oil brands are moving beyond traditional segment- Marico is investing in new categories in F&B with its flagship edible brand Saffola

Company	Traditionally strong in	Some oil extensions	Some food extensions
Marico	Saffola	Saffola Aura/Gold	Saffola Oats
Adani	Fortune	Fortune Rice bran/ Groundnut/ Soya	Fortune Basmati Rice
Agro Tech Foods	Sundrop	Sundrop Heart	Peanut Butter, Act II Pop corn

Source: Ambit Asset Management

Exhibit 5: Some of the well renowned brands in this category are Fortune, Saffola and Sundrop (From L to R)

Source: Ambit Asset Management

4. Marico: Beyond Urban + Beyond India + Beyond Oils

While we talked about some of the changes in the edible and hair oil categories in the previous sections for the industry participants including Marico, avenues for growth go beyond these categories and Marcio recognizes this well. Strategy to focus on bottom of the pyramid as well as premiumisation is expected to pay off as per the Marico management. Any misstep or large miss can be a big disruptor.

- **Geographical Reach>India urban, India rural and International:** Reach at Marico can be broadly classified into India urban, India rural and International. While Marico continues to focus on urban customers, the company has improved its focus on rural and has also added presence in various geographies over the last few years. Rural share now contributes to 32% of the overall India revenue from 26% in FY10. (Ref Exhibit 6) and is expected to continue to rise. On the other hand on achieving dominance in India Marico has ventured out of the country to tap a number of target markets and has continued to diversify in the global arena through a number of acquisitions in different countries. (Ref Exhibit 7 and 16)

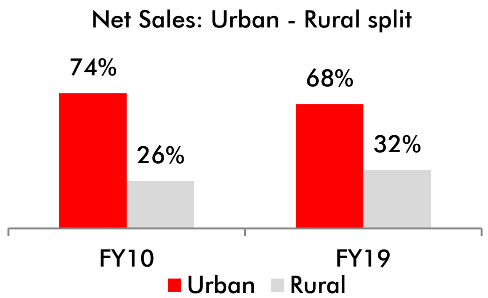
Case>Going the Bangla way: Marico Bangladesh was the first subsidiary of Marico Ltd and still is the most profitable international business for Marico Ltd. Bangladesh is similar to India and Marico viewed this as a 'right to win' market for its products. Today the company boasts 24 brands in personal care and food categories and touches the lives of 1 out of 2 Bangladeshis. Marico is the market leader in Bangladesh in many of the categories it operates in especially edible oil and coconut oils. Marico Bangladesh has a reported RoCE% of upto 200% while Marico India business reports RoCE% of 41.1% in contrast.

- **Future is Foods?** Although healthy foods category still makes up only 2% of the Consolidated Revenue for the firm with brands like Saffola plain and masala oats, the company is launching multiple new products under Saffola Fittify and coco soul (Ref Exhibit 8) in the hope to tap into preferences of younger consumers over the coming years.
- **Future is Men?** Marico was an early identifier of the Men's grooming segment and has been investing in the growth of this segment through acquisitions across Men's brands like Code 10, Set wet, Zatak, Eclipse, Beardo. Some of its identified peers have also been entering this segment aggressively. (Ref Exhibit 9 & 10)
- **Future is Skin & beauty care?** Marico entered into a licensing arrangement with grooming chain Kaya to launch a new range of skin-care products under the eponymous brand about five years after it was demerged. Marico will create and sell a new sub-brand - Kaya Youth, and pay royalty to the skin and wellness chain. The company will look to target mass premium segment to allow a wider distribution. (Ref Exhibit 11, Read more at: source)

"Marico has adopted the prototyping approach for product introductions which helps maintain healthy pipeline while limiting downside risks."

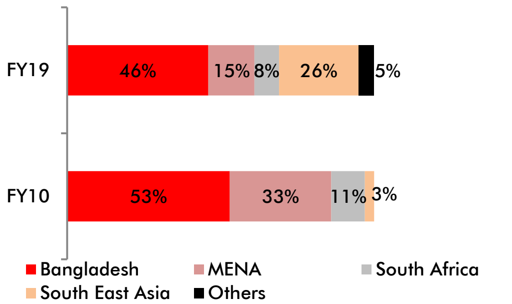
- 2010 Marico Annual report

Exhibit 6: As India prospers its Rural population will be a larger portion of Marico's growth strategy…



Source: Ambit Asset Management

Exhibit 7: …While 22% of Revenue is international business-within this segment new countries/markets are constantly being added



Source: Ambit Asset Management

Exhibit 8: Premium products are being launched to target health/taste conscious customers in the food category

Source: Ambit Asset Management

Exhibit 9: Marico was an early identifier vs competition of the importance of new age men's segments over the long term

Year	Company	Action	Brands/Products
2017	Marico Ltd	Acquired a 45% stake in Beardo	Growth oil, wax and shampoo for beard, wax and serum for hair; lotion, soap, and face wash for skin
2018	Colgate-Palmolive	Buys stake in Bombay Shaving Company	Shaving products, Razors, Scrubs
2018	Emami Ltd	30% stake in The Man Company	Beard oil, shaving gel, shampoo, body wash

Source: Ambit Asset Management, Bombay shaving company, The Man Company

Exhibit 10: Marico has launched a number of new age men's products across geographies

Source: Ambit Asset Management

Exhibit 11: Marico has also partnered with kaya youth to tap into the beauty and skin trend amongst youngsters

Source: Ambit Asset Management

5. **Capitalising on waves when they come: Like Health & Herbal, any big miss can lead to irreversible setback vs peers**

Over the last few years herbal and Ayurveda have driven a number of purchase decisions of Indian consumers and a lot of credit for bringing about this focus on the category goes to Patanjali's huge success in scaling up against well established and deeply entrenched global FMCG companies. Similarly healthy living and fitness have become important aspects of purchase decisions when it comes to lifestyle (athleisure) as well as fitness (exercise and diet) across the world and is picking up pace in India too. A number of brand campaigns/adds and product launches have gone to showcase FMCG companies focus on these aspects. (Ref Exhibit 12 & 13)

- **Instances of Marico in the Herbal space:** Herbal launches by Marico are not only limited to extensions of Parachute such as Aloe Vera enriched oil but also includes the entire range of Nihar natural oils which was bought by Marico in 2005.(Ref Exhibit 15)
- **Instances of Marico entering the Healthy space:** While the Saffola brand was well known for its heart and health campaign, over the last few years, competition in this category has been fierce. Saffola has moved to launch a number of food items a lot of which have a healthy twist to them -like oats, soup, protein, shakes and healthy beverages. (Ref Exhibit 8 & 14)

Exhibit 12: Health has been at the centre of many companies marketing campaigns (pictured L to R: Adds from Nestle, Britannia and Marico)…

Source: Ambit Asset Management

Exhibit 13: …and it's no different in the Herbal space with companies like Patanjali, HUL, Vicco and many more riding this trend evidently with their adds

Source: Ambit Asset Management

Exhibit 14: Healthy products across brands (L to R: Britannia, Agrotech foods, Marico, Ritebite) have become a focus for FMCG companies, Marico not shying away either…

Source: Ambit Asset Management

Exhibit 15: …Similarly Herbal products across brands (L to R: HUL, Marico, Himalaya, Patanjali and HUL again) have gained attention, Marico is represented here chiefly through the Nihar naturals brand

Source: Ambit Asset Management

6. Inorganic route:

Huge risk of disruption can come about from acquisitions gone wrong, especially given Marico's track record of frequent acquisitions. So far Marico has been careful!

(a) Not make acquisitions which are "too big to fail": Marico has made multiple acquisitions (Ref to Exhibit 16) over the years, many have been of a smaller size vs the overall balance sheet strength of the company. However some have been larger than others for instace in 2012 the company acquired Paras (Set wet, Zatak and Livon) from Reckitt Benckiser at an unconfirmed price between Rs 4-6bn according media articles. By 2018 however the company had to make a provision of Rs 1.04bn for the acquisition of a "youth portfolio" business acquired by it in 2012. This seems to indicate that the company might have overpaid for this business. Future risks include large acquisitions going bad.

"It has been a decade and Kaya did look at expanding operations but it did not meet our expectations.

We would be partitioning the balance sheet of the two companies within the group and there will be no cross-holding between them."

- Milind Sarwate, Ex-Group CFO, Marico

(b) Going slow on acquisition when RoCE% dropped: Another similar instance of its RoCE% focus was seen when the company slowed down on its regular acquisition plans as these were the root cause of RoCE% dilution from 33%(FY09) to 17% (FY13). It was only after a 2 year gap and rebound in RoCE% to 28% that acquisitions resumed at Marico. RoCE% in FY19 was 31%.

Exhibit 16: Acquisitions have been of relatively smaller size so the company has been fine so far to absorb "too big to fail" risk.

Year	Company acquired	Category	Brands/Products
1999	Mediker	Anti-lice products	Mediker Anti Lice treatment and Mediker Anti Lice Oil
2008	Acquired Black Chic, Hercules (Enali Pharma)	After care maintenance	Black Chic, Hercules
2009	Hair code (Egypt)	Hair care	Gels, Creams and cream-gels
2010	Code 10 from Colgate Palmolive	Hair care	Code 10 (Malaysia)
2011	X-men	Male grooming brand	Perfumed Shampoo, Anti-Dandruff Shampoo, Shower Gel, Deodorant
2012	Acquired Paras from Reckitt Benckiser	Personal care	Set wet, Livon, Zatak, Eclipse, Recova, Dr Lips
2013	Nihar	Hair oil	Nihar Naturals
2016	Fiancee (Egypt)	Hair care	Hair cream and gels
2017	Isoplus (SA)	Ethnic hair care	Oil sheens and gels
2017	Zed Lifestyle	Male grooming brand	Beardo- oil, wax and balm
2018	Revolutionary Fitness	Fitness App	Revofit

Source: Ambit Asset Management

7. Encouraging innovation and response to adversity

Companies which focus on innovation while remaining RoCE% centric and nimble to course correct are said to be one step away from success.

Divesting low margin business: In the 1980's Marico launched Sweekar, sighting increasing demand for sunflower oil. In the 1990's it also served as a placeholder for the Marico brand as Saffola went through some troubles of its own related to supply of Safflower due to crop failures. Marico also went on to extend its Sweekar oil brand in 1997 by launch of Sweekar cotton seed oil and Sweekar mustard oil and simultaneously set up a factory near Jalgaon to process cotton seeds and another factory near Jaipur for the mustard oil. However once Saffola issues were resolved, focus on Sweekar was reduced as this was lower margin. Subsequently Sweekar was sold to Cargill India in 2011 as part of Marico strategy to focus on higher margins and stronger brands.

Divesting Kaya into separate listed company: Although the company had earlier launched Kaya in 2002 to enter the exciting space of beauty and skin care, when the plans to scale up and become profitable did not pan out in the expected time frame the company divested its Kaya business into a separate listed entity in September 2013.

Kalpavriksha program creates loyal suppliers: Kicked off on September 2, 2017 with 125 farmers and a team of six agronomists, the Kalpavrikshsa program has benefitted thousands of farmers across villages. The company has focused on traditional coconut producing States such as Kerala and Tamil Nadu by imparting pest-control practices and nutrient management techniques. Although Marico officials neither charge for the recommendation nor seek an assurance (from the farmers enrolled with the company) for buy-back of the nuts we suspect it creates a pretty loyal supplier base for the company. (Ref to Exhibit 18)

"The focus is on increasing the yield and boosting the coconut farmer's income. Farmers have experienced an 18% rise in productivity in the initial phase.

-Udayraj Prabhu, EVP and Head – Procurement, Marico (2017)

Exhibit 17: Sweekar which was a sunflower oil play, was later divested as it had lower margins, kaya was divested to help refocus on FMCG business

Source: Ambit Asset Management

Exhibit 18: Innovation is key and initiatives such as Kalpavriksha and Marico innovation foundation give the company an edge in the long run

Source: Ambit Asset Management

8. Technology is a constant disruptor

Technology is key to win in the FMCG space. Don't believe us? Look at some instances how this has shaped strategy and led to success for companies:

P&G: set up a dynamic delivery tool to optimize its market delivery system. This has reduced delivery time by up to 20%, cutting down on both costs and carbon footprint.

Dabur: The Company is implementing a new system of end-to-end automation, which will bring the entire chain — from procurement to distribution — on the same platform. Dabur has expanded its reach to 51,000 villages, from 34,000 villages at the start of the year, aided by the new system it is implementing.

ITC: ITC has the unique advantage of leveraging the expertise that lies in its information technology arm - ITC Infotech - to develop solutions that strengthen supply chain capabilities, including the agricultural backend.

Similarly Marico: introduced a new route optimisation system which geo-tagged the routes taken by its salesmen. Since then, the company increased its direct distribution reach by 20%, but with the same number of salespeople. Another initiative-to reduce the number of intermediate points in the distribution channel-has cut down transit time by 30%, said chief operating officer Sanjay Mishra.

"Anything to do with the online medium will be significant in the post Covid world. Whether it is e-learning, online shopping, digital payments or even virtual events and launches. At Marico, we will accelerate the work we are doing in the digital space and encash opportunities that come up in the area."

- Harsh Mariwala (Post covid interview)

Exhibit 19: Marico uses technology to stay ahead, some recent initiatives include…

Particulars	Overview
DOME	▪ Marico uses a distributor training module called Distributor Operations Management & Excellence (DOME).Tracking the channel partner's health using predictive analytics.
Rural footprint expansion	▪ The company uses Geo-clustering of villages to reach and service rural markets to stay updated. ▪ Driving cost-to-serve efficiency- Optimizing the travel routes and calibrate resources to service high business potential routes on a continuous basis.
Friday Learning	▪ Marcio stays ahead by providing regular training inputs to its huge field force. ▪ Through this approach in the last two years, over 10 years' worth of training man hours have been delivered through this digital medium.
Manufacturing information and intelligence	▪ Integrated with the IoT* sensors in production and non-production processes was implemented in two of our units. ▪ It has resulted in significant visibility with real-time event monitoring through descriptive analytics dashboards.
Post Covid	▪ Greater thrust on digital and online mediums will come to the forefront. How it pans out will be something we would need to wait and watch.

*Source: Ambit Asset Management, Note: *Internet of Things- Transmission of data over a network without human intervention through multiple computing devices.*

9. **Distribution- Modern trade, Distributor turnover**
   Modern trade and e-commerce continued to gain ground speedily, contributing 13% and 4% of annual India turnover.

a. **Modern trade:** As the economy prospers modern trade would increasingly become a higher share of the overall revenues for a company like Marico. Given the limited number of large relevant players in this space there can be a shift of bargaining powers from large FMCG companies like Marico to the end organized retail outlet. Avoiding over concentration with just one retail chain would be important.

b. **Existing Distributor disruption:** The large FMCG companies have huge competitive advantage through distributors spread across the country. This is one of the protective moats keeping new entrants at bay. In order to stay ahead of the competition, companies like Marico are preparing themselves for disruption coming from change (in preference of channel/alternative career options for younger distributors and increased presence of e-commerce and modern retail). One such step being considered is outsourcing of distribution and logistics to companies such as Lean box and Delhivery to avail lower inventory costs, scale benefits for these players and better ability to hire and train. These models are being tried in test markets before scaling. ***The 2 key problems the FMCG industry faces today in this area are:***

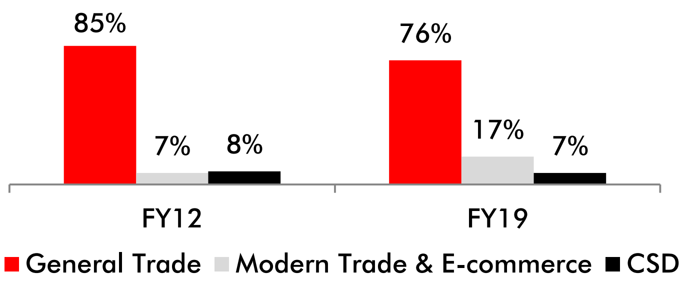
i. 15-20% turnover of distributors industry wide and higher competition between different distributorships opportunities as the economic environment has worsened over the last few years

ii. Stickiness of a lot of the distributorships are based on loyal association and relationship over many years. However as the younger generation (children of present distributors) enter into business, they find that this is not a business they would like to do or that the competing opportunities to make similar returns are many more.

Exhibit 20: Use of automation is going to be key…

Source: Ambit Asset Management

Exhibit 21: …similarly ecommerce sales, modern trade, digital channels, e-grocery will be key areas of growth (especially in a post Covid world!)



Source: Ambit Asset Management, Marico FY19 Annual Report, Channel Split: Modern Trade (includes E-Commerce) has outpaced the other channels. E-Commerce, currently at ~4%, is expected to be at least 5% of the India Business by FY20

At Ambit we believe in wealth creation by long term equity investment and through the power of compounding. We constantly try and stay ahead of the curve on what may possibly impede the growth our portfolio companies. While Marico has been a leader in Indian FMCG, we do a long term scenario analysis on what could be the possible disruptions to the company and the industry. In our view: (1) Ability to move beyond being a traditional oil company (2) Enter into new and promising categories for future growth and (3) Execute in a calibrated yet fierce manner are things to watch out for in the case of Marico over the decade to come.

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