DIRECTORS’ REPORT

To the Members

Your Board of Directors (‘Board’) is pleased to present the Nineteenth Annual Report of your Company, Marico Limited, for the year ended March 31, 2007 (‘the year under review’, ‘the year’ or ‘FY07’).

In line with the provisions of Clause 49 of the Listing Agreement with the Bombay Stock Exchange and the National Stock Exchange, your Company has been reporting consolidated results – taking into account the results of its subsidiaries. This discussion therefore covers the financial results and other developments during April 06 – March 07 in respect of Marico Consolidated comprising–

**Consumer Products** [Marico Limited together with its subsidiaries – Marico Bangladesh Limited (MBL), MBL Industries Limited (MBLIL), Marico Middle East, FZE (MME) and MEL Consumer Care, SAEMEL] **Skin Care/Hair Care Services** [Kaya Skin Care Limited (KSCL), Kaya Middle East, FZE (KME), Pyramids for Modern Industries (PMI)] **Global Ayurvedic Spa Products** [its joint venture, Sundari LLC (Sundari)]. The consolidated entity has been, in this discussion, referred to as ‘Marico’ or ‘Group’ or ‘Your Group’.

**FINANCIAL RESULTS - AN OVERVIEW**

<table>
<thead>
<tr>
<th></th>
<th>Rs. Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year ended March 31,</td>
</tr>
<tr>
<td></td>
<td>2007</td>
</tr>
<tr>
<td><strong>Consolidated Summary Financials for the Group</strong></td>
<td></td>
</tr>
<tr>
<td>Sales and Services</td>
<td>1556.9</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>150.1</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>112.9</td>
</tr>
<tr>
<td><strong>Summary Financials for the Consumer Products Business</strong></td>
<td></td>
</tr>
<tr>
<td>Sales and Services</td>
<td>1473.9</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>163.1</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>126.4</td>
</tr>
<tr>
<td><strong>Marico Limited Financials</strong></td>
<td></td>
</tr>
<tr>
<td>Sales and Services</td>
<td>1371.7</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>150.8</td>
</tr>
<tr>
<td>Less: Provision for Tax for the current year</td>
<td>16.6</td>
</tr>
<tr>
<td><strong>Profit after Tax for the current year</strong></td>
<td>134.2</td>
</tr>
<tr>
<td>Less: Provision for Deferred Tax Liability / (Deferred Tax Asset)</td>
<td>15.8</td>
</tr>
<tr>
<td>Less: Excess income tax provision of earlier years written back</td>
<td>6.2</td>
</tr>
<tr>
<td>Less: Fringe Benefit Tax</td>
<td>3.0</td>
</tr>
<tr>
<td>Less: Minimum Alternative Tax (MAT) Credit</td>
<td>(6.9)</td>
</tr>
<tr>
<td><strong>Profit after Tax</strong></td>
<td>116.1</td>
</tr>
<tr>
<td>Add: Surplus brought forward</td>
<td>191.4</td>
</tr>
<tr>
<td><strong>Profit available for Appropriation</strong></td>
<td>307.5</td>
</tr>
<tr>
<td><strong>Appropriations:</strong></td>
<td></td>
</tr>
<tr>
<td>Distribution to shareholders</td>
<td>40.7</td>
</tr>
<tr>
<td>Tax on dividend</td>
<td>5.7</td>
</tr>
<tr>
<td><strong>Transfer to Capital Redemption Reserve</strong></td>
<td>46.4</td>
</tr>
<tr>
<td><strong>Transfer to General Reserve</strong></td>
<td>180.0</td>
</tr>
<tr>
<td><strong>Surplus carried forward</strong></td>
<td>11.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>307.5</td>
</tr>
</tbody>
</table>
DIRECTORS’ REPORT

DISTRIBUTION TO EQUITY SHAREHOLDERS

Your Company’s Distribution policy has aimed at sharing your Company’s prosperity with its shareholders, through a formal earmarking / disbursement of profits to shareholders. It has so far been characterized by the following:

- Dividend increasing from year to year.
- Relentlessly regular dividend – a payout for every quarter reflecting the confidence to sustain continuous dividend.

Your Company’s distribution to equity shareholders during FY 07 comprised the following:

- First interim dividend of 13.5 % on the equity base of Rs. 58 crore comprising 5.80 crore equity shares of the face value of Rs. 10 each
- Second interim dividend of 15% on the equity base of Rs. 58 crore comprising 5.80 crore equity shares of the face value of Rs. 10 each
- Third interim dividend of 17 % on the equity base of Rs. 60.90 crore comprising 6.09 crore equity shares of the face value of Rs. 10 each
- Fourth interim dividend of 20% on the equity base of Rs. 60.90 crore comprising 6.09 crore equity shares of the value of Re. 1 each

The total equity dividend payout for FY07 (including dividend tax) was Rs. 44.5 crore (about 39.4% of the group PAT).

Your Company has now declared dividends every quarter for the past 25 consecutive quarters.

Your Company intends to continue with its policy of declaring multiple dividends every year, subject, of course, to financial requirements of its business, as it brings regular cash flows to the hands of its shareholders.

During 2005-06, Marico acquired 4 brands, 2 in India (Nihar and Manjal) and 2 in Bangladesh (Camelia and Aromatic). During 2006-07, Marico concluded two more acquisitions in Egypt (those of Fiancée and HairCode). The cumulative acquisition cost aggregated to about Rs. 495 crore. These acquisitions have been funded partly by internal cash generations, partly by the QIP issue of Rs. 151.4 crore and partly by borrowed funds.

As part of its growth agenda, Marico would continue to explore new acquisition opportunities. These would call for additional funding.

Given Marico’s appetite for funds and the need to keep the capital-gearing ratio at reasonable levels, it is necessary to conserve its financial resources and deploy the operating profits back in business. The Company thus intends to be more conservative in the quantum of dividend payout in the near future. With a healthy Return on Net Worth in excess of 30%, the surplus deployed back in business would generate returns in excess of the opportunities that may otherwise be available to shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

An Annexure to this Report contains a detailed Management Discussion and Analysis, which, inter alia, covers the following:

- Industry structure and development
- Opportunities and Threats
- Risks and Concerns
- Internal control systems and their adequacy
- Discussion on financial and operational performance
- Segment-wise performance
- Outlook

In addition, a Review of Operations of your Company has been given in this report.
DIRECTORS’ REPORT

REVIEW OF OPERATIONS

The cornerstone of Marico’s growth endeavor has been a focus on sustainable profitable growth through:

- strengthening its consumer products business across established and new products and expanding geographies and
- nurturing and growing its new skin care solutions businesses,

while maintaining its consistency in financial results.

The objective of sustainable & profitable growth is being driven through focus on the following enablers:

Domestic Consumer Products Business

- Expanding the market size for dominant brands such as Parachute, Saffola, Mediker and Revive
- Increasing market share in categories where we face significant competition such as in Hair Oils
- Prototyping and rolling out new products in existing and new segments continuously

International Consumer Products Business

- Expanding the market size for dominant brands such as Parachute in Bangladesh
- Increasing market share in categories where we face significant competition such as in Parachute hair creams in the Middle East
- Expanding operations beyond the Middle East and Bangladesh

Skin Care Business

Building critical mass in Kaya and Sundari

Inorganic Growth

To supplement its organic growth, the Company has been exploring acquisition opportunities with a strategic fit in the Beauty and Wellness space.

During FY07, Marico completed the acquisitions of two Egyptian brands. Fiancée and HairCode are two leading brands in the Rs. 170 crore pre and post-wash hair care segment in Egypt. With these two brands Marico commands over 50% market share.

The entry into Egypt with its growing economy and buoyant hair care market represents a significant opportunity. The diversity which Fiancée and HairCode bring to Marico’s portfolio would help the Company moderate the share of its flagships in both turnover and profits. The full impact of these acquisitions will get reflected in the Company’s performance in FY08.

Domestic FMCG Business

In the Domestic market, the flagship brand, Parachute Coconut Oil achieved another year of double-digit volume growth. Volume sales of Parachute in rigid packs grew by 12% over FY06. The focus segment of the hair-care range (Parachute Jasmine, Shanti Amla Badam and Hair & Care being the key elements) grew by 21% in volume (excluding Nihar). In the Premium Refined Oils market, Saffola, the Company’s second flagship, grew its franchise by 18% in volumes. Continued brand-building efforts in its flagship brands as well as nurturing of new products are expected to help Marico continue on a growth path.

International FMCG Business

During FY07 Marico’s International FMCG business, excluding operations in Egypt, clocked a growth of 41% over FY06 with a turnover of Rs. 164.8 crore for the year. In addition, the Company commenced marketing and distribution of Fiancée and HairCode, the Egypt based post wash hair care brands, which it had acquired during the year. Operations in Egypt contributed to an additional Rs. 28.3 crore of turnover during the year, making the total growth over FY06 in International business 65%.

Kaya Skin Clinic

During FY07, Kaya, Marico’s skin solution business recorded a turnover of Rs. 74.7 crore, a growth of 57% over FY06. The Kaya Skin Care business in India has broken even during the year FY07 with a PBT of Rs. 0.04 crore.
DIRECTORS’ REPORT

Kaya Skin Clinic now reaches its customers through 43 clinics in India and 5 in the Middle East. The Kaya consumer base has increased to over 200,000. In order to drive increased footfalls to its clinics, Kaya commenced the use of television advertising in September 2006. The campaign promises radiant flawless skin as opposed to a solution to a problem, thus attempting to broaden Kaya’s audience appeal.

Sundari:

In the spa skin care products business, Sundari has been focussing on Tier 1 spas in the United States and Asia Pacific countries. This model has been yielding positive results. The brand now has a presence in a number of trophy accounts. During FY07, Sundari sales increased by 31% over FY06 whilst the losses were lower than in the previous year by 26%. Sundari is expected to stabilize its operations in the foreseeable future and break even at the Profit Before Interest and Tax level in the coming two to three years.

OTHER CORPORATE DEVELOPMENTS

Placement of Equity Shares of the Company with Qualified Institutional Buyers

Marico completed a private placement of shares under SEBI (Securities Exchange Board of India) QIP (Qualified Institutional Placement) Guidelines, during the first week of December 2006. The Company allotted 29 lakh Equity Shares of Rs. 10/- (Rupees Ten) each at the Issue Price of Rs. 522/- (Rupees Five Hundred Twenty Two), a slight premium to Rs. 518/- (Rupees Five Hundred and Eighteen), the floor price as determined by the formula prescribed by SEBI, on December 06, 2006 to various Qualified Institutional Buyers (QIBs) pursuant to members’ approval at the Extra-Ordinary General Meeting of the Company held on November 24, 2006. This has increased the issued capital of the Company from Rs. 58.0 crore to Rs. 60.9 crore, an enhancement by 5%. In the immediate term, the money raised has been used to retire some of the short-term debt on the Company’s books. This is in line with the issue purpose mentioned in the Placement Document filed with various authorities.

Private placement of Redeemable Preference Shares of the Company

The Company has increasingly moved to a philosophy of creating a war chest for meeting major expenditure which may arise on account of needs such as acquisition opportunities which come up without any notice. In line with this, the Company recently made certain issues of Preference Capital.

In November 2006, the Company issued 15 crore 9.75% Preference Shares of Rs. 10/- (Rupees Ten) each amounting to Rs. 150 crore on a private placement basis to Kotak Mahindra Prime Limited (Kotak). The Preference Shares were redeemed at the end of November & December, 2006, along with pro-rata dividend as per terms of the Share Subscription Agreement between the Company and Kotak.

In January 2007, the Company issued 3 crore 9.95% Preference Shares of Rs. 10/- (Rupees Ten) each amounting to Rs. 30 crore on a private placement basis to Kotak. These preference shares were redeemed in February, 2007 along with pro-rata dividend as per terms of the Share Subscription Agreement between the Company and Kotak.

The total Preference dividend payout for FY07 (including dividend tax) was Rs. 1.88 crore.

Sub-division in face value of Equity Shares of the Company

At the Extra-ordinary General Meeting held on February 08, 2007, shareholders of the Company approved a sub-division of the Company’s equity shares to 10 shares of a face value of Re. 1 for every share of a face value of Rs. 10. It is expected that the lower face value of Equity Shares will bring in additional interest from retail investors and contribute towards enhancement in the liquidity in the Marico scrip on the Stock Exchanges.

Financial Restructuring

As part of its strategy to deliver sustainable profitable growth your Company has acquired intangible assets such as trademarks, copyrights, business commercial rights and technical know-how in relation to various brands. Your Company undertook a financial restructuring to adjust the balance in the intangible asset accounts of the Company against certain special reserves so that the apparent net worth and apparent book value is brought down without affecting the tangible net worth and tangible book value of the Company’s shares.
DIRECTORS’ REPORT

The benefits sought through the restructuring are the following:

a) Streamlining of the financial structure through elimination of intangible assets except to the extent of the balance relevant for deferred tax.

b) A much leaner balance sheet, with consequent favorable impact on financials, especially on items and ratios relating to capital employed and post-depreciation returns.

c) Uniform treatment in the books of accounts and management accounts to all intangible assets whether home grown or acquired, through a practice of eliminating intangible assets as previously mentioned.

Resignation of Company Secretary and new Appointment

Mr. Milind Sarwate, Chief Financial Officer and Company Secretary resigned from the post of Company Secretary and Compliance Officer, with effect from the close of working hours on March 31, 2007 consequent to his moving to a new role in the Company as Chief – HR & Strategy.

Mr. Vinod Kaushal, Legal Manager of the Company, possessing the required qualification, was appointed as the Company Secretary and Compliance Officer of the Company with effect from April 01, 2007.

International Acquisitions

On October 01, 2006, Marico Middle East FZE incorporated MEL Consumer Care SAE as a wholly owned subsidiary in Egypt. Another entity by the name Pyramids for Modern Industries has been acquired as a subsidiary firm (99%) of MEL Consumer Care, SAE on December 19, 2006.

Application to the Central Government for exemption from including Balance Sheets of the subsidiary companies

Your Company had applied to the Central Government under Section 212(8) of the Companies Act, 1956, seeking an exemption from attaching copies of the Balance Sheet, Profit and Loss Account, Directors’ Report and Auditors’ Report of its subsidiary companies.

In terms of the approval granted by the Central Government vide order No. 47/41/2007-CL-III, copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies have not been attached with the Balance Sheet of the Company. However, the statement required under section 212 of the Companies Act, 1956 is attached. The Company will make these documents / details available upon request by any member of the Company interested in obtaining the same. The Consolidated Financial Statements pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, presented by the Company includes the financial information of its subsidiaries.

PUBLIC DEPOSITS

There were no outstanding Public Deposits at the end of this or the previous year. The Company did not accept any Public Deposits during the year.

DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 amended by the Companies (Amendment) Act, 2000, the Directors confirm that:

In preparation of the Annual Accounts of your Company, the Accounting Standards, laid down by the Institute of Chartered Accountants of India from time to time, have been followed.

Appropriate accounting policies have been selected and applied consistently, and reasonable and prudent judgement and estimates have been made so as to ensure that the accounts give a true and fair view of the state of affairs of your Company as at March 31, 2007 and the profits of your Company for the year ended March 31, 2007.

Proper and sufficient care has been taken for maintenance of appropriate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities.

The Annual Accounts have been prepared on a going concern basis.
The observations of the Auditors in their report to the Members have been adequately dealt with in the relevant notes to the accounts. Hence no additional explanation is considered necessary.

CORPORATE GOVERNANCE

A report on Corporate Governance has been provided as a separate part of this Report.

DIRECTORS

Directors retiring by rotation

Mr. Rajeev Bakshi and Mr. Rajen Mariwala, Directors of the Company, retire by rotation as per Section 256 of the Companies Act, 1956, and being eligible offer themselves for re-appointment.

Changes in the Board of Directors

At its meeting held on April 26, 2007, the Board of Directors appointed Mr. Anand Kripalu as an Additional Director on the Board of your Company. His appointment has brought in rich experience and expertise in the field of Sales, Marketing and Operations in the competitive FMCG Industry.

His term expires at the ensuing Annual General Meeting and being eligible he offers himself for appointment as Director liable to retire by rotation.

ADDITIONAL STATUTORY INFORMATION

Information under Section 217(1)(e) of the the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed and forms part of this Report. Information pursuant to Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, as amended by the Companies (Particulars of Employees) Amendment Rules, 1999 forms part of this Report. Although in accordance with the provisions of Section 219(1)(b)(iv) of the Act such information has been excluded from the Report and Accounts sent to the Members, any Member desirous of obtaining this information may write to the Company Secretary at the Registered Office of the Company.

AUDITORS

The existing Statutory Auditors, RSM & Co. have informed the Company that their professional services practice has merged with PriceWaterhouseCoopers (PWC) and hence, they would be unable to continue as Statutory Auditors of the Company for the financial year 2007-08. The Board of Directors at its meeting held on May 18, 2007, has subject to the approval of the Members at the ensuing Annual General Meeting (AGM), appointed Price Waterhouse, Chartered Accountants, as Statutory Auditors for the financial year 2007-08 to hold office from the close of the ensuing AGM till the conclusion of the next AGM.

Aneja Associates, a Chartered Accountant Firm, has been associated with your Company as its Internal Auditor. They have been partnering your Company in the area of risk management and internal control systems. Your Company has re-appointed Aneja Associates as its Internal Auditor for the year 2007-08.

ACKNOWLEDGEMENT

The Board takes this opportunity to thank all its employees for their dedicated service and firm commitment to the goals of the Company. The Board also wishes to place on record its sincere appreciation for the wholehearted support received from shareholders, distributors, bankers and all other business associates, and from the neighbourhood communities of the various Marico locations. We look forward to continued support of all these partners in progress.

On behalf of the Board of Directors

Place : Mumbai
Date : May 18, 2007

HARSH MARIWALA
Chairman and Managing Director
ANNEXURE TO THE DIRECTORS’ REPORT


A. Conservation of Energy

Marico continued to emphasize on the conservation and optimal utilisation of energy in every manufacturing unit of the Company. The energy conservation measures implemented during FY 07 are listed below:

- Use of Variable Frequency Drive (VFD) in Grinders and optimising load condition during usage at Pondicherry resulting in lower power consumption.
- Installation of Compact Fluorescent Lamps (CFL) instead of Mercury Vapour Lamps at Jalgaon to reduce power consumption.
- Providing cyclic timers to switch ON/OFF all streetlights and Shop Floor lights.
- Providing thermal insulation for boiler doors at Kanjikode to reduce radiation heat loss.
- Installation of high efficiency Pumps at Jalgaon to reduce power consumption.
- Elimination of running of HOT Pump by providing pipelines directly from Pressure Leaf Filter (PLF) at Pondicherry.
- Automation of SOT (Sieve Oil Tank) agitator and optimisation of the running conditions with reference to the level of SOT at Pondicherry.
- Modification of condensate return line to improve condensate recovery at Pondicherry resulting in reduced power consumption.
- Installation of capacitors at the Oil Mill at Kanjikode and at Goa to increase power factor.
- Management of better heat recovery in refinery at Jalgaon.

Marico continued its journey towards effective utilization of energy. Significant reduction in power consumption has been achieved and rationalisation efforts will continue.

The details of total energy consumption and energy consumption per unit of production are given in Enclosure ‘A’.

B. Technology Absorption

I. Research and Development (R&D)

1. Specific areas in which R & D was carried out by your Company:

R&D’s main thrust during the year was to strengthen its portfolio of products and also to look for new opportunities to satisfy the consumer needs more effectively. Numerous initiatives, which were earlier planned or initiated this year, progressed well to generate consumer appealing, functional products. Some of these initiatives were:

- Development of new products, line extensions and new processes based on consumer understanding to meet the unmet consumer needs
- Development of competencies in new areas like Soaps, Skin Care and Functional Foods
- Evaluation of natural herbs for proprietary, patentable hair & skin products, with sponsorship from Department of Science & Technology (DST)
- Development of new technology platforms to support the consumer needs more effectively
- Work on product and process patents
- Generation of consumer insights through rigorous and intense consumer interactions to make products more relevant and appropriate to consumers
ANNEXURE TO THE DIRECTORS’ REPORT

- Skill building towards evaluation of products for better success in the market
- Working with premier research institutions to stay in tune with the latest developments in research.

Marico has also invested in new infrastructure for evaluation of hair and skin towards providing better performance based products.

2. Benefits derived as the result of the above efforts:

- Various SKUs were developed under the various categories in which Marico operates
- A few domestic launches include:
  - Revive Liquid Stiffner
  - Parachute After Shower Wet Look Styling Gel
  - Parachute After Shower Extra Hold Styling Gel
- Numerous innovative packaging options to offer better shelf display value.
- Marico’s international business saw the launch of:
  - Go Hair Styling Gel
  - Parachute Intensive Care Oil
  - Parachute Anti-Chlorine Cream

Marico continues to identify new consumer needs and provides solutions to them through its R&D.

During the year Marico’s R&D has been granted Patents for the process for manufacturing of a substitute for common table salt and closure for container.

3. Future Plan of Action:

Marico’s R&D will work towards continuous innovation in process, product & packaging technology to offer value to consumers.

4. Expenditure on R & D:

<table>
<thead>
<tr>
<th></th>
<th>2006-07</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Capital</td>
<td>0.7</td>
<td>0.4</td>
</tr>
<tr>
<td>b) Recurring</td>
<td>3.7</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4.4</strong></td>
<td><strong>3.7</strong></td>
</tr>
<tr>
<td>c) Total R &amp; D expenditure as % to Sales &amp; Services</td>
<td>0.3</td>
<td>0.4</td>
</tr>
<tr>
<td>d) Total R &amp; D expenditure as % to PBT</td>
<td>2.9</td>
<td>3.4</td>
</tr>
</tbody>
</table>

II. Technology absorption, adaptation and innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation and benefits derived as a result of the same:

Various technologies were adopted in packaging towards providing better cost optimization and shelf appeal of the products. e.g.: Parachute After Shower Gel packs, Parachute Hair Perfect.

Innovations in the hair care segment have resulted in the launch of various styling gels.

Similarly, innovation in the fabric care category has resulted in the launch of Revive liquid fabric stiffner.
ANNEXURE TO THE DIRECTORS’ REPORT

2. Imported technology (imported during the last 5 years reckoned from the beginning of this financial year):
   Not Applicable

C. Foreign Exchange Earnings and Outgo:
   The details of total exchange used and earned are provided in Schedule ‘Q’ of Notes to the Accounts of Marico Limited.

On behalf of the Board of Directors

Place : Mumbai
Date : May 18, 2007

HARSH MARIWALA
Chairman and Managing Director

AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Marico Limited

We have examined the compliance of conditions of Corporate Governance by Marico Limited for the year ended on March 31, 2007 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders’ Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For RSM & Co.
Chartered Accountants

VILAS Y. RANE
Partner (F – 33220)
Place : Mumbai
Date : May 18, 2007
# ANNEXURE TO THE DIRECTORS’ REPORT

## ENCLOSURE ‘A’

### Power and Fuel Consumption

Note: The numbers given below relate to own manufacturing facilities of the Company.

1. **Electricity**
   - a. Purchased units (Kwh)  
     - Amount (Rs. Crore)  
     | 2007   | 2006   |
     |--------|--------|
     | 9,847,198 | 8,447,966 |
     | 3.70   | 3.03   |
   - b. Own Generation
     - i. Through Diesel Generator (Kwh)  
       - Amount (Rs. Crore)  
       - Average Rate (Rs. / Unit)  
       | 2007 | 2006 |
       |-------|-------|
       | 696,847.04 | 484,864.78 |
       | 0.88 | 0.47 |
       | 12.67 | 9.70 |
     - ii. Through Steam Generator (Kwh)  
       - Amount (Rs. Crore)  
       - Average Rate (Rs. / Unit)  
       | 2007 | 2006 |
       |-------|-------|
       | 36,239.00 | 15,291.00 |
       | –     | –     |
       | –     | –     |

2. **Coal**  
   - Quantity (MT)  
   - Amount (Rs. Crore)  
   - Average Rate (Rs. / Ton)  

3. **Furnace oil**  
   - Quantity (KL)  
   - Amount (Rs. Crore)  
   - Average Rate (Rs. / KL)  

4. **Other Internal Generation (excludes HSD used for electricity generation)**  
   - L.D.O / H.S.D.  
     - Quantity (KL)  
     - Amount (Rs. Crore)  
     - Average Rate (Rs. / KL)  

5. **Baggase Consumption**  
   - Quantity (MT)  
   - Amount (Rs. Crore)  
   - Average Rate (Rs. / MT)  

### Consumption per unit of production of edible oils

<table>
<thead>
<tr>
<th>Unit</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>120.74</td>
<td>118.73</td>
</tr>
<tr>
<td>Coal</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Furnace oil</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>L.D.O./H.S.D.</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Baggase</td>
<td>0.37</td>
<td>0.34</td>
</tr>
</tbody>
</table>

### Consumption per unit of production of processed foods

<table>
<thead>
<tr>
<th>Unit</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>108.96</td>
<td>104.41</td>
</tr>
<tr>
<td>Coal</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Furnace oil</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>L.D.O./H.S.D.</td>
<td>0.10</td>
<td>0.11</td>
</tr>
</tbody>
</table>

### Consumption per unit of production of Hair Oils and other formulations

<table>
<thead>
<tr>
<th>Unit</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
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<tr>
<td>Electricity</td>
<td>62.58</td>
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<td>Coal</td>
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<tr>
<td>Furnace oil</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>L.D.O./H.S.D.</td>
<td>–</td>
<td>–</td>
</tr>
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